

Exploring Emerging Economic Opportunities in Southwest Alberta: Current Socio- Economic Conditions

SEIA Summary Report

Watrecon Consulting
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FOREWORD

ASSESSING OPPORTUNITIES TO PROVIDE AN INNOVATIVE STRONG LOCAL ECONOMY WHILE SUSTAINING THE REGION'S ECOLOGICAL INTEGRITY

The rich rolling foothills and mountains of southwestern Alberta are home to two of Alberta's newest protected areas: Castle Wildland Provincial Park and Castle Provincial Park, or Castle parks.

Here, established ranches and farms run alongside industries such as oil, gas and coal. This place has deep history and includes traditional territories of Treaty 7 First Nations and Metis Region 3. Nearby local governments include Crowsnest Pass, Pincher Creek and surrounding rural areas.

Folks love to explore, camp, hunt, and fish here with friends and family, too. Recently these mountain communities have seen a significant increase in visitors as Albertans search for places to explore and reconnect with nature in challenging times.

Addressing growing needs and competing interests

Since the boundaries for the Castle parks were set in 2017, visitation to the region has been growing. We are taking this opportunity to evaluate how the region can continue to attract long-term economic growth while maintaining its natural beauty and watershed values.

This document represents Phase One of a larger study and it describes historic and current data to show economic and social trends in the region and evaluates the main economic drivers. This information will be used as the basis for Phase Two of the study, where in-depth interviews will be held to collect the views of people with diverse backgrounds from different sectors and experiences from the area. This includes First Nations, residents, local decision makers, industry experts, economic development practitioners, business leaders, and recreationists. It is hoped the overall project will form the basis for future discussions, possibly leading to the development of a sustainable economic development plan for the area that balances the protection of natural areas with economic expansion and diversification.

Yellowstone to Yukon Conservation Initiative

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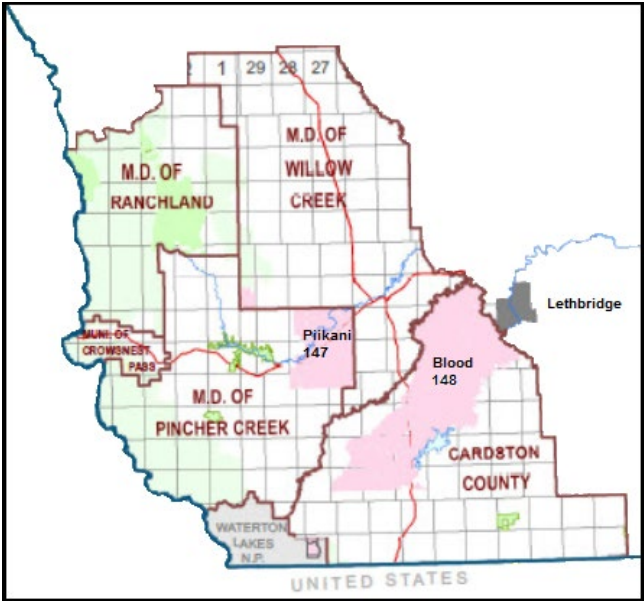
1.0 Introduction

In late 2020 the Yellowstone to Yukon Conservation Initiative (Y2Y) commissioned this study to document social and economic conditions for southwest Alberta. This corner of the province has recently seen the establishment of the Castle Provincial Park and the Castle Wildland Provincial Park (Castle Parks). The purpose of this study is to describe current economic and social trends in the area as a means of helping regional and local governments and stakeholders understand the evolving structure of the region. It should be noted that this document represents a summary of a very detailed assessment of socio-economic conditions in the Study Region that can be obtained by contacting Y2Y.

1.1 THE STUDY REGION

The Study Region consists of urban and rural residents of Census Division 3 (CD 3) which consists of the urban and rural populations in the Municipal Districts of Cardston, Pincher Creek and Willow Cree as well as the Piikani 147 and Blood 148 reserves, plus the Specialized Municipality of Crowsnest Pass and the Municipal District of Ranchland No. 66. A map of the Study Region is provided as Figure 1. The specific communities of interest include eight towns, three villages, five counties and municipal districts, one specialized municipality and two First Nation reserve

Figure 1: Map of the Study Region



Towns

- Magrath
- Fort Macleod
- Granum
- Claresholm
- Stavely
- Nanton
- Cardston
- Pincher Creek

Villages

Counties and Municipal Districts (MD)

- Cardston County
- Improvement District No. 4
- MD of Pincher Creek No. 9
- MD of Willow Creek No. 26
- MD of Ranchland No. 66

Specialized Municipality

- Crowsnest Pass

First Nation Reserves

- Piikani 147 - Indian reserve¹

¹ Statistics Canada uses the terms “Indian Reserve” as part of its census subdivision descriptions and the term “Aboriginal” was used in the 2016 Census for determining ethnicity and these terms will be used in this report to ensure consistency with census data.

Glenwood
Hill Spring
Cowley

Blood 148 - Indian reserve

1.2 METHODOLOGY

The socio-economic profile for the Study Region has been developed mainly using existing data sources that are publicly available. The most important and consistent data source is census data from Statistics Canada (SC) for 1991, 1996, 2001, 2006, 2011 and 2016. However, this was supplemented using published municipal government data from First Nations profiles; the Government of Alberta, including the Alberta Regional Dashboard; and local government websites. The data for individual communities (census subdivisions) were collected and assembled according to five economic sub-regions, based on the idea that people living in rural areas or small villages will rely on the largest nearby town for goods and services. The five sub-regions consist of the following:

Cardston Sub-Region	Pincher Sub-Region	Willow Creek Sub-Region	Indian Reserves	Crowsnest Sub-Region
Cardston County	MD of Pincher Creek	MD of Willow Creek	Piikani 147	Crowsnest Pass
Cardston	Pincher Creek	Nanton	Blood 148	MD of Ranchland
Hill Spring	Cowley	Stavelly		
Glenwood		Granum		
I.D No. 4 (Waterton)		Claresholm		
		Fort Macleod		

An important limitation of using census data is that it relates to the permanent population of a particular area at the time the census was taken, and does not include people who may be working in the area, but permanently resident elsewhere. This omission is particularly important for communities, like I.D. No. 4 (Waterton), which has a large summer seasonal workforce associated with tourism at Waterton National Park. The size and socio-economic characteristics of this seasonal workforce are not known.

Another limitation is that it is sometimes challenging to compare the results from federal censuses and other Statistics Canada data with information collected by provincial or municipal governments who may use different methods for classifying and analysing data, creating the potential for conflicting trends. For example, the federal Business Registry shows declining numbers of businesses in the region while the number of businesses licenced issued by some municipal governments is on the rise.

A third limitation is that there are challenges associated with trying to determine the reasons for observed trends. While statistics can show how things have changed, they do not explain why those changes occurred. While some trends can be correlated with macro level changes, such as an economic recession due to low energy prices, changes at a small scale are much more difficult to understand. For this reason, the analysis will focus on describing the changes rather than attempting to explain them.

The most recent comprehensive data on socio-economic conditions in the Study Region are for 2016. This means that changes in the region since then, associated with economic development and changes associated with the Covid-19 pandemic are not reflected in the data. While attempts have

been made to document changes since then, there are limited data, and a better understanding of recent changes is expected through Phase 2 of the study, which will involve interviews with key informants in the Study Region, and release of the results of the 2021 census, which is expected in 2022. It is recommended that repeating this analysis once the 2021 census data becomes available will give a much better picture of changing socio-economic conditions in then Study Region that may have occurred since creation of the Castle Parks and the effects that Covid-19 has had on the residents of the region.

