

Industrial Update 2001

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Northern Labour Market Information Clearinghouse

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Industrial Update 2001

Introduction

In December 1997, the Labour Market Information Clearinghouse completed “A Major Industrial Activities and Training Needs Update” for Northern Alberta. This report is an update of that 1997 report but with a greater emphasis on training needs.

This report is focused on major industrial activities and training needs by the following Northern Alberta regions: Grande Prairie, Fairview, Wood Buffalo, Lloydminster, and Grouard. Each region is analyzed in terms of a listing of major projects (confirmed and proposed), environmental scanning feedback from key industry or economic development officials, and training implications. A final section of the report deals with a summary of key findings.

A. Grande Prairie (includes Grande Cache, Fairview and Peace River)

The following projects of over \$2 million are either underway, announced or proposed in the Grande Prairie area.

Location	Project	Company	Costs (Millions \$)	Construction Schedule	Remarks
Valleyview	Water treatment plant	Town of Valleyview	\$2.5	2001	Proposed
Grande Prairie Regional Airport	Infrastructure improvements	Grande Prairie	\$2.7	2001	Under construction
Jasper Improvement District	New Emergency Services Building	Jasper ID	\$2.8	Summer 2001	Proposed
City of Grand Prairie	Construction 68 Ave.	Grande Prairie	\$8.6	2001-2004	Announced
Alberta Transportation	Highway 43 Twinning	Grande Prairie to Bezanson to Goodwin	Part of \$1400 M twinning project	2001-2002	Announced
Alberta Transportation	Highway 43 bridge	Whitecourt	Part of \$1400 M twinning project	2001-2002	Announced
Alberta Transportation	Highway 40 pavement overlay	Grande Prairie Wapiti River	\$2.1	2001	Announced
Alberta Transportation	SH 749 pavement overlay	High Prairie to N. of Heart River	\$2.6	2001	Announced

Location	Project	Company	Costs (Millions \$)	Construction Schedule	Remarks
Alberta Infrastructure	Partial Cloverleaf	Grande Prairie	\$615	After 2007	Proposed
Alberta Infrastructure	Partial Cloverleaf	Grande Prairie	\$16	2001-2002	Announced, Four Mile Corner
Alberta Infrastructure	New bridge over Smoky River	County of Grande Prairie	Part of \$1400 M twinning project	2000-2002	Under construction
Alberta Infrastructure	Highway 43 grading	MD of Greenview	Part of \$1400 M twinning project	2000-2001	Announced
816474 AB Ltd.	Apartment Building	Grande Prairie	\$1.4	2000	Complete
Rogers Wireless Inc.	Tele-communications Tower at Valhalla	County of Grande Prairie	\$1	2001	Proposed
Hythe Athletic Association	New Ice Arena	County of Grande Prairie	\$1.7	2000-2001	Proposed

The Alberta Construction Workforce Supply/Demand Forecast (May 2001) estimates that a total of \$2 billion in construction will occur in the Athabasca/Grande Prairie region during the period 2001-2005.

The proposed \$900 million Grand Alberta Paper mill is once more on hold. The company failed to meet the deadline for submission of an environmental impact assessment. (Edmonton Journal August 3, 2001)

Grande Prairie area reports shortages of workers in the retail and food services sectors. Also, there are shortages in the skilled workforce, particularly in the trades. Both public and private sector construction projects are behind schedule because, in a number of instances, projects have been tendered and receive one or, in a number of cases, no bids.

Housing needs are being met, albeit with more expensive dwellings than in the past. Prices for both rental and purchased accommodation are rising.

1. Environmental Scanning Results

The Town of Grande Cache has undertaken a campaign to market the town as a desirable home for seniors. The Edmonton Journal (July 15, 2000) reported that 400 new seniors had moved to the community in the past one and one-half years. In response, the Mistahia Health Region has freed up several long term and acute care beds for the Grande Cache Hospital.

a. Key Training Needs and Implications

As in many other communities, increasing the numbers of apprentices in construction trades particularly would be of benefit.

Further investigation to determine if additional training programs in food service would address shortages in this sector appears warranted.

The Grande Prairie/Grande Cache area might consider conducting a needs assessment to determine which occupations in the gerontology field might be in short supply.

The need for hospitality training was identified in Fairview, particularly as it relates to local history. The Town Manager also indicated that the Alberta Best program needed to be reintroduced into the community.

Peace River is experiencing severe labour shortages in the food service industry. This is causing some concern because of the implications for the tourism initiative that the local Board of Trade and others are involved in. The local museum has received funding to expand as part of this initiative and the boat dock has been upgraded. There is an indication of a new power generation plant to be built behind the Dunvegan Dam. Construction and operation would require additional training.

B. Wood Buffalo

1. Oil and Gas

The Athabasca oil sands deposit is the major driving force in the Wood Buffalo region. This deposit will generate \$26 billion in capital investment across Canada. Expansion in the industry is creating \$38.3 billion in construction over the next five years. Recent estimates indicate that 55,000 new jobs will be created in Canada as a result of this expansion. 60% of the jobs will be outside of Alberta.

Employment in the new projects in Wood Buffalo will peak in 2002 with employment of 18,560 workers and requirements for 17,190 workers in 2003, declining thereafter.

The existence of heavy oil extraction and the accompanying oil and gas service industry has contributed to Fort McMurray being the wealthiest community in Northern Alberta. The most recent and accurate information comes from the 1991 census, which reported that the median family income in the community was \$80,000.

2. Construction

Alberta is experiencing strong performance in other sectors of the economy resulting in the announcement of a large number of major projects slated for construction over the next several years. There have been announcements of 691 major projects with a total value of \$72,608 billion. This is placing significant strain on the construction

labour market. The Alberta Construction Workforce Supply/Demand Forecast (May, 2001) reports that severe shortages in almost all construction trades is likely until the end of 2002. After that, significant shortages for boilermakers, millwrights, plumber/pipefitters and specialty welders are anticipated.

Residential construction in Fort McMurray is also very active. About 700 new homes were built in 2000 compared to six in 1999. There are still reports of housing shortages in the area.

3. Service Sector

There are severe shortages of workers in the retail and food service sectors. Several restaurants have resorted to closing over the noon-hour because of staff shortages. Managers in the retail sector find themselves waiting on customers and residents are becoming accustomed to long line-ups in stores.

This situation has been attributed to the lack of affordable housing and the relatively low wages paid in food service and retail. The 1991 census reported median yearly income for lone parent families to be \$20,000 and for single people to be just under \$30,000. Average rent for a one-bedroom apartment is \$950 per month. The entry wage for the oil and gas sector is much more attractive to new workers as well.

4. Forestry

Forestry continues to be an important industry in Wood Buffalo. Alberta Economic Development reports \$182,900,000 in activity as of June 2001.

Projects In Addition to Oil and Gas

Location	Project	Costs	Construction Schedule	Remarks
Denmen Trailers	200 man work camp	\$1,500,000	2001	Under construction
Paramount Resources	Natural Gas Plant	\$1,000,000	2001	Under construction
Petro-Canada	In-situ plant	\$1,250,000	2001-2004	Under construction
Paramount Resources	Compressor Site	\$1,100,000	2001	Under construction
PTI Services	Work camp	\$478,680	2001	Under construction
Tundra Engineering	Booster compressor	\$130,000	2001	Under construction
Mein Holdings	Laydown area	\$25,000	2001	Under construction
Northlands Forest Products	Office Building	\$600,000	2001	Under construction
Langis & Associates	Addition to workshop	\$110,000	2001	Proposed
400597 AB Ltd.	8 Unit Apartment Building	\$480,000	2001	Announced

Location	Project	Costs	Construction Schedule	Remarks
480955 AB Ltd.	51 Unit Apartment Building	\$1,200,000	2001	Under construction
Northgate Contractors	Workcamp	\$50,000	2001	Under construction
TOTAL		\$17,093,681		

In addition, \$161.9 million in infrastructure building (roads, bridges) has been announced for completion by 2002.

5. Environmental Scanning Feedback

A number of sources provided information pertinent to the area. Massive investment and the resulting activity have created continued interest in the media. The Edmonton Journal and CBC Radio have produced a number of features throughout 2001 and these have been incorporated into the report.

a. Key Training Needs and Implications

Tourism is growing in the area. The Edmonton Journal (July 24, 2001) reported that 4,380 tourists had visited the two oil sands operations in the year 2000. By July 2001, the number of tourists was up by 500 over the previous year.

Aboriginal training programs are gaining attention. An Aboriginal educational program for the Athabasca region provides job training under a three year agreement between the Athabasca Oil Sands Developers and The Athabasca Tribal Council. Courses have graduated trainees in technical services for housing and heavy equipment operation. Four First Nations trainees took an introductory course in pipefitting and are now employed as apprentices. A second course is planned.

As was indicated above, the service sector is experiencing severe worker shortages. During the early winter of 2001, CBC Radio carried several interviews with store owners and restaurateurs. Both groups reported being forced to cut back on hours and/or providing counter service themselves because of the shortages. They indicated that wage levels in the service sector cannot be competitive with those in the oil and gas sector and further, cannot support an individual trying to cope with the high cost of living in the community.

C. Lloydminster Region (includes Lloydminster, Vermilion, Bonnyville, Cold Lake)

1. Regional Overview of Major Industrial Projects

The following major projects (those valued at \$2 million or more) are proposed, planned or underway in the Lloydminster region.

Location	Project	Company	Costs (Millions \$)	Construction Schedule	Remarks
Cold Lake area	Highway 28 Upgrading	Alberta Infrastructure	\$4	2002	Proposed
Cold Lake/ Provost/ Lindbergh	In Situ Bitumen Production	Union Pacific Resources Group Inc.	\$400	2001-2003	Proposed commercial operation
Foster Creek to Bonnyville area to Hardisty	Expansion of Cold Lake Pipeline System	Cold Lake Pipeline Limited Partnership	\$143	2000-2002	Announced. Pending regulatory approval.
Glendon	Modernization Glendon School	Alberta Infrastructure	\$2.1	N/A	Proposed
Lakeland County	Twinning of Highway 881	N/A	\$46	N/A	Proposed
Lakeland County (Lac La Biche area)		Selkirk Paving Ltd.	\$2.6	2001	Announced
Lakeland County (Foster Creek)	Commercial Thermal Recovery Project Phase 2	Alberta Energy Company	\$767	2002-2004	Proposed pending approvals. Planned construction start July/02
Lakeland County (Primrose/ Wolf Lake)	In Situ Bitumen Production Expansion Stage 1	Canadian Natural Resources Ltd.	\$130	2001-2003	Announced. Staged development.
Lakeland County (Primrose/ Burnt Lake)	In Situ Bitumen Facilities Phase 2	Suncor Energy	\$100	2000-2001	
Lakeland County (Foster Creek)	Commercial Thermal Recovery Project Phase 3	Alberta Energy Company	\$844	N/A	Proposed
Lac La Biche	Modernizing of Dr. Swift JH School	Alberta Infrastructure	\$2.4	N/A	Proposed

Location	Project	Company	Costs (Millions \$)	Construction Schedule	Remarks
Lac La Biche	Modernization J.A. Williams High School	Alberta Infrastructure	\$4.6	N/A	Proposed
Lindbergh/Elk Point	In-Situ Bitumen Production	Petrovera Resources Ltd.	\$1200	2000-2010	Phased production
Lloydminster	Modernization Winston Churchill HS	Alberta Infrastructure	\$8	N/A	Proposed
Lloydminster	Holy Rosary High School	Wolf Management Ltd.	\$13.4	N/A	Proposed
Lloydminster	New elementary school	Alberta Infrastructure	\$2	2000-2001	Under construction
Lloydminster	Multi-Use Sportsplex	Lloydminster	\$13	N/A	Proposed
Lloydminster	Recreation Complex	Lloydminster	\$12	N/A	Proposed. Currently in design stage.
Lloydminster	Performing Arts Centre	Town of Lloydminster	\$3.7	2000-2001	April construction start
Lloydminster	Community Theatre	Lloydminster Community Theatre Committee	\$3.9	2001	Proposed. Fundraising underway.
Lloydminster	Upgrader Expansion/Debottleneck	Husky Oil Ltd.	\$500	2001-2003	Proposed
MD of Bonnyville (Foster Creek)	Commercial SAGD In-Situ Oil Sands Project Phase 1	Alberta Energy Company	\$32	2000-2002	Under construction
MD of Bonnyville (Hilda Lake)	Heavy Oil SAGD Facility	BlackRock Ventures Inc.	\$313	2000-2010	Proposed. Phased development.
MD of Bonnyville (Cold Lake and Beartrap, Charlotte and Pelican Lakes)	In Situ Bitumen Production	Canadian Natural Resources Ltd.	\$800	1997-2002	Increasing bitumen production
MD of Bonnyville (west of Cold Lake)	Tucker Lake SAGD Project	Husky Energy Inc.	\$450	2002-2004	Proposed

Location	Project	Company	Costs (Millions \$)	Construction Schedule	Remarks
MD of Bonnyville (near Cold Lake)	Heavy Oil Plant Expansion	Imperial Oil Resources	\$650	2001-2003	Under construction
MD of Bonnyville (near Cold Lake)	In Situ Bitumen Plant	Mobil Oil Canada Ltd.	\$100	1997-2005	
MD of Bonnyville	In-Situ Bitumen Pilot Plant	Numac Energy Inc.	\$30	2000-2003	Announced
MD of Bonnyville (Lindbergh/ Wolf Lake/ Elk Point/ Cold Lake)	In Situ Bitumen Production Expansion	Ranger Oil Ltd.	\$225	1996-2003	Vertical and horizontal drilling steam assisted gravity drainage process installation
MD of Bonnyville (near Cold Lake)	Pilot Heavy Oil Upgrader	Suncor Energy/ OPTI Canada Inc.	\$10	2000-2001	Under construction
MD of Bonnyville	Cold Lake Marina Expansion	Cold Lake Marina Expansion Committee	\$4	N/A	Proposed. Feasibility study to be conducted.
MD of Wainwright (near Chauvin)	Oil Battery and Gas Plant	Talisman Energy Inc.	\$40	2000-2001	Announced. Pending approvals.
St. Paul County	Moosehills Resource Road	Alberta Association of Municipal Districts and Counties	\$2.7	2000	Proposed
Vermilion	Student Residences	Lakeland College	\$2.7	2001	Under construction
Vermilion	Canadian Fire Museum and Discovery Centre	Canadian Fire Museum and Discovery Society	\$2.6	N/A	Proposed. Fundraising underway.

2. Overview of Regional Projects

The following projects are those planned or underway and are valued at less than \$2 million.

Location	Project	Company	Cost	Construction Schedule	Remarks
Bonnyville	Rental Shop	Centennial Construction	\$200,000	2001	Proposed
Bonnyville	Tire Shop Renovations	Fountain Tire	\$50,000	2001	Proposed
Bonnyville	Office Complex	Bonnyville	\$100,000	2001	Proposed
Bonnyville	Tire Shop Renovations	Kal Tire	\$500,000	2001	Proposed
Bonnyville	Truck/Equipment Wash	Worthington Services	\$193,000	2000-2001	Under construction
Bonnyville	Neighbourhood Inn Renovation	Bonnyville	\$196,000	2001	Proposed
Chauvin	Modernization/Addition to Dr. Folkins Community School	Buffalo Trail School Division	\$1,000,000	2000-2001	Under construction
Cold Lake	Upgrade Fuel Tank Farm	Defence Construction Canada	\$270,000	2000-2001	Announced
Cold Lake (CFB Cold Lake)	Design and Construction of New Briefing Theatre	Defence Construction Canada	\$1,300,000	2000-2001	Announced
Cold Lake	Renovations to Barrack – Block 43	Defence Construction Canada	\$750,000	2000-2001	Proposed
Cold Lake	Elizabeth Community School Modernization	Cold Lake	\$450,000	2001	Announced
Cold Lake	Assumption School Addition	Town of Cold Lake	\$734,800	N/A	Proposed
Cold Lake	New RCMP Building	Town of Cold Lake	\$1,635,900	2000-2001	Announced
County of St. Paul	Alliance Church Renovation/Relocation	County of St. Paul	\$450,000	2000-2002	Under construction
MD of Bonnyville (Ardmore)	Ardmore School Modernization	MD of Bonnyville	\$296,000	2001	Announced

Location	Project	Company	Cost	Construction Schedule	Remarks
Provost	New Associated Gospel Church	Provost	\$500,000	2000-2001	Proposed
Vegreville	St. Mary's School Addition/Modernization	Vegreville	\$915,000	2001	Announced
Vermilion	Street Improvement	Town of Vermilion	\$758,000	2000-2001	Announced

3. Environmental Scanning Feedback/Interview Results

a. Key Training Needs and Implications

Major shortages have been identified in oil-related services, hospitality (hotel and restaurant) staff and managers, and construction-related trades, particularly welding, framers, and dry wallers.

Training was identified as particularly needed for staff and managers in the hospitality industry. Basic employment skills were another area where training was seen as being important as was increased pre-employment opportunities for trades and occupations in the oil and gas as well as construction sectors.

D. Grouard/Slave Lake

1. Regional Overview of Major Industrial Projects

The following major projects (those valued at \$2 million or more) are proposed, planned or underway in the Grouard/Slave Lake region.

Location	Project	Company	Cost (Millions \$)	Construction Schedule	Remarks
Athabasca	Extra Foods Store	Westfair Properties	\$2.1	2001	Announced
Athabasca	Facility Expansion	Athabasca University	\$3	N/A	Proposed
Athabasca County	Peat Packaging Plant	Sun-Gro	\$6	2001	Proposed
High Prairie	Water Treatment Plant	Town of High Prairie	\$3.1	2001-2002	Announced
High Prairie/ MD of Big Lakes	Overlay of Secondary Highway 749	N/A	\$3	2001	Announced

Location	Project	Company	Cost (Millions \$)	Construction Schedule	Remarks
MD of Big Lakes (High Prairie)	OSB Plant Expansion	Tolko Industries Ltd.	\$100	N/A	Proposed. Pending wood supply.
MD of Big Lakes	Road Improvements	Alberta Infrastructure	\$3.5	2001	Announced. Highway 2 to East Prairie Metis Settlement.
MD of Opportunity	Addition/ Modernization of St. Theresa School	Alberta Infrastructure	\$5.6	N/A	Proposed
MD of Opportunity	Secondary Highway 813 Grading	Alberta Infrastructure	\$4.4	2000-2001	Announced, Millar Western Industries.
MD of Lesser Slave Lake	IBT Panel Board Plant	Innovative Panels	\$7.5	N/A	Proposed
MD of Lesser Slave Lake	Plant to Pelletize Sawdust Waste	Vanderwell Dimension Lumber Mill	\$2.5	N/A	Proposed
MD of Lesser Slave Lake	Barkboard Plant	Vanderwell Dimension Lumber Mill	\$5	N/A	Proposed
Slave Lake	Mill Modernization	Weyerhaeuser Canada	\$110	2002	Proposed. On hold pending market conditions.
Slave Lake	Slave Lake Airport Runway Expansion	Alberta Environment	\$3	2000	Announced
Slave Lake	Ewer Line Replacement plus Lift Station	Town of Slave Lake	\$3.7	2001	Announced
Slave Lake	Modernization/ Addition to CJ Schurter Elementary School	Alberta Infrastructure	\$4.4	2001	Announced

2. Overview of Regional Projects

The following projects are those planned or underway and are valued at less than \$2 million.

Location	Project	Company	Costs	Construction Schedule	Remarks
Athabasca	Roadway Upgrade & Maintenance	Town of Athabasca	\$800,000	2000-2001	Under construction
Athabasca	Wide Area Network	Aspen View School District	\$600,000	2000-2001	Announced
Athabasca	Interpretive Centre	Alberta Heritage Society	\$1,500,000	N/A	Proposed
High Prairie	New Auto Dealership	General Service Garage	\$100,000	2001	Announced
MD of Big Lakes	Highway 749 Overlay	MD of Big Lakes	\$412,500	2000-2001	Announced
MD of Big Lakes	Grade Construction of Snipe Lake Road	Alberta Infrastructure	\$750,000	2000-2001	Announced
MD of Big Lakes	Construct Steel Girder Bridge	MD of Big Lakes	\$1,561,385	2000-2001	Announced
MD of Lesser Slave Lake	Wood Pellet Manufacturing Facility	Vanderwell Contracting Ltd.	\$1,500,000	2000-2001	Under construction
MD of Lesser Slave Lake	Bulk Fuel Station Renovations & Tanks	Max Fuel Distributors	\$30,000	2000-2001	Under construction
MD of Lesser Slave Lake	Compressor Site	Anderson Exploration	\$200,000	2000-2001	Under construction
MD of Lesser Slave Lake	Compressor Site	Canadian Natural Resources	\$500,000	2000-2001	Under construction
MD of Lesser Slave Lake	Two Compressor Sites	Husky Oil	\$20,000	2000-2001	Under construction
MD of Lesser Slave Lake	Booster Compressor	Husky Oil	\$50,000	2000-2001	Under construction
MD of Lesser Slave Lake	Well Battery	Husky Oil	\$170,000	2000-2001	Under construction
MD of Lesser Slave Lake	Hydrocarbon Well Sites (12 Sites)	Regent Land Services	\$60,000	2000-2001	Under construction
Slave Lake	Addition to School	CJ Schurter Elementary School	\$734,000	N/A	Proposed

Location	Project	Company	Costs	Construction Schedule	Remarks
Slave Lake	New Shop & Maintenance Yard	Alberta North Highway Services Ltd.	\$270,000	2001	Proposed
Slave Lake	New Super 8 Motel	Slave Lake	\$1,725,000	2000-2001	Under construction

a. Key Training Needs and Implications

Training is required for the hospitality industry particularly as it relates to tourism and cross-cultural knowledge. There is a need for people who are trained as heritage interpreters. There is considerable interest among European tourists in Aboriginal history and traditional life style. Again, training to communicate with tour groups specifically about Aboriginal traditions and history was an identified need.

Individuals in the area are exploring the possibility of starting a furniture building initiative that they see as a logical outcome of the availability of lumber. The community hopes to benefit from the sale of the products as well as the inherent tourism potential.

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