

2015 YELLOWHEAD COUNTY BUSINESS VISITATION STUDY



Fall 2015

Presented by Community Futures West
Yellowhead

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Executive Summary

Business retention and expansion (BRE) is an important factor in rural communities. This study focuses on the municipality of Yellowhead County, Alberta and incorporates structured information that serves as a mechanism to build dialogue with local businesses. The aim is to identify issues, goals and potential opportunities. The data collected in studies such as these are crucial to the sustainability and viability of rural communities. BRE encourages growth and stability for existing businesses and is used to determine the needs and opportunities for business growth in a community. Our series of BRE studies have been named Business Visitation Studies.

The Yellowhead County Business Visitation Study is the fourth business visitation study to be completed in the West Yellowhead region by Community Futures West Yellowhead. This three-year project hopes to encompass a study from each of the communities served by the organization. At the date of this publication CFWY has completed similar studies in both Jasper, Grande Cache and Hinton. All publications can be viewed on the CFWY webpage at www.westyellowhead.albertacf.com.

The Yellowhead County Business Visitation Study determines the needs and opportunities for business growth in the community through a systematic approach. It creates research and information that partners with community engagement to address needs and identify opportunities. Through consultation with the Municipality of Yellowhead County, the Pembina Partnership Chamber of Commerce and the CFWY Board of Directors, the project and work plan were created resulting in a study based on key economic and community factors.

The Yellowhead County Business Visitation study was comprised of a 5-question survey completed in person or over the phone with local business owners and managers. A total of 147 businesses participated in a person-to-person interview. The survey was distributed across the business communities of Yellowhead County and attention was paid to capture information from a sample of all local industries. Capturing an accurate sample size in Yellowhead County proved difficult, as the municipality does not issue or track business licenses within the municipality. Through fact finding sessions with key representatives including council members and key nonprofit organizations, CFWY compiled a list of 181 potential businesses in each of the main sectors, resulting in an 81% response rate. CFWY expects that there are likely more home based business within Yellowhead County, but without a regulated system, it is impossible to accurately say who is operating a businesses. The opportunity to connect with local business is an important

step in establishing a link between economic development partners and the business community in such a large geographic area.

This study is an asset to the community brought forth by a third party regional non-profit organization. It provided business owners with the confidence to speak freely that may have otherwise been difficult when dealing directly with a government employee. The study offered the utmost in confidentiality and feedback was not accredited back to the source. Findings are shared by sector to ensure confidentiality within the business community.

Taking part in the interview session was optional, and generally lasted between 5 and 15 minutes. Interviews took place in person at the participant's place of business or over the telephone. It has been shown through our other studies that this method of one on one information gathering produces the most accurate and informative results. The response rate was high with 147 businesses participating in the study and the majority of business welcomed the chance to speak freely. Interview sessions were offered by appointment, drop in, telephone and email. All businesses interviewed have physical day-to-day operations in Yellowhead County and measures were taken so that interviews were as productive as possible to minimize the impact on the busy schedule of participants.

The primary data for this study was collected by the Business Visitation Coordinator during the months of July through September 2015. These findings are meant to be a snapshot in time and the full document to be used as a community resource that any stakeholder or community partner can access. Contained in this study are a list of recommendations based on the statistical data, the study results should be used as an informational tool and a starting point to encourage dialogue between stakeholders and business owners. The full study can be accessed on the CFWY web page, www.westyellowhead.albertacf.com or in print at the Hinton CFWY office.

1.0 Introduction

1.1 Background

Yellowhead County is a municipal district in west central Alberta, located next to Woodlands County and reaching as far as the Jasper National Park and the Wilmore Wilderness Park. In 1998, Yellowhead County formed as it is now known; prior to that point it had been an Improvement District of Alberta and later a Municipal District. According to the 2011 census, Yellowhead County has a population of 10,469 with a large geographic area of 22,296.26 km². This sparsely populated county contains a number of small hamlets, and includes the area surrounding Hinton and Edson, Alberta. The average household total income in Yellowhead County is \$94,920.¹

The following hamlets are located within Yellowhead County:

Population information has been provided by Yellowhead County. For additional information please visit www.yellowheadcounty.ca.

County Hamlets:	Population:
Brule	162
Cadomin	64
Evansburg	760
Marlboro	160
Niton Junction	85
Peers	120
Robb	183
Wildwood	279

¹ Based on the average household total income, National Household Survey 2011

Yellowhead County also has a number of businesses spread throughout the region that are not located in any of the hamlets mentioned. Primarily these businesses operate on acreages and are located either on highway 16, or specific range roads throughout the County.

Hamlet Descriptions:

Brule:

Brule is a hamlet located approximately 20 km west of Hinton. Brule is home to several tourism based businesses, outdoor outfitters, bed and breakfasts and artists. Due to its close proximity, many of its residents work and access services within the Town of Hinton.

Cadomin:

Cadomin is a hamlet located along the McLeod River approximately 50 km south of Hinton near the Bighorn Highway. Originally Cadomin was a thriving coal branch town with a population of approximately 1,800 during the early 1930s. Today it is a mostly seasonal community with few year round residents and only a couple of businesses.

Evansburg:

Evansburg is a hamlet located off of highway 16 approximately 88 km west of Edmonton and 96 km east of Edson. Evansburg was originally incorporated as a village and in 1998 was dissolved and absorbed by Yellowhead County. As one of Yellowhead County's largest hamlets, Evansburg has a number of businesses and is a fully functional community.

Marlboro:

Marlboro is a hamlet located on Highway 16 approximately 25 km west of Edson near Sundance Provincial Park. Several small businesses operate from the hamlet including home based businesses and consultants serving the region.

Niton Junction:

Niton Junction is a small hamlet located along Highway 16 approximately 45km east of Edson and 150 km west of Edmonton. Niton Junction is east of the Highway 32 junction and west of Chip Lake. Businesses located in Niton Junction primarily service highway 16 travelers consisting of several gas service stations, and fast service restaurants. The community of Niton Junction is made up of mostly rural properties, many with small home based businesses.

Peers:

Peers is a hamlet located on highway 32, approximately 8 km north of Highway 16 and 35 km northeast of Edson. Peers is strongly rooted in agriculture with multiple working farms in the surrounding area, a small grocery store, tourism businesses and home based businesses.

Robb:

Robb is a hamlet located on Highway 47 approximately 53 km southwest of Edson. Historically associated with forestry and coal mining, the community has both seasonal and year round residents. Robb has a couple of tourism related business and accommodation businesses. Due to its proximity to Edson, many of the residents enjoy a more rural living experience but have employment in Edson.

Wildwood:

Wildwood is a hamlet located on highway 16 approximately 112 km west of Edmonton and 82 km east of Edson. The hamlet is located near highway 22 and the Lobstick River. Wildwood is a small community of businesses and services with one of the main attractions being Chip Lake Park.

