



Battle River Economic Opportunities Committee

A Transition Path Forward

Notes for Discussion
May 22, 2018



The following narrative seeks to provide a framework by which transition action is recommended within the BREOC region. It encapsulates in terms of context some of the materials already covered in various discussions and reports to date; and includes a synopsis of the CCTF application with the rationale and programs supported by way of agreement with the Government of Alberta. That said, it purposely does not preclude, in fact it allows for, further support either via the Government of Alberta or Government of Canada or other agencies and authorities. It introduces the importance of maintaining certain guiding principles in effecting transition because transition is different than other development efforts, programs or plans. As an essential beginning, it presents a diagrammed framework for moving forward in a proactive and focussed manner using a results-based management framework (RBMF) approach to program implementation. As such, included is a RBMF diagram that illustrates the process at a high-level of the steps the results-based management framework takes. Additionally, there is a condensed GANTT depicting at a macro level the next steps. Of course, all of what follows and is presented is seeking input. At the end of the day it is a BREOC effort and a BREOC program. The next few weeks, months, and years are a critical time for the residents, workers, enterprises, and governments within the BREOC region. Getting it right is essential.

Successful Transition – Sustainable Socio-Economic Prosperity and an Optimistic Outlook for the BREOC Region

Sustainable economic diversification and successful transition within the BREOC Region.



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Background and Context

Background

The Battle River Economic Opportunities Committee is a collaborative partnership representing the County of Paintearth No. 18, Flagstaff County, the Towns of Castor and Coronation, the Villages of Forestburg, Halkirk and Heisler, and the greater Region that surrounds them. This is a unique partnership and coming together of seven coal affected communities and counties. Each member understands the need for and critical importance of economic transition. Each member also appreciates the challenges and opportunities ahead.

By way of background, BREOC was initially created as a special Regional committee with a mandate to explore the potential socio/economic impacts arising pursuant to the closure of the Westmoreland Mine and Battle River Generating Station and to coordinate an analysis and recommendations in respect to the opportunities and challenges for transition within the BREOC Region. Subsequent to this BREOC coordinated the preparation of the CCTF Proposal to the Government of Alberta and is charged with its successful realization.

Notable aspects of BREOC:

- Since inception BREOC has worked collaboratively with a Consultant (Urban Systems Ltd/Lochaven Management Consultants Ltd.) to support its efforts in addressing its mandate.
- BREOC itself has no authority to authorize spending or to commit their individual municipality to undertake any actions that would normally require approval of their respective Councils.
- Elected officials are the voting members of BREOC; CAOs and Economic Development Officers act in an advisory capacity only.
- The County of Paintearth is the managing municipality of the partnership and provides administrative support in that regard.
- The Consultant is charged with the responsibility to manage and ensure effective operationalization of the CCTF initiative with the support and guidance of BREOC.

The following Guiding Principles have been recommended/adopted as tenets to successful transition:

Think Regionally – Use strong Regional representation to ensure the initiatives and programs represent the needs of the entire Region. While working on assignments the representatives of BREOC have the vested interest of the entire Region as the primary focal point.



Collaborative Effort – The planning process will encourage the active participation of all member communities of BREOC at both the senior staff (CAO and Economic Development Officer) and elected official levels.

Communication and Transparency – Planning deliberations will be communicated regularly with the BREOC committee and will make strategic decisions in a timely, open, and transparent way.

Mutual Trust and Respect – The project engages each of the BREOC communities in a fair and respectful way that fosters understanding between diverse views, values, and interests.

Equitable Engagement Process – BREOC designs engagement processes that allow all BREOC communities a reasonable opportunity to contribute and to develop a balanced perspective.

Commitment – The partners commit resources to the engagement processes to ensure engagement activities are effective.

Context

It is evident that the Regional economy has over the past several decades benefitted from the presence of the Westmoreland Mine and Atco's Battle River Generating Station. It has benefitted from the direct expenditures of goods and services, employment of workers, and the generation of tax revenues. Further, because these facilities purchase inputs from suppliers and in turn these suppliers purchase goods from other companies – many of them local – a stream of indirect/induced benefits accrue, i.e. employees spend wages at local businesses, whose owners in turn spend the proceeds on new supplies and other goods. Governments at the federal, provincial and local levels collect taxes on all of these activities. Further, there are an array of other social and economic benefits that ensue with continued operation of the generating station and mine.

Some of these benefits are readily discernable, others less so, including visible contributions to or donations of local/Regional infrastructure development and community activities/initiatives (social investment); to the less visible, though arguably equally important, benefits including contributions to the Region's business ecosystem with its concurrent implications to Regional business retention/expansion and investment attraction success.

Clearly most people in the Region, and especially those communities in close proximity accept that the mine and generating station are key drivers of the local/Regional economy and contribute significantly to the socio-economic wellbeing of local citizens and enterprises.