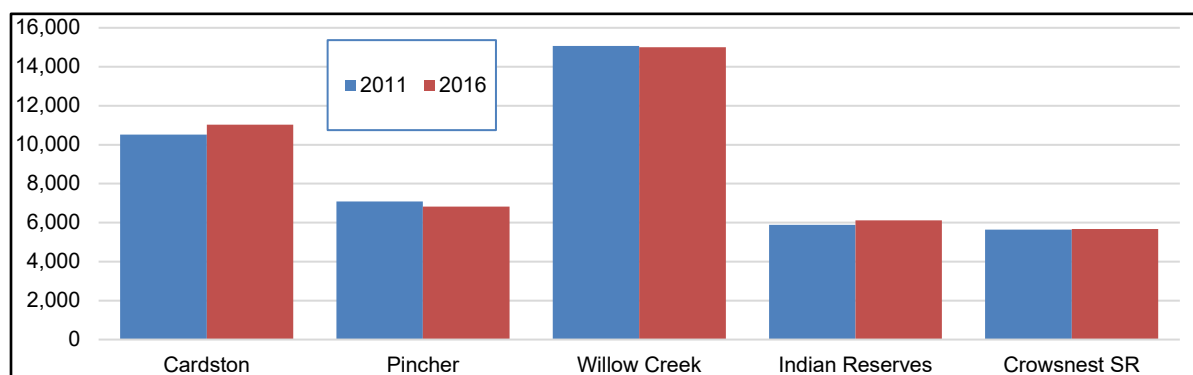
2.0 Demographic Conditions

The Study Region has been and continues to be one of the slower growing parts of Alberta in terms of population but has some very unique demographic conditions. There are three distinct and large subsets of the regional population: Aboriginal people, who represented 18.5% of the population in 2016 (SC 2017), the Hutterites, who represented 7.1% of the population in 2016 and reside in large farm communities (CedronTech., no date), and the Mormons, who accounted for 80% of the population of Cardston (Alberta Regional Dashboard, 2021), and a relatively large portion of the population of Cardston County. These three groups have unique characteristics that have influenced and will continue to influence economic and social development in the region.

The population has been in the range of 40,000 to 45,000 people since 1991 and has remained relatively steady during that period. Between 2011 and 2016, the Study Region experienced a 1.0% increase (SC 2017). However, this occurred because the Aboriginal population grew at a much faster rate (7.9% between 2011 and 2016 according to SC 2018) than the non-Aboriginal population (which declined by 0.5%).

Figure 2 shows the size of the population in each of the subregions as well as how the population of each subregion changed between 2011 and 2016. The Willow Creek SR accounted for the largest percentage of the Study Region population (33.6% of the region), followed by the Cardston SR (24.7%) and the Pincher SR (15.3%). The two reserves accounted for 13.7% of the regional population while the Crowsnest SR accounted for only 12.7%.

Figure 2: Changes in the Population of Study Region by Subregion Between 2011 and 2016



Source: SC 2013a; SC 2017

Between 2011 and 2016, the population of the Cardston SR increased by 4.7% the population of the Pincher SR decreased by 3.7%, and the populations of the Willow Creek SR and Crowsnest Pass SR remained relatively constant (+/- 0.05%) (SC 2017). The population of the two reserves increased by

3.7%. Between 2011 and 2016, the largest population losses occurred in the MD of Pincher Creek, Fort Macleod and the Blood 148 reserve while large increases were observed on the Piikani 147 reserve, Cardston County and Magrath.

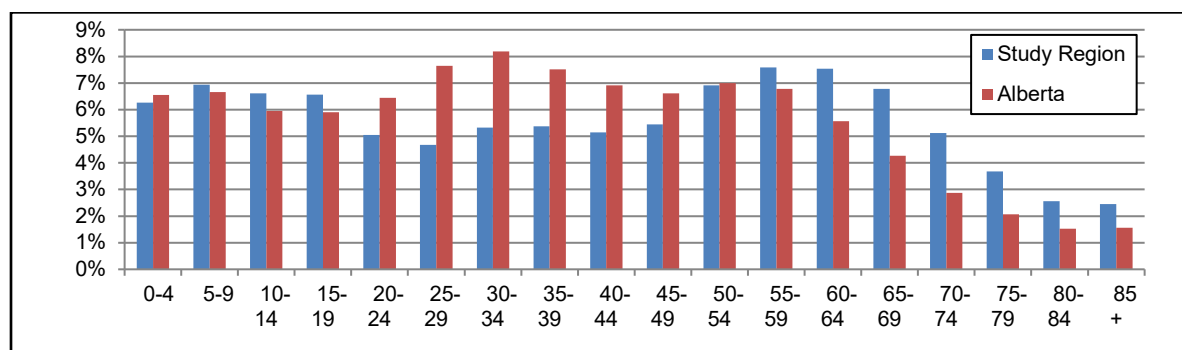
Intercensal municipal population estimates are produced by the Government of Alberta and the data include Canadian citizens and immigrants as well as non-permanent residents, which includes workers who are temporarily living in the community and their normal place of residence is elsewhere. For 2016, municipal population estimates were about 2.6% higher than the census data, which only includes permanent residents of the communities. Analysis of the municipal population estimates shows that the population of the Study Region decreased by 0.7% over the period from 2016 though 2020. Over the four-year period, only the Cardston SR showed a population increase (+2.0%). In the other subregions, there were minor reductions in the population of the Willow Creek SD (-0.3%) and the reserves (-0.3%), and larger reduction in the population of the Pincher SR (-1.4%), but a large decrease in the population of the Crowsnest Pass SR (-6.9%).

2.1 FACTORS DRIVING DEMOGRAPHIC CHANGE

The two key factors affecting population change include fertility and death rates, which are a function of population age, and migration.

Figure 3 compares the age profile of residents of the Study Region to Alberta residents based on the 2016 census. Compared to the age structure of Alberta the population of the Study Region is relatively old with an absence of people aged 20 to 49 years. In 2016 the Study Region population had a median age of 41.7 years in 2016 compared to 36.7 years for Alberta. The median ages for communities like Hill Spring, Claresholm, Granum, Stavely, Nanton and Crowsnest Pass are 50 years or older

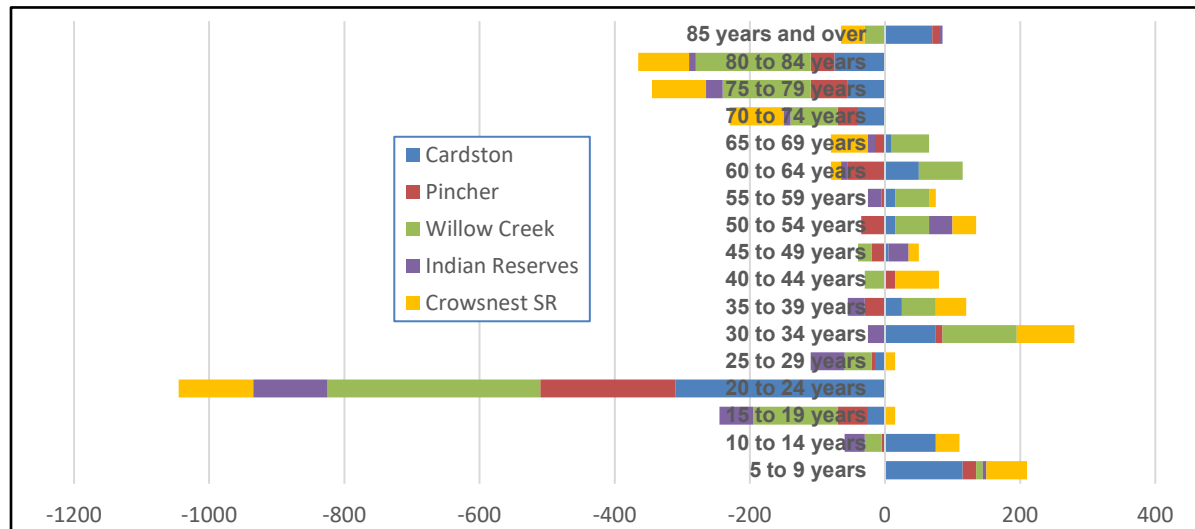
Figure 3: Age Characteristics of Study Region and Alberta Residents, 2016



Source: SC 2017

A review of age structure for past census years shows that the relatively low percentage of people aged 20 to 49 is a result of large numbers of young people in one census year (i.e., 2011) who left the area prior to the subsequent census year (i.e., 2016). Figure 4 shows there was a net loss of 1,055 people who were aged 15 to 19 in 2011 and would have been aged 20 to 24 years of age in 2016, and this trend was consistent among all five subregions.

