

REIN™ Canada Exclusive Presentation



Investing in Canada's Economic Engine

Jeff Penney
Presentation to REIN
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Outline

- Regional Overview
- Demographics
- Community Services
- The Economy
- Infrastructure and Investment
- Real Estate



Regional Overview

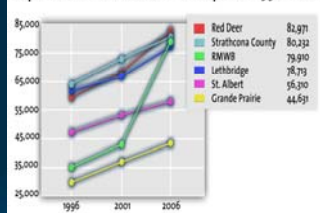


- Amalgamated in 1995
- Covers 68,454 sq km
- 15% of the province
- Fort McMurray is one of 11 communities
- Home to 5 First Nations
- 7 Métis Locals

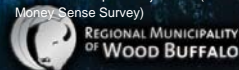


Demographics

Population of Selected Alberta Municipalities 1996 - 2006



- Total Population 103,334 (2008 RMWB)
 - 77,050 in communities
 - 26,284 work camp accommodations
- Median Age 31.6 (2006 Stats Can)
- Average Family Income \$139,253 (2008 Money Sense Survey)



Demographics

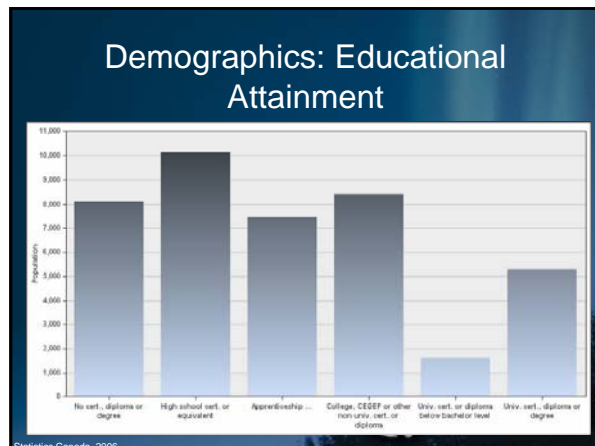
2007 Regional Population Model



Source: Nichols Applied Management



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Community Services

- Outdoor Recreation
 - World's Largest Outdoor Green Gym
 - 340 hectares of parks
 - 130 km of trails
 - 43 playgrounds
 - 17 outdoor hockey rinks
- McDonald Island and Suncor Community Leisure Centre
- Home of Keyano College

Community Services

- Public transit system
- Airport
- Health Care
- Public Library

Community Services

- 260 Clubs and Organizations
- Minor Hockey has 950 youth
- Big Brother/ Big Sisters has 40 pairings
- Golden Years Society 235 members
- Residents from 37 countries around the world

Community Services

- Active arts and culture community
- Annual events include
 - interPLAY Summer Celebration of Visual and Performing Arts
 - Summer Solstice
 - Spring/ Fall Trade Shows
 - Big Spirit Live Music Concerts
- Highest per capita donations to the United Way

The Economy

Sector	Projects	\$ in Millions
Commercial/Retail	1	\$10.00
Infrastructure	18	\$2,033.30
Institutional	6	\$264.10
Oil Sands	34	\$95,219.00
Power	2	\$75.00
Residential	12	\$915.70
Tourism/Recreation	4	\$240.00

- RMWB, June 2009
 - 77 major projects on the books
 - \$99 billion in investment
- Represents 41 % of all major project investment in Alberta

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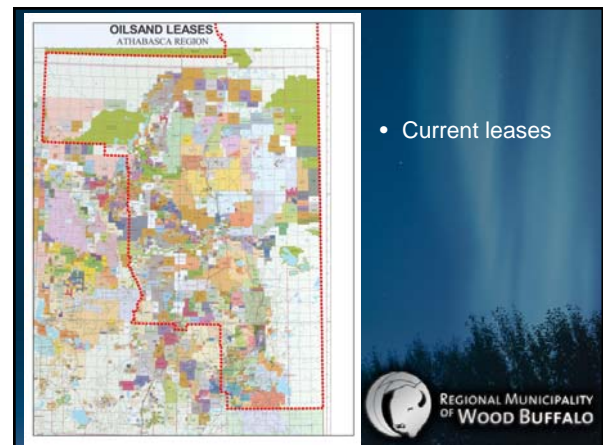
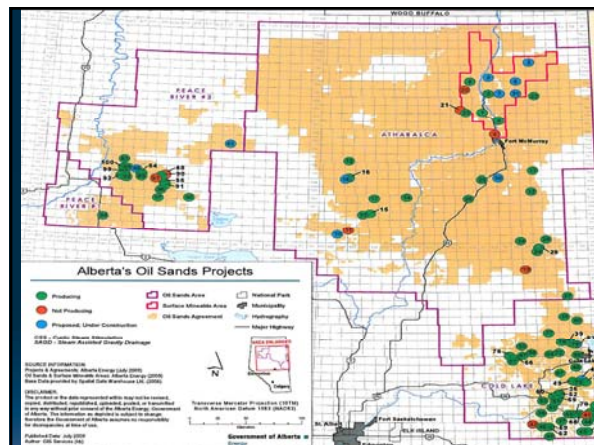
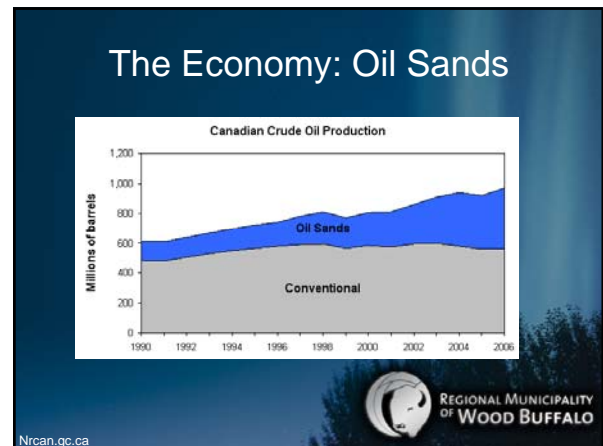
The Economy: Oil Sands




