



Opportunity Identification Project

Final Report

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1.0 Executive Summary

The SouthGrow Regional Initiative is a member-driven economic development organization that represents 26 communities in the south-central region of Alberta. In order to achieve organizational strategic goals, SouthGrow activities are focussed on three core business areas;

- Strategic Collaboration.
- Marketing and Communications.
- Economic Development and Innovation.

The Economic Development and Innovation Committee initiated the Opportunity Identification Project to identify, attract and support the further development of industry in the region. The objectives of the project were to provide:

- a) an indication of what is currently occurring in the SouthGrow region in the eight defined industry sectors:
 - Tourism
 - Retirement Living
 - Building Products
 - Environmental Products and Services
 - Architecture, Engineering & Construction (AEC)
 - Health & Bio Industries
 - Industrial Machinery & Equipment
 - Metal Fabrication
- b) the identification of specific potential opportunities in each of the eight sectors identified.
- c) the description and validation of the top eight opportunities in the region in the form of case studies.

Brenda Hunik was retained to conduct the Opportunity Identification Project as per the project Terms of Reference. Information about sector status and potential opportunities was obtained through conducting approximately 30 interviews with business owners/managers in these sectors, as well as other economic development professionals within the region. Additional information was obtained from provincial government sources, industry associations, published reports and news articles.

The key findings of the first phase, the Sector Analysis are:

- There is evidence of sector cluster development in the region. For example, the AEC, Building Products and Environmental Products and Services sector are strongly integrated and reliant on each others success in order to maximize growth opportunities.
- As a result of these clusters, the eight identified sectors are analysed and reported here as five sector analysis.
- In all sectors, a shortage of skilled labour is the predominant factor influencing growth.

- The majority of communities in the SouthGrow region are experiencing unprecedented growth due to increased activity in residential construction. However, there are only a few communities that can attribute that growth to specific industrial/business developments within the community. This suggests a high level of interdependence within the communities in the region.
- The town of Cardston appears to be the exception and is not experiencing the same growth patterns, attributed to the recent closer of two manufacturing firms in the community.
- Many of the opportunities identified are not directly related to the sectors analyzed. Generally, participants within each sector were of the opinion that the sector was fully serviced/developed. For example, several interview participants from the construction sector stated they were satisfied with both the supplies and resources currently available in the region.
- However, gaps or shortages were recognised in areas such as transportation (bus services and truck stops) and personal services (child care, home health care); sectors that indirectly provide support or services for the eight primary sectors.

Of the 38 opportunities identified through the Sector Analysis phase of the project, eight were selected for further development based on their fit with the SouthGrow region. Factors considered in the selection process included perceived market potential and trends, potential for cluster development/enhancement, and synergy/alignment with the Alberta economy.

The eight opportunities selected for further analysis were:

- Recreational Vehicle Park Development
- Child Care Services
- Regional Bus Development
- Green House Development
- Tire Recycling
- Truck Stop
- Home Health Care
- Bus Tours to Heritage/Tourist Sites

The objective of the Opportunity Development phase was to verify the perceived potential for all eight business concepts selected. Each opportunity was researched further in order to provide data and information that would allow potential investors to determine the commitment required to undertake the development.

In all circumstances, additional research is required in order to provide an accurate and complete picture of the opportunity. Generally, there is a shortfall of information in two key areas; financial data and market potential.

The financial data requested is related to the capital investment, operating costs and forecast revenues for each business opportunity. This level of detail is, for the most part, proprietary information held by businesses that are active in the sectors. Though some

portions of the financial data requested was found in the public domain, (i.e. capital investment for a greenhouse) there is no data to correlate that cost to the SouthGrow region. Factors such as land prices, utilities, transportation, labour access and wage rates will all influence costs and in order to offer investors accurate information, should be calculated accordingly.

To access this data, SouthGrow may consider working with an accounting firm(s) who has both the industry experience and the financial skills to forecast financial feasibility for these opportunities.

For many of the opportunities selected, there is also a shortfall in data related to market potential. To quantify the potential number of users of the service/product, market surveys involving a number of individuals, businesses, organizations and institutions in several communities will be required. In most circumstances (i.e. regional bus service), this quantifiable data is required before it will be possible to determine the appropriate business model that will match the opportunity, and then consequently forecast the financial data referenced above.

Next Steps/Recommendations:

The following opportunities will require a feasibility study in order to determine viability as a tangible opportunity for the SouthGrow region.

- Regional Bus Service
- Bus Tours to Heritage/Tourism Sites
- Truck Stop

To verify the following opportunities, greater participation by the businesses, organizations and especially the government bodies that regulate and oversee these personal services will be required.

- Home Health Care
- Child Care Services

Both RV Park development and Greenhouse development are currently taking place in some municipalities and there is sufficient data available to encourage more of these developments for the SouthGrow region.

Lastly, a tire recycling firm had looked at a development for this region and withdrew their application citing concerns from neighbours. This result, when combined with the information available regarding the related businesses in Alberta, suggest that tire recycling is not a viable development for the SouthGrow region.

1.1 Project Objectives

The objective of the project is to perform an analysis of each of the eight (8) industry sectors that have been identified as active in the SouthGrow region. The analysis will respond to two primary questions being asked by the SouthGrow Economic Development Committee.

- a) What is the current condition of each of the following sectors?
 - Tourism
 - Building products
 - Environmental Products and services
 - Architecture, Engineering and Construction
 - Health & Bio Industries
 - Industrial Machinery & Equipment
 - Metal Fabrication
 - Retirement Living

- b) Are there new or value-added developmental opportunities in those sectors that will add economic benefit to the region?

1.2 Project Deliverables

In response to those two queries, project deliverables are defined as:

- a) An industry sector analysis report that details the current status of all eight sectors and identifies developmental opportunities within those sectors, and
- b) Up to a maximum of eight (8) reports specific to the developmental opportunities identified.

1.3 Project Methodology

Based on discussion with the project sponsor and committee chair, the project work plan was developed in response to the project objectives and deliverables as outlined above.

The completion of the project was executed in three Phases

- Phase One, Methodology Development
 - Phase Two, Data Gathering and Analysis
 - Phase Three, Opportunity Report Development.
- a) **Phase One, Methodology Development**

In response to the Project Terms of Reference it was evident that a thorough and purposeful process for gathering information about the eight industry sectors would be critical to ensuring relevant and accurate report findings, and so the process by which this data was obtained was given considerable planning. As a result, three different sources were targeted for information.

- Both the Federal and Alberta governments have recognised some of these sectors as contributing to the economic base. Industry economic indicators or markets trends captured by these bodies were considered as a guideline for identifying and analysing potential long-term opportunities.
- Many industries/sectors also sponsor or participate in provincial or regional organizations that consist of members and companies that conduct business in that sector. The hands-on experience of their members provided a broader range of opinion and in some circumstances, a response to opportunities identified by the government agencies.
- The national, provincial and organizational perspective provided a basis for some conclusion of the developmental opportunities for the SouthGrow region. However, the true potential to develop those opportunities further lies in the fit with local business and industry. Therefore a number of personal interviews were conducted with individuals in the SouthGrow region who represent these sectors. Their insight and knowledge of their local industry base was invaluable to determining which opportunities fit with the region, given our strengths and the current economic conditions.

These respondents were selected from the SouthGrow company database and also included individuals/organizations identified because of their level of activity and interest in the regions development. Interviews were also conducted with each of the Community Futures and Economic Development offices that are active in the region.

The data collected from each of these organizations and individuals is captured later in this report in the section(s) specific to the analysis of each of the eight sectors.

In order to capture consistent, comparable data for each sector and from each interview the interview process was developed to gather information regarding:

- Specific past and present activity (successes, accomplishments, challenges and barriers) as a discussion point to gauge current status/condition of that sector,
- Ask a number of open-ended questions about shortages, gaps, needs and wants to determine what opportunities may exist to meet those deficiencies.
- Probe for ideas about additional developmental activities that may respond to the gaps/shortages previously identified. Areas considered included labour, capital costs, market conditions, available facilities, etc.

Lastly, a review was conducted of other similar studies and documented best practices to ensure the design and delivery of this project was executed in the most effective manner. Those studies and reports are included in the List of References.

b) Phase Two, Data Gathering and Analysis

As an outcome of this methodology a significant amount of data was obtained from the participants. The resulting analysis for each Industry Sector Report is aligned with the four question areas as outline above and provides, in detail.

- A summary of the current status/condition of each industry in the region.
- Identifies any challenges (local and global) that currently, or may soon, affect this industry sector.
- Identifies sectors that are currently stable or show minimal opportunity for further development.
- Identifies all developmental opportunities found within those sectors.
- Identifies those opportunities found that could require further analysis.

c) Phase Three, Opportunity Report Development

Upon review of the Industry Sector Analysis Report by the SouthGrow management team and sponsoring committee, it was determined that a number of opportunities identified required further development.

The criteria for further development of the individual opportunity report was based on several factors:

- Focus firstly on those opportunities that could exist/locate outside of City of Lethbridge boundaries.
- Focus on small-to-medium size businesses that would be compatible with a rural community.
- Included opportunities outside of the eight defined sectors that presented a strong opportunity for development. As a result opportunities in agricultural and alternative energy industries, which are being pursued outside of this project, may be listed and recommended for further consideration.
- That sufficient data was available that would indicate investment required, market demand, access to financing, labour requirements etc.

2.0 Phase Two Results: Sector Analysis

During the interview process, it became obvious that some natural industry clusters are formed within some of these sectors. As a result, following are five sector analysis reports that reflect this outcome:

- 3.0 Sector Analysis – Tourism.
- 4.0 Sector Cluster Analysis – Building Products; Environmental Products and Services, Architecture, Engineering and Construction (AEC).
- 5.0 Sector Analysis – Health & Bio Industries.
- 6.0 Sector Cluster Analysis - Industrial Machinery and Equipment; Metal Fabrication.
- 7.0 Sector Analysis – Retirement Living.

It is important to note that the depth of information offered here is directly related to the degree by which industry was able to participate in the interview process. Some sectors were very responsive, which resulted in information that was very helpful in assessing sector status and potential opportunities. At the same time, those sectors that did not participate are somewhat under-represented in this study and therefore, it would be incorrect to assume there are no developmental opportunities in those sectors. However, it is extremely difficult to ascertain what if any opportunities exist without industry cooperation.

As a case in point, a review of other Economic Development organizations best practices indicates that industry is an active, long term participant in the successful development of new business opportunities.

For future, it may be very valuable to review the processes, strategies and outcomes of the Opportunity Identification projects implemented by the Central Alberta Economic Partnership and the Palliser Economic Partnership; both reported to be very successful initiatives.

3.0 Sector Analysis – Tourism

3.1 A Provincial Perspective

In 2005 Travel Alberta reported 18.7 million visitors to Alberta bringing \$5.13 billion dollars in economic activity. This data, published in 2007 appear to be the most current available regarding tourism activity in the province.

However, Travel Alberta does provide limited information on trends and issues that will likely affect the sector in 2008.

- **Fewer tourists visited Canada, but they spent more.** Tourism spending in Canada increased by 1% in the third quarter of 2007, in spite of a record number (5.7% increase) of Canadians travelling to the U.S. While the total international (U.S. and Overseas) travel to Canada for January through November 2007 decreased 1.3% compared to 2006, the same figure for Alberta was up 9.3%. Increases are attributed to over 374,000 visitors from Mexico, Spain and Brazil. A recession in the U.S. due in part to high gas prices is causing U.S. residents to spend less on discretionary items.
- **Over 50 and looking for a good time.** According to a travel survey conducted by the British Columbia Automobile Association (BCAA), baby boomers in Canada, Australia and Britain are leading the trend for adventure and education vacations, demanding trips specializing in adventures, education, health/spa and culinary experience.
- **What to present at the border as of January 31.** There has been some confusion with travelers about what kind of identification is acceptable for travel between Canada and the U.S. Effective Jan 31, 2008 new standards (and sometimes different) documentation is required for travel by land, sea and air. As yet there are no statistics to indicate what kind of impact this change is having on the travel sector.
- **Edmonton International Airport leads nation in growth.** A record 6.1 million Passengers passed through the Edmonton International Airport in 2007 an increase of 16.3% from 2006, which is three-times the global average. These figures mark the second year that Edmonton has led the nation in growth, with increases of 85.4% from international services, 16.8% from the U.S. and 13.5% from domestic travelers.

3.2 Tourism in the SouthGrow Sector.

The most current data on travel activity specific to the Alberta South region (which includes Medicine Hat and the Crows Nest Pass) is from 2004. Those findings show

- Visitors to the region were predominantly Canadian (91%) with another 7% from the U.S. and 2% from international destinations.
- Their reasons for travel were; 43% for pleasure, 40% visiting friends and relatives, 9% business and 8% other.
- Of the 1.54 million visitors, 52% stayed with friends or relatives
- These visitors spent \$283 million
 - \$75 million on food and beverages
 - \$67 million on retail
 - \$60 million on accommodations

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- \$19 million on recreation
- \$60 million on transportation

For the purpose of this study, organizations were requested to participate based on their involvement with area tourism activities. As a result interviews were conducted as follows:

- Kimberly Lyall, Chinook Country Tourist Association
- Kerry Lowe, Economic Development Lethbridge

Additionally, comments regarding sector status and opportunities were offered from the three Community Future offices and four Economic Development Offices that also service the SouthGrow region.

Key Findings:

a) **Regional tourism sites and venues are experiencing a slow improvement.**

According to Chinook Country Tourist Association, the after effects of 911, BSE and SARS are finally being overcome and there is some slow rebuilding to the number of visitors in the region, though not as strong as in the central parts of the province. And while some sites and events are seeing increased use, this activity is not correlating to increased revenues.

b) **Staffing levels in this sector are an issue.**

While many of the hotels and venues have agreed not to compete with each other on wage rate, the industry is having difficulty competing with both the service and retail sector for workers. Specifically they are experiencing shortages in housekeeping and maintenance staff, resulting in a noticeable difference in properties appearance and cleanliness.

c) **Developing new tourism facilities or sites is not a priority for most communities.**

With the exception of Vulcan and Cardston, there appears to be a lack of enthusiasm for tourism development in the region. Of the 41 communities in the Chinook Country Tourist Association region, only 1/2 are members. Many of these communities see agriculture as their primary economic resources, and attitudes change as municipalities change councils. New projects being developed require significant provincial support and are focused on preserving natural and community heritage.

In Lethbridge specifically, many are of the opinion that there are few natural assets in the city that create the opportunity for development of any new sites. Some of the concerns expressed:

- The demand to resolve issues around housing and infrastructure has taken precedent in most areas.
- Current facilities are under utilized and under budgeted.
- Some areas have insufficient hotel space/accommodations to support further development.
- Better/more marketing activity is required to increase utilization of existing facilities
- Starting new tourism facilities is high risk; considered a high investment for a very slow rate of return (especially when compared to opportunities in the oil and gas sector).
- Lack of air service inhibits ability to capture share of some markets (i.e. Asia, Europe).
- Government support for start-up is only available for three years – which is not sufficient time for a tourism development to become established. Conversely those sites that are

successful receive ongoing government support. Government focus is on developing Alberta's icons – the mountains and the badlands.

d) There are opportunities for growth of existing sites.

As the development of the Canamex Corridor continues, visitor traffic through this region will increase accordingly. Once Waterton Park receives its designation the region will be home to three UNESCO world heritage sites; Mexico the only other similar cluster in North America. This presents an enormous opportunity for increased international visitors. Many other opportunities were identified that would could potentially cause more visitors to stop as they drive through the region.

- A number of ideas were put forward about increased marketing activities, including more highways signs, and clustering between sites that may have similar historical relevance.
- The additional of a district marketing fund that will soon be implemented by the Lethbridge Hotel and Lodging Association is expected to assist in further building the number of room nights sold in Lethbridge.

e) Consumer trends are shifting to shorter, more frequent trips.

Though there is little current data (post 2004) to support these findings on a local level, it is assumed that within the last few years, vacation habits are changing in Canada. Travelers are now taking shorter trips; within a 100 mile radius, of one week duration vs. two and are making bookings closer to the actual travel dates. It is also noted that time stressed travelers are now looking for more natural experiences when they vacation. As a result it appears that there is an increased demand for more recreation developments/sites, i.e. golf, full service resorts that provide camping/cottages/boating options etc.

f) Numerous factors that occur outside of the region have an impact on this sector.

International circumstances (i.e. exchange rates, SARS, safety) have long term impacts on the tourism sector. The higher Canadian dollar is resulting in fewer U.S. shoppers. Confusion and changes over passport requirements have delayed travel decisions for many between the U.S. and Canada.

3.3 Tourism Growth Opportunities Identified

Based on the above analysis of this sector, there appears to be opportunity for new/additional development in the following fields:

Regional Bus Tours	Using Lethbridge as the hub for accommodation, develop a bus tour program that provides day trips to existing area attractions, could be targeted to specific groups of interest (i.e. UNESCO site tours, Waterton eco-tours, aboriginal tours, golf, wind farms).
Ag Tourism	Using Lethbridge as the hub for accommodation, develop a bus tour program based on agriculture development that could be commodity specific and includes on farm, irrigation and processing industry (i.e. potato,) and that ties in to the restaurant sector (or LC culinary program). Some interest from RDF.
Air Travel	Develop more commercial air service into Lethbridge to accommodate tour groups from overseas (i.e. Asia, Europe).

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Stay & Play programs	Hotels/campgrounds in Lethbridge offer rates/packages for venues in the region to encourage drivers to stop in area communities.
B&B	Develop B&B's near UNESCO sites.
RV sites	A number of communities may have potential to develop serviced RV sites close to the town to facilitate more stops. (Could also support seasonal workers).
Sports Camps	Encourage more sports/team visits by sponsoring coaching camps with known athletes where facilities allow (Warner, Vauxhall).
Corn Fest	A grower (or coop) develop and manage a corn maze near Taber
Grain Elevator Heritage site	On a site with existing building(s), add a small interpretive center and other equipment/machinery (perhaps part of Picture Butte tractor club?).
Milk River	Tourism booth (preferable with a fast-food outlet) on new highway to stop and redirect traffic to Writing on Stone. Part of badlands project.
Hi-Way Signs	Develop a recognizable regional tourism sign program that supplements provincial blue signs.
Train Bridge	Train rides across (from old train station to Coalhurst yards and return).
Lake resort properties	Seasonal homes for weekend/summer vacations. Coop program with irrigation districts for profit share.
Trail Rides	To and through historic sites, (i.e. on reserve, writing on stone).
UNESCO sites	Connect correlation between head smashed in and writing on stone through info programs supported by blood tribe.
Day Spa	Should service both leisure and business travelers.