Figure 4: Changes in Age Characteristics of Study Region Residents between 2011 and 2016



Source: SC 2013a; SC 2017

These losses were partially offset by increased numbers of people aged 5 to 14 years and 30 to 69 years of age who moved into the region (immigration).

With relatively low and declining numbers of women of child-bearing age in the Study Region, the number of births is expected to decline in the future. With increasing number of deaths associated with a large, aging population, the future population of the Study Region, based on natural population growth factors, is expected to decline, with the number of deaths exceeding the number of births.

Natural population losses have been offset, to some degree, due to in-migration: a total of 7,545 people migrated into the region between 2011 and 2016 (SC 2013a; SC 2017). Of these, 73.0% moved from other parts of Alberta (5,510 people), 18.6% moved from other parts of Canada (1,405 people), and 8.3% came from other countries (630 people) (SC 2017).

Within the Study Region, the Crowsnest SR has the highest percentage of people aged 40 years and older and the lowest percentage of young people (under 30 years of age) and the oldest average age, but the population actually increased between 2011 and 2016 grew slightly due to in-migration especially in the 33 to 45-year age group. The Pincher SD had the second oldest population and had a 3.7% reduction in population between 2011 and 2016 largely because there has been insufficient immigration to offset losses due to emigration and natural population change.

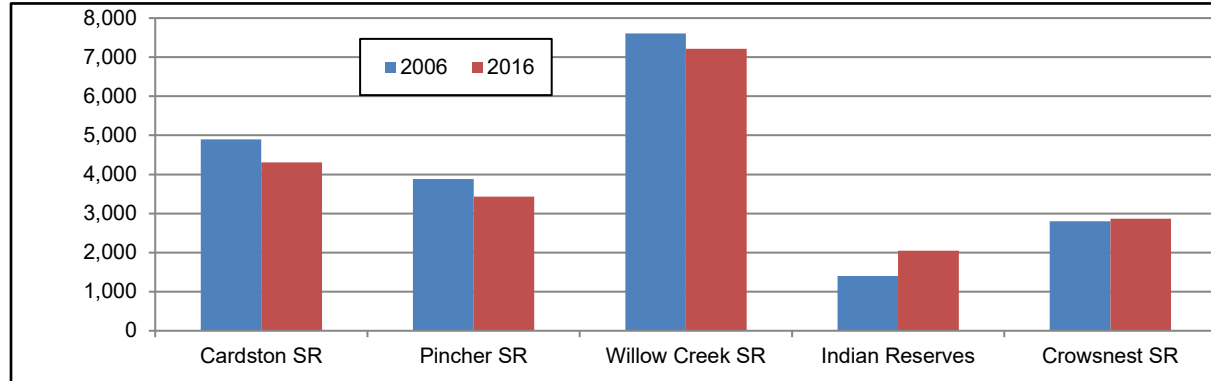
3.0 The Regional Economy

The economy of the Study Region, as measured in terms of labour force, has been in decline, with a net loss of 1,895 potential workers² between 2006 and 2016 (SC 2007a; SC 2017); this represents an 8.7% reduction. Figure 5 shows that, for employed workers, the loss was even larger: a 11.4% decrease and a net loss of 2,355 employed workers. The largest losses occurred in the Cardston SR (a 12.0% reduction) and the Pincher SR (an 11.6% reduction), with small losses in the Willow Creek SR (a 5.2%

² This is defined as people aged 15 years and older who were either working or actively looking for work.

reduction) and a small increase (2.3%) in employment in the Crowsnest SR. This overall loss of employment in the Study Region would have been greater had the number of Aboriginal workers on the two reserves not increased by 46.1% between 2006 and 2016.

Figure 5: Number of Employed Workers in the Study Subregions, 1996 to 2016

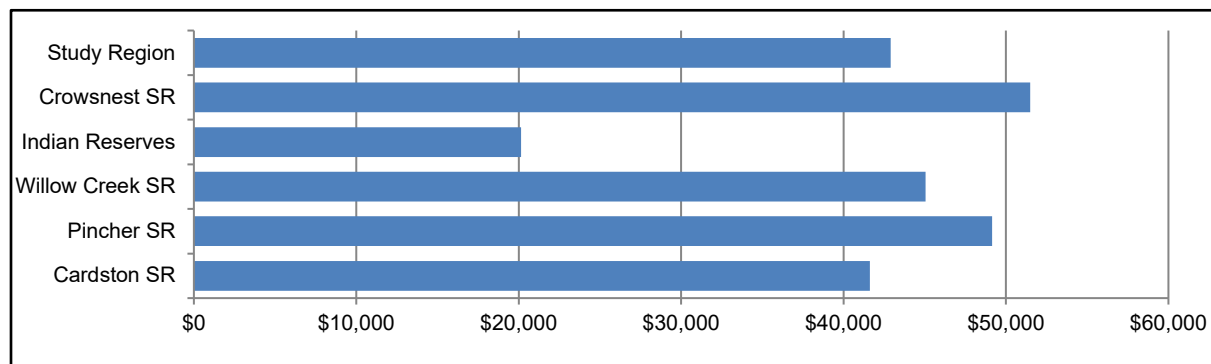


Source: SC 1997; SC 2002; SC 2007; SC 2017

In terms of unemployment, the Study Region has historically had unemployment rates that have been one to one and a half percentage points higher than the Alberta average. However, in 2016, the unemployment rate in the region (8.2%) was lower than the Alberta rate (9.0%). Within the region in 2016, the lowest rate of unemployment (5.5%) was found in the Cardston SR and the Willow Creek SR, with the rate of unemployment increasing to 7.1% in the Pincher SR and 8.9% in the Crowsnest SR. The unemployment rate on the two reserves was 24.2%.

For 2015, regional residents reported an average income of \$42,909, which was 29.5% less than the Alberta average (SC 2017). Between 2010 and 2015, the average income in the Study Region increased by 19.4% (from \$35,933) while the average income in Alberta increased by 23.2% (from \$50,956) (SC 2013b; SC 2017). Average incomes in 2015 (see Figure 6) were highest in the Crowsnest SR (\$51,490) and the Pincher SR (\$49,144) but were lower in the Willow Creek SR (\$45,048) and the Cardston SR (\$41,617) and much lower on the two reserves (\$20,142).

Figure 6: Average Incomes of Adult Residents of the Study Region, by Community, 2015



Source: SC 2017; SC 2018

Taxation data show that, while the average income in Alberta fell by 2.2% between 2013 and 2017, the average income in the Study Region actually increased by 3.9% (CRA 2019). Households in the

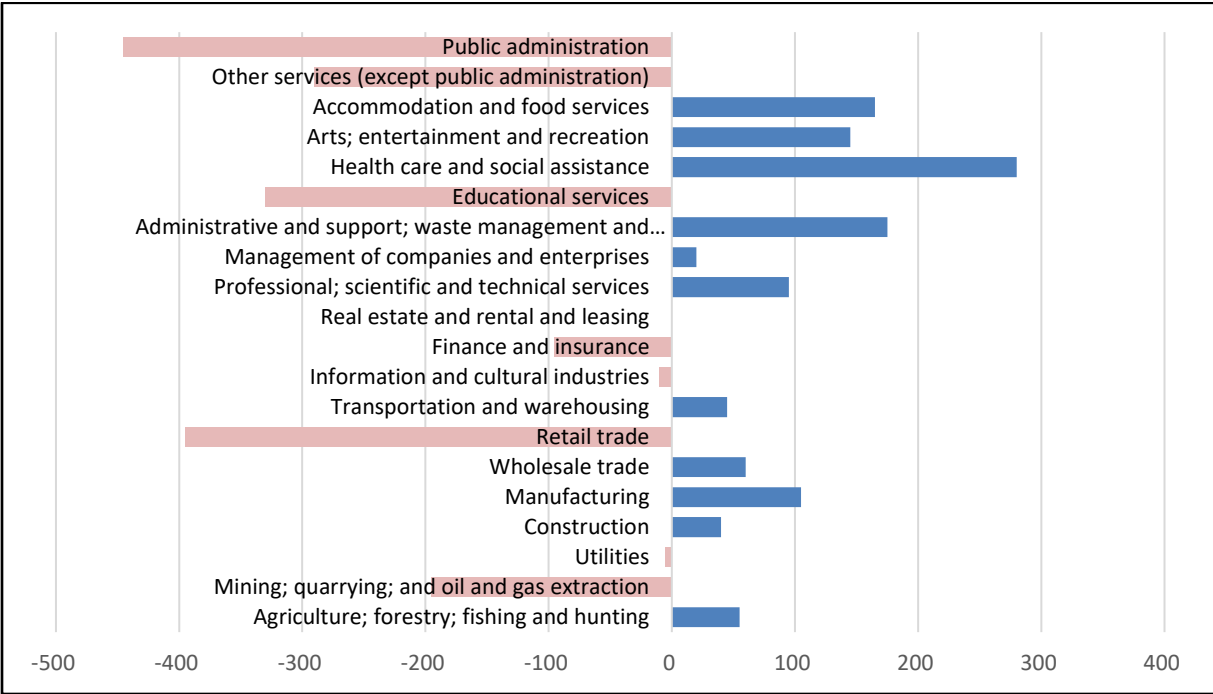
Study Region reported an average income of \$83,643 in 2015, which was 42.1% lower than the Alberta average (SC 2017). Although regional incomes are lower than the provincial average, residents of the Study Region face prices for goods and services that, in 2018, were 7.6% lower than for Edmonton, with food prices in the region being 4.9% lower, non-food items 8.0% lower, and housing costs 35.3% lower (ATBF 2018).

