ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

Thursday, September 26, 2024

10:00 a.m.

Foothills County Administration Office - M02/M03

Pages

MINUTES OF THE
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING

June 27, 2024, 10:00 a.m.

Present:	Deputy Reeve Waldorf (Chair) Councillor Siewert Councillor McHugh Don Francis Hayden Knorr Miquel Pavobec Paul Taylor Pat Stier
Guest:	Councillor Castell (Alternate)
Absent:	Ken Westhaver Barry Ehlert
Administration:	J. McLean Deputy Director of Planning G. Stanley Legislative Services Assistant

1. CALL TO ORDER

The Economic Development Advisory Committee meeting was called to order at 10:02 a.m.

3. MINUTES OF THE PREVIOUS MEETING

Resolution: 04
Moved by: Rob Siewert

That the minutes of the March 28, 2024 meeting of the Economic Development Advisory Committee be adopted as amended.

CARRIED

4. NEW BUSINESS

4.1 Economic Development Update

J. Mclean provided the following update:

CMRB Approval of Hamlet Growth Area

- On June 21, 2024, the CMRB approved Foothills County's first hamlet growth area. The County can allocate three hamlet growth areas. Heritage Pointe became the first hamlet growth area to be identified in Foothills County

- Artesia is not included in this. The hamlet growth area does not align with the Hamlet Boundaries.
- Once Foothills County has three hamlets, Foothills County could go to the CMRB and propose a fourth hamlet growth area if the conditions under the Growth Plan were met.

Highfield Roland Area Structure Plan

- Council granted first reading to the Highfield/Rowland Area Structure Plan. Once an Area Structure Plan is developed, this project will still have to go to the CMRB for approval. Once CMRB approves the area structure plan, it will then go to Council for second and third readings.

Okotoks North Point Area Structure Plan

- Okotoks has proposed the Okotoks North Point Area Structure Plan. A Public Hearing is scheduled for July 15, 2024. Foothills County has provided their feedback to Okotoks and may attend the Public Hearing.

Joint Planning Area 3

- In discussions with Okotoks. Based on the two administrations' discussions, Foothills County Council directed staff to remove the JPA 3 completely and undertake a review the Town of Okotoks / Foothills County Intermunicipal Development Plan instead. Should Okotoks Council agree the two municipalities will present a proposal together to CMRB.

Foothills Regional Airport

- Foothills County recently completed land use amendments for the Foothills Regional Airport. This will allow for a wide variety of uses at the airport in accordance with the area structure plan that was approved in 2018. The County also recently received funding for major infrastructure improvements at the airport.

Water and Waste Water

- The Town of Okotoks and Foothills County continue to work on the Bow River water project. This will include the construction of raw water storage at Aldersyde proceeding. The tender for the Aldersyde water treatment plant has closed. The treatment plant is anticipated to be in service by the end of 2025.

Foothills Crossing Area Structure Plan

- The preliminary design and costing for Highway 23 intersection improvements are complete.
- Council gave direction to issue a Request for Proposal for detailed engineering.
- There is a developer interested in the construction of a digital data centre. They are presenting to Foothills County Council on July 3, 2023.

CMRB Regional Economic Development

- The Board approved the purpose statement and objectives.
- Calgary Economic Development is leading the formation of the Calgary Regional Economic Development Initiative.

Resolution: 05
Moved by: Hayden Knorr

That the Committee accept Deputy Director of Planning J. McLean's presentation as information.

CARRIED

4.2 Committee Vision, Mission, Mandate and Priorities Review

The Committee reviewed the revised Committee Vision, Mission, Mandate and Priorities that were sent to the Committee members in April.

Resolution: 06
Moved by: RD McHugh

That the Committee accept the proposed Economic Development Advisory Committee Vision as presented.

CARRIED

Resolution: 07
Moved by: Pat Stier

That the Committee approve the Economic Development Advisory Committee Mission Statement as presented.

CARRIED

Resolution: 08
Moved by: Rob Siewert

That the Committee acknowledge the Economic Development Advisory Committee Mandate as presented.

CARRIED

4.3 Potential Projects

J. McLean reviewed the proposed Committee projects and priorities.

The Committee suggested that information and promotional materials be developed for the website to create business resources.

Foothills County applied for a grant to hire an economic development professional but was unsuccessful this year.

Resolution: 09
Moved by: Rob Siewert

That the Economic Development Advisory Committee recommend to Foothills County Council that an economic development officer be hired.

CARRIED

Resolution: 10
Moved by: Hayden Knorr

That the Economic Development Advisory Committee accept the Committee Priorities to include the revised wording for numbers one and six.

CARRIED

4.4 Highfield Investment Group Ltd. / Bramata Development Ltd. / Munro / Rowland Area Structure Plan

J. McLean provided an overview of the key highlights of the Highfield Rowland Area Structure Plan.

6. ROUND TABLE

A discussion took place regarding the possibility of doing an area structure plan update for the Highway 2A Industrial ASP. J. McLean indicated that in order for this project to proceed it would have to be added to the planning priorities list as one of the potential projects. Council would then determine the order of priorities.

P. Stier inquired about what people receive when they inquire about doing projects and whether they are directed to the website. He feels there needs to be a place where people can easily find information to get their initiatives underway.

Councillor Siewert provided input that Red Deer County is an excellent resource for economic development.

D. Francis noted that some information is hard to find on Foothills County's website and that an economic development officer would be beneficial.

Councillor McHugh would like to see a brochure developed for the industrial corridor.

D. Francis suggested checking out the brochures for Red Deer and Balzac, Alberta, and then revamping them to suit Foothills County.

P. Stier suggested that documents sent out be dated and note who created them. He also noted that, due to the quality, he was unable to see the boundaries in the printed attachments.

8. <u>ADJOURNMENT</u>

Resolution: 11
Moved by: Hayden Knorr

That the June 27, 2024 meeting of the Economic Development Advisory Committee meeting be adjourned at 11:44 a.m.

CARRIED

FOOTHILLS COUNTY ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

VISION

Foothills County will be:

- Home to the largest, serviced, contiguous industrial land opportunity (Aldersyde) in southern Alberta.
- Capitalizing on existing infrastructure along Highway 2 to create opportunities for development with highway frontage.
- A provincial collaborator on food production development.
- A small and medium-sized business enabler.
- A highly competitive location for key industry sectors such as: agrifood, construction, equine sport and recreation, general manufacturing, movie industry, and transportation/logistics/distribution.
- A provider of housing to accommodate new workers coming to the County.

MISSION

Proactive. Legacy-making. Leadership

The mission of the Foothills County Economic Development Advisory Committee is to promote, encourage and enhance the creation of jobs and expansion of the local tax base through projects that retain, attract, and grow business and investment.

MANDATE

The Committee may undertake the following:

a. Provide strategic advice to Council on creating a positive business climate to attract new business, retain existing business and to enable business creation and expansion.

b. Advise Council on local, regional, and sub-regional business and economic development initiatives and directives, partnerships and partnership opportunities

c. Advise Council on development of local business and economic development projects, programs, and strategies

d. Assist with the creation and implementation of economic development plans, programs or projects approved by Council.

e. Solicit proposals through an RFP process for consultants to undertake economic development studies or projects, if approved by Council.

f. Spearhead cooperative initiatives among the business community.

g. Act as ambassadors for business in Foothills County.

h. Act as a liaison between Council and the Foothills County business community.

i. Seek grants or other funding to support Council approved economic development initiatives.

j. Propose economic development budget items to Council annually.

COMMITTEE PRIORITIES

1. Lay the groundwork for an Economic Development Strategy by suggesting and implementing key strategies and areas of focus for Economic development in the County.
2. Serve as a sounding board and advisor for Foothills County Council regarding infrastructure servicing to enable investment in the Aldersyde Corridor, and Foothills Crossing lands
3. Assist Foothills County Council with developing and disseminating investment messaging and communications to County residents.
4. Provide advice to Foothills County Council regarding inter-municipal industrial land development dialogue, including water/sewer servicing, transportation, housing/recreation amenity demand, and exploration of collaborative approaches.
5. Establish baseline economic development content for the Foothills County website. E.g. Canada's Premier Food Corridor - https://www.canadaspremierfoodcorridor.ca/, District of Squamish BC - https://investsquamish.ca/, City of Sarnia, ON - https://www.investsarnia.ca/
6. Develop promotional materials and website content for Foothills County, including value propositions, business resources, and incentives.
7. Complete a Phase 1 virtual familiarization tour of major industrial nodes (Alberta's Industrial Heartland, Acheson, Rocky View County, City of Calgary) focused on reading of planning and economic development documents.
8. Establish key business contacts and relationships in the County for use in Strategy formation and future economic development initiatives.

INVESTMENT READINESS TOOLKIT

Tools and techniques to build Community capacity. From the basics through to getting your Community to the Familiarization Tour stage of Investment Readiness

EDA Economic Developers Alberta

Canada

Alberta Government

Table of Contents

List of Abbreviations and Acronyms

CAO .... Chief Administrative Officer
ED .... Economic Development
EDA .... Economic Developers Alberta
EDAC .... Economic Developers Association of Canada
EDO .... Economic Development Officer
FDI .... Foreign Direct Investment
GIS .... Geographic Information Systems
ICCI .... Invest Canada – Community Initiative
IEDC .... International Economic Development Council
LQ .... Location Quotient
NAFTA .... North American Free Trade Agreement
OCP .... Official Community Plan
RFI .... Request for Information
ROI .... Return on Investment
SWOT .... Strength, Weakness, Opportunities, Threats

Introduction

Economies are undergoing fundamental changes and the job of the economic development practitioner is shifting dramatically. While it is important to maintain core programs like Business Retention and Expansion, the community must also be ready to meet the needs of investors. There are high expectations and demands on the Economic Development (ED) practitioner to do the required work to retain, grow and attract business and investment.

The purpose of this toolkit is to help make the ED professional's job a little easier. This new toolkit provides frameworks and new practices to manage familiarization tours and other aspects of investment attraction. The toolkit will assist communities to identify investment readiness gaps, develop new or improved economic development processes and expand capacity for communities to attract, receive and successfully explore investment opportunities.

Investment attraction is a complex and challenging component of economic development. Prior to any community hosting a familiarization tour with a potential investor there is a multitude of preparation a community must undertake. This toolkit will walk the ED practitioner through each process:

- **Understanding Investment** – why communities engage in investment activities, types of investments, investment trends and the location selection process
- **Investment Readiness** – development of a community profile, utilizing site selection data standards, land inventory, economic development websites
- **Investment Strategy and Generation** – SWOT analysis, industry analysis, development of a marketing strategy, lead generation database and measuring success
- **Familiarization Tours** – first point of contact, assessing the opportunity, preparing and hosting the visit, follow up and aftercare

How to Use the Toolkit

This comprehensive toolkit provides communities with important information and tools to help guide not only familiarization tours but attracting a lead, managing the required information, responding, and the aftercare once the investment has been successfully closed. It has been designed to assist any sized community in these efforts.

Each section provides written text for communities to gain a deeper understanding of the process along with a quick "checklist" of how to perform the practice. Throughout the toolkit specific key ideas, thoughts and concepts are highlighted and Best Practices are included to provide communities with information on how other communities are successfully attracting investment. The toolkit provides resources including templates for communities to adapt to their own specific needs and additional sources of information and assistance.

What's Inside the Toolkit

"**Understanding Investment**," will assist in a better understanding of who, what, why, when, where and how investment attraction works. It is important for a community to understand the location selection process and what is required by the community to be successful.

The **"Economic Development Toolkit**" provides the community with an easy to use self-assessment to test what areas may need improvement and identify areas that are investment ready. Does the community have a Community or Site Selection Profile? How comprehensive is the economic development website – does it really help investors find the answers they need to consider a community for a specific investment? In this section the ED practitioner can find what is important to have in each of these tools.

Developing an **"Investment Strategy"** can be a challenging exercise but is necessary in order to ensure communities are not chasing industries that realistically have little or no chance of success. A community needs to know their strengths and weaknesses in order to develop a marketing plan to help attract industries that will work. Identifying the trends in Investment can help you prepare an effective strategy and marketing plan leading to **"Investment Generation"**. A community's ability to maintain information and to reach out to the right markets will help provide the return on investment that is so important in today's field of economic development.

"Familiarization Tours." Steps are in place to ensure a community is investment ready and can reach out to investors. The test comes when asked to respond. This section highlights the extensive process a community needs in order to manage investment inquiries. A community needs a team and partners ready to manage a potential or pending visit (familiarization tour). It needs to demonstrate it is not only ready for investment, but that it provides the company with the best chance for success.

Many companies initially start off with a smaller investment (operation) than what may be needed in the long term. This can be simply "testing" the community to make sure the choice they made was the right one before expanding to a larger facility. It is important a community have an effective **"Aftercare"** program to stay engaged with the company. The companies can become great testimonials for a community as they talk to other corporate executives about the experience. Developing long term relationships with these companies is a necessary component of a successful investment attraction program.

By following the actions identified in this toolkit, communities will be better prepared to attract, respond, and to close deals to create jobs, increase the local tax base and create a strong and diversified local economy.

CHAPTER 1: Understanding Investment

Why Communities Engage in Investment Activities

The reasons why a community will engage in the numerous types of investment activities can vary greatly. Each community has its own unique characteristics and own reasons for actively engaging in investment activities. Generally, communities understand in order to create economic diversity, maintain and expand infrastructure, and to increase their ability to meet the needs of local residents and business, they need to attract inward investment.

Determining the “why” for a community is part of a bigger process of strategic planning. Strategic planning builds consensus among community stakeholders for the direction and the reason for engaging in investment. It establishes a common and coherent approach among community industries, business sectors, economic drivers, business units, etc.

A community should engage community leaders, both government and non-governmental organizations, and other relevant stakeholders, to understand the implications of the activities and potential changes to diversify the industrial base and make positive impacts on the community.

Typically communities become engaged in investment initiatives to enhance their social and economic factors. Investment attraction has benefits such as providing communities with new opportunities in new industries, bringing in advanced technologies, developing new products, enhancing local talent force through additional skills, and much more. Investment will have spillover effects in many areas and can foster further growth and enhancement within the community. Communities engage in investment activities to:

- Increase economic opportunities
- Increase opportunities for growth
- Enhance the job market
- Increase competitive advantage
- Build a diversified and sustainable community

Communities engage with the spirit of supporting local businesses to foster economic growth, diversification and job creation.

Over the years, economic development has changed and it is no longer enough to maintain status quo with traditional infrastructure upgrades necessary in transit, and other local utilities. Although important to the big picture, equally important is generating the quality of life to attract the skilled labour that is advantageous to a community.

Regardless of a community’s reason to engage in investment activities, it is evident that investment within the community is essential to secure sustainability and future growth. This supports the importance for communities to work towards becoming “investment ready”. Keep in mind that an investor will seek to achieve a sufficient Return on Investment (ROI). Investors and their representatives will develop a business case on the community to prove it is viable and offers the opportunity for success.

Main Types of Investment

According to the International Finance Corporation (IFC) there is no single definition to classify all the different forms and characteristics of Foreign Direct Investment (FDI). For simplicity reasons academia has broken down the types of FDI into four main categories as follows: resource seeking, market seeking, efficiency seeking and strategic asset seeking. These segments will be briefly explained below. The usefulness behind this breakdown provides communities with a common understanding of what different types of investments investors may be looking for.

The term FDI is often used in a very broad sense. Foreign Direct Investment, or inward investment, is interchangeably used, meant to be all-inclusive and describes the transfer of growth and development components of any sort by foreign companies. This could be either tangible or intangible corporate assets, finance and links with global markets in terms of both the traditional form of investment (whole or majority equity ownership investment) and other forms (e.g. minority ownership and a variety of non-equity contractual arrangements, such as licensing, managerial contracts and turnkey operations, or financing).

Resource Seeking

Resource seeking is the most common type of investment. Its objective is to take advantage of an area's natural resources, e.g. oil and gas, minerals, agricultural products or other available raw materials. This is an excellent opportunity to capitalize on as Canada is a strong resource based country and Alberta, in particular, has a strong advantage. The goal of resource seeking investors is to capitalize on a region's competitive advantage.

Other factors of resource seeking are low-cost or specialized labour. Within Canada, we often hear about jobs being outsourced to countries where labour may be cheaper. However we can see similar trends occurring within our own country. There are regions within Canada that are more proficient than others in specific industries.

Market Seeking

Market seeking investment occurs for organizations looking to gain further market share. These types of investment are commonly seen within neighbouring countries, much like the relationship we have with the United States. There are many companies from both sides of the border that seek to further expand within each other to capitalize on labour or market opportunities.

The factors of market seeking investment are to enhance market size and potential market growth. These investment companies are looking to penetrate the local markets of the host countries and connect with other aspects such as access to regional and global markets, consumer preferences, etc.

Efficiency Seeking

Efficiency seeking investment looks for new sources of competitiveness, searches for economies of scope and specialization and/or low cost of production. These investment decisions are based on rationalized integrations into other regions or countries that will lead to process specialization or other means of efficiency gains.

Strategic Asset Seeking

Strategic asset seeking is sourcing out strategic acquisitions and alliances to promote long-term corporate objectives. This occurs when companies undertake the necessary investments, alliances or acquisitions to help promote and sustain their longer term focused objectives.