Yellowhead County is rich with natural resources including mining, agriculture, logging, and oil and gas production. Some of the larger employers operating throughout Yellowhead County include²:

Canadian Natural Resources Tailsman Energy (Repsol) Weyerhaeuser Canada West Fraser Mills Teck Coal ConocoPhillips Canada Sundance Forest Industries Sherritt Coal Husky Energy	Trans Canada Pipeline Suncor Energy Inc Yellowhead Wood Products Devon Canada Encana Shell CN Rail Lehigh Inland Cement
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²The list of larger employers of Yellowhead County including links can be found on the Yellowhead County website www.yellowheadcounty.ca

Additional Information about Yellowhead County:

- In 2011 Yellowhead County residents were working age with 67.6% between the age of 15 to 64 and the percentage of children aged 0 to 14 was 18.6%³. In comparison, the national percentages were 68.5% for the population aged 15 to 64 and 16.7% for the population aged 0 to 14.
- In 2011 the median age of a Yellowhead County resident was 43.5, 7 years older than the Alberta median age of 36.5 years.
- In Yellowhead County 75.9 % of census families were married couples, 14.7% were common law couples, and only 9.2 % were single parent families.
- Culture and heritage are important to families in Yellowhead County, and the area is reported to have strong ties to German, Ukrainian, Dutch, Russian and Filipino backgrounds⁴.
- Residents of Yellowhead County value continuing education and 7,625 residents have taken some type of post-secondary education beyond the high school level⁵. Most fields of study were designated in architecture, engineering and related technologies (1,480), Health and related fields (435), architecture, business management and public administration (410) and natural resources and conservation (325).

³ According to the 2011 census 'working age' is defined as any individuals between the ages of 15 to 64. This is the last available information for Yellowhead County.

⁴ The most common non-official language mother tongues, 2011 Census; mother tongue and language spoken most often at home, 2011 Census

⁵ According to the 2001 census, 425 surveyed responses indicated that they had completed some post-secondary education.

- 1,570 residents of Yellowhead County identified themselves as being self-employed or entrepreneurs. According to the most recent government statistics available (Census 2011) the largest industries in Yellowhead County are: Mining, quarrying and oil and gas extraction (1,160), Agriculture, forestry, fishing and hunting (730), Construction (700), Transportation and warehousing (665), health care and social assistance (355).

1.2 Purpose of Study

The main goals of this Business Visitation Study are:

- To identify major and regional community themes that are impacting rural business
- Contribute to the local economy by developing data that is current and relevant to community economic development goals
- Facilitate the gathering of data that can lead to effective strategic planning for community economic development and new businesses
- Understand and address urgent business issues through action
- Act as a business attraction strategy
- Increase communications between business support organizations and the business community
- Build recommendations for future implementation in Yellowhead County, Alberta.

The Business Visitation Study determines the needs and opportunities for business growth in the community through a systematic approach. It creates research and information that partners with community engagement to address community needs and opportunities.

Business retention and expansion information gathering is a community economic development tool used to encourage growth and stability for existing businesses. Our BVS incorporates structured informational gathering that serves as a mechanism to build dialog with local business with the aim to identify issues, goals and potential opportunities. The data collected is crucial to the sustainability and vitality of rural communities.

Five questions were developed based on community discussions and then a survey designed to capture a snapshot benchmark information, outline priorities and gain feedback from local businesses in Yellowhead County. These questions focused on topics including: state of business, what could be done to improve Yellowhead County business environment, community changes for business success and positive attributes of doing business in Yellowhead County. Information was also gathered from business owners and general managers on distinct changes over the past two years regarding number of customers, total revenue and staffing.

Questions have been modeled after the Grande Cache Business Visitation Study and multiple choice options were modelled after information from the Economic Developers Association of Alberta. The format encouraged business owners to offer feedback and solutions to their identified challenges. While it is not the intention to compare and contrast the information collected from the individual communities against each other, some of the questions are consistent between all of the communities to allow statistics to be compiled for the overall region at the end of the end of the last study. A total of 147 business interviews took place between July 15 and September 25, 2015 and the Business Visitation Coordinator, Morgan Roberts, sat or called business owners and operators at their place of business recording responses.

The information collected is intended to build dialog with local businesses with the aim to identify issues, goals and potential opportunities. The Yellowhead County Business Visitation findings are available to the community and have intended to be treated as a community document. The study findings appear on the Community Futures West Yellowhead's web page, www.westyellowhead.albertacf.com.

1.3 Community Futures West Yellowhead

Community Futures West Yellowhead is an independently operated, non-profit organization funded by the federal government's department of Western Economic Diversification. Currently, there are 268 Community Futures offices in Canada including 27 offices in Alberta that support rural economic development by providing new or existing businesses the tools and resources they need to succeed. Established in 1985, Community Futures has helped over 114,000 entrepreneurs and invested over \$3.9 billion into the rural economy of Canada.

Community Futures is the only organization throughout rural Alberta with a mandate for business and community economic development. In 2013, 27 offices in Alberta made over 500 loans totaling \$26 million dollars, leveraging a further \$25 million which helped create or maintain nearly 1,600 jobs. Community Futures has a proven track record that shows that business clients grow faster and last longer than businesses started with other traditional source financing.

The Yellowhead County Business Visitation Study is the fourth BRE⁶ study to be completed by the organization. In 2014, studies were completed in both Jasper and Grande Cache, Alberta, and in summer / fall of 2015 the Hinton Business Visitation study was completed. CFWY plans to complete the Edson Business Visitation study in the summer / fall of 2016.

The Jasper Business Visitation Study project was recognized at the Jasper Park Chamber of Commerce, during the Small Business Awards Gala and resulted in CFWY receiving Non Profit Business of the Year for 2014. The set of studies was also recognized at the provincial level, with the Business Visitation Coordinator presenting as a panelist at the 2014 Economic Developers of Alberta association

⁶ Business Retention and Expansion (BRE) is a structured action oriented community based approach to business and economic development.

provincial conference regarding the success of the project. In 2015 the Hinton Business Visitation Study was nominated for the Business Innovation Award at the Hinton and District Chamber of Commerce's Small Business Awards Gala.

Community Futures West Yellowhead works in the communities of Jasper, Hinton, Edson, Grande Cache and Yellowhead County. Governed by a board of 10 directors with two representatives from each municipality, the main office is located in Hinton, Alberta. For more information regarding Community Futures West Yellowhead please visit www.westyellowhead.albertacf.com.

1.4 Methodology

The Yellowhead County Business Visitation Study consisted of a 5-15 minute interview based on five questions. Business owners were encouraged to be honest and forthcoming with their feedback and were asked for potential solutions to any identified challenges that they may have. Detailed notes were taken on each interview session, and all main themes recorded. Comments were encouraged by the interviewer, and all feedback from the study is represented under the individual questions in this document.

Participants were asked the following five questions:

1. How would you categorize the state of your business?
2. In your opinion what could be done to improve Yellowhead County's business environment?
3. What one change would make your business more successful?
4. What do you like about doing business in Yellowhead County?
5. A) Over the past two years have the following business factors increased, stayed the same or declined:
 - Number of customers
 - Sales total revenue
 - Profits
 - Number of full-time employees
 - Number of part-time employeesB) If any of those business factors increased or decreased what was the principle reason for the change?

Full Survey Documents are provided in Appendix A.