3.4 Recommendations for Further Development.

Generally, southern Alberta is poorly represented in the provinces and associations tourism data. Currently, there is insufficient data available regarding visitor activities at the region heritage and tourism sites to draw any conclusions about the viability of these developmental opportunities in the SouthGrow region.

Further consideration will require considerable research and participation from the local, municipal and provincial tourism departments and associations on order to fully assess these concepts.

4.0 Sector Cluster Analysis – Building Products; Environmental Products and Services Architecture, Engineering and Construction

Based on the size and volume of commercial, institutional and residential development currently underway and planned in Alberta, the provincial government defines and tracks these activities as separate economic sectors. However, given the size of the SouthGrow market, the availability of data and what appear to be many common participants and challenges, this report will present these three sectors as an industry cluster when identifying trends and opportunities within the SouthGrow region.

4.1 A Provincial Perspective

4.1.1. Sector Overview – Architecture, Engineering and Construction

In Alberta the Architectural, Engineering and Construction (AEC) sector has numerous areas of specialization and recognized expertise related to:

- Coal extraction and processing
- Construction management
- Environmental architecture, engineering and construction
- Infrastructure and transportation
- Mining
- Oil and gas exploration, development and processing
- Oil sands development
- Pipeline design and construction
- Project management
- Telecommunications
- Winter construction technology and techniques

Architects convert ideas into three-dimensional solutions. Their work includes presenting design proposals to stakeholders; securing regulatory approvals and protecting client investments and requires they consider all product lines, building materials, and construction methods. This includes developing creative concepts and continuing through design development to contract document preparation. Other architectural services available include facility management, building programming, restoration and renovation planning and environmentally green architecture.

The construction sector is made up of both general and specialty contracting firms and employs both union and non-union trades people. Construction service providers are engaged in industrial, commercial, institutional, and residential construction and also handle infrastructure, renovation, and repair projects, as well as providing maintenance services.

There are over 31,000 engineers and geoscience professionals registered in the province of Alberta; the highest per capita ratio in North America. The majority of these

professionals work with consulting engineering firms and in the oil & gas industry. These firms offer engineering and technical services, relevant to:

- civil, municipal and structural engineering
- geological and geo-technical engineering
- mechanical, electrical and process engineering for hydrocarbon resource development and upgrading
- petroleum and reservoir engineering
- oil and gas production facilities
- transportation and environmental engineering

4.1.2. AEC Sector Status

Alberta's architecture, engineering and construction (AEC) sector comprises over 23,000 businesses that together generate annual revenues of more than CDN\$28 billion. Employment in this sector accounts for 230,600 jobs. Annual exports are valued at over \$492 million, of which over 80% is attributed to consulting engineering and geoscience services. As of August 2007, more than \$220 billion in major capital projects are planned or under construction in Alberta.

4.1.3 Sector Overview – Building Products

Three segments comprise the building products industry:

- Primary wood products - Lumber products, Logs, Wood-based panels (Plywood, OSB, MDF)
- Secondary Wood Products - architectural millwork, structurally insulated panels, trusses and joists, kitchen cabinets, residential and office furniture
- Non-wood building products - PVC windows, steel products and hardware, roofing products, insulated concrete forms, fiberglass and cellulose insulation products, plumbing products, heating, ventilation and air conditioning (HVAC) equipment

4.1.4 Building Products Sector Status

The provinces thriving building products industry reports annual sales of approximately \$9 billion. The industry consists of over 1,200 firms that together employ about 40,000 people in mostly small to medium size businesses specializing in custom work.

The sector exports 29% of what it produces. While primary forest products account for more than 50% of exports from this sector, these companies have also achieved success in cold weather construction technology and export dimensional lumber, oriented strand board (OSB), office furniture, medium density fiberboard, manufactured housing, Portland cement, and glass fiber insulation.

4.1.5 Sector Overview - Environmental Products and Services

Although the environmental sector has its foundations in thriving oil and gas industry, the sector is now growing to include water treatment, waste management and the development of climate change solutions. The environmental sector includes almost 1,330 companies, employs 26,000 and generates more than \$3.5 billion in revenues (2006 Stats Canada).

Alberta's environmental industry is structured differently than the global environmental industry, with approximately 50% of companies involved with soil remediation, 20% with water treatment and 10% with air and climate change technologies.

This sector is now growing to include services based on providing effective solutions to environmental needs. Some of these services include pollution prevention, conservation programs, soil and groundwater reclamation, water and wastewater treatment, air quality management, monitoring and analytical services, waste management, and emergency response.

4.1.6 Sector Status - Environmental Products and Services

The environmental industry in Alberta has experienced a 50% increase in employment over the past 10 years. A recent study estimated that the number of employees performing environmental activities within all companies (including environmental departments in large corporations) could potentially be in the range of 55,000 to 65,000.

4.1.7 Sector/Cluster Trends

a) Strong economic growth leads to high construction demand

Sustained economic growth in Alberta has resulted in strong demand for residential housing and commercial buildings. The housing market in 2007 reported 47,750 new housing starts and is predicted to take a 12% decline in 2008 to 42,250 units. Regardless, national economic forecasts concur that Alberta will continue to lead Canada in economic growth in the coming years.

b) There is a demand for more efficient building products.

There is still a gap between the products manufactured today and desired performance. Therefore the development of high performance building products and systems (walls, floors, windows, doors, roofs) capable of meeting these demands, represent new product development opportunities.

c) The demand for Green building products is growing.

Despite oil and gas commodity spikes, North American homeowners have been slower than their counterparts in Europe and Japan to demand more energy efficient homes and environmentally-friendly building products and practices.

Drivers of demand for these products include energy prices, declining resources such as fresh water and a desire for good air quality. It was estimated in 2005-2006 that the North American market for green building products was US\$15.7 billion.

Several Alberta companies already manufacture innovative green products, such as shingles, pavers and patio tiles produced from recycled tires, high efficiency furnaces and "Energy Star" products for windows and doors. Alberta is also home to Built Green and a number of green communities and has over 90 LEED registered projects underway or completed.

d) The demand for pre-manufactured components is growing.

The trend to assembling pre-manufactured components on site is creating opportunities for the production of wall, roof and floor systems and is shifting demand from primary products such as dimensional lumber and OSB panels, used in the traditional "stick-built" construction. This in turn is reducing the variability in house quality and lessening the need for trades people at the building site.

4.1.8 Sector/Cluster Opportunities Identified

Alberta's strong economic performance is providing new business opportunities throughout the AEC sector. The energy industry will remain one of the main driving forces for this growth. Residential construction, commercial construction, large capital projects and government sponsored infrastructure projects will continue to stimulate growth in this sector for many years.

Although new housing starts will drive residential construction, the renovation market is also expected to perform well, subject to mortgage rates staying at a reasonable level. In the engineering area, service requirements in oil and gas, electricity, roads and bridges, pipelines, transit systems and petrochemicals are expected to be strong.

In response to the high level of economic activity and the demand for new/green building products, the building products industry predicts areas of the greatest potential for growth are:

- a) Dimensional Softwood lumber and engineered wood products: Alberta's six OSB (Oriented Strand Board) facilities account for approximately 15 per cent of the North American OSB market.
- b) Insulation
- c) Roofing shingles. Some Alberta companies are manufacturing shingles from recycled tires.
- d) PVC Windows

- e) Energy efficient building structures (envelopes).
- f) Green Building Products. Including structurally insulated panels (SIPs), on-demand hot water tanks, high-efficiency heating systems, insulated concrete forms (ICFs), fibre-cement products, foam and cellulose insulation, etc.
- g) Pre-manufactured components production. The trend towards assembling pre-manufactured components on site is creating opportunities for the production of wall, roof and floor systems and is shifting demand away from primary products such as dimensional lumber and OSB panels which are used in traditional "stick-built" construction. This in turn is reducing the variability in house quality and lessening the need for trades people at the building site.
- h) Composite building products. Composite building products made from raw materials such as saw dust, wood flour, wood shavings, polyethylene and polypropylene are becoming increasingly popular.

In the environmental sector, areas of growth are predicted in:

- a) Climate change solutions. Focused on increased funding for the development and implementation of greenhouse gas related technologies.
- b) Recycling. Specialized initiatives include recycling programs covering plastics, electronics and tires.
- c) Remediation. Restoring land and water after the production of oil and gas.
- d) Waste Management. To meet solid waste and wastewater challenges.
- e) Water Treatment. Municipal infrastructure is expanding rapidly to meet the surging economic and population growth in the province. Large investment in oil sands mining will require increased water treatment.

4.2 Sector Analysis for the SouthGrow Region.

Statistics published from the Stats Canada 2006 Census show that there are 588 firms in the SouthGrow region that are active in the construction sector and another 444 firms providing professional, scientific and technical services which includes those persons working in the AEC and Environmental sectors. The Conference Board of Canada reports that 75% of all construction firms in Alberta have fewer than 10 employees. Therefore an estimated 8,000 - 12,000 individuals work in this sector cluster in the SouthGrow region.

For the purpose of this study, eleven individual organizations were requested to participate based on their involvement as an architect, engineer, tradesperson, construction manager or supplier of building products or services, including environmental/green products and systems.

As a result seven interviews were conducted as follows:

- Lyal Sakamoto, Wesbridge Construction
- Rick Ursel, King Electric
- Colin Ward, Ward Bros Construction & Chair of the Lethbridge Construction Association
- KB Takeda, Trimark Engineering

- Rudy Reger, Energy Smart Canada
- John Kolk, area resident with many years involvement in environmental program development
- Stan Mills, Sun City Realty & Chair of Lethbridge Real Estate Board

Additionally, comments regarding sector status and opportunities were offered from the three Community Future offices and five Economic Development Offices that also service the SouthGrow region.

It is important to note that the make-up of the environmental sector in the SouthGrow region is somewhat different than the rest of the provinces. Due to the regions lower participation in the oil and gas sector, remediation is a very small portion of activity (vs. almost 50% in the rest of the province). In this region, the majority of activity in this sector is attributed to the development of renewable energy systems (i.e. wind turbines) and structures that incorporate environmental designs and products, which primarily affect the AEC and construction sectors. Therefore, the Environmental Products and Services sector is included in this cluster analysis.

Key findings:

a) Growth in this sector cluster is expected to level off.

Housing starts for the city of Lethbridge peaked at 1,205 new starts in 2007, a record 57% increase over 2006 activity of 766 units. For 2008, the Canadian Mortgage and Housing Corporation data predicts 1,050 new starts for the city. Like Calgary and Edmonton, there is now some residential inventory available, which is resulting in some market corrections in housing prices and slowing the turn rate.

This plateau may also be attributed to the considerable effort by many of the businesses involved in this sector to make adjustments in response to the markets demand. Several companies have increased their staff complement and are using better technology, planning tools and processes to manage what has become a significant work load.

Activity in the commercial, industrial and institutional sector continues to grow. A number of the larger construction firms are currently responding to bids for developments with costs in excess of \$20 million. There is also expectation for additional opportunities as a result of the provincial governments' recent announcement regarding a new capital infrastructure plan.

At the same time, the food processing and value-added agriculture sector continue to be the regions bread and butter, with planned expansions and upgrades in many of the major facilities. (I.e. McCains, LambWeston, Canbra etc.)

b) A shortage of skilled labour remains an issue throughout the region.

In all disciplines, local programs to import and train trades people have been effective at supporting entry-level worker requirements and the industry appreciates and encourages those programs. However there is still a shortage of skilled trades people.

Given the number and diversity of the businesses involved in this industry there is next to no data reporting employment trends for this sector cluster in the SouthGrow region. However anecdotal comments suggest that there are a high number of skilled trades people (10+ year's experience) that will be leaving the work force in the next 5 years. As a result, the industry will be challenged to retain and train entry-level trades people until they acquire sufficient experience.

In the short term, the unionized trades appear to be more stable (i.e. electricians) while some individuals, drawn by higher pay rates, are moving/commuting to Fort McMurray, while others are now returning from the north. Where in the past it has been possible to hire crews (i.e. drywallers) out of Calgary, those resources are no longer available.

The area also has some difficulty in providing the full range of architectural and engineering services required. The architectural firms in the area are small and not as experienced at larger commercial/institutional projects. In order to grow, these firms must develop a reputation over time, something they report it is difficult to do when major projects are not awarded locally.

In the last few years the number of engineering firms in the area has fallen dramatically, due to the purchase of many smaller firms by larger companies. Leading companies like Stantec, SNV Lavin and AMEC have become the dominant players in the field and are now expanding to include architectural services as well. As the oil and gas sector continues to expand, experienced engineers are being continually drawn north at a higher pay rate creating demand for engineers in every sector across the province. As a result it is difficult to attract even the very transient entry-level engineers to this region, as local companies cannot compete on salary. Regardless, this region has a specific need for mechanical engineers, structural engineers and project managers.

As the pace and demand for construction builds, less projects are being awarded by RFP (request for proposal). Instead companies are relying on past experience and relationships to award contracts, which saves both parties expensive time and manpower.

c) Growth in Lethbridge remains aggressive.

In and around the City of Lethbridge there are a number of sites that have land available for commercial, industrial and residential development. Most have infrastructure and services either installed or being completed and the majority successfully market their inventory, resulting in new developments in all areas.

There has been an unprecedented demand for existing commercial/industrial/warehouse facilities within the last 3 years, which has resulted in a very few options for those companies who are looking to expand or start up quickly. This shortfall has also impacted the city's ability to develop further as a distribution hub and fully realize the benefits of its proximity to the US border and excellent transportation infrastructure. Given the demand for planned development and escalating construction costs, very few contractors/developers are investing in speculative construction at this time.

Another inventory shortfall is in the area of rental properties and affordable housing projects. The City of Lethbridge is aggressively pursuing opportunities in this area; however real estate developers are finding it difficult to respond to this demand. Simply put, the return on investment is higher for single family dwellings and there are many community/social issues impeding those developers who do wish to support the need for more diverse housing options in the city.

It is also important to note that the recent start-up of BCI Structures in Lethbridge strengthens the regions position as a manufacturer of prefabricated housing. At the same time, this sector is experiencing some instability due to recent events and some lay-offs. It is anticipated that the development of the Triple M Homes expansion project into Sherring Park will continue to cause growth in this sector.

d) Growth in regional communities outside of Lethbridge is not as consistent and requires further resources.

While most of the SouthGrow communities report positive activity in the construction sector many are experiencing their own unique challenges caused by these increases. Some have identified a shortage of land base required for further development. Others have land but require more developers to respond to the needs of the community for both commercial and residential growth. Others are actively developing water and infrastructure programs to support growth as it currently affects their community. Only Cardston seems to have experienced some downturn with the recent closures of two U.S. based building product companies, due in part to the high Canadian dollar exchange rate.

Interviews with the regional EDO's confirm that the leaders of the SouthGrow communities are aware of the opportunities and challenges they face and many have specific plans and processes in place to address same.

In general the sector reports that the products and services they require in these communities are readily available to them locally. However, it is important to again note that throughout the region, labour and skilled trades shortages are having an impact on this sector.

e) There is a growing awareness and uptake of green building systems and products.

All persons interviewed expressed a belief that throughout the region, there are many opportunities for the growth of green building products and renewable systems. Many construction companies and engineers are already working with environmentally friendly building products; tank-less hot water heaters, geothermal installations and solar light installations the most common.

The uptake of green products is being driven primarily by architects and home owners. Commercial building designs (i.e. LEEDs) that purposefully integrate green materials and systems require engineers and trades to increase their knowledge base and use of these products. At the other end of the spectrum, home owners see the opportunity to reduce energy consumption and want to adopt a greener lifestyle. That these products can cost 20% more than traditional building products no longer seems to be a barrier for many home owners, who now see energy efficiency equally important as esthetics. However those premiums mean that there has been little application into industrial projects where costs are more tightly controlled.

It is estimated that 25% of home builders are now using green products, reported as the slowest group to adopt new technologies and products. Some builders appear to be under informed and therefore respond in-accurately to their customers' requests. It is also suggested that the trades are having difficulty adjusting to these new products and installation processes with the limited time and resources they have available. And some think green building is only for tree-huggers.

Barriers created by numerous regulatory hurdles (one individual reports that he needs 57 permits to complete his green home) are causing a shift from the goal of being "off the grid", to water and energy conservation and recycling solutions. It is also noted that there is an opportunity for municipalities to create conservation programs in communities that would result in better resource utilization and that it is important for all communities in the region to lead by example when developing capital and infrastructure projects. And while there has been a strong emphasis on new waste management methods and technologies on farms for over five years, those practices are not being developed in communities and urban centers.

It is important to note that one of the regions AB Environment approved landfill sites that has been used primarily for building materials will be closed permanently as of March 1, 2008. This will create more demand on other sites in the region. If more green building systems (i.e. LEEDS) are to be utilized, it may require the addition of a building products recycling depot. Currently, steel is the only major building product that is collected locally.

Finally, participants within the sector suggested that there should be ample opportunity for growth from the further development of the biofuels sector, new waste management facilities, and a continued growth in the wind energy industry.

f) The demand for Building Products is being met by the regions businesses and suppliers.

All interview participants report that they are satisfied with the selection and availability of building products within the region. Some recent shortages of specific products have been corrected (i.e. concrete powder, roofing materials) and demand is being met by local suppliers. Like their customers, building product suppliers are experiencing shortages of trained staff and a higher demand for their products, which is affecting the response time for deliveries and services to the construction sector. In response, construction companies have been forced to become more adept at planning and ordering supplies and materials in advance. In spite of predictions by the Conference Board of Canada, demand for materials to support the Vancouver 2010 Olympics has not impacted the supply in Alberta.

All industry participants interviewed stated they would prefer to buy local if possible, making it easier to access service and warranties, even if they might pay a bit more. Many will also import specialty building products from outside the region on a per customer basis. Some companies have considered locating new products and services in Lethbridge (i.e. compacto piling rig used for industrial developments) but believe that the market size remains too small for any profitable expansion or addition of new building products. To quote one construction company owner, "What makes sense here is already here".

