

RREDA

2008

ANNUAL REPORT



**REGIONAL ECONOMIC
DEVELOPMENT AUTHORITY**

Defining the Regina region's economy

ABOUT RREDA

PURPOSE

The purpose of RREDA within this context is to conduct strategic economic development in the Regina region.

VISION

The Regina region is a competitive and business friendly environment rich in opportunities for business, personal, family and economic growth. Successful businesses operating on the leading edge at world-class levels abound, creating new sustainable jobs that contribute to the enhancement of a quality of life its residents cherish and others envy.

MISSION

To grow and maintain our economy through cooperation and collaboration, building on strengths, resources and talents of partners and communities. We accomplish this by:

- Energizing the community with positive attitude
- Building on effective partnerships with business, education, and government
- Developing an innovation network that transfers and integrates knowledge, business opportunities, research, and new technologies with industry, business, and entrepreneurs
- Strategically promoting the Regina region as an attractive place to live, learn, work, do business, and visit

VALUES

We believe...

- Partnerships and linkages between stakeholders will allow us to achieve better results than we can on our own. We seek out and incorporate partnerships into our activities whenever feasible.

We will...

- Be responsive to our stakeholders and results driven in our efforts to serve them
- Take a holistic approach to economic development, by considering the implications of our actions on all stakeholders
- Embrace the concept of a representative workforce and incorporate this into all of our activities
- Take an abundance approach to economic development. We believe that growth of our economy is not just possible, but mandatory
- Behave in a non-partisan manner in all our activities
- Create and promote a "Can Do" attitude around promotion and communication of economic growth and wealth creation

Regina Regional Economic Development Authority's (RREDA) Mandate

RREDA has a mandate to encourage economic growth and diversification, to bring together business ideas and opportunities, and to promote a positive image of Regina as an attractive place to live, to work and to do business.

The Authority actively promotes economic initiatives to help create investment opportunities and employment in Regina.

This is done by retaining and promoting growth of existing businesses, and encouraging new companies to start up or become resident here. In doing so, it also recognizes the significance of the regional economy and the policies and activities within that economy that may have an impact on Regina. The Authority also works to promote ways to improve innovation, productivity, and economic capacity within the region.

In fulfilling this mandate, the Authority: develops, maintains and implements an economic development strategy for the Regina region; provides market information for business, industry and investors; undertakes research; provides site location assistance; participates in trade missions; liaises with federal and provincial economic development and trade offices; and liaises with local municipal departments affecting business.

YEAR IN REVIEW

2008 KEY PRIORITY AREAS

Talent - In a period of sustained growth and greater competitive pressures across Western Canada, this has emerged as imperative for action.

Technology - Several environmental and energy technology initiatives offer promise as drivers of significant growth suiting the research and development institutions and capability of the Regina region.

Infrastructure - The Regina region is well situated to serve as a centre of growth for importation and distribution of goods between Asia and North America.

2008 OBJECTIVES

As a result of community consultation and research, RREDA developed a strategy for our economy to become:

- Competitive in attracting and building talent to invest and locate in the Regina region
- Adept at earning income from implementing and commercializing sustainable technology
- Effective at ensuring the economic participation of all peoples
- Highly productive and innovative in goods production and value added processing
- Successful at partnering business and government towards economic growth

2008 STRATEGIC CHOICES

To ensure careful focus and successful execution, RREDA managed its activities as projects and initiatives.

In 2008, the innovative ventures that we pursued are outlined in the five strategies below:

- Increase start-ups
- Improve regional logistics
- Increase strategic investment
- Attract and retain talent
- Develop environment and energy sector

RREDA achieved success by working towards the development and implementation for many of the above strategies with multiple initiatives. The progress of these initiatives is outlined in the Economic Highlights section.

Economic Measures for 2008

It's in the numbers...

