

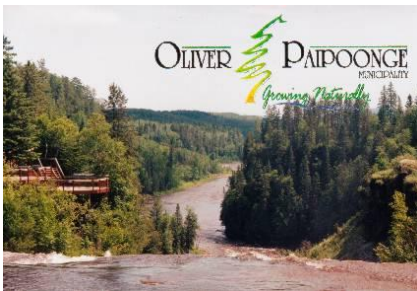
STRATEGIC ECONOMIC DEVELOPMENT PLAN



OPEN FOR BUSINESS



OLIVER  PAIPOONGE
MUNICIPALITY
Growing Naturally



Final Report

June 11, 2001

STRATEGIC ECONOMIC DEVELOPMENT PLAN FINAL REPORT

PREPARED FOR THE

MUNICIPALITY OF OLIVER PAIPOONGE

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EXECUTIVE SUMMARY

The Oliver Paipoonge Municipality is just over 3 years old, but has a long history as the former Township of Oliver and the Municipality of Paipoonge. Such history can easily be found in the Hamlets of Rosslyn, Kakabeka, and Murillo as well as in the areas of Intola, Slate River, and Stanley.

The 1998 amalgamation of the Township and Municipality created both challenges and opportunities for the new Municipality of Oliver Paipoonge. A primary challenge is to maintain the spirit and pride of each community, while developing a foundational theme that will bind them together, and will express the desires and aspirations of the community as a whole. This presents an opportunity that lay in building on the inherent strengths of the community to create a prosperous and rewarding future for all.

The Oliver Paipoonge Strategic Economic Development Plan is the **roadmap** to this future. Its major components build on the historical trends that have shaped this area of the Northwestern Ontario region, and looks at the future in the context of the present local, regional, and global economies. This is followed by an action plan that outlines a step-by-step approach to take advantage of viable economic development opportunities.

Recommendations

The key recommendations in this plan are the result of key findings and are:

- ❑ Develop a Community Economic Development position with responsibilities that include planning, policy, research, by-law enforcement, and administrative support to Council and Administration
- ❑ Create a "one-stop-shop" approach to economic development
- ❑ Position Oliver Paipoonge to take advantage of other resources by developing partnerships
- ❑ Develop and implement a tourism and business marketing strategy, including a signage program
- ❑ Develop and implement a communication strategy for investors and residents

Such plan is based on a simple **strategy** of:

- New ideas for today and tomorrow;
- An integrated economic and political vision;
- A proactive approach to diversifying the economy; and
- Leveraging resources through partnerships.

A strategy is meant to guide people towards a goal. The larger purpose of such goal is a vision; the one thing that can crystallize the energy and resources of the municipality and its citizens towards a common goal. The vision for Oliver Paipoonge is:

"Oliver Paipoonge will be the premier community in Northwestern Ontario"

It will accomplish this vision through:

- The development of opportunities for investment, employment, and a rewarding lifestyle;
- Further diversification of the economic base; and
- The provision of an excellent quality of life.

In support of the above, Municipal Council and staff should develop policies and programs that reflect the aims of the vision, maintain community involvement in the process, market the municipality, and balance economic development and diversification with social amenities and environmental responsibility. Such policies and programs should also be targeted at achieving the following goals and objectives.

Goals and Objectives

The overall goal of this developmental plan was to identify and develop a prioritized list of viable community development strategies and projects. The specific objectives were to:

- Identify the direction the Municipality should move in economic development
- Develop the "how to" market and attract investors
- Identify barriers to development
- Determine the impact of home-based industries and provide guidelines to maximize opportunities and minimize obstacles.

Our analysis indicates that **"Oliver Paipoonge has ample opportunity to further expand its economic base in the residential, industrial, commercial, tourism and recreation, and agricultural sectors"**. Even though residential assessment comprises over two thirds of the total taxable assessment, there is no set formula on the assessment mix as long as the opportunities are there. As identified in the new draft official plan, the Municipality has expanded along natural growth corridors, and as long as this growth is balanced with cost, environmental, and lifestyle considerations, it should continue.

The Municipality has already positioned itself well in terms of attracting further investments. The work of the Economic Development Committee, Council and the temporary Economic Development Officer are starting to bear fruits. The "how to" market is a combination of competitive advantages which Oliver Paipoonge already has (see strengths), and positioning (marketing).

To be successful, ultimately a continuous presence and leveraged effort will be needed. The competitive analysis with Thunder Bay and region, along with the comprehensive review of the Provincial Government Task Force Report on Rural Economic Renewal clearly shows the need to develop partnerships. Such partnerships and presence at the table of decision-makers will also

permit the identification of barriers to development (i.e. transportation issues and new water regulations) and the proper presentation of solutions to such problems.

Small business growth in both home-base occupations and industry is creating its own set of challenges. Our analysis indicates that this area needs to be better managed by "allowing the use, and controlling the abuse". Again this points to the need for ongoing resources in the area of economic development.

Today's Situation

Oliver Paipoonge is a reasonably wealthy community in terms of income and employment, education, population growth and home ownership. In fact, based on the 1996 Statistics Canada Census data, the Municipality tops both Thunder Bay and the Province in almost every identifiable category.

Since amalgamating, it has also experienced a small but stable assessment growth that, when compared to the average loss of 4.9% of taxable assessment in the region, reflects even more favourably its competitive advantage. Such advantage, coupled with numerous strengths (including an excellent quality of life) and few weaknesses, provides the Municipality with good opportunities for further growth and diversification.

SWOT analysis (Strengths, weaknesses, opportunities and threats)

An analysis of strengths, weaknesses, threats and opportunities provided the key findings listed below. Such findings were corroborated by extensive one-on-one interviews with key stakeholders, through a survey (see Appendix A) and during public meetings.

Strengths:

- Receptive and user-friendly municipal administration and council
- Favorable tax rates
- Availability of competitively priced land
- Good quality of life
- Proactive, energetic and informed business community
- Major local tourist attraction (Kakabeka Falls Provincial Park)
- Extensive recreational facilities

Weaknesses and areas of concern:

- Lack of long-range planning
- Lack of common identity for Oliver Paipoonge due to
 1. Recent amalgamation
 2. Geographical dispersion (i.e. 5 separate enclaves)

- Lack of resources in the municipal office (i.e. EDO, By-law Enforcement, Policy/Research)
- Lack of land use designation

Threats:

- US economic slowdown and softwood lumber tariffs (i.e. two of the area largest employer's - Bowater and Buchanan laying off)
- Structural deficiencies of northern communities (i.e. smaller economies of scale, higher prices, higher transportation costs, youth out-migration, etc.)
- Constraints to development outside of the municipality control (i.e. MTO and other bureaucracies such as new water regulations)
- New Hydro de-regulations and higher energy costs which could curtail the Municipality's ability to retain and attract manufacturing and other operations to its area

Opportunities:

Our analysis, together with interviews and survey respondents, indicate that **the greatest area of opportunities in both the short and long term are in the tourism, recreational, and small business growth**. While Oliver Paipoonge is already benefiting from a natural strength in these sectors, its true potential can be maximized by a cohesive marketing and communication strategy. Our recommendations and implementation strategy are aimed at achieving these stated goals and objectives.

A list of viable economic development opportunities has been developed, prioritized, and ranked by short term (6 months to 2 years), medium term (2-5 years), and long term (5-10 years). The approach to the development of such opportunities is to concentrate on the successful completion of present projects in order to maintain momentum, while pursuing the future opportunities listed below.

- Present projects
 1. Wild Side,
 2. Golf Course
 3. Agriplex
 4. Log Homes
- Future projects
 1. Bowater's new woodlands office
 2. Residential development in Rosslyn village
 3. Potential residential development along the Kam river (i.e. privately owned lands)
 4. Expansion of the Rubin light industrial park
 5. Expansion of privately owned light industrial zoned lands
 6. Gordon Trailer's RV park
 7. Northwest Village

- Agriculture opportunities (i.e. new crops, live stock, etc.)
- Trucking related commercial and light industrial opportunities along the Highway 11/17 corridor
- Residential, retail and commercial development expansion in Rosslyn Village as a result of the Wildside and King George Golf Course development
- Enhance tourism opportunities across Oliver Paipoonge (i.e. signage program, trifold brochures on 10 things to do while in Oliver Paipoonge, website enhancement and cross-linking, etc.)
- Exporting opportunities across various sectors (i.e. wood products, agriculture, arts & crafts, etc.) into the US Midwest
- Small business growth through vastly improved Information Technology infrastructure (i.e. high-speed access; wireless coverage) and training programs

How Did We Get Here?

Oliver Paipoonge has traditionally reflected an agricultural economic base within a rural setting. Recent growth in the commercial and industrial sectors along the highway corridor and the Hamlets, together with residential expansion due to demand for rural living, has changed these dynamics. The growth in the number of urban residents has also meant an increased level of expectation and service by the new electorate. Such changes, coupled with the recent amalgamation and continuous downloading of services without a corresponding increase in revenue, have created a new set of challenges for the Municipality.

Available Options

The consulting team has clearly identified ways to deal with these new challenges while taking advantage of numerous economic development opportunities. However, the limiting factor seems to be a lack of resources to carry out the plan. To deal with this issue, a number of options and funding alternatives are proposed. These options include:

- Maintaining the Status Quo (ED Committee implementing the plan) - less costly now but potential for missed opportunities and more costly in the long run.
- Economic Development Committee and Council implementing the plan - cost savings but potential of missed opportunities do to lack of time needed for new and ongoing projects.
- Hiring a permanent Community Development Officer - more costly in the short run but long-term growth and stability achieved through proper implementation of the plan.

