

HERE  
WE  
GROW



**INDUSTRIAL**

*Industrial development in Spruce Grove*

# SPRUCE GROVE

...gateway to opportunity

## 7 Reasons to choose Spruce Grove

1. Ample serviced industrial land and buildings at very cost-competitive prices.
2. Strategic location – with heavy haul routes – for great connections particularly north and northwest.
3. Large, skilled local labour force.
4. Large, established industrial and commercial base.
5. Access to fully integrated urban emergency services.
6. Thriving, full-service urban community.
7. An “open for business” City Council and community.

Our thriving city is experiencing unprecedented growth – and no wonder!

With a dynamic base of industrial and commercial activity and an enviable quality of life, Spruce Grove is increasingly attractive to new or expanding companies.

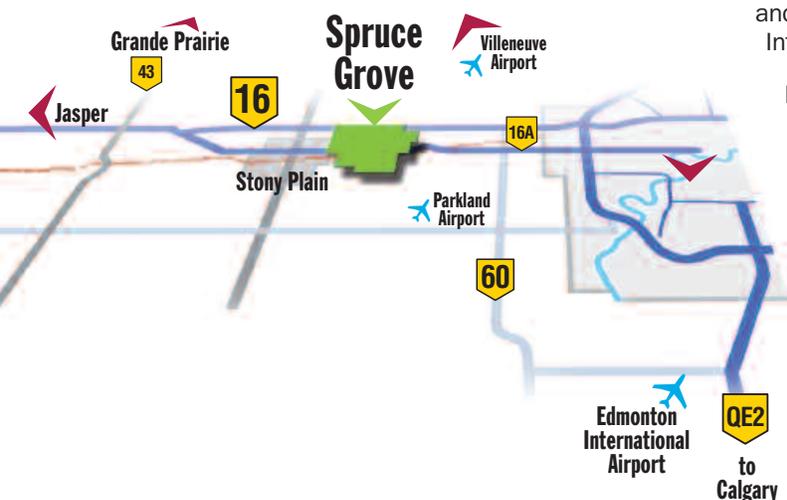
Our population has grown an average of 5% annually for the past 10 years — and 8% in 2015 — making Spruce Grove one of Alberta's fastest-growing communities. The city and our 79,000-strong tri-municipal area that includes the adjacent municipalities of Stony Plain and Parkland County have also attracted a young, well-trained local workforce.

Our business and industrial sectors play a crucial role in the city's success. Spruce Grove's ready supply of serviced industrial land and buildings, with both lease and purchase options, also features heavy haul routes connecting to the region's excellent transportation network.

Located just 11 kilometres west of Edmonton, our city of over 32,000 holds a key position within Alberta's Capital Region. As the western gateway, Spruce Grove provides convenient, direct routes west, north and northwest. We're only about half an hour from the Edmonton International Airport.

Edmonton's ring road, Anthony Henday Drive, means fast and convenient travel throughout the Alberta Capital Region – for easy access throughout this region of over 1.2 million people.