4.1%*

Real GDP growth

up 8.6%*

Consumer spending remains strong - retail sales

up 2.9%*

Personal income per capita

4.3%*

Unemployment rate

down .6%

(from 4.9% in '07)

up 1.5%*

Population

2,511** (ytd)

Homes sold (MLS listings) with an all-time average housing price of:

\$240,583 up 41%

(from '07)

\$311.7M*** (ytd)

Total value for residential and commercial building permits

*Source: Conference Board's

Metropolitan Autumn 2008 Report

**Source: Regina Realtors - MLS numbers

***Source: City of Regina

ECONOMIC HIGHLIGHTS (aided by RREDA)

The following highlights reflect the strategies, initiatives and the activities that have contributed to RREDA's success in 2008. In many cases, they also provide the groundwork for ongoing and future efforts.

Strategy: Increase start-ups

Springboard West Innovations Inc. (SBWI): RREDA continued to work with SBWI as they became fully operational through 2008, by supporting them in the promotion of training programs for entrepreneurs, including them as a presenting partner in the RREDA Progress2Capital Business Planning Competition, and in promoting their expansion into Saskatoon to key stakeholders there. RREDA has also worked with a number of SBWI clients as they pursue the development of new businesses.

The 2008 third annual Progress2Capital (P2C) Business Planning Competition was named Canada's Economic Development Achievement of the Year. This prestigious national honour was handed out by the Economic Developers Association of Canada and the RBC Financial Group. Forty six applicants entered the 2008 competition and overall the level of talent this competition attracted increased again in 2008. Final event prizes were awarded to one grand prize winner and seven runners-up. P2C will run again in January 2009.

RREDA continued to support the relocation of the Canadian Police Research Centre (CPRC) to Regina by leading CPRC Team Regina in the development of a CPRC Community Plan to support their Federal application for funding of their relocation to Regina. CPRC intends to start hiring locally in early 2009. We will continue to focus our efforts in 2009 on the continued attraction of related security focused businesses.

An application is being submitted to INAC to fund a position at RREDA to staff an employee who will work on assisting First Nations communities with engagement in the economic activity in the Regina region.

Strategy: Improve regional logistics

In 2008, we saw significant development of the inland port initiative with the highlight of the year being the announcement of Loblaws Company Ltd. decision to invest \$350 million into a Western Canada distribution centre of 1 million square feet and plan to hire up to 1500 employees by 2017. Loblaws has begun work on the site and intends to commence operations by mid 2010. Loblaws is working closely with CP Rail and we anticipate CP will begin construction of their new facility in 2009. Together, these investments will place Regina region in a very good position for further developments towards becoming a transportation hub.



Loblaws Announcement 2008

We are now beginning the process of attracting both domestic and international investments to the planned logistics park. This summer we led delegations from the City of Regina, RREDA and the Province to visit new and existing inland port facilities in Guanajuato, Mexico, and Kansas City, Missouri. These visits were very helpful in establishing connections and understanding the nature of these types of developments. In December 2008, representatives from the City and RREDA are traveling to China to begin discussions with exporters and transportation entities there about the Regina inland port development.

ECONOMIC HIGHLIGHTS CONTINUED

Strategy: Increase strategic investment

We continue to work with qualified businesses/companies who submit property tax exemption proposals to determine if they qualify for any exemption. Given the vibrant economy in 2008, the majority of businesses do not need an incentive as a reason to invest.

RREDA is developing a project with the Hill Business School to assess foreign investment opportunities using upper year foreign students.

An application for funding will be submitted in late 2008 in regard to opening the Jinan business office in early 2009. Representatives from RREDA and the City of Regina have been invited to two consecutive conferences in China in December 2008; and their intention is to also visit Jinan while there to further discuss the office initiative.

RREDA continues to promote the opportunities found at Regina Research Park. A new facility to house the Saskatchewan Disease Control Laboratory is currently under construction. Several other new buildings for the park are also now under construction.

Support of the Saskatchewan Immigrant Nominee Program, which is focused on the attraction of new residents and businesses, continues. We have been assisting the Province with the Immigrant Entrepreneur program which aids immigrant entrepreneurs by assisting them in finding opportunities within the Regina region. Currently, we are also working on a model that would provide entrepreneurs with a way to find businesses for sale. In turn, this would aid local businesses with succession planning.