Substantial changes in the position of CDO are recommended to properly reflect the new political and economic dynamics facing the Municipality. These expanded duties will also ensure that Council, the Economic Development Committee, and Administration are adequately supported, and it will greatly enhance the concept "one-stop-shop" to economic development.

The funding model is based on a cost recovery concept through the provision of complementary services to neighbouring communities, and it will address to some extent the issue of funding. Other funding options may be available through partnership agreements with provincial and federal levels of government.

While we cannot point to any one of these recommendations alone to solve the problems or meet the goals and objectives identified, when implemented in combination, and in the context of a strategy of economic and political integrated vision, they will go a long way in ensuring that Oliver Paipoonge will become the "Premier Community in the Region".

1 BACKGROUND AND INTRODUCTION

Following amalgamation of the former Townships of Oliver and Paipoonge in 1998, the new municipality of Oliver Paipoonge has been going through a process of integration. This process led to the formation of an Economic Development Committee and a new vision and approach towards economic development.

Chaired by Rowland Martyn, the Committee has been working diligently towards a strategic program of growth and diversification for the Municipality of Oliver Paipoonge. Since its inception, the Committee has been successful in getting government funding for the creation of a municipal web site and the hiring of an Economic Development Officer under the FedNor Internship program. These resources and the work of the Committee have led to a higher level of economic development activity and growth in the area.

Despite such successes, the Committee realized that changes in the demographic, economic, political and social environment of Northern Ontario, coupled with further government regulations and downloading, required a more comprehensive approach from both the strategic and economic development perspective. As a result, in early January 2001, the Municipality issued a request for proposals to complete a Strategic Economic Development Plan. In early February, Pullia Accounting & Consulting, assisted by Tom Wilson Consulting began work on such plan.

Overall Project Goal: The overall goal of this project was to assist the Economic Development Committee of Oliver Paipoonge in the development of a **community strategic development plan and economic development framework**, including the formulation of a **prioritized list of viable community development strategies and projects**. This strategy and action plan is based on five detailed stages of work.

Specific Objectives: The purpose of this Strategic Economic Development plan is:

- To determine the direction the Municipality should move in terms of economic development. Major sectors include tourism, light and heavy industrial and commercial.

- To develop a strategic plan for the Municipality that indicates which sectors the municipality can support and which areas can be designated for that growth.
- To develop the "how" to market to potential businesses and attract the investors that the municipality can support.
- To identify barriers to development.
- Determine the impact of large numbers of home-based industries in the municipality.

1.1 Approach to the Study

The approach as suggested in the terms of reference was as follows:

1. Pre-consultation, Steering Committee, Background Research
2. Community Consultation with a minimum of three meetings in Murillo, Kakabeka Falls, Rosslyn Village.
3. Recommendations: Vision Statement, Issues and Problems, Solutions

While the three stages above encompass all that is required for an effective work plan, the experience of the consulting group shows that a five-stage approach broken out as shown below would be more efficient and would enhance the overall implementation of the plan and subsequent follow-up.

The five stages are as follows:

- Stage I - Situation analysis
- Stage II - Overview/Review
- Stage III - Identify key areas of concern and attractive opportunities
- Stage IV - Recommendations
- Stage V - Implementation process and action plan

Our approach to this project was both sequential and integrated. The work was structured into a series of tasks and deliverables, each with its own set of objectives and activities. The consulting team was committed to a high level of consultation with the public and all major stakeholders to ensure that all relevant information was included in the plan. To this end, a questionnaire (see Appendix A) was prepared and published in the local paper, as well as being made available at the various public sessions. The results of such survey are summarized in section 3.2

A public meeting with the business community was held in the Municipal office on March 22, as well as 4 public sessions in the various areas of the Municipality such as Murillo (Oliver Community Centre - April 9) Kakabeka (Kakabeka Legion, April 10), Rosslyn Village (Rosslyn Hall - April 11), and Slate River (Old Experimental Farm - April 18). This extensive external consultation process was conducted with considerable assistance from the Economic Development Committee and Economic Development Officer Piero Pucci.

1.2 Other Investigations

We reviewed extensive documentation assembled for us by the Committee as well as other relevant material such as the Background Report and the New Official Plan. In-depth interviews were held with most large employers and business people in the area, along with Municipal Councillors, staff, and Mayor. As well, developers and owners of lots available for development were consulted for their views on present and future development opportunities. In order to understand trends, risks and opportunities in both the local and global environment, interviews were also held with corporate, education and government officials. A full list of interviews with dates and organization's names are listed in section 3.1

1.3 Acknowledgements

We understand that this Strategic Economic Development Plan is an important undertaking for the Municipality of Oliver Paipoonge. To be successful this study required the full co-operation of the Steering Committee, Administration staff, and Council. We also stressed the need for an inclusive process in order to attract the full participation of stakeholders in the community.

We have received excellent co-operation by all those involved. We were particularly impressed by the turn out and participation of the business community at the first public session on March 22, 2001. In all our public meetings and one-on-one interviews we received excellent comments and constructive suggestions. People were prepared to contribute their time and ideas. Councillors and administrative staff were candid and fair, as well as sincerely interested in providing the best quality of services to their constituents.

We would like to thank everyone for their contribution to this plan. We trust that our work will meet and surpass your expectations, and lead to an enhanced level of service and growth for the Municipality of Oliver Paipoonge.

2 SITUATIONAL ANALYSIS

Goal: the goal of this stage was to:

- 1) Gain a complete understanding of the historical growth, current economic development, and future trends within the communities of Murillo, Kakabeka Falls, Rosslyn Village, Slate River, Intola and Stanley, and surrounding region, including demographic changes and business cycles and dynamics within which each major industry operates. This includes "old" industries such as mining, farming and woodland operations, and "new" such as tourism, eco-tourism, food, and furniture industries.
- 2) Gain a thorough understanding of the communities' strengths and weaknesses, particularly versus the major industries (employers), global economic forces, trade issues and changing

demographics.

Approach:

Review of existing materials/studies:

The consulting team began stage I by evaluating information that was previously prepared by the municipality and other organizations, regarding their economy and economic development conditions. This helped us to further our understanding of economic development trends in the area and how economic development marketing as a whole, is being conducted.

2.1 Current Situation

2.1.1 Historical Perspective

The Municipality of Oliver Paipoonge is located in an area of the Province that has a unique history of development and economy based on the natural environment. **Oliver Township** began in the late 1860 as the need to supply the growing population of the Lakehead Region with agricultural products became evident. An 1873 survey found that the Township contained good agricultural land and free land grants were given to encourage settlements. On January 1, 1879 Oliver Township was incorporated and the inaugural Council sworn in. Over time the hamlets of Baird, Intola, Kakabeka Falls, Miller, and Murillo were developed.

Murillo was established as a watering stop on the CPR mainline to Fort William. The village has served as the administrative centre for Oliver since 1891, when the original townhall was constructed. A new building replaced the old structure in 1988.

Kakabeka Falls was known by the local native people for centuries. The Portage route around the falls has been used as a means of linking Lake Superior with areas further inland. With the Kaministiquia Power Company opening up its power plant in 1907 (now owned by Hydro Power Generation), the community continued to grow into its present day village. Kakabeka is now mostly known as a major tourist attraction.

The original plan of the **Township of Paipoonge** was signed in 1860. The name Paipoonge means "winter" in Ojibway. The major physical feature is the Kaministiquia River, which creates a natural geographical division in the Township. In fact the concession lines in Paipoonge use the river as a reference point and property description.

Silver mining was the initial reason behind the development of the Township. Access to the silver mines at Rabbit and Silver Mountain needed road construction and a bridge at Stanley. Even though the hamlet of Stanley has been in existence for over 100 years, it never developed a stimulus for growth. However, Stanley has always been considered an attractive area for residential development, and a small community still exists.

Unlike Stanley, the hamlet of Rosslyn has long been a settlement node in the community. It had the first post office depot in the Township, and the first town hall was built in Rosslyn in 1904. Paipoonge has been and still is predominantly agricultural area. Today, it is the most productive agricultural area in the District of Thunder Bay producing mainly milk and potatoes. Paipoonge also has a number of large gravel deposits near the Kaministiquia River that still provides gravel for a number of local companies. The portion of the Township bounded by the City of Thunder Bay also has provincial highway access, and has recently attracted a number of new commercial and business enterprises.

2.1.2 Economic Growth and Trends

In order to understand the pattern of growth between the two former Townships of Oliver and Paipoonge, it is important to look at past as well as at more current trends. The Backgrounder Report provides an excellent base as it captures the economic growth and trends in the seventies. More current information both before and after amalgamation places such growth and trends in perspective and provides insight and direction for future development.

The nineteen-nineties have seen a great deal of competition for rural land. Increased demand for rural estate housing, lower-priced industrial and commercial land coupled with reduced red tape and bureaucracy in a smaller community, and the desire of rural people to sell small parcels of land, have all contributed to such competition. As a result, rural land prices have risen and traditional rural uses such as agriculture have had some difficulties in remaining viable.

The growth in urban uses such as housing, industry and commercial enterprises have led to increasing complexities in rural municipal government. Changes in land use and settlement patterns have had an impact throughout the entire municipal system, with a resulting increase in workload for municipal staff and higher expenditure on general government, road maintenance, social services and recreation.

Economic Base Characteristics

The economic base of the former Township of Oliver is dominated by commercial activity. Most of the commercial firms (highway and service) are located in Kakabeka Falls and Murillo. They service the local population, the tourist population in the summer and highway traffic. Most commercial developments are logically located near the largest population concentrations.