3.1 FACTORS DRIVING ECONOMIC CHANGE

In 2016, the regional labour force participation rate, which represents the percentage of the population aged 15 years or older that is working or actively seeking work, was 60.3% (SC 2017). This compares to an Alberta rate of 70.9%. A key reason that the regional rate is lower than the Alberta rate is that the region has an aging population that has a declining interest in or ability to work. In addition, large numbers of young people have been leaving the region. Even though there is relatively large and growing Aboriginal labour force, they have much lower labour force participation rate (50.3% compared to 62.4% for non-Aboriginal workers) (SC 2018).

There has also been a change in the structure of the regional economy in recent years. Figure 7 shows that, between 2011 and 2016 there was a large reduction (1,765 jobs) in the number of people employed in public administration (all levels of government excluding health care), retail trade, educational services, other services, and the mining, quarrying and oil and gas industry (SC 2017).

Figure 7: Changes in Employment by Industry in the Study Region, 2011 to 2016



Source: SC 2013b; SC 2017

These losses were partly offset by increased employment (1,185 jobs) in health care and social services, and industries that support tourism: accommodation and food services and arts, entertainment and recreation. The large increase in employment in health care and social services partially reflects the demands of an aging population.

The number of businesses and size of business has also been changing. The numbers of businesses on the federal government's Business Register³ decreased by 5.2% between 2015 and 2020; this represents a loss of 82 businesses. During this period, there was a net loss of 27 service industry businesses (a 2.6% decrease) compared to a loss of 55 businesses in the goods-producing industries over this period (a 10.2% decrease) (Government of Alberta 2020a). There were relatively large losses of businesses in construction (35 fewer businesses), manufacturing (18 fewer businesses), and mining and oil and gas (12 fewer businesses). However, these losses were partially offset by an increase in the number of agricultural businesses (an increase of 13). For businesses in the service industries, there were reductions in the number of businesses related to professional, scientific and technical services (11 fewer businesses) and accommodation and food services (14 fewer businesses) but there were increases in the number of businesses in the other services industry (12 more businesses) and the finance and insurance industry (10 more businesses).

At the same time that there has been a decline in the number of businesses in the Study Region, there has been an increase in new business incorporations. Over the period from 2016 through 2019 there were an average of 134 new business incorporations (under the *Business Incorporations Act*) per year in the Study Region (Alberta Regional Dashboard, 2020). Among the subregions, an average of 52.9% of new business incorporations occurred in the Willow Creek SR, 18.1% in the Pincher Creek SR, 15.1% in the Cardston SR and 14.0% in the Crowsnest SR.

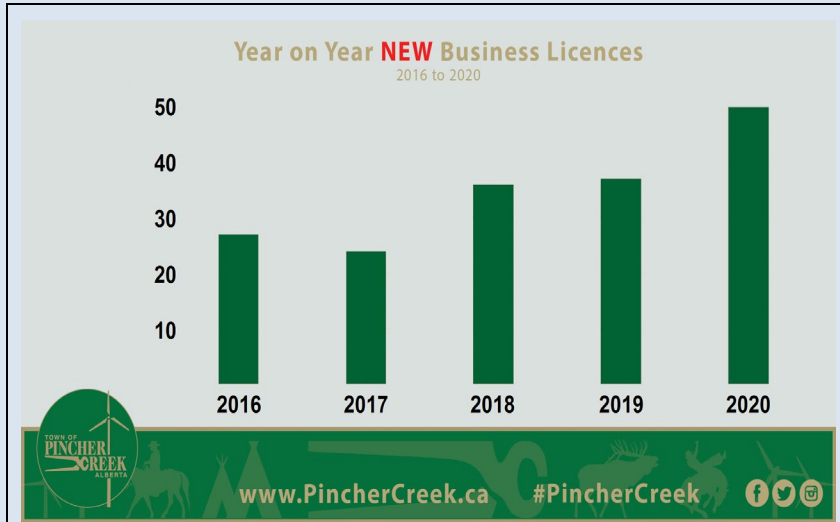
The increasing number of new business incorporations contrasts with the declining number of businesses in the Business Registry. The difference in trends could be due to a couple of different factors. One factor is that some newly incorporated businesses may be taking over an existing business that has closed or the business license was transferred to a new owner. A second factor is that some newly incorporated businesses may not meet the criteria for being included in the Business Registry because they have no employees, less than \$30,000 in annual revenue or have not filed a federal corporate income tax form within the past three years.

The decline in the number of regional businesses also appears to be inconsistent with recent trends in new business licences being issued. Business licence information from the Town of Pincher Creek (Everts, pers. comm., 2021) shows the number of home-based small businesses has been increasing, but it is possible that at least some of these would not appear in the Federal Business Registry. The number of business licences issued by the Town has increased from just over 200 in 2014 to 406 in

³ Businesses in the Registry have an employee workforce for which they submit payroll remittances to CRA; or have a minimum of \$30,000 in annual revenue; or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

2020 with the highest numbers of licences being issued to businesses in the construction industry, the other services industry, retail trade, and accommodation and food services industry.

The number of new businesses licences issued in the Town each year ranged from 25 to 45 during the period from 2016 to 2020, with the number having progressively increased since 2017. There were 50 new business licences issued in 2020, with 20% of these being for home-based businesses.



3.2 KEY GOODS PRODUCING INDUSTRIES IN THE STUDY REGION

3.2.1 Agriculture

Agriculture is the largest and most important basic industry in the Study Region. Farm land in the Study Region in 2016 covered 2.82 million acres - a 1.7% increase compared to 2011 (SC 2017b). Crops accounted for 1.1 million acres or 37.8% of the land base while natural land for pasture accounted for 1.4 million acres or 50.2%. Small areas of land were used for tame or seeded pasture (0.3 million acres or 9.1%). The other 2.9% of agricultural land was used for growing Christmas trees, summer fallow, or other purposes, including too wet to seed. Farmers owned 1.7 million acres, which represents 59.3% of farmed land. They leased about 0.5 million acres from the provincial government (16.9% of farmed land) and leased another 0.7 million acres from others (23.4% of farmed land). The remaining 0.4% of land was in crop sharing and other land use arrangements. Farms in the MD of Pincher Creek had the lowest percentage of owned land (53.1%) and the highest percentage of land leased from the provincial government (21.6%).

Given the large land area in pasture and the amount of land used to raise alfalfa/hay and other hay, it is evident that livestock, and particularly cattle, are the key agricultural crop in the region. In 2016, cattle were raised on 66.0% of the farms, with the total cattle population being 394,043 animals, including 4,459 dairy cows on 48 farms (SC 2017b). As of 2016, there were 8.8 times as many cattle in the region as there were people.

