

## Rural Economic Development

*Alberta's economy is largely based on an array of industries that primarily operate in rural areas, such as energy, forestry, and agriculture. In addition, small business, tourism, manufacturing, renewable energy, and value-added processing of natural resources and agriculture products have all gained importance in rural Alberta in recent years. To sustain this development, the Government of Alberta and rural municipalities can collaborate to promote rural communities as a great place to live, work, visit, and invest.*

### What is the RMA's position on the importance of rural economic development?

- ◆ The natural resources and industrial development located in rural Alberta provide significant province-wide economic benefits. A strong rural economy not only benefits the province as a whole but ensures that rural residents can continue to enjoy a high quality of life and rural communities remain viable.
- ◆ Rural economic development is strongly linked to healthy rural communities. To attract innovative and long-term economic development, rural communities must have reliable infrastructure and community services such as roads, bridges, health care, education, and broadband, among others.
- ◆ The growth of value-added products across all industries in Alberta has been beneficial for economic diversification and rural economic development.
- ◆ In Alberta, public infrastructure (including municipal infrastructure) is strongly linked to private capital investment and economic development. According to Statistics Canada data, in Alberta, \$21.60 in private capital stock exists for every \$1.00 in public sector capital stock, compared to an average cross-Canada ratio of \$12.40 in private sector capital stock to \$1.00 in public sector capital stock.

### What financial considerations do rural municipalities have with respect to rural economic development?

- ◆ Rural economic development helps to expand the municipal tax base so that rural municipalities can provide a wider range of services to their residents. These services enhance the overall quality of life in rural Alberta.
- ◆ Much of the industrial development that takes place in rural Alberta relies on the use of heavy equipment and frequent truck traffic, which strains and damages rural transportation infrastructure, resulting in significant costs for rural municipalities.
- ◆ Many of the industries that are prevalent in rural Alberta are unique in that they are seasonal in nature, have unpredictable work hours, and require flexibility in when work takes place. It is vital that any regulatory changes that may impact this flexibility be developed in consultation with employers and employees, as well as the municipalities that host such industries since regulatory changes could have unforeseen local economic impacts.

## What collaborative relationships are essential to encouraging rural economic development?

- ◆ Intermunicipal Collaborative Frameworks (ICFs) may increase collaborative economic development strategies between neighbouring municipalities and Indigenous communities to attract development.
- ◆ The Government of Alberta's Economic Development in Rural Alberta Plan supports rural Alberta economic development initiatives that are innovative and contribute to the diversification and promotion of sustainable, long-term growth.
- ◆ Collaboration among the Government of Alberta and rural municipalities is essential to promoting the value of rural Alberta beyond Alberta's borders - both as a place to live and a place to invest.
- ◆ Regular communication and collaboration among rural municipalities, the RMA, and industry associations will assist in developing a long-term relationship between industry and rural municipalities, in which needs, priorities, and concerns can be regularly shared.
- ◆ The work of regional economic development associations (REDAs) is vital to supporting the growth and sustainability of rural economies throughout Alberta.
- ◆ The RMA recognizes the opportunities that exist for regional economic development between rural municipalities, urban municipalities and Indigenous communities. The RMA would be pleased to see the Federation of Canadian Municipalities' (FCM) Community Economic Development Initiative (CEDI) continued funding to provide opportunities for rural municipalities and Indigenous communities to work together on regional economic development.

## How does the work of the RMA support rural economic development?

- ◆ Through funding from the Government of Alberta's Economic Development in Rural Alberta Plan (EDRAP), the RMA provided microgrants to twelve municipalities to support development of innovative and sustainable rural economic development projects. This opportunity allowed for municipalities to create and fulfill innovative economic development initiatives in their community.
- ◆ The RMA also received further funding through EDRA for the creation of an Economic Development Committee Toolkit that will allow municipalities to build an ongoing relationship with key local economic development leaders and organizations, leading to a cohesive, community-wide approach to economic development. Through advocacy efforts, the RMA works to increase awareness of the economic potential of rural Alberta, as well as the local challenges that industrial development presents for rural municipalities.
- ◆ RMA regularly monitors proposed policy, regulatory, and legislative changes that may impact rural economic development, and provides the rural municipal perspective as to how such impacts could be mitigated. The RMA is in a strong position to communicate information related to economic development to members.
- ◆ The RMA provides its members with a variety of business services, which assist in lowering municipal costs. This allows for RMA members to dedicate more resources to attracting investment and residents.

## What current rural economic development-related issues are impacting rural Alberta?

### Regional Economic Development Alliances (REDAs)

- ◆ REDAs are independent, non-profit organizations made up of member municipalities and regional stakeholders that work together to promote long-term economic development and prosperity in the province.
- ◆ In January 2024, the Government of Alberta announced that REDAs would no longer have access to the operational funding after 2027. Eliminating this funding will have serious impacts on collaborative economic development activities in rural areas. Without provincial funding for REDAs, municipalities will be required to take on a larger funding share for these initiatives than they do currently.
- ◆ REDAs act as catalysts for increased economic development cooperation among municipalities, industry, and various levels of government.
- ◆ REDAs are especially critical in rural and remote communities, many of which do not have the capacity to individually fund economic development activities. REDAs are one of the ways those communities can stay connected to the economic development landscape and participate in regional initiatives that bring much-needed growth to Alberta.

### Tourism

- ◆ Rural municipalities contain some of Alberta's most beautiful natural scenery, parks, and culture. A collaborative effort between the RMA, the Government of Alberta, and Indigenous communities is needed to promote the natural beauty and activities that is present across rural Alberta.

### Rural Broadband

- ◆ Being connected to the digital economy is vital to community development. Many rural communities are limited to unreliable, obsolete, or overly expensive internet access. This not only harms the ability of rural municipalities to attract economic development, but also contributes to rural depopulation and harms community development more broadly.

### Renewable Energy

- ◆ Renewable energy generation is a growing presence in rural Alberta and has the potential to become a thriving industry. To minimize land-use conflicts and maximize the opportunities available for economic development, it is important that the Government of Alberta and the renewable energy industry work and collaborate with Alberta's rural municipalities.
- ◆ Renewable energy projects need responsible end-of-life management regulations and plans to prevent such projects from turning into environmental liabilities on Alberta's landscape.
- ◆ Renewable energy projects require significant land. It is crucial that municipalities and the Government of Alberta develop an approach to properly balance the development of new renewable energy projects with the preservation of agricultural land.

## Indigenous Relations and Economic Development

- ◆ Effective economic development requires strong relationships between municipalities and Indigenous communities. Every municipality and Indigenous community is unique and no one approach will fit all contexts. The RMA believes that positive relations require open and effective communication between municipalities, Indigenous communities, and the provincial and federal governments.

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