The former Township of Paipoonge is one of the few in the region containing heavy industry with the bulk of the commercial and industrial land use found in the Rosslyn hamlet. The hamlet also contains most of the commercial and business assessment and is home to the largest employers. Most of these are concentrated along highway 11/17 or North Paipoonge, while in South Paipoonge (Slate River Valley) there are only few commercial firms (no industrial), reflecting its agricultural land use orientation.

Land Use

In 1977 a total of 55.4 acres representing 3.3% of the developed land (excluding agriculture) in the former Township of Oliver was devoted to commercial and industrial land use. In comparison, Paipoonge had 230 acres. As a general rule, industrial development requires more land than commercial so that a township with an industrial orientation (Paipoonge) will have larger than average lot sizes than one with commercial orientation (Oliver). Generally the commercial development in the Lakehead rural areas occur on sites of less than 4 acres and industrial uses occur on sites of greater than 4 acres. The average size of an industrial/commercial site in the former township of Paipoonge was 7.2 acres. More current information is not readily available.

Commercial/Industrial Growth

Growth in the economic base can be reflected in such indicators as building permits issued and increases in assessment. From 1973 to 1977 the former Township of Oliver issued a total of 15 commercial and industrial building permits with a total value of \$308,000. During the same time, Paipoonge issued a total of 33 commercial/industrial building permits with a total value of \$3.74 million.

Assessment growth in Paipoonge between 1971 and 1976 in total commercial and business assessment was 550%, by far the highest rate in the region including the City of Thunder Bay. These figures also indicate that growth in the economic base in the former Township of Paipoonge had far exceeded its population growth

Despite issuing new building permits the commercial, industrial and business assessment in Oliver decreased by over 5% during the same time. However, this was more than compensated for by an increase in residential assessment of over 50%. This trend in residential growth has continued to the present with 431 lots being created in Oliver since 1972 compared to 201 in Paipoonge.

The pattern of commercial, industrial, and business development growth changed in latter years (see municipal revenue section below) which led to a closer realignment between the two in terms of their commercial, industrial and business assessment as a percentage of the total.

During the period 1990 to 1998, the combined assessment (value of all permits) of Oliver and Paipoonge grew an average of \$5.8 million per year with a high of \$10.7 million in 1994 and \$3.2 million in 1998.

Municipal Revenue

In the 1978 tax year, the total commercial, industrial and business assessment in the former Township of Oliver was .212 million while Paipoonge was 1.415 million. As a percent of the total assessment, it was 11.6% and 35.2% respectively as compared to 52.1% in the City of Thunder Bay.

Before amalgamation in 1997 (almost 20 years later) Oliver's non-residential assessment had

more than doubled to .489 million or 13.6% of the total assessment. At the same time Paipoonge's non-residential assessment had dropped to 1.35 million or 20% of the total as compared to 35.2% in 1978.

After amalgamation in 1998, the combined commercial, industrial and business assessment of the two former Townships still only represent 17.7% of the total with over 77% coming from residential assessment. **This would seem to indicate that residential assessment by far makes the greater contribution to the tax base and that there are plenty of opportunities to further diversify the economic base of Oliver Paipoonge by expanding its business, commercial, and industrial base.**

2.1.3 Demographic Trends

Population - While the rest of the region has shown little or no growth in the decade ending 1996 (latest Census) Oliver Paipoonge has experienced an average increase of 4.5 per cent. This growth has picked up substantially during the period 1991-1996 and resulted in the population increasing from 5434 to 5907, or 8.7 percent.

It is important to point out that the average age of the population in Oliver Paipoonge is lower (younger) than both the Thunder Bay and provincial averages (Oliver Paipoonge 33.7, Thunder Bay 37, Ontario 35.8). This is also reflected in the 55 plus population being only 17.1 percent of the total while in Thunder Bay it is 23.3 percent, and in Ontario 21.1 percent.

Education - Oliver Paipoonge has a highly educated and trained work force. In fact the percentage of individuals over 25 with less than grade 9 education is much lower than in Thunder Bay, Ontario and Canada, while the percentage of individuals over 25 with a high school certificate, trade, or non-university certificate is much higher.

Income and work - the Municipality also experiences lower levels of unemployment and higher participation rates than Thunder Bay, Ontario and Canada. This results in higher average total income as well, making Oliver Paipoonge a relatively well off community.

Implications for Oliver Paipoonge

The implications of a relatively younger population is that the demand for health care services (while still present) will be relatively less acute than in areas such as Thunder Bay where the percentage of adults age 55 and over is already 2 percentage points above the provincial average, as compared with Oliver Paipoonge where it is 4 percentage points below.

Higher levels of education and training provide the Municipality with a competitive advantage when trying to attract investment. It also makes it easier for workers to find and maintain better paying jobs. This situation is already reflected in Oliver Paipoonge having a lower unemployment rate and higher disposable income than both Thunder Bay and Province.

2.1.4 Political Spectrum and Dynamics

Oliver Paipoonge operates within the context of the political changes and dynamics that have and continue to affect this province and especially Northwestern Ontario. Downloading of services from the province without corresponding compensation (revenue neutral concept) have and continue to put pressure on the budget and Council's ability to deliver services while maintaining taxes low.

The municipality has had to deal with the recent amalgamation of the previous townships of Oliver and Paipoonge. While this transaction seems to have gone relatively well, long-term issues related to the different aspirations and economic structure of the two townships along with the hamlets of Murillo, Kakabeka, and Rosslyn, and the areas of Stanley, Intola and Slate River, will continue in the future.

Threats of further amalgamation with adjacent municipalities seem to have lessened due to recent controversial and not as successful experiences elsewhere in the province. While the provincial government has not indicated any desire to push the issue further, it is still putting pressure on municipalities across the province to find savings through economies of scale and sharing of services. The municipality has been proactive in dealing with the issue by attending meetings with adjacent municipalities and seeking ways to find savings by sharing services wherever possible (i.e. contract with Thunder Bay Police).

Given its relative small size, Oliver Paipoonge has been able to position itself well amongst larger players in the region. It has done so through the efforts of a progressive Council led by Mayor Lucy Kloosterhuis and supported by an effective and hard working administrative staff and Economic Development Committee. The team spirit, preparation and efforts made at the February 2001 ROMA/OGRA (Ontario Good Roads Association) conference in Toronto, and at the NOMA (Northwestern Ontario Municipal Association) annual conference in Fort Frances on April 2001, demonstrate a very good understanding of the issues facing the municipality and a desire to represent it well.

2.1.5 Economic & Business Cycles

The economy of Oliver Paipoonge, while somewhat unique because of its agricultural component, is closely tied to the economy of Thunder Bay and surrounding region. Usually a smaller community such as Oliver Paipoonge would benefit from the spin-off effect of the larger community such as Thunder Bay. Unfortunately, this has not been the case. In fact Thunder Bay, while experiencing some growth in the institutional and commercial sector (new Hospital, Charity Casino, retail expansion in the Intercity area, new call centre, et.) has experienced an overall decline in its economy during the 1996-99 period as evident by the 4.9 percent drop in taxable assessment.

Economic and business cycles are not limited to a city or region but operate within a local and global context. To a large extent, the economy of Northern Ontario will also influence that of Oliver Paipoonge. The economy of Northern Ontario has historically been closely tied to growth in the natural resource industry. This industry is also export driven and subject to cyclical variations in international prices and demand for its products. Level of income and employment

are closely tied to such fluctuations (i.e. recent layoffs at Buchanan Forest Products and Bowater due to oversupply of product in the market and declining demand).

While some changes (i.e. demographic) are global in nature and are the driving force for much of what is happening, others are **unique to the north** and are:

- Intense investment in capital equipment in the resource-based industries resulting in significant reductions in labour. This displacement is permanent not cyclical.
- The once stabilizing force of significant growth in government's services, in education and health care in the north is now eroding due to continuous restructuring and cutbacks.
- Heavy reliance in the north on provincial transfer payments, both to individuals and to municipalities is now hurting us more than the rest of the province.

Like in so many other parts of the country, small business is now providing the largest employment gains and quickly becoming the backbone of our economy. Unfortunately, most of the growth in small business ownership in the region has occurred as a result of downsizing and restructuring at all levels of government and in the larger resource-based industries, which has in many instances forced people to start their own business. Nevertheless, this sector has the potential to transform many regional communities by creating many needed jobs and helping develop a more reliant and diversified economy. This growth has created its own set of problems and issues, and as identified in the terms of reference, is an area that this report will also deal with.

3 OVERVIEW / REVIEW

Goal: to identify strengths, weaknesses, opportunities and threats to development. Analysis to include internal and external factors including those identified in stage I plus the following:

- * **Government policies** and relevant **funding programs** applicable to this report
- * **Economic trends** in tourism, technology and environment area
- * Social, demographic, lifestyle and cultural trends
- * Identify social and economic needs and training and/or support services required by the **growing small business community**
- * Community trends
- * **Competitive analysis** focusing on other communities in Northwestern Ontario, including Thunder Bay.

Approach:

We conducted fieldwork in the area in order to understand the communities' strengths and weaknesses, critical issues, and underlying cause(s) and possible future impact on the municipality. Fieldwork consisted of:

a) over 50 on-site plus many telephone interviews with select business and community leaders **including developers and owners of lots available for development**. With the Committee's assistance in setting interviews, we also interviewed corporate, education, and government

officials, such as:

- Manufacturing company executives (with emphasis on those that are downsizing or growing)
- Chamber of Commerce officials
- Provincial and municipal government officials
- Utilities officials
- Ontario Power Corporation representatives and regional Hydro commissions
- Educational representatives
- Transportation carriers
- Local banking community/venture capital representatives
- Tourism, mining, forestry, technology and environment representative

b) We also identified strength or weakness of local infrastructure to respond to the needs of a changing economy, including the impact on worker's skills through interviews with:

- Local & regional training boards representatives
- Labour market analysts and human resource industry representatives

c) We identified and quantified community strengths and opportunities. Analysis focused on market and local business strengths. Most of this information was gathered during the interviews identified in a) & b) above. The emphasis however, shifted towards the companies that are experiencing growth and expansion.

d) We reviewed any existing community development strategies and generated a comprehensive list of local economic opportunities. This was achieved by meeting with local groups and individuals to prepare a list of development opportunities already being pursued.