Farming operations in the Study Region had gross receipts of \$861.8 million in 2016 (SC 2017b). This represents a 44.4% increase in gross receipts compared to 2011. With annual expenses of \$706.4 million, net revenues for farm operations amounted to \$155.4 million. Expenses were equivalent to 82% of gross expenses for farms in each of the three municipalities. Although expenses increased by 37.7% between 2011 and 2016, the net revenues increased by 86.2% over that same period. Future potential for growth in the agricultural industry is limited by the available land base,

but there is potential for increased value-added processing (which is part of the manufacturing industry).

3.2.2 Forestry

The Study Region is situated in the Calgary Forest Area and contains Forest Management Units (FMUs) C01, C02, C04, and C05. As of April 2020, the annual allowable cut (AAC) for FMU 05 was 148,001 cubic metres (m³) of coniferous wood (Alberta Agriculture and Forestry 2020a). Forestry activities do occur in the Study Region, but all sawmilling is being done outside the region. The management agreement for cutting timber in the Study Region is held by Spray Lakes Sawmills (Alberta Agriculture and Forestry, 2020b), which ships timber to its plant in Cochrane for processing. There are no opportunities for expansion because harvests are limited by the AAC.

3.2.3 Oil and Gas

Historically, the foothill region of Southwest Alberta was an important source of natural gas and oil production for the province. Over time, these resources have diminished: many wells are nearing the end of their productive lives, and few new wells are being drilled. There is a sour gas processing facility near Waterton that was originally developed by Shell Canada and was sold to Pieridae Energy in 2019. However, natural gas production (in terms of thousands of cubic metres) for the Study Region decreased by 21% over the period from 2016 to 2019 (Government of Alberta, 2020b). Oil production from wells in the Study Region increased between 2016 and 2017 but fell by 3% between 2017 and 2019. Between 2016 and 2019, 46 new wells were drilled in the Study Region: 65.5% were drilled in the MD of Willow Creek and the remainder (34.8%) were drilled in Cardston County. The peak year of drilling during this period was in 2017 when 19 wells were drilled. However, only two new wells were drilled in 2019.

3.2.4 Wind Energy

The operation of turbines to generate electricity from wind energy in the Study Region goes back to 1993, with the installation of 21 megawatts (MW) of capacity development at Pincher Creek by TransAlta (Wikipedia, 2020). There are now 17 wind farms in the Study Region and their capacity of 850.1 MW represents 45% of the Alberta total.

3.2.5 Mining: Coal and Industrial Minerals

The Crowsnest Pass region has a history based on coal mining and, although there are currently no operating mines in the region, some coal leases in the area north of the community are currently being explored (Alberta Energy, 2020). An application to develop the Grassy Mountain coal mine is undergoing regulatory review, and workers at some of the coal mines in BC have chosen to live in Crowsnest Pass. According to Riversdale Resources (2021), the Grassy Mountain mine is expected to produce 93 million tonnes of coal over an operating life of 23 years and employ 385 workers. Atrum Coal completed a preliminary scoping study in April 2020 and an updated scoping study in December 2020 but plans to conduct additional exploration and complete a pre-feasibility study by mid-2021 have been suspended pending the Government of Alberta's update of its coal policy (Atrum Coal, 2021). Montem Resources purchased the Tent Mountain Mine, which is located south of Crowsnest Pass and is working to obtaining mining licences that would allow it to resume open-cut mining at

the site. According to its 2020 feasibility, the mine would commence production in in 2022 and would operate for 14 years and employ 195 workers (Montem Resources, 2021). Cabin Ridge Coal (no date) received permits in September 2020 to drill test holes at three locations to evaluate the economic potential of the coal seams.

Industrial minerals potential in the Study Region (Alberta Energy, 2020) consists of the Oldman River sandstone quarry near Cowley operated by Darren Taylor Harvesting Ltd. and the Graymont Western Canada Inc.'s Summit Lake limestone mine near Coleman, which closed in 2015 (Crowsnest Pass Herald, 2015). Ferto International Organics Inc. has interests in metallic and industrial mineral permits in the Crowsnest Pass area (south of Highway 3), particularly in terms of phosphate potential, and completed exploration in 2019 (Alberta Energy, 2020).

3.2.6 Construction

Two indicators of the extent of construction activities in the region are the number and value of building permits that are issued each year. For the period from 2016 through 2019, there typically an average of 377 building permits issued each year, although only 190 permits were issued in 2017 (Government of Alberta, 2020b). The average value of building permits issued over the four years was \$223,000, although this ranged from an average value of \$376,000 per permit in 2017 to \$187,000 in 2018 and \$178,000 in 2019. Based on the average values, it appears most of the construction projects receiving permits are relatively small, most likely residential home construction. Based on the regional population, employment in the construction industry is relatively small on a per capita basis and, with few new major projects on the horizon and most construction related to new housing, which could be affected by a low rate of population growth, there may be little growth potential for this industry in the Study Region.

3.2.7 Manufacturing

There is no information on the types of manufacturing activities in the Study Region, although there is known to be some value-added processing associated agricultural activities on some of the Hutterite colonies. Employment in the manufacturing industry is relatively small: 20.6 jobs per 1,000 population compared to an average of 31.4 jobs per 1,000 population in Alberta.

3.2.8 Tourism

In 2017⁴ it is estimated that there were 0.30 million person-visits to Census Division 3 by residents of Canada, including 0.12 million overnight visits (Alberta Economic Development, Trade and Tourism [AEDTT], 2019). Total visitor spending is estimated to have been about \$42 million, of which \$6.2 million was spent on accommodation and food services, and this amount of spending would have provided employment for 84.6% of the 835 people employed in the accommodation and food

⁴ This is the most recent year for which published information for which domestic tourism statistics are available for Alberta tourism regions.

services industry in Census Division 3 in 2016.

The Castle Provincial Park was created in 2017 and information on the number of camping nights for the months of May through September at four campgrounds, one comfort campsite and a group campsite showed an increase of 16.8% between 2018 and 2019 (Tucker, pers. comm, 2020; Friesen, pers. comm., 2021). A further increase of 68.3% between 2019 and 2020, even though the campgrounds were closed in May 2020 due to restrictions associated with the Covid-19 pandemic and the comfort and group campsite never opened. There are also seven designated random-access camping areas where visitors must self-register, services are minimal, campers must provide their own portable toilet, and no fees are paid. Between 2018 and 2019, use of these sites increased from 4,196 to 4,430 camping nights, which represents a 5.3% increase. In 2020, there were 9,516 camping-night, which represented a 115% increase over 2019. Overall, overnight camping at designated and random camping sites in Castle Provincial Park increased by 13.5% between 2018 and 2019 and by 64.7% between 2019 and 2020. Camping activities increased by 86.6% between 2018 and 2020. This increase attests to the growing visitors use of the Castle Parks as well as the increased use of domestic parks by Alberta residents who were unable to travel to their normal summer destinations due to the restrictions associated with Covid-19.

Waterton National Park is a key visitor attraction, with park attendance exceeding 550,000 people in 2017/18 (Government of Canada, 2020). However, this visitation is highly seasonal (67.8% of visits in June through August) and has approached full capacity on one occasion, resulting in a temporary closure to park admissions on the August long weekend on 2017 (CBC, 2017). The Study Region contains five provincial parks and 18 provincial recreation areas but there are limited data on trends in visitation to the parks.

Employment in the tourism industry is typically reported in terms of four industries:

- **The accommodation and food services industry** – Employment in this industry increased by 17.6% between 2011 and 2016, especially in Crowsnest Pass, although the number of businesses in this industry has been decreasing. The Study Region has the lowest employment in this industry on a per capita basis in all of Alberta, although per capita employment in Crowsnest Pass is slightly higher than the Alberta average.
- **The arts, entertainment and recreation industry** - Employment in this industry in the Study Region increased by 35.8% between 2011 and 2016, with much of the increase occurring in Crowsnest Pass. On a per capita basis, employment in this industry is higher than the Alberta average, especially for Crowsnest Pass and the Pincher SR.
- **The retail trade industry** - Employment in this industry decreased by 18.6% between 2011 and 2016, although this trend was observed in all Alberta Census Divisions that did not have a major population centre, suggesting that people are travelling to major centres to make retail purchases. The number of businesses in this industry in the Study Region has remained relatively constant, but there has been a reduction in the number of large (200+ employees) and medium-sized retail businesses in the region. On a per capita basis, the Study Region has the third lowest number of retail industry workers in Alberta

- **The transportation and warehousing industry** - Employment in this industry, which includes bus systems and sightseeing services, increased by 6.1% in the Study Region between 2011 and 2016, with much of this occurring in communities along Highway 2.

Analysis of traffic counts on main highways in the Study Region (Alberta Transportation, 2020) shows that traffic volumes during the summer months, which includes the effects of tourism, are 25% to 100% higher than average daily traffic volumes, and that summer average daily traffic volumes (SADT) are increasing at a much faster rate than annual average daily traffic volumes (AADT). These effects are most pronounced on Highways 5 and 6, which provide access to Waterton National Park, on Highway 22, which provides Calgary residents with access to southwest Alberta, and Highway 3, which provides access to Crowsnest Pass. Traffic counts on Highways 507 and 774, which provide access to the Castle Mountain area, have shown little or no changes in recent years, despite the establishment of the new parks and protected areas, but this may be because no primary traffic count data have been collected in recent years.

4.0 Social Services and Conditions

4.1 EDUCATION

The number of school age children in the Study Region has been decreasing over time (a 4.4% reduction between 2011 and 2016) causing school enrollment to decline. This may partly explain the reduction in the number of people employed in the educational services industry during this period (Government of Alberta 2020c). However, enrollment in the public schools on the Hutterite colonies has been growing.

Levels of educational attainment in the Study Region were lower than the Alberta average (SC 2017) which may be partly related to the relatively large numbers of young people who are moving out of the region and an increasing older population that has less education. People living on the Indian Reserves had the lowest overall levels of education attainment in the Study Region although the percentage of Aboriginal females with a university certificate or diploma was higher than for both Aboriginal and non-Aboriginal males and non-Aboriginal females (SC 2017).

Between 2011 and 2016 the educational attainment of the population changed, with a large loss of adults (-530) who had an apprenticeship or trade certificate and a reduction in number of adults who had a college or university certificate below the bachelor level (-135) (SC 2017; SC 2011b). The number of people who had not graduated from high school decreased (-165), possibly due to educational upgrading, because the number of people with high school certificates increased (+85). There was a slight increase (+25) in the number of adults with a bachelor's degree or higher.

4.2 HEALTH CARE

There are 23 health care facilities in the Study Region, located in Cardston, Claresholm, Crowsnest Pass, Fort Macleod, Magrath, Nanton, Pincher Creek, and Standoff (Blood 148 Reserve), with three hospitals which are located in Cardston, Claresholm and Pincher Creek (AHS, 2020). There were more family physicians per 1,000 population in four of the health zones in the Study Region than in Alberta, especially in Crowsnest Pass, but lower than average numbers in the Cardston-Kainai and Fort Macleod zones (Alberta Health 2017a; 2017b; 2017c; 2017d; 2017e; 2019a; 2019b; 2019c).

The health conditions of the Study Region residents (Alberta Health 2017a; 2017b; 2017c; 2017d; 2017e; 2019a; 2019b; 2019c) were what would be expected from having an aging population, with rates of diabetes, mortality rates, injury and emergency room visits being higher in the region than in Alberta. However, some of these health issues are associated with lifestyles and regional residents had higher rates of daily smokers, obesity and stress than Alberta residents and lower levels of physical exercise, resulting in a lower life expectancy. Unexpected health conditions included higher rates of COPD in the Crowsnest Pass area.

A survey of people in the Pincher Creek area (Kirk, 2020) indicated concern over mental health and addiction issues, especially given the lack of local treatment centres as well as the lack of affordable housing. However, respondents also reported that they benefited from Pincher Creek having a strong sense of community, good availability of health and recreation services, innovative initiatives to encouraging health living, and proximity of the mountains and foothills.

4.3 LAW ENFORCEMENT AND CRIME

The RCMP has full detachments in Cardston, Claresholm, Crowsnest Pass, Fort Macleod, Piikani Nation, Pincher Creek, and Raymond/Magrath, with a small detachment in Nanton and a seasonal detachment in Waterton Park (RCMP, 2021). The Blood Tribe has its own police service located in Standoff. Theft over and under \$5,000 was the most common crime in the region, an average of 102 per detachment in 2019, with the highest number reported by the Fort Macleod detachment (RCMP, 2020). Break and enter was the next most frequent crime (an average of 34 per detachment), with most detachments reporting in the range of 35 to 45 incidents in 2019. Over the period from 2017 to 2019, the highest numbers of crimes were reported in 2018, with the numbers in 2019 being 11.3% lower.

5.0 Housing

Housing in the Study Region typically consists of single-family dwellings (86%) with movable dwellings accounting for another 6% (SC 2017). Most of the houses were owner-occupied (79%) with rental units accounting for 19% and band housing for 2%. Housing is typically very old, with more than 60% being more than 35 years old. Houses less than 10 years old accounted for 12% of all housing. Housing is generally in pretty good condition: only 14% of housing was in need of major repair, although this increased to 54% on the Indian Reserves. The vast majority of housing (95%) was considered suitable in terms of having sufficient bedrooms for the size and composition of the household, although 30% of dwellings on the Indian Reserves was considered unsuitable.

Between 2011 and 2016, the total number of private dwellings in the Study Region increased by 3.6% while the number of occupied dwellings increased by 1.1%. This indicates that some of the new dwellings may have been developed for seasonal use by people living outside the area, especially since 52.1% of these new dwellings were in rural areas (SC 2013a; SC 2017).

In 2018 there were 424 rental housing units in the Study Region with a vacancy rate of 7.1%, although the vacancy rates in the Crowsnest Pass (18.3) and Cardston (22.2%) were much higher (Alberta Seniors and Housing, 2019). Average monthly rental rates were similar for most communities but were lower in Crowsnest Pass and higher in Fort Macleod.

The average value of dwellings in the Study Region in 2016 was \$303,560, which was 48% less than the Alberta average (SC 2017). Between 2011 and 2016, the value of housing is estimated to have increased by 4.2% in the Study Region and by 12.8% in Alberta. Average monthly shelter costs for renters (rent and utilities) in the Study Region in 2016 (\$897) were 29.8% lower than for Alberta (\$1,279) while average monthly shelter costs (mortgage, taxes and utilities) for owner-occupied dwellings (\$1,001) were 34.6% below the Alberta average (\$1,531) (SC 2017).

Data from the Lethbridge and District Association of Realtors (2021) indicates that there has been an increase in residential real estate sales in recent years. Local realtors (Scott Korbett, pers. comm., 2021 and Randall Whiteside, pers. comm., 2021) confirmed that there has been a major upturn in real estate activity in the Pincher Creek and Crowsnest Pass areas, especially in 2020. In the Pincher Creek area, there has been a flurry of purchases of recreational properties, especially at the Castle Mountain Resort, as people have been forced to stay in Alberta as a result of Covid-19 restrictions, instead of being able to travel. The properties being purchased tend to be the higher valued properties. There have also been purchases of existing housing by former residents who are deciding to move back into the region, as well as by some people who are choosing to work remotely and are moving into the region for its natural attributes.

Crowsnest Pass has also seen a major upsurge in real estate activity. Some major new subdivisions have been approved and some new houses are being constructed with demand coming from people who want recreational properties, people who are able to work remotely, and on speculation related to increased employment associated with the proposed Grassy Mountain coal mine as well as proposed expansion of the Teck coal mines in the Elk Valley in BC. Crowsnest Pass has a limited land base, so with increasing demand, house prices are increasing and there is additional interest in developing multi-family dwellings. There is currently no or very little rental housing available. There is an expectation that, as housing prices in Crowsnest Pass increase and if the Grassy Mountain coal mine is approved, people looking to move into the region will start looking to locate to other parts of the region, especially smaller communities in the MD of Pincher Creek like Lundbreck.

Real estate activity so far in the region in 2021 is nearly the same as for all of 2020, and part of the increased interest is tied to recreational properties partly because of the travel restrictions associated with Covid-19 and partly because people are developing a better understand of the natural attributes of Crowsnest Pass and the Castle area. In general, most of Canada is seeing a surge in real estate activity due to low interest rates and more disposable income being available because of decreased spending on travel due to Covid-19 restrictions.

6.0 Community Well-Being

The Study Region had a Community Well-Being⁵ (CWB) Score of 76 out of 100 in 2016, which was lower than for Lethbridge (82), Calgary (86) and Edmonton (84) (Indigenous Relations and Northern Affairs Canada, 2019). The individual subregions had CWB scores ranging from 79 to 81, with the

⁵ The CWB Index is constructed using various indicators derived from Canadian census information related to education, labour force activity, income, and housing. The data for each community are given scores for each of the four well-being indicators to a maximum of 100 and a composite indicator is then calculated for each community by combining the scores for the four indicators.

exception of the Indian Reserves which had a score of 55. The income component of the CWB showed higher scores for the Crowsnest SR (83) and the Pincher SR (81), with a relatively low score for the Cardston SR (72). Between 2011 and 2016 the CWB Index for the Study Region increased from 70 to 76.

About 91.1% of residents of the Study Region living in the Southern Alberta Health Zone indicated that, in 2017/18, they were either satisfied or very satisfied with life (SC 2021). This is lower than the Alberta average of 92.9% and for regional residents living in the Calgary Zone (93.8%). In the Southern Alberta Zone, the percentage of people who were satisfied or very satisfied dropped by 1.5 points between 3015/16 and 2017/18.

In 2017/18, 72.4% of residents of the Southern Alberta Zone had a strong or very strong sense of belonging to their community (SC 2021). This was higher than for Alberta (69.1%) and for regional residents living in the Calgary Zone (67.9%). However, while the percentage of people with a high sense of belonging in the Calgary Zone increased by 0.3 points between 2015/16 and 2017/18, the corresponding percentage for residents of the Southern Alberta Zone dropped by two points.

7.0 Municipal Government Finances

7.1 REVENUES AND OPERATING COSTS

In 2019, rural governments in the Study Region relied on property taxes for 48.9% of their annual revenues, followed by provincial government transfers (35.0%), and sales and user charges (8.2%) (Government of Alberta, 2020d). For rural communities, spending on transportation accounted for 50.1% of total expenses, followed by general administration (16.8%), and environment use and protection (9.1%). On a per capita basis, rural municipalities had revenues of about \$4,100 per resident and expenses of \$3,350, with an average net revenue of \$750.

Urban governments in the Study Region received 31.1% of their annual revenues from property taxes, with sales and user charges accounting for 28.7% followed by provincial government transfers (19.7%) and other sources (20.6%) (Government of Alberta, 2020d). Spending on environmental use and protection accounted for 24.2% of annual expenses, followed by general administration (20.7%), recreation and culture (19.5%), and transportation (15.9%). Urban municipalities had per capita revenues of \$3,030 and expenses of \$2,700, with net revenues of \$330.

For most of the larger communities, operating revenues exceeded operating costs in 2019 (Government of Alberta, 2020d). The exceptions were the MD of Ranchland, the MD of Willow Creek, Claresholm, Granum, Nanton, Stavely, Cowley, Glenwood and Hill Spring. For these communities, the annual operating deficit would be negated by transfers from financial reserves.

The MD of Ranchland, the MD of Willow Creek, I.D. No. 4 (Waterton), Cowley, Glenwood, Granum, and Hill Spring reported no debt in 2019. For the other communities, all but Claresholm were operating at 25% or less of their debt servicing cost limits. Although Crowsnest Pass had the highest total debt, this amount represented only 29% of its debt limit.

7.2 ASSESSED VALUES AND RATES OF TAXATION

In 2019, the total assessed values of properties in the Study Region for municipal taxation purposes was \$7.3 billion of which 36.3% was for properties in the urban areas and the remainder (63.7%) was for rural properties (Government of Alberta, 2020d). Residential properties accounted for 83.3% of total assessed values in the urban communities and 49.7% in the rural communities. Non-residential linear property (which includes pipelines and utility corridors) accounted for another 32.4% of assessed value in the rural municipalities. There was a rapid increase in assessed values between 2007 and 2010 with lower rates of increase since then. The assessed value of rural property reached a peak in 2017 and has decreased slightly since then. The total assessed value of urban properties has changed very little since 2010.

Property taxation rates (the mil rate) varied considerably among the various communities and this reflects both the revenue requirements of municipal governments and the assessed value of the different types of residential and non-residential properties in each community. For this reason, it is not possible to compare regional taxation data to communities in other parts of Alberta.

Combining the information on assessed value and mil rates indicates that residential/farmland accounted for about 63.7% of property tax revenues in the Study Region in 2019, with non-residential properties accounting for the other 36.3%. However, non-residential properties accounted for 64.6% of property tax revenues in the rural parts of the region and 24.4% in the urban parts of the region.

8.0 Future Population and Economic Growth

8.1 POPULATION PROJECTIONS

Published population forecasts from the Alberta Government, prepared prior to the Covid-19 outbreak, consider both natural population increase and migration, suggest a variety of possible futures for Census Division 3 (Alberta Treasury Board and Finance 2020). The low projection, which would be a continuation of recent trends, shows the population peaking in 2021 and then declining slightly over time, resulting in a 1% population reduction from 2016 by 2046. The medium scenario shows population growth throughout the forecast period at a slow rate, such that the population in 2046 is 6.8% higher than in 2016. The high scenario assumes a more rapid rate of growth tied to possible major economic development such that the population in 2046 is 22.5% higher than in 2016.

Given the age composition of the regional population and the difference in birth rates for the Aboriginal and non-Aboriginal population, the low population forecast would see the non-Aboriginal population in CD 3 decreasing by 8.1% which would be nearly offset by a 26.6% increase in the Aboriginal population, such that Aboriginal people would comprise 26.3% of the regional population by 2046. Similar results would be expected for the medium and high growth scenarios, although the non-Aboriginal population would be expected to be higher due to in-migration.

Future population growth in the region over the long term will then largely depend on whether future economic development can retain or attract young non-Aboriginal people into the region and whether more Aboriginal people will choose to participate in the regional labour force.

8.2 ECONOMIC PROSPECTS

8.2.1 Major Projects

Although some 11 major projects⁶ representing a total investment of \$1.64 billion have been proposed or announced for the Study Region, only the proposed Grassy Mountain Coal Mine north of Crowsnest Pass will create any significant opportunities for long-term employment in the Study Region (Government of Alberta, 2020f). According to Riversdale Resources (2021), the mine would provide 385 jobs over the 23-year operating life of the project but it has assumed that all jobs would be filled by people migrating into the region. While employment at the Grassy Mountain mine would increase total employment in Crowsnest Pass by 13.8% and the population by as much as 24%, it would make the community very vulnerable to economic collapse because the mining industry would account for 29.0% of employment in the municipality. Furthermore, mine employment is unlikely to encourage young people to stay or move into the region, nor is it likely to attract the Aboriginal workforce.

8.2.2 Economic Development Trends

The tourist industry appears to represent a growth opportunity for the Study Region. As noted earlier, employment in the accommodation and food services industry increased by 17.6% between 2011 and 2016, especially in Crowsnest Pass. And, with the creation of the Castle Parks in 2017 and the rapidly growing levels of visitation at campsites in the parks (an 86.6% increase in camping-nights) between 2018 and 2020, additional demand for tourism-related goods and services is expected to continue. The proposed expansion of the Castle Mountain Resort would also bolster tourism in the Study Region. Implementation of its Master Plan would more than double current visitation to the resort and significantly increase summer visitation. The resort currently employs 180 people and is expected to double at full build out, to 360 people, although the timing of this is uncertain and will depend on successfully completing a regulatory review (Crawford, pers. comm., 2021).

A more recent development trend for the Study Region is that, as has been observed in US, the availability of internet capacity is now allowing people to work from home, meaning that they no longer have to live in a large urban centre. This trend has become increasingly important as a result of workplace restrictions associated with the Covid-19 pandemic, where many people have been forced to work from home and are discovering the benefits of doing so. This has resulted in people relocating to communities that have outdoor recreation assets where they can continue to work from home. A recent study by Headwaters Economics (2019) in the US found that:

- People are more likely to move to Recreation counties than to Non-Recreation counties⁷, particularly in Rural places.
- Households moving into Recreation counties have, on average, higher income than households moving into Non-Recreation counties.

⁶ Proposed or announced projects having a capital cost of \$5 million or more

⁷ Recreation counties are differentiated from non-recreation counties because they have higher shares of employment in entertainment and recreation, accommodations, eating and drinking places, and real estate; higher shares of personal income from these same categories; and higher shares of vacant housing units for seasonal use, with the thresholds having been established by the United States Department of Agriculture's Economic Research Service.

- Recreation counties have, on average, lower earnings per job than Non-Recreation counties, but earnings per job in Rural Recreation counties are growing much faster than in Non-Recreation counties.
- Recreation appears to drive varied economic benefits, including short-term support for tourism-related businesses and longer-term support by recruiting new residents who may be business owners, entrepreneurs, or workers.

While it is not clear if or when this trend may be observed in southwest Alberta, it is expected that this potential may be explored during Phase Two of this study, where in-depth interviews will be held to collect the views of people with diverse backgrounds from different sectors and experiences from the area.

9.0 Summary and Conclusions

Southwest Alberta is at a crossroads in terms of its economic and associated population growth. Over the last decade the economy of the region, based on the numbers of employed workers, has been in decline, with an 11.3% decrease in the number of employed workers between 2006 and 2016. This decline was most pronounced in the Pincher SR and the Cardston SR, where the decline was 16.5% or more, and least pronounced in the Crowsnest Pass area, which only experienced a 7.0% decrease. However, the number of employed workers on the two Indian Reserves increased by 10.7%.

For the period from 2011 to 2016, the overall structure of the regional economy also changed, with large reductions (1,765 jobs) in the number of people employed in public administration, retail trade, educational services, other services, and the mining, quarrying and oil and gas industry and increases in employment (1,185 jobs) in health care and social services, and industries that support tourism: accommodation and food services and arts, entertainment and recreation.

Changes in the size and structure of the regional economy are clearly associated with changes in the demography of the region. In reality, the region consists of two very different sub-populations: a young and growing Aboriginal population, which accounted for 18.5% of the regional population in 2016, and an old and declining non-Aboriginal population. While the overall population of the Study Region increased by 1.0% between 2011 and 2016, this was because the 7.9% increase in the Aboriginal population more than offset the 0.5% decline in the non-Aboriginal population. This trend is likely to continue because with large numbers of young people born in the region leaving the area and are not returning, leaving behind an aging population, natural population growth will continue to decrease with the number of deaths exceeding the number of births. And, while some of the losses of young people have been offset by in-migration, one question for the future of the region is: what types of future economic development will serve to cause young people to either stay or move into the region? A second and related question is: how to engage the young and growing Aboriginal population in the regional workforce?

If the population of the region is to grow again in the future, there is a critical need for economic development that will retain or attract young people and increase employment of the Aboriginal population. Historically, the economy of region has been built around the primary resource industries: agriculture, oil and gas, mining, forestry, construction and manufacturing. But, with the exception of the mining industry, the other resource-based industries are mature, offering limited room for expansion, or are in decline. The land base for agriculture limits opportunities for future

expansion of primary production but there is potential for value-added processing (which is part of the manufacturing industry). There are no coal mines operating in the Study Region although some of the workforce for coal mines in BC live in Crowsnest Pass. Forest harvesting in the region is also limited by the available land base, but all value-added processing is being done outside the region. The oil and gas industry is in decline, with reserves and production dropping and few new wells being drilled. The construction industry in the region is relatively small and construction opportunities related to new housing will be affected by population growth. Employment in the manufacturing industry in the Study Region is relatively small. And, while there has been considerable development of wind energy projects in the region, this industry provides minimal opportunities for employment once the wind turbines begin operating.

New economic development opportunities are key to encouraging future population growth. Currently, the population of the region may be expected to decline over time. The low population projections prepared by the Government of Alberta, which reflects recent trends, suggest a 1% population decrease between 2021 and 2046 for the low growth scenario, although this would consist of an 8.1% decrease in the size of the non-Aboriginal population partly offset by a 26.6% increase in the Aboriginal population, which would account for 26.3% of the regional population in 2046.

The two key questions still remain: what types of future economic development will serve to cause young people to either stay or move into the region, and can the young and growing Aboriginal population be engaged in the regional workforce?

At the present time, only one of the 11 major projects proposed or announced for the Study Region appears to offer significant levels of new employment. As was noted earlier, approval of the Grassy Mountain coal mine near Crowsnest Pass would provide employment for about 385 workers over 23 years of operation, but all of these workers are expected to in-migrate to the region and there would be limited economic benefits for regional communities other than Crowsnest Pass. And, while mine employment could increase total employment in Crowsnest Pass by 13.8% and the population by as much as 24%, it would make the community very vulnerable to economic collapse because the mining industry would account for 29.0% of employment in the municipality.

Additional development of the regional tourism industry is seen as one component of future regional development, with one objective of the South Saskatchewan Regional Plan being to position the region as a world-class, year-round, tourism destination. The region already has a number of world-class tourism attractions, especially Waterton National Park, but usage patterns tend to be highly seasonal and available statistics indicate that, based on the size of its population, the Study Region, with the exception of the Crowsnest subregion has the lowest per capita numbers of people employed in the accommodation and food services industry and retail trade, industries that are directly affected by tourism. Tourism capacity is particularly limited in the Cardston SR, and this is partly because of the influence of the Mormon population which has placed significant limits on alcohol purchase and consumption in the Town of Cardston.

There is evidence that parts of the region have been expanding their tourism capacity. Between 2011 and 2016 there was increased employment in industries that support tourism including accommodation and food services, where there was an increase of 165 jobs, and the arts, entertainment and recreation industries, where there was an increase of 145 jobs. Most of this increase occurred in Crowsnest Pass, where there was an increase of 80 jobs in the accommodation

and food services industry and 50 jobs in the entertainment and recreation industries. On a per capita basis, in 2016 Crowsnest Pass had more workers in the accommodation and food services and arts, entertainment and recreation industries than the Alberta average and the highest within the Study Region. The per capita ratios were similar for the Pincher SR, but the Cardston SR and the Indian Reserves had very low ratios, such that Census Division 3 appears to have the lowest per capita ratio of employment in for tourism-related industries in all of Alberta.

The extent to which tourism development can support future economic and population growth in the Study Region will ultimately depend on what types of new tourism development will be undertaken to support visitation, especially on a year-round basis. The establishment of the Castle Provincial Park and the Castle Wildland Provincial Park in 2017 raised interest in this area, and data on camping suggest annual growth on the order of 13.5% between 2018 and 2019 and by 64.7% between 2019 and 2020. And, while the Castle Mountain Resort currently provides winter recreation opportunities, these are limited by the capacity of the lifts and serviced terrain, accommodation and parking but could be significantly expanded through implementation of its Master Plan, which would see an increase in the amount of usable winter terrain and development of summer-based activities.

There is another recent trend in the region that may also affect future economic development. 2020 was an unusual year with lock-downs and restrictions associated with the Covid-19 pandemic triggering different behaviours that may or may not become emerging trends. One of the effects of the lock-down was that more and more people were working from home and discovering that they could still be effective. Data from the Town of Pincher Creek showed a jump in new business licences being issued for home-based businesses. And, if internet connectivity is good, there is reason to believe that some people will deliberately choose to relocate to a region with wonderful outdoor amenities if they can be effective working from home.

A second Covid-19-related trend is that, due to restrictions on travel, Albertans appear to be choosing to spend money normally allocated to out-of-country vacations to purchase vacation properties. There was a flurry of real estate activity in the Study Region in the last quarter of 2020 that saw people purchasing higher-end properties, especially in Crowsnest Pass and at the Castle Mountain Resort, as vacation homes. This is really an acceleration of the trend that has seen the number of dwellings in various census subdivisions growing at a faster rate the number of permanently occupied dwellings. While increasing numbers of recreational properties can have both positive and negative impacts on communities, as being experienced in Canmore, management of this trend can help support a new direction for economic development in the Study Region.

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