One of the most persistent irritants and roadblocks to investment in the Regina region is the limited frequency and availability of flights to major destinations around North America. In 2008, RREDA began working with the Regina Airport Authority (RAA) on this issue. Both preparation of background material and participation in a delegation visit to Air Canada were undertaken in conjunction with the RAA. Air Canada reported that this was the first time Regina had called on them to pitch for additional flights through Regina. We were encouraged by their response, and believe that Regina will see improved air services over time.

Strategy: Attract and retain talent

RREDA has been actively working with both Advanced Education, Employment and Labour, and the Regina & District Chamber of Commerce, on a strategy to detail the breakdown of the Regina region's labour force. A preliminary version of a labour force tool that will be hosted on the RREDA website has been created. Currently, we are working towards broadening the scope of the tool, and it is our hope that it will be utilized by both employers and site selectors looking to obtain statistical information on the region's labour market.

RREDA along with Tourism Regina, City of Regina, Downtown Regina BID, The Warehouse District BID and the Regina & District Chamber of Commerce have hired an agency to develop and implement a branding strategy for the community of Regina. This initiative aims to build both a positive internal and external image to attract both talent and investment.

In early 2008, RREDA organized its second Think Regina mission and traveled to Edmonton, taking along over 40 businesses to promote the Regina region's career, investment and business opportunities along with our great quality of life. The trip was once again very successful in promoting the region.

RREDA joined the Province and its employer-led mission to Toronto in September for the National Job Fair and Training Expo (NJF). In an impressive showing for Saskatchewan, nearly 50 businesses made up one-third of the overall exhibitors for this event. This event hosted over nearly 10,000 potential job seekers. We continue to see follow-up on inquiries generated from the NJF. Planning for the spring 2009 event is now underway.

ECONOMIC HIGHLIGHTS CONTINUED

Strategy: Develop environment and energy sector

Trans Canada Energy is progressing through feasibility assessment for their \$4B polygeneration plant. This plant will require 6000 man years of construction work, and when operational, will produce 300 MW of surplus electricity, heat and hydrogen gas, and CO₂ which will be sold to SaskPower, a local potash mine, a local nitrogen fertilizer plant, and the southeast oilfields, respectively. We remain optimistic that this project will proceed with a final decision expected in 2009.

RREDA is working with University of Regina management on a green housing development opportunity on the 13 hectare site off Grant Road and with the City of Regina for the Riverside site. We plan to continue to support the University and the City in selecting a tendering process and engaging industry in capturing these opportunities. RREDA also worked with Sun Dale in the development of their new "green" resort development at Long Lake, which was announced in March 2008.

A broad partnership of industry, provincial government, the cities of Regina and Saskatoon, both universities and SIAST is now beginning to develop a technology action plan. The University of Saskatchewan and the Province are leading the development of a Centre of Excellence in Transportation and Infrastructure which RREDA continues to support through broad participation.

With the support of Forest First, (formerly Saskatchewan Forest Centre) RREDA helped to organize a stakeholder tour of tree farm wastewater treatment facilities in British Columbia and Oregon, as well as a professional symposium. The Waste - NOT! all day symposium attracted 50 participants and took place in Regina. Participants heard from two global experts on the operation of tree farms for sewage treatment. RREDA plans to facilitate progress towards feasibility analysis and eventual construction. If completed, effluent irrigated tree farms could provide biomass for carbon neutral space heating plants at major locations in the Regina region.

RREDA is working with a European wind energy start up on testing and commercialization of more cost-effective wind power technology. A field site for prototype testing will be established in 2009 with planned production scale testing soon thereafter.

2008 REGINA REGION ECONOMIC ACTIVITY

New Construction

Construction activity in Regina remained strong during 2008 with the total value of building permits sitting at \$311.7M by the end of November. This is down only 3% from last year's record breaking pace, and displays Regina's resilience during a global economic downturn.

Residential construction was up 10.5% from 2007, at \$149M, reflecting continued strength in that market.

Commercial and institutional construction remained vibrant and very diversified with the number of permits issued increasing significantly from the previous year.