3.1 On Site Interviews

Due to the comprehensive nature of the report, the consulting team decided to substantially expand the number of one-on-one and on-site meetings/interviews. The following table breaks down the meetings by organization and dates.

Table 1.0 – Schedule of Meetings

	Organization	Date
Economic Development	Economic Development Committee (Initial meeting)	February 15, 2001
	Economic Development Officer	February 19, 2001
	Economic Development Officer and Chair (tour area)	March 6, 2001
	Economic Development Committee (2 nd meeting)	March 7, 2001
	Economic Development Officer	April 10, 2001

	Economic Development Committee (Initial findings presentation)	April 25, 2001
	Economic Development Committee (Chair & J. Hakala)	May 2, 2001
	EDC Committee & Council – Draft Report Presentation	May 23, 2001
	EDC Committee - Draft Report Review	May 30, 2001
	Provincial Task Force on Rural Economic Renewal - Report Review and Presentation with ED Committee Chair	June 15, 2001
Oliver Paipoonge Administration & Council	CAO and Economic Development Officer	February 19, 2001
	Councillor D. Hearn	May 1, 2001
	Planning Department	May 2, 2001
	Councillor Mc Neil (trip to NOMA)	May 3-4 2001
	Mayor, CAO and Planning Department	May 18, 2001
	Councillor Shari Pinner	May 18, 2001
	Councillor Koen Grootenboer	May 21, 2001
	Municipality's Treasurer	May 30, 2001
	Council - Final Report Presentation	June 11, 2001
Public Meetings	Business Focus Group - Murillo (Mayor and Councillor Hearn)	March 22, 2001
	Public Focus Group – Oliver Community Hall	April 9, 2001
	Public Focus Group – Kakabeka Legion	April 10, 2001
	Public Focus Group – Rosslyn Hall	April 11, 2001
	Public Focus Group – Slate River (incl. Council. Mc Neil & Pinner)	April 18, 2001
Large Employers & Businesses	Bowater	March 13, 2001
	Buchanan Forest Products	March 27, 2001
	Lakehead University	May 1, 2001
	Thunder Bay Telephone	May 3, 2001
	Confederation College	May 4, 2001
	Lakehead University	May 11, 2001
Large Employers & Businesses (con't)	Kakabeka Hotel	The following meetings occurred over the period March 14 and 15, 2001
	Cascades Rest. and Convenience Store	
	Randy's Esso	
	Larry's Village Bait Shop	

	Odena Foods	“
	Kakabeka Credit Union	“
	The Falls Park	“
	Oliver Paipoonge Business Group	March 22, 2001
	This Old Barn	March 29, 2001
	Hills Greenhouse	April 3, 2001
	Wildside Recreations	April 10, 2001
	Gordon's Trailers	April 18, 2001
	Paipoonge Museum	May 6, 2001
	Grand Opening of Kakabeka Falls Walkway to Village	May 12, 2001
	Log Homes	May 12, 2001
	Kakabeka Business Association - Chair	May 25, 2001
	Kakabeka Hotel; Log Homes; Esso Station	May 25, 2001
Developers & Land Owners	Halow Contracting	March 20, 2001
	Northwest Homes	March 29, 2001
	Bruno's Contracting	April 20, 2001
Government	Hon. Lyn McLeod	March 12, 2001
	North Superior Training Board (EDO & Mayor attended)	March 16, 2001
	City of Thunder Bay (Environment Division)	April 6, 2001
	Ontario Minister of Health	April 12, 2001
	FedNor	April 20, 2001
	Ontario Parks	April 24, 2001
	Northern Ontario Municipal Association – AGM - Fort Frances	May 3 and 4, 2001
	Northwestern Ontario Dev. Network	May 7, 2001
Agriculture	Agriplex - Chairman	March 16, 2001
	Thunder Bay Coop.	March 23, 2001
	Gammondale Farms	April 27, 2001
	Agriculture Committee - Clarence Hak	April 30, 2001
Public Utilities	Ontario Power Generation	April 18, 2001
	Thunder Bay Telephone (incl. Mayor Kloosterhuis)	May 7, 2001
	Hydro One	May 18, 2001

3.2 Survey Results

A questionnaire (see Appendix A) was prepared and made available at the public meetings. A full copy of the survey and a letter inviting the public to the various meetings was also published in the local newspaper (Oliver Paipoonge News) in the March edition. Those that could not attend were invited to submit the questionnaires to the municipal office. Copies of the questionnaires were also available at the front desk of the municipal office.

A more direct approach with questionnaires being sent through the mail to all property owners was also contemplated and discussed with Administration, the EDO and the Economic Development Committee Chair. It was decided that this approach while more effective would be too expensive, especially in light of the number of public sessions being held. To further inform the public, a notice was also placed on the front door of the municipal office.

A statistically valid response for a City the size of Thunder Bay is around 450. When surveys are done across the country, a sample of around 1200 respondents will provide a confidence level of 95% (plus or minus 3 percent error rate) that the sample is representative of the whole population. For Oliver Paipoonge with a population of approximately 6000 a corresponding response rate would be 23. However, to be statistically valid the minimum sample size has to be 50. The consulting team received a total of 50 responses which in our opinion, when combined with the direct input and feedback provided to us at the various public sessions, is a good response rate. The results of the survey are as follows.

Summary of Findings

In total, 50 respondents participated in the questionnaire, which are represented as follows: 43% business; 54% residential and 4% government (government representatives attended the public sessions as well and filled out the questionnaire). While the number of respondents provide a statistically valid representation of the population, we are also aware that people who usually come out to a public session (or take the time to fill out and respond to a questionnaire), tend to be more active and vocal members of the community. Nevertheless, the findings are consistent with those gathered during the 50 plus interviews held with various stakeholders (including business groups) in the community.

Best Development Opportunities

Business and residential respondents, 46% respectively, identified the best development opportunities in **recreation, entertainment and tourism**. A total of 62% of business respondents ranked tourism as the best opportunity, while 56% of residential respondents ranked

recreation and entertainment as the best development opportunity. **Manufacturing** was ranked 28% overall with 33% of business and 26% of residential respondents supporting this area as a developmental opportunity.

Satisfaction with the Municipality

A high level of satisfaction with the Municipality was reported with an overall ranking of 64% satisfied (6% extremely satisfied; 32% satisfied and 26% somewhat satisfied) and 26% not satisfied. A total of 14% of business respondents indicated they were extremely satisfied with the Municipality while 32% were satisfied; 26% somewhat satisfied and 10% not satisfied. Residential respondents indicated that 52% are satisfied (26% satisfied and 26% somewhat satisfied), and 41% were not satisfied.

Strengths

Respondents identified the strengths of the Oliver Paipoonge economy as being the **quality of life**, which was ranked 20% overall. This was followed by the Municipality's **central location**, which was ranked 16% overall. Tourism was identified as the potential growth area and was ranked 10% overall.

From the **business** perspective, the strengths were identified as central location, natural environment, potential for tourism growth and low tax rates, all of which were ranked 14% respectively. **Residential** respondents identified the overall strength as the quality of life, which was ranked at 30% and was followed by the central location, ranked at 19%. Ranked at 10% or less by both business and residential respondents included demographics, farming/agriculture, diverse economy (residential, agriculture and business), good jobs, education, available land for development, libraries and accessibility of the Municipality via road and rail.

Weaknesses

A lack of community vision and cohesion was identified as the strongest weaknesses (30%) of Oliver Paipoonge. This was followed by a **lack of planning** (industrial, residential and business) which was identified by 26% of respondents. A total of 12% of all respondents identified a **lack of land use designation and zoning** as another weakness.

Business respondents (29%) cited a lack of community vision and cohesion as the greatest weakness, which was also the highest-ranking weakness by 26% of residential respondents. The lack of land use planning was the second highest rank weakness identified by 29% of business respondents and 26% of residential respondents. Government regulations were cited by 14% of business respondents as the third weakness, of which no residential respondents identified.

A lack of land use designation and zoning was identified as a weakness by 19% of residential respondents; whereas 5% of business identified this as a weakness. A total of 15% of residential respondents reported that taxes are high for services received. Weaknesses that ranked less than

10% overall included communication (2%); high transportation costs (6%); lack of jobs (6%); lack of signage; no large lakes or water sources; lack of tourism; lack of long term investment (6%) and geographic isolation (6%).

Greatest impact on the Municipality in the next 5 and 10 years

Overall, the areas that will have the greatest impact in the coming five to ten years were identified as **small business growth in the next five years** (60% of all respondents) **and tourism** (42% of all respondents) in the **next ten years**. In addition, within the next five years, 54% of respondents stated that tourism will have the greatest impact, followed by recreation which was identified by 46% of respondents.

Business (71% of respondents) stated that small business growth will have the greatest impact over the **next five years**; whereas the highest ranking impact identified by residential respondents were both small business growth and outside investment both of which were equally ranked the highest by 48% of respondents. Tourism was ranked by 44% of respondents as the second priority for the next five years, while business respondents (67%) said tourism would have the greatest impact. Diversification of the Municipality was ranked the third priority by 37% of residential respondents while 24% of business respondents identified it as the fifth priority.