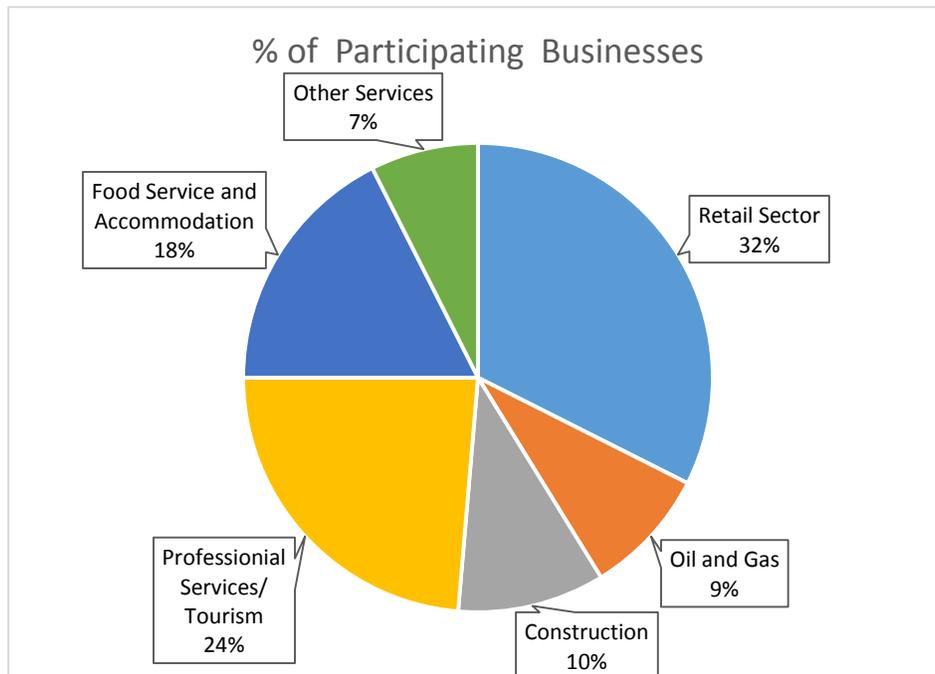
Finding businesses within Yellowhead County posed a challenge for the 2015 study. Unlike most communities in the West Yellowhead region, Yellowhead County does not issue businesses licenses for businesses within their boundaries. To compile an accurate sample size, great lengths of research went into the planning process including consultations with business resource groups, visitor guides, internet research, industry centered documents as well as multiple visits to each of the communities. Most of the businesses interviewed have physical day to day operations within one of the many hamlets in Yellowhead County.

CFWY contacted 181 businesses within Yellowhead County, resulting in 147 businesses interviews. This results equates to an 82% response rate for the study. Every effort was taken to produce well rounded sample sizes for each of the major industries in Yellowhead County.

1.5 Survey Participation

The majority of participants in the Yellowhead County Business Visitation Study were local retail operators, with strong participation from professional services, as well as construction, accommodation and food sectors. Many oil and gas businesses in the county declined to participate in the study, referring CFWY to contact their head office located outside of the county's boundaries. Other services represented businesses that did not logically fall within the five NAICS codes⁷. The study did not graph these businesses specifically. However, their responses are included in the 'all industry' graphs. Home-Based Businesses were included in the study and are represented under the most appropriate NAICS code. A total of 147 businesses out of 181 contacted businesses participated in the study, resulting in an 82% overall response rate for the study.

Figure 1: Participating Businesses n=147



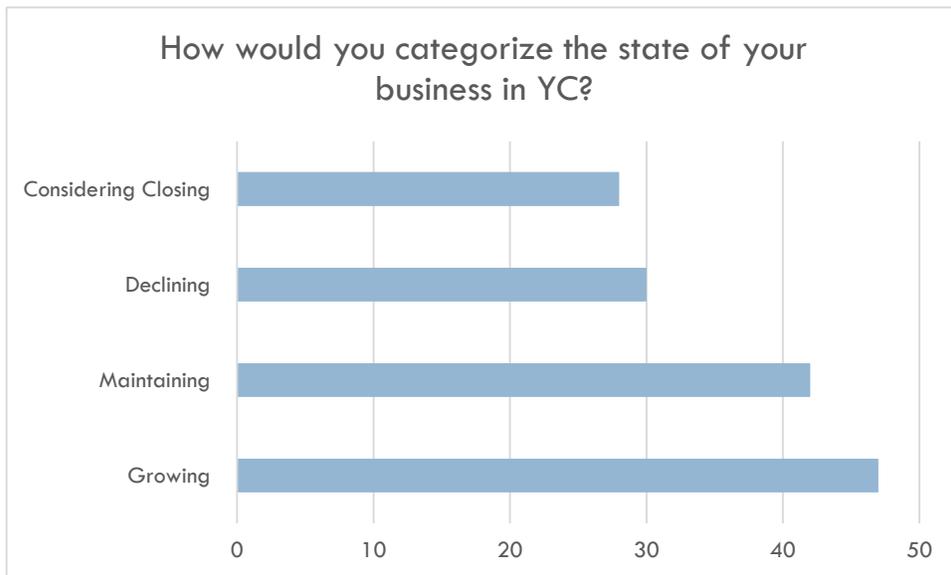
⁷ The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the North American business economy.

Most of the participating businesses were concentrated in the hamlets of Yellowhead County, often in the downtown core shopping areas. Most oil and gas and construction-based businesses being located in the industrial areas surrounding Edson. Larger numbers of tourism businesses were located towards the west end of Yellowhead County, closer to the Hinton / Jasper borders of the county's reach.

2.0 Yellowhead County’s Business Environment

Businesses were asked to categorize the state of their business at the present time. 32% of businesses within Yellowhead County categorize themselves as growing. 29% stated that they felt they were simply maintaining but not growing their businesses. Similar numbers stated that they were declining and considering closing, 20% and 19 % respectively.

Figure 2: How would you categorize the state of your business? n=147



Looking at industry clusters in the county, some distinctive trends were prevalent.

Tourism businesses in Yellowhead County categorized themselves as growing. Most comments centered on an increase in regional tourism and travelers. This is fairly consistent with what had been seen within other municipalities within the region for the same time frame. Multiple tourism businesses talked about diversifying their services to become more appealing; for instance, multiple businesses within Evansburg add seasonal services to appeal to campers and recreational river users.

Businesses in the oil and gas sector primarily categorized themselves as declining, with a larger percentage of small service companies catering to the oil and gas sector indicating that they are considering closing. Most cited changes with the economy and the slow down of major oil and gas players in Alberta.

The retail sector in Yellowhead County also categorized itself as maintaining. The main concern at the time of the study was the proposed minimum wage increase⁸. For multiple businesses within the eastern parts of Yellowhead County, local shopping is a major concern. With out of town and big box store shopping being convenient and accessible for residents, local independent retailers have seen less growth.