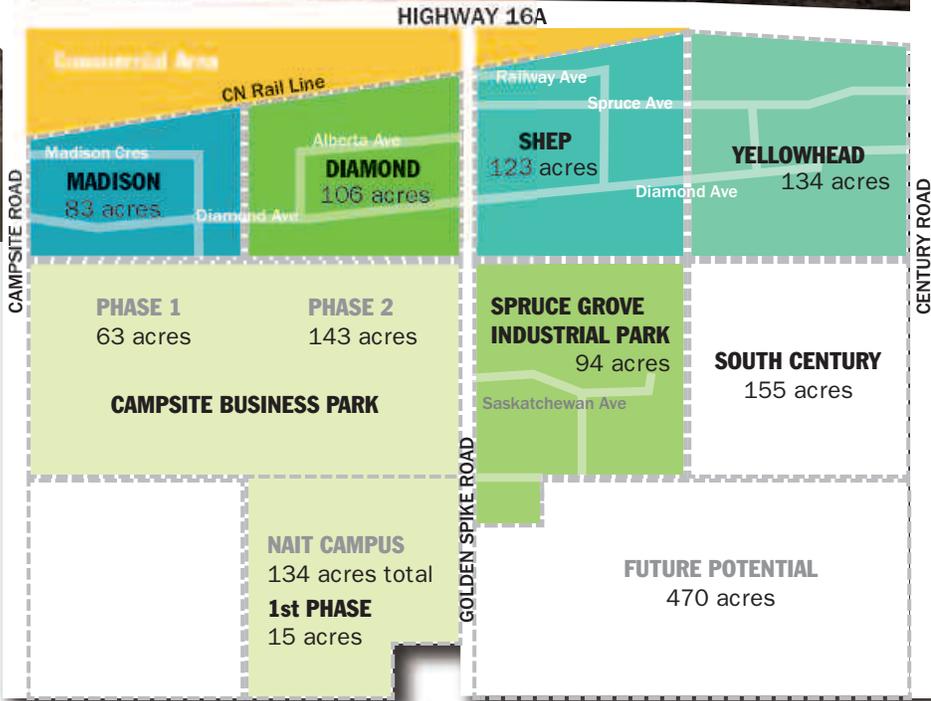
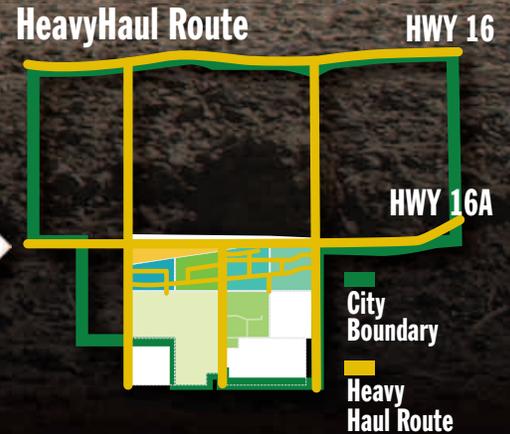
Guided by the City's vision of environmental stewardship, Spruce Grove takes pride in developing a sustainable future that balances a vibrant economy, a welcoming community and a rich quality of life.



# industrial areas

## SNAPSHOT:

TOTAL AREA:		NUMBER OF:	
Parcel (acres):	1,250	Industrial businesses:	227
Existing parcel (acres):	670	Vacant lots:	20
Buildings (est. sq. ft.):	2.21 mil	Employees (est.):	2,222



## Low taxes welcome business

Spruce Grove's very competitive tax environment helps industry contain costs.

The City does not charge business tax and has no machinery and equipment tax. The non-residential property tax compares very favourably to Edmonton rates.

## Land and building costs support business expansion

A variety of parcel sizes – all priced very competitively – offer flexibility for expansion or new startup.

AVERAGE SERVICED INDUSTRIAL LAND COST/ACRE:

		% CHANGE 2014-2015
Spruce Grove	\$350,000	No change
Acheson	\$450,000	↑ 5.9%
Leduc/Nisku	\$525,000	No change
Northwest Edmonton	\$750,000	↑ 11.1%

Spruce Grove also offers a range of warehouse bays and buildings available for lease or purchase at very competitive rates.

Non-residential property tax comparison:	2015 TAX RATE	TAX/\$500,000 ASSESSMENT	
Spruce Grove	11.1196	\$5,559	} 70% DIFFERENCE
Edmonton	18.8525	\$9,426	

WAREHOUSE SIZE	TAX PAID IN SPRUCE GROVE*	TAX PAID IN WEST EDMONTON*	
15,000-square-foot (Assuming market value of \$2.5 million)	\$27,799	\$47,131	} 70% DIFFERENCE
100,000-square-foot (Assuming market value of \$10 million)	\$111,196	\$188,525	

\* Market-based assessment

## Utility costs competitive within Capital Region

Industrial customers can choose from four providers of natural gas and electricity. Rates reflect consumption, delivery and municipal franchise fees. Utility rates can be negotiated with providers based on volume.

The 2015 water and sewer services rate, set by the Capital Region Parkland Water Services Commission, is \$5.43 per cubic metre based on consumption.



# energy

## sector service

With significant oil sands, oilfield and power plant activity occurring west, north and northwest of Edmonton — even with the current softer economic conditions experienced across the country — companies in Spruce Grove have the strategic advantages of a local, trained labour force and direct road access to customers.

Transportation advantages include Spruce Grove's heavy haul routes, providing direct access to provincial highways.

### Local skills support energy sector needs

Industrial servicing and fabrication require a range of skilled tradespeople — and Spruce Grove's labour force offers relatively more construction trades, contractors and supervisors, stationary engineers, electrical trades, mechanics and heavy equipment and crane operators. Management and engineering availability is good in Spruce Grove.

#### Servicing / fabrication labour rates

OCCUPATION	EDMONTON (CAPITAL REGION) (HOURLY)
Heavy duty equipment mechanic	\$35.68
Sheet metal worker	\$36.08
Heavy equipment operator	\$31.92
Structural metal and platework fabricator and fitter	\$28.89

Source: Alberta Learning Information Service

### Alberta resources — foundation for our success

Manufacturing, supply and servicing of the province's resource sectors and engineering technology remain the foundations of Alberta's economic strength. Our region serves as the supply and service hub for Northern Alberta — and Spruce Grove's location remains a strategic advantage for growth.

### NAIT campus boosts local skills

A new Northern Alberta Institute of Technology (NAIT) campus, located in the Spruce Grove industrial area south of Highway 16A, introduces post-secondary construction trade training into the community.

A crane and hoist training program, including advanced simulation technology, is the first phase of development. Its 12,000-square-foot building will be located on a 15-acre site. It is scheduled to open in September 2016.

Ultimately, NAIT plans to relocate and integrate all construction trade programs to the remaining land at the same location.



### OPPORTUNITIES in Spruce Grove

Spruce Grove is well positioned to take advantage of the ongoing strength in industrial servicing and manufacturing required by a variety of industries situated in northwestern Alberta and northeastern British Columbia. The maintenance and servicing requirements of the power plants west of the city offer ongoing opportunity.

Planning, designing, constructing and maintaining pipelines also spell opportunity for Spruce Grove companies.

The existing industrial base — including many international companies — also offers new market potential as some companies are now servicing local manufacturers.

Expanding oil sands production will continue to drive Alberta exports while manufacturing exports are forecast to rebound in 2016, growing 2 - 4% annually.

— Government of Alberta, October 2015

# industrial fabrication & services

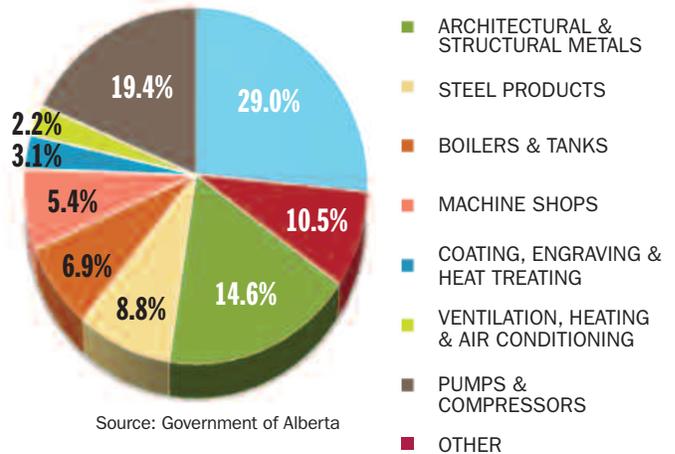
Examples of Spruce Grove servicing or fabrication businesses

- COMPASS DRILLING
- ELK POINT DRILLING
- EVOLVED ENERGY
- FILTERBOXX
- GROVE HYDRAULICS
- HOERBIGER
- IROC HYDRAULICS
- IRON TECH RIG REPAIR
- LEA-DER COATINGS
- MIDWEST PIPELINES
- MI SWACO/SCHLUMBERGER
- NCV INDUSTRIAL INC.
- ORICA EXPLOSIVES
- PRECISE CROSSINGS
- PROFIRE ENERGY
- ROZEN STEELWORKS
- SURPLEC HV SOLUTIONS
- THOMPSON BROS. (CONSTRUCTION) LP
- TRANSCANADA PIPELINE
- WESTERN SPIRAL & METAL PRODUCTS

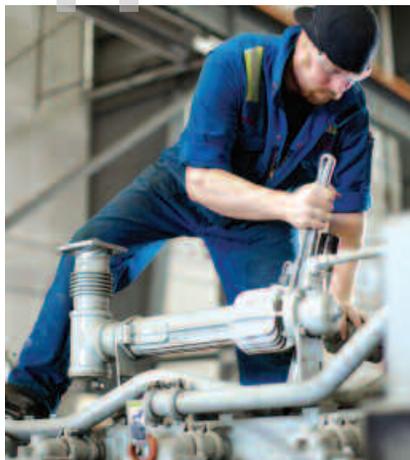
Alberta's fabricated metal and equipment sector is one of the fastest-growing manufacturing sectors in the province. Over the next 25 years, Alberta will require more than \$200 billion of new construction and maintenance spending – with a significant portion dedicated to fabricated metal and equipment.

Fabricated metal and equipment sector revenues totaled more than \$15.6 billion in 2014, an increase of almost 8% from 2012, with about 60% going to customers within Alberta and about 15% shipped to customers in other provinces.

Revenue shares in 2014 for major sub-sectors



## opportunity



“THE LOCAL WORKFORCE IN SPRUCE GROVE IS A HUGE ADVANTAGE. WORKERS ARE KEEN, WELL TRAINED AND WANT TO WORK CLOSE TO HOME. OUR RETENTION RATES ARE SUBSTANTIALLY HIGHER THAN SOME OF OUR COMPETITORS IN OTHER INDUSTRIAL AREAS.”

— LARRY THOMPSON, PRESIDENT, THOMPSON BROS. (CONSTR.) LP

### Spruce Grove sector well established

The province's largest concentration of manufacturing and processing, accounting for 40% of Alberta's manufacturing shipments, resides in the greater Edmonton region.

Spruce Grove offers a well-established base of fabricators, with manufacturing and construction employing significant numbers of workers. Companies are attracted to Spruce Grove because of lower site and operating costs, the availability of labour and proximity to regional markets.

### Energy field machinery tops revenue makers

Oil and gas field operations machinery was the sector's top revenue generator in 2014, but ample opportunity exists for other specialties from HVAC fabrication to pumps and compressors.



## Pre-fabricated structures and building products

Pre-fabricated structures and building products represent another facet of Alberta's fabrication industry that holds promise for Spruce Grove.

From a national perspective, the industry is strong, and growing. From homes and workforce housing to mobile offices and specialty buildings, either steel or wooden structures are built for stationary use or to be moved as required.



In 2013, factory-built housing made up 14% of all single-family homes started in Canada, with the value of all manufactured building production totalling almost \$1.5 billion.

Alberta is home to a dominant portion of this sector – and the majority of sector operations are located on the west side of the greater Edmonton region. Similar to industrial servicing and fabrication, the pre-fabricated structures sub-sector serves the needs of the energy sector – as well as the residential market.

“ ACCESS TO TWO MAJOR HIGHWAYS – 16 AND 60 – CLINCHED OUR DECISION IN 1967 TO LOCATE IN SPRUCE GROVE. THIS ACCESS REMAINS A KEY ADVANTAGE FOR ACCESSING THE HEART OF THE PROVINCE'S OIL AND GAS ACTIVITY IN NORTHERN ALBERTA. ”

– JEFF MAW, GENERAL MANAGER, ATCO STRUCTURES – WESTERN CANADA

## Transportation network supports sector

With its oversized and heavy loads, the pre-fabricated structures sector is well served by Spruce Grove's transportation network.

Access to Highways 60 and 43, the Yellowhead Highway and Anthony Henday Drive all offer efficient connections to markets north, northwest – and across Western Canada.



### Sector labour rates

OCCUPATION	EDMONTON (CAPITAL REGION) (HOURLY)
Construction manager	\$44.33
Carpenter	\$31.23
Welder and related machine operator	\$33.79
Cabinet maker	\$22.28

Source: Alberta Learning Information Service

## Trained workforce on the doorstep

Because this sub-sector requires many of the same skills as other fabrication enterprises, Spruce Grove offers the advantage of a skilled and trained local workforce. The new NAIT campus, opening in September 2016, adds an economical source of trained local professionals.

### Examples of Spruce Grove businesses

- ATCO Structures & Logistics
- Western Precast Structures Inc.
- Pro-Rail Systems Ltd.
- Sandhills Manufacturing

## Younger, educated workforce at your service

### HIGHLIGHTS:

- Spruce Grove employees can live close to their work, which helps attract and retain skilled workers.

- The median age of city residents is 33.7 years, almost two years younger than in the Edmonton region.

- The local workforce has a higher percentage of trades and apprenticeship training than Alberta's workforce.

- 80% of Spruce Grove workers live in the tri-municipal area and 44% live in Spruce Grove.

- The population is stable; 82.2% of Spruce Grove households (compared to 69.5% in the Edmonton region) own rather than rent.

# transportation supply and logistics

Alberta's transportation and logistics sector, linked to the supply and service of the resource sector and servicing Alberta's growing consumer population, contributes more than \$11 billion annually to the provincial economy.

## Sector labour rates

OCCUPATION	EDMONTON (CAPITAL REGION) (HOURLY)
Transportation manager	\$43.54
Technical sales specialist	\$35.63
Truck driver	\$27.97
Sector labourer	\$21.16

Source: Alberta Learning Information Service

## Excellent highway access

Spruce Grove's location offers direct routes to customers and rapid response access for maintenance and repair, important for logistics companies servicing a growing system of pipelines throughout Western Canada.

Several highways offer specific advantages:

- Highway 60, five kilometres east of Spruce Grove, offers a direct route to the international airport, skirting Edmonton traffic.
- The Yellowhead Highway, the northern trans-Canada highway, leads directly to major Western Canadian resource development areas.
- The Canamex Highway links Edmonton via Highway 2 through the U.S. to Mexico. Loads continuing north can skirt Edmonton, connecting to Highway 43. Highway 43, west of Spruce Grove, completes the route through Grande Prairie to the Alaska Highway.
- Anthony Henday Drive, Edmonton's ring road, allows easy access to Highway 2 south – and the entire Capital Region.

## Heavy haul routes expedite freight movement

Spruce Grove offers heavy haul routes to move overweight or oversized freight directly to highways.

With no weight or size restrictions and requiring only a permit, these routes use the same standards and configurations as provincial highways.

### Examples of Spruce Grove transportation businesses

- Noranco Transport
- Cierra Trucking Ltd.
- Garry Suprovich Trucking
- BKE Transportation Services Ltd.

## location

“ WE SERVE CUSTOMERS ACROSS ALBERTA AND WESTERN CANADA. OUR LOCATION IN SPRUCE GROVE GIVES US A STRATEGIC ADVANTAGE WITH DIRECT ACCESS TO THE HIGHWAYS WE NEED TO REACH OUR CUSTOMERS. TIME IS MONEY, AND HAULING TIMES FROM SPRUCE GROVE ARE GOOD FOR OUR BOTTOM LINE.

– TONI MORETTO, BUSINESS DEVELOPMENT MANAGER, HOERBIGER

## Excellent access to air and intermodal services

Canadian National offers intermodal services from its northwest Edmonton site. Canadian Pacific plans for an expanded intermodal site near the Edmonton International Airport.

Highway 60, the designated heavy haul route, bypasses Edmonton traffic congestion and provides alternate access to the Edmonton International Airport. The new Parkland Airport is about 20 km directly south of Spruce Grove.

Nearby Highway 44 leads directly to Villeneuve Airport, used routinely by private or corporate aircraft.

## OPPORTUNITIES in Spruce Grove

Spruce Grove is attractive to companies:

- specializing in overweight or oversized loads,
- needing easy access to the resource development areas north and west of Spruce Grove, and
- specializing in rapid response industrial and infrastructure servicing.





OCCUPATION	EDMONTON (CAPITAL REGION) (HOURLY)
Manufacturing manager	\$46.61
Seed cleaning plant manager	\$30.01
Agricultural products processing machine operator	\$19.10
Sector labourer	\$15.11

Source: Alberta Learning Information Service

# value-added agriculture

Alberta's food and beverage processing industry is big business, representing the second largest manufacturing sector in the province and accounting for more than 17% – or over \$13 billion of total manufactured goods – in 2014.

In total, meat products and grain and oilseed milling were responsible for 63% of Alberta's food and beverage manufacturing in 2014.

Alberta agri-food exports set another record in 2014 at \$9.7 billion, up 11.6% from 2013. Gains in exports were reported for both primary commodities and value-added processed products.

New grain derivatives used in products such as alternative fuels, nutraceuticals, botanicals, essential oils, construction materials and fragrances offer emerging opportunities for sector companies.

### Examples of value-added agricultural companies in Spruce Grove

- Bee Maid Honey
- Cargill Canada
- SandyView Farms

## OPPORTUNITIES in Spruce Grove

Alberta's food manufacturing companies are well represented in the greater Edmonton region. The businesses are primarily concentrated on the west side of Edmonton and extend west to Spruce Grove and beyond.

With a growing global demand for food, a growing consumer demand for locally grown foods and ethnic foods, Spruce Grove holds several advantages for this sector. These include:

- a qualified and accessible workforce,
- lower-cost land and buildings,
- a diversified mix of regional crops and livestock, and
- an established base of major processors in and around Spruce Grove.

## success

“ OUR LOCATION IN SPRUCE GROVE GIVES US EVERYTHING WE NEED FOR SUCCESS – A STABLE WORKFORCE, INDUSTRIAL LAND THAT SUITS OUR BUSINESS GOALS AND ACCESS TO BOTH OUR CUSTOMERS AND RAW MATERIAL SUPPLIERS. ”

– ROBERT SMITH, OPERATIONS MANAGER, CARGILL VALUE ADDED MEATS



### For more information

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