4.3 Opportunities Identified

Based on the above analysis of this sector, there appears to be opportunity for new/additional development in the following fields:

Building supplies recycling	A depot to handle drywall, wood and other materials coming from both new and renovations sites
Training	<ul style="list-style-type: none"> • Electricians re wind turbine installs and service • Technology for trades i.e. autocad • Construction project management • Green building products use and installations • Out of province or immigrants re-certify to Alberta code
Energy and Utility Conservation Programs	Municipally sponsored rebate programs for replacing toilets, furnaces, showerheads and hot water heaters

4.4 Recommendations for Further Development.

Overall, developmental opportunities that are specific to this sector appear to be restricted due to shortages of skilled labour and mid-career level engineers and architects. Given these shortfalls and the volume of work already available, few industry participants seemed interested in pursuing growth opportunities outside of their regular activities.

SouthGrow Regional Initiative - Opportunity Identification Project

The current focus is on responding to the challenges that have resulted from the last two years of significant growth, with only a slight easement expected this year.

While there are likely opportunities to assemble and distribute more building products from this area, it would take considerably more detailed research and significant participation from the sector to identify which specific products would provide the best opportunities for viable business development or expansion.

5.0 Sector Analysis – Health & Bio Industries

5.1 A Provincial Perspective

Alberta's strengths in this sector lie with the many world-class researchers and companies with areas of expertise in Bone and Joint Research; Cancer research (Reovirus, Vaccines, Diagnostics, and Epidemiology); Cardiovascular Research; Diabetes and Islet Transplantation Research and Vaccines for Infectious Diseases

The government of Alberta predicts significant opportunity for future development of this industry sector in the following areas:

a) Research - The provincial government has a strong commitment to funding health research which has helped develop a strong biotechnology and medical research community in the province. As a result, the province predicts that Alberta is in an excellent position to benefit from the predicted boom in health and bio-products and services. Many organizations support and participate in this sector:

- The University of Alberta business school specializes in technology commercialization and health management.
- The University of Calgary is known for bioinformatics research.
- The University of Lethbridge is active in neuroscience.
- The Alberta Cancer Board, unique in Canada, coordinates all cancer research, prevention initiatives, and treatment programs in the province.
- Alberta Heritage Foundation for Medical Research (AHFMR) The AHRMR endowment will have \$500 million added to it over the next three years by the Alberta government, increasing the endowment fund's total to nearly \$1.4 billion.
- Alberta Ingenuity Fund The \$500 million Alberta Ingenuity Fund, established in 2000, provides critical funding for research in many areas, including the health and bio-sectors.
- National Institute for Nanotechnology housed at the University of Alberta, is a \$120 million, 180,000 sq. ft. research facility, which is the result of a partnership between the National Research Council, Economic Development Edmonton, the University of Alberta, and the federal and provincial governments.
- Protein Engineering Centre of Excellence headquartered at the University of Alberta, exploits the knowledge created by the development of new protein products, pharmaceutical compounds, and biotechnology tools.
- Alberta Research Council (ARC) houses the largest publicly owned biotechnology fermentation and processing facility in Canada, utilized by organizations ranging from small businesses to large multinational corporations and governments.

b) Biotechnology - The industry spans a wide spectrum of technology areas, including agriculture, health, genomics and proteomics, bioinformatics, and nanotechnology.

c) Medical devices - Medical devices made in Alberta include prosthetics, patient positioning products for surgery and rehabilitation, wound care infection and prevention medical supplies, specialty made contact lenses, soft gel capsules, and products that allow people with physical disabilities to increase their productivity and attain independence (such as wheelchairs).

d) Health services - Health Services expertise includes diagnostic imaging, telehealth, and hospital management. For example, Alberta Wellnet is a province-wide system that uses information technology, video and voice to directly link doctors in rural communities with specialists in major centres.

e) Commercialization Infrastructure – is being developed through government led programs that work with client investors and corporations to transfer technology to the marketplace through the Alberta Technology Commercialization Network, the University Technologies International (UTI) Limited Partnership at U of C and & TEC Edmonton (University of Alberta's and Edmonton Economic Development Corporation's TEC Edmonton (Technology, Entrepreneur, and Company Development).

5.2 SouthGrow Activities in Health and Biotechnology

In the SouthGrow region the majority of the primary health services are delivered by the Chinook Health Region. However there are also a significant number of private health care providers in the region (doctors, dentists, chiropractors, physiotherapists), as well as a growing number of related alternative health care services such as massage therapists, nutrition and health food stores, and fitness centers.

The CHR offers a wide range of programs to a broad base of clients, employing almost 4000 people throughout the region at health care centres in Lethbridge, Fort McLeod, Cardston, Blairmore, Coaldale, Magrath, Milk River, Picture Butte, Pincher Creek, Raymond, Taber and Vauxhall. The CHR proudly reports they are the only health care region in Alberta that has not cancelled surgeries or closed beds and they export the least amount of patients.

Staffing levels are under pressure in all areas of the health region. Up to 1/3 of CHR staff will retire in the next three years. In the outlying regions, shortages are specific to certain skills (i.e. lab and medical imaging) and overall there is a shortage of nurses and some speciality practitioners such as speech pathologists. The CHR is working with both the University and the College to “stay out ahead” of the demand. Due to the increase in the senior’s population, the demographic sector that requires the most amount of care, there is a shortage of licensed practical nurses and health care aides. Younger workers entering the system require more flexible work options, in turn creating demand for more resources and people to accomplish the same amount of work.

There is limited access to information about the biotechnology sector in this region, and therefore very difficult to understand current activities and opportunities. Information

that is available suggests that activities related to this field involve in-depth research in the areas of crop management techniques (irrigation, weed control) at the Lethbridge Research Station, and Neuroscience research at the University of Lethbridge.

At the government level, biotechnology research is conducted on a project basis. Changes to funding allocations, a cut back on staff and a high rate of retirement (predicted at 60-70% in the next five years) appear to be causing a decline of research activities at the Lethbridge research station. Many of the studies currently underway are requested and partially funded by specific commodity groups (i.e. the Alberta Wheat Growers, Alberta Barley Growers etc.) who also manage the knowledge transfer of the research findings. Where viable, extension, or commercialization work is picked up by the private sector or goes to Ottawa for further development.

The limited research that is conducted by the CHR (three to six staff per year) is specific to a project or issue and the data and results are used internally to enhance services and care.

5.3 Growth Opportunities Identified

Based on the above analysis of this sector, there appears to be opportunity for new/additional development in the following fields:

Health Care Attraction Project	Develop a regional program to attract doctors and other select health care professionals to SouthGrow communities.
Fitness Centers	Possible demand for fitness centers in smaller communities due to population growth and increase in health awareness.

5.4 Recommendations for Further Development

Given the limited amount of information available on the biotechnology sector is very difficult to draw conclusions. Access to staff at the university and college would have helped significantly in this area.

CHR oversees or directs the majority of health care activities in the region. Given the amount of supplies/services they require, there may be some opportunity to supply goods that are currently being imported. However, understanding if those options are viable would require considerably more research as well as a measurable amount of time and cooperation from the CHR.

6.0 Sector Cluster Analysis - Industrial Machinery and Equipment; Metal Fabrication

Based on the size and volume of activity in these industries in Alberta, the provincial government defines and tracks these activities as separate economic sectors. However, given the size of the SouthGrow market, the availability of data and what appear to be many common participants and challenges, this report will present these two sectors as an industry cluster when identifying trends and opportunities within the SouthGrow region.

6.1 A Provincial Perspective

Cluster Overview

Alberta is quickly becoming one of Canada's major metal manufacturing centres, behind only Ontario and Quebec. The metal fabrication sector comprises the primary metals, fabricated metals, metal service centre and transportation equipment manufacturing sub sectors. The sector generated approximately CDN\$9 billion in revenues in 2007.

The booming demand from the oil and gas sector is the key factor driving the surge in activity in the machinery sector. Increasing interest in coal bed methane as a source of natural gas is also fueling demand increases in machinery technology. Additionally proposed new facilities to process imported liquefied natural gas are also creating demand on this sector.

Sector Status

It is estimated by the Conference Board of Canada that the average annual growth in real domestic demand for this industry will be 10.3% per year from 2005 to 2009. From 2005 to 2010, Alberta's metal products fabrication sector is forecast to generate approximately CDN\$48 billion in revenues. Of the \$100 billion of new construction and maintenance spending predicted for the oil sands in the next 50 years, much of it will be for fabricated metal products.

The sector includes over 30,000 employees and 1,350 companies, 85% of which have fewer than 50 employees.

Sector Opportunities

The primary activities of Alberta's metal fabrication/industrial equipment sector with the greatest growth potential in the province include:

- a) Architectural and Structural Metals Manufacturing - is the largest component of the fabricated metal products sector, accounting for half of the sector's shipments. Companies involved in the sub-sector build and erect the structural steel for industrial projects like oil sands plants, refineries, bridges, and commercial and industrial buildings.

- b) Boiler, Tank & Shipping Container Manufacturing - Tanks, pressure vessels and heat exchangers used primarily for chemical plants, refineries, bitumen upgraders and gas compression constitute 25% of the sector's overall shipments and is a key opportunity of growth for years to come.
- c) Coating, Engraving, Heat Treating & Allied Activities - includes plating, dipping, powder coating and painting of metal fabricated parts for a wide variety of products. Heat treating of metal products includes all heat and cryogenic treatments for metal.
- d) Machine Shops, Turned Products & Screw, Nut & Bolt Manufacturing - Growth in the sector has been supported by the strong oil and gas sector with shipments increasing by over 18% alone in 2006 from the year before and is expected to remain high.

6.2 Metal Fab and Industrial Equipment in the SouthGrow Region

For the purpose of this study, eight individual organizations were requested to participate based on their involvement in the research, development, manufacture and use of metal components, structures and industrial machinery.

As a result four interviews were conducted as follows:

- Chris Spearman, Palliser Distillers
- Cal Koskovich, National Research Council, Technical Development
- Walter Isaak, Coaldale Iron Products
- Quentin Patten, Charlton and Hill

Additionally, comments regarding sector status and opportunities were offered from the three Community Future offices and five Economic Development Offices that also service the SouthGrow region.

Key Findings:

- a) **The metal fabrication sector in the SouthGrow region primarily serves the construction sector.**

Like the sectors they serve, the companies interviewed have been challenged by labour issues in the last few years, and which are easing now that construction projects are starting to level off. As a result of the increased activity some companies have been carrying a higher inventory. A recent slow down of new projects coupled with the higher Canadian dollar is causing some caution in this sector. Areas for further development are anticipated from the development of wind and biofuels projects. Demand for specialized equipment is expected to continue from the manufacturing (food processing) sector who continue to re-tool and refine their processing systems to reduce costs and create environmental/energy efficiencies. As reported in the construction sector cluster report, there appears to be new opportunities for the development of warehousing and distribution centers.

b) Some of the regional communities provide services to the oil and gas sector.

Some servicing of the oil and gas sector is being provided by metal fabrication companies in Taber, Lethbridge, Vulcan and Claresholm. Taber has a long list of companies that provide a number of services to the oil field, including electrical, welding, tank management, inspection, construction, maintenance, excavation, trucking etc.

The Blood Tribe is also developing a process to evaluate new opportunities for servicing the oil and gas sector in their region.

6.3 Growth Opportunities Identified

Participant's interviews could offer no suggestions for new developments in this sector.

6.4 Recommendations for Further Development

The SouthGrow region has limited proximity to the bulk of oil and gas developments, where most of the growth for this sector is forecast. Therefore, opportunities for growth are related to the construction sector and have been captured on that sector cluster report.

7.0 Sector Analysis – Retirement Living

7.1 A Provincial Perspective

In Alberta, seniors constitute about 10 per cent of the population. Currently, Alberta is home to approximately 357,000 people aged 65 and older, with about 44,000 seniors aged 85 and over.

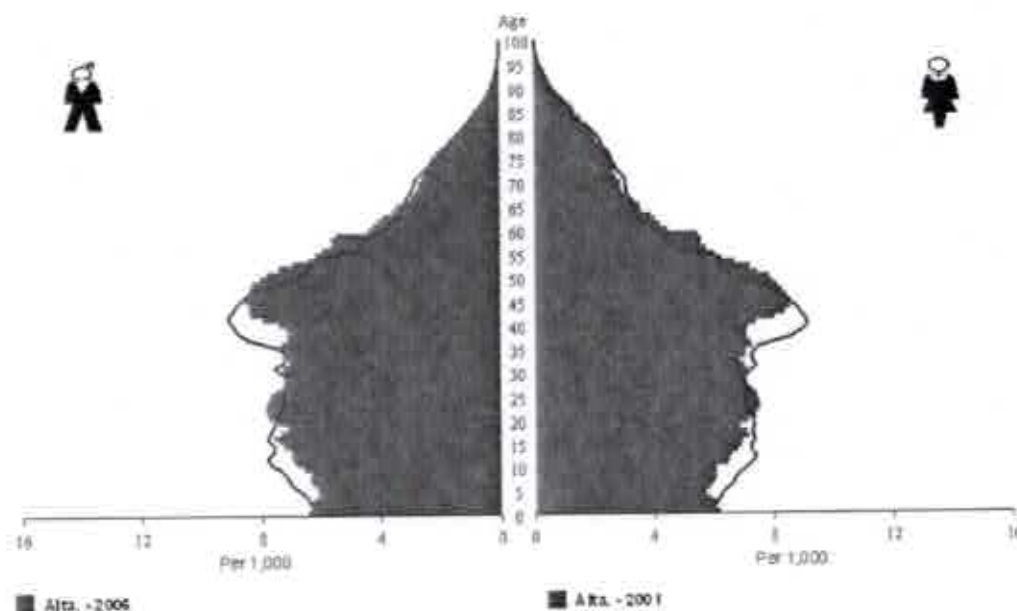
As is evident throughout the rest of Canada, this “baby boomers” segment of the population will continue to grow, creating a bigger demand for seniors living options.

Approximately 35,000 Albertans are accommodated in supportive living, which includes senior’s lodges, designated assisted living units, auxiliary hospitals nursing homes and other supportive living environments that may be entirely or partially funded by the province.

For the most part, housing for seniors is designed to respond to their health, lifestyle and ability to self-care. The provincial government’s Ministry of Seniors and Community Supports has recognised that there are a number of challenges and trends that will continue to affect the demand for accommodations for seniors.

a) Aging Population.

Over the next decade, the number of Albertans aged 65 and over is projected to grow by more than 40 per cent as the baby boom generation reaches its senior years. This group will likely have different skills, abilities and expectations from current seniors; living longer while expecting to remain in their communities and maintain their independence. Statistics Canada says the numbers of retirement-aged Canadians in the workforce will continue to increase — in less than 10 years, one in five people in the workforce will be aged 55 to 64.



Stats Canada 2006 Census

b) Work Opportunities

An increasingly tight labour market is resulting in a shortage of skilled workers, particularly in the health and human services sectors. At the same time, options such as flexible work arrangements and pension programs are encouraging mature workers to stay in, or re-enter the work force.

c) Rising Cost of Living

The increasing cost for items such as rents, utilities, and gasoline and insurance impacts senior's ability to access affordable housing programs and supports.

d) Emerging Technologies

Advances in medical equipment, such as power lifts, power beds, augmentative communication devices and prosthetics may allow more seniors to remain at home longer versus moving to long-term facility care.

e) Increasing Complexity of Needs

The next generation of seniors will have increasingly complex needs which will require a range of coordinated supports and services (i.e. physical and developmental disabilities, addictions, mental health issues etc).

f) Shift to Community-Based Supports

The provinces shift from facility care to community-based care will cause seniors to return home after shorter hospital stays or have their ongoing health and personal care needs met in their own community. This shift will also cause the province to redirect their funding from the acute care system to programs that will help seniors stay in their communities.

g) Changing Environment for Caregivers

The health system is facing a shortage of paid caregivers, which results in increased pressure on unpaid caregivers, such as family members or friends. For those people, the increased pressure can result in reduced quality of life, increased financial burden, and economic loss from increased absenteeism and stress-related health impacts.

7.2 Retirement Living in the SouthGrow Region

Stats Canada 2006 census data reports that the SouthGrow region is home to almost 18,000 seniors age 65 and older.

For the purpose of this study, seven individual organizations were requested to participate based on their involvement with seniors and in developing seniors housing.

As a result three 45 minute interviews were conducted as follows:

- Liz Findley, Green Acres Foundation
- Marlene Van Eden, Lethbridge Seniors Citizen Organization (LSCO)

- Maureen Hephner, Extendicare (Lethbridge, Vulcan and Fort McLeod)

Additionally, comments regarding sector status and opportunities were offered from the three Community Future offices and four Economic Development Offices that also service the SouthGrow region. Lastly, given the correlation between senior's residences and the health care sector, information received from the Chinook Health Region (CHR) was also considered in this analysis.

Key findings:

a) The SouthGrow region continues to respond appropriately to the need for increased retirement living options and capacity.

Currently, all of the organizations that provide or manage retirement housing have a waiting list. To meet this growing demand, there are up to seven new projects under construction or being considered for development within the next 5 years and which will be located in Lethbridge, Cardston, Taber and Raymond. Most of these projects are joint ventures between the CHR and the service providers they contract with, including Good Samaritans, Extendicare, Green Acres and Medican.

Additionally, the private sector is independently developing enhanced/assisted living facilities that are being met with very favourable response from the community.

b) Seniors are demanding more diverse and better quality residential options.

Retirement living facilities in this region mirror other types of accommodations that are available in the rest of the province, and include;

- Condominiums
- Enhanced living (i.e. the View)
- Assisted living (daily assisted facilities that include apartments and lodges)
- Long term care (formerly called nursing homes)

This diversity in the types of residences has evolved over the last ten years and is in response to the secondary factors that also mirror those identified by the provincial analysis.

Overall, seniors in the region are healthier and living longer. As a result, many are making the move from their primary residence to a retirement home much later in life, often into their 80's. However they still want to maintain an independent, active lifestyle, thus demanding options to the more traditional full care nursing home atmosphere. As a result, assisted living facilities offer kitchenettes in suite as well as communal dining, exercise equipment, computer access and many social programs, in addition to varying degrees of trained health care support.

These assisted living facilities are in effect filling a gap between the primary home and the long term care facilities, which are seeing a growing number of patients' live past their 100th year.

c) Home care services for seniors' are in demand and will continue to grow.

As seniors are staying in their primary homes longer, there is an increased demand for home care services. Those services fall into two categories

- Health related, including support with medications, doctor visits and personal hygiene
- Property related, including snow removal, housekeeping, yard care services and minor repairs.