Ongoing major projects/construction activities from 2007 that continued into 2008

- Consumer's Co-Op Refinery/Upgrader Expansion (\$1.9B)
- Harbour Landing - Dundee and Harvard's development of 800 acres at Harbour Landing for residential and light industry purposes (\$1B)
- Evraz Place (\$172M planned)
- Old Superstore area redevelopment (\$20M)
- STC Bus Terminal - *completed in 2008* (\$26M)
- Regina Research Park
 - 2 Research Drive Redevelopment (\$17M)
 - 5 Research Drive, Sask. Disease Control Lab (\$52M)
- University of Regina Research & Innovation Centre building (\$60M)

New investment announcements in 2008

Loblaw Companies Ltd. announced they will be the first anchor tenant in the CP intermodal facility within the new logistics park. The new \$350M facility when completed will be a million square feet in size and is expected to generate 750 jobs within two years and as many as 1,500 jobs by 2017.

John Deere announced the expansion of their Regina distribution centre to 2 1/2 times its current size. The centre will serve all of Canada west of the Great Lakes.

Evraz Regina Steel and Tubular celebrated the official opening of a \$90M expansion at the corporation's tubular division, which increased spiral weld large diameter pipe production in Regina by two-thirds and resulted in one hundred new jobs.

The Government of Saskatchewan, Royal Dutch Shell and the University of Regina announced a new international centre that will help make western Canada a world leader in the worldwide deployment and acceptance of Carbon Dioxide Capture and Storage (CSS).

Evraz Place (previously Ipsco Place) commenced work on a \$60M revitalization project that will include the construction of six new hockey arenas. This is the first phase of an overall \$172M revitalization initiative.

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2008 RREDA BOARD OF DIRECTORS

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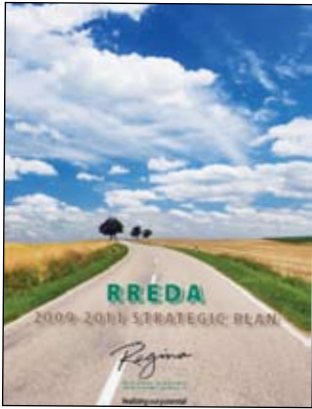
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2009 KEY STRATEGIES



1. Improve regional logistics - Through expanded container system infrastructure, development of industry vision and the attraction of distribution and/or assembly centres, RREDA will measure success with this strategic choice by monitoring positive funding decisions announced by key industry and government stakeholders and by the completion of specific project decision points.
2. Develop environment and energy opportunities - RREDA will focus on the development of the energy and environment sector by promoting and facilitating collaboration in relation to our projects. Success will be noted by the number of new projects announced.
3. Attract and retain talent - Our initiatives to attract and retain talent are developed with the idea of enticing people and businesses to relocate, live or invest in the Regina region. Keeping track of the number of individuals and firms that relocate to Regina, as a result of our listed initiatives, is one tool RREDA employs to measure success in this area.
4. Increase strategic development - RREDA strives to increase strategic investment by responding to prospective investors, administering a property tax exemptions program and attracting distribution and assembly investments. The number of serious investor contacts per year and evaluation of investor experience working with RREDA are taken into consideration upon measuring success within this area.
5. Increase start-ups - We aim to increase start-ups by supporting individuals and firms crossing the commercialization gap, including technology firms and especially both youth and aboriginal entrepreneurs. Success is measured by the number of new business start-ups directly supported by RREDA.

Under each strategy are multiple projects or initiatives. It should be noted that each project or initiative often supports more than one of the five strategic choices. Many of the strategies from 2009 will be carried forward into 2010 as further work is necessary in order to implement them.

REGINA ENTERPRISE REGION

Regina Regional Economic Development Authority (RREDA) is working with Enterprise Saskatchewan under their new Enterprise Region Program to create the Regina Enterprise Region. This will result in RREDA working with a region approximately three times the size of the previous region. The region will encapsulate 17,000 square kilometers and an approximate population of 220,000.



Proposed Regina Enterprise Region

**We welcome any questions or information
requests you may have - please direct them to...**

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