All respondents stated that tourism (42%), small business growth (38%), population and demographics (34%), and diversification (30%) will be the main issues impacting the Municipality within a **ten-year period**. These were followed by land use by 26% of all respondents, recreation (22%) and outside investment (16%).

Business respondents (43%) ranked tourism as the number one issue that will have the greatest impact in the next ten years; whereas **residential respondents** (41% each) ranked tourism and small business growth as being the two main issues impacting the Municipality in ten years. Population and demographics (30%) was identified as the second biggest issue to have impact, which was followed by diversification (26%) by residential respondents. This group also identified recreation and land use as having the third impact, each was ranked at 22%.

Issues ranked by less than 10% of business respondents as having an impact in the next ten years included forestry, exports, education and training, more 50' lots and libraries. Residential respondent's low ranking issues included forestry, education and training, exports, more 50' lots and libraries.

There was substantial difference between business and residential respondents on areas that will have the greatest impact on the Municipality in the coming five to ten years.

3.3 Critical Issues

3.3.1 Economic Development Position

The Economic Development Committee of Oliver Paipoonge has worked very hard to allow the Municipality to step into a higher economic development gear. Ultimately though, a part-time committee can only accomplish so much. Recognizing this, the Committee explored and was successful in receiving funding for an intern position from FedNor (Industry Canada Agency for Northern Ontario). Mr. Piero Pucci has filled this position since August 2000.

Since then a number of positive developments have occurred. The major accomplishment during this period has been to increase the awareness of the Municipality of Oliver Paipoonge with other municipalities in the region including Thunder Bay. The second major accomplishment was to make the economic development function relevant not only to the business community, but to Council, Administration, and the general population as well.

The importance of such position to Oliver Paipoonge did not go unnoticed to the many business people that attended the various public sessions. In fact at the last public meeting of April 18, 2001 a number of them openly expressed their support and desire to see this position maintained. The surprising thing about this event is that usually economic development staff come under intense scrutiny from the business community who want to ensure that their tax dollars are well spent. It is to the credit of all the people involved in economic development in Oliver Paipoonge that worked so hard to make such a positive and lasting impression.

Such positive results and public acceptance for such position create the right environment to go to the next stage of economic development in Oliver Paipoonge. It is in fact the firm belief of the Consulting team that a full time position is now needed in order to reap the benefits of the work done to-date. It is also needed to keep the momentum going and enhance the municipality's ability to carry out this comprehensive Strategic Economic Development Plan.

The need for such permanent position is becoming even greater in light of the many challenges facing the municipality. As identified below in the critical issues, this position will play a crucial role in supporting not only the Economic Development Committee but also Council and Administration in providing essential services of Planning, Policy/Research, By-Law Enforcement, and Administrative support.

Funding for the Community Development Officer position

While the need for this permanent position may be compelling, the Consulting team is aware that funding for it is also an issue. During 2000 the Municipality experienced a slight drop in taxable assessment that coupled with increasing costs due to provincial downloading and regulations, are placing a burden on the 2001 budget and the municipality's ability to pay for such position.

Funding Options

Funding options have been discussed and explored with the Economic Development Committee, Administration, and members of Council. They are as follows:

- A hybrid position such as in Atikokan where funding is received 50% from the Province to provide Community Futures Development services (i.e. similar to those provided by Thunder Bay Ventures) and 50% from the Municipality for economic development
- Apply for another intern position funded by Fed Nor for one more year
- Create a permanent position funded by the Municipality but operating on a cost recovery basis by providing similar services to adjacent Municipalities that agree to participate in this program. This concept is based on the premise that the new Community Development position will include Planning, Policy, Research, By-Law Enforcement along with Marketing and Communication functions that will be needed by other communities as well.

The findings of the Consulting team indicate that the first option while desirable will be difficult to achieve (get funding for), due to the physical proximity of Oliver Paipoonge to the City of Thunder Bay and its current coverage in this area by Thunder Bay Ventures.

The second option is more of a short-term solution and not feasible for the long-term since Fed Nor does not fund ongoing operations. This also means that the knowledge and contacts acquired during the one-year term will be lost unless the Municipality was to hire this individual on a full-time basis at the completion of their term. However, indications are that Fed Nor would look favourably at funding another intern position for Oliver Paipoonge due to the successful integration of previous interns to full time positions elsewhere.

The third option seems to be the most desirable, since it would allow for some cost recovery and lessen the financial burden on the Municipality. Further negotiations with surrounding municipalities would have to take place to clearly identify areas of mutual concern and potential for cost recovery. There also seems to be incremental opportunities to charge a fee for other services. Finally, because this new position would be doing more than economic development, any cost not recovered would be spread over many departments, therefore lessening the impact on individual departments.

A cost-sharing model was not an option since it would change the dynamics of the position in terms of control and allocation of resources, and did not receive much support.

In the final analysis this is one of those key areas where the expenditure should be viewed not as an expense but as an investment in the future. If properly handled this investment will pay back very good dividends for years to come.

3.3.2 Recent Amalgamation & New Official Plan

On January 1, 1998 the former Townships of Oliver and Paipoonge were amalgamated. Since then the new Municipality has worked diligently in integrating the various functions of the former Townships. With 75 percent of the amalgamation completed, some work still remains including integration of the two Officials Plans into one. A first draft of the new official plan was recently completed and reviewed by Council and Administration.

Amalgamation

While the benefits of amalgamation have already accrued to the Municipality in the form of administrative savings, (administration budget of \$512 thousand before amalgamation versus a present budget of \$393 thousand, for a reduction of 23.2 percent) the workload has also increased substantially. Besides the doubling of landmass and population now being served, continuous downloading of government services to the municipalities is further increasing the administrative burden. The administrative staff of Oliver Paipoonge has **been able to do more with less** (Administration costs as a percentage of total budget have gone from 19.8 percent in 1997 to 9.3 percent in 2001), by working harder and longer hours. There is however a point of diminishing return and we believe that point has been reached.

While amalgamation has had an impact on other departments as well, we are placing the emphasis on administration from an economic development perspective. In fact, administrative staff (including planning) is usually the first point of contact for investors, developers, and business people. Council and the Economic Development Committee also perform this function, but rely on administration to provide most of the technical answers. The extra responsibilities that downloading is placing on administrative staff, limits greatly their ability to respond to these inquiries, therefore, diminishing the municipality's ability to be proactive and take advantage of economic development opportunities.

New Official Plan

As the new Municipality embarked on moving forward, especially in economic development, the need for integrating the two Official Plans became great. In fact, survey respondents, one-on-one interviews and public input at public sessions indicate a need for clear direction in the planning and use of land including its designation and zoning.

The Consulting team has also been looking at similar issues. In fact, the development of a Strategic Economic Plan must include land use and availability especially in terms of future developmental opportunities. We have met with the planning department on a number of occasions and while we shared information, the processes have been quite independent of each other. It was therefore a pleasant surprise to see that the new draft official plan presented similar approaches for future land use and development for residential, light and heavy industrial, commercial, agriculture, and recreational.

While we do not believe it to be our role to scrutinize the assumptions made in the official plan, we need to indicate that we believe the population growth projections to be somewhat conservative. Having said that, the average growth of 4.5 percent over 10 years being used is in our opinion a good base line for planning purposes. However, we know that in the period 1991 to 1996 the population grew by 8.7 percent which means that a higher growth rate has been occurring more recently. Interviews with local businesses and developers, also seem to indicate that this trend will continue especially in light of large number of baby boomers soon to reach retirement age, and their preference to move away from urban living to a more relaxed "rural"

lifestyle.

Economic development looks at trends but with an eye on the future. Therefore our approach is proactive and geared to make things happen. We also understand that the protection and maintenance of the rural environment is important to the residents of the Municipality, and our recommendations will be made with due regards to this guiding principle. As well, we want to emphasize that the goals and objective of the new Official Plans are also consistent with our findings and key recommendations in the areas of land use development.

3.3.3 Geographical Dispersion

As the historical review has shown, the two former Townships have evolved with a common agricultural base but otherwise quite distinct settlement areas or hamlets. The terms of reference clearly indicated that while there was a need to provide a common theme for the Municipality, the three villages of Murillo, Kakabeka, and Rosslyn and areas of Stanley, Intola and Slate River, had their own unique needs and aspirations. It was the realization of such distinctiveness that prompted the Economic Development Committee to suggest that public meetings be held in each area (including Slate River) to ensure that everyone had a chance to participate and present their particular views.

While geographical dispersion per se is an issue in terms of the Municipality's ability to provide services at a reasonable cost in the absence of economies of scale, the more pressing issue and one that may take some time to resolve, is the diverse needs and priorities of the various hamlets. In fact, when faced with issues specific to their particular needs, the residents of a village or area may have difficulty relating to issues in other areas of the municipality. At times, it is not uncommon to hear complaints based on the perception that resources are being allocated disproportionately to one area versus another. The experience of the Consulting team indicates that this is not an insurmountable obstacle. In fact, a properly developed and implemented strategy of a unified vision will go a long way in addressing this issue.

3.3.4 Political & Economic Integrated Vision

A critical issue in economic development is the absence or lack of an integrated approach between the political decision making process and the economic development process. The need for such closer collaboration was always there, but it has been accentuated in recent years as a result of the restructuring and downloading of services at all levels of government. Taxpayers are also demanding higher levels of fiscal accountability and transparency of action from their representatives. Municipal governments, being closer to the people, are subject to even closer scrutiny.