Currently both areas seem to be under-serviced. Most agencies or businesses that provide these services are extremely busy. Further, the levels of support provided to seniors from provincial programs means that, in many cases, these costs must be absorbed by the seniors' themselves. When combined with rising costs for housing, transportation, utilities etc., there is a concern amongst employees in this sector that many seniors simply cannot afford this extra help (one interviewee predicts that only 10-15% of seniors can afford). Where in the past family, friends and neighbours were helping to provide these services, new cultural trends that are particularly impacting the larger communities, like higher mobility and over-taxed volunteers, are resulting in less support from those sources.

d) There is a shortage of staff to service this sector.

It is important to note that these organizations all report a shortage of staff, which impacts their ability to provide services to seniors. The types of jobs required for home care services and in the facilities are considered somewhat lower skilled, and there is a high turnover of workers in this sector due to the lower pay for work that can be both physically and emotionally demanding.

Aside from the opportunities in home care, this sector is also seeing shortages in Licensed Practical Nurses (LPN's), housekeeping and food services staff. Most have introduced programs to develop new entries and have addressed wage rates in order to become competitive with other sectors. However, as new facilities open over the next three to five years, these demands will continue to grow.

As these new job are filled by younger trained individuals, it is an anticipated there will be an increased demand for more daycare services for shift workers

e) Growth in this sector will continue to create more demand on other sectors involved in the design, development and supply of large construction projects.

The ability of these businesses and organizations to house more seniors is dependant on the ability of the construction sector to complete new facilities. While there is confidence that the projects will be completed, there is a growing overall concern about the escalating costs and length of completion time that is currently impacting all new developments.

7.3 Growth Opportunities Identified

Based on the above analysis of this sector, there appears to be opportunity for new/additional development in the following fields:

Home health care services	Small business opportunity to develop a group of trained staff to regularly visit seniors in their homes and provide basic health care services.
Childcare services	Small business opportunity to provide accredited child care services to shift workers. These services are required in all communities in the region.
Handyman services	Small business opportunity to develop a group of entry level trades people to provide small home repairs and maintenance services to seniors still living in their primary residence.
More retail options directed at seniors	i.e. apparel for ladies 55 – 75 who may still work
Expanded entertainment/recreation options for seniors	<ul style="list-style-type: none"> • Dinner theatre • Exercise/gym programs specific to seniors needs/lifestyle
Training and staff development	<ul style="list-style-type: none"> • Introduction training for health care entry level positions & health care aides, (i.e. intro to trades) • Training programs for all health care positions • “Customer Service” (attitudinal) training for younger, entry level workers

7.4 Recommendations for Further Development.

Of these opportunities identified, the areas of home care and training appear to be the most viable as a business development opportunity and best respond to the needs of the region. However in order to fully determine their viability, it will be important to understand the status and challenges of those industries as well, which were not included in this study.

Should SouthGrow management request business case development for either of those opportunities, further information would be required about the status and growth potential of those corresponding business sectors.

8.0 Other Assets and Opportunities Identified:

As a result of this study, there were a number of potential growth opportunities identified outside of these defined sectors, and that if pursued may create additional economic activities in the SouthGrow region. Areas of interest/comment include:

- a) Ability to grow and manufacture new types of foods/produce.
- b) Opportunities in environmental development
 - Create renewable energy systems (and spin-offs to supply and manufacturing)
 - More recycling and conservation programs
- c) More opportunity to get Federal funding for regional programs – better regional cooperation required.
- d) Don't lose focus/attention from alternative energy opportunities
 - Lots of potential for further development outside of biofuels
 - Not a short term project – takes 30 years to develop this (any) sector
 - More involvement from LC and U of L.
- e) Important shift in growth of younger families – appears to be better retention of post secondary grads. Accredited to new investments at LC and U of L and better professional jobs being developed here (i.e. engineers, management and health sector)
- f) Volunteerism is down. Community members are tired and busy. Younger population is not interested. Even new retirees, formerly very active volunteers, are less interested now.
- g) It is important to note that many sectors and communities recognise that water will become a growing issue in years to come, and that it will be important to develop new/alternate policies (and procedures) for managing that supply and demand.

Create a regional food culture	develop and export new/specialized food products include added-value ag processing (center for development) include local artists and chefs (LC culinary program) use existing science and research (research station and U of L)
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SouthGrow Regional Initiative - Opportunity Identification Project

On-farm Wind energy project	Based on existing pivot placement Use corners as sites for 40-50 kw turbines Electrical infrastructure has been installed with pivot Allow owners to net meter Create cooperative program for are farmers to bundle excess energy and sell to grid or local municipality Needs independent entity (privet/public partnership) to negotiate net metering, sign up farmers, get permits, do the installs etc
Business Owner Replacement Strategy	Create and alliance between SouthGrow and local realtors for those businesses who want to sell vs. close. Provides more services and exposure to broader base of clients (i.e. international) that may be looking at Alberta/region.
Opportunity Database	Create a central storage for ideas generated (and any related research) that may fit other communities/regions. Include ideas that come from other development program like RDF, AB AG etc.
Green Houses	Encourage development of greenhouses in the area (flowers, produce, herbs etc)
Regional Bus Service	Require increased transportation options between reserves and area communities (FT. McLeod, Lethbridge, Nobleford, Cardston, Claresholm) New manufacturer on reserve and Police college in FT McLeod Increased housing starts in all communities = increased numbers of commuters More students between reserve and post secondary More self-service agencies developing on reserve
Land Mine Detection	Consider opportunity fro development of land-mine detection in conjunction with Suffield, U of L satellite imaging, lunctus and LC justice program
Gaming Technology	Develop an incubator for gaming (software) developers
Restaurants	Mid-size communities (i.e. Taber, Cardston, and Coaldale) could support another family style restaurant – Boston Pizza is very busy. Also room for smaller fast-food outlets.
New Policy Development	Current government will be changing focus to policy development. SouthGrow communities should understand how they can proactively participate.
Truck Stop	Encourage the development of a full service truck stop near Lethbridge – no longer convenient to stop in Calgary.
Water Broker	A private service established to assist new developers in sourcing and negotiating sufficient water supply. Irrigation districts do not have the resources Involve all the municipalities and irrigations districts to have comprehensive approach

9.0 Phase Three Results: Opportunity Development

Based on the information provided above, the SouthGrow management team choose eight of these potential opportunities for further development.

Those opportunities are:

- **Recreational Vehicle (RV) park development**
- **Child Care services**
- **Regional Bus Service**
- **Green-housing**
- **Tire Recycling**
- **Truck stop**
- **Home Health Care**
- **Tour bus development**

The original intention of this phase was to provide verifiable market and financial data that would allow investors to quickly assess the opportunity. However, it became apparent that industry benchmark information to compare market size, capital and operating costs is almost non-existent in the public domain. A logical explanation is that these types of businesses for the most part are operated by private companies and that type of information is held as proprietary data.

As a result, the scope of the project was reduced and the following Opportunity Reports reflect that change.

It is the opinion of the author that in order to verify if these opportunities are viable, then a pre-feasibility study is required to accurately reflect the nuances and needs of the SouthGrow market. In a similar study conducted by the Central Alberta Economic Partnership, it appears that industry played a leading role in helping define and quantify opportunities for that region. And while some existing business models can likely be applied to the SouthGrow market, a significant amount of new research will be required to quantify true market potential. Driven by the individual feasibility study, that research may need to be as broad as to include the municipal bodies, businesses in the community and major service organizations (i.e. health, school and seniors).

9.1 RV Park Development

Opportunity Description:

Communities in SouthGrow that are situated on primary highways may benefit from the development of a recreation vehicle campground (RV Park) to accommodate campers, trailers and motor homes. In some circumstances, these campgrounds may also provide alternate temporary living solutions for seasonal or casual workers.

To accommodate these types of vehicles, a campground should be developed for year round occupancy, with individual water, power and sewer services and paved, pull-through sites with parking for both the RV site and a passenger vehicle. Other on-campground amenities such as laundry, showers and shopping may be of benefit and will require further analysis in the development of the projects business plan.

Market Scan:

A report published by Alberta Tourism, Alberta Recreational Vehicle Development Study, October 2001, offers a detailed analysis regarding the use and forecast demand in Alberta for RV campgrounds. Some of the many key findings include:

- U.S. RV ownership is expected to grow by 21% to 2010, putting 1.1 million additional RV units on the road and in the RV campgrounds during that period. At an average usage level of 15 days per year, this implies an increased demand for 16.5 million additional RV camping nights in North America by 2010.
- The baby boom generation is the major force impacting the RV market, a trend which continues as this population ages. RV ownership is forecast to grow in the order of 20-32% in the coming decade or more based largely on this demographic.
- In the Alberta South tourism destination region (TDR) there are 65 campgrounds that have services suitable for RV's, (18.1% of the provinces total) offering 5,003 individual sites (15.1% of the provinces total).
- It is estimated that 690,000 household camper-nights are spent at campgrounds in the south TDR annually. At average daily expenditures per travel party of a conservative \$50 Canadian, these direct expenditures of this camping market are over \$3.4 million annually. It is estimated that 70%-80% of these campers are RV campers.
- Private operators account for a very significant share of total RV campground market. More importantly, these operators are the major operators providing the full hook-up and pull through services preferred by a good portion of the market.
- National Parks and Provincial Parks and Municipal Recreation Areas do not specifically focus on services for the RV camper, although their campgrounds are used by RV owners.

A number of communities in the SouthGrow region offer extraordinary tourist attractions, but have limited fixed roof accommodations. These same communities are situated on major highways, including the Canamex corridor, which service a significant amount of north-south traffic volumes.

The primary focus of the Chinook Country Tourist Association has been to develop programs targeted at southern Alberta residents to encourage travel within the region and which may also translate into increased demand for RV campgrounds in the region.

Highway 3 runs east/west from Medicine Hat through to the BC Border and records approximately 6,341 vehicles per day of which 3.1% or 195 units are classified as recreational vehicles. (Alberta Transportation, Traffic Volume Statistics Report, 2007)

- Communities situated on this corridor include Taber, Coaldale, Lethbridge and Coalhurst. Lethbridge is the transportation hub for the region and the juncture of highways 3, 4 and 5.
- Major attractions on this route include the CP Rail Hi-level Train Bridge, Fort Whoop-up, the Galt Museum, Nikka Yuko Japanese Gardens in Lethbridge and the Alberta Birds of Prey Center at Coaldale.
- Based on a study commissioned by the City of Medicine Hat, there is a strong case for twinning Highway 3 through Lethbridge to the B.C. border. This would link Medicine Hat and other Southern Alberta communities to the CANAMEX trade route, and provide another major east-west highway to potentially relieve traffic stress on the TransCanada Highway 1 through the City of Calgary. (Alberta Transportation, The Transportation Sector in Alberta: Present Position and Future Outlook, 2004).

Highway 4 runs between Coutts and Lethbridge, carrying approximately 3,351 vehicles per day, of which 3.5%, or 117 units, are classified as RV's. (Alberta Transportation, Traffic Volume Statistics Report, 2007)

- SouthGrow communities on this route include Warner, Stirling, Milk River and Coutts.
- Major attractions near Warner include the Warner Hockey School and the Devils Coulee Dinosaur & Heritage Museum. Milk River is the gateway to the World UNESCO site, Writing on Stone National Park.
- The 24 hour Coutts-Sweetgrass crossing, although only ranked as the 10th busiest border crossing in Canada, has consistently had the largest annual percentage increases over the last six years, and recently being among the few to show a positive increase in border crossings. (Alberta Transportation, The Transportation Sector in Alberta: Present Position and Future Outlook, 2004).

Highway 36 is the secondary north-south route in Alberta and services the oil and gas fields found in the eastern half of the province. Between Warner and Taber, Highway 36 carries 795 vehicles per day, of which, 3.5% or 28 units are classified as RV's. Between Taber and Vauxhall that number increases substantially to 2,434 vehicles per day, of which, 2.3% or 53 units are classified as RV's. (Alberta Transportation, Traffic Volume Statistics Report, 2007)

- SouthGrow communities situated along highway 36 are Vauxhall, Taber and Warner.
- Highway 36 is also the gateway to the Alberta Badlands and a number of related historical sites.
- The Taber/Vauxhall area is home to a number of oil and gas service businesses that have need for temporary/seasonal housing for field workers. Fixed roof

accommodations in both of these centers offer a limited number of rooms. Both communities are currently working to attract a hotel development.

Highway 5 runs between the Waterton Lakes Park boundary and Lethbridge, carrying 2,434 vehicles per day, of which 1.8% or 443 units are classified as recreational vehicles. (Alberta Transportation, The Transportation Sector in Alberta: Present Position and Future Outlook, 2004).

- SouthGrow communities on this route include Cardston, and Magrath.
- Major attractions are the Waterton Lakes International Peace Park, the Remington Carriage Museum and the Alberta Temple at Cardston.

It is important to note the success experienced by the RV park recently developed in Vulcan. Though not situated on a major highway, the owner (who also owns and manages the adjacent PetroCan station) is very satisfied with its use and is considering adding another 30 year-round sites to the campground. His customer base is temporary workers, tourists and off the highway traffic.

Investment:

The owner of the Vulcan campground estimates development of each fully serviced year round site at between \$10,000 and \$20,000. The price of land and engineering costs should be considered additional and will vary based on the location, topography and utilities available to the site.

Next Steps:

- The data reported in the Market Scan above is from 2001. Given the significant economic activity in the region since that time, it would be prudent to conduct a deeper market evaluation to measure changes, if any, to the number and type of sites available in the region. For example, it is unlikely the study includes the Vulcan site. Furthermore it is also likely that the per diem expenditures by RV owners are significantly higher.
- Municipalities that operate campgrounds may want to take note of the changing demands for facilities. Strategies to convert existing sites may increase revenues.
- It may be useful to determine if there is a correlation between agri-tourism and campground development, potentially as another revenue source for primary producers who may already own a non-producing area of land.

Funding Programs:

Potential sources for funding for Tourism based developments include:

- Community Futures Development Corporations - This federal government program provides loans up to \$150,000 to new and existing businesses. Visit the Community Futures Network Society of Alberta for more information and to access the listing of regional offices in the province.
- Canadian Tourism Commission (CTC) The Canadian Tourism Commission has produced a number of publications containing useful information regarding the financial aspects surrounding tourism business.
 - Industry Relations: - Finding Funding - Ten Steps to Meet Your Financial Needs (2003)
 - Guidelines Report - ABCs of Financial Performance Measures and Benchmarks for Canada's Tourism Sector (2003)

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- Research Report - Towards Financial Performance Measures and Benchmarks for the Canadian Tourism Sector (2002)
- Technical Reports - Building Tools For Better Business Decision Making (2004) and Beta Test Results of the Financial Analysis for Tourism Operators Website

All potential developers are encouraged to contact the Department of Tourism Development & Services for support with Resource Management and Development, Destination Development and Product Enhancement and Tourism Business Development and Investment.

Tourism Development & Services
Alberta Tourism, Parks, Recreation & Culture
6th floor, Commerce Place
10155 - 102 Street
Edmonton AB T5J 4L6

Tel: 780.422-1362
Fax: 780.427-0778

Other Development Resources:

Part of the process in developing a tourism project may involve dealing with land and regulatory issues. To facilitate this process Alberta Tourism has developed the Tourism Development Handbook.

- The Tourism Development Handbook was developed on behalf of AED in 1991, and updated by staff of the Tourism Development Branch in 2003. It provides information and guidance for developers and investors undertaking land based tourism development projects. Specific information is provided as it relates to the regulatory and permitting processes associated with Alberta tourism development.

If you are considering the development of a commercial tourism or recreational facility on public lands, the Alberta Tourism Recreational Leasing process (ATRL) will assist you.

- The ATRL is designed to recognize the business requirements associated with these kinds of developments. The process ensures that applications for commercial tourism and recreation developments on public lands are reviewed in a prompt and efficient manner, while meeting the government's commitments to economic diversification and environmental protection.

Other government departments that may require approval for a campground development include Municipal Affairs and Alberta Sustainable Resource development.

9.2 Child Care Services

Opportunity Description:

Anecdotal comment from a number of interviews suggests that southern Alberta is experiencing a growth in the number of young families in the region, particularly in the rural areas. This is supported in part by statistics related to population changes in the County of Lethbridge from the Stats Canada 2006 Census. Additionally the Chinook Health Region (CHR) reports an increase in demand for maternity services, suggesting there is some validity to these opinions.

The CHR and the seniors care sector interview candidates suggested that the parents in these families are also required in the workplace. Currently both sectors report employees who are asking for more job flexibility, even within shift-work and part-time positions.

As a result, these same interview candidates suggest there is a growing demand for more child care options that possibly include weekend and evening care.

Market Scan:

In Alberta licensed child care facilities operate under regulations and standards set by Alberta Children and Youth Services and by doing so, can be eligible for funding support. Other non-licensed child care providers offer private babysitting, day-homes and playschools.

In August 2006, there were 69,267 child care spaces in Alberta. Of these, 59,269 were located in licensed facilities:

- 43% (25,409) were in day care centres;
- 25% (15,093) were in nursery schools;
- 1% (513) were in drop-in centres; and
- 31% (18,254) were in programs for school-aged children.

In addition, 9,998 child care spaces were available in agency-approved family day homes. In August 2006, Alberta had 92 approved family day home agencies and 2,624 day home providers. (What We Heard: Alberta's Consultation on the Creation of Child Care Spaces, Alberta Children and Youth Services, Sep. 2006)

There are only 5 child care businesses listed in the Lethbridge and area 2007 Yellow Pages. However, the Alberta government website lists 15 licensed companies in Lethbridge, as well as two in Standoff, one in Picture Butte, one in Cardston, one in Taber, one in Claresholm and one in Vulcan.

Stats Canada 2006 Census reports the number of children in the region as follows:

	0-4 years	5-9 years
Taber	515	570
MD of Taber	595	660
Claresholm	135	185

Lethbridge	4,235	3,950
Cardston	245	280
Cardston County	270	310
County of Lethbridge	815	930
Raymond	275	275
Vulcan	85	110
MD of Vulcan	255	270
Warner	15	15
MD of Warner	305	310
Coaldale	420	400
Picture Butte	100	115
Coutts	20	20

There are no regional statistics published as to the number of providers, the type and quality of care and the number of spaces available.

It is assumed that in smaller rural communities, most care providers are both unregistered and unlisted, getting referrals through family, friends and school associates.

Recently there was much public attention brought to the case of a Lethbridge daycare that was in jeopardy of closing. In this circumstance, the response from the parents who used the facility suggested that there were few options available for alternate care. (Lethbridge Herald, Dec. 2007)

More recently, Premiere Stelmach announced the development of an enhanced child care program that suggests better access to accredited spaces for lower-income families.