And therefore, closure of the Westmoreland Mine Company and Battle River Generating Station is at best a challenge and at worse a near catastrophic problem. Collectively and conservatively, closure will represent in the order of 180-185 direct/indirect jobs and \$73.4 million in economic activity (Regional GDI). Beyond this, from analysis and inputs of 395 local residents representing a broad spectrum of local stakeholder groups, there are also significant tertiary impacts in respect to community/Regional economic impact; local business viability; volunteerism (social capital); local population (demographic balance and stability); safety & security; personal/family income; municipal infrastructure and services; health and wellness; real estate and construction; schools and education; and community viability and vulnerability – economic development.

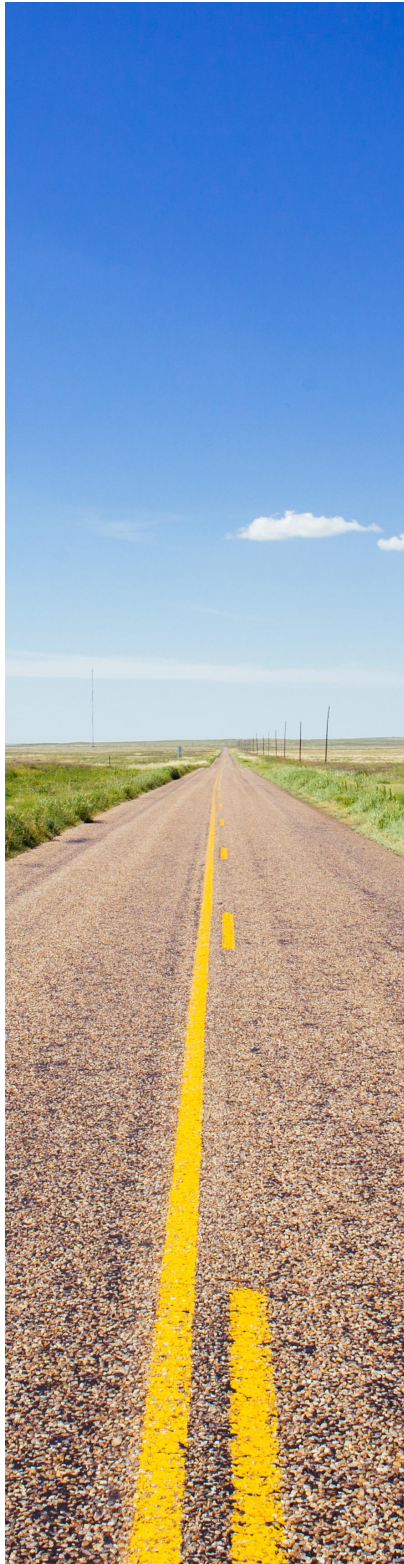
In the face of closure, prospects for transition success will require a significant, proactive effort that is well positioned on the readiness of the Region to facilitate and manage change and revitalization. Transition will require a multidisciplinary, broadly inclusive and collaborative effort embracing the integration of a number of important municipal/Regional capacity building, opportunity realizing, and mitigation aspects. Transition as envisioned will be a process of multiple interventions spread across multiple sectors and interests.

The Circumstances of Single Industry Communities

Single industry Regions and communities exist internationally in large numbers of varying sizes and structures. Yet within the scope of local economic development programming, there is a significant and fundamental challenge in understanding and supporting the survivability and sustainability of these municipalities. This challenge is especially important because these single industry municipalities are not rare phenomena nor are they temporary aberrations in the economic development of Regions and nations.

Importantly the sum-total of Regional and national economic prosperity is to a large degree a direct function of the relative successes of each and every municipality and their respective local economic development efforts. All municipalities play a vital role in the social and economic development of countries. They are the source of innovation, invention, and investment. Dynamically efficient and productive municipalities are essential to improved living conditions and poverty alleviation extending well beyond the political boundaries of these centers. As such there are measurable benefits accruing from Regional and national efforts to ensure wherever practical that every municipality is competitive and sustainable.

Of course, the challenges of transition and the relative success in the effort vary significantly from community to community. Every single industry community is arguably unique, as are the challenges and opportunities. There are those communities that are extremely well organized, prosperous and for all intents and purposes, development showcases. There are however others that are less well developed and less livable – socially and economically. And there are some that lie somewhere between these two extremes. The difference in circumstance is in part a matter of how well the transition effort has been affected and successes achieved. This includes how well the transition effort has managed to ameliorate or overcome certain challenges brought on by closures; how substantially in scope and depth local capacities have been built; and how effectively the community has been positioned to capitalize on realistic opportunities.



On the Matter of Rural Remote

Importantly, the communities and counties broadly included in BREOC are rural remote. It is essential to understand the concept/designation to fully appreciate the challenges and opportunities for transition ahead.

That is, to account for differences among rural and urban Regions, the OECD established a Regional typology, classifying Regions as Predominantly Urban (PU), Intermediate (IN) or Predominantly Rural (PR) (OECD, 2009). This typology, based essentially on the percentage of Regional population living in urban or rural communities, has proved to be meaningful to better explain Regional differences in economic and labour market performance. However, this typology does not take into account the presence of economic agglomerations if they happen to be in neighbouring Regions. For example, a Region is classified as rural or intermediate regardless of its distance from a large urban centre where labour market, access to services, education opportunities, and logistics for firms can be wider.