Oliver Paipoonge, being a smaller rural Municipality has to deal with unique problems and issues. Besides the one already discussed above, resolving the issue of availability of resources will be key in the creation and implementation of a political and economic integrated vision. We need to emphasize that Council, the Economic Development Committee, and Administration have made great strides in this area, but much more can be done.

Some of the positive steps that have already been taken are:

- Mayor and two Councillors being part of the Economic Development Committee
- Participation by the Mayor and Councillors in annual conferences such as NOMA (Northwestern Ontario Municipal Association) and OGRA (Ontario Good Roads Association)
- Active involvement by mayor and Council in meetings with various provincial Ministers in dealing with issues affecting the Municipality
- Open lines of communication with the community through the use of the monthly newspaper
- Council's willingness to listen and be receptive to new ideas
- Mayor and Council's participation in communicating the need for an integrated approach to economic development
- Good interaction with the community (both business and residential)

These observations were supported by the survey's results (64% of respondents were satisfied with the Municipality) and the feedback received through the numerous interviews and public session. It is important to note however, that the business respondents had a much higher satisfaction rate (80%) than residential respondents (52%). Actually, 41% of residential respondents indicated that they were **not satisfied** with the Municipality.

While this may seem a high dissatisfaction rate by residential property owners, especially in light of the good work being accomplished by the mayor and Council as outlined above, it will help if we analyze the survey results further. In the question identifying the strengths of the community, low tax rates was ranked 4th overall but given a much higher ranking by the business respondents than the residential respondents. Under weaknesses, again, high taxes for services rendered was ranked much higher by the residential respondents than the business ones. **The consistency of such responses seems to indicate a need for improved communication with the residential property owners, especially in regards to the value they receive for their tax dollars.**

3.3.5 Managing small Business Growth - Home and Industry Occupation

As identified in the economic environment of Northern Ontario, the small business sector has been experiencing substantial growth. This is not unique to larger municipalities like Thunder Bay, but encompass smaller municipalities like Oliver Paipoonge as well. This issue was clearly identified in the terms of reference as one that needed to be dealt with.

While we have heard about the unchecked growth of the small business sector from few business people, the main concern seems to be centered around the proliferation of home industries, and the impact such unregulated sector is having on the tax base. Interestingly enough, this issue was not identified either as a strength or weakness by the respondents of the survey. However, it was clearly identified as the number 1 issue having an impact on the Municipality in the coming 5 years. It dropped slightly to second place after tourism in the 10 years section.

During our interviews we also heard differences of opinions on what the solution should be. The

opinions ranged from keeping the status quo (i.e. unchecked growth) to one of substantial controls on home and industry occupation, including payment of a fee. The consulting team started by reviewing Oliver Paipoonge's by-laws regarding home businesses. We found that the by-laws are consistent with those of surrounding municipalities including Thunder Bay.

It has become apparent to us that the issue is not one of use but of abuse of the present by-laws regarding mostly industry rather than home occupation. The Municipality's inability to control this sector stems mostly from lack of resources.

The consulting team reviewed the suggestion of charging a fee and found this approach unsatisfactory. The main concern is the extra layer of bureaucracy that this would add to an already stretched administrative staff. In order for the fee to be accepted by the business community, it would have to be applied fairly and consistently (i.e. apply to everyone). How would this be implemented? How would the Municipality ensure that everyone who had a home-based business is registered? A fee structure would also have to be developed. This structure would have to be based on criteria that would balance the cost with some benefits. While cost is objective and easily measured, benefits are subjective (i.e. subject to perception and not easily measured).

Keeping in mind the limited resource and the user-friendly approach that the Municipality has successfully used to-date, a more balanced approach is suggested. This approach is based on the principle of "**allowing the use, but controlling the abuse**". It is the abuse that the municipality should be really concerned about, not the use. Since the abuse is concentrated in the area of home industry, the function of by-law enforcement could be easily added to the new position of Community Development Officer. Since part of this individual's responsibilities will be to deal with the business community on a regular basis, he/she would be aware of the problem areas and ensure that the by-law would be enforced.

3.3.6 Transportation

Trucking

Both during one-on-one interviews and public sessions the issue of transportation was raised a number of times. From the perspective of large employers such as Buchanan and Bowater, who rely extensively on trucking to conduct their business, the ability to maintain and increase access is very important. The Municipality is experiencing complaints from the business centre in Kakabeka about the increasing number of logging trucks on Highway 11-17, estimated at 800 per day or one every 2 minutes, 24 hours a day. This situation is creating problems for the tourists driving through Kakabeka and turning into the Falls. Attempts have been made in the past at convincing the Ministry of Transportation to extend the slower speed limit further away from the Village centre, but have not been successful.

Most of Bowater's logging trucks are owned by private contractors therefore difficult to control. The Company is presently doing a transportation study including noise and environmental impact. This study is being prompted by the need for additional logging trucks once the sawmill

is approved. Bowater is attempting to prevent additional complaints and is proactively looking for win-win solutions.

Shabaqua Extension

While this issue has generated a lot of discussion, there was no clear consensus on the potential impact to Oliver Paipoonge. We believe that this is partly a result of confusion in regards to the name (Shabaqua) and the two phases of the extension. The first phase, and the one that is really relevant in the short term (2-5 years as indicated by MTO) would extend the Harbour Expressway westward to connect to Highway 11/17 just west of Highway 130 at Vibert Road.

Business owners on the section of highway affected by such change, indicate that they will not be unduly impacted. Actually, the decreased pressure on the highway traffic due to lower number of trucks would be better for their business by allowing other traffic to move easier. Those that would be more directly affected are taking steps to mitigate its impact. Those businesses we talked to did not indicate what these steps would be.

The benefits of the harbour Expressway extension westward of Highway 11/17, have been discussed at length in the business community. On May 16, 2000 Oliver Paipoonge Municipal Council approved a resolution supporting such extension for obvious economic benefits to the entire region, and to address many of the safety issues associated with the Arthur Street/Highway 11/17 area.

The second phase of the Shabaqua extension would connect the first phase to Shabaqua and in fact bypass Kakabeka. This has many people concerned since it has the potential to negatively impact the tourism and trucking related industry in Oliver Paipoonge. While there are no indications that this phase would be built anytime in the near future, the impact of something similar is already being felt by businesses in Kakabeka.

During discussions with Kakabeka business people, it became apparent that the signage at the junction of Highway 102 and 11/17 (or better known as Sistonen corner) is showing Highway 102 as an alternate route. Since there are no other signs showing Kakabeka as coming up next if one continues on Highway 11/17, or the fact that there is food, lodging, gas, and other retail and recreational amenities, it very possible that many tourists, truckers, or business travellers are already bypassing Oliver Paipoonge.

The Kakabeka Business Association has indicated a desire to address this situation and is prepared to work closely with the Oliver Paipoonge Business Improvement Association on a signage program. **The consulting team is of the opinion that this is an important issue and should be dealt with as soon as possible.**

3.4 Competitive Analysis

As a relatively small community, Oliver Paipoonge being adjacent to Thunder Bay, falls under

Thunder Bay Census Metropolitan Area or CMA. As of 1996 the Thunder Bay CMA had a population of 128,000 consisting of the City of Thunder Bay and surrounding rural townships stretching from Shuniah in the north to Neebing in the south and west to Oliver Paipoonge. The region contains the rest of the population spread out over a much vaster geographical area consisting of the remainder of the Thunder Bay District and the District of Kenora-Rainy River.

Being part of Thunder Bay CMA for statistical and census purposes, Oliver Paipoonge Municipality tends to get lumped together with the rest of the CMA. Case in point is the population figures shown on page 8 of the 2001 Northwestern Ontario Progress Edition published by the Chronicle Journal in April 2001. While not a serious issue, it is an indication of the kind of struggle that a smaller municipality faces when trying to position itself as a proactive, progressive, and open for business location.

The following sections will analyse the competitive position of Oliver Paipoonge vis-à-vis both Thunder Bay and region. It will also offer insight on possible approaches to leveraging resources and maximizing results not only in economic development but in achieving a role of prominence and relevancy in the region in line with the vision statement of being the premier community in the region.

3.4.1 Thunder Bay

A quote from Lakehead University economist Livio di Matteo best describes Thunder Bay's role in the region. It says:

"It is the conventional wisdom here in Northwestern Ontario to assert that Thunder Bay is a regional hub and service centre. What this means in economic terms is that Thunder Bay represents a significant concentration of the region's economic activity and that much of that activity consists of providing services for the region"

It goes on to say:

"However, what may surprise some observers is how much of Northwestern Ontario's economic activity lies outside of Thunder Bay and the mutually supportive economic links that have evolved. Indeed, the relative specialization of Thunder Bay in service activities and the region in goods-producing activities provides gains to Northwestern Ontario as a whole".

What this means is that to a large extent both Thunder Bay and region are dependent on each other for their future economic well-being. While each has its own role to play, all benefit by having a clear understanding of their strengths and weaknesses and how best they can work together to take advantage of opportunities while minimizing risks. For example, an integrated approach to develop Internet access to the region (i.e. 807 Northwest) will benefit both the users and the providers of the technology. Ultimately the region as a whole will benefit by becoming more competitive vis-à-vis the rest of the world and by alleviating the shortage of medical specialists in the region through the use of tele-medicine (just to mention a few).

Oliver Paipoonge best role in this environment is to continue to seek mutually advantageous opportunities and ways to work together with its partners in Thunder Bay. A good level of awareness has already been achieved through the work of the Economic Development Officer. This work needs to continue and move to the next stage of partnership. Some of it is already occurring naturally, i.e. Kakabeka Falls is a regional attraction and is benefiting more than just Kakabeka. In fact the spin-off effect of visitors to Kakabeka who travel to the city for shopping, dining, or gambling is substantial. If more of the 300,000 plus people that visit Kakabeka Falls every year decide to visit and shop around (including key areas of Oliver Paipoonge), they may decide to stay one more night. The direct expenditures and spin-off impact of only a 10 percent increase in this area is substantial.