The September 2006 report, *What We Heard: Alberta's Consultation on the Creation of Child Care Spaces*, Alberta Children and Youth Services offers the following caveat to developing more child care spaces:

"the challenges related to child care staffing were cited as a significant barrier to creating child care spaces. The ability to provide spaces is directly tied to the ability to recruit qualified child care staff because of low child care worker salaries. The consultation results show widespread recognition that quality programs are delivered by well-trained staff who deserve to earn a competitive wage for their work. In every focus group, operators indicated that they were running at less than full capacity because they are unable to recruit and retain qualified staff. The problem is particularly acute for infant spaces, which require higher staff-to-child ratios. Finding staff for extended-hours spaces is also difficult."

Other findings reported:

- 50% of child care operators and 70% of businesses who responded to the survey would consider partnering with other business or community groups in order to create new child care spaces.

- The business community is active in supporting child care services throughout the province. They participate through a diverse array of programs developed to suit the individual company and which can include corporate purchases of child care space, corporate donations to cover child care program operating costs, direct financial support to help employees with child care and user fees. Others offer on-site child care programs, flexible work hours, job sharing and work-at-home arrangements to help employees meet their responsibilities as parents.
- Nearly one in three child care operators who responded to the online survey are planning increases to their child care program. Fourteen percent of the planned spaces are earmarked for infants; 68% are designated for children under six.
- Space shortages are an issue in some regions of the province, particularly in rural and northern communities, Aboriginal and Francophone communities, and rapidly growing urban centres. Alberta also has space shortages for infants and toddlers, children with special needs, extended hours programs and part-time or drop-in child care.

Regulatory Approvals:

In Alberta, a license is required under the Social Care Facilities Licensing Act to operate a child care facility. However, the operator of a private babysitting facility does not require a licence as long as not more than 6 of the children for whom care is provided, including the operator's children, if any, are under 12 years of age.

Accredited Family Day Home agencies monitor and support the care in family day homes and help parents find suitable placements. Family Day Homes offer parents a formal child care service in a family setting where care meets specific standards for caregiver-to-child ratios, health, safety and child development.

Investment Information:

To forecast start-up costs, a business operator will need to consider the following factors:

- If the childcare facility is to be located in a commercial setting, approximate current market lease rate is approximately \$12-\$15 per square foot. The Alberta Child Care Regulation specifies a facility must provide up to 3 meters of indoor space per child, as well as up to another 4.5 square meters of outdoor space per child.
- Given the current economic climate, compensation for child care employees will need to be competitively structured for the immediate market.
- The approving government body provides a list of mandatory services and supplies that will need to be considered in forecasting both capital and operating costs.

Funding Programs:

- The Alberta Child Care Accreditation Funding program builds on the development of the accreditation model to assist day care centers and family day home agencies to become accredited and support the recruitment and retention of trained, qualified staff in the field of early childhood education and development through grant funding opportunities. As well, Children's Services recognizes child care programs that have achieved the accreditation standards of excellence by providing program and staff funding at enhanced rates.
- Making Space for Children: Child Care Space Creation Innovation Fund provides eligible owners and operators with a one-time start up grant to help promote the creation of new child care spaces.
- Staff Attraction Incentive Allowance Trained child care professional, who have been out of the profession for at least six months and have the desire to return, may be eligible for the Staff Attraction Incentive Allowance, up to \$5,000 over two-years.
- Child Care Bursary Program Bursaries are available to off-set the educational costs for staff working in day cares, family day homes, out-out-of school programs and nursery schools who have the desire to aspire to leadership roles in the child care field.
- Information on all regulatory guidelines and funding programs can be accessed through the regional office of Southwest Alberta Child and Family Services Authority (ACFSA).

Next Steps/Recommendations:

- A business operator that is considering starting a day care should work closely with the local ACFSA office to help quantify the opportunity for more child care spaces in the region.
- Municipal bodies may consider facilitating a joint initiative, licensed, child care development program with community business and organizations to support higher employment levels in their communities.
- The success of any potential development will be contingent on the business operator to attract and retain qualified childcare workers. Careful analysis of the amount and availability of those workers in the immediate market area should be conducted prior to any start-up.

9.3 Regional Transportation (Bus) Service

Opportunity Description:

It is the opinion of several business owners and EDO's in the region that a regional bus service would provide an economic benefit to some of the communities within the SouthGrow region.

The ongoing economic activity and developments in the communities that have specific growth initiatives underway suggest that a bus service could be successful by providing services and schedules that would:

- allow more residents to commute for new job opportunities in surrounding communities.
- encourage day trips for shopping and visiting friends and relatives.
- provide transportation options for existing programs with senior's organizations throughout the region.
- provide transportation options for post secondary students.
- provide transportation for non-emergent medical purposes.

Motor Coach Canada, Inc.(MCC), the main spokesman for the bus industry, reports that the industry provides scheduled services to 3000 communities using 3000 buses, providing up to 60 million passenger-trips through 295 companies employing some 15,000 people. MCC further states that each bus contributes \$7-10,000 per day, per coach, to the economy and directly supports a total of 169,000 jobs in the country in all its functions. (Alberta Transportation, *The Transportation Sector in Alberta: Present Position and Future Outlook*, 2004.)

Market Scan Summary

The Blood Reserve at Standoff: Registered Population 10,062 (Department of Indian Affairs and Northern Development)

The members of the Blood Tribe represent the largest aboriginal group in Canada. From a demographic perspective, these residents are predominantly young families, with an increasing demand for education and community services.

In response, the Blood Tribe are developing a number of on-reserve initiatives to respond to those needs while also creating employment for their members. Those initiatives include member-run organizations to manage child services, band administration, health and education programs, land and economic development, oil and gas exploration and tourism development.

A Texas based company, Morgan Buildings and Spars, has recently opened a new facility at Standoff, manufacturing housing components for export to the US, employing up to 100 staff at this facility.

A recent study conducted jointly by Economic Development Lethbridge, the Blood Band Chief and Council and The Aboriginal Council of Lethbridge shows significant interest in a transportation service that allow members to move between the reserve and neighbouring communities. This same study demonstrates there is an interest from many Lethbridge based organizations to provide support or partner on such an initiative. Those groups include the City of Lethbridge, Lethbridge College, the University of Lethbridge, the Industrial Association of Lethbridge and Treaty 7 Economic Development.

Currently there are approximately 200 members living on reserve that attend Lethbridge College, as well as a number of members that live in Lethbridge, Cardston or Fort McLeod and commute to the reserve for work.

Nobleford: Population 689 (Stats Canada 2006 Census)

Nobleford has experienced significant growth in the last two years, with a very successful new housing development and the expansion of a manufacturing business, AgGrowth Industries and Edwards Group. As a result, Nobleford is attracting a number of younger families from the larger urban centers and village officials have forecast another 40% growth by 2010. A regional bus service that connects Lethbridge and Nobleford would allow residents of these communities to explore new employment options without having to relocate.

It is noted that a portion of the AgGrowth Industries workforce commutes daily between Lethbridge and Nobleford. At one point the company provided bus service for those employees, but has since switched their focus to incentives for building residences in Nobleford.

Cardston: Population 3,475 (2004, SouthGrow Community Profile)

Unlike the rest of the region, Cardston has recently experienced a down-turn in economic activity due to the recent closure of two manufacturing companies. However that leaves many opportunities for residents of Cardston to look for new work in the region and which may likely open up some availability of housing in that community. The community of Cardston is well positioned to benefit from the increased economic activity on the Blood reserve and other surrounding communities by providing workers for those projects and housing for additional workers drawn to the to the region because of these developments.

Additionally there are a number of Blood Tribe members who live in Cardston that would use a transportation service between the community and the reserve.

The community is currently assessing the need for a service that would provide transportation to/from Lethbridge for medical appointments. The Chinook Health Region is also one of the towns' major employers which may create additional opportunities for transporting both workers and patients between Cardston and the Lethbridge head office/main facilities.

Additional opportunities to link under-employed residents between Cardston, Magrath, Raymond and Lethbridge could also be considered.

Taber: Population 7,671 (2004, SouthGrow Community Profile)

It's assumed that there are a large number of commuters between Lethbridge and Taber. To verify, it will be necessary to take a business-by-business count of workers to determine if a bus service can convert some of those drivers out of their cars. The Alberta Transportation and Infrastructure 2007 Traffic Volume Statistics Report records that there are approximately 8,600 passenger vehicles per day on highway three between Lethbridge and Taber.

In quantifying use, it will be especially important to also consider the volumes of workers moving between the communities of Barnwell and Coaldale (population 6,104 – 2004, SouthGrow Community Profile) and the manufacturing facilities operated by McCains, Lamb Weston, and Rogers Sugar.

Next Steps

In order to quantify the feasibility for this opportunity, a number of additional steps and significantly more information/research are required:

- As gas prices rise and there is increased concern about environmental impacts. It will be important to understand how/if that concern can translate to uptake of public transportation, and to what market niche (ie under-employed, students, seniors etc)
- A number of community specific studies will need to be conducted to quantify market potential for such a service. It is encouraging to note that all of the community representatives contacted about this business opportunity responded very favourably. Therefore, it would be advantageous to work closely with the municipal bodies, businesses, organizations and institutions within the service region to identify the numbers of individuals that could use this service.
- A transportation provider may want to consider an agreement with specific industries or companies, perhaps as a component of the employee benefit program, to help encourage and secure employees that reside in neighbouring communities.
- It will be equally important to understand and quantify barriers to use. Inter-city bus scheduled rider-ship declined from 46 million riders in 1970 to 14 million in 2001, according to the December 2002 Report of the Standing Senate Committee on Transport and Communications.
- Data will be needed to determine if bus travel is a cost and time effective alternative to driving and if so, if that is sufficient reason for current drivers to switch. It will also be important to quantify the number of individuals that may use the service that are not currently driving.

- It will be necessary to work closely with the members of the Blood tribe to quantify use and possibly structure agreements with the organizations and companies active on the reserve to support regular rider-ship.
- The town of Cardston is actively seeking solutions for current economic challenges. A transportation company should approach the town leaders to design regional services that would target select user groups.
- Future developments in Fort McLeod may also contribute to use of a regional bus service in that area.
- Current community handi-bus services should be considered for potential inclusion in this regional network.
- Community based senior citizens organizations may be able to provide information on potential market demand from that sector.

Investment/Cost Summary:

Given that the majority of bus companies are privately run, data on costs and revenues are mostly proprietary and not published. Therefore it will be important to conduct a feasibility study to determine market size and consequently, forecast operating expenses and revenues. Other EDO's have worked with a team of industry participants to quantify this info; a model that may also be considered for further development of this opportunity.

Capital investment costs will be based on several components:

- Location of the maintenance and terminal facilities and if a reservation service is required.
- Once market demand is quantified, a business can determine what communities to serve, on what schedule and consequently, the type and size of bus required for those routes. An internet search shows that current market value for a newer model 25 passenger bus costs approximately \$75,000, while a newer model 47 seat "Greyhound" style bus costs approximately \$300,000.

Operating costs will be determined by forecasting:

- fuel consumption, which will be dependant on the number and type of bus used (size and fuel type(gas or diesel)) the routes that are served and the frequency of service.
- the number of staff required to dispatch, drive and service those buses.
- whether a reservation system is deemed necessary.

Funding options to be explored include:

- The Alberta Rural Development Fund was created to fulfill a commitment by the Government of Alberta to support communities, regional alliances, government departments and not-for-profit organizations in kick starting community-building projects that would contribute to the growth and prosperity of rural Alberta. Program guidelines and information can be found at www.ruralalbertasfund.com
- Alberta Infrastructure and Transportation administers a number of municipal grant programs in partnership with Alberta's cities, towns, villages, summer

villages, rural municipalities and Metis settlements. The grant programs provide financial assistance to municipalities for capital-related transportation, water/wastewater systems and, core municipal infrastructure needs. Program guidelines and information can be found at www.infratrans.gov.ab.ca and look for Rural Transportation Grants.

- The Treaty 7 Economic Development Corporation (T7EDC) provides services to Treaty Seven members both on and off Reserve in two distinct areas. T7EDC delivers small business development services through a funding agreement with Western Economic Diversification and Labour Market development services, also through an agreement with Human Resource and Social Development Canada (Services Canada). More information is available at www.t7edc.com.
- The delivery Services branch of Alberta Employment, Immigration and Industry offers programs for temporary staff/support for administrative functions. More information about this program can be found by contacting the SouthGrow office at 403 381 5414.

Regulatory Guidelines:

- The National Safety Code (NSC) is a set of 16 standards used by all Canadian jurisdictions to enhance the safety of truck and bus carriers. Under the NSC, carriers must obtain a Safety Fitness Certificate and maintain an acceptable safety fitness rating.
- In addition to obtaining a Safety Fitness Certificate an Alberta Operating Authority Certificate may be required for individuals providing a service of transporting passengers. This includes charter, scheduled service, private, industrial or non-profit bus operations.
- Alberta Infrastructure and Transportation conducts audits, which use NSC standards to measure a carrier's compliance to both administrative and on-road legislation.
- For more information or to apply for a Operating Certificate contact:
Manager, National Safety Code and Operating Authority
Alberta Infrastructure and Transportation
Vehicle Safety & Carrier Services
4920 - 51 Street
Red Deer, AB T4N 6K8
Ph: (403) 340-5444
Fax: (403) 340-4806

Target Firms:

Companies that may be considered for this business venture would preferable have proven experience in public transportation. Some existing Alberta companies that currently manage similar services include:

Cardinal Coaches
Southland Buses

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Red Arrow
Coast Mountain Bus Lines
National Motor Coach
Traxx Coaches
Brewster Transportation

9.4 Greenhouse Development

Alberta Agriculture offers a thorough report on developing a greenhouse business. This report, "Starting a Commercial Greenhouse Business in Alberta" is authored by Dr. Mohyuddin Mirza, Greenhouse Industry Development Specialist, Crop Diversification Centre, North, 17507-Fort Road, Edmonton, Alberta, Canada, T5Y 6H3. Phone: 780-415-2303, Fax: 780-422-6096, email: mohyuddin.mirza@gov.ab.ca

The report includes information on marketing options, benchmark capital costs (\$15-\$25 per square foot, not including land), the different types of crops that can be grown in Alberta and costs associated with each which normally result in a 6-10% return on investment.

According to Dr. Mohyuddin's report,

"Success in the greenhouse business requires a well-defined market, a good location, significant capital dollars, a well-planned production system, people skills and experience in dealing with the "mechanical" necessities of the business. A successful business requires knowledge of plant management in terms of vegetative and generative actions, computerized controls and their use, good diagnostic skills and abilities to digest and use current information to increase productivity per unit area of the greenhouse."

In the SouthGrow area, there are a number of greenhouses that cater to the landscaping sector growing and marketing flowers, shrubs and trees. They include;

- Country Blooms Garden Centre, Broxburn Road
- Dan's Greenhouse, Lethbridge
- Garden City, Magrath
- Green Haven, Lethbridge
- Hilltop Greenhouse, Monarch
- Rehoboth Christian Association, Coaldale
- Shaughnessy Greenhouses, Shaughnessy
- Sunnyside Nursery, Taber

It appears that there are very few commercial greenhouse vegetable growers in the region. However, DeVry Vegetables at Picture Butte and Rainbow Greenhouses at Iron Springs have both been developed within the last few years, indicating some growth in this sector for the region.

Commercial greenhouses require significant amounts of energy and as a result are often suited for development next to an existing facility that emits energy (i.e. convertible gases). A consistent supply of water is another factor for consideration when siting a greenhouse. There is no data available to indicate if any of the regions facilities incorporate solar power.

It is important to note that green house development is seen as an agricultural development. Therefore, SouthGrow may consider including the development of green houses as part of the regions agricultural diversification strategy.

9.5 Tire Recycling

Given the high level of interest in environmentally sustainable opportunities, SouthGrow management selected tire recycling as a potential new business development for the region.

Opportunity Description

In Alberta, there is a \$4 recycling fee that is charged for each new tire sold. This fee is collected by the Alberta Recycling Management Authority (Alberta Recycling, www.albertarecycling.ca). Alberta Recycling uses this fee to manage the collection of used tires and also provide incentives to a number of established companies that recycle these tires.

Betty Gray is the current head of the Tire Program at Alberta Recycling (1 780 415 8362) and provided the basis of information for this report. Currently there are four million tires collected in Alberta each year. Three companies shred the used tires into "crumb", and another 10 company's further process the crumb into secondary products like dairy bedding, pour-in-place surfacing, roofing products and feed troughs.

There is a high demand for the recycled products from the tire crumb; more than can be meet with the current production levels, which suggests there may be room for growth in this sector. In 2009, the surcharge may also be applied to off-the-road (OTR) tires, which may increase the number of tires available for processing.

However, Alberta Recycling also reports there are significant barriers to entry:

- High capital investment: one tire shredder costs in excess of \$500,000 plus shipping, currency exchange and possible equipment conversion for shredders imported from the European Union.
- All the tires currently being collected are being processed by the existing companies. It is unknown how many tires are not being collected.
- Their information suggests that to be financially viable, a company must be able to process 1.5 million tires.

Market Scan:

Alberta Recycling reports that there are 1.8 million tires per year collected from the southern region, all of which are distributed to the three existing crumb companies via a distribution center in Calgary.

In 2006 AFAB Technologies of Innisfail, submitted a development application to the County of Taber to construct and operate a tire recycling plant. That application was withdrawn by the company at the development appeal stage. Economic Development officials in Taber report that some of the surrounding residents objected to the development because of perceived environmental impacts. AFAB currently operates one tire pyrolysis facility at Innisfail.

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In 2005 AFAB Technologies participated in a project sponsored by the Central Alberta Economic Partnership (CEAP) in which they jointly developed a business case for attracting manufacturing investment into that region. The resulting report Central Alberta Manufacturing Investment Pilot Project, May 2005, offers the following data:

Product:	Tire Pyrolysis,
Company:	AFAB Technologies Inc., Innisfail, Alberta
Business Case:	Pre-revenue R&D company, Patent pending process
Investment:	Partner for engineering design and marketing Venture capital for design and prototype Venture capital for first commercial plant \$2M in 12 -24 months \$2 – 4M for retained interest in each plant
5 year Projection:	7 – 10 plants in North America Cost of \$10 – 14Mfor an 18 furnace plant

AFAB Technology Ltd.
Attention Dave Schroeder
Suite 409,
234, 5149 Country Hills Blvd. N.W.
Calgary, Alberta
T3A 5K8
www.afabenergy.com

9.6 TRUCK STOP

Opportunity Description:

Information gathered from the interviews also suggested that there may be potential for a truck stop to be located in the SouthGrow region.