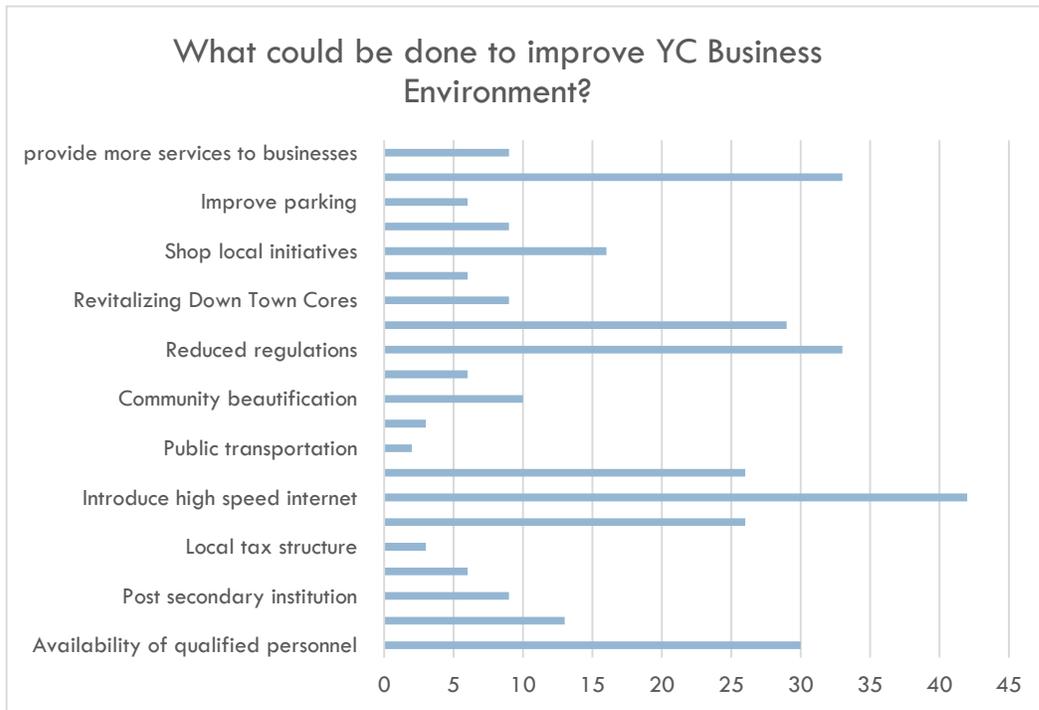
⁸ The proposed minimum wage increase refers to the plan of the Alberta NDP Government to go from Alberta being one of the lowest payers of minimum wage in Canada to one of the highest. Minimum wage increased from \$10.20 to \$11.20 on September 30th, 2015 and is proposed to increase to \$15.00 per hour by 2018.

2.1 State of Business

Businesses were asked 'what could be done to improve the business environment of Yellowhead County?'. This question contained a list of potential options and encouraged comments from businesses owners. The multiple choice options provided are industry standards across BRE studies in rural communities. Businesses also had the option to add alternative options based on their experiences. All additional comments and added options were compiled and sorted based on similarity of responses. Multiple responses were accepted for this question.

The top five responses for Yellowhead County’s business environment overall were introduce high speed internet (13%), reduce regulations on businesses (10%), attracting people to the community (10%), availability of qualified personnel (9%), and increasing Yellowhead County marketing (8%). Figure 3 shows the priorities as identified by Yellowhead County’s businesses community for a positive impact on the businesses environment.

Figure 3: What could be done to improve Yellowhead County's Business Environment?
n=326



2.2 Industry Comments

Comments from each industry regarding priorities are reflected in the following sections. Statements are accredited by industry and basic location of the businesses.

2.3 Oil and Gas

Individual Top 3 priorities:

1. Availability of qualified personal (13%)
2. Introduce high speed internet (10%)
3. Reduce regulations on businesses (9%)

Some concerns from oil and gas businesses:

'Yellowhead County policies are wrong. Yellowhead County was a rich municipality and was giving away money to the surrounding towns who lobbied for it, but times are changing. We are giving away too much wealth without thinking about the NDP government. With the oil patch changing we will no longer have the revenue streams that we once did.' - Business near Wildwood

'Yellowhead County used to think for themselves and look out for their businesses, now we are turning into Edson every day.' - Business near Edson

'Yellowhead County needs to be more receptive to all aspects of business. They tend to not be openly receptive to growth or expansion. We purposefully have limited dealings with them. Every interaction is a series of jumping through hoops.' - Business near Edson

'I want to know what impact the bypass and area structure plan will make on the area outside of Edson. Our company has put a lot of time and energy into making our land viable for what we need it for, only to have it potentially taken away for a road. Yet no one wants to talk to us about it, and no one notifies our company.' - Business near Edson

'We like dealing with Yellowhead County, they have less regulations in oil and gas than Edson, due to our proximity we have to deal with both municipalities.' - Business near Edson

'We have signage challenges dealing with both sets of municipalities, it would be great if the rules were consistent across the board.' - Business near Edson

2.4 Construction

Individual Top 3 priorities:

1. Availability of qualified personal (18%)
2. Introduce high speed internet (13%)
3. Reduce regulations on businesses (9%)

Some concerns from construction businesses:

'Dealing with the county to sub divide is a big hassle, it doesn't need to be this hard.' - Business near Edson

'We should be attracting families to Yellowhead County, they are our future. The train museum is great but why wouldn't we invest in something that all families enjoy and lack for 8 months of the year, recreation. Build an indoor soccer area and become a regional hub attracting families to move to the county. ' -East end of Yellowhead County

'Lack of community support and local shopping is our biggest downfall as a community. Consumers need to understand that it costs retailers to bring in items and have them sit untouched on shelves.' -Evansburg Business

2.5 Agriculture

Individual Top 3 priorities:

1. Public service improvements (18%)
2. Improve local roads and highways (11%)
3. Introduce high speed internet (9%)

Some concerns form agriculture businesses:

'Stores should only be open from 10-5 and focus on that time. We have an aging society and should focus on our strengths, besides, farmers are too busy before then anyway.' - Wildwood business

'We need to give youth more activities to keep them in the community, why can't we have a skate park, or better yet, ask the youth what they want and get them involved with creating it.' -Evansburg area business

'Alberta Transportation Signs (TODS signs) need to have more information on them. We have a rural property address and have no highway exposure. More options for highway adverting would be great.' -East end of the county business.

' Our business and family uses the Wildwood library all the time. They are a great resource for the community and great at promoting the community as a whole.' - Wildwood area business

'Yellowhead County needs a business directory, putting a spotlight on small businesses. It could be online to reduce publishing costs. Rural farm tours are a step in the right direction, we need to encourage people to want to know more about agriculture.'- East end of Yellowhead County

2.6 Retail

Individual Top 3 priorities:

1. Shop local initiatives (13%)
2. Introduce high speed internet (11%)
3. Increase in Yellowhead County's marketing (9%)

Some concerns from retail businesses:

'We need to work towards being one united force in the region. Open the area to economic development combined between Parkland County and Yellowhead County; Consider ourselves one economic community.' -Business near Evansburg

'Yellowhead County needs to know its own stats and use them to promote the region. Water capacity information could be used to increase business in the area, yet no one seems to have the information or make it available.' - Business near Evansburg

'Stores are leaving (Evansburg) meaning local consumers have less local options. Something needs to be done, let's look at a different angle. We need to start investing in our own community.' - Evansburg Business

2.7 Food Services and Accommodation

Individual Top 3 priorities:

1. Introduce high speed internet (16%)
2. Increase in Yellowhead County's marketing (11%)
3. Attracting and retention of people to the community (11%)

Some concerns from the food services and accommodation businesses:

'We need to advertise more on highway signage as a community.'- Wildwood business

' We need to focus on our seniors. More senior housing and activities.'- Evansburg Business

'Taking out the hardware store and Pembina Tubing business was hard on our community. We used to get a lot more summer camping and river traffic before they moved. Subway and the taco place have now opened across the highway to cater to the tubing crowd.' - Evansburg business

'We are a small community and need more incentives to get people to town, to open small businesses and do things in the community.' - Evansburg business

'More people use Evansburg as a centralized location. We have all the amenities and have small town charm. We just need to tell people about it. Take nice photos and get them out there, really market our community. Create marketing plans for each community to attract local shopping. Make Evansburg a destination. ' - Evansburg business

'The Mayor, Gerald, is very approachable. He seems to get the county way of life. Our family and business left the fast paced corporate world to come back to basics in the private sector. We love it here.' - Evansburg Business

2.8 Tourism and professional services businesses

Individual Top 3 priorities:

1. Increase in Yellowhead County's marketing (18%)
2. Attracting and retention of people to the community (13%)
3. Shop local initiatives (11%)

Some concerns of the tourism and professional services businesses:

'As a community we need to embrace social media and start communicating with the world, good things happen in our community every day, but unless you see it yourself no one knows about it.' -Peers business

'Most of our clients come from bigger cities and seek out our business specifically. It would be nice to have a tour of regional things to see and do to enhance the area as a destination.' - East end of Yellowhead County Business

'We align ourselves with Hinton, if we worked on nurturing that relationship it would be better for everyone. Let's get people out here.' - West end of county business

'Collaboration and communication are so important, we need to sit everyone down and work on marketing together. Our businesses is an asset to the county, yet no one talks about specific activities, just hunting and fishing. Maybe this area (towards Jasper) should market themselves as 'everything you wanted to do in Jasper National park, but couldn't'. '- West end of Yellowhead County business

'(The county) is too busy with oilfield for tourism businesses. (*Name removed*) has a bad attitude and speaks out of turn. We need someone from the county that deals in tourism business development, something at the grassroots level.' - West end of Yellowhead County business

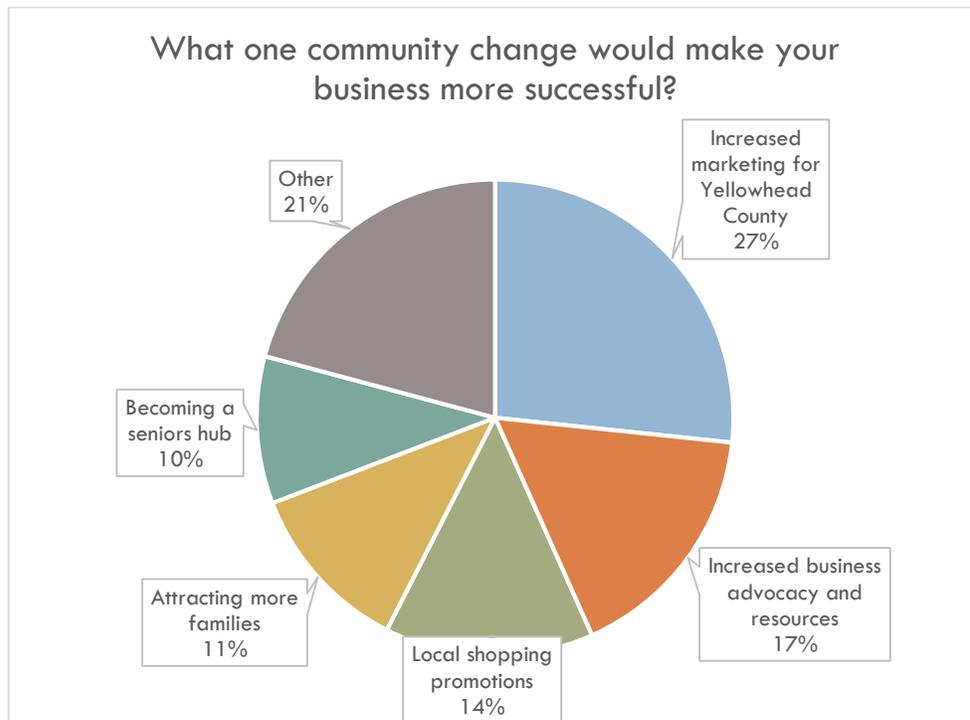
'Because we are not in a bigger hamlet we are often forgotten about on Yellowhead County's website. If there was a tourism list of services we would want to be on there, we have a lot to offer.' -Robb business

2.9 Community Changes

Overall businesses felt that increasing marketing of the region would make their business more successful. With 27 % identifying that an increase in marketing, including social media, would be the most beneficial. 17% identified that increasing community support from the County, as well as business advocacy and resources, would be the most effective change for their business. Following closely with 14% indicating an increasing in local shopping in hamlets, 11% attracting more families to the area, 10% becoming a seniors hub and 21% other reasons.

Figure: 4

What one community change would make your business more successful? n=120



The following comments are taken directly from the business interviews. Comments are accredited back to the region of the business.

Some comments included:

"Yellowhead County is beautiful and we have so much to offer, we need to tell more people about it. When they learn what we love about living here maybe they will come and bring their families. I love that my children are growing up here."- West end of the County business

"We saw a real increase in the number of campers this year, both back county and campgrounds. As a community we need to find a way to get them to stay longer and experience what small town living has to offer."- Evansburg business

"Signage is tough here. If we could find a way to work together to highlight and draw people from the highway (the local business community) would be better off."- Evansburg business

"We have such great people and stories here in Wildwood, when people do come in, they make a point to return on every trip. We need to get those stories out there and start attracting new families. They are the future."- Wildwood business

"(Town council) needs to spend more time interacting with businesses and educating themselves on the challenges we face operating in the real world." -Niton Junction business

"All government seems to loose touch with the people who elect them. They (local government) decide what priorities are important to them and forget about the people who elected them."- Peers Business

"I would like to see more outreach to businesses from Councilors and County employees."- West end of the County business

"We have the beginnings of becoming a great seniors town, small town charm, close enough to the city but rural enough that they can still enjoy their end years in peace."- Evansburg business

3.0 Business in Yellowhead County

Business owners we asked what they liked about doing business within Yellowhead County.

Figure 5: What do you like about doing business in Yellowhead County? All Industry N=146

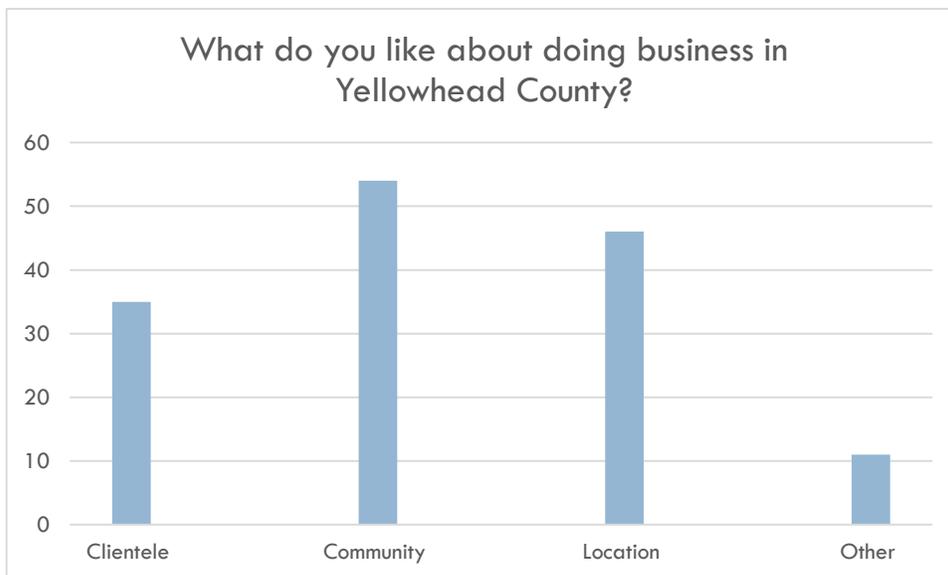


Figure 5 represents all industries in Yellowhead County's business community. 37% of businesses felt that their 'community' was the best part about doing business in Yellowhead County. Many businesses talked about their sense of pride in relation to their hamlets. Many businesses talked about the benefits of living in a small community, knowing your neighbors, watching generations of kids grow up, and a feeling of safe while living in a small hamlet. Following closely behind was 'location' with 31% of businesses indicating that the proximity to other markets was important to them. 24% identified that interacting with their clientele was the best part about doing business within the County.

4.0 Distinct Changes

Business owners were asked about specific growth factors, if they had increased, stayed consistent or declined in the past two years. Information on number of customers, sales total revenue and number of employees are broken down by industry in the following pages. This information is to be used to determine a benchmark for looking forward in Yellowhead County.

Number of customers:

Figure 6: Have your number of customers changed in the past two years? (All industry)
N=138

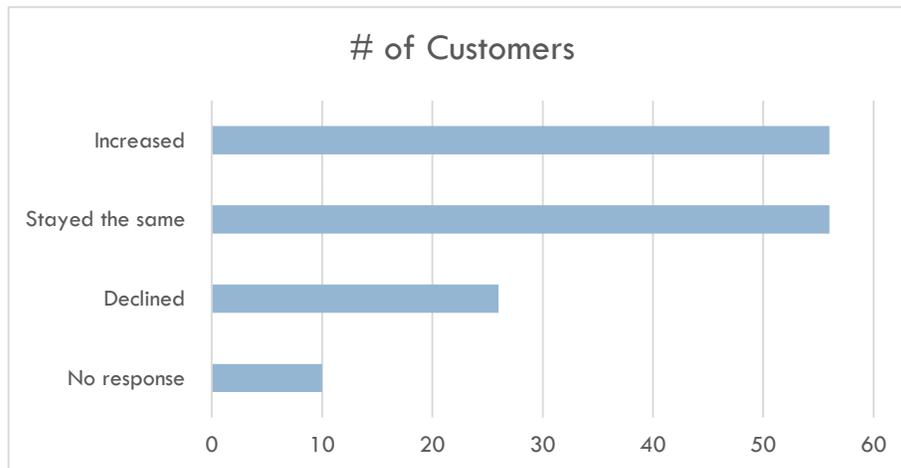


Figure 6 represents the business community as a whole. 38% of interviewed businesses stated that over the past two years their number of customers experienced noticeable growth. Notable industries include the service industry and the tourism industry. Some of this growth can be accredited back to an influx of travelers province wide⁹.

⁹ In 2014 provincial travel numbers rose significantly as visitor numbers to Canada surged in spring and summer 2014. With a 13% increase in road travel from the United States into Canada and significant increases in travelers from the European markets, Germany in particular (31% surge of new travelers coming to western Canada), followed by the United Kingdom (23%) and France 1%). For more information on tourism trends please visit www.industry.travelalberta.com.

Number of customers - Industry Specifics

Have your number of customers changed in the past two years? (Retail sector)

Overall the retail sector for Yellowhead County experienced growth from 2013 to 2015. 68% of business owners in the retail sector stated that they experienced marginal growth or better in the number of customers over the past two years. However, 14% stated that they had experienced a decline in the number of customers. Some comments in this section included location changes of popular river activities in the Evansburg area.

Have your number of customers changed in the past two years? (Oil and Gas sector)

The Oil and Gas sector reported very little growth in terms of number of customers in the past two years. 82% reported no new customers during that time period and comments made in this section said for the most part ongoing projects are continuing, however no new projects were being explored at this time.

Have your number of customers changed in the past two years? (Construction)

28% of construction companies reported growth in their number of customers over the past two years. Construction companies reported that residents are starting to increase spending as compared to the past two years.

Have your number of customers changed in the past two years? (Professional services and Tourism)

Tourism and professional services experienced substantial growth over the past two years with 74% of operators stating that they saw an increase in the number of customers. This number is consistent with travel trends in Alberta and Western Canada. Business owners mentioned an increase in the number of visitors from the United States and an increase in RVs travelling the West Yellowhead.

Have your number of customers changed in the past two years? (Accommodation and Food service)

52% of accommodation and food services experienced marginal growth or better over the past two years, but overall they commented that there was still a lot of room to grow to return to pre recession numbers. Businesses in this sector located directly along highway 16 and other major county routes experienced more growth than businesses in smaller hamlets.

Sales Total Revenue:

Figure 7: Has your sales total revenue changed in the past two years? (All industry)
N=115

Note: The response rate for this question is lower than other questions in the survey. This is due to the sensitive nature of the topic and reluctance from businesses to speak about business finances. The response rate for this question has been consistent across the West Yellowhead.

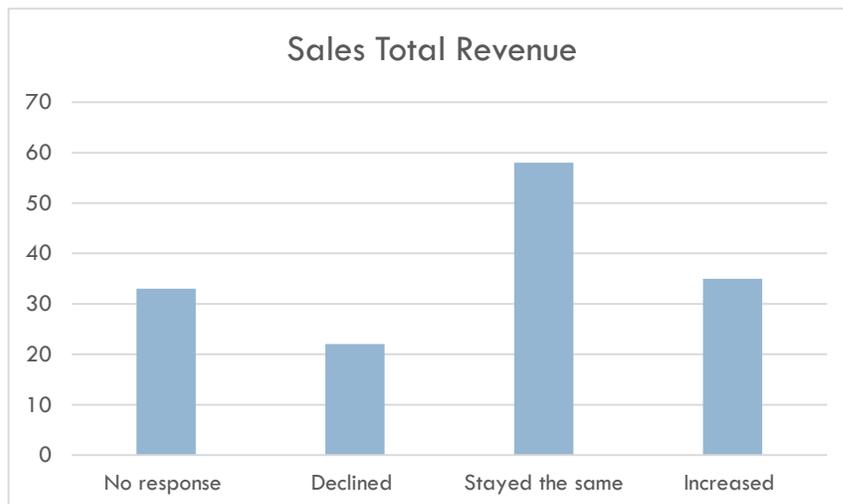


Figure 7 represents Yellowhead County's business sector as a whole. 24% of businesses saw growth of their sales total revenue over the past two years. With another 39% reporting that sales total revenue had remained consistent. Only 15% of businesses stated that they saw a decline. While Community Futures staff can not be certain, with 22% not answering this question, one would wonder if participants did not want to discuss the fact that their sales total revenue was declining. It is also important to note that there were not enough Oil and Gas businesses willing to respond to questions regarding sales total revenue within the Yellowhead County to form a proper sample size, and as such Community Futures does not have enough data to report their status on this question. Based on comments from other sections of the survey, one could assume that businesses within the oil and gas sector have and will continue to experience a decline in their sales total revenue.

Sales Total Revenue- Industry Specifics

Has your sales total revenue changed in the past two years? (Retail sector)

Sales total revenue for the retail sector of Yellowhead County was primarily consistent (43%) over the past two years. Some retailers mentioned that they had noticed slight increases in summer 2015 in comparison to 2014 and 2013, indicating that margins are rising. They attributed this number to an increase in the number of travelers in the area and increased signage opportunities along major highways within the County.

Has your sales total revenue changed in the past two years? (Construction)

Sales total revenue has slightly increased for construction companies within Yellowhead County over the past two years. 28% of construction businesses identified as having an increase in their sales total revenue; however, 32% stated that their sales total revenue remained similar to the last two years. This change was primarily accredited back to the cost of supplies in relation to the US dollar. Comments from business owners in this sector have identified that their profit margins are highly affected by the US dollar exchange.

Has your sales total revenue changed in the past two years? (Professional services and Tourism)

60% of professional services and tourism businesses reported growth to their sales total revenue. This number is largely due to increases in traveler numbers on Highway 16. Specific travel numbers for summer 2015 were not available at the time of this study, but increases in tourism traffic have been reported for the entire West Yellowhead region for the same time frame. This increase in sales total revenue can also be attributed to the creation of multiple smaller tourism businesses within Yellowhead County over the past two years.

Has your sales total revenue changed in the past two years? (Accommodation and Food Sector)

36% of accommodation and food service businesses experienced marginal growth or better over the past two years, with the majority (52%) experiencing no significant change in their sales total revenue. When questioned about the reported growth in number of customers in relation to sales total revenue, most sighted higher food and transportation costs as being the main factor.

Number of Employees

Figure 8 How have your number of employees changed in the past two years? (all Industry) N=138

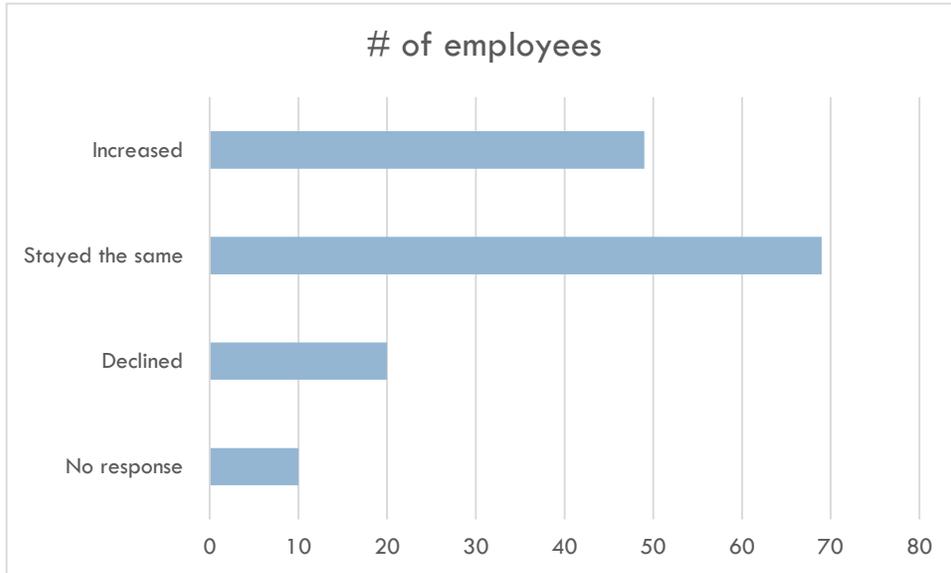


Figure 8 represents all industries in the business community of Yellowhead County. Most Yellowhead County businesses only maintain core staff throughout the year, with some seasonal staff brought in during peak periods. Many of the tourism businesses within Yellowhead County are only seasonal and regularly lay off staff in the shoulder season. Businesses in the oil and gas sector stated that they had been able to maintain their staffing levels over the past two years, but with internal discussions indicating that no new projects will be started and existing projects coming to a close in later 2015, they expect that there will be substantial layoffs in the future in this area.

Number of employees - Industry Specifics

How have your number of employees changed in the past two years? (Retail sector)

65% of retail businesses have kept their staff consistent over the past two years. Many retail businesses in Yellowhead County are small family based operations, often involving multiple generations of the family and only ever employing core staff.

How have your number of employees changed in the past two years? (Oil and Gas)

40% of oil and gas businesses have had to reduce the number of staff over the past two years. Most of these layoffs have been to contractors and have not affected their primary crews. However, according to Yellowhead County oil and gas businesses, this is not the end of layoffs in their industry. With very few new projects starting in this sector, and 2015 being the end of multiple large operational plans this industry expects to experience layoffs before the trend cycles upward again.

How have your number of employees changed in the past two years? (Construction)

66% of businesses in this sector were able to maintain their staffing level, stating that they regularly only employ key staff members. The trend for the construction industry in Yellowhead County appears to be to employ core staff and hire independent contractors to assist when needed, lessening the overhead and expenses required for traditional staff.

How have your number of employees changed in the past two years? (Professional Services and Tourism)

72% of professional services and tourism businesses were able to increase staffing levels over the past two years. Some of this growth is due to multiple smaller tourism businesses opening up within Yellowhead County and generating new positions.

How have your number of employees changed in the past two years? (Accommodation and Food service)

56% of the accommodation and food service sector maintained their staffing levels. The majority of non franchised restaurants within the Yellowhead County area are small family owned businesses, the core staff are often related and personally invested in the business. 33% of businesses in this sector stated that they had to decrease the number of staff over the past two years. Most of the businesses that did report growth in this industry were located along major routes and highways within Yellowhead County or catered primarily to the tourism industry.

5.0 Key Themes identified through comments from the study:

Seniors in Yellowhead County are a target market worth exploring

Across each of the varying hamlets, seniors' issues and resources were identified as being a priority for businesses owners. Multiple businesses identified as having a large senior aged consumer base, and this idea is echoed across rural Canada. Business owners suggested becoming more senior friendly with specific hamlets suggesting that they become a seniors' community, with doctors, walking trails, easily accessible shopping and culture. Suggestions of marketing the communities as close enough to the big city for appointments but far enough in the county for a small town experience to gracefully age in, were presented in multiple interviews.

Camping tourism is rising in Yellowhead County

Business owners discussed their current consumers as being primarily tourists and campers visiting the area. 36% of business stated that the number of customers had increased over the past two years due to a rise in the general tourism traffic. This increase was echoed by Tourism Alberta for the province. The number of provincial park visitors also experienced an increase in the past 12 months¹⁰. With multiple campground business popping up in Yellowhead County over the past 5 years as well as backcountry camping opportunities, the Alberta staycation trend continues. More than 60% of campground businesses interviewed in the study indicated an increase in number of customers, and sales total revenue over the past two years.

Businesses owners want to work with the municipality on joint projects

Multiple businesses in the tourism sector talked about coming up with ideas or information gathering to increase exposure within Yellowhead County. Ideas such as interactive web mapping and mobile apps were amongst some of the suggestions coming from business owners. Many of the tourism related businesses in Yellowhead County are already marketing themselves through the use of social media and web based searches. These businesses are providing value added experiences for consumers coming to their rural addresses and feel that with a tailored regional approach, specific areas could be highlighted through collaborative destination marketing.

¹⁰Information provided by the Tourism Marketing Monitor Report for June and July of 2015. Provincial tourism statistics recorded an increase in traffic numbers and travel to the province overall when compared to 2014 and 2013 numbers. The report is produced monthly by Alberta Culture and Tourism; for more information please visit <http://culture.alberta.ca/tourism/research-and-statistics/statistics/>.