In terms of attracting outside investments, Oliver Paipoonge does not have the resources necessary to mount a full-fledged program. What it has however, is availability of competitively priced land, relatively low tax rates, good quality of life, a highly educated work force, a user friendly municipal office, and a proactive and energetic Economic Development Committee and Council. In other words, it has a competitive advantage. Any new investor visiting Thunder Bay should also be visiting Oliver Paipoonge. However, this will not happen on its own but through a proactive approach to regional economic development and the presence at the table of such decision makers of an Oliver Paipoonge representative such as a Community Development Officer.

It is also important to understand that because of its proximity to Thunder Bay, many residents of Oliver Paipoonge work in the city, and many city's residents work for businesses in Oliver Paipoonge. For all practical purposes, besides the direct property taxes paid on a new building, any new investment in the area would benefit both municipalities. By working as a team, opportunities will be greatly enhanced while keeping costs down. What is required is a higher level of understanding about these issues and a new level of co-operation amongst all parties. Another quote captures the essence of this new level of partnership. It says:

"Thunder Bay as a regional hub and service centre is also about regional leadership. Thunder Bay needs to view the surrounding region and its communities not simply as a market but as a partner in economic development. The economies of Thunder Bay and the surrounding region are not competitors but complements to one another. What is good for Thunder Bay is good for the region and what is good for the region is also good for Thunder Bay"

3.4.2 Northwestern Ontario Region

Because of the structural changes in the northern economy, Northwestern Ontario as a whole has not benefited from the economic expansion that has occurred in other parts of the Province. On the contrary, while taxable assessments have grown an average of 13.4 percent between 1996 and 1999 in the rest of the Province, Northwestern Ontario has experienced a decline of 4.9 percent during the same period. A graphical presentation of this disparity by the Ontario Property Assessment Corporation at the Northwestern Ontario Municipal Association annual meeting in Fort Frances on May 3-5, 2001 spoke louder than words in describing this structural deficiency in the northern economy.

In view of this reality, and the inherent difficulties in providing quick and easy solutions to a complex problem, the NOMA delegates have been trying to provide a common front when representing the interests of the region at the provincial government level. The Mayor and Council of Oliver Paipoonge have also shown leadership and a proactive approach to the many problems and issues facing the municipality by attending the Ontario Good Road Association conference and meeting with various Ministers in Toronto on February 2001. While this direct approach needs to continue, it also needs to be reinforced by a consistent message coming from organizations such as NOMA and AMO (Association of Municipalities of Ontario).

These organizations provide smaller municipalities such as Oliver Paipoonge a stronger voice relative to their size. A greater involvement should be pursued in order to protect not only the interest of the community but to lend support and take advantage of networking opportunities amongst regional partners.

3.5 The role of the Provincial Government in Rural Economic Development

Ontario economy has performed well during the period 1996–99, creating 475,000 net new jobs through a growth rate of over 5 percent per year, and one of the best performances within the G-7 nations. However, within this buoyant provincial economy regional differences exist with the large urban centres accounting for 78 percent of all job growth in the last 5 years.

Although conventional wisdom dictates that a rising tide lifts all ships, the benefits of Ontario's current strong economy have not spread consistently to all Ontario communities. While some rural communities are doing well, at least those in Northern Ontario are dealing with problems of increased youth out-migration, a lack of investment and job opportunities, higher unemployment, and a less than attractive business environment. Facing a growing economic disparity within the Province, Premier Harris announced the formation of the government's Task Force on Rural Economic Renewal in March 2000.

On April 5, 2001 the report was completed and released to the public. The following section will include the mandate of the task force, its recommendations, and the consultant's (our) analysis of each recommendation in light of their implications for Oliver Paipoonge Municipality.

Mandate

The mandate of the Task Force was to:

- Identify barriers and opportunities concerning rural economic development;
- Identify solutions to create and retain jobs in rural Ontario;
- Identify ways to encourage partnerships/links between rural communities, government, and the private sector to promote rural economic development; and
- Identify opportunities to strengthen the voice of rural Ontario.

The Task Force consulted with rural Ontario residents and stakeholders as well as other economic development jurisdictions in identifying key barriers to rural economic renewal as well as potential solutions. During its consultations, the Task Force identified six recurring themes. The recommendations and their potential implementation are centered on these themes. They are:

- Establish a new “vision” through a Provincial Rural Economic Renewal Strategy
- Encourage regional co-ordination, co-operation and consolidation
- Ensure the availability of business development resource
- Encourage innovative business and new job opportunities
- Develop community self confidence and initiative
- Build human resources capacity and community infrastructure

These themes encompass social, economic, environmental, human resource, and governance issues. The Task Force's recommendations below attempt to address each specific issue identified under these broader themes, as well as providing possible solutions.

Recommendations

1) Provide leadership in developing a provincial rural economic development strategy

The task force identified the need for a rural economic development strategy. It looked at other jurisdictions around the world to identify what worked and what didn't. Successful implementation of any strategy especially in regards to rural economic development needs to take a bottom-up, regional approach. This vision and strategy once developed would provide a "road map" for future economic development initiatives and funding support. Municipal, regional and community development organizations would be able to develop and implement strategic action plans complementary to this broader provincial strategy. Oliver Paipoonge's Strategic Economic Development Plan is doing exactly that.

2) Encourage and support regional partnerships in economic development and marketing

In terms of regional partnerships, the findings of the task force are consistent with those in this report (see previous section 3.4 on competitive analysis). The limited resources and lack of critical mass in the sparsely populated Northern Ontario, coupled with an ever-growing and competitive global environment, make the case for partnerships a compelling one.

Northwestern Ontario has already taken the lead in this area through the Northwestern Ontario Development Network (regional economic development); the NMA (Northwest-Midwest Alliance) a regional export development initiative; The Northwestern Ontario Technology Centre (a regional incubation centre for start-up companies in innovation and technology); and many others including Community Futures Development Corporations in the region.

Oliver Paipoonge has identified the need to be part of this growing network of regional partnerships. As stated in other sections of this report, even on a temporary basis the Economic Development Officer was able to identify many opportunities for the Municipality. Becoming

aware of opportunities is only the first step in economic development. Understanding each other's strengths and weaknesses in relation to such opportunities requires an ongoing presence and effort. The resource constraints in terms of the appropriate funding for such position is the limiting factor preventing the Municipality to become a full partner in future economic growth and prosperity in the region.

3) Provide regional coordination of business advisory services

The coordination of business development services was also identified as an area of opportunity to make rural communities more business-friendly. While there is a wide array of business services available, many times business people and entrepreneurs do not know where to go for assistance. The task force is recommending better coordination of municipal, provincial and federal programs on the basis of successful "one-stop-shop" approach to business development services in other jurisdiction in North America.

While this approach once developed and implemented would greatly facilitate accessibility of business development services in the region, it would not compensate for the need in Oliver Paipoonge to create its own "one-stop-shop" approach towards economic development. This need is based upon the dynamics of a geographically large and diverse constituency, the recent amalgamation and need for a cohesive approach, and the opportunity to provide services on a cost recovery basis to its neighbours.

4) Focus on providing skilled labour and workforce development

A lack of skilled workers impedes existing business expansions as well as the attraction of new businesses to rural communities. This is nothing new in economic development but in rural communities the potential for business expansion and growth is greatly reduced by the lack of available and skilled work force in certain sectors while high levels of unemployment exist in others. Especially in the North, this paradox is due to a large extent to an economy in transition from a resource-based to a knowledge-based economy.

The task force identified that a key solution to rural training issues is promoting greater communication and more effective working relationships between local training boards, business associations, educational institutions and the various levels of government.

At the local level, on March 16, 2001 the North Superior Training Board held a media release and presentation to its stakeholders and partners of the various initiatives to address the training needs of the region. Mayor Lucy Kloosterhuis the EDO Piero Pucci attended. Other programs such as "Passport to Prosperity" have been recently launched with the aim of bridging the gap between the school and work environment of young people. While regional updates on training needs and adjustments and consultation session with community stakeholders are ongoing. Oliver Paipoonge efforts to have a presence in such forums needs to continue.

While Oliver Paipoonge's demographics (see section 2.1.2) indicate a younger than average

population, higher levels of education and training, and lower levels of unemployment vis-à-vis Thunder Bay and Province, the specific training needs of its work force are intermingled to those of Thunder Bay. In fact, because of its proximity to the City, it has become evident to the consulting team that many people living in the City work for major employers located in Oliver Paipoonge and vice-versa. This further strengthens the case for regional partnerships and the need to take a regional approach to economic development.

5) Improve access to developmental venture capital

In many cases, rural entrepreneurs and small businesses have a hard time acquiring the necessary capital needed for start-up companies or expansion of existing businesses. High-risk businesses requiring venture capital are even more difficult to finance. Many jurisdictions have developed innovative approaches to this problem. The more successful ones seem to centre around the creation of "Community Investment Funds".

Other opportunities identified by the task force are to provide training assistance to credit unions who want to expand in providing financial services to rural entrepreneurs, and promote the financing services of Community Futures Development Corporations to rural entrepreneurs. Also greater focus should be placed on assisting entrepreneurs to develop business ideas and plans that show a potential for success. Financing is usually more available for well-researched business proposals with a high probability of success.