Investment Trends

FDI and investment trends have drastically changed over the years. The birth and growth of technology and globalization has truly brought products and services to our fingers tips from around the world and increased competition on our doorsteps. This trend is not to slow, but rather enhance, as our economy and way of life continue to rapidly change and grow at exponential rates.

Worldwide FDI flows rose moderately to $1.24 trillion in 2010, approximately 15% below the pre-crisis average (2000 - 2007). The United Nations Conference on Trade and Development (UNCTAD) had estimated that global FDI would recover to its pre-crisis level in 2011, increasing to $1.4–1.6 trillion, and working towards the 2007 pre-crisis peak by the year 2013. This is good news as communities look to expand their opportunities.

Historically, investment was focused towards natural resources and infrastructure. Today, it's the service industry that seems to be the predominant sector for FDI growth. According to The World Bank, investment attraction has typically been Greenfield ventures. Greenfield investment refers to factories and offices being built on land that has not been developed. Greenfield investments also imply that facilities are designed and built for investors, rather than the investor buying a facility already built.

Traditionally, countries that already had relationships and alliances with other countries would often see investment flows back and forth. An example of this is the NAFTA alliance. However, as we see the expansion and growth of emerging countries such as China and India, many regions see the potential their fast growth offers and are looking to explore the opportunities. Another trend is the evolving sister city agreements and "twinning" relationships to help build strategic alliances with foreign regions. Historically, sister city agreements never fostered investment but instead became cultural exchanges rarely resulting in economic benefits. These relationships may have been viewed negatively by local councils, media and the general public. Today more communities are developing "economic" relationships with cities to focus on trade and investment opportunities.

As has been evident in the past, and will remain to be so in the future, outward FDI flows usually reflect the home country's comparative strengths. An example of this is Canada's natural resources. This trend will continue although a community's strength is not the only source of investment. It is important to know how to increase your community's current competitive edge and how to adapt to future changes and trends.

Given the competitive nature of investment and FDI there are other trends to consider. One recurring trend is incentives. Many communities provide various incentives as the final lure factor to convince investors to choose their community over the competition. Incentives can be important, but they're not the number one factor; they are just that, "incentives" to help close deals. Over the past several years there has been a significant departure from offering excessive incentives that are financial in nature and instead focus on assisting in expediting projects.

> *(As a businessman) I have never made an investment decision based on the Tax Code….(I)f you are giving money away I will take it. If you want to give me inducements for something I am going to do anyway, I will take it. But good people do not do things because of inducements; they do it because they can see that they are going to be able to earn the cost of capital out of their own intelligence and organization of resources."*
>
> *Paul O'Neill, former CEO of Alcoa*

Over the years a trend for communities to take on regional or provincial approaches and strategies to entice investment has emerged.

This trend has developed as many communities do not have the resources – time, budget, human capital – to successfully compete. This is especially true for small, rural communities.

The concept of regionalization is a win for the region and subsequently a win for all the communities through spin-off effects. Working as a collective whole for the greater good can be beneficial to achieve economies of scale in marketing and infrastructure. For smaller, rural communities this strategy can make the difference to successful investment attraction activities.

FDI Trend Highlights

The bulleted information has been directly extracted from the United Nations Conference on Trade and Development's April 12, 2012 Global Investment Trend Monitor. The FDI trends according to UNCTAD are as follows:

- Global foreign direct investment (FDI) outflows rose by 16% in 2011, to an estimated US$1.66 trillion, surpassing the pre-crisis level, but still 25% short of the 2007 peak.
- However, the growth of FDI outflows in 2011 did not translate into an equivalent expansion of productive capacity, as it was due in large part to cross-border acquisitions and increased amounts of cash reserves kept in foreign affiliates rather than the much-needed direct investment in new productive assets through Greenfield investment projects or capital expenditures in existing foreign affiliates.
- Outward FDI from developed countries rose by 25%, exceeding US$1.23 trillion, with the European Union (EU), North America and Japan all contributing to the growth. United States Transnational Corporations (TNCs) increased cash holdings in their foreign affiliates in the form of reinvested earnings.
- FDI outflows from developing countries fell by 7% mainly due to significant declines in outward FDI from Latin American and the Caribbean and a slowdown in growth of investments from developing Asia. As a result, the share of developing and transition economies in global FDI outflows declined from 31% in 2010 to 26% in 2011. Nevertheless, the outward FDI from developing and transition economies remained important, reaching its second highest level recorded.
- Prospects for FDI outflows in 2012 continue to improve since the depth of the crisis, but they remain guarded due to the fragility of the global economic recovery.
- Cross-border Mergers & Acquisition (M&A) purchases were sharply up in 2011, rising by 70% to reach US$585 billion. Developed-country TNCs generated the majority of this increase, especially those from the EU and Japan, with their purchases rising 79%, to US$401 billion. Purchases by TNCs from developing regions, in contrast, registered only a 6% increase, largely due to a slowdown in cross- border purchases by Indian and Brazilian TNCs.

For additional information on trends, the UNCTAD provides updated analysis every few months (http://unctad.org/en/Pages/Home.aspx).

How Investment Comes to a Community

The process by which any investment considers to locate in a particular community will typically fluctuate from investment to investment, and from sector to sector. This discrepancy can range from an initial direct Greenfield investment or to a slower paced gradually established operation. Each firm and different type of industry will have their own methods and reasons for investing.

When it comes to sourcing out investment, a community can take a proactive approach and seek out opportunities that are a strategic fit. It is important to note that the majority of the time a community will not know it is being evaluated by a potential investor until closer to the end of the investment process. More and more information is being filtered online before players are coming to the table, so it's important to have the necessary information prepared and readily available. The community must have a clear understanding of what type of investment it's looking for and what investments are a fit for the community.

Investment will more likely come to a community that is prepared. Many communities have a "Community Profile" – an evaluation of a community in terms of basic information, e.g. population, labour force and a quick overview of economic sectors. A Community Profile is used as a starting point to determine if a community will remain as a potential location for investment. It is an essential tool for a community to have but more comprehensive information is often required beyond a basic community overview. Having relevant, up-to-date information is crucial to attract investment and show the community is prepared.

A full data profile is the first chance to tell the community's story effectively. Anything less will relegate the community to the list of risky options and lead to a very short look.

A community must understand what it wants for investment and then align itself accordingly. Sometimes particular investments will happen only if the community wants the investment. For example, a community may not have the support for an abattoir. Though there can be positive economic impact for this investment, the lack of community support will limit the likelihood of the investment being made.

Other tools that will significantly bolster a community's ability to draw in investment are:

- **Regional Marketing Plan** – Limited resources can create challenges to stand out in the competitive FDI environment. A regional marketing plan can help keep communities within a region focused on activities to retain and expand existing businesses and to attract new business to the area. A collective effort can be stronger and more effective.

  Communities should look to identify market opportunities to attract new businesses, but also to assist existing businesses in the community to market their products or services internationally. FDI does not have to be a Greenfield investment; perhaps a local business requires investment. That's a financial investment in the community that will help with future sustainability.

- **Business Retention and Expansion** – communities should be working closely with their existing businesses to help ensure their economic success. These businesses are already in the community because they want to be. Foster their growth and look for investment that will play to their needs. Eighty-two percent of new jobs created in a community are done so organically. This statistic is from a study conducted by David Birch from MIT. Economic development efforts will be more successful when there is a balance between retention and expansion strategies and efforts to create or attract new industry.

- **Private/Public Partnerships** – use partnerships to benefit the community. Involving different levels of government and other organizations where appropriate can vastly expand the reach and resource capacity to market and attract investment. Use government's resources in attracting international investors to a community or region by working closely with the appropriate Government Departments and Agencies such as the Trade and Investment Representatives that are responsible for foreign markets.

Why a community was chosen over another can vary widely. Perhaps it's simply located near a port, maybe there's no seismic activity, there's excellent airport accessibility, or it's just the quality of life an investor is seeking. It could be any number of things when it comes down to the final decision. It is important to be prepared and well equipped with the appropriate tools, incentives and documentation that are up-to-date, industry relevant and available. These tools will help to raise a community's awareness to investors and to keep the community in the location selection process for as long as possible.

Location Selection Process

The location selection process is becoming more complex for communities to have exactly what the investor requires. The process can vary somewhat depending on the industry and type of investment. A community can have all the infrastructure built and ready for a specific investment but if the culture or life style isn't a fit then the community will not be successful regardless of what it offers.

The term "site selection" and "site selector" are frequently used during the location selection process. A site selector may be the actual business owner, looking to relocate or open a second location. They may or may not have a lot of experience or knowledge as to what they're looking for. Conversely, a professional site selector is typically a highly trained professional that will have distinct and specific checklists to follow throughout the location selection process. These different characteristics of site selectors play a role in the process. Highly organized and technical macro level approaches to site selection may be used. This incorporates detailed, high-level information, specifics and a complete analysis. Alternatively, a fairly simplistic method could be used, from a micro perspective. Each investment will be different and no presumptions should be made on the process. The key is for a community to be prepared no matter what process is used. Having the right tools and information readily available, regardless of the level of site selector, type of investment or their process, helps ensure a community will be ready when the opportunity arises.

Prominent categories within the location selection processes are:

- Market characteristics (local and regional)
- Costs (labour, taxes, transportation and other)
- Taxes (corporate taxes, sales taxes, property taxes, etc.)
- Labour (costs, availability, quality, etc.)
- Natural resources (availability and quality of raw materials)
- Land availability (cost, size, site readiness, etc.)
- Climate (weather, floods, earthquakes, seismic activity, etc.)
- Infrastructure (electric rates, telecommunication, etc.)
- Policy structure (incentives)
- Quality of life (increasingly important)
- Business support and promotion

These are some of the more common areas for site selectors and investors. These factors will be used to determine if the community is the "right" fit for the investment. This list is by no means exhaustive.

Each individual investment may look at all these factors, none, a combination of these or other factors altogether. There isn't a standardized format as each investor's needs and wants will vary. Generally speaking, the characteristics listed above are a great start for a community's consideration and comparison to the competitive playing field.

The location process is more a process of elimination than selection. It is the job of the investor or their representative to narrow down location options to a few, well-defined options. The IEDC released a report called "Working Effectively with Site Selectors". Within the report the process for selection was broken out as:

1. **Defining the Project Requirements:** During the initial stage of a site search the requirements of the project are collected and refined. This step will be up to the investor and its representatives.
2. **Broad Screening and Cut:** This step is the beginning of the collection of data. Up to 90 percent of the information required will be obtained through databases and websites. A community must ensure it has its information available electronically if it has any chance of continuing on in the process.
3. **Identifying a Short List and Conducting Site Visits:** Initial data collected is combined with information collected firsthand from the economic development organization. This combined information is then scored and ranked. The highest ranked communities will be short-listed.
4. **Negotiating Incentives and Finalizing the Project:** The type of project will determine if an incentive is appropriate and the type of incentive. The incentive negotiations occur towards the end of the process and typically at the same time of the property agreement negotiation.

Tips for Building Relationships with Site Selectors

- Face-to-face is best, whether bringing the consultant to the community or visiting the consultant's office. Regarding marketing materials, one site selector said he recently received a packet that must have cost $300-$400 to produce, including a video; the community might have spent less to come visit him.
- Most site selectors have very limited time to participate in familiarization or "fam" tours (events designed to help site selectors get to know a community), though they are useful opportunities. A regional approach is more competitive in getting participation in fam tours, especially if you're highlighting successes and opportunities for partnership.
- "Once a quarter at most, a brief email in bullet form identifying four or five things you think I might be interested in that I can share with my partners around the world."
- Don't include site consultants on your general email list (e.g., don't inform them of your annual meeting date); target your email content to them specifically. Make sure your subject line describes the content correctly.
- Keep your communication content short, sweet and relevant, and follow up. If you've started a relationship, keep it up.
- Some EDOs effectively use short phone conversations, 10 to 15 minutes, to give an update on new incentives or companies moving in or out.
- Have something to say. Don't just try to make contact to be friendly. What you say should line up with your strategy for attraction; "we're all aligned with different industries."
- "There's no bad way to reach out. I like people that send me cookies. I feel obligated to read whatever's in that box." Other effective methods mentioned included videoconferencing and picking up news from communities on Twitter. In terms of receiving material, most preferred electronic versions, rather than hard copies.

Reprinted from Economic Development Now, "You Asked, They Answered: Site Consultants Speak their Minds", Nov 21, 2011

Investment and Economic Development

Over the past years, there have been significant changes in the field of economic development, particularly in the strategies required to attract new business to a community. This is an age of a rapidly changing global economy. This has resulted in communities no longer just in direct competition with adjacent communities or provinces, but with the entire global community. Due to substantial advances in technology, this has resulted in the ability to push data, information, and products and services from any corner of the world to numerous and varied locations simultaneously.

The economic development structure within communities plays a strong role in a community's ability and path towards seeking and truly capturing inward investment. The level and capacity of the economic development office along with community infrastructure and market conditions will play vital roles in attraction.

Local, regional, provincial and international policies for investment attraction play significant roles when it comes to attracting inward investment. Communities typically face challenges in terms of the strong need to have well established policies that are broad, effective and transparent. Policies focused on investment will build the human and infrastructure capacities to implement investments.

The vast majority of economic information shows that FDI will help to increase economic opportunities such as employment and growth. FDI can elicit technology advancements, assist in human capital development, help to create and enhance a more competitive business environment and will work to augment the current and future enterprise developments. These contributing factors all typically equate to higher economic growth. FDI can bring much more to a community than the tangible aspects of seeing a new development. Beyond the traditional views of economic benefits, FDI can also contribute towards an enriched environment and social conditions in a community. Other known potential spinoff benefits could be the path towards the adoption of "green" technologies and leading to more socially responsible corporate policies.

After the initial stimulus from the actual investment, FDI works to influence growth by raising total productivity and the efficiency of resources used in the host community. This works in part due to the linkages that are consequently created between FDI and other foreign trade flows.

Other benefits of inward investment are:

- **Increased Future Trade and Investment** – it is common to see long-term contribution through better integration of the host community with the world economy. This process is likely to include more trade and investment in the community as well as lead to higher imports and exports.
- **Technology Transfers** –investments are typically made by larger, more sophisticated organizations. It is fair to assume they generally have a much higher level of technological know-how and corresponding technology than what is typically available in many smaller communities. This gives FDI the potential to generate considerable technological spillovers.
- **Increased Revenue** – local government can gain substantially through the direct result of increased taxes paid by investors and indirectly through additional employment income and sales taxes by increased consumer spending, etc.
- **Human Capital Enhancement** – FDI contributes towards increased training and human capital growth and development.

- **Increased Competition** – there is the potential for the presence of a foreign company to assist in economic development by spurring domestic competition and therefore lead to an eventual rise in productivity, a decrease in prices and perhaps even a more efficient allocation of the community's resources.
- **Enterprise Development** – there is a possibility of achieving synergies within the community with other business. These synergies could help to raise efficiency and reduce costs in the targeted industry sector and even potentially develop new businesses within the industry.
- **Environmental and Social** – benefits may be attributed to host communities through the dissemination of sound business and ethical practices and lead to the use of "greener" technologies and parallel policies.

Chapter Lessons

- The reasons why a community will engage in the numerous types of investment activities vary greatly. Each community is unique and will have their own reasons for actively engaging in investment tactics.
- FDI is broken down into four main categories – resource seeking, market seeking, efficiency seeking and strategic asset seeking.
- The birth and growth of technology and globalization has truly brought products and services to our finger tips from around the world. This has translated into increased competition.
- Worldwide FDI flows rose moderately to $1.24 trillion in 2010, which is still approximately 15% below the pre-crisis average (2000 – 2007).
- More communities are looking into sister city agreements and “twinning” relationships to help build strategic alliances with foreign regions.
- Incentives can be important, but they’re not the number one factor in an investment attraction strategy.
- It is becoming more common for communities to take on regional or provincial approaches and strategies to entice investment.
- Investment will more likely come to a community that’s prepared. A community must have the essential documents with the pertinent information readily available.
- FDI can elicit technology advancements, assist in human capital development, help to create and enhance a more competitive business environment and will work to augment the current and future enterprise developments.

Economic Development Toolkit

- Community Self-Assessment
- Community Profile
- IEDC Data Standards
- Land Inventory
- Investment Strategy
- Investment Generation

CHAPTER 2: Know Your Community

Community Investment Readiness Self-Assessment

There are a number of "self-assessment" guidelines available through various government websites or from private organizations. For the purposes of this toolkit, the guideline provided is an adaptation of an approved community response assessment tool from a partnership program between the Economic Developers Alberta Association, Government of Alberta and Government of Canada. This assessment is based on the investor point of view. It is an assessment of the experience the investor would have in a community.

The completion of the assessment will give a community a better understanding of its investment readiness level for inward investment including planning and implementing familiarization tours. The tool will assist communities to identify investment readiness gaps and determine the effectiveness of existing planning and economic development processes.

Part I: Expertise

CONTACTS	YES	NO
1. Does your community have a person designated as the key or main contact on economic development?		
2. If the contact person is an economic development professional, is that person familiar with the land use planning, development approvals, and building permit process in your community?		
3. Does he/she have an up-to-date copy of the local official plan and zoning by-law and know council's policies on new development proposals?		
4. Does this person have an understanding of the site selection response (e.g. responding to inquiries, data collection, site visit, etc)?		
5. Does your municipality have a person designated as the key contact on land use planning and development matters in your community?		
TOTAL FOR CONTACTS Out of 5		

LAND USE PLANNING	YES	NO
6. Does the local official plan have one general designation for each of the basic land use categories such as residential, commercial, industrial, institutional, open space, rural and environmentally sensitive?		
7. Does your municipality list the policy intention, regulations and permitted uses in each land use designation?		
8. Does your municipality have an effective information system that you use to provide official plan and zoning information to prospective investors/developers (e.g. air photos, series of neighbourhood charts, or wall maps)?		
9. In your experience, are the policies and/or designations in the local official plan general enough so an official plan amendment is not required to accommodate most development proposals in your community?		
10. Is your zoning by-law flexible enough to allow desired development in your community?		

11. Is the establishment of new "home occupations" allowed in most areas of the community, without the need for an official plan amendment and/or zoning by-law change?		
12. Where they are allowed, are a wide range of businesses permitted, as well as outdoor signage/advertising and on-site customer parking?		
13. Is your key municipal contact person knowledgeable about the upper-tier official plan as well as neighbouring municipalities' plans, and how these policies and land use designations may affect proposed development in your community?		
14. Are your community's official plan and zoning bylaws kept up to date (e.g. updated every five years)?		
15. Is economic development addressed in the official plan's policies?		
16. Does your municipality have a flow chart outlining the steps in the land use planning and development approvals process in your community?		
17. In cases where planning and development approvals are not handled locally, do you know which level of government has the responsibility (e.g. upper-tier, province) and who your contact is?		
18. Does your municipality have information on how long it takes for a typical planning application/proposal in your community to be approved?		
19. Do you have a list of all the application fees and other associated charges and imposts or levies that an applicant/developer would be required to pay in connection with processing a planning/development proposal in your community?		
20. Do your municipal planning staff discuss/coordinate their work with economic development staff?		
21. Does your municipality have any materials for internal or external use that quickly and easily illustrate in layperson's language how development approvals and land use planning work, as well as time guidelines and costs in your municipality (e.g. flow charts)?		
22. Does your municipality have a designated individual to guide the proponent through the approvals process?		
23. When a development application has been successfully completed, is there a review of the process with the proponent as part of your customer services program?		
TOTAL FOR LAND USE PLANNING Out of 18		

LIAISING WITH EXISTING BUSINESSES IN YOUR COMMUNITY	YES	NO
24. Does any senior member of your organization monitor/evaluate your community's track record on liaising with existing investors?		
25. Do your Mayor, CAO, Economic Development Officer or planning staff meet with local business people, including the chamber of commerce on a regular basis to talk about their business needs and future plans (e.g. once every six months for a breakfast meeting)?		
26. Does your municipality liaise with the local chamber of commerce about economic development issues?		
27. Does your community have an active Business Retention and Expansion Program?		
TOTAL FOR LIASING WITH EXISTING BUSINESSES IN YOUR COMMUNITY Out of 4		

Information Sources	Yes	No
28. Can you reach utilities' representatives in your area with a single phone call to answer technical or pricing questions?		
29. Do you communicate with provincial/federal agencies to learn about new policies, programs, information or issues/trends?		
TOTAL FOR INFORMATION SOURCES Out of 2		

Part II: Resources

Industrial Land Inventory	Yes	No
30. Does your municipality have an industrial land inventory?		
31. Is the information up-dated regularly (quarterly)?		
32. Does the inventory provide potential investors/developers with relevant economic development information such as availability and cost of industrial properties, site servicing, transportation access, ownership, location, size, etc?		
33. Does the inventory include both publicly and privately owned land?		
34. If you have a website, is the inventory posted?		
35. Is your land inventory connected to your community GIS System?		
36. Does your community work closely with Commercial Real Estate Agencies in your area to make sure that you are aware of what is available?		
TOTAL FOR INDUSTRIAL LAND INVENTORY Out of 7		

Joint Ventures	Yes	No
37. Do you partner with independent business groups, the local chamber of commerce or tourism board to jointly market your community as a business location or tourist destination?		
38. Is your municipality pooling resources with neighbouring communities to jointly fund a competitiveness study or economic development strategy? The pay off can be surprisingly extensive. In addition to the facts and figures generated by the study, this sends a positive message to the business community contacted as part of the study that your municipality is proactive.		
TOTAL FOR JOINT VENTURES Out of 2		

Economic Development Capacity	Yes	No
39. Has your community established an economic development committee?		

40. Does your municipality employ full or part-time professional planners and/or economic development staff to deal specifically with economic development and land use planning matters?		
41. Is there a budget for economic development activity in your municipality?		
42. Does your municipality use private sector economic development or land use planning consultants?		
TOTAL FOR ECONOMIC DEVELOPMENT CAPACITY Out of 4		

Part III: Communications

COMMUNITY AND SITE SELECTION PROFILE	YES	NO
43. Does your municipality have a community profile?		
44. Is it updated on a regular basis (e.g. every six months)?		
45. Does it include your community's vision statement?		
46. Does the community profile include the following elements (**point for each**): a. news of recent business expansions and new business locating? b. local municipal and volunteer services and business partnerships? c. references to local business groups? d. list of local services? e. list of facilities? f. list of attractions? g. list of photos or other graphics to support written information?		
47. Does your community maintain a profile using the North American Site Selection Standards Template?		
TOTAL FOR COMMUNITY PROFILE Out of 11		

WEBSITE	YES	NO
48. Does your community have a standalone website (not connected to the main community website)?		
49. Does your website contain an easily downloadable copy of your community profile?		
50. Does your website contain information done to the North American Site Selection Standards?		
51. Does your website list key contacts?		
52. Does your website include a list of available real estate?		
TOTAL FOR WEBSITE Out of 5		

OTHER COMMUNICATION CONSIDERATIONS	YES	NO
53. Has your municipality reviewed and improved the mapping used to illustrate your regulatory and promotional documents?		
54. Do you maintain regular contact with media representatives?		
TOTAL FOR OTHER COMMUNICATION CONSIDERATIONS Out of 2		

MUNICIPAL ECONOMIC READINESS COMPONENT	YES TOTAL	NO TOTAL
PART I: EXPERTISE: Contacts Land Use Planning Liaising with Existing Business in your Community Information Sources Sub-Total		
PART II: RESOURCES Industrial Land Inventory Joint Ventures Economic Development Capacity Sub-Total		
PART III: COMMUNICATIONS Community and Site Selection Profile Website Other Communication Considerations Sub-Total		
YOUR MUNICIPALITY'S TOTAL		

How you scored:

There are 60 questions. For each "yes" answer, score 1 point. At the end of the self-assessment, total your number of "yes" answers.

- A score greater than 50 out of 60: Congratulations – Your municipality is VERY READY!
- A score of 31 to 50 out of 60: You're READY and can still improve.
- A score of 21 to 30 out of 60: You're close to being READY but have some work to do and changes to make.
- A score of less than 20 out of 60: There are lots of opportunities for your municipality to ensure its readiness.

A number of training tools and resources are available to help with improving competencies in these areas. Please contact:

- Economic Developers Alberta - www.edaalberta.ca, admin@edaalberta.ca, or

- Alberta Enterprise and Advanced Education - Regional Offices - http://eae.alberta.ca/economic-development/regional-development/regional-branch-offices.aspx

Developing a Community Profile

A Community Profile is an essential tool for economic development professionals. It is the primary resource for information and a basic requirement for investment ready communities. Economic Development Officers (EDOs) need to have a strong understanding of where potential opportunities exist within the community. A Community Profile will help the community and the EDO recognize the opportunities suitable for the community and gain a better understanding of investor needs.

Communities that are prepared have a much better chance of being considered for investment and for "closing the deal." The starting point for communities is to develop an effective and complete "Community Profile" – a document that provides an evaluation and demographic breakdown of the community. The information contained in a Community Profile should be comprehensive and extensive. Typically, information such as population, labour force and a quick overview of economic sectors are included.

Most times a community is unaware it is being evaluated for a potential investment. This means it's important the community has the relevant and up-to-date information readily available and accessible to any and all potential investors. A Community Profile plays a crucial role in the initial screening phases for investors.

Given the high profile these documents receive, the information must be 100% accurate at all times. Guessing isn't good enough and small errors can lead to large potential losses. When developing a Community Profile, undertake the research necessary to ensure everything published is accurate and correct. This document is of high importance and there is good reason to spend the resources required to develop an extensive but concise, informative but readable, and clear but comprehensive, up-to-date informational document.

When developing a Community Profile there's a lot to consider. The type and amount of information to include in a Community Profile will depend on the size and nature of the community and their specific investment objectives. Generally, the larger the community, the more information will be available. However, smaller communities can develop very detailed and concise Community Profiles by including regional demographics or collecting their own data (e.g. Municipal Census).

The following are some basic ideas to keep in mind when developing a Community Profile regardless of community size:

- **Layout** – information should be presented on letter size (8 1⁄2 X 11) layout. Significant use of white space helps the reader to quickly find the particular information they are seeking. Also, bear in mind the ease of use of the document formatting. This information will typically need to be updated at least once a year and other areas perhaps more often. Ensure necessary changes can be made quickly without hindering the design/layout significantly.
- **Community Overview** – This is similar to the concept of an "elevator pitch". A community should be able to provide potential investors with a quick snap shot of the community's uniqueness and competitive edge.
- **Fast Facts** – quick facts will provide an instant snapshot to investors. This could be a one page summary of key community factors.
- **Population** – these numbers illustrate the historical growth to the investor. Projections of population should also be included provided the methodology and information are from a

credible source.

- **Demographics** – a community breakdown of age groups, education levels and ethnicity can all play roles in the decision process.
- **Regional Demographics** - many investors will consider the demographics of a larger area versus just the individual community. A commute area of 45 minutes is recommended to include in the profile.
- **Labour Force** – information on educational institutions helps the investor to assess the ability of a community to meet educational needs. Items such as higher education, medical services and a list of major employers in the area help the investor to understand the community's labour market. They need to know the existing labour supply and the potential of the community to meet training and health care needs and associated costs; investors want to determine the level of competition they may or may not face for qualified labour. Health care costs are a factor that Alberta communities should highlight as a competitive advantage.
- **Education** – the average level of education of the labour pool is important to note. Other things related to education such as research facilities within the area and post-secondary institutions are important information to include.
- **Physical Characteristics** – information on location, size of community (sq. km and sq. miles), any relevant information such as on the proximity to the natural resources such as the oil sands, border crossings, etc. Every Community Profile should include a map to clearly indicate community location.
- **Climate** – weather and other seismic conditions are relevant depending on the specific investment requirements.
- **Government** – what is the government structure like? It is important to foreign investors to have a basic overview of the governing bodies that pertain to a community. This can start from a macro overview of Canada's current government structure, to the province's structure right down to the municipal layout.
- **Taxation** – Taxes are an important fact to consider, this is especially true as Alberta has a different tax structure than other provinces. The implications can lead to huge cost savings for investors to be aware of. Payroll taxes, corporate taxes, sales taxes, property taxes, employment insurance costs, social insurance costs and other pertinent tax information are a key cost of doing business. While some of these items are the same across the country or the province it should still be included. The profile should include a break down these costs for investors to easily view and compare to other communities.
- **Transportation** – information on trucking firms and rail providers and their subsequent outlets (e.g. via airports, major highways, railways or ports) helps an investor determine the ability to meet particular shipping requirements within a reliable and competitive marketplace. Commercial and local airport information assists in determining the ability to transport personnel, customers and products.
- **Utilities** – Every prospect will have its own unique requirement for water, sewer, electric, communications and natural gas use. The investor needs to know the service provider and current levels of service in order to determine the impact on the community and whether the community has the capacity to meet utility demands. In addition, the investor will be looking to see if the community has excess utility capacities to support growth. Costs should be associated with these utilities to provide that snap shot of information immediately accessible to investors for comparison.
- **Map** – A map should be included to help the investor identify the location of the community. Major highways and roads should be identified as reference points in order to make it easier for

the investor to remember the community. This is particularly true for smaller communities. Consider the audience – a foreign investor may not know where a community is located in Alberta or even where Alberta is located within Canada.

- **Quality of Life** – given the ability for many companies to locate almost anywhere in the world quality of life is can play a significant role. Many companies seek a high quality of life because it provides them with the advantage to acquire and retain high quality labour. Quality of Life factors may include the community's image, professional growth and spousal employment opportunities, housing quality and cost, school quality, health care, access to cultural and recreational amenities and acceptance of diversity.
- **Other** – this is an area to list other information important within the community. Items such as incentive packages may be listed here or other unique competitive advantages.

Community Profiles can be used or altered to meet specific industry sector needs. This can help ensure the document doesn't become too cumbersome or include very detailed and specific aspects that may be relevant to one sector and completely irrelevant to another.

The development of a Community Profile is an accepted project under the Invest Canada – Community Initiative (ICCI) with funding up to 50 percent of total budget. Many economic development organizations contract the project out to a consultant who is experienced in the economic development industry.

The Province of Alberta has a web-based tool that will host both basic and enhanced economic profiles for any Alberta community – *AlbertaCommunityProfiles.com*. The tool provides Alberta communities with a no-cost solution to enhance visibility to potential investors, workers, businesses and others who may be seeking information about a community. The web tool provides enhanced visibility for each Community Profile as it is displayed through a variety of portals including the individual websites of Regional Economic Development Alliances and through *AlbertaCanada.com*.

Community Profile

1. Establish a list of information to include (e.g. population, labour force overview of economic sectors, a map, information on utilities, quality of life, government structures, taxation, transportation, etc.).
2. Determine the layout/design and if the profile will be completed in house or by consultant.
3. Begin the data collection and research process. Use reliable sources only (e.g. Statistics Canada).
4. Populate the profile or provide to third party if contracted out.
5. Edit and review all information for accuracy before publishing.
6. Maintain and update information on an annual basis.

International Site Selection Data Standards

As with many things within the world of economic development, there is often a lack of consistency for processes; location or site selection is no different. Investigations of locations vary depending on the sector and who is doing the research. The type and level of information requested can vary drastically. It's not uncommon for investors to request a broad range of information from census statistics to major employers and other more specific and detailed information. Adding to the challenge is the investor often has high expectations of receiving the data within a short period of time. Each request can consequently differ, depending on the investor, the consultant or site selector, the methodology being used and the type of investment and/or project.

Investors generally conduct initial screening through internet research, propriety databases, personal knowledge, filtering with geographic information systems (GIS), or a combination of all. It is typical that an investor can get up to 90 percent of the information they require through databases and websites. The remaining information comes from the community later in the location selection process. This makes it crucial for a community to have as much information as possible readily available and easy to find. But when investor requirements can fluctuate so widely how can a community be prepared? Development of a Community Profile is one tool but the International Economic Development Council (IEDC) has worked with site selectors, consultants and economic development officers to create a template for international site selection data standards.

The data now contains over 1,200 different elements, which have been broken into 25 different spreadsheets. Most of the information contained in these spreadsheets is often information that can be easily sourced from Statistics Canada, Government of Alberta and various other public sources. The remaining pieces are community specific information that needs to be added.

The benefit of having a standardized template is it allows communities to more directly compare themselves with others. IEDC stresses the data standards have been developed as a template to use as guidelines. It doesn't necessitate the adoption of these standard data forms for a community, but the information helps to facilitate the type of information required in the location selection process. The intent is a guideline to provide direction for communities to help gather relevant information.

The specific template and additional information is available for download – http://www.iedconline.org/?p=data_standards . It provides a community with a full break down in an excel spreadsheet. The 25 different worksheets in one spreadsheet are divided in categories relating to the following:

1. Demographic Characteristics
2. Labour Force Characteristics
3. Leading Employers by Sector
4. Companies New to Area
5. Military Base and Installations
6. Research Base
7. Higher Education Resources – Universities
8. Higher Education Resources – Colleges
9. Vocational/Technical Centre Resources
10. Payroll Costs by Industry
11. Average Salary by Occupation
12. Workers Compensation & Unemployment Insurance
13. Labour – Management Relations (Unionization)
14. Transportation
15. Taxation
16. Occupancy/Supply
17. Utilities

18. Environmental
19. Government
20. International Resources
21. Quality of Life
22. Available Office Building
23. Existing Office Site Profile
24. Available Industrial Building
25. Existing Industrial Site Profile

In an effort to save time and other resources, particularity with smaller communities, the most important data from the above list was extracted. For a small community with limited time and other resources IEDC suggests the following be completed:

1. Leading Employers
2. Companies New to Area
3. Average Salary by Selected Occupation
4. Workers Compensation and Employment Insurance
5. Labour – Management Relations (Unionization)
6. Taxation (Only include Real and Personal Property Tax)
7. Occupancy (Only include average costs of sites)
8. Utilities
9. Quality of Life

The nine prioritized data categories are community specific information. These are recommended since the other basic data related to demographics can be sourced by investors or their representatives through other sources.

There is considerable time and effort required by the economic development organization to compile all the necessary data points, however, once completed the spreadsheets will only need to be updated. Resources, particularly time, may prevent some economic development organizations from collecting the data. Invest Canada – Community Initiative (ICCI) provides up to 50 percent funding for the collection of economic data for community investment. ICCI recommends the completion of the Site Selection Data Standards.

International Site Selection Data Standards

1. Download the list of standards and excel spreadsheets from the IEDC website – http://www.iedconline.org/?p=data_standards
2. Determine what categories are going to be completed.
3. Begin the data collection process using reliable data sources (e.g. Statistic Canada).
4. Populate the spreadsheets with collected data and determine how information will be disseminated. (e.g. design of a site selector database/toolbox, data download from website, etc.).
5. Create appropriate information piece.
6. Confirm all data is correct prior to publishing and ensure data is updated on a regular basis.

Land Inventory

Land inventory is a crucial piece of information that is required by investors. EDO's often get inquiries from businesses and investors seeking out available parcels of land for development. This information assists the EDO to effectively and efficiently respond to inquiries. Having land available, and to the quality and needs of investors, is typically part of the first phase of screening in the location selection process.

A well-organized and up-to-date inventory control process is extremely beneficial. It shows the community's level of preparedness, and helps to build investor confidence.

Some common characteristics for investment ready land to include in a land inventory are:

- Serviced by a municipal water system
- Serviced by a municipal sanitary sewer system
- Serviced with electricity
- Serviced with natural gas (where available)
- Serviced with high-speed telecommunications
- Size of land available for development
- No significant natural environmental issues (e.g. Seismic activities)
- No man-made environmental issues, such as chemical contamination (e.g. Brownfields)
- Designated in the municipality's official community plan and zoning bylaws as industrial, commercial or other designations allowing industrial uses such as manufacturing, assembly and warehousing

The information provided to investors should be as comprehensive as possible. It is common to include the physical characteristics of any parcel of land being considered for development. In addition to the listed characteristics above the land inventory should include:

- Lot size
- Legal description
- Zoning
- Owner information (e.g. City owned)
- Assessed values
- Building specs if building on site
- Taxes

Investment Ready Sites

"Shovel-ready" sites are in growing demand among investors and are an increasingly popular tool for communities to attract new business and industry. Several North American jurisdictions have developed "Certified Shovel Ready" programs to assist communities in marketing sites ready for development and investment.

Investment ready sites generally refer to commercial and industrial sites that are appropriately zoned for the type of investment the community is targeting. The sites are under the legal control of a community or other third party and have the following completed prior to putting the site up for sale:

- Planning
- Zoning
- Surveys
- Title work
- Environmental studies
- Soils analysis
- Public infrastructure
- Engineering

Investment ready sites should include a variety of sites that fit within the community's Official Community Plan (OCP) and the investment attraction objectives.

Land Inventory

1. Research the available land in the community, work with planning department, real estate and development industry to compile a list.
2. Refine the list to ensure land is usable, zoned correctly, and readily available.
3. For each investment land opportunity identified, list the appropriate information (e.g. land size, utilities provided, transportation (access roads), zoning, all proper documentation, is there servicing for municipal water systems/sanitary sewer systems, have electricity, natural gas, high-speed telecommunications, environmental issues (brownfields, contamination, or seismic activity levels), OCP regulations/zoning bylaws, etc.).
4. If there are remediation steps that may be necessary, make this process simplified for investors by doing the research and providing the data.
5. Research and collect all the information necessary for Step 4. Ensure accuracy and that data is up-to-date.
6. Determine how inventory will be disseminated (e.g. printed inventory document, download from website).
7. Ensure process is in place to maintain inventory.

Investment Ready Websites

We are living in a world that has the ability to instantly connect businesses and individuals to the global marketplace. This concept has essentially levelled the playing field by allowing businesses to communicate and collaborate in ways never before possible, due to the increase in speed and access to high quality and relevant information.

Studies show the Internet is increasingly becoming the method used to source out information. Investors are more likely to find their information through websites, databases, etc., during the first few phases of their selection process. This allows investors to immediately eliminate communities that don't fit their requirements and before the community even knows it is being evaluated.

"(Having) a good website is more important than ever to help (EDOs) stand out. Most EDOs fail the test. The board of directors may not be investing sufficient research capabilities. Two thirds (of site selectors) are very susceptible to bypass an area because the proper information is not on the website."

IEDC Working Effectively with Site Selectors

This puts additional pressure on the community to maintain the majority of their information on an economic development website, or other portal (e.g. REDA, provincial, national). It is clear investors use the Internet to gain most of the information they need in their evaluation before any contact with the community.

Within the last 10 years, the Internet has transformed the world of economic development and has altered the relationship between an EDO and the potential prospect. Prospects/investors today have access to most of the information the EDO may traditionally have had to provide in the past. Contact with the community is now made when additional information or "high level" data is required. This tells the community it is a serious inquiry and not to be taken lightly. However, to get to that point a community needs to ensure their website has the information required.

Website Content

Most economic development organizations have a website providing at least basic information. A good economic development website should align with the community's FDI strategy and have the content required by investors to keep it in the location selection process. According to a 2012 survey by Altas Advertising, the average economic development website received 161 visits per actual inquiry to an economic development organization.

How then does a community decide what content to include on the website? A study by Development Counsellors International (September 2011) asked site selection professionals to indicate the features most important to the usefulness of an economic development organization's website. The survey presented 15 features commonly included in the design of an economic development website. In order of importance the features ranked as follows:

- Incentives information
- Workforce statistics
- Demographic information
- Database of available buildings/sites
- Comparisons to competitor locations
- List of leading local employers
- Target industry information
- Staff contact information
- Quality of life information
- News section
- Maps of the community
- Local schools information
- Testimonials from local companies
- User-generated content/Blog

- Video content

To expand upon the above, it recommended that economic development websites include the following information:

- Community Profile – basic facts about the community, its political situation, level of development, regional cooperation, general economic overview, cost of doing business, business environment, demographics/statistics, workforce information, competitive advantages, sector profiles, related links.
- Buildings and/or sites (land inventory information)
- Data on investment opportunities
- Information on your community's strengths, weaknesses, opportunities and threats. It is not seen as a negative to talk about weaknesses or threats – it shows that the community is honest and looking for ways to improve.
- Access to information about the community's strategic plans, market conditions, sectoral trends, etc., and business contacts, including investment promotion and other city or regional government agency contacts and private business contacts
- Workforce Statistics (availability, skills and educational attainment)
- Research resources for information on potential partners
- The nature and extent of client servicing provided by the community, the economic development office or any other business organizations that may assist in attracting investments

The website should be no different than any other content or piece of collateral material developed. It needs to be accurate, up-to-date, relevant, informative and readable.

A well designed website with strong content that considers the audiences' needs can make the difference in the investment decision process. The website should provide investors with the information that shows their requirements will be met. As we see the increased use of the Internet and websites for informational sources, a poorly constructed website can have a negative impact on a community's level of investment readiness. Careful consideration and resources need to be devoted towards a sound investment focused website in order to remain competitive.

Continuous improvements, updates and maintenance of the website are important. Communities may need to hire additional staff to maintain the website or contract out the service for maintenance and updates.

Elements of a good investment website must include:

- City or organization name
- Contact information
- Easy to use navigation
- Maps
- Branding
- Professionalism and accessibility

Best Practice

Marketing Awards
An excellent starting point for best practices in website design and content is to look to the marketing award winners from economic development associations.

Past winners from EDA include:

- Calgary Economic Development
- Hinton
- Alberta SouthWest Economic Development Alliance
- Airdrie Now

- Downloads
- Links
- Descriptive, detailed content
    - Demographics/Workforce
    - Utility and telecommunications costs and providers
    - Transportation access
    - Tax rates and incentives
    - Quality of life
    - Leading employers and unionization
    - Recent expansions/relocations in the area
    - Educational institutions and research centres
    - Sites and buildings database
    - Business related news/events
    - Social media accounts

Tips for a Good Investment Website

Writing copy:

- Concise text – half the word count (or less) than writing for print
- Shorter sentences and paragraphs
- One idea per paragraph
- The inverted pyramid style, putting the most important point or the conclusion first
- Bulleted lists
- Highlighted text (bold colour, also hyperlinked text) for scannability
- Meaningful headlines and subheads
- Write copy that sells benefits rather than features

Increasing web traffic:

- Be included in the first page of search engine results for appropriate keywords:
    - Economic Development Organization's name
    - Name of the community
    - Name of the region
    - Name of the community + economic development
    - Name of the region + economic development
    - The URL
- Improve search engine ranking:
    - Use the relevant keywords identified in the website meta tags (descriptive tags within links, pictures, page headers, etc.)
- Have a simple web design:
    - Don't use too much flash
    - Don't use graphics for headers and buttons (use text)
    - Don't use too many frames
    - Have a site map
- Email marketing
- Use of social media
- Create mobile site
- Update frequently

Website Development

1. Determine where and who will host the website.
2. If required, select and purchase an appropriate domain name.
3. Determine if website will be developed in-house or outsourced to a web design company. If outsourced, ensure the web designing company has experience with economic development and clearly understands the website's needs.
4. Map out the information to include (e.g. labour force and demographic information, incentives, land inventory, downloads, customizations, etc.).
5. Ensure community branding is incorporated in the website design.
6. Research and provide all the information for the website. Make sure it's relevant, up-to-date and adds value.
7. Evaluate website best practices and incorporate them.
   - **Best Practices –** Best practices cite that your website should be intuitive and easy to navigate, all data should be located online, provide links to other relevant sources for additional information, up-to-date information, and other real-estate data and if possible, the use of GIS technology
8. Populate web pages or provide all information to web designer. Discuss search engine optimization for appropriate terms.
9. Review design and information prior to making website live to ensure accuracy.
10. Promote your website.
11. Continuous improvement and maintenance must be ongoing.

Chapter Lessons

- The first step in understanding a community's investment readiness is to take the Self-Assessment.

- A community profile is an essential tool for economic development.

- A community profile should include information on:
    - Community overview
    - Population
    - Labour Fore
    - Education
    - Physical characteristics
    - Government
    - Taxation
    - Transportation
    - Utilities
    - Map
    - Quality of life

- Communities should consider incorporating the International Site Selection Data Standards (1,200 data points broken into 25 different categories).

- Land inventory is a crucial piece of information that is required by investors.

- Shovel ready sites are becoming more common and are considered to be a competitive advantage.

- Communities should have a separate, dedicated investment-focused website.

CHAPTER 3: Investment Strategy

Assess Your Investment Needs and Potential

Assessing a community's investment needs and its potential is an important aspect for every economic development organization. Knowing where the community currently stands and where it wants to go is a necessity. The point of assessing investment needs and potential is to determine what type of investment attraction activities a community should undertake. In order to do this an evaluation of the current trends and analysis of how the community fits into those trends needs to be completed. A beginning point is to look externally first, and investigate the FDI trends occurring globally and regionally.

> *"Not every project fits in every community. It is incumbent upon economic development organizations to know what type of companies fit in their communities."*
> *IEDC's Working Effectively with Site Selectors*

Examine FDI Trends and External Influences

It is important to take the time to evaluate global and regional FDI trends, and any other external influences that could potentially affect a community's ability to attract FDI. Before determining the trends, a basic understanding of the general trends of global and regional FDI trends is required.

Global Trends

An understanding of the trends provides a better opportunity to recognize what types of individuals or companies are looking to invest and their reasons why. Identifying the trends and matching them with a community's strengths and opportunities will help to correctly identify the sectors that are expanding and looking for investment opportunities.

An excellent tool available to communities is fDiMarkets. fDiMarkets is an online database that tracks cross border Greenfield investment covering all sectors and countries worldwide. It is the only online database that provides real-time monitoring of investment projects, capital investment and job creation with tools to track and profile companies investing. It is a subscription based service and may not be an affordable option for an individual community. A region or the Province of Alberta may find value in subscription services. The type of data provided is useful for identifying global trends along with regional. Their website is http://www.fdimarkets.com/

Regional Trends

It is not just international trends that need to be considered as part of the research. It is important to evaluate regional trends as well and to build alliances. Doing this can provide a community with the information to assess the trends within the region.

Gathering an understanding of the different types of investments that have already come to the region, or the types of investments that communities within the region believe are suitable, will help to structure a community's investment strategies. A community should gather all relevant data on recent investments, the types of investors and subsequent sectors they're in. Combining all this information will help to provide a more complete picture of regional trends.

Data to begin gathering may include:

- Nationality of the investors
- Source of the investment
- Structure of the investment (e.g., debt-equity, licensing, outright purchase, merger and acquisition)
- Value of the investment
- Type of operation (e.g. manufacturing, service, distribution, back-office)

In terms of both global and regional trends, take into consideration any other relevant external factors (short term and long term). These external factors can have significant impacts on the type of investments a community is seeking as they could hinder the target industries/sectors.

External factors can include a wide range of disruptions. They can be related to government policies or problems, military turmoil, trade embargos or any number of outside influences that can impact a community's investment attraction strategies. The issue in identifying external factors is they're typically unpredictable, but there are methods to make educated assessments. Calculating these risks can be difficult. It depends on the likelihood (probability) of an event occurring and on the consequences (impact) if that event should occur. Managing these risks is essential but no risk management system is infallible as risk is a combination of uncertainty and constraint.

SWOT Analysis

A SWOT Analysis is one of many tools incorporated in the assessment of a community throughout their planning processes for a proper situational analysis. It is a commonly used tool and provides the overview of a community in terms of strengths, weaknesses, opportunities and threats.

A SWOT Analysis is a breakdown of a community's *internal* Strengths and *internal* Weaknesses as well as the evaluation of a community's identified *external* Opportunities and *external* Threats.

The main purpose of the identification of these characteristics is to build strategies around them. A community should work on attraction strategies that build on the strengths of a community and to mitigate any weaknesses that were recognized. The internal strengths and weaknesses are typically aspects that a community has more control over, whereas the community has less control over external opportunities and threats.

The strategies and plans developed should take advantage of any identified opportunities. At the same time a community needs to ensure the risks of any recognized threats are minimized. Conducting this critical process will help provide a community with the necessary information to visualize how the community stacks up against its competition. The process also provides an understanding of where there may be room for improvement or where there may be potential.

A SWOT analysis is an important process to conduct; it will provide information that is useful in matching a community's available resources and capabilities to the competitive environment. It is instrumental in strategy development and selection. It gives a dynamic diagram of a community. The findings help significantly in planning and strategizing. The outcomes can help to set benchmarks and goals to achieve. The SWOT analysis is a moving assessment and should be re-evaluated annually. Results can and will change over time and strategies and plans need to adapt accordingly.

The following is a sample SWOT worksheet:

	Strengths - S List issues or uniqueness that can be built upon to advance current or future growth opportunities 1 2 3	Weaknesses – W List issues or uniqueness that, if not addressed successfully, could limit current or future growth opportunities. 1 2 3
SO Strategies Use strengths to take advantage of opportunities **WO Strategies** Overcome weaknesses by taking advantage of opportunities **ST Strategies** Use strengths to avoid threats **WT Strategies** Minimize weaknesses and avoid threats		
Opportunities – O List assets, actions or trends that offer the potential for economic growth and the attraction of new industry and employment. 1 2 3	**SO Strategies** 1 2 3	**WO Strategies** 1 2 3
Threats - T List obstacles, actions or trends that if not addressed, could threaten the community's economic potential and its ability to attract new industry and employment opportunity. 1 2 3	**ST Strategies** 1 2 3	**WT Strategies** 1 2 3

Completing a SWOT analysis gives a stronger perspective of a community's investment potential and needs. From here, this information will filter through in terms of answering some key questions to determine where the community stands. Completing a SWOT should provide the community with the information to:

1. Identify community's goals
2. Breakdown global and regional trends
3. Identify community's strengths and weaknesses

Once this analysis is complete a community can determine its unique selling proposition. This will include those unique characteristics deemed to be greater than the competition and which will be highly attractive to specific industries. It is a competitive advantage.

SWOT Analysis

1. List all community strengths
2. List all community weaknesses
3. Identify as many opportunities as possible for the community
4. Identify any threats for the community (internal or external)
5. Review the lists (matrix) with a view to creating an action plan to address each of the four areas

Remember:

- *Strengths need to be maintained, built upon or leveraged*
- *Weaknesses need to be remedied, changed or stopped*
- *Opportunities need to be prioritized, captured, built on or optimized*
- *Threats need to be countered or minimized and managed*

Analyze Industry Sectors

Communities are living in a rapidly changing environment and the characteristics that make up individual community economies can significantly change within a short period of time. The exercise of analyzing industry sectors, regardless of the situation, is an excellent method to establish and maintain effective programs based on economic opportunities, constraints and the needs of the community.

At minimum a community should assess the following:

- Understand existing business and related assistance programs
- SWOT Analysis – distinguish the critical strengths, weaknesses, opportunities, threats and challenges within the community
- Understand obstacles for investment and development

Assessment of local industries will help to identify:

- Challenges
- Competitive advantages (comparatively speaking to other communities)

- Obstacles that pertain to investment attraction goals/objectives
- Local resources available
- Socio-economic make-up of the community
- Skill level of workforce
- Any other opinions or perceptions of the community that could potentially help and/or hinder economic development

A thorough analysis of industries can help to formulate and implement investment attraction policies and programs to build on a community's strengths and address local needs. To develop an effective investment attraction plan, economic development practitioners must understand:

- Driving forces in the economy
- Core industries
- Community's development capacity
- External trends and events that could potentially affect the community's development

The goal of this analysis is to identify the key or critical issues within a community and work towards a realistic path to successfully address the issues.

Two tools utilized to analyze local industry are Location Quotient Analysis and Shift Share Analysis. They assess the concentration of economic activities within a smaller area (the community) relative to the primary region (regionally, provincially or nationally) in which it resides.

The primary source of information needed to undertake the analysis is industry labour force statistics. If the community corresponds to a Census Metropolitan Area, annual labour force employment survey data (based on NAICS) is available through Statistics Canada. In this case, both location quotient analysis and shift-share analysis can be performed on a year-to-year basis. For smaller communities, data may be restricted to the census periods (analysis performed every five years).

Location Quotient Analysis

The location quotient (LQ) is a simple tool that provides insight into understanding a community's economic or industry strengths as well as identifying prospects. The LQ helps communities to understand their local industry base. This is important in terms of understanding the extent to which community needs are being met or not and where opportunity may exist.

Location quotient analysis involves the calculation of a ratio that measures each industry's share of total local employment relative to the same industry's share of a reference area's total employment. The reference areas can be a region, a province or a nation.

The calculation of the LQ produces an index that reflex the contribution of each industry to the local economy relative to the contribution of each same industry to the reference area. The equation for LQ is simply:

$$\textbf{Location Quotient} = \frac{\text{Community Employment in Industry}}{\text{Total Community Employment in Industry}} \div \frac{\text{Reference Area's Employment in Industry}}{\text{Reference Area's Total Employment}}$$

When interpreting the data, a LQ greater than 1.0 indicates that the economy is self-sufficient, and may even be exporting the good or service of that particular industry. On the other hand, a LQ less than 1.0 suggests the community tends to import the good or service.

Shift-Share Analysis

Shift-share analysis focuses on changes that have taken place in the industrial composition of the community. This technique examines variations in local employment relative to changes in employment observed in a reference area. The reference area can be a region, province or nation. To calculate shift-share employment data is required for two employment years (e.g. annual labour force survey or census periods). Employment numbers and calculations of percentage change are required.

Shift-share analysis is conducted on the basis of three effects:

- **Reference Area Growth Effect (RG)** – measures the change in employment that would have occurred if the local industry had experienced a rate of growth equal to the rate of growth for all industries combined for the reference area.

RG = Community Industry employment in Year1 X Reference area's growth rate from Year1 to Year2

- **Industrial Mix Effect (IM)** – measures the change in employment in a local industry attributed to whether the particular industry is growing or declining in the reference area.

IM = (Reference area's growth rate for industry – Reference area's overall growth rate) X Community industry employment in Year 1

- **Differential Shift Effect (DS)** – measures the difference between the rate of change in industry employment at the local level and the rate of change in industry employment at the reference area level. This effect is especially relevant because it highlights location advantages or disadvantages responsible for an industry's growth or decline within a community relative to other locations.

DS = (Community industry growth rate – Reference area's industry growth rate) X Community employment in Year 1

Once each effect is calculated, a combined analysis is performed for the industry. Calculating the actual change in location industry employment is specified according to: Actual change = RG + IM + DS
Shift-share examines the sources of changes in location employment growth or decline. By using shift-share, a community can identify local advantages, as well as pinpoint growth or potential growth industries.

Like many other economic tools, the location quotient and shift-share techniques are description tools and should be used in combination with other analyses to help better understand the region's key industries. In addition to an internal industry analysis, it is important to look outside the community and analyze the industry sectors that are to be targeted.

Target Geographic Sources of Investment

Targeting geographic sources of investment is essential to narrowing down the areas and industries that make economic sense for a community, based on its own unique characteristics.

It is important to be strategic when sourcing out investment. Begin with a list of the most likely areas of potential investment (e.g. investors that may already be invested in the community). Review the FDI global and regional trend analysis and identify any emerging industries that may be a fit for the community. A community should consider developing a "wish list" of industry sectors that it desires. Once this list is established, the community can then begin to prepare the information that is specific to that industry to use for marketing purposes.

After the list is complete, more detailed and relevant information that is pertinent to the community is required. Communities must take the time to understand the industry they wish to target. It is important to have a thorough understanding of any and all factors about the industry.

Developing a detailed and comprehensive industry analysis will make the decision making process much easier. The community will have the data readily available for assessing which industry sectors are proving to be most compatible for their community's needs. The industry-analyzed information should be compared to the other community research compiled such as the data exposed through the SWOT analysis.

The next step is to match industries that are a fit for the community and eliminate those that are not. The industries assessed to be most compatible with the community will typically be easier to attract. The community can demonstrate to the investor how the industry sector will align in a positive manner with the community's advantages. Developing a list of compatible industries and geographic areas ensure a community is not wasting valuable resources marketing to locations and industries that make no sense for the community. Compatibility is key to both the investor and the community to generate a win-win situation for investment.

The target list of industries and geographic areas should be refined and short-listed to identify the most strategic and influential industries and sources of investment. A competitive strength analysis is a great tool to help analyze the pros and cons in a quantifiable method.

A competitive strength analysis uses a basic table to lay out community success factors (CSF) assessed against various investment sources. The assessment allows the community to prioritize investment opportunities. Below is a simple example:

Rating Scale		**Manufacturing**		**Technology**		**Professional Services**	
(1=Very Weak, 10=Very Strong)	Weight	Rating	Score	Rating	Score	Rating	Score
Key Success Factors (Strength Measure):							
1.) Number of Jobs Created	0.3	10	3	9	2.7	6	1.8
2.) Wages	0.3	7	2.1	10	3	7	2.1
3.) Initial Investment $	0.1	10	1	8	0.8	9	0.9
4.) Technology Transfer	0.3	6	1.8	10	3	7	2.1
Totals:	**1.00**	**33.00**	**7.90**	**37.00**	**9.50**	**29.00**	**6.90**

Note: Weight is the weight assigned to each CSF. Rate the industry's strength on a scale of 1-10 then multiply by the weight. Based on this example, the Technology industry would receive the highest priority.

In addition to analyzing the industry, the nationality and geographic location of each potential investment can play a significant role. The additional breakdown of geographic location will help maximize a community's efforts and resources effectively. Geographic assessment identifies cultural differences, similarities, challenges, etc., that can have an effect on the investment. This is easily done by adding in geographic components to the competitive strength analysis matrix.

An investment attraction strategy should allow for flexibility and not be a static plan. By assessing each investment a community can ensure new or emerging opportunities are not overlooked.

Targeting Industries

1. Use the SWOT analysis outcomes. The community's strengths will provide guidance.
2. Combine SWOT analysis with other community analyses and characteristics to develop commonalities and help understand community needs and vision.
3. Use competitive strength analysis to determine gaps. Develop matrix to list community strengths assessed against investment sources and types.
4. Expand matrix to include geographic location of potential investment.
5. Take the information gathered and develop strategies to attain the goals for each geographical region identified.
6. Implement the strategies and record progress (continuous improvement is necessary).

Develop a Marketing Strategy

The past three years have been a challenging period for the world economy. In this uncertain economic environment, it is more important than ever for economic development organizations to know their audience. A successful investment strategy requires that knowledge along with a clear strategic direction and effective marketing.

Image, brand awareness and perceptions are major factors influencing the location of FDI. Companies make investment location decisions on the basis of their information and understanding of what an area has to offer their company. Investment promotion is therefore an essential component of attracting inward investment.

> *"In economic development marketing, it is better to reach six of the right people than 6 million of the wrong people."*
> *Ted Levine*

Marketing efforts are aimed at developing awareness of a community as a potential location for investment. A strong marketing strategy should work to build up a community's image to investors and to put the community "on the map". They help to reposition a community that may need to change its current external image or perception.

A marketing strategy is an integral part of the strategic planning process for a community and plays a key role in an investment attraction strategy as well as the overall economic development strategy.

A generalized structure for a marketing strategy typically follows the overall objectives of a community's investment attraction objectives. This may include conducting marketing analysis and organizational analysis for the sectors and industries targeted. This allows the community to identify the specific marketing objectives and to work towards building a comprehensive marketing strategy based on those objectives (e.g. marketing mix, target market, mediums of promotion, etc.).

A marketing investment plan is often described as an initiative that takes advantage of both direct sales tools and other promotional tools to introduce and convince a prospective investor to invest in a community. Marketing plans cover a wide range of information and take extensive research. Before implementation the community must be ready with the information needed to respond to those inquiries that may result from its marketing efforts.

The marketing plan should start with a clear understanding of a community's investment targets and activities. A community's targets directly affect what marketing strategies will best meet those targets while keeping in mind the community's available resources. The plan should include specific guidelines for who will be responsible to carry out each strategy.

The marketing strategy should identify the sectors the community is targeting, the geographic area, the promotional methods to be used, specific promotion content, performance measures, staff responsible and budget allocated.

> *"Planned visits to corporate executives, followed by internet/website rate highest among all economic development marketing tools."*
>
> *DCI's Winning Strategies in Economic Development*

Many economic development organizations have never developed a comprehensive marketing investment attraction strategy. This can be due to resources available, lack of knowledge, etc. but a strategy helps a community to stay focused, remain on track and increase their investment success rates.

Marketing Strategy

1. Describe your community's unique selling proposition (competitive advantage). This should set a community apart from competitors.
2. Define your target market (developed from SWOT, competitive analysis and other data sources).
3. List the benefits of the community.
4. Describe how community is branded.
5. Define the marketing methods. (e.g. advertise, Internet marketing, direct marketing, public relations, etc.).
6. Identify specific methods (e.g. community partnerships, trade shows, outbound visits, direct advertising, marketing collateral, press releases and websites).
7. Implement the plan and revisit approximately every quarter to determine if changes or adjustments are required.

For those communities that are undertaking a marketing strategy for the first time, a list of common marketing tools and strategies often used by economic development organizations are mentioned below:

1. **Planned Visits to Corporate Executives –** some communities prefer to go and visit corporate executives and regions (e.g. Trade Missions) to attract investment and build relationships for future trade opportunities. When participating in these types of visits, ensure there are pre-arranged meetings with corporate executives, site selectors, consulates, etc.

2. **Website –** with the fast adoption and even faster innovation of technology, having a dedicated investment website is recommended. Include information such as demographic information, incentives (where appropriate), land availability, leading employers etc. Other uses of the web include:

    a. **Social Media –** a well thought out social media strategy can help communities extend their reach rather quickly; these tools help the smaller communities expand their reach.
    b. **Direct E-Mail –** use E-Newsletters (Electronic Newsletters) to reach prospects and other stakeholders. This is a great tool to keep potential prospects "warm" until they're ready to make a real investment.

3. **Hosting Special Events –** hosting events can be advantageous for a community. Key decision makers that have influence in attracting investment (e.g. government officials, executives of companies, site selectors, etc.), should be targeted. Events can be held within the community itself or host an event at a Trade Show (e.g. evening reception).

4. **Trade Shows/Missions –** trade show attendance is a common practice. Tradeshows are a great way to increase exposure to a large audience and provide the opportunity to target industries/sectors based on objectives. Effective trade show attendance or trade missions involve a great deal of time in planning and executing, from making travel arrangements, obtaining visas, determining who to meet with, setting up meetings, identifying and coordinating participants, learning about the country, etc. Because of these costs in terms of time and money, preplanning is essential.

5. **Press Releases and related media/promotions –** look for great stories within the community or from within the economic development organization. This can be a good way to create or expand awareness.

6. **Direct Advertising –** publications and magazines to advertise the community and its advantages are a traditional approach. Selection of the publication should be done with care and research as this type of strategy can be expensive and may not provide the best ROI.

Best Practice

Calgary Economic Development
In October 2012, Calgary Economic Development led an oil and gas trade mission to Australia.

The mission's goals were to build awareness of Calgary as a global energy centre with particular expertise in natural gas, and profile Alberta companies who possess many of the products and services that would support Australia's industry.

Australia was chosen due to its stable government, strong financial system, similar legal and accounting structures, and the close fit Canadian service companies offer in developing Australian natural gas production.

7. **Direct Mail** – sending concise information about your community or region to site selectors and executives can be effective in increasing awareness but should be used minimally as corporate executives often get these types of mailings screened and do not see them.

8. **Marketing Collateral –** at minimum have up-to-date information and promotional material about the community. This type of collateral is an important tool and should be readily available to circulate at events, drop-in clients, trade shows, etc. Other collateral includes:

   a. **Industry Sector Information –** key or target industry specific information is another piece of collateral often requested by investors.
   b. **Site Selection Standards –** the site selection standards template (available from IEDC) is an excellent tool. Please review the International Site Selection Standards section for additional information.

9. **Community or Regional Partnerships –** create or expand partnerships with organizations, businesses, communities/regions or other levels of government. Combining resources and partnering with other stakeholders can improve a community's odds of winning an investment. A regional marketing plan or strong regional communication will help everyone to achieve their objectives.

10. **Association Memberships –** leverage resources through other organizations and associations including the Economic Developers Alberta.

Chapter Lessons

- Assessing a community's investment needs and its potential is an important aspect for every economic development organization.
- Take the time to evaluate global and regional FDI trends.
- A SWOT analysis is a breakdown of a community's internal strengths and internal weaknesses, as well as, the evaluation of a community's identified external opportunities and threats.
- A SWOT analysis is instrumental in strategy development and selection.
- Analysing industry sectors is an excellent method to establish and maintain effective programs based on economic opportunities, constraints and the needs of the community.
- Targeting geographic sources of investment is essential to narrowing down the areas and industries that make economic sense for a community.
- A successful investment strategy requires clear strategic direction and an effective marketing plan.
- There are many strategies for marketing a community; a marketing plan should identify only those that will work for the community.

CHAPTER 4: Investment Generation

Developing a Lead Generation and Tracking Database

It is important for a community to develop a method to control and track investment. This is for investors who have expressed an interest in the community as well as for the targeted industries of the community. Controlling and monitoring the investment, when done correctly, gives a community the advantage of having information to assist in securing investment. The tools to track, record, control and monitor investment opportunities include a variety of components to effectively record the relevant information. A basic database should include:

- Investor name & contact information
- Position within company
- Level of readiness to invest
- Industry
- Detailed notes of conversations, emails, documents, etc. and dates
- Automated reminder for follow up

> ***Tools and Resources***
>
> ***Appendix 2: Sample Community Inquiry Information Sheet***
>
> *This document provides a sample of the information a community should collect from any investment inquiry. The information can be input into a lead generation and tracking database.*

An effective system will help to streamline the process, provide clear historical information, eliminate errors and provide a mechanism for follow up. These are all critical pieces of the investment process, particularly the follow up. Nothing puts a community in jeopardy of losing an investment more than lack of proper follow up.

Building a strong database will take time but eventually there will be sufficient and substantial information to use to target specific industries and/or investors. The database enables a community to provide contacts with the necessary information pertinent to their specific needs based on past conversations and other additional information.

Building the database is just the start. Maintaining it is a project in itself and needs to be taken seriously. Companies move, relocate, CEO’s and other key decision makers move on from career to career from company to company, so it is important to maintain up to date and accurate information. Maintenance can prevent calling numbers no longer in service, sending to a non-existent email, or calling a company asking to speak to someone who is no longer there. Forging relationships with more than one key individual is important to do to help prevent some of these situations.

Maintaining this database will be time consuming and someone needs to be available to continually update and review the database. It is worth the effort to train staff in the process of uploading any information from conversations and research to the database. The process includes filtering out outdated leads, strong leads, new leads and all the information that is tied to each one.

There are a variety of ways to develop a database. A community can create an in-house tool or can purchase a program. Executive Pulse, for example, has a *Prospect Tracking Module* that provides the ability to track a potential new business to a community from the initial inquiry to final won/lost resolution. This module establishes a portfolio for the prospect that can be systematically updated as more information is learned about the potential business.

The first step, whether creating an in-house database or purchasing a program, is to develop a list of potential investors. This includes investors that have previously expressed an interest in the community along with potential investors and targeted industries.

Embassies and other Canadian trade commissioners can assist in populating your database by sourcing out key regions, industries or individual investors for a community to contact. It is important as a community to establish and maintain strong relationships with these agencies to ensure they are aware of the unique opportunities that are available.

To further build the database a community can purchase customized lists from data providers (e.g. Hoovers or Dun & Bradstreet). It is important these lists be customized to the needs of the community and focus on specific target industries. Another resource available is Kellysearch.com, an online database of global businesses. A community can search for specific companies or look through databases of specific industries to help populate their own database.

If building the database in-house, below are additional details and tips to include in the database:

- Primary contact – ensure any mailings are addressed with names and not `Sir' or `Madam'
- Address – mailing and street address if different
- Phone numbers – general, direct and cell phone
- Fax number
- E-mail – corporate, personal
- Industry targeting – is this an industry sector, sub-sector or specialty for the community's investment target
- NAICS – the recognized standard of industry description
- Sales – useful for targeting firms by size of their operation
- Employees – provides another useful comparison
- Controlled by parent company
- Name of parent company
- Internal assessment of lead – develop a system specific to the community's investment target priorities
- Size of potential investment – in dollars or jobs or both

Ten Lead Generation Mistakes

1. Spending on marketing activities that don't produce ROI
2. Holding unrealistic expectations for marketing
3. Not implementing marketing because of inefficient decision-making
4. Not being able to sustain implementation over the long-term
5. Relying on one tactic only
6. Poorly implementing specific tactics (e.g. poor marketing strategy, poor targeted industry analysis)
7. Dropping leads and failing to nurture leads
8. Not communicating value in marketing
9. Not integrating various marketing tactics well
10. Planning poorly for lead generation

Lead Generation and Tracking

1. Determine if lead tracking database will be developed in-house or a purchased program.
2. Gather information collected on target industries and begin to expand out the information. Collect information on key companies, individual contacts, current operation, future needs, etc.
3. Populate the database with all gathered information.
4. Using the marketing strategy, begin to make contact with key companies to build relationships.
5. Record all information and discussions in the database. When investors contact the community directly, ensure contact details are added to the database.
6. Continue primary and secondary research at all times to ensure accurate and up-to-date information in the database.
7. Set tasks to “follow-up” with contacts within appropriate timeframes.
8. Continue primary and secondary research at all times to ensure accurate and up-to-date data.

Prioritizing and Targeting Companies

Once the database has been populated the next task is to refine and prioritize the list of contacts. The first step is to exclude companies that do not fit the community's promotion goals. This first round of prioritizing the contacts is to look at all contacts (the "leads") within the database. Leads are the broad based contacts that have varying levels of opportunity. Once this first round is complete the priority contacts will consist of "prospects". Prospects are contacts that have a higher percentage of real opportunity and that match with the community's targets (based on the community's Investment Strategy research). To further qualify the opportunity the second step is to separate the prospects into near-term or long-term potential. If appropriate research was completed during the first stages of populating the database it will be a fairly simple task to now prioritize the prospects. If not, additional research may now have to be completed to effectively prioritize. When the list is prioritized, the community can select specific prospects to target with marketing initiatives as identified in the marketing strategy.

Qualifying a Lead Tips

Qualification is the process of identifying leads that have the best opportunity for real investment.

- Where possible, always pre-screen and qualify the client and evaluate their position in the industry. Hoovers, a D&B company, provides data that can assist in the process. The EDA website provides a copy of a sample Hoover's Company Profile Report for download Other companies that offer a similar service to Hoovers include ZoomInfo, Kompass, and CEO Express.

FDI competition makes it crucial for a community to develop clear and distinct competitive advantages for promotion to target industries. From the priority list, a community should only select a reasonable and manageable number of potential investors to target. Targeting prospects can be quite labour intensive and is only the beginning of the process. It is rare that a prospect will immediately invest in a company after being initially targeted. The key in investment lead generation is very simple – it's about building relationships. People are the decision makers, not the companies themselves. To be successful there needs to be a focus on establishing long-term relationships with key people.

Lead generation is not so much a numbers game as it is a research exercise. It's not as simple as approaching "X" number of companies in a day to ask if they have FDI projects. It's focused on gathering market intelligence and using it strategically to build relationships. Any companies that seem to have more of an immediate interest or upcoming opportunity should be highlighted. Information should be input into the database to schedule additional actions to further explore the opportunity.

Prioritizing and Targeting Companies

1. From the list of potential contacts remove companies that do not currently fit investment goals.
2. Highlight the companies that are most desired – focus on companies that match the community's competitive advantage.
3. Begin initial contact using marketing method(s) identified in marketing strategy.
4. Focus on establishing long-term relationships with key individuals.
5. Ensure follow up process is in place and all discussions/information, etc., is input into database.

Investment Generation Methods

Investment generation targets the specific industries or companies a community has previously identified as potential investment opportunities. Common activities to generate investment include direct mail (or email), phone conversations, identifying potential sectors/investors, attending appropriate tradeshows/seminars/ event, etc.

Investment generating techniques involve comprehensive and thorough research aimed at matching a community's competitive advantage with specific known criteria of industries and companies. Investment generation methods come into play once a key industry or company has been identified. A community's investment generation technique should directly engage the prospect and work towards promoting the community. The more information and research a community has the more effective the investment generation technique can be.

A community's investment generation methods traditionally focus on five key objectives:

1. Build upon the initial interest generated
2. Identify prospect's specific needs and demonstrate they can be satisfied in the community
3. Positively influence the decision-making process by providing quality information and professional service
4. Ongoing dialogue with the prospect at the personal decision-making and/or managerial level
5. Generate new investment leads to replenish the pipeline of prospective prospects

Investment generation is an aspect within investment promotion. Investment promotion may also include other topics that will help to promote a strong community to the investment world. Branding can play a significant role in a community's investment promotion strategy. Having a strong brand and subsequent external image in the eyes of investors can help a community stand out and increase inward investment success.

Even if a community has a favourable brand image as a potential investment location, there can be discrepancies within specific industries. It is important to recognize these discrepancies to avoid any biased views that could potentially be harmful among investors, specific sectors or activities.

Some common methods of investment generation are listed below:

- Advertising & public relations
- Outbound missions
- Media relations and press releases/tours
- Informational seminars/trade shows
- Direct mail campaigns
- Telemarketing
- Targeted promotion missions
- Firm-specific direct selling
- Identification of investment opportunities

All these methods still require very specific and targeted techniques to reach the appropriate audiences with the appropriate messaging.

Measuring Success

Measuring success is an important issue in economic development. There can be a challenge of relating true "cause and effect" between the work of economic development strategies and the physical results of those strategies.

Economic development organizations use a wide range of metrics to measure success or performance. Regardless of the metrics chosen the community needs to use the investment strategy as the basis. Measuring success should take into account any external forces (e.g. economic cycles, inflation rates, new policies, etc.) that may play a role in the achievement of goals. Measuring investment success is also challenged with the length of time required to secure investment. It is not uncommon for a project to take several years to come to fruition.

Some examples of metrics to consider are:

- Number of new businesses opened
- Inquiries received and initiated
- Population change
- Jobs created
  - Quality of the jobs
  - Wages paid
- Additional capital attracted

The following guidelines for measurements are provided by the Economic Development Association of Canada:

1. Measures should be identified for major activities as opposed to all activities
2. Targets should be specified separately from measures
3. Some measures may make sense to track on a monthly basis, whereas others will only be meaningful on a quarterly, semi-annual or even annual basis
4. All measures must be explicitly defined
5. All measures must have a specified data source
6. All measures should be revisited following a period of data collection (for at least 6 months) to determine their usefulness and value
7. Measures that require client input/feedback will involve the development of data collection instruments

Chapter Lessons

- It is important for a community to develop a method to control and track investment.
- An effective system will help to streamline the process, provide clear historical information, eliminate errors and provide a mechanism for follow up.
- A lead generation database must be maintained and continuously updated.
- The contacts in the database should be prioritized to identify real targets.
- Investment generation targets the specific industries or companies a community has identified as potential investment opportunities.
- Measuring success is an important issue in economic development.
- Regardless of the metrics community chooses, the investment strategy should be used as a basis.

Familiarization Tours

- Request for Information
- Preparing the Information
- Preparing for the Visit
- Managing the Visit
- Post Visit Follow-up
- Aftercare

CHAPTER 5: Familiarization Tours

First Point of Contact – The Request for Information

The first point of contact should be the community's economic development professional. Some communities use the Mayor as their first point of contact but then pass off or create an introduction to the economic development officer to carry out the request. It is one of an economic developer's core responsibilities to lead the process that will attract new investment to a community or region. Coordinating responses and dealing with investors is a very complex process and needs to have one individual who can effectively take the lead - generally this is the EDO.

> *Economic development groups play a role most frequently after a shortlist has already been developed.*
> *DCI's Winning Strategies in Economic Development Marketing*

Each community will have different contexts and slightly varying roles and directions for their EDO. However, the same fundamental principles for economic development will exist throughout. Overcoming different challenges will vary greatly from community to community, but the involvement of an EDO can assist decision makers in ensuring informed and educated decisions are made. EDO's are considered by many investors as the primary first point of contact for those leading the process to identify a suitable community or region for a specific project.

It is absolutely crucial to be prepared with the information specific for each different business case brought forward. It is equally crucial that an economic development officer understands what data is available for community analysis and what the data says about their community. The EDO needs to know how to create information that tells a compelling story about the economic competitiveness to persuade prospects to make an investment. Being prepared and equipped beforehand can be the difference between an investment and a missed opportunity. "Investment readiness" is a critical aspect.

Success will depend on the overall capacity of each community, their resources availability and their economic development organization. The ability to understand the economy, identify key objectives, seek out opportunities, know the strengths and weaknesses of the community and the ability to provide leadership will enhance the effectiveness for communities.

The community must be fully prepared to respond to any prospect that approaches them for information. It is important to be able to provide a prospect with an immediate response of information about the community, and the specific requirements they are seeking, often within a very tight timeframe. It is not uncommon to see a request for information within twenty-four hours and then a customized response within seven days or less. An "investment ready" community will be able to turn around a customized location selection package focused on the exact requirements of the prospect well within the timeframes allotted.

Is This Investment Right for the Community

What are the goals and objectives that the community has determined through the strategic planning process? Identifying which investments are good fits for the community and which are not, should typically be a rather simple process if the proper groundwork was done.

What the community has defined as appropriate investments will lay out the foundation for potential investment opportunities. A community should reassess their objectives to determine whether there are any significant changes in the original plans based on current identified or emerging issues and information that can impact an investment opportunity.

The community should take the time for a calculated review to identify changes in regulations, local market and real estate development conditions, the mission or operations of the community, or the current availability of sites since the initial completion of the strategies. This review is so communities do not dismiss a potential investment because on the surface it appears not to be a “strategic fit”. Identifying changes or emerging trends and being proactive in the investment process will help ensure a community does not turn away a potential investment.

> ***Best Practice***
>
> **Airdrie Economic Development**
>
> Airdrie compiles a comprehensive questionnaire about the prospective business or investment. The questionnaire includes specific questions about the investor’s business and their requirements in their community for the business. This is done as an effective method to better understand the business and their needs for land, services, labour and real estate.

A community will need to weigh the potential risks of each investment opportunity. Risk is a measure of the probability and consequence of not achieving a specific goal. It therefore depends on the *likelihood* (probability) of an event occurring and on the *consequences* (impact) if that event should occur. Therefore risk is a combination of uncertainty and constraints.

A simple economic impact analysis can be conducted to narrowly define the advantages or disadvantages of a potential investment. This type of analysis looks to determine what the tax implications will be (e.g. additional tax revenue), what incentives are being provided and their ROI, what other spin-off economic benefits will be realized (e.g. financial, technology, human capital, etc.).

A community needs to have a basic understanding of any benefits the investment may bring to the community in terms of number of jobs, quality of jobs, value of investment, etc. This basic understanding will help the community determine if it’s a fit or if incentives are appropriate to help secure the investment.

If a community wants to conduct a detailed and comprehensive economic impact analysis it may be useful to source out an expert. There are three techniques frequently used in economic impact analysis:

- Using simple Input-Output analysis
- Input-Output Econometric modeling
- Computable General Equilibrium modeling

Typically these studies can be complicated and require a lot of additional information. From the analysis consultants can work out the true multiplier process for a particular investment in terms of a specific community.

Asking the right questions and determining if the numbers, results and answers to those questions make economic sense to the community’s goals and needs is important in determining if the investment is right. Take time and do the due diligence to make a thorough assessment of each investment opportunity.

Preparing the Information

No standard method exists for developing a "short list" of potential communities. However, one method generally used to help develop a short list is a Request for Information (RFI). This RFI is sent for the economic development practitioner to complete and return.

> ***Tools and Resources***
>
> ***Sample Request for Information***
>
> *This document, available for download from EDA, provides a sample RFI from an investor or their representative. This 25 page document is adapted from an actual RFI from a professional site selector. Communities need to take the RFI process seriously or risk being dropped from the location selection process.*

The completed RFI will typically undergo a scoring or rating model with each area evaluated on operational considerations and cost factors to develop a composite score. Depending on the investment a more detailed sensitivity analysis may be used to help the investor better understand possible trade-offs of operating advantages, costs and risks. The RFI will be very specific and must be answered in the exact format that is requested as it is generally put into a table to allow for comparisons with other communities.

After one or more rounds of ranking and cuts, investors develop a short list of possible locations. Typically a short list is two to five potential locations. The short listed communities will undergo an initial visit by the investor or their representative. These trips may involve visits to existing properties, interviews with local employers, meetings with elected officials, among a variety of other activities.

Once a community knows the investor will be visiting the community the majority of the work has already been completed. The community should be well prepared with the type of information the investor is looking for during the visit and can then begin the planning process for the Familiarization Tour.

A Familiarization Tour provides an excellent opportunity for the community to "go the extra mile". Tips to host a successful Familiarization Tour include:

- Have only one point of contact responsible for working with the investor
- Ensure all individuals involved are informed, prepared and respectful of client confidentiality
- Customize documents (e.g. community packages, itinerary, etc.) with the investor's name and logo or consider special signage at the potential properties with the investor's logo or artist's rendering.

Anything a community can do to create the "VIP" aspect within a potential investor's mind will help them to picture what it would be like to make the investment in your community.

> *"The ability to provide information in the way it was requested can actually enable an EDO to make a more significant impression and have a better chance of winning the project."*
>
> *IEDC's Working Effectively with Site Selectors*

Preparing for the Visit

As you prepare for the visit, you should consider the proper formal and informal lines of communication you will set up with the investor or site selector, for before, during and after the visit occurs. Formal lines of communication are set up with the purpose of ensuring stakeholders get the information they need, delivered in a suitable format, when and where they need it.

Planning for a visit can be stressful, but a community needs to demonstrate confidence at all times.

Time management planning involves identifying, sequencing and scheduling activities and resources to meet the needs of the investor not the EDO or others involved in the process.

> *"Play like you're in first, but train like you're in second."*
> *Unknown*

You never have a second chance to make a first impression. This is always the case when hosting investors or their representatives. It is vital for the community to be prepared for every visit. This checklist is designed to fully know the project, know the community and be prepared to make the absolute best impression to show the community is the right choice. The checklist is intended to provide a starting point for a community to develop a protocol system for visits. The following checklist is available for download from the EDA website.

The Project	
Size of Building Required:	
Land Requirements:	
Project Number of Employees:	
Capital Investment:	
Company Background:	
Industry Background and Trends:	
Purpose of Facility:	
Product of Operation:	
Timeline:	
Competing Communities:	
Deal-killers:	
Priorities for Decision:	
Building/Site	**Proximity to: ______________________**
Costs/Taxes	**Transportation**
Access to Markets	**Access to Materials**
Electric Service	**Other Utilities**
Labour Force	**Incentives**
Other:	

The Visitors
No. of Visitors:
Names and Titles:
Presence of Decision Maker(s):
Special Requirements:
Date and Time Arriving:
Date and Time Departing:
Arrangement for Pick up and Drop off:
Time Allotted for Visit:

The Product	
Details on the Building:	
Square Footage:	Ceiling Heights:
Floor Thickness:	Environmental:
Floor Plans (copies):	Prior Use/Ownership:
Price:	Additional Land:
Other:	

Details on the Land:	
Surveyed Map:	Aerial Photo:
Topography/Drainage:	Flood Plains documents:
Soil Borings	Environmental:
Price:	Ownership:
Other	
Wage and Labour Surveys:	
Local & Current Survey:	Area Employment Wage Rates:
Unionization:	Major Employers:
Area Demographics:	
Area Labour Training Options:	
Area Housing Costs:	
Local Incentives & Taxes:	
The Visit	
Confirm Detailed Agenda:	
Map the Driving Route (provide maps):	
Team Members:	
Presentation (yes or no):	
Transportation:	
Meals:	
Gift:	
Stress Professionalism & Confidentiality:	
Key Questions:	
3 Key Selling Attributes (tell your story):	

A key component of a successful visit is the development of a concise agenda or itinerary. The agenda should include information on community participants, meeting timeframes, meeting locations and contact information. The agenda should be distributed to the investor(s) prior to the visit and appropriate changes made if required. A copy of the agenda should also be available on the day of the visit for each participant. Community participants should be briefed prior to the day of the visit with as much information without compromising client confidentiality, and for the need to respect and act with the highest level of professionalism.

> ***Best Practice***
>
> **County of Grande Prairie No.1 Economic Development**
>
> Prior to a Familiarization Tour the County of Grande Prairie No.1 prepares a detailed agenda. The office first asks specific questions about the tour – what type of meetings are preferred (short or long, number of attendees), how much time is available. Based on the answers a detailed agenda is sent prior to the visit outlining the times, places and who will be involved in each meeting.

Managing the Visit

The purpose of a Familiarization Tour is to introduce prospective investors to the community/region and to make the case for the investment. Familiarization Tours are effective in showcasing location and resources but are an invaluable opportunity to establish personal relationships with potential clients.

Properly designed, these tours are a uniquely effective form of marketing to raise a community's profile. The potential for positive economic impact is an effective selling point to Familiarization Tour sponsors, investors and local officials.

The opportunity of having the investor visit the community greatly increases their knowledge of the area and its advantages. The investor can take away this knowledge and share it with other key decision makers and influencers. A poorly planned and managed visit can, however, damage your community for not only this project but for future ones.

It is very important to show locations and resources that will attract the specific industry being considered. A common mistake is to show clients the popular tourist sites. These tourist sites may be beautiful, they may be fascinating to tourists, but likely not appropriate or relevant for someone making an investment decision. Respect your investors' time and have a well thought out plan for the tour.

A well-planned Familiarization Tour will include due diligence on each of the attendees to understand their level of influence in the final decision process. In some cases though you will not know who will be visiting or even the company they represent. When beginning to plan the Familiarization Tour keep in mind the following:

- Have a pre-planned itinerary
- Don't over schedule the day
    - Think like the investor – what is important to see?
    - Allow time for 'rest'
- Involve your community partners

The following Familiarization Tour characteristics are typical factors to keep in mind:

> *"You always, always want to ask who the competition is. Fifty percent of the time they won't tell you, but 50 percent of the time they will."*
>
> *IEDC's Working Effectively with Site Selectors*

- Introduce the clients to the other participants. Always make sure that the client knows all meeting participants and the role each plays.
- Respect confidentiality needs of the client. Even if you know who they are and who they are representing they may not want the rest of the participants to know.
- Effectively chair all meetings.
- Keep the program on schedule, unless the client really likes a particular option and wants to consider it longer. Under such circumstances, notify other participants in the program who might be affected.
- Accurately record all information requested; get copies of data provided by other players in the program; pay particular attention to facts and figures quoted (e.g., regarding property options).
- Listen carefully to the client at all times.
- Use every opportunity to inform the client about the location, including social, cultural, commercial, and historic dimensions, if the client is interested, but be careful not to oversell and do not make commitments that you are not able to implement.
- Keep a tight grip on the program and project at all times. Encourage participants to route any additional data they provide through you so that you can personally give the information to the client. In particular, you will want to discourage competing municipalities from approaching the client directly. This could be confusing and could damage your overall case.

A Familiarization Tour is a tool to build awareness about the community and how it best provides the solution to the investor's needs. These tours are excellent opportunities to showcase the advantages of the community. Throughout the entire process everything should be made easy for the client. It's good to provide lots of facts and information, but don't overwhelm with paper and documentation. It's best to provide a package of the necessary information prior to the Familiarization Tour and a follow-up package. The follow-up package should include additional information or concepts, locations, etc. that were covered throughout the tour. The documentation should include the key data pertinent to the company's location priorities and a copy of the itinerary.

All efforts must be made to ensure that the Familiarization Tour is successful and the client has confidence the community can provide viable solutions to an investor's needs. Building a strong and competent team to plan, manage and conduct the Familiarization Tour will greatly contribute towards a successful tour more than any other factor.

Proper staffing for the tour addresses roles, responsibilities, reporting structures, and decision-making authority. The level of complexity or investment size may determine the size and experience level of the team.

Throughout the tour ensure that time is optimized efficiently and use proper time management. Be respectful of the client's time but ensure you include everything they require. Other basic pointers include: speak clearly, show enthusiasm, and allow time for questions.

For communities that have not had the experience of hosting a Familiarization Tour there may be benefit to participate in a Mock Familiarization Tour. These programs can take a community through the RFI process and simulate an investor visit to the community. These programs are available through third party consultants and may be applicable for funding under the Invest Canada-Community Initiative program.

Alternatively, a community may also benefit from a First Impressions Community Exchange (FICE). Municipalities which participate in a FICE are matched with communities that share similar demographics and have complimentary challenges and aspirations. These municipalities send exchange teams to each other's communities to look for strengths and shortcomings as seen through the eyes of a first time visitor. The Alberta Urban Municipalities Association provides two options for communities to participate.

The following page provides a quick list of Familiarization Tour tips. These tips are included as Appendix 4 in the Resource Section and are available for download from the EDA website. In addition, a more comprehensive best practices and tips list developed specifically through EDA's Mock Familiarization Tour project is available for download from the EDA website.

Tips for Familiarization Tours

- Arrive a minimum of fifteen minutes before the scheduled time to start
- Remember you are the host – act accordingly
- Be professional in dress and conversation
- Ensure your vehicle is clean and has enough room
- Provide an itinerary with contact information
- Have a backup plan
- Ensure an existing relationship with other community participants
- Interact with client(s) – build a relationship
- Pick up the cheque(s)
- Do not insult the competition
- Be responsible about time and logistics
- Build in free time (where possible)
- Be aware of bathroom locations
- Count heads before departure(s)
- Have a departing gift relevant to the community or investor
- Show appreciation
- Follow up with a formal thank you

Virtual Tours

There is a growing trend of adapting virtual tours used by the tourism and event planning industries to economic development and for Familiarization Tours. Essentially, a virtual tour is a simulation of a community, usually composed of a sequence of images, video and audio. Other multimedia elements may be incorporated including sound effects, music, narration, and text. Again, leveraging technology where appropriate can certainly be an advantage as the use of technology can demonstrate a community's creative potential.

There are advantages and disadvantages to this type of tour. One obvious advantage is accessibility with the ability to email a video clip of your community to potential investors. It can be designed to include additional information, create personalization, provide additional content and portray the community's attractiveness and quality of life while maintaining a business.

The obvious disadvantage is the videos cannot clearly be specifically and uniquely created for every potential investor's requirements. Although, there may be opportunity to provide customization through personalized messaging and corporate images, it does not provide the same advantage as an on-site Familiarization Tour can.

A virtual tour could be a unique tool to utilize as a component to a Familiarization Tour. A community could show a prospect a custom-designed virtual Familiarization Tour just shortly after their initial interest in the community. Virtual tours may be the competitive edge a community needs to differentiate itself in an interactive way.

Post Visit Follow Up

Strong, long-term relationships with investment decision makers will make an impact on the end results regardless of whether investment is made or not.

Understanding what the client needs after a Familiarization Tour is important. The community must be able to provide any additional information and answer the questions that may arise from the tour.

At the end of a tour ensure all pertinent contact information from the tour participants is acquired. This will allow easy follow-up after the client has left the community. Follow up is an important step after every visit regardless of whether additional information is required or not. It works towards building long term relationships and keeps the community in the forefront.

Ensure follow-up with any additional information that has been requested or arose from the tour is completed within the expected timeframe. In addition to responding with additional information it is a courteous gesture to send a thank you note to each participant and show enthusiasm and appreciation for their time and efforts.

During the follow-up, it's important to not *just* follow-up but to truly follow through. This just means that reconnecting after the tour is great, but actually providing the information you said you would within a timely manner that has been previously discussed with the client is just as important, if not more.

The follow-up package should include items that are relevant to the tour and the investor specifically. Putting the time and effort to creating a well-designed package makes it easier for the investor to review and analyze the package in terms of the community trying to make the "sell" to the investor.

This is another area that offers the community the opportunity to showcase its competitive advantages and unique propositions. It's about demonstrating that the community's advantages offer the solution required by the investor.

There is no typical format for a follow-up package but some things to consider may be:

- Information looking to reframe or reduce pressure on cash flow during the start-up phases, which are generally cost heavy
- Information that may boost the ROI of the investor
- Begin to break down barriers or red tape that can slow down and make the investment process cumbersome and costly
- Assist in the recruitment of labour and relocation assistance for employees and so forth to help speed up the process (e.g. job fairs)

> *"The client wants the community to show them that they're wanted, and that they're worth something."*
> *IEDC's Working Effectively with Site Selectors*

Consideration should also be given to visiting the client at their location to talk with other key executives. In some cases this may not be desired but the offer demonstrates the community is interested in a mutually beneficial relationship.

It is always worthwhile for a community to critique its tour and see what worked well, what didn't and how it could be improved. Think of each tour as a learning experience to build upon the experience for the client. All information received at the tour should be input into the investment-tracking database.

Aftercare

Within the economic development world, aftercare may have a few different definitions, varying from community to community. Aftercare services are often neglected. An effective aftercare program can actually boost overall inward foreign direct investment significantly to a community. Ultimately the aim of aftercare services is generally to maximize the investor's contribution in terms of the community. It's not entirely uncommon to experience expansions or jumps in the value the investors are bringing by offering valuable aftercare services.

Aftercare is the provision of services offered aimed at facilitating new investment along with encouraging and ideally securing incremental investments by existing investors.

Aftercare embraces a wide range of support activities and should not be overlooked as it is an important aspect to sustaining investment and attracting future investments. Aftercare activities work towards assisting those companies that have made investments in a community to fully realize their initial investment plans and intentions and minimize any delays or setbacks. The end goal is to support those companies to extend and deepen their direct investment activity within the community.

> ***Best Practice***
>
> **Palliser Economic Partnership Relocation Toolkit**
> Palliser Alberta has put together a sound tool kit with a great introduction piece that is taking advantage of technology and creating a bit of a virtual experience for those that will be looking to relocate to their area.
>
> To experience the Palliser Economic Partnership's virtual introduction, check out this link www.palliseralberta.com/toolkit and click through to see what kind of information they have available within their toolkit and take note of the layout and simplicity of navigation.

Common activities to be provided within an aftercare service may be:

- Monitoring investors for any problems or further expansion opportunities
- Information, incentives and support to adapt and expand
- Training and recruiting assistance
- Minimize any potentially adverse effect
- Improvement of local business environment (education, skills, communications, technology base etc.)

Most types of aftercare services can typically be separated into four categories. The community does not have to be responsible for providing the services but can act as a facilitator and ensure introductions are made to the appropriate agency:

1. **Administrative Services –** these services are focused on facilitating the operations of the investment companies. May include: obtaining business licenses and work permits, finding housing for expatriates and schools for their children.
2. **Operational Services –** these services work on supporting the operations of the firms to be as effective and efficient as possible. They include support for training, identifying local suppliers and cluster development to improve productivity and competitiveness.
3. **Strategic Services –** these services attempt to influence the future direction of the firm by

encouraging further development and expansion in the community. The aim here is to make sure that the invested firms are committed to staying and growing within the community. May include: support to the development of new products, fostering local suppliers to international standards and policy advocacy. This is a key component of a Business Retention & Expansion Initiative.

4. **Business Retention** - it is important to include the company as part of the normal business retention program of a community.

Following these steps may help to implement strong strategies and subsequently a strong aftercare service program that is efficient, effective and valued by investors – all of which will help to retain and acquire additional investments in the future.

Chapter Lessons

- The first point of contact should be the community's economic development professional.
- Communities should be prepared with the information specific for each different business case brought forward.
- The community must be fully prepared to respond to any prospect that approaches them for information.
- What the community has defined as appropriate investments will lay out the foundation for potential investment opportunities.
- The ability to provide information in the way it was requested can actually enable an EDO to make a more significant impression and have a better chance of winning the project.
- The community should be well prepared with the type of information the investor is looking for during the Familiarization Tour.
- Anything a community can do to create the "VIP" aspects within a potential investor's mind will help them to picture what it would be like to make the investment in the community.
- The purpose of a Familiarization Tour is to introduce prospective investors to the community/ region and to make the case for the investment.
- Familiarization Tours are effective in showcasing location and resources but are an invaluable opportunity to establish personal relationships with potential clients.
- Understanding what the client needs after a Familiarization Tour is important.
- Ensure every Familiarization Tour is followed up.
- Aftercare is the provision of services offered aimed at facilitating new investment along with encouraging and ideally securing incremental investments by existing investors.

Resources & Directories

- National/Provincial Resources – Contacts and Programs
- Funding & Business Incentives
- Site Selector Directory
- Resources

National/Provincial Resources/Contacts/Programs

Department of Foreign Affairs and International Trade (DFAIT) Canadian Trade Commissioners – www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp
In over 150 offices around the world and across Canada, trade commissioners provide expert advice and problem-solving skills—whether you export, or partner or invest abroad. This resource is an excellent tool to assist communities in identifying key contacts to research information on countries or companies located in a specific country.

Business Alberta - www.albertacanada.com/business.aspx
Information and resources for international companies exploring investment opportunities in Alberta and for Alberta companies considering exporting their products to international markets. Find information about Alberta's diverse industries, strong economy and low taxation.

Business Alberta Industries - www.albertacanada.com/business/alberta-industries.aspx
To stimulate development and growth in Alberta's industries, Alberta government and industry leaders have developed key business development initiatives in a number of areas. This excellent resource provides detailed information, including news, key contacts, opportunities and basic information about the different economic sectors. The sectors represented include:

- Aerospace and defence
- Agrifood
- Building products and technologies
- Engineering and construction
- Environmental products and services
- Financial services
- Information and communication technologies
- Life sciences
- Metal manufacturing
- Oil and gas
- Refining, petrochemicals, and biochemicals
- Tourism
- Transportation and international logistics

How to Invest in Alberta - www.albertacanada.com/business/invest/how-to-invest-in-alberta.aspx
This comprehensive website is a useful tool for industry and communities alike. The website provides comprehensive information on how to establish a business in Alberta including:

- Establishing a company
- The tax system
- Importing and exporting goods
- Banking and finance
- Employment and labour relations
- Laws and regulations

Alberta Trade and Investment Representatives – www.international.alberta.ca/933.cfm
Alberta has ten international offices, responsible for advancing Alberta's advocacy, trade promotion, investment attraction and other interests, such as education and culture, in their respective region.

Each office's mandate is tailored to meet Alberta's priorities within the region. For example, the Alberta Washington Office focuses on advancing Alberta’s policy interest in the US while the other eight international offices focus on trade promotion and investment attraction in priorities sectors, such as energy, tourism, agriculture, education and advanced industries. The international offices also offer help to Alberta businesses looking to expand into global markets.

Alberta Community Profiles - AlbertaCommunityProfiles.com
This page provides links to information on Alberta communities. The information is in line with the basic content encouraged by the Site Selection Standards developed by IEDC and Site Selectors.

Export Development Canada - www.edc.ca
EDC provides Canadian exporters with financing, insurance and bonding services as well as foreign market expertise.

Business Information Service for Alberta - www.canadabusiness.ab.ca
The Business Link - The Business Link is a not-for-profit organization that provides information and advice on everything from start-up, incorporation, financing and loan programs, to product sourcing, government and private sector programs and services.

Exporting advice - www.alberta-canada.com/ab-business/exporting-your-products.html
Government of Alberta
This section of the Government of Alberta website provides links and information for businesses looking to export. It includes tactical tools that can allow you to assess your export readiness, view international market profiles, and learn about trade resources and financing options.

International Trade Administration - www.ita.doc.gov
The International Trade Administration (ITA) strengthens the competitiveness of U.S. industry, promotes trade and investment, and ensures fair trade through the rigorous enforcement of our trade laws and agreements. ITA works to improve the global business environment and helps U.S. organizations compete at home and abroad. ITA supports the President of the United States recovery agenda and the National Export Initiative to sustain economic growth and support American jobs.

Canadian Manufacturers & Exporters - www.cme-mec.ca
Canadian Manufacturers & Exporters (CME) is an association advocating for manufacturers and exporters. As Canada's largest trade and industry association they providing critical and timely intelligence and strengthen leadership through best practices and leveraging networks for success. The Alberta division of CME has specific information related to manufacturing in Alberta. ab.cme-mec.ca

Economic Developers Alberta - www.edaalberta.ca
The mission of Economic Developers Alberta (EDA) is to enhance Alberta's economic development profession by providing effective training, communication and networking opportunities. EDA is a strong partner with the Province of Alberta in developing programs and initiatives to assist communities in achieving their economic development goals and objectives.

Economic Development Association of Canada (EDAC) - www.edac.ca
EDAC is Canada's national organization of economic developers. EDAC offers its members professional development, networking opportunities and an offering of resources, both on and offline.

International Economic Development Council (IEDC) - www.iedconline.org
The International Economic Development Council (IEDC) is the world's largest membership organization dedicated to helping economic developers do their job more effectively and raising the profile of the profession. Through conferences, workshops, and an extensive resource library, IEDC provides valuable resources to assist local economic development agencies with developing programs and initiatives designed to support the attraction and retention of business.

Funding & Business Incentives

Community and Regional Economic Development Funding Programs
The downloadable document briefly describes a number of funding programs related to community and regional economic development. Although the majority are Government of Canada and Government of Alberta programs, it does include a number of foundations and not-for-profit programs. Each program listed has a brief description, web address, and contact information.

Business Development Bank of Canada (BDC) - www.bdc.ca
BDC helps create and develop Canadian businesses through financing, venture capital and consulting services, with a focus on small and medium-sized enterprises (SMEs). The following programs are offered only to Canadian Business and are available in Alberta through offices located in various locations.

- Financing: long-term loans for projects and working capital
- Consulting services: tailored consulting services at a price businesses can afford
- Subordinate financing: hybrid debt and equity financing
- Venture capital: direct and indirect investments in high technology companies

Canada Business - www.canadabusiness.ca
The Business Link, part of the Canada Business Program, provides support to entrepreneurs and business operators throughout Alberta with information on Grants, Loans & Financing. From idea, to start-up, operations and transition out, The Business Link provides confidential advisory services, online resources, research assistance and an extensive schedule of learning opportunities.

Industry Canada - www.ic.gc.ca
Industry Canada works with Canadians in all areas of the economy and in all parts of the country to improve conditions for investment, enhance Canada's innovation performance, increase Canada's share of global trade and build a fair, efficient and competitive marketplace. This comprehensive website provides details on a variety of different topics to help industry and communities better prepare to attract investment and encourage growth through the identification of new export markets.

This includes managing Canada's airwaves and overseeing its bankruptcy, incorporation, intellectual property and measurement systems; providing financing and industry research tools to help businesses develop, import and export; encouraging scientific research; and protecting and promoting the interests of Canadian consumers. Industry Canada has an office in Edmonton and Calgary.

Canada's Financing Forum - www.financingforum.com
The Canadian Financing Forum provides the setting for entrepreneurs to build relationships with leading venture capitalists and corporate investors. These links pave the way for company financings that enhance economic growth through new business creation and development. The Forum features presentations from Canada's most promising technology companies, as approximately 30 technology companies compete for the attention of top tier investors from across Canada and the United States. Focusing on both Information Technology and Cleantech & Advanced Technology companies, the Canadian Financing Forum matches North American corporate and venture capital investors with entrepreneurs on their way to building world-class technology companies. These forums are held annually in different locations across Canada.

Western Economic Diversification Canada - www.wd.gc.ca
Western Diversification (WD) works to improve the long-term economic competitiveness of the West and the quality of life of its citizens by supporting a wide range of initiatives targeting inter-related project activities – innovation, business development and community economic development. These programs and services are supported by WD's policy, advocacy and coordination activities. WD has an office in Edmonton and Calgary.

Statistical Resources

Statistics Canada www.statcan.gc.ca
Statistics Canada, in addition to the Census completed every five years, provides updates on various statistical topics. This information is a critical component of economic development and preparing information necessary to attract foreign direct investment.

Alberta Canada http://www.albertacanada.com
The AlbertaCanada.com website is and excellent resource to find information and resources about doing business in Alberta and immigrating to Alberta.

Municipal Profiles - http://www.municipalaffairs.gov.ab.ca/mc_municipal_profiles.cfm
The Profiles of Municipalities and Regional Services Commissions are a compilation of statistical, financial, and other information about municipalities in the Province of Alberta. The information is based on data made available to and reports submitted to Alberta Municipal Affairs as of today. http://www.municipalaffairs.gov.ab.ca/mc_municipal_profiles.cfm

Canadian Industry Statistics (CIS) - http://www.ic.gc.ca/eic/site/cis-sic.nsf/eng/home
Canadian Industry Statistics presents and analyses industry data on a number of economic indicators using the latest annual data sources from Statistics Canada.

Resources

International Finance Corporation – World Bank Group. Source retrieved from: https://www.wbginvestmentclimate.org/toolkits/investment-generation-toolkit/module1-step1-substep1_main-types-of-fdi.cfm June 2012.

Dunning, J. H. (1980). Towards an Eclectic Theory of International Production: Some Empirical Tests. *Journal of International Business Studies,* 11(1), 9-31. EBSCOhost. http://dx.doi.org/10.1057/palgrave.jibs.8490593 June 2012.

Merriam-Webster Dictionary. Source retrieved from: http://www.merriam-webster.com/dictionary/comparative%20advantage June 2012.

Whyte Reynolds International Inc. - *Best practices in Marketing*. Sourced: July 2012

Adam Smith, The Wealth of Nations, Book IV:2, Modern Library edition. Source retrieved from World Trade Organization (WTO): http://www.wto.org/english/res_e/reser_e/cadv_e.htm June 2012.

United Nations Conference on Trade and Development: World Investment Report 2011 – Non-Equity Modes of International Production and Development. Source retrieved June 2012.
World Bank definitions. Source retrieved from: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTLED/0,,contentMDK:20273793~menuPK:402647~pagePK:148956~piPK:216618~theSitePK:341139,00.html June 2012.

Organization for Economic Co-Operation and Development – *Foreign Direct Investment for Development: Maximising Benefits, Minimising Costs*. Sourced: July 2012.
United Nations Conference on Trade and Development: Global Investment Trends Monitor – No. 9, April 12, 2012. Source retrieved from: http://unctad.org/en/Pages/Publications/Global-Investment-Trends-Monitor-%28Series%29.aspx on June 2012.

Study by David Birch at MIT, "The *Job Generation Process"* published in 1979 (abstract available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1510007)
EDAC – *Performance Measurement in Economic Development*. Sourced July 2012.

International Finance Cooperation – *Strategic Community Investment*. Sourced July 2012.

Appendix

1. Glossary of Terms
2. Community Investment Inquiry Sheet
3. Visit Checklist
4. Familiarization Tour Tips

Appendix 1: Glossary of Terms

Glossary notes are directly sourced from numerous associations of Economic Development throughout North America and other industry sources. The terms provide common terminology for important concepts within the economic development industry and the location selection process.

Angel Investor – an investor who providers equity investment to start-up businesses.

Assessed Valuation – the monetary worth of a property for the purposes of taxation. Total assessed valuation denotes the sum of the monetary worth of all taxable properties within a jurisdiction.

Benchmarking – quantifiable measures of economic competitiveness and quality of life that can be collected on a regular basis. They are used to measure a region's economic status and progress against comparable regions.

Brownfields – lands typically formally used by industrial sites, gas sites, and the like that are currently vacant or underused but have the potential to be redeveloped for new uses. However, Brownfields may be contaminated due to past or present activities.

Business Attraction – efforts by local economic development organizations to encourage firms from outside their communities to locate headquarters or other operations within their jurisdictions.

Business Retention & Expansion – systematic effort designed to keep local companies content at their present locations which includes helping companies cope with changing economic conditions and internal company problems.

Capacity Building – developing the ability of a community-based neighbourhood organization to effectively design economic development strategies through technical assistance, networks, conferences, and workshops.

Chamber of Commerce – organization established to promote civic, commercial, industrial and agricultural progress in the community it serves, and to work for sound legislation and efficient administration of the community and at all levels of government.

Clusters – collection of firms in the same or similar industries to foster interaction as a means of strengthening each other and enhancing the community's competitive advantage.

Community Futures Development Corporation – organizations that are associated with community development and work to maintain and enhance the economic, social and environmental well-being of communities. Their main focus is through small business loans to develop their communities.

Community Profile – is an evaluation and breakdown of a community in terms of at least some basic information on the community. e.g. population, labour force and a quick overview of economic sectors.

Comparative Advantage – term used when comparing economies of regions. It is the economic advantage gained by one area over another due to the fact that it can produce a particular product more efficiently. More efficient production of one good means there is a higher opportunity cost to produce another. This is the concept that drives trade between economies.

E-Commerce – is the aspect of businesses looking to online capabilities to sell and buy products/services by leveraging their websites and other technological capabilities.

Economic Base – a method of classifying all productive activity into two categories: basic industries which produce and sell goods that bring in new income from outside the area and service industries which produce and sell goods that simply circulate exiting income in the area.

Economic Development – The adopted IEDC definition is "the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services." Other definitions include: the purposeful intervention into an economy to improve economic well-being; the process that influences growth and restructuring of an economy to enhance the economic well-being of a community; the creation of jobs and wealth, and the improvement of quality of life.

Economics – the study of how individuals and nations use resources under their command to satisfy their wants as fully as possible or to maximize their welfare given their resource constraints.

Economies of Scale – the phenomenon of production where the average cost of production declines as more of the product is produced.

Efficiency Seeking – efficiency seeking investment has to do with seeking out new sources of competitiveness, searching for economies of scope and specialization and/or low cost of production.

Elected Official – those appointed to fill vacant local elected offices, elected by the people of the community to serve the community.

Enterprise – part of the labour force, consists of those individuals in the labour force with organizational and managerial ability or with financial skills, such individuals taking risks in starting new companies and launching innovative products – sometimes with their own and sometimes with borrowed resources.

Exogenous Factors – the completely unpredictable takes the form of exogenous shocks. These are outside-world events over which policy makers have no control but that can have a significant impact on an economy.

Export Development – the process of educating a business to become export ready in the sense of understanding the costs involved, the benefits and the proper processes in terms of working towards the goal of becoming export ready to expand their business through other external markets.

Foreign Direct Investment (FDI) – typically classified as investment coming from overseas corporations. Either to invest in local community based companies or to establish new greenfield organizations through the use of foreign investment.

Greenfield Investment – A site that currently is undeveloped and has no environmentally sensitive impacts due to current or historic use of the land.

Human Capital Development – Represents the skills, knowledge, capacity to work, and good health that together enable people to contribute to a project or community and the subsequent further development to improve these skills within the community.

Incentives – benefits offered to firms as part of an industrial attraction strategy. A few incentives are tax abatements and credits, low interest loans, infrastructure improvements, job training, and land grants.

Incubator – A type of development, that houses many small businesses in flexible space at below-market rates who share common operation spaces such as meeting rooms, copying facilities and receptionist duties, for example. Often the purpose of these facilities is to help grow businesses in a community. May be known also as Enterprise Center, Business & Technology Center or Innovation Center.

Investment generation – the targeting of the specific industries and companies a community has identified in order to develop some real investment leads.

Investment Readiness – deals with many aspects within a community in regards to being prepared to begin to seek out influential investment to the community.

Labour –is that proportion of its population able and willing to work, the quality being dependent upon variables such as age, effort, hours of work, education, skills, aptitudes and attitudes.

Marketing Seeking Investment – occurs for those organizations that are looking to gain further market share.

Multiplier – a quantitative estimate of a project's impact (in dollars, jobs created, demand).

Multiplier Effect –the process of dollar and job generation as a result of a new or migrating business or project, or of a local business expanding production (to exports). The multiplier effect accounts for new local income generated by local spending that came from outside a community.

Official Community Plan (OCP) – is a general statement of the broad objectives and policies of the local government respecting the character of existing and proposed land use and servicing requirements in the area. An OCP is an adopted bylaw that should incorporate the thoughts, views and directions of the community at large. The OCP will help to define the direction a community should take and help with making key decisions about projects to accept and reject based on this overall community vision.

Ownership Advantages – are those advantages that already allow a company to possess a competitive advantage in their local market. This could include production processes, propriety equipment, patents, copyrights, technological experience, knowledge capacity or anything that gives an edge over other domestic firms.

Prospects – potential investment candidates and others interested in doing business in some form within a community. These prospect relationships need to be cultivated over time and properly fostered in order to achieve economic success for the community.

Quality of Life – a generically used term representing variables that make a community enjoyable to live in including: education, housing, crime rates, weather, recreation, culture, health, religion, public safety and community appearance, etc.

Remediation – the action of remedying something, in particular of reversing or stopping environmental damage. Typically to deal with environmental remediation for brownfields and other related environment issues.

Resource Seeking – the most common type of investment and its objective is to take advantage of an area's natural resources, e.g. their minerals, agricultural products or other raw materials that are available.

Risk – is a measure of the probability and consequence of not achieving a specific goal. It therefore depends on the likelihood (probability) of an event occurring and on the consequences (impact) if that event should occur.

Site Selector – a site selector is an advocate for a business or entity that is conducting site selection processes and research to determine suitable investment ready communities to invest in.

Stakeholder – commonly defined as a person, group, or organization that has direct or indirect stake in an organization because it can affect or be affected by the organization's actions, objectives, and policies.

Strategic Asset Seeking – this form of investment is about sourcing out strategic acquisitions and alliances to promote long-term corporate objectives.

Strategic Planning – the process by which an organization or community envisions its future and develops the necessary procedures and operations to achieve that future. It can provide the means for facilitating the resolution of local economic problems within a consensus-building framework. A strategic plan should present a clear vision for the future activity of an organization, a set of goals to attain that vision, a set of strategies to achieve each goal, and a system for evaluating the results.

Sustainable Development – development that does not destroy or eventually deplete a location's natural resources. Sustainable development helps ensure a better, healthier living environment and contributes to an area's quality of life, one of the main goals of economic development.

SWOT Analysis – a tool used in the economic development planning process to assess a community's Strengths and Weaknesses, factors from within a community that can be changed, as well as its Opportunities and Threats, factors from outside that cannot be changed.

Technology Commercialization – includes both general Research & Development commercialization and targeted new product innovation. New product development is a major occupation of the technical sector of the global economy and is viewed in many ways as a means of economic stability for a business, an industry, and a community. It is the general process and movement of ideas in order to convert those companies in a pre-commercialization stage to a full-fledged technology company.

Appendix 2: Community Investment Inquiry Sheet

COMPANY INFORMATION
Company name:
Address:
Mailing address (if different):
Telephone number:
Cellular Number:
Fax number:
Web address:
Email addresses:
NAICS Code:
INITIAL CONTACT INFORMATION
1. Date of initial contact:
2. Initial contact made via: ☐ Business Meeting ☐ Email/Website ☐ Phone ☐ Regular Mail ☐ Social Meeting ☐ Trade Show ☐ Other ______________
3. Initial contact made by: ☐ Corporate official ☐ Real estate developer ☐ Site selector ☐ Provincial office ☐ Other community, ☐ Workforce agency ☐ Other (Please specify)____

4. Contact	
Contact Type:	
Title:	Salutation:
First Name:	Last Name:
Corporate Name (if different than company):	
Address:	
Telephone number:	
Cellular Number:	
Fax number:	
Email addresses:	
Notes:____ ____	
5. Action taken from initial contact: ☐ Information emailed ☐ information mailed ☐ Phone conversation held ☐ Meeting scheduled ☐ Referral made to another agency	
6. Initial contact notes:____ ____	
7. Follow-up date:____________________	
8. Follow-up notes:____ ____	
PROJECT INFORMATION	
9. Project name:	

10. Timetable:
    - ☐ To be determined
    - ☐ Immediately
    - ☐ 6 - 12 months
    - ☐ 12 - 24 months
    - ☐ Beyond 24 months
11. Reason why local market area is being considered for this project: ______________________

____

____

12. Total sales for prospect:	$______________
13. Total number of employees	______________

14. Estimated Jobs

__________Low Range
__________High Range
__________Projected

15. Number of Jobs by type:

__________Skilled/Professional/Technical
__________Semi-skilled
__________Entry Level
__________Total

16. Other locations being considered:	City_________________Province_______ City_________________Province_______ City_________________Province_______

17. Type of project:
    - ☐ Agriculture
    - ☐ BIO
    - ☐ Commercial
    - ☐ Distribution/Warehouse
    - ☐ Government
    - ☐ Headquarters
    - ☐ Healthcare/Medical Information Technology
    - ☐ Land Development Manufacturing
    - ☐ Other
    - ☐ Office
    - ☐ Research and Development
    - ☐ Retail
    - ☐ Other____

18. Location requirements:
    - ☐ Downtown
    - ☐ Suburban
    - ☐ Rural
    - ☐ Near college / university
    - ☐ Nearhighway
    - ☐ Near airport
    - ☐ Near rail access
    - ☐ Broadband access
    - ☐ Other ____

19. Location requirement notes:

____

____

20. Type of Project (Building and Land):
    - ☐ Lease
    - ☐ Purchase existing
    - ☐ Purchase land

21. Project Specs (Building size)	Square Footage__________to_____________

22. Project Specs (Land size)	Acres needed____________to_____________
23. High ceilings ☐ Yes ☐ No	If yes, what is the required ceiling height (ft) ______________
24. Loading Docks ☐ Yes ☐ No	If yes, how many __________________
25. High capacity floor loads ☐ Yes ☐ No	If yes, how this is the required concrete (inches)________________
26. High capacity/special electrical	If yes, what is the required electrical load? _____________________________________
Project requirement notes: ____	
INTERNAL USE ONLY	
27. Date:	
28. Rate status of prospect: ☐ Inquiry / Information only ☐ Active - detailed discussion ☐ Active - short list ☐ Active - ongoing discussion ☐ Won ☐ Lost	
29. Rate potential for winning: ☐ High ☐ Moderate ☐ Low	
30. Status/Potential notes: ____ ____	

Appendix 3: Visit Check List

The Project	
Size of Building Required:	
Land Requirements:	
Project Number of Employees:	
Capital Investment:	
Company Background:	
Industry Background and Trends:	
Purpose of Facility:	
Product of Operation:	
Timeline:	
Competing Communities:	
Deal-killers:	
Priorities for Decision:	
Building/Site	**Proximity to: ______________________**
Costs/Taxes	**Transportation**
Access to Markets	**Access to Materials**
Electric Service	**Other Utilities**
Labour Force	**Incentives**
Other:	

The Visitors
No. of Visitors:
Names and Titles:
Presence of Decision Maker(s):
Special Requirements:
Date and Time Arriving:
Date and Time Departing:
Arrangement for Pick up and Drop off:
Time Allotted for Visit:

The Product	
Details on the Building:	
Square Footage:	Ceiling Heights:
Floor Thickness:	Environmental:
Floor Plans (copies):	Prior Use/Ownership:
Price:	Additional Land:
Other:	
Details on the Land:	
Surveyed Map:	Aerial Photo:
Topography/Drainage:	Flood Plains documents:
Soil Borings	Environmental:
Price:	Ownership:
Other	
Wage and Labour Surveys:	
Local & Current Survey:	Area Employment Wage Rates:
Unionization:	Major Employers:
Area Demographics:	
Area Labour Training Options:	

Area Housing Costs:	
Local Incentives & Taxes:	
The Visit	
Confirm Detailed Agenda:	
Map the Driving Route (provide maps):	
Team Members:	
Presentation (yes or no):	
Transportation:	
Meals:	
Gift:	
Stress Professionalism & Confidentiality:	
Key Questions:	
3 Key Selling Attributes (tell your story):	

Appendix 4: Familiarization Tour Tips

- Arrive a minimum of fifteen minutes before the scheduled time to start
- Remember you are the host – act accordingly
- Be professional in dress and conversation
- Ensure your vehicle is clean and has enough room
- Provide an itinerary with contact information
- Have a backup plan
- Ensure an existing relationship with other community participants
- Interact with client(s) – build a relationship
- Pick up the cheque(s)
- Do not insult the competition
- Be responsible about time and logistics
- Build in free time (where possible)
- Be aware of bathroom locations
- Count heads before departure(s)
- Have a departing gift relevant to the community or investor
- Show appreciation
- Follow up with a formal thank you