Previous work reveals great heterogeneity in economic growth among rural Regions and the distance from a populated centre could be a significant factor explaining these differences. For the latter, the OECD Regional typology is extended to include an accessibility criterion. This criterion is based on the driving time needed for at least half of the population in a Region to reach a populated centre with 50,000 or more inhabitants. The resulting classification consists of four types of Regions: Predominantly Urban (PU), Intermediate (IN), Predominantly Rural Close to a City (PRC) and Predominantly Rural Remote (PRR).

The extended typology is used to compare the dynamics of population and labour markets. Remote rural Regions show a stronger decline in population and a faster ageing process than rural Regions close to a city. The remoteness of rural Regions is in fact a significant factor explaining Regional outflows of working age population, confirming that this extended typology captures the economic distance from market and services. Remote rural Regions appear economically more fragile.

Project Elements and Design (Overview)

The formal proposal requesting CCTF support was presented in November 2017. It included a combination of strategic interventions broadly encompassing staffing, technology/innovation; knowledge management; technical, and financial assistance; leveraging; and coaching/consulting. The proposed interventions were broadly categorized into three elements: Capacity Building; Impact Mitigation; and Development Opportunity Realization.

As proposed they build from potential points of connectivity with other complementary organizations and programming. They seek to build on: (1) plans and efforts already undertaken or underway within the Region; (2) the activities and efforts of other Regional/sub-Regional agencies and authorities; and, (3) the programs and services offered by the Governments of Alberta and Canada. They leverage wherever possible external contributions from the Region at large, are premised on citizen engagement and inclusion, and embrace the commitments of all members of the Battle River Economic Opportunities Committee.

As approved, the CCTF proposal included 19 identifiable elements and three broad categories of interventions. These are “briefly” presented below. Importantly these are overview descriptions requiring substantive development/articulation and staging as part of the overall transition effort.



Element One: Building a Foundation for Successful Transition (Capacity Building)

While it is agreed Regions going through transition have to have a bias for action as success requires rolling up of the sleeve and doing, it is important as an immediate priority to set up the transition effort in a manner that will yield the highest probability of tangible results as quickly as possible and not waste resources. To this end the BREOC as a first step proposes to position itself properly by building strong foundations from which the longer-term transition process can gain traction. Much of this early effort will need to occur quickly (in Months 1- 6) though capacity building efforts, communications and engagement activities, will start first and continue throughout.



Action 1.1: Planning for Success

Confirm a unified vision with broad Regional buy-in and commitment. Utilize the vision as the touchstone for development planning and action. Develop and introduce a detailed but nimble plan (flexible and readily adaptable to change). This is an exercise focused on action planning, prioritization, and rapid implementation. The process will have an emphasis on achieving early wins.

Action 1.2: Launch Communications & Engagement Strategy

A systematic communications and engagement plan that is designed to maximize participation and sets the stage for a focused transition and diversification effort emphasizing measurable outcomes. Including but not limited to consultation, workshops and planning sessions, and other public and stakeholder engagement events and activities, also, including the use of social media, i.e. Regional interactive website.

Action 1.3: Engage Key Leaders

(“Team Battle River”) from the Region to guide, promote, input into and facilitate transition efforts – including a cross section of stakeholders representing municipalities and sectors.

Action 1.4: Change Management

Just because there is a plan or planning underway does not guarantee implementation. A change management plan needs to be put in place early to ensure there is movement forward. Planning is just one part of the exercise; implementation is the essential other. And so, implementation is fundamentally about change and a change management process is essential to ensure that municipal officials, staff and community stakeholders accept and engage in the local economic development process. This effort will need to be embedded in the planning and communications and engagement strategy activities.

Action 1.5: Economic Transition Staffing

Create/confirm sustainable development support including the necessary capacity (skills/ability and resources) and commitment to effect progress on a long-term basis (backbone agency of core professionals). This effort demands a unique set of skills and a commitment of resources along the line of staffing (one Regional coordinator and two sub-Regional EDOs) appropriate infrastructure, technology and internal resources. The effort is best positioned in partnership with existing agencies and authorities where they exist and filling gaps where required. Success demands an appropriate organizational/operational structure and systems of governance from which the development effort will be undertaken.

Action 1.6: Knowledge Building

Identify knowledge management issues and needs and develop/introduce program(s), tools and knowledge products for building skills and expertise for elected officials, leaders, and staff in respect to such issues as local economic development, business, entrepreneurship and SME development; BRE and investment attraction; business planning, and others as identified by “need” including training of trainers (TOT) initiatives.

Element Two: Introduce and Pursue Key Mitigation Measures

As previously noted the anticipated closure impacts will be broad in scope and depth. These impacts will include a range of direct/indirect/induced impacts, as well as tertiary impacts. This includes financial, economic and employment impacts directly associated with the enterprises as well as those not in the companies’ direct control but within the companies’ influence including the creation/maintenance of jobs within the supply chain, shifts in aggregate and by implication local spending on food, clothing, shelter and other consumer goods and services as a consequence of the change in workers and payroll of directly and indirectly affected businesses. Also as noted socio-demographic impacts are anticipated across a range of dimensions encompassing but not limited to short and long-term impacts on Regional/municipal infrastructure, the local business community, local and Regional real estate values and availability, health and wellness, community organizations and the services and programs they provide, the demographic character of the Region (families, overall population, specific age cohorts), education and educational services and other notable socio-economic aspects of community and citizen well-being.