At the local level, Thunder Bay Ventures provides such services to Oliver Paipoonge's business community. While a number of them have taken advantage of financing opportunities, there seems to be a need for increased awareness. The temporary Economic Development Officer has provided a useful link to such financing opportunities and helped local businesses tap into them. These financing issues are not unique to Oliver Paipoonge but encompass the Northern and rural communities including Thunder Bay. Solutions to such issues have and continue to be explored by local Chambers of Commerce, Economic Development agencies and other stakeholders. Oliver Paipoonge needs to have a presence at the discussion table or become more proactive in requesting that relevant information be passed on to its Economic Development Committee or staff. The communications strategy outlined in the recommendation section of this report will identify ways to deal with such issues.

6) Create an environment for a profitable and environmentally sustainable agriculture industry

As a key component of the Ontario rural economy, a healthy agriculture sector will certainly enhance the economic viability of rural communities. The government is looking to enhance the overall profitability of the agriculture sector and continue environmental and land use planning support. It is also looking at developing appropriate policies and regulations to support the emerging alternative crop and livestock industry. Other areas of opportunities are in agricultural research, innovative partnerships, agri-tourism marketing and promotion at the local and regional level.

The implications for Oliver Paipoonge are substantial. As identified in the agriculture sector of this report, the Municipality has a long agricultural history, and while there have been many changes in recent years, many opportunities for expansion and growth still exist. While the Agriculture Committee has done a lot of work in this area, their progress is hampered by their lack of resources. It is the opinion of the consulting team that this sector can and should continue to provide exciting opportunities for the future if it is properly guided and nurtured.

7) Rural education, health and social services

The government recognizes that quality education, health and social services are fundamental to the prosperity and sustainability of rural communities. However, insufficient numbers of medical practitioners (doctors, specialists, and nurses) are identified as major barriers to economic development. School closures due to declining enrolment and lack of medical facilities and services were also a concern.

While there was recognition of the need for adjustments to the provincial education and health services delivery systems, community-based solutions were suggested to address these concerns. Because of the comprehensive nature of these issues, the best role for Oliver Paipoonge is to work in cooperation with its regional partners wherever possible. While these issues may not seem directly related to economic development, they form the basis for a good quality of life and the ability to sustain future growth and prosperity.

8) Support innovative and partnership-driven approaches to addressing the wide ranges of rural infrastructure needs

Rural communities and businesses require up-to-date infrastructure services in order to grow and remain competitive. The task force heard from many rural representatives that the current physical infrastructure is inadequate and as a result a barrier to economic development. Limited local assessment base and slow growth is preventing many rural municipalities from improving their municipal sewer, water and road infrastructure.

Other forms of infrastructure needed in rural communities are access to efficient and cost-effective forms of energy. Due to geography and lack of critical mass, private sector natural gas companies are unable to justify pipeline infrastructure development into many rural and remote areas. Lower electricity rates are also vital to rural economic expansion. For businesses to be competitive in the new economy, rural communities need access to low-cost high speed Internet technology and infrastructure.

In terms of energy infrastructure, the Municipality needs to work closely with regional groups such as the Northwestern Ontario Municipal Association, Northwest Energy Association, Thunder Bay Hydro, Hydro One, Ontario Power Generation, natural gas companies, and other new energy players, to identify areas of opportunities for energy development in the region, and minimize risks.

The task force has identified the need to develop funding criteria to facilitate the strategic

development of new, expanded and improved sewer and water facilities, municipal infrastructure and bridges. OSTAR (Ontario Small Town and Rural initiative) is a key provincial funding program to assist rural municipalities in the provision of these needed facilities. Oliver Paipoonge should develop a prioritized list of infrastructure needs and pursue these funding opportunities through the various funding programs available.

In terms of low-cost high speed Internet technology and infrastructure, Thunder Bay and surrounding region has greatly benefited from the local ownership of the telephone utility. As discussed in section 4.4.9 Thunder Bay Telephone has made substantial infrastructure investments in Oliver Paipoonge in the last 5 years. However, it needs to be remembered that technology is only a tool. The appropriate use of such technology, supported by a strategic approach to economic development, will ensure that the municipality will reap long-lasting benefits.

9) Help rural communities find the capacity, ability and resources to engage in effective local economic development

The task force identified that municipalities and rural communities have assumed greater responsibility related to local governance, economic development and the provision of community services. However, their capacity to manage these new responsibilities while critical to future success, is not always there. In partnerships with OMAFRA, Professor David Douglas, University of Guelph, is undertaking a research project in rural economic development. His draft findings indicate that:

- only 28% of rural municipalities (less than 25,000 population) in Ontario have Economic Development Officers (EDO), full time, part-time or retained
- only 38% of Ontario's rural municipalities have a formal Economic Development Plan in place
- the vast majority of rural municipalities actively engaged in local economic development operate with very modest, or no budget whatsoever
- from the perspective of rural municipalities, less than one third indicate that they have the capacity to undertake local economic development
- the major deficiencies in economic development are associated with limited human resources, skills and knowledge of the local development process; appropriate time devoted to the process and finances

The task force recommendations in addressing such weaknesses seem to concentrate on Universities and Colleges providing rural research and community outreach services to rural communities. They also indicate that provincial support should be provided at several levels for new programs that support community building and leadership development.

In terms of resources, they identify that greater attention must be placed on ensuring that rural communities have the skills, resources, staff and organizational capability, to take the necessary steps to stimulate and grow the local economy. Specifically, provincial funding support for Community Economic Development internships for youth working with the municipal sector and

not-for-profit organizations involved in rural economic development should be provided.

The research findings above show what rural communities have known for a long time. They also indicate that Oliver Paipoonge has been very progressive in dealing with such issues. In fact the Municipality has already shown leadership in forming an Economic Development Committee, tapping into internship resources, and commissioning a Strategic Economic Development Plan to guide the municipality for the next 5 to 10 years.

Oliver Paipoonge needs to continue its proactive approach to community economic development by directly engaging the provincial government in a partnership agreement to fund a permanent Community Development position. Since the Chair of the Economic Development Committee has been asked to provide feedback on the task force recommendations on June 15, 2001 the opportunity is there.

10) Continue cutting job-killing red tape so that all communities will have equal access to economic opportunity

The task force identified a variety of red tape issues, which impede business development in rural Ontario. Recommendations are to set up a toll-free line or Internet link so that rural residents can quickly communicate "red tape" issues which negatively impact the rural business sector. Whatever other measures are taken, they should also complement the activities of the Red Tape Commission.

Such recommendations seem to indicate an easy solution to many regulatory problems that have been identified by the consulting team during the public sessions, surveys, and direct interviews with community leaders and business people. However, Oliver Paipoonge Mayor and Council have taken these issues directly to the Ministers responsible, and many such issues are still outstanding. Since their case is now strengthened by the findings of the task force, efforts to address and solve these outstanding issues should be pursued.

3.6 The role of the Federal Government in Rural Economic Development

The Federal Government has played a crucial role in northern communities through FedNor for many years. Specifically to Oliver Paipoonge, FedNor's Internship program has provided the funding necessary to expand economic development opportunities in the Municipality. FedNor has also helped fund the Strategic Economic Development Plan that will guide the Municipality for years to come.

On April 2001, the Federal government released its Rural Action Plan, indicating its continued commitment in supporting northern and rural communities. The Rural Action Plan outlines issues that emerged at the National Rural Conference of April 27-30, 2000 and lists examples of current government actions as well as the next steps the Government of Canada is taking in response to such issues.

The issues are organized around 11 priority areas. While some of these issues are similar to those discussed above in the Provincial task force findings, they are addressing the broader national rural perspective. At the same time, they are extremely relevant to Municipalities like Oliver Paipoonge that have already benefited from such initiatives. **The Economic Development Committee should continue to work very closely with FedNor in pursuing specific initiatives and funding opportunities identified in the Rural Action Plan and in this report.**

4 AREAS OF CONCERN AND OPPORTUNITIES

Goal: To examine local opportunities in light of strengths and weaknesses and recommend and prioritize viable development opportunities that the community should pursue. Address weaknesses and threats, including any gaps in local infrastructure requiring attention.

Approach: In addition to the interviews with select business and community leaders, we included the communities through focus group sessions and questionnaires. We also evaluated findings of survey and focus groups, along with interviews of community leaders and various stakeholders; identified the root causes of major weaknesses and threats, and separated controllable (local issues) from non-controllable (global trends).

We identify opportunities as they relate not only to the municipality but the surrounding area and region as well. For example, the Portside Waterfront project in Thunder Bay can play a key role in attracting new tourists to Kakabeka Falls. Furthermore, with Kakabeka Falls being one of Northern Ontario's great tourist attractions (over 300,000 visitors a year), what is needed is something to keep these visitors around for more than a quick visit to the falls. Tourists that want to visit Portside or the casino should bed down in Kakabeka, and would if more services were there.

4.1 Focus Groups - Public Meetings

As the goals and approach taken indicate, consultation with the community was the primary focus of this section. The consulting team, assisted by the Economic Development Committee organized one business focus group and four public sessions along with over 50 one-on-one interviews with all major stakeholders. These focus groups would start with a brief introduction of the consulting team, which in turn would make a brief presentation about its mandate and role in the development and formulation of a Strategic Economic Development Plan for the Municipality.

The discussions held at such meetings while comprehensive in nature (i.e. open ended) were geared to receive feedback in terms of people's views about strengths, weaknesses, opportunities and risks to the community. The results of such public meetings are summarized below.

4.2 Community Strengths & Opportunities

Strengths

- Receptive and user-friendly municipal administration and council
- Favorable tax rates
- Availability of competitively priced land
- Good quality of life
- Proactive, energetic and informed business community
- Major local tourist attraction (Kakabeka Falls Provincