



February 14, 2017

News Release

Report shows Vegreville will suffer long term impacts due to CPC closure

(Vegreville) – A socio-economic report commissioned by the Town of Vegreville shows that the closure of the Case Processing Centre (CPC) by the Federal government means the community would suffer a permanent drop in population, lower property values, and even higher unemployment.

Key findings of the report include:

- The community could lose up to 420 people, a drop of approximately 7.3% of the population.
- Losing such a large swath of the working age population and their families will further shift the Town's population to residents aged 60 and over.
- A steep reduction in home prices in the order of 30% - on top of the 17% drop in market values seen from 2014 to 2016;
- Moving 9% of the Town's labour force (236 positions) to Edmonton means the loss of approximately \$15.9 million of GDP and \$14.5 million of labour income;
- A loss of approximately \$1.2 million in municipal revenues annually (almost 15% of 2016 tax assessment);
- Losing up to four classes (130 students) from local schools; and
- An erosion of the quality of life of the affected families as well as those who remain in the community following the exodus of people in search of employment.

"We have always known that the impact to our community from the Federal government's closure of the Vegreville CPC would be devastating," said Mayor Myron Hayduk. "As this socio-economic impact report demonstrates the consequences to our community are devastating and long term."

The Mayor adds, "The government's decision to close the CPC means Vegreville will be older, smaller and poorer. This is exactly the opposite of what the government promised to do for rural Canada in the last election."

The report clearly demonstrates the closure of a prominent employer in a small urban centre damages the fabric of a community. As the report states, *'given the historic level of growth in Vegreville, it is unlikely that the large contingent of former CPC employees will be able to remain in the Town and find work in the medium to long term.'*

Based on this new information, the Town of Vegreville is asking the government to reconsider the decision to close the Vegreville CPC and fulfill its promise to ensure the sustainability of rural communities.

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About the report – The Nichols Study Team relied on various analytical tools and data sources, including: a survey of CPC employees and stakeholder interviews; latest StatsCan data on population and employment; accepted modelling for population and economic impacts; The complete report can be found at: <http://www.stopcpcclosure.com/>

About Nichols – A respected management and economic consulting firm, Nichols Applied Management provides services in the fields of economic and financial analysis, strategic and business planning, program and policy evaluation, and general management.

About the Vegreville CPC – Opened in 1994, the Case Processing Centre is one of four federal facilities located across the country for processing applications to Immigration, Refugees, Citizenship Canada. The CPC's 236 staff do not interact with applicants and only provide an administrative function. It is the largest employer in Vegreville.

For more information contact:

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*Attachments: Charts – supplied by Nichols Applied Management
Fact Sheet*

Attachment 1 - Charts

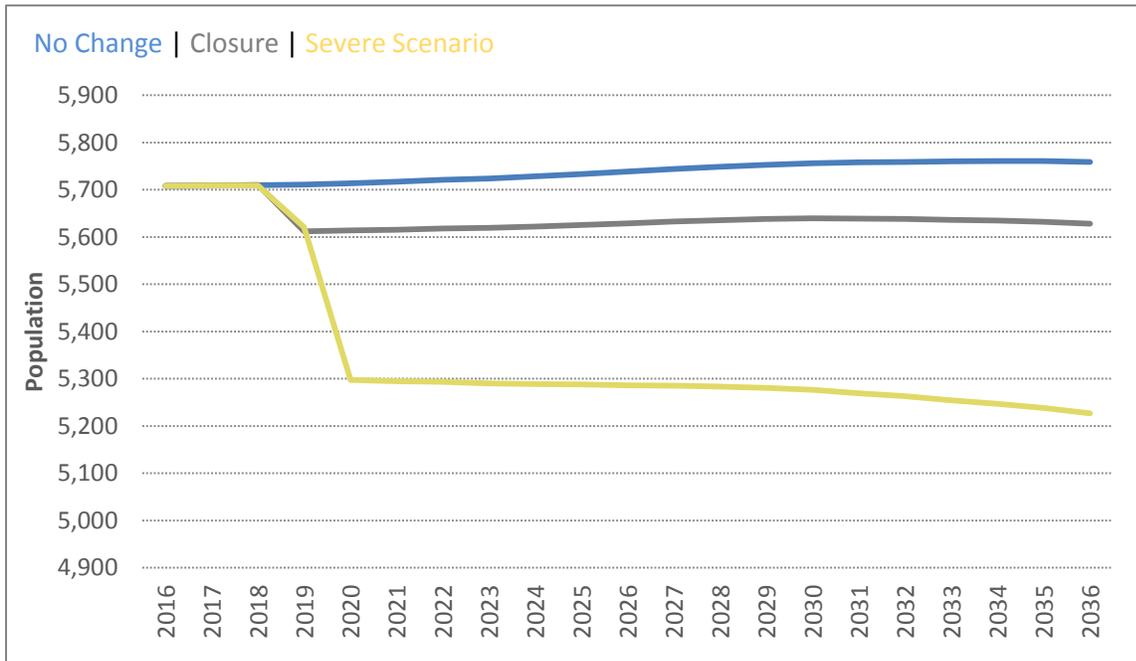
Vegreville Economic Activity Associated with CPC

Economic Impact	GDP	Labour Income	Jobs
Direct + Indirect	\$13,500,000	\$13,400,000	230
Induced	\$2,400,000	\$1,100,000	35
Total	\$15,900,000	\$14,500,000	265

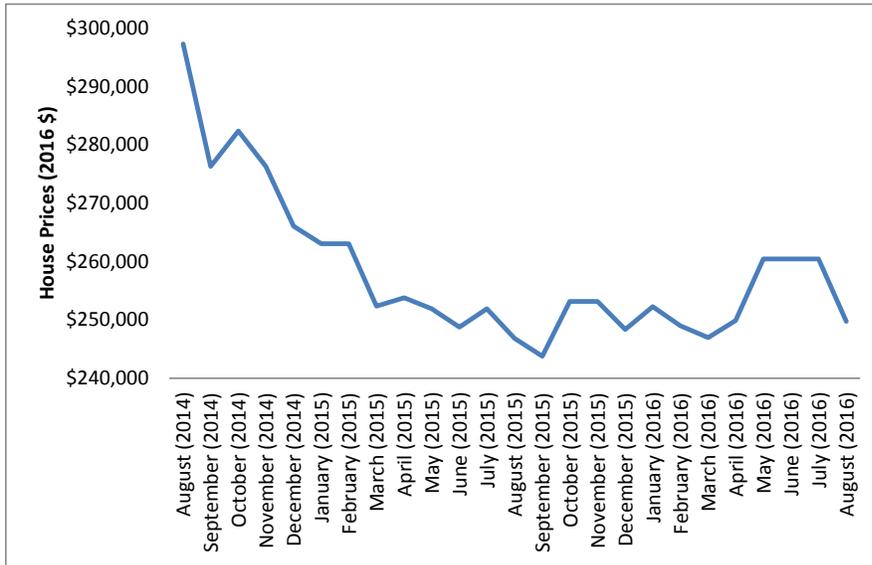
Note:

- 1) Figures rounded for presentation purposes.
- 2) Direct GDP shock values estimated using labour income as shown in section 2, adjusted to 2011 dollars, and augmented to include other contingent parts of direct GDP per CANSIM table 381-0033.

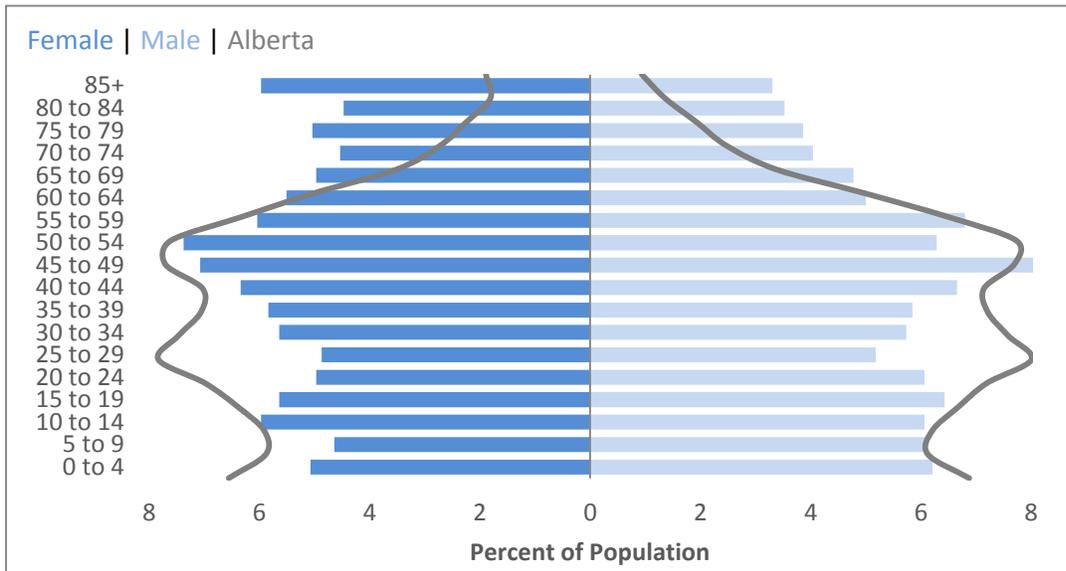
Population Impacts



Housing Prices in Vegreville, 2014 - 2016



Vegreville and Alberta Age Distribution



Note: Age distribution is based on 2011 census. At the date of this writing, the 2016 census results by single age cohort were not available.

Attachment 2 – Key Facts

Overview

- The CPC has been operating in the Town of Vegreville for the past 23 years.
- The facility employs 236 people and is one of the community's largest and most stable employers
- Closing the Case Processing Centre will make Vegreville older, smaller, and poorer.

Economic Impact to Vegreville

- Removal of about 9% of the workforce;
- The loss of approximately \$15.9 million of GDP and \$14.5 million of labour income;
- The loss of approximately \$1.2 million in municipal revenues annually;
- Potentially double the number of housing listings and a drop in market values of approximately between 25 and 30% - in addition to the previous 17% drop in market values seen from 2014 to 2016.

Employment Impacts

- Local unemployment rate could double from the current estimate of 8% to nearly 16%.
- There are not currently any employers in the Town who, independently or as a group, have the capacity to immediately employ an additional 140 people.
- In the medium to long-run, current labour market conditions are likely to drive people from the community, regardless of their stated preference in the survey.

Social Impacts

- Potential loss of up to 420 individuals (7% of current population) which will create a permanent change in the community dynamics.
- The loss of so many young families will further shift Vegreville's population towards residents 65+ years old as compared to the province overall.
- The loss of so many young families could mean 130 fewer students in community schools;
- An erosion of the quality of life of the affected families as well as those who remain in the community following the exodus of people in search of employment.
- A reduction in family time for those who choose to remain in Vegreville and commute to Edmonton on a daily basis that could lead to:
 - missed activities for children whose parents are not able to get them to and from activities;
 - additional expenditures on before and after school care; and
 - additional pressures placed on single parents who have less home-time to spend with their children;
- Families having to sacrifice a rural way of life in order to move to Edmonton;
- A reduction in volunteers in the community due to relocation or more time spent commuting; and
- An increase in before and after school care programming.