Action 2.1: Readiness Assessment for Transition

Review Regional readiness issues and prioritize a selection for enhancement/mitigation activities locally and Regionally, including building further on strengths, e.g. youth engagement; social trust, adult learning, volunteerism. Also consider the adequacy of key economic facilities, technology and infrastructure, i.e. development sites, broadband, transportation.

Action 2.2: Worker Transition Support

Work with the Government of Alberta and other agencies/authorities to support the transition of workers engaged in mine/generating plant AND other affected businesses. A central piece of any transition effort is a focus on displaced workers supporting them to transition to new jobs and careers tailoring solutions based on individual skills and needs. Retaining a skilled workforce is critical to future economic prosperity.

Action 2.3: Enhance MMSE Ecosystem

Partner, invite, coordinate and/or implement specific efforts, to strengthen the business (MMSE) ecosystem within the Region. To affect this result, interventions need to be planned and targeted at the eight (8) key elements that make up the ecosystem, i.e. entrepreneurial culture; experienced mentors; regulatory environment; collaborative culture; visible successes; risk tolerance; availability of capital; and human capacities. As a first step in the effort, it is important to analyze and assess current circumstances and context, identify possible policy and/or programming responses, prioritize those that are “best” then design and implement appropriate services/programs. This effort can range from the somewhat simple and straightforward, e.g. organizing a workshop to promote entrepreneurship for youth, or undertaking an “ease of doing business” assessment, to something that is more difficult such as locating a Community Futures Business Development Center in the Region.

Action 2.4: Enhance Social Resilience

A notable concern associated with closure and a significant deterrent to transition success arises pursuant to adverse impacts on citizen social well-being. Many of these impacts can be quite visible and dramatic (i.e. closure or reduced operating hours of recreational facilities because of losses in municipal tax revenues and/or user fees) others are less tangible (i.e. increases in mental health issues as a consequence of displacement). Arguably many of these impacts have broader impacts on Regional economic viability by unduly eroding the Region’s quality of life. As such it is important to pursue a plan of support to enhance social resilience such as the organization of a Social Services Providers Task Force to map out service offerings, identify gaps, issues and concerns in respect to these service offerings including those expected pursuant to post-closure programming; then to prioritize service recovery issues within a mitigation strategy.

Action 2.5: BRE

At its most basic a formal Business Retention and Expansion (BRE) program seeks to foster local economic development by building relationships between local governments and existing local enterprises in order to: (1) help local enterprises grow and become more competitive; and, (2) help local enterprises who are at risk to overcome difficulties. The value of BRE efforts targeting smaller and micro enterprises is a particularly effective approach. A strong BRE program ensures that the needs of local businesses are both heard and addressed. BRE programs are low-risk, positive community outreach activities. A comprehensive and aggressive BRE effort might include but not be limited to: business walks, knowledge building (courses, workshops and training); support to access new markets, finance, mentoring/counselling; advocacy; “preferred supplier” support; access to capital.

Action 2.6: Economic Transition Centers

Undertake the physical organization of two centers of Regional economic transition. These centers will also serve as centers for business support and entrepreneurial development and could include maker areas, shared technology, co-working space. (see 1.5, above)

Action 2.7: Entrepreneurial Development

Introduce and implement a multi-dimensional Entrepreneurial Development program readily accessible to all Regional residents including technical and financial support, mentoring, training and workshops, self-help guides and other aspects of support. Look at adding specific initiatives to target displaced workers (men and women) and to target the special needs of youth.

Action 2.8: Enhance Existing Economic Development Efforts

Coordinate, cooperate, leverage, support and/or contribute to existing economic development initiatives already underway in the Region as they pertain to the mitigation of impacts and building a more sustainable economic future.

Element Three: Capitalize on Key Development Opportunities

Given the unique site location characteristics of the Region including its unique competitive/comparative advantage there are most certainly development possibilities. Many of these are the consequence of advancements in technology, changes in work force culture, revised business modelling, and other dynamic changes. Others have sectoral roots already present within the Region that for some reason or other were missed as potential areas for further development such as education, agriculture, tourism, and services to seniors. That said, while the responsibility for opportunity development rests largely with the private sector, the Region has a part to play in promoting, supporting/facilitating and/or influencing the process in a positive way. To be effective in the effort however, the Region will need to be proactive and aggressive. The next few years will be critical and as such an ambitious program is suggested.

Action 3.1: Investment Readiness Strategy

Undertake an investment readiness evaluation to highlight Regional/Local capacities to attract and retain investment. Prioritize efforts for mitigation and/or enhancement. Develop an investment attraction strategy based on the assessment. Implement the effort in cooperation with the services and programs offered through the GOA for maximum leverage.

Action 3.2: Branding and Marketing

Develop a Regional brand and investment marketing program in association with efforts already underway. (Site selection packages and interactive website). Connect with key site location specialists to ascertain best fit opportunities; piggy-back with GOA's investment trade presentations (priority role).

Action 3.3: Land and Building Inventory

Undertake and maintain for ready access an inventory of commercial and industrial lands and properties in the Region. Prepare inventory in a format compatible with investor and site selector needs.

Action 3.4: Shovel-ready Business Plans

Prepare for distribution to interested investors 8 to 10 prospect uses of high probability investment opportunities within the Region.

Action 3.5: Investment Opportunity Cooperative

Assess the feasibility, develop a business plan (where feasibility is confirmed), and undertake the incorporation of a local/Regional public/private partnership for investment. Seek to confirm a demonstration project.

Action 3.6: Asset Mapping for Tourism Development

Finalize an asset mapping exercise for Regional tourism development. Confirm best case opportunities and prepare prospectus for marketing purposes.



Action 3.7: Citizen Attraction

Identify opportunities to enhance Citizen Attraction efforts including a focus on entrepreneurial immigrants and diaspora.

Action 3.8: Enhance Existing Economic Development Efforts

Coordinate, cooperate, leverage, support and/or contribute to existing economic development initiatives already underway in the Region as they pertain to capitalizing on the Regions development potential and building a more sustainable economic future.

Transition

“Transition is more than just a change, it is a process. Transition in terms of single industry communities refers to a period of decline resulting in something different from the previous condition - a new direction for successful development of the community. For all communities transition is about self-determination.”

Economic transition is not a final, identifiable state at a fixed point in time; it is an ongoing process; it represents the consequence of decisions made over time and continues to evolve going forward. This is achieved most readily when Regions/communities are free to respond to their specific circumstances in a manner that is premised on their own unique realities and priorities. The approach to transition needs to be strategic and strong local leadership is critical. Moreover, it needs to be realistic in light of the capacities of the location in which efforts are focused, and it must be holistic, taking care not only to emphasize economic renewal but also to facilitate positive social change and adjustment. At its best, transition is transparent and inclusive, driven and guided by local stakeholders with a long-term focus and commitment.

The success of any transition effort or efforts is never assured regardless of how well structured, how well planned, or how well operationalized the effort may be. That said, within the research there are a number of guiding principles applied to the process of transition that have served to enhance the probability of success regardless of circumstance or location. These guiding principles represent the broader philosophy (beliefs and values) that should guide the transition approach throughout, regardless of circumstances and irrespective of changes in those circumstances or strategies or prospects or actions. Guiding principles are essential to defining the culture where everyone understands what's important in the process of transition. As outlined in various discussions to date the following guiding principles are key:

Start early: The most successful communities began the process of diversification before there were any economic effects from closure. They recognized that the community was vulnerable and initiated the process of change. While closure is already underway in one form or other it is essential for the Region to move quickly.

Plan properly and appropriately: The Region needs to “know where it wants to go” and determine how it might best get there. Transition planning is not a typical economic development planning effort. It is multidisciplinary and multidimensional. It is about results, while other efforts are more often than not about process.

Be realistic about plans and expectations: Being objective is difficult. Transition needs to be premised on an objective assessment of realistic opportunities and very real challenges.

Expect some decline and other changes: Part of being realistic is recognizing that there will be changes brought on by closure. Acceptance of change is important. High wage primary industry jobs cannot be replaced easily or quickly; local businesses, services and programs cannot all be sustained at previous levels. Some expectation of necessary adjustments needs to be anticipated.

Take ownership: At the end of the day the Region needs to accept the responsibility for making things happen. This isn't to say the Region shouldn't seek out external sources of support or assistance where available. Rather the key is not to "bet the bank" on others coming to the rescue.

Don't look for a panacea: It is important to pursue a multi-target strategy for development. The probability of a single company that would move in and solve all problems is far-fetched and a serious, costly distraction. As well, moving from a heavy reliance on one business or one sector to dependence on another single business or sector is not a desirable long-term solution.

Be inclusive and engaged: Transition is a community/Regional endeavor requiring the committed actions of a broad spectrum of local residents and enterprises.

Develop partnerships, networks and effective coordination strategies: A broad and connected network of public, private, and non-profit entities is essential to transition.



Program Management

Success in transition requires a proper understanding that transition is not an end state; rather it is an ongoing process. Therefore, the approach requires a framework that reflects not only how comprehensive the effort is needed to be, but that this framework reflects the realities of change and dynamic programming by not simply detailing a series of discrete individual projects.

The transition program envisaged herein is presented as a range of interrelated projects managed or implemented in a coordinated manner to secure Regional and community socio-economic benefits not available from each project individually. Program management is the application of knowledge, skills, tools and techniques to meet program requirements. Communities and Regions who undergo a transition effort through a mature program management framework are far more successful than those without it.

With this in mind it is important to appreciate why do some programs fail, and some succeed? What went wrong? What are the key factors that contribute to success?