Market Scan:

These recommendations are based on the following market indications:

With the development of the new Canamex corridor, Alberta Infrastructure has proposed a new segment that will divert the heavy traffic currently using highway three Crownsnest Corridor through Lethbridge (see diagram). Construction of this corridor has not yet been scheduled to commence, although some area residents report the province has begun purchasing land along the proposed route. (Alberta Transportation; Lethbridge Trade Highway Functional Planning Study, Feb 2006).



There do not appear to be any transportation studies published that forecast changes to the traffic flow patterns in the SouthGrow region as a result of this new development.

In the 2004 study, *The Transportation Sector in Alberta: Present Position and Future Outlook* published by Alberta Transportation, it is noted that the Alberta Motor Transportation Association advocates the need for more rest areas with separation from the highway, spaced efficiently at 125 km +/- apart.

Other report findings show:

- Alberta accounts for a full 25% (145,000 units) of the total heavy truck population in Canada, of which 35,000 commercially licensed units carry the bulk of commercial freight into, out of, and within the province.
- Total traffic volume (including automobiles and recreational vehicles) in Alberta is increasing by 3.5% per year, and over the next 10 years could increase by 40%.
- Registrations of heavy trucks, by contrast, have increased by 270% in the last 10 years, reflecting the rapid economic growth in the province.
- The 24 hour Coutts-Sweetgrass crossing, although only ranked as the 10th busiest border crossing in Canada, has consistently had the largest annual percentage increases over the last six years, and recently being among the few to show a positive increase in border crossings.
- The customs center at Coutts-Sweetgrass services approximately 300,000 truck crossings per year.
- Truck volumes at this crossing have increased 9.1% per annum over the last 10 year period.

According to the Alberta Transportation 2007 Traffic Volume Report, tractor-trailer volumes in the area are:

Route	between	and	% of weighted average daily traffic classified as tractor-trailers	Daily average Total Tractor-trailer units
Highway 36	Warner	Taber	20.7%	165
Highway 36	Taber	Vauxhall	18.7%	455
Highway 4	Lethbridge	Coutts	24.1%	807
Highway 3	Hwy 25	Lethbridge	7.4%	1,687
Highway 3	Lethbridge	Taber	7.8%	766
Highway 5	Waterton	Lethbridge	2.6%	63

As the transportation infrastructure grows, it seems apparent that the need for more commercial services to support the transportation industry will also be required. However there is little/no economic data to support that assumption.

In the U.S. NATSO (www.natso.com) is a national trade association representing travel plaza and truckstop owners and operators. They report the U.S. highway services industry represents approximately 55,000 facilities and employs up to 1.8 million individuals. There are approximately 4,500 travel plazas and truckstops, employing approximately 115,000 people. Travel plazas and truckstops pump three-fourths of all diesel fuel sold at retail in the United States. The typical travel plaza or truckstop employs 75-95 individuals and has annual sales of about \$7.8 million

Services provided at these facilities include:

- Convenience or retail stores (97%);
- Check cashing (98%);
- Private showers (89%);
- Free parking (93%);
- Buses welcome (82%);
- Public fax machines (81%);
- Restaurants or delis (77%);
- Platform scales (59%);
- Laundry facilities (58%);
- Truck repair (50%);
- Internet services (39%);
- Emergency road service (63%);
- ATM machines (91%);
- Security/local police patrol (54%);
- Load boards (75%);
- Postal service (53%);
- Truck washes (28%);
- Hotels or motels (28%);
- Driver lounges (48%);
- Recreational vehicle facilities (23%);
- On-site fast food (51%);
- Church services (38%);
- Food court (15%);

It is interesting to note that there are several firms in the U.S. that specialize in developing feasibility studies and business plans for truckstops and travel plazas.

The lack of information available about similar facilities in Canada suggests that the industry is either too small or under-represented.

The general manager of Alberta Motor Transportation Association (www.amta.ca) advised by phone that monitoring or recording commercial services (specifically truckstops) does not fall into their mandate. He was unaware of any associations in Canada and was confident that there is no benchmark data on the industry in Canada. An internet search found only U.S. based information.

Investment Required:

The TruckStop Opportunity profile published by the Central Alberta Economic Partnership offers brief information regarding the investment required. They quote:

- An initial investment of at least \$100,000 is required to operate as a franchise and increase as scale of operation increases.
- An investment between \$325,000 and \$750,000 is required to establish an independent operation, depending on the options and amenities offered.

There is no supporting information regarding facility size or location so it is unknown if land prices have been calculated into these figures.

Next Steps/Recommendations:

Given the current volumes and projected increases for truck traffic in the region, it may be desirable to conduct a feasibility study regarding this opportunity. Specific attention will need to be given to quantify:

- the locations and types of current facilities within the region.
- the demand for facilities in the region given driver tendencies and distances hauling.
- the opportunity to franchise.

A media bulletin on the CAEP web-site announced that following the results of a recent feasibility study, the Alberta Government supported the purchase of a truck stop along the Highway 2 corridor. Before committing additional resources to a study for the SouthGrow area, it would be beneficial to try and access that information through internal government sources.

9.7 Home Health Care

Opportunity Description:

As per the findings in the Retirement Living Sector Analysis Report, trends indicate that seniors are staying independent, that is living in their own home and providing their own care, much longer.

As a result, there is an increased demand for home care services that include support for health maintenance (i.e. doctors' visits, medication etc) and can also include services such as light cleaning, personal hygiene and nutritional supports.

Market Scan:

Given the demographic profile of the region and the increasing seniors' population, both the health care and seniors residential sectors report a growing demand for home health care services.

Currently there are a number of home care providers in the region. The Chinook Health Region provides home care services to eligible seniors; the cost of which is covered under the provincial health care program. Private companies that also provide these services include Greystoke, We Care Home Health (a national franchise), Quality Care, and Paradigm Wellness.

It is projected that by 2021, one in five Albertans will be seniors. In 2005, seniors accounted for approximately 10.5 percent of Alberta's total population. (Alberta Seniors and Community Support, A Profile of Alberta Seniors, May 2007).

In the SouthGrow region, seniors age 65+ make up 20.8% (18,000) of the total population. (Alberta Employment, Immigration and Industry, South Central Region Economic Indicators, Sept 2007).

Next Steps/Recommendations:

- There is no data available that quantifies the number of seniors that require, or would use, a home care service.
- It is interesting to note that the private home care providers in the region did not respond when asked to participate in this study. Their insight would be very valuable in quantifying this opportunity.
- Consultation with experienced health care delivery service organizations/companies (ie the CHR) will be necessary to better assess this opportunity.

9.8 Bus Tours to Heritage/Tourism Sites

Opportunity Description:

Two interview participants who are involved in the tourism sector suggest there is opportunity to develop Lethbridge based bus tours that would visit area tourism and heritage sites.

The concept is to attract both international and Canadian visitors that could be drawn to the area because of convention activity or an interest in agri-tourism, heritage sites or eco-tourism. Based in Lethbridge, a bus tour company could provide day trips to the unique sites in the SouthGrow region including:

- Head Smashed in Buffalo Jump
- Waterton International Peace Park
- Writing-On-Stone Park
- The Dinosaur Trail at Milk River
- The Remington Carriage Museum at Cardston

Market Scan:

Economic Development Lethbridge reports that next to Mexico, the Lethbridge area will have the biggest cluster of UNESCO World Heritage Sites, which includes Head Smashed in Buffalo Jump, Writing-on-Stone and Waterton International Peace Park. As a result it is assumed there will be an increased interest in the area by visitors from a variety of regions and demographic types.

Alberta Agriculture and Rural Development has begun to actively support the development of agri-tourism sites as a business diversification option for Alberta farmers. The 2003 Travel Activities & Motivation Survey shows that 34% of the Canadian travel market have participated in at least one agtourism activity while travelling in the previous two years, with Albertan's having the highest participation rate (43%). However, to date there is no inventory of or data about agtourism sites in the SouthGrow region, so it is unknown if the sites are available that match visitors interests.

Published by Alberta Tourist, the Post Summer 2007, Alberta Tourism Operators Survey report highlights the condition of the tourism industry in Alberta by observing that:

- The staffing issue remains the most critical factor to Alberta operators. Hiring and retaining suitable domestic employees is difficult in an era of high wages and low unemployment.
- Albertans once again vacationed close to home this summer and were the backbone of tourist travel in the province. As more people migrate to Alberta, they are exploring their new home and an important "visit family and friends" market has developed.
- American visits to Alberta were fewer in number across the province. Closer parity to the U.S. dollar and border issue uncertainty was the major reason given by respondents. In the international travel market, Alberta and Canada have lost

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their allure to long haul American visitors seeking a more exotic vacation experience. Alberta is no longer considered price competitive to vacations in central Europe and Asia.

- Visitors from the United Kingdom, Central Europe and Australia remain strong international markets for Alberta. Asian visitors, led by the Chinese, came in similar or slightly increased numbers in 2007.

Generally, southern Alberta is poorly represented in the provinces and associations tourism data. Visitor stats are available for only three of the regions primary sites.

	Annual visitors	Source
Waterton International	363,000	2006 total. Frequently Requested Alberta Tourism Stats, Oct 2007
Head Smashed In Buffalo Jump	77,000	2003-2004 Total. 2005 Report, Economic Impact of Provincial Heritage Facilities in Alberta, March 2005, Alberta Tourism Culture and Recreation
Remington Carriage Museum	23,000	2003-2004 Total. 2005 Report, Economic Impact of Provincial Heritage Facilities in Alberta, March 2005, Alberta Tourism Culture and Recreation

Next Steps/Recommendations:

There is insufficient data available regarding visitor activities at the region heritage and tourism sites to draw any conclusions about the viability of this opportunity for the SouthGrow region.

In order to begin to understand the market potential and costs of such a venture, significantly more research will be required. It will be critical to conduct a feasibility study that engages each of the target sites as well as Travel Alberta, Alberta Tourism Recreation and Culture and Parks Canada to determine if a commercially operated bus tour program into these sites could be undertaken.

10.0 List of References

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- Understanding our Four Segments – Key Buying Groups, 2006, Travel Alberta
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- Tourism in Alberta South, A Summary of Visitor Numbers, Revenue and Characteristics - 2004, 2006, Policy and Economic Analysis, Alberta Economic Development
- Tourism Issues Update – Briefing Jan.31, 2008, Alberta Tourism Parks Recreation and Culture
- A Guide to Chinook Health Services by Community, 2007, Chinook Health Region

APPENDIX

11.1 - PROJECT INTRODUCTORY LETTER



105, 200-5th Avenue South
Lethbridge, AB, Canada T1J 4L1
Phone (403) 381-5414
Fax (403) 381-5741
info@southgrow.com
www.southgrow.com

January 15, 2008

To Whom It May Concern:

SouthGrow Regional Initiative is a member-driven, non-profit regional economic development alliance for south central Alberta, encompassing twenty-seven communities with a total population of over 140,000. SouthGrow's mission is to encourage regional collaboration, focus on regional economic development issues and ensure the south central region has equal opportunity for growth and development within Alberta's global possibilities.

In line with our mission, the Economic Development and Innovation Committee has contracted Brenda Hunik to gather information and identify investment and expansion opportunities in the region in a variety of sectors, including tourism; building products; environmental products and services; architecture, engineering and construction; health and bio industries; industrial machinery and equipment; metal fabrication; and retirement living.

Over the next few weeks, Brenda Hunik will be contacting and interviewing key individuals in the region in order to gather information so that unique opportunities and challenges may be identified. I would appreciate it if you would assist her so that SouthGrow Regional Initiative can use the valuable information gathered and compiled within the scope of the opportunity identification study in order to develop business cases designed to create investment within the region for the benefit of all residents.

I thank you in advance for your valuable time and appreciate the assistance you give to SouthGrow Regional Initiative.

Best Wishes,

Linda Erickson
SouthGrow Regional Initiative



APPENDIX
11.2 - Transcripts of Interviews

1. Trever Broadhead – Economic Development Lethbridge

Tourism

- bigger job is attracting visitors to existing sites
- Expansion/new development not seen as beneficial as current inventory in underused
- new Lethbridge based DMF should fill that gap (estimated \$250,000 per year)

Building products

- new development on reserve
- triple M moving to Sherring and expanding (had shopped the region)

Construction/AEC

- Lethbridge only city in Alberta to have year over year increase in housing starts
some comments that city other large institutions should shop locally
lots of activity due to strong land inventory
- availability of labour still an issue
 - available facilities is an issue
 - companies want to move now
 - Warehouse space is at a premium
 - builders could consider spec development for industrial growth

Environmental

- general response that people would like to see more, but don't know what
- some gov't programs in place (ie C&H will pay inspection fee to replace furnace and apply for govt rebate)

Health & bio

- more subject to political influences
- potentially opportunities with U of L and CHR for more commercialization

Industrial Machinery and Equip

- food processors need specialized and custom
- Sector specific, is it not viable to start up for a few customers
- energy equipment still a potential (ie wind turbines)
- Potentially some pos in biofuels equip – currently comes from EU

Trends

- available space is at all time low
- less interest from US based companies
- weaker US economy – Dell is pulling out of Edmonton
- strong CDN dollar
- appears there is better retention of post secondary grads
- supported by younger population stats
- LC and U of L investments in change seems to be working
- LC customized training
- U of L 2011 new health sciences and management centers

2. Leslie Warren – EDO Vulcan

Tourism

Community project in place to bring more traffic from the truck stop (14,000 stops per year, yoy increase of 1200)

Program to dress up main street

Bringing in outside contractors for analysis and support

Possible cash card program(successful in Stettler)

Vulcan (star trek) theme will build

Some residents/businesses not enthusiastic for theme (not trekkies)

Economic impact has not been measured – data collection needed

Local recreation sites bring lots of camper/boaters

Little services/amenities geared to that group

Little bow resort and McGregor having impact

Volunteerism is down

People already working lots of hours

Younger population does not have the same attitude

Pressures on rural communities asks even more from those who will/do help

Gov't support for community programs is dwindling

ie RDF is very hard to secure – want new innovative ideas

Rural communities don't have the expertise/skills to meet the requirements

Significant effort to make a proposal fit their criteria

Ag sector

Is stable – some downturn

Ethanol project is on hold

5 farm auctions this winter near Champion (retiring)

Some younger farmers coming back into area

B&B ag in Mossleigh example of strong potential

Retirement living

Senior pop is growing

- Lodge has a waiting list

- Extendicare has a facility, also long term care at the hospital

- Long term care facility at Carmangay (dementia)

Need for more assisted living facilities

Need for palliative care

Hutterites will do some house work

Need for in home care, snow removal & yard care

Need respite for family of seniors

63 acre site at golf course sold to 50+ living

Golf course expanding to 18 holes

3 phases sold

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Construction

Also see some family housing

Need for affordable

District heating project still proceeding

Development of regional water line between Carmangay and Vulcan

Possibly creates opportunity for water co-op

Carmangay - \$95 per lot to celebrate 95th anniversary

Stimulated 15-20 new lots

Local builders are active

New co building tresses

New developer from Okotoks

Employing most existing pop

4 new homes on Little Bow road – younger farmers & families

Trends

Some commuters to Calgary now (ie 4 members of Calgary fire department)

Still not as many as Lethbridge

Some development of technical businesses in Vulcan

ie bringing in trades training trailer this summer

Website re consumer reports of tech equip get 4.3 million hits per month

Web based travel agency catering to single women

Oil and gas service industry has doubled

RV resort has a waiting list for longer-term rentals, possibly expanding

Some staff shortages in all sectors

health care ok

Closed maternity ward approx 18 months ago, but beds still active

Program to attract & retain Dr's in place

Lots of high school students working

Opportunities

Match ag investors to businesses (like the tourism symposium)

Share and fund RDF projects that are proven to work in other communities

Stop reinventing the wheel

Communities need support for infrastructure as well

Small business owners (retiring) need help to sell existing businesses so they don't close

Look for buyers/investors outside of the region (ie Europe)

Currently not supported by realty community

EDO's cannot focus on retaining community assets

3. John Lockhart – CF HighWood

Area has seen aggressive growth

65% of high River pop commute to Calgary

Housing market is levelling off

Commercial development is needed

to create local jobs,

to sustain local tax base, which is falling

disposable income also left in Calgary

Opportunities

MD of Willow Creek has good land base

And natural assets

Opportunities for Biofuels projects, value – added ag sector

\$100 million wind project proceeding

Warehousing and manufacturing based on good transportation infrastructure

Smaller demand for water

Vulcan

Switch from ag 95% of activity to oil & gas now at 52%

Technology development program will be new

Could support call center, data entry businesses etc

Demand for residential

Cargill buses 200 people per day between High River Calgary

Should approach developer and company about an affordable housing

development near Vulcan (easier commute, better quality of life etc. more

affordable housing than Calgary)

Tourism ops

Build on trek station

Must be tied to community & businesses

ie walking connection to Down town

reface downtown businesses with theme

Seasonal recreation opportunities around the lakes

Room for more golf courses

4. Mark Fournier – CF Lethbridge

Manufacturing

Inventory is higher – up to \$2 million vs 1

Work level is consistent

Demand for volume has dropped off, so likely see a correction/retooling to production

Exporters have less margin to work with (CDN dollar)

No impact to jobs – yet

May be some opportunity for smaller entry level co, but financing is an issue

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Govt programs are not enough to maintain long term
High investment projects are limited – except in oil & gas

Seniors care is an issue in all regions
Tourism – better opportunities in Pass and Pincher area
 Limited natural resources
 Ag tourism has not been realized

Construction/Trades
 Are still turning away work
 However, Calgary and Edmonton are sitting on housing inventory, so should expect a slow down to come
 May also result in better quality work/products

Call centers are saturated

Ag/Alt Energy
 New greenhouses near Iron Springs
 Probably room for more – good labour source

Technology
 Small business/commercialization for gaming programming
 Maybe an incubator?
 Several inquiries sent to other regions

Opportunities with Suffield
 Ie land mine detection
 Could attract those research extensions here

Professional services
 Are strong , seing profs move from Calgary
 Work for consultants – need those who understand the area/market

Issues
 Need better coordination of development in the region to access bigger funding sources
 need more development of ideas that benefit smaller communities
 reduce the amount of time asked from private sector
 consider smaller projects

What happened to SAAEP?
 Still considerable opportunities
 Work with LC and UofL to develop further
 Should be a 20-30 year plan, don't expect overnight success
 Still have natural resource assets, other regions to be developed

Employment

- Skilled middle managers (all sectors) will be retiring soon
- Some industries taking lower qualifications for entry level jobs (ie banking) over the last 5 years
- Overall reports of poorer service from trades

5. Rob Crow – Blood Tribe Economic Development

New manufacturer moving in

- Not based on demand for housing on reserve
- 50 – 200 employees

Too early to know their plans for purchasing, but based in southern US so should have some impact

May also create need for services, restaurants, laundry matt etc

Co has local employment targets

Build loyalty

Potentially set up employee housing

Also looking at housing in area (FT McLeod, Glenwood, Cardston, Lethbridge)

New jobs – not stealing from current housing project

- 160 aps at job fair

- 10 already in texas training

Will import some senior staff

Conducting economic impact study re off – reserve tribe members with MNP

- Will help identify growth opportunities

- Will be complete summer 08

Transportation between Lethbridge and reserve required

Students, workers for both projects, others who choose to live on reserve could commute to Lethbridge for work

Other entities (agencies) developing offices on reserve drawing from Lethbridge population

- Needs consistent schedule to develop rider-ship

- Taxi service is not enough

- Some funding available for van service

Issues

Finalized land designation talks required to open up more space for development

- Will result in real estate development plan

Needed before other services etc an be developed (current barrier)

Areas surrounding reserve not taping in to aboriginal youth workers

- Should be afforded same effort as immigrants

Opportunities

Completed a tourism inventory

Treaty 7 tourism committee is reformed

Province is showing support for facility development

Need product development and marketing support

Re-look at blood tribe interpretive centre?

Prov recommended against in 90's

Better signage may help, but land issues need to be resolved first

Need to work with provincial blue sign program to be effective

Other tourism - basic trail rides to historic sites

B&B's

Cemetery tours

Cultural camps (ie sweatlodges) – raises some questions among the membership about private vs public experience

Golf courses, casinos etc all been considered

Another entity on reserve looking at oil well and gas activity and servicing

Could pursue connections between Bloods and Writing on Stone

Support/manage interpretive centre vs parks staff

Like Head Smashed-In, awareness of opportunity required

Have access to ammolite on reserve

Potential to manufacturing jewelry?

Missed the opportunity after Korite

Ag development – largest land base of reserves in Canada

On irrigation – some issues with water access to be addressed

Not viable for new farms to start - cost prohibitive

But corp farm considered

Potential for speciality crops on smaller parcels (ie hemp)

Potential for green housing??

6. Marian Carlson – EDO Cardston County, (via email)

Tourism

- The tourism sector seems to be staying fairly level. I would say that the biggest growth has been seen at our Golf Course and at the Great Canadian Barn Dance. There seems to be a synergy developing throughout the industry that is helping to keep their numbers up.

- The strong Canadian dollar may have an influence on this industry for the upcoming season.

- We are always looking at additional product development in this area. What has been identified in past studies is the lack of high end accommodation (say 5 star).

Building Products; Environmental Products & Services; Architecture, Engineering & Construction; Industrial Machinery & Equipment; Metal Fabrication;
- we have just recently lost 3 manufacturing businesses in our community that are directly related to the construction industry. We lost 2 home manufacturers as well as a stone facia manufacturer. One was due to poor business practice and the declaration of bankruptcy, but the other 2 have closed their plants here and are intending to operate from their U.S. plants. The strong Canadian dollar has definitely affected us in this sector as well.

- Not sure where this sector is going to end up.

Retirement Living.

- Cardston has always had a natural attraction for retiring LDS (Mormon) people. We anticipate that we will continue to see this trend.
- We are currently working toward a marketing plan to attract what we call "relocators" to the community. This may produce a need for additional senior living accommodations other than single family dwellings. Also, we are conducting a Feasibility Study to determine future recreation needs in the community. This study may identify gaps that exist.

Health & Bio Industries;

- Our hospital continues to remain open with a fully functioning emergency department as well as increasing use of the operating facilities. Surgeons are coming out from Lethbridge to perform surgeries weekly (I think 2 or 3 days per week). It continues to remain a struggle to attract Doctors to rural communities and our local clinic has been actively pursuing additional physicians.
- I hope to see an increase in the use of our operating room, but am not sure of any gaps except to perhaps develop a strategy for attracting (and keeping!!) rural doctors.

7. John Hendricks – Town of Taber, Development Officer

Health care

general shortage of doctors and nurses, could draw patients form other areas ie Foremost that are now going to Lethbridge
rumours of some going to Sask. for treatments vs Lethbridge or Calgary

Tourism

lack significant attractions/natural assets to create draw
need for more hotel & temporary housing
an RV resort would provide both
some Lethbridge people come to golf,
could add a driving range/golf carts
sports tournaments are very strong

Enviro

management of new sewage plant being contracted to Epcor - expecting a 38% rate increase to users
using solar panels to power to entrance signs on east of town
installing new storm water controls
working the Taber irrigation district to increase long-term water supply, but supply will be an issue for growth

AEC/Building Products

Taber would benefit from another residential developer/builder
Affordable housing has become an issue within last two years
House prices in Taber up 70,000 -100,000 per within that time frame
2 new developers/builders now active in area
in 2007 approved over 100 new lots – 80 already serviced
single family housing availability seems ok
16 unit apartment complex being planned
2 churches moving to new facilities
Taber has limited industrial land for future development

Retirement Living

Good Sam's developing 105 bed unit – many will transfer from long term care at hospital
Need for better quality long term care facility, with partial services (ie self contained suites but option for help with cleaning, meals and health care)
Potentially room for better quality condos for 55+ living (non-assisted)

Industrial Machinery/Metal Fab

Frito-Lay possible backing off on expansion plans
Labour is the biggest issue and “will control expansion opportunities”
Good location for other organic based food processors

Other

Service/retail – opportunity for Canadian Tire
Branded restaurants – Boston is very busy
Pet store, hobby shop
Another grocery store – Sobeys has been enquiring, would replace current IGA, limited food at WalMart

8. Pete Lovering – CF Taber

Tourism

Agri-tourism opportunities around potatoes – ie plant or farm tours – EU farmers do visit and are impressed just by the size
Grain elevator heritage site, include a restaurant and tours
Corn maze in conjunction with Cornfest
Hotel with a pool

Milk river area will have new opportunity once highway complete, new service corridors
Better signs and awareness for Writing on Stone to stop traffic
A branded fast food outlet on the highway at Milk River would increase stops

Environmental

Not sure status, but demand for oil well site reclamation will likely grow
Biofuels & irrigation projects

Health Care

Elderly being serviced by underground network of helpers/cleaners etc.(mostly Mennonite)
New reflexology practitioner, some room for growth with other practices
Patients leaving the area only for special care/services they cannot get locally ie MRI etc

AEC/Building Products

Too close to Lethbridge to bring in bigger supplies
Raw products are ok here
need for design and planning support especially for remodel market
shortage of all trades – drywall and stucco stand out

Industrial Machinery/Metal Fab

2 metal fab companies in town
Majority of this sector services oil and gas
Labour is an issue

Other

Fabric store owners retired, but still lots of Mennonites who only sew
More competition in clothing retail
Labour issues on service side are improving

9. Lyal Sakamoto – Wesbridge Construction AEC, Building Products, Industrial Machinery & Equip

Contractor for industrial developments 80% of work
20% commercial projects, ie RBC, Starbucks
Experiencing YOY increase last three in a row
Not slowing yet
ie Triple M = \$20 million plus room for expansion

Staffing levels are very strong at his company
Average employee is at 16 years
Take young staff and train up through the system
Ready for retiring bubble
Wait list of 50 who will join due to stable work environment
Oil patch is losing attraction – some coming back

Seeing senior staff transfer in from Calgary due to lifestyle

Lethbridge architect firms are too small (expertise, discipline and number of persons) to handle these size of jobs

Sector shortages in engineering

Lots of entry level who are transient, and senior managers but mid-career experienced staff are few

- Impacts overall quality of work

- Have sent jobs to Calgary due to shortage

Overall shortage of skilled trades

Good programs in place for new recruits but takes 10 years of training and developments to get to skilled

- Imports for other areas/provinces still have to adapt/train to AB code

- Lots of new starts in last 5 years will fill gaps over time

Products

- Recent shortages in specific areas is concrete powder are correcting

- Bigger jobs get priority

 - Establishing relationships with suppliers is important

- Requires better planning

 - Order 2 weeks out instead of just one day

 - Deliveries are generally slower due to supply and demand

Growing interest in green technologies in institutional and residential sector, but limited application at industrial scale

- Still cost prohibitive

What makes financial sense is already here

- Market size is not big enough to set up in specialized services/equipment
ie compacto piling rigs – hired from Calgary, used every few months
not enough work to make it feasible to own unit

Trends

Large national/multi national firms are expanding and buying local co's

- They send their best staff to the highest paying jobs (ie oilsands)

- Also merging with architects – customers can one stop shop

10. Rick Ursel – King Electric
AEC

Very solid growth over last 2 years

Some residential and small commercial servicing

Mostly mid-size commercial projects

Significant growth in security systems

- New tech (audio) to verify incident

Provides less risk for employees who respond to alarms

Staffing is ok

Some trades are a concern

Electricians are union so more stability than other trades

Shortage of project management skills

General contractors are very busy

Buy local as much as possible

Specialized equip from Texas

Not enough volume for Canadian supplier

All other equip is here

11. Colin Ward – Ward Bros Construction

Chairman, Lethbridge Construction Association

AEC

Sector is strong

All services and supplies can be found locally

In some areas could be a larger number of suppliers

ie only one/two structural engineers

new firms need time to build reputation and become established

Suppliers may import specific items

But majority of needs can be met here

Some projects are just too big for local firms (ie west lethbridge center)

Staffing

Has been much worse – plateaued now

Loose trades to Fort Mac

Calgary trades people won't come down as much

Trends

Construction sector needs to be more organized

Better scheduling is critical

ie concrete delivery is slower so have to plan ahead

Due to more demand for product but also less/less experienced staff

New (building) products being developed all the time

Takes more time to integrate first time

All builders are adapting, willingness to change methods/old way of doing things

Trades a little slower uptake

Especially in mechanical (ie lighting, heating) also glass and insulation

Requires new methods and info – but it is here

Includes green products

SouthGrow Regional Initiative - Opportunity Identification Project

Larger firms are buying up smaller

Offers both positive and negative outcomes

Construction co's are building new facilities for themselves

No longer leasing space

More profitable and can afford to invest in their own real estate now

Very few spec builders

Price is too high to have empty inventory

No time anyway, lots of demand from clients on designated projects

Growing demand to recycle building products/waste management

ie drywall, concrete wire etc

10-15 year window for city landfill

Currently ship drywall to Edmonton

Other regional landfill closed March 1st

Not sure enough demand to sustain a business, but will grow

City doing some work in this area

Growing needs in green /renewable sectors

Still too early to know specific opportunities

More info needed, but seems a fit with other regional growth

ie LC turbine training and wind farm development, biofuels

can fabrication move from EU

12. Stan Mills – SunCity Real Estate

Chairman, Lethbridge Real Estate Board

AEC

Experiencing unprecedented growth

Slight softening last 3-4 months

A good thing, as causes better balance between supply and demand

Better selection (more inventory) means better choices for buyers and can keep prices in check

Interest rates have taken a slight drop –may continue for the year

Somewhat influenced by US economy

Subtrades are still hard to find

Flattening out – not as serious as 1 year ago

Some material shortages ie roofing

Requires better scheduling

LC programs help

High tech age draws workers from more physically demanding jobs on construction

Housing market is responding to city population growth

Huge demand for rental markets due to price gap between rental and first time owners is widening

In 1982 65 % of inventory \$80-120 range, entry at \$40

Now 65% of inventory is \$300-500 range, entry at \$200 (900sq ft)

Existing rental properties are full – lowest rental rate in alberta, even before this boom

Little/no building in this area as not profitable for builders vs Single family dwellings

Opposition in communities to proposed lower cost housing developments further limits growth (ie Legacy Ridge)

Trends

Green developments are becoming a natural trend

Efficiency programs now seen as a necessity not nice to have

New materials, techniques and marketing programs coming all the time

Building bigger houses on smaller lots

Less outdoor space per family

Short term options

Basement/secondary suites will grow

Demand for more renos – but lost of companies established here

Will employers develop on site housing?

RV living only suits a very niche group (transients)

13. KB Takeda – Trimark Engineering AEC, Building Products

Generally the sector is still very busy

Difficult to get suppliers and trades to return calls due to volume of work

Shortage of mechanical engineers/contractors in industrial sector

DMT seems to have biggest share of the contracts

Also some shortages in structural /design ie HVAC, piping etc.

newer delivery methods means that contractors have more control about what products are used

most contractors seemed to be staffed, high turn-over in electrical

will try as much as possible to source supplies locally

good access to precast concrete

steel forms and structural steel is all imported

some local companies are more expensive, but will sometimes make up for extra price through better service or warranty

some clients want, and are willing to pay for, specialized products/materials regardless of where they come from

Trends/Challenges

difficult to build AEC community when major clients, (i.e. city) continue to award contracts out of town; depending on outside resources actually inhibits the development of these skills & services locally

difficult to hire skilled workers

0 response to newspaper add in Calgary

One candidate from Calgary already making twice salary offered

Stopped applying to coop student programs due to poor results

Some small success with students in Lethbridge who are from the region

Employees move between companies a lot

Good that college is encouraging more trades training

Companies are not responding to RFP's

Takes too much time (resources) to bid and lots of other work waiting

Awarding work based on past experiences/relationships/dependability

Technology has made work faster

Even contractors using autocad

Helps to clarify scope but can also require more management

The number of engineering firms is getting smaller over last 5 years

The bigger firms are buying up smaller firms

Big three now: AMEC, SNC Lavlin, Stantec

Also amalgamating architectural firms/services, for more "one stop shopping" full service delivery

Green industries could create new opportunities for sustainable design and construction
ie biofuels requires new skills/experience

LEEDS certifications

Green business materials/systems ie solar walls & turbines

Better waste management programs

14. Rudy Reger – Energy Smart Canada
Environmental Products and Services

Very optimistic (wonderful – exciting)

In business 7 years – first 4 were really hard

Last 3 much better

Green products now represent 50% of business activity

Public interest and uptake is growing

Better educated public is demanding builders use green products

Groundswell of positive results are being discussed between neighbours etc

Park Place is going green

However only about 25% of construction industry & AEC now understands and will use green products in construction
generally poorly informed
some of construction sector (trades, builders, architects) are turning people off by offering reports of issues/argue against new methods
Using payback argument which is no longer valid
Homebuilders are slowest to uptake – they are having difficulty meeting contracts using existing materials – no time to learn new

“Small changes make big differences”

Lots of options for water conservation
Low flush toilets will save family of 4 100,000 gallons of water per year
Has impact on water treatment facilities
City of Calgary pays \$50 to replace old toilet with low flush
Tankless water heaters becoming very common

Solar panels for electricity are not easy
High cost
Requires lots of batteries and space for storage
Batteries are not enviro-friendly
Solar Water heating is viable
Solar lights working well as streetlights, farm yards, parks etc

Geo-thermal installs are very strong - over 100 installs in the area
Retrofits as effective as new builds
Getting strong opportunities for commercial installs
Resources and expertise to respond is limited

Still plenty of opportunities for wind
Have orders for small turbines (1&3 kw)
City will not allow residential installs
Pilot project with city (install on his roof) underway may help
Doing commercial project in Fort McLeod

Electric tankless water heater (when combined with geothermal) allows consumer to disconnect from natural gas

Still lots of opportunities for recycling

Trends
focus shifting from ideal of “getting off grid” (self sufficient) to conservation
no progress on net metering
too much battery power required
focus shifted to reducing use as much as possible via other methods

better public acceptance, perceived as easier
less expensive

EU attitude is spreading

Making the change to keep up with neighbours and because it's the right thing to do,
cost/payback argument no longer a valid reason

Awareness helps to shift attitudes

ie home owners who will spend dollars to get esthetics can be shown how investment in
green products is just as important for the overall comfort of their home with long term
benefits

not something people will be scared into

talk of crisis and shortages do not encourage uptake

more awareness required

still perceived as only something tree huggers do

part of a balanced lifestyle to become a habit

kids perspective is way ahead of adults

Issues

Green builder and suppliers please buy locally – helps to increase local expertise

Someone from 100 miles out of town is not naturally an expert or better

Gov't leadership is lacking

Talk the talk, but need programs to encourage consumers to conserve (ie toilet
replacement, change shower heads)

Lots of new technologies available

Private sector lacks resources to bring to consumers

Gov't support too difficult to access

15. John Kolk – Environmental Products and Services

Building a green (straw) house

A number of barriers to using acquiring green products

Lots of regulatory hurdles that were written to control large oil & gas companies – forces
small projects to incur significant risk and costs

Requires 57 applications to put a wind turbine on his farm for house

Creates significant barriers to development

Other people are interested until they see the hurdles to installation and use

In general, the area has little/no strength in green buildings/products

Had to go to Calgary for architect

There is a general lack of knowledge & expertise

However there is passion, positive attitudes and interest is high

SouthGrow Regional Initiative - Opportunity Identification Project

Smaller businesses seem to have a willingness to supply, but again little knowledge about what products are available and how to use them

Larger markets have sufficient client base to draw from so that smaller companies can stand alone, however smaller markets could benefit from some networking between suppliers to establish better access to products and services

Trades are not ready green friendly or trained

Most are busy with regular work, and not interested in investing the time /resources to adapt

Cost is prohibitive

Some buyers are ok with up to 20% above non green materials, but price is still the driver

No precedent/leadership

Capital investments in the region are not adopting green methods

There are a few advocates, but they lack financing and business experience

General level of knowledge is low

Attention to nutrient and waste management is stronger on farm but no clear drivers to change current disposal systems (ie profitability, social or regulatory)

Revenue opportunities exist

Suggest private/public partnership to develop a business plan for on farm wind energy program

Install small wind turbines (40-55 kw) on pivot corners which are already hard wired into the electrical infrastructure

Involves regions that currently have no turbines

Project(s) could be up to 1000 units (there are 10,000 units in the area) to create efficiencies

potential government funding, potential for partnerships with irrigation districts would stimulate growth of green sector as would increase local demand for products, supplies, skills as well as building expertise

size of project may result in more positive attention from regulator to clear hurdles

allow farmer to net meter and feed power back to the grid

develop a plug and play package that farmers purchase,

complete with construction, applications, agreements with utility co etc.