Quality of life is good in Yellowhead County

Businesses owners expressed that when visitors and consumers experience the high quality of life in Yellowhead County, they will want to stay in the region. Many referenced the small town charm and quaint main streets of Yellowhead County's hamlets. Business owners visibly take part in community building activities in Yellowhead County, and understand the importance of a community collaboration. Streets in Yellowhead County are often decorated with lights and seasonal décor, boasting friendly faces and mid-century charm.

Developing within the county needs to be more streamlined

Multiple businesses referenced positive experiences and appreciate having less regulations around opening new businesses, within the county. Businesses stated that they hardly even considered themselves as part of the municipality, due to lack of contact; however, this was not the case for all business. Multiple construction based businesses felt that the current development practices need to be revisited. One business owner talked at length about having to plant new trees in front of their property twice a year for the past five years telling CFWY that the development guidelines do not accurately fit with realistic expectations. The businesses owner eventually planted native trees and shrubbery and has now had more success in retaining the plant life. Some businesses owners felt that the requirements for county road upgrading needed to be a higher priority and updated to better reflect current businesses and existing operations.

Communication is key

The annual mail out of Yellowhead Lines¹¹ was well received by businesses. The guide took a snap shot of the 2015 budget and local projects happening within the county, highlighting positive stories about the people, parks and plans for each of the hamlets.

Positive development in Yellowhead County

Two buildings were noted of importance in Yellowhead County. Local businesses were not specifically asked to identify places of interest, but did so within the interviews. The Wildwood Public Library was identified as a key location for businesses within the area. High praise was given for the staff and culture that it creates in the area. Both businesses identified the library as both a place that enhances their place of businesses, and their family lives in Yellowhead County. The other noted service building was the new Peers Community Multiplex building.

¹¹ Yellowhead Lines is a bi annual newsletter published for residents of Yellowhead County, by the Municipality of Yellowhead County and mailed to all residents.

6.0 Recommendations

The following recommendations are meant to be utilized by the community and not aimed at any particular group or stakeholder. All identified potential partners will be notified and given the opportunity to take part or lead the identified goal. CFWY felt that this is a community document and will facilitate the communication needed to distribute the information accordingly, but will not be taking the lead on all projects.

Develop a strategic priority list and action plan

Goal: Develop an inventory of existing regional community assets

Potential Partners: Yellowhead County, Community Futures West Yellowhead, Alberta Northern Rockies Tourism Alliance, Partners on the Pembina Chamber of Commerce

Communications

Goal: Increase communication and feedback gathering sessions with each hamlet

Goal: Perform regular businesses walks and engage municipal councilors with the businesses in their wards

Goal: Enhance statistical information about Yellowhead County on the website, including information on natural resources, business and tourism.

Potential Partners: Yellowhead County, Community Futures West Yellowhead, local school divisions, business community

Highlight small town charm and increase local and destination shopping

Goal: Create beautification initiatives for local businesses to enhance the area charm and highlight participating industries in marketing materials

Goal: Interview and showcase local businesses in marketing materials, highlighting the small town love and experience.

Goal: Leverage marketing and economic development support through neighbouring communities and counties.

Potential Partners: Yellowhead County Business community, Partners on the Pembina Chamber of Commerce, Town of Hinton, Town of Edson, Woodland County, Alberta Northern Rockies Tourism Alliance.

Increase Communications

Goal: Engage the community through social media

Goal: Increase transparency of communication from the municipality to the business community and residents

Goal: Create detailed documents or fact sheets to improve communication and encourage new businesses opportunities in Yellowhead County.

Potential Partners: Yellowhead County Business community, Partners on the Pembina Chamber of Commerce, Town of Hinton, Town of Edson.

Explore possibilities of becoming a senior hub

Goal: Engage the community on the topic of seniors, assess local and stakeholder buy-in

Goal: Conduct research to investigate viability of a seniors development

Goal: Create a specific marketing plan geared at senior aged residents

Potential Partners: Yellowhead County Business community, Partners on the Pembina Chamber of Commerce, Town of Hinton, Town of Edson.

7.0 Follow-up

This Business Visitation Study is meant to represent a benchmark, or snapshot in time. The study is designed to be facilitated every two years and compared to the previous findings. Over this period a full snapshot into the economic state of the community of Yellowhead County is visible.

CFWY recommends that a similar study be completed again in two years to gain feedback and watch for emerging trends in economic growth and stability.

For more information or to receive a copy of this study please contact:

Community Futures West Yellowhead

221 Pembina Avenue

Hinton, AB

T7V 2B3

T: [780-865-1224](tel:780-865-1224)

W: westyellowhead.albertacf.com

8.0 Appendix A:

2015 Business Visitation Study- Yellowhead County, Alberta

Date: _____

Company Name: _____

Main Contact: _____

Phone Number: _____

Email address: _____

Web address (URL): _____

For office use only: NAICS code: _____ Date of Meeting: _____ Visit Number: _____ Outreach Specialist: _____
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This Business Visitation study is brought to you by :



Disclaimer (Notice to Survey Respondents):

- The Originator of this survey is solely responsible for its contents. **Your response to the survey is voluntary and all responses are confidential.** If you are asked in the survey to reveal your identity or the identity of the organization on whose behalf you are responding and do not wish to do so, please do not respond to the survey. Your response will be used by the survey Originator only for the purpose identified by the Originator.
- If you are given an opportunity to submit free-form responses to a survey, please provide relevant and responsible responses; refrain from disparaging, offensive, harassing or otherwise inappropriate language; and refrain from including any sensitive information of any kind (e.g., credit card or bank account information).

Please Initial:

1. How would you categorize the state of your business? **(Circle)**

- A. Growing
- B. Maintaining
- C. Declining
- D. Considering closing

Comments:

2. In your opinion, what could be done to improve Yellowhead County's Business Environment? **(Circle)**

<ul style="list-style-type: none">a) Availability of capital / financingb) Availability of qualified personnelc) Workforce training programsd) Post Secondary institutione) Changes to K-12 Educationf) Local tax structureg) Public service improvementsh) Introduce high speed interneti) Improve local roads and highways	<ul style="list-style-type: none">j) Public transportationk) Healthcarel) Greenways / bike pathsm) Workforce housingn) Reduced regulationso) Expedited permittingp) Food availability / choicesq) Other: (Please Specify) _____
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Comments:

3. What one change would help make your business more successful? **(Circle)**

<ul style="list-style-type: none">a) Better marketingb) Better use of social networkingc) Lower operating costsd) Lower transportation costs	<ul style="list-style-type: none">e) Better suppliersf) Better managementg) Other: _____
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Comments:

4. What do you like about doing business in Yellowhead County? **(Circle)**

- a) Location
- b) Community
- c) Clientele
- d) Other: _____

Comments:

5. Over the last two years, did the following business factors increase, stay the same, or decline? (Circle)

	Increased	Stayed the same	Declined
Number of customers	+	same	-
Sales-total revenue	+	same	-
Profits	+	same	-
Employees- full time	+	same	-
Employees- part time	+	same	-

a) If any of these business factors increased or decreased, what is the principal reason for the change?

Thank you for participating in the 2015 Yellowhead County Business Visitation Study.

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