- Canada's oil reserves 2nd in world behind Saudi Arabia
- Alberta's Oil Sands are 95% of Canada's 179 billion barrel supply
- Oil sands production
 - 2007, 1.32 mbpd
 - 2020, 3.0 mbpd

Nrcan.gc.ca, energy.alberta.ca

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The Economy: Oil Sands

- Traditional Mining
 - North of Fort McMurray
- In Situ Developments
 - Largely South of Fort McMurray




Oilandsdevelopers.ca Aug 2009

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The Economy: Oil Sands

2007 Quick Facts

- Initial volume in place: 1.71 trillion barrels
- Remaining ultimate potential: 309.1 billion barrels
- Production (marketable): 1.184 million bpd
- 2007/08 Royalties: \$ 2.9 billion (fiscal 2007-08)
- Cumulative investment '98-'07: \$ 71.5 billion (Stats Can)
- 2007 Investment: \$ 16.8 billion (Stats Can)
- Currently 240 000 direct and indirect jobs from the Oil Sands (OSDG)

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The Economy: Oil Sands

- Wood Buffalo Direct Employment (Operations)
 - 1998: 6,000 people
 - 2008: 12,000 people
- Every new permanent oil sands operations job equals:
 - 3 additional local jobs in Wood Buffalo
 - 6 additional jobs nationally
- At any time, between 8,000 – 30,000 people are involved in construction/maintenance

Oilsandsdevelopers.ca



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The Economy

- After Oil and Gas, Retail and Service Sectors are the next largest employers
- Retail space includes
 - 2 indoor malls
 - Big Box stores (Canadian Tire, Wal-Mart)
 - Strip Malls in the residential areas



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The Economy

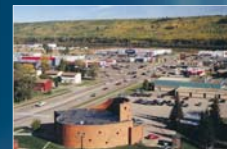
- Forestry employs 2,600 people in the region (2007), generated \$1.38 million in revenue
- Tourism is another important part of the economy, especially in the more rural areas
 - Home of Wood Buffalo National Park
 - Oil Sands Discovery Centre
 - Fort Chipewyan is Alberta's oldest continuous European settlement



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Infrastructure and Investment

- Provincial
 - Responsible Action: A Plan for Alberta's Oil Sands
- Budgeted major infrastructure projects ~ \$1.9 billion
- Includes:
 - Road upgrades
 - New schools
 - Bridge across the Athabasca River
 - Community Health Centres



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Infrastructure and Investment



- Interchange construction \$300 million
- Water & waste water facilities \$103.6 million
- Affordable housing \$52 million
- Twinning to Hwy 63 \$1 billion



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Infrastructure and Investment

- 2009 Municipal Capital Projects
 - Regional Landfill
 - Archie Simpson Arena
 - Fort MacKay Bridge Replacement
- 2010-2013 Capital Plan
 - Multi-use facilities
 - RCMP cellblocks
 - Regional Museum
 - Fort Chipewyan Airport Terminal Construction



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Infrastructure and Investment

- Economic Development Department created in 2007
- Regional Economic Development Strategy
 - business inventory and gap analysis, marketing plan, and initiatives to increase availability of land
- Regional Economic Development Alliance (REDA)



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Infrastructure and Investment

- Economic Development works closely with other branches
- Planning Initiatives are underway to address land crunch
 - Taiga Nova Eco-Industrial Park
 - Commercial & Industrial Land Use Study
 - West Growth
 - Lower Town Site Redevelopment Plan
 - Updated Rural Area Structure Plans



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Real Estate

- Shortage of residential, commercial and industrial land has led to high costs
- Currently 0.3% rental vacancy

Average Rental Rates			Average Housing Prices			
Unit Type	Jun-08	Jun-09	Unit Type	Jul-08	Jun-09	Jul-09
Bachelor	\$1,321	\$1,448	Single	\$697,970	\$626,851	\$637,307
1 Bedroom	\$1,717	\$1,856	Duplex	\$519,890	\$464,284	\$481,061
2 Bedroom	\$2,082	\$2,177	Mobile Home/Land	\$449,000	\$394,121	\$408,471

Wood Buffalo, June 2009

Real Estate



- Fringe Area Development Assessment
- Identified areas for future urban growth
- Parsons Creek and Saline Creek are the most advanced



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Real Estate



- 4,000 acres of land released in June 2008
- Planned to house 40,000 residents
- Two developments
 - Parsons Creek
 - Saline Creek



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Conclusion

- Challenges vs. immense opportunities
- Large deficit in retail which the municipality is working to address
- More housing developments coming online
- Incredible investment opportunities



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Conclusion

Questions?

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