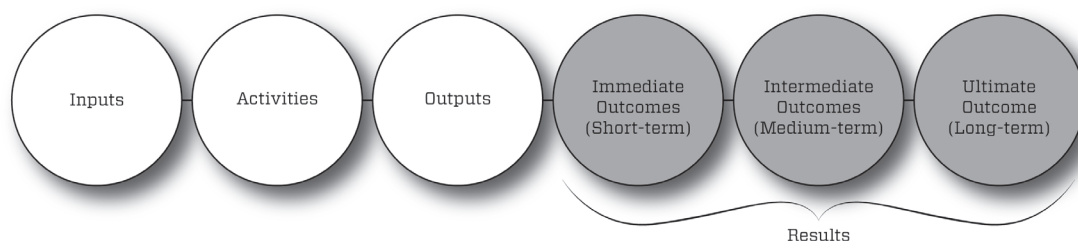
The workplan proposed for BREOC seeks to reflect the proper answers to these questions by incorporating seven (7) specific program management principles as followed:

1. Well-defined and achievable outcomes
2. Delivers responsibility, governance and oversight
3. Viewed as supporting the broader community vision of a successful future
4. Established methodologies and framework for project management, evaluation/measurement, and communications
5. Able to measure and prove the realization of benefits to the different stakeholders
6. Outward focus on community stakeholders needs, not inward focus on processes
7. Practices good participation from individual community Councils to BREOC to project management

Results-Based Management (RBM) Process

Moving forward, as noted previously, will be an exceedingly challenging effort for the communities/ counties of BREOC and the citizens and enterprises they represent. It will require proactive, focussed and ambitious efforts on multiple levels. To that end, proper organization, planning and implementation of numerous individual interventions in a coordinated impactful way will be essential to success. As such a proper RBM effort is essential.

The Results Chain (RBM)



Results-Based Management seeks to improve management throughout a project and a program life cycle: from initiation (analysis, project planning, and design), to implementation (results-based monitoring, adjustments, and reporting), and to closure (final evaluations and reports, and integrating lessons learned into future programming). By managing better, you can maximize the achievement of results, that is, the positive changes you set out to achieve or contribute to with your programs or projects. Importantly RBM is best suited for broad multi-element programs and projects, not “one offs”. The approach focuses on achieving outcomes by: defining realistic expected results based on appropriate analyses; clearly identifying program beneficiaries and designing programs to meet their needs; monitoring progress towards results and resources [utilized] with the use of appropriate indicators; identifying and managing risks while bearing in mind the expected results and necessary resources; increasing knowledge by learning lessons and integrating them into decisions; reporting on the results achieved and resources involved. (Results-Based Management for International Assistance Programming at Global Affairs Canada: A How-to Guide.)

ELEMENT 1

Building Transition Foundations

- Action 1.1 Planning for success
- Action 1.2 Communication & engagement
- Action 1.3 Engage key leaders
- Action 1.4 Change management
- Action 1.5 Economic transition staffing
- Action 1.6 Knowledge building

Immediate Outcomes

- Improved capacities to develop strategic transition plan and focussed actions reflecting regional vision and inter-municipal cooperation
- Improved capacities to effect local and regional economic development as a cornerstone of transition success
- Strengthened capacities to engage key stakeholder and to develop and apply open, democratic governance approaches

Intermediate Outcomes

Strengthened capacities of **local agencies, authorities and governments** to achieve local economic development and transition success

Ultimate Outcome

ELEMENT 2

Mitigating Impacts

- Action 2.1 Readiness assessment
- Action 2.2 Worker transition support
- Action 2.3 Enhance MMSE ecosystem
- Action 2.4 Enhance social resilience
- Action 2.5 BRE
- Action 2.6 Economic transition centres
- Action 2.7 Entrepreneurial development
- Action 2.8 Enhance existing EDC

Strengthened ability to understand and support the interests of workers and build social resilience within BREOC communities and the BREOC region

Strengthened ability to understand the needs of and support the interests of business and private sector resilience

Increased ability of regional/local governments and authorities to dialogue and integrate economic development planning and efforts within the region

Strengthened effectiveness of **local agencies, authorities and governments** to mitigate the impacts of closure

ELEMENT 3

Capitalizing on Opportunities

- Action 3.1 Investment readiness strategy
- Action 3.2 Branding & marketing
- Action 3.3 Land & building inventory
- Action 3.4 Shovel-ready business plans
- Action 3.5 Investment opportunity coop.
- Action 3.6 Asset mapping/tourism development
- Action 3.7 Citizen attraction
- Action 3.8 Enhance existing EDC

Improved capacity to create a favorable climate for the realization of regional and community opportunities

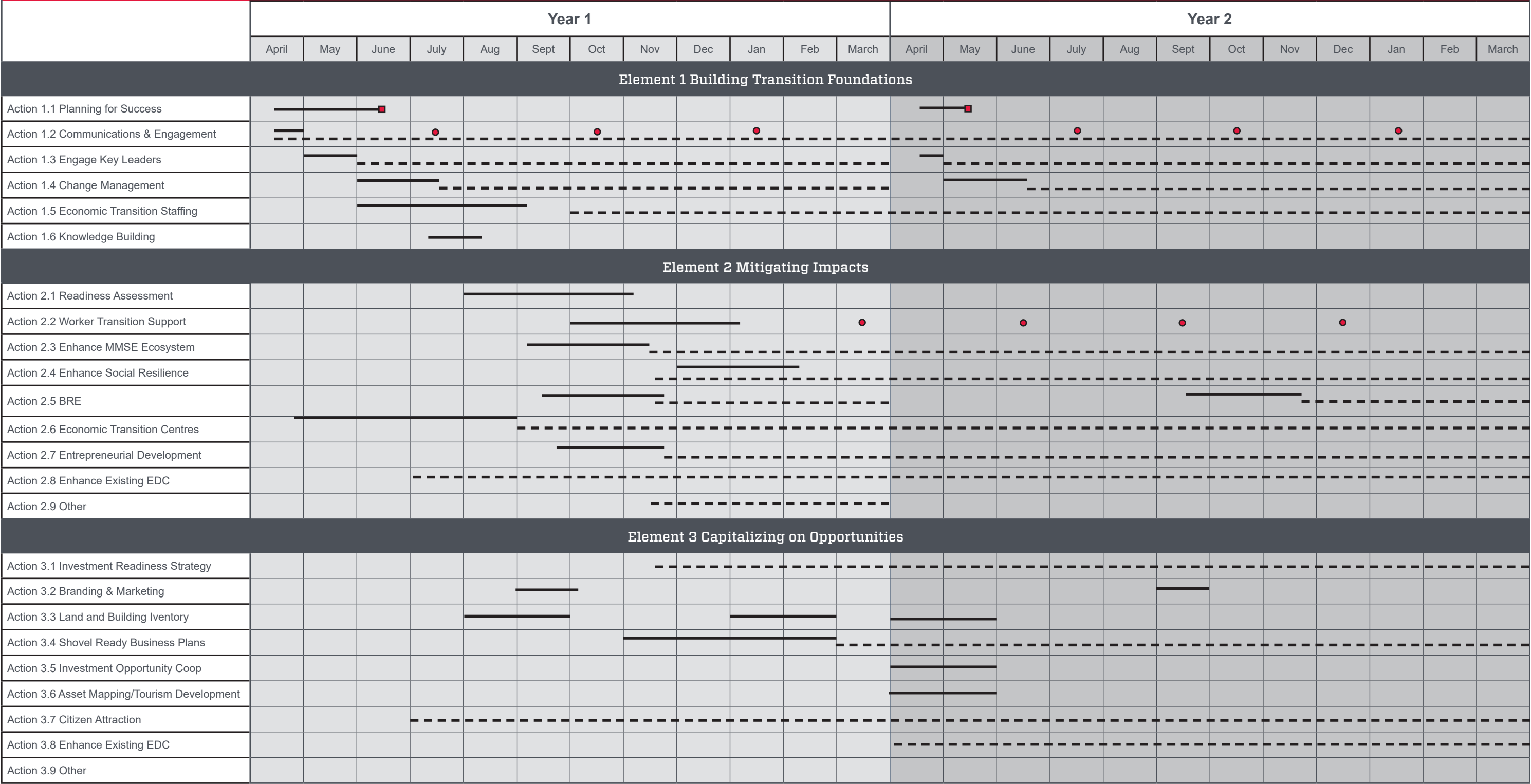
Greater depth and breadth of existing and new economic development efforts to more effectively realize on regional and local development opportunities

Enhanced capacity to pursue innovative transition development opportunities

Strengthened effectiveness of **local agencies, authorities and governments** to effect the realization of key regional and local development opportunities for transition success

Successful Transition - Sustainable Socio-Economic Prosperity and Optimistic Outlook for the BREOC Region

BREOC Transition Program GANTT



Implementation

Overarching Planning

Memorandum of Understanding

Between the Battle River Economic Opportunities Committee (BREOC) and
Urban Systems Ltd./Lochaven Management Consultants Ltd.

April 30, 2018

This Memorandum of Understanding (MOU) between the Battle River Economic Opportunities Committee (BREOC) and Urban Systems Ltd./Lochaven Management Consultants Ltd. (the Consultant) sets out an agreement between all parties in respect to the management and implementation of specific initiatives (including most significantly CCTF approved initiatives) that would lead to sustainable economic diversification and successful transition within the BREOC Region.

Importantly this MOU is a follow-on to the work successfully undertaken by the Consultant on behalf of BREOC. This includes specifically but is not limited to the period April 2017 to February 2018 and includes the preparation and presentation of selected analyses, reports and recommendations relative to: (1): A Review Of The Potential Impacts Of Closure of the Westmoreland Mine and Battle River Generating Station; (2) An Analysis and Recommendations in Respect to the Opportunities And Challenges of Transition within the BREOC Region; and (3) BREOC CCTF Proposal to the Government of Alberta.

This MOU further builds from the partnership and cooperation already developed between the parties and seeks, with a focus on the most effective, efficient and immediate implementation of the effort, to build-on bring to bear on this most challenging of assignments the substantive domestic and international transition experience and expertise of the Consultant; and the understanding by the Consultant of the unique challenges and opportunities resident within the BREOC Region including the importance of capacity building, the mitigation of closure impacts and the capitalization on selected development opportunities.

The main purpose of the MOU is to provide a mutual agreement among the parties, around managing and implementing the BREOC Transition Program. The roles and responsibilities detailed in the agreement describe, on a very general basis, the work to be performed by the Consultant. This comprehensive understanding will guide the signatories for the next two years.

The Consultant (Urban Systems Ltd./Lochaven Management Consultants Ltd.)

Briefly, with a history extending back over 45 years Urban Systems Ltd. is a highly successful multidimensional planning and engineering company with 475 staff spread across Western Canada. Lochaven Management Consultants Ltd. (led by Wayne Robert and Ted Treller) with a staff of 10 professionals is a unique and highly successful economic development company operating domestically and internationally since 1987. Over the past five years the companies have worked jointly under the banner of Urban Systems Ltd. on a number of domestic economic and socio-economic assignments. This partnership is premised on the common interest of each company to broaden their services/offering to communities, regions and governments within the Western Canadian market.

Program Background and Rationale for this MOU

Regional prosperity, as an outcome of the operations of the Paintearth Mine and ATCO Battle River Generating Station and their associated supply chain, has been significant in terms of incomes, taxes and employment throughout the Region. This dependence is well documented. Given the prospects of closure, an application by BREOC for Coal Community Transition Fund (CCTF) support was filed in November 2017. This application was subsequently approved in April 2018 by the Government of Alberta. The approved program ("BREOC Transition Program"), totaling \$1.75 million, comprises the following key activities:

Element 1 Building Transition Foundations

- Action 1.1 Planning for success
- Action 1.2 Communication and engagement
- Action 1.3 Engage key leaders
- Action 1.4 Change management
- Action 1.5 Economic transition staffing
- Action 1.6 Knowledge building

Element 2 Mitigating Impacts

- Action 2.1 Readiness assessment
- Action 2.2 Worker transition support
- Action 2.3 Enhance MMSE ecosystem
- Action 2.4 Enhance social resilience
- Action 2.5 BRE
- Action 2.6 Economic transition centres
- Action 2.7 Entrepreneurial development
- Action 2.8 Enhance existing EDC

Element 3 Capitalizing on Opportunities

- Action 3.1 Investment readiness strategy
- Action 3.2 Branding and marketing
- Action 3.3 Land and building inventory
- Action 3.4 Shovel ready business plans
- Action 3.5 Investment opportunity co-op.
- Action 3.6 Asset mapping/tourism development
- Action 3.7 Citizen attraction
- Action 3.8 Enhance existing EDC

Inherent within BREOC's application is a commitment to a regional approach to transition. Further within BREOC's application there is an understanding that transition success will require a significant, proactive effort that is well positioned on the readiness of the Region to facilitate and manage change and revitalization. Transition will require a multidisciplinary, broadly inclusive and collaborative effort embracing the integration of a number of important municipal/regional capacity building, opportunity

realizing and mitigation aspects. Transition as envisioned requires a process of multiple interventions spread across multiple sectors and interests.

Regional Transition and Scope of Work

The scope of the transition program has been set out within an RBM framework and PMF. (Appendix A). The role of the Consultant is 1) overall project management and 2) implementation (operationalization) of the transition program under the support and guidance of BREOC. Any needed amendments to the scope of work described should be brought to all parties for approval.

Roles and Responsibilities

Without restricting the generality of the foregoing, the roles and responsibilities shall include the following:

1. BREOC will administer all finances associated with this effort and keep current all financial records.
2. BREOC will maintain and submit any/all reports required of funder(s) in keeping with the funder's requirements.
3. The Consultant will acknowledge and accept its role as program manager of the BREOC Transition Program including responsibility for meeting those specific objectives (outputs and outcomes) identified in the RBM. That said, the program effort will emphasize a collaborative approach with BREOC. This includes where appropriate, substantive engagement with local governments, communities, citizens and enterprises.
4. The Consultant will hold at least one meeting per month with BREOC to keep them informed on program activities, issues and progress.
5. The Consultant will work with BREOC to achieve the suggested outcomes and provide modifications or additions to strategies and activities as deemed necessary to ensure program outcomes are realized. In this regard the Consultant will track and record performance measurements and will report on this basis.
6. The Consultant will be responsible for engaging and/or recruiting key professionals as needed to ensure program activities are undertaken professionally, effectively and efficiently emphasizing the realization of key outcomes.
7. Where external resources (physical and/or technical) are recruited to undertake key tasks and/or satisfy key outcomes, the Consultant shall introduce and follow a transparent process of tendering.
8. From time to time, at the request of BREOC, the Consultant will represent the program to outside individuals and agencies.

Duration and Amendments

1. This agreement may be amended at any time with the mutual consent of all parties involved.
2. No amendment of the terms of this MOU will be effective unless made in writing and signed by each party's authorized representative.
3. Either party may terminate the agreement by providing 60 days advance written notice to the other party.

On behalf of:

The Battle River Economic Opportunities Committee (BREOC a collaborative partnership representing the County of Paintearth No. 18, Flagstaff County, the Towns of Castor and Coronation, the Villages of Forestburg, Halkirk and Heisler, and the greater region that surrounds them (the "Region").

On behalf of:

Wayne Robert MBA APEC IBIZ
Partner
Lochaven Management Consultants Ltd.

On behalf of:

Chris Ulmer RPP, MCIP, CNU-A
Partner
Urban Systems Ltd.