Create a food culture that is not focussed on mass production

create & export new specialized food products (ie like the wineries in Okanogan have done)

Added value to the ag production chain

Draws in artists and food innovators

Science and research is here

Expertise and quality are very high

Centre for Development program with LC chefs

16. Cal Koskowich – NRC
Environmental Products and Services/Industrial

Electricity demand is high and growing
Wind still has lots of potential for growth
still has a “highly desirable profile”
MATL line will create some new activity
Grid capacity is still an issue, but AESO seems to be shifting their stance

New hybrid vehicles are in high demand
Both Toyota and Ford releasing vehicles (Hdrive) that interchange between battery and biofuel
Will require different types of service, parts, training etc

Fuel distribution systems need work
Need gas pumps with adjusted technology to fit new fuels
Midwest Pump (Lethbridge firm), leads in development (calibration) of gasoline and diesel pumps. #1 builder of gas stations in Canada – service 150,000 units
Finalizing the Canadian reference standards lab for liquid hydrocarbon (gasoline)
Took 11 years with fed dept of measurements

Biofuels will need same expertise and infrastructure development
Biofuels industry should consider calling it hybrid fuels to match carmakers development strategies

17. Chris Spearman – Palliser Distilleries

Sector is solid
Palliser is at maximum capacity
22 distillers in Canada now down to 6
Continually looking for ways to streamline and reduce costs (process and technology)

Growth is limited
Real estate is tight and expensive to develop
Few vacant facilities for expansion
Shortage of warehouse space
Sector as a whole needs process & steam engineers – shortages cause shut-downs
Staffing levels are stable – for now
Lots of programs in place to encourage retention
Attitude of openness and trust
5 year collective agreement
Community efforts re labour have been significant help (EDL project)
Have lost a few key people to energy sector

Programs at LC are maxed out
Exchange rate is having some impact
Has resulted in shrinking of distribution markets are
Requires more resources for hedging of commodities
Smaller companies can react faster than large, therefore less impacted by change

Changes to consumer demands requires more innovative processing systems
Some will not keep up (ie Maple Leaf pork) just based on costs alone
More emphasis on recycling, reusing and waste water management

Supply agreements can be challenging
CPR service levels are falling (less staff, monopoly position, rising costs)
Affects delivery of raw inputs
Ag commodities are very price sensitive and availability changes constantly
Enzymes, glass etc are bought by corporate office and very specialized

Support from municipal body is weak
Asking too much time/resources for little return
Interactions are not business friendly
Too much focus on building revenue vs providing services

Opportunities

100th anniversary of the train bridge
Need better cooperation from CPR
Where is the political support?
New cultural centre/ Arts building
Both will build community pride – address apathy of youth

18. Quentin Patten – Charlton & Hill Metal Fabrication

1st quarter 08 is slower than last 2 years
Seems that builders are catching up vs slowing down
Also more competition
All work is local - commercial and industrial structures
No exports
Steel supplies come from region
Some import of odds & sods from McMaster Carr – thousands of small pieces
Specialized per order
Other divisions, HVAC and roofing focussed on residential building are still very
busy
Overall market is softer
CDN dollar has had some impact

Staffing levels are still an issue

Strategy was to accept all candidate and train

Not very successful due to poor work ethic of youth (sense of entitlement)

Other metal fab co's seem to be experiencing same (ie Meridian, Falcan.

Some smaller custom shops seem ok

Suppliers are having trouble filling orders

Appears to be a combination of diminished supplies and lack of staff/experience

Poor delivery times gets passed on to customers and slows projects

Observation – ebay (and other online shopping) provides easy access to materials not found here, so accessibility is not an issue. However could use a “home” store on north side.

19. Walter Isaak – Coaldale Iron Products

Metal Fabrication

Has 3 employees, business is for sale as he is ready to retire

Mostly welding or rod-weeder attachments, however new farming practices mean less demand

Some repairs and mtce ie tanks

Some structural welding ie beams for local building contractor

Lots of order for railings for residential/commercial construction

Mostly special orders based on individual customer needs

Parts come via special order from Vancouver

Also import plastic truck floor liners from North Dakota

These ones come in rolls vs sheets. No seams are more durable

Very low demand

20. Kimberly Lyall – Chinook Country Tourist Association

Tourism

Sector is areas biggest employer, low rate of return, high investment dollars, high risk

In general sector is slowing improving

911 had big impact

Also BSE and West Nile

70 % of tourists are from within Alberta, but only 50% of revenue

Southern AB is not improving as quickly as north

Less job security impacts ability to spend leisure dollars

Gap between sense of security and wealth creation

There is increased participation at sites and events

Only pockets seeing increased revenues to match

SouthGrow Regional Initiative - Opportunity Identification Project

Staffing levels are poor

Hotel GM does laundry one a day a week for the last year

Properties have agreed not to compete with each other but cannot compete with other sectors - \$8 per hour

Impacts quality (cleanliness and mtce) of properties

New issues

CDN dollar has impact

Less US shoppers

Indications that record number of Canadians will go the US this year

However, border/passport requirements are discouraging

Lethbridge air access is diminishing – discourages tour potential from Asia

Smaller communities struggle with tourism development

Most communities in the region do not participate with CCTA
of 41 only ½ are members

Not all EDO's understand or focus on tourism

Still think ag is the only economic base

Should include tourism as part of asset inventory

Community interest in developing tourism is low

Suggest consider as part of community development program

Even more signage would help

Community interest/participation changes with new councils etc

Tourism development is a high risk investment

ROI is low & slow

Vs quick, high returns in oil & gas for same amount invested

New projects are built because they preserve natural and community heritage

Usually require gov't help to start and survive

Difficult to quantify return to economic impact

The return felt is attributed to a different sector/budget

Tourism symposium is good concept

Proposals need professional support to get serious consideration

Funding structure from Govt is not conducive

Can only go for three years, discourages long term projects

Causes operators to change focus to retain funding

Projects take much longer to develop, so losing funding at critical time

Trends

Tourism operators are becoming more sophisticated

Better understanding of marketing from private operators

Larger sites are still dependant on and getting gov't support

ie historic sites, galt etc

SouthGrow Regional Initiative - Opportunity Identification Project

Consumer trends are changing
Closer to home – within 100 miles
Shorter stays – now more often one week vs two
Less our front booking time
 Makes it difficult for operators to plan and manage cash flow
Time stressed consumers looking for natural experiences
 Not behind glass, connected to real things, learning
Hard to market natural assets of green space and fresh air – no special spin
 No funding from these assets
Air travel to Canada is most expensive

Opportunities

Still appears to be ops in ag tourism, but not sure viable
 ie potato farm tour, McCains, Hostess, and breeders
 requires support from industrial sector
RDF suggested they would look at it, but ag tourism sector of Travel Alberta is under funded
Tour operators show some interest
Based in Lethbridge for accommodations
Primary producers could benefit from diversification

Coutts/Warner had potential

 Communities not members of CCTA
 Next UNESCO meeting is in Canada
 Part of CDN badlands project – icon development (rockies and badlands)

B&Bs are growing trend

 Good fit with rural communities
 High burn out rate
 Few in area outside of SW corner
 Suggest set up a B&B special org to help develop more in region

Day trips based in Lethbridge to heritage sites

 Some interest from tour operators
 Would need good support and solid backing to give it to time to build

21. Kerri Lowe – Economic Development Lethbridge Tourism

Big gap is in marketing

 Lack of dollars is an issue
 Current hiway 3 flow-through does not encourage stopping
 More/better signage required with call to action
 Focus on experiences vs things
There are plenty of great sites in the region

SouthGrow Regional Initiative - Opportunity Identification Project

Writing on Stone and Head Smashed In are UNESCO sites
Waterton on the list to be #3
Not other region except for Mexico can claim

Those sites could consider further development

Food services, washrooms

Guided tours

Not viable to build hotels, but maybe more B&Bs in the region

Tour programs marketed to the tour industry

ie 5 day package based in Lethbridge with day trips to Waterton, HIS, WOS,
Remington, etc

Hotels/motels in the region need updating

they are full, but not conducive to repeat business/good referrals

Lethbridge hotels (rooms) are not industry standard, meeting, public spaces etc
are ok

Explore opportunities for development with Badlands project

Natural extension to ammolite, Blood tribe and coal

Area needs a high end day spa

Serves tourists but also business travel sector

22. Roger Hohm – Irrigation Division, Alberta Agriculture
Health & Bio Industries

Provincial staff are in flux (stress levels are high)

Mandate change to policy building vs Klein's business management & core
businesses

Opportunities for staff professionals with policy development experience

Management staff are aging will lose 60-70% in the next 5 years

Skills shortages now

younger staff have stronger sense of environment which will affect how ag

is perceived and managed – not jsy about food production anymore

higher number of females in management may also shift focus for ag department

Water will be a growing issue

Environmental and conservation concerns

However there is lots of water available

How will southgrow participate in those issues?

Need to be able to secure supply to businesses in order to encourage new
development

Room for water brokers to set up business to help companies through the process of water access and management

- Involve irrigation districts, municipalities

- 10-15 year developments will require help

- Already examples in Alberta where water access has become a political issue (ie Rockyview), which picks winners and losers

- Infrastructure is mostly in place in Southgrow region – south sask river basin

- Some issues currently downloaded to irrigation districts/water coops that have neither expertise or resources – also not their mandate

Urban populations are starting to push back on ag subsidies

- ie meat industry

Southgrow should understand implications of what new policies will mean to the region

- Better to take a proactive approach and offer framework or suggestions that support regions needs

No longer involved in any extension (commercialization) all research is pushed to industry to develop

- And industry only develops what is profitable

23. Robert Blackwell – Weed Management Research, Ag Canada

- Program funding is being cut, not filling retirement positions so becoming a smaller org gets funding from feds specific to research study/project, writing grant applications just like private sector
- no more extension development locally – all goes to Ottawa
- equipment is aging

Most of the research is getting picked up by industry/private sector

- many studies sponsored by ag commodity groups so they use it more (ie wheat and barley growers)

- also interest by fertilizer and crop protection co's

- these orgs also managing the knowledge transfer activities

Suggests there is more room for food processing plants

- educated work force, infrastructure & location

- good growth in mustard, canola & forage

- existing crop base

- biofuels another option – fit with feedlot industry

24. Pam Whitnak (Janine Ecklund) – CHR
Health & Bio

Wide range of programs means CHR is self contained

Compared to other urban areas, exporting the least amount of care

No bed closures, no cancelled surgeries

Wide variety of professional disciplines available

Staffing

Experiencing more pressure

1/3 will retire in next 3 years

Affects some pockets in rural ie Crowsnest, Taber, Cardston

Several programs in place with province, LC and U of L to “stay out ahead”

ie created temp jobs for LC nursing grads so they could transition to

permanent positions within a year

Seniors living sector creates biggest demand for LPN’s and health care aides

Want to maintain connections with community, more options to stay at home

Other areas (lab and medical imaging) are site specific

Other specific skills shortages (ie speech pathologist)

Overall less training coming from province (post secondary ?) working to

increase enrolments

Many new hires are young mothers that require more work options and support (ie daycare)

Younger workers have different needs

Want a more balanced lifestyle, including less/more flexible hours/shift

Result is it takes more people (space and computers) to perform the same amount of work

Supplies

Are contracted in the community as much as possible

Large contracts for housekeeping etc

3900 staff means connected to a lot of families

Research (bio)

Research staff of 3-6 per year

Specific to a project/issue

Only develop what they will need/use

Most done with AFNAR

Trend

Population shift

Increasing bulk at age over 75 – who demand most care

Increase in young families resulting in more maternity type services required

SouthGrow Regional Initiative - Opportunity Identification Project

More senior living options are being addressed

New facilities being developed in Taber, Raymond, Cardston & Lethbridge within 3-5 years

However also increase demand for staff

Increased demand for construction and other community services to support seniors needs (domino effect)

Already feeling impacts of stressed construction sector

Impacting ability to finish capital projects on schedule

Opportunities

Need for fitness centers in smaller communities

Staff working in health sector are big users

Need for daycare facilities that support families on shift work

Focus on programs for early childhood development

Young parents demanding more quality

Training opportunities to build customer service mindset in the younger work force

Cultural shift to a sense of entitlement is not always customer friendly

Happy staff better meet patient needs, not some emphasis on the clients needs

Could be a community base program that we could build a reputation on and have economic impact on the whole region

Dinner theatre is missing in our realm of arts/entertainment offerings

Food program to support tourism and business travellers ie Rics Grill and LC Chefs

Tie into food manufacturing base – would McCains support??

More recycling – electronics/computers

Enviro sciences programs

25. Liz Findlay – Green Acres Foundation

Retirement Living

Business had grown significantly over last 5 years

Opened Pemican office

New facility under construction opening June 08, 120 units

Other growth includes the view, good sams, sunrise

More condos in the city means better choices

Planning further expansion

Appts are most in demand – all have waiting lists (5 years ago there were vacancies)

However limited capability to expand apartments

May consider converting lodges that are aging

Potentially more need for retirement housing on west side near new school development

Demographics of senior are changing

Lifestyle based decisions – don't want to look after the house anymore

However many are still reluctant to move, so first contact is usually with family members

Living longer & healthier

Have different/more diverse interests

Independent until early 80's now

Generally older and more independent

Also means they are staying in marketplace as consumers longer

Golf, recreation, shopping, theatre, fitness clubs

Computer generation will require adapting facilities to provide connectivity

Trends

Seniors are making these moves later in life – average age of client is early 80's

Once they arrive, seniors are staying in dependant living longer, several customers over 100 years of age

Used to be just lodges, now includes apartments, condos, etc

Seniors expectations are higher now

Require more space, better meals, better recreation ie computers, gyms

Seeing transitions from own house, to condos (ie Medican), to Green Acres

Government programs have changed so that not all clients get subsidies now, however those that do quality are better funded

Results in 2 different rent ranges

Gov't is putting less dollars into buildings

Private sector is filling the gap, with no funding for gov't

Offer same or better services

Some also provide health services

- Appts – lodges – enhanced living – daily assisted living

- Good Sams provides most care

Staffing levels are better now, but still need housekeeping and food service

Demand will increase when new facility opens

Staff will need more options for daycare to suit 24/7 operations

Significant demand for trained and interested home-care staff

As health care downloads and downsizes

Physically & emotionally demanding and poor pay

Shortage of LPN's

Need for home care staff at apartments and lodges

- Can't rely on family like last generation – busier, moved away

Need for better transportation that suits seniors needs

- Less able to rely on family etc for Drs visits

Other

city seems to be at cross purposes on development strategy

- enmax gets 35 million for little change

SouthGrow Regional Initiative - Opportunity Identification Project

Should invest more to make change that will have larger impact
Vs spreading the dollars around too thin and results are hard to see
Need multi-purpose convention/arts facility downtown to support core development
Usable 7 days a week

Older women are underserved in apparel

limited choices for age appropriate 40-70 range, not teenybopper, but also do not want to look like my grandmother

26. Marlene VanEden – LSCO
Retirement Living

Bulk of clients are 70-85 years
5-10% participate in workforce after 65 (both for money and to stay active)

Seniores services are difficult to get
Only 10-15% of seniors can afford to pay
LFS, WeCare and Greystoke are all too busy
Stopped calling for support now as replies have been very poor
Biggest issues are with 60-65 year olds that have poor health (fewer programs/support, don't fit into current categories)
Gov't programs are hard to find
Many run through service Canada but no number in the phone book
Seniors need help just to find the programs – not web users, so that medium is not effective
Gov't staff changes frequently, reducing consistency and expertise with support

Some shortages in professional care
ie podiatrist
denturists

Need for private basic home/health care
ie housecleaning, personal care, home repairs (handyman service), lawn & garden
But some agencies costs are too high for seniors incomes
ie snow removal up from \$45 per month to \$120 per month in last 5 years & you pay whether it snows or not

Government assistant to seniors has not kept up with increased costs
If seniors make too much they are not eligible, however threshold to be eliminated from support is very low - approx \$17,000 per year
All service costs are increasing

Seniors in smaller communities may be marginally better off
Better community networks (ie church) closer family and neighbours

SouthGrow Regional Initiative - Opportunity Identification Project

Most seniors do not plan for change and stay in their own homes
Cannot rely on next generation to be as helpful
Lots of grandparents raising/helping with grandkids
Creates difficulties/stress when there are learning disorders etc

Staffing

Non-profit
No trouble getting help, but no budget to pay
Funding from gaming, & membership, some gov't dollars
Full time staff of 14

Trends

Volunteers shrinking
less volunteers now – women are working until 65 and feel they
have done their time
More focussed on self “what’s in it for me”

Recreational needs are shifting – exercise circuit vs pool tables

Transportation

More self sufficient with – bussing service discontinued due to lack of demand
Care cars program still running but harder to find volunteers, (gas prices are high)
Grocery shopping groups by bus
Pilot project with city and Norbridge seniors getting poor response
AMA also developing programs
Community group in place to address

27. Maureen Hepher – Extencicare Retirement Living

Private corporation under contract to CHR

Classified as long-term care (used to be called nursing home)
CHR manages waiting list and determines what kind of services are provided
There is a demand for beds
All purchasing is done via corp office, HO in the US

New facility opening east of CDN Tire south

Not sure if its additional or replacing north side facility
Developed in partnership with Medican to include condos and long term in same
structure

Trends

Approx 8% of seniors end up in long term care facility

Over last 10 years there is a move to assisted living from long term care

Cheaper for health regions

Less staffing with lesser qualifications required (ie RN's vs LPN)

Relies on home care companies to provide personal services and if problems arise, they go to hospital

Clients provide their own furniture, medications, medical supplies etc

Puts more stress on the senior and their families

Better fits needs of some clients, However shouldn't replace long term beds – there are only 300 in the region

Private ownership of assisted living

Increases costs for seniors

Increasingly difficult for low income seniors to find housing

Using up a bigger portion of their income on housing

There is a home care shortfall

Existing agencies are booked up - cost is high

Used to rely on family & friends – no longer strong support

Staffing is a problem

Nurses, LPN's housekeeping, recreation programs

Extending staff are specialists, RN's, social worker,

Care aides are very difficult

More transient, other options in the workforce

Salary is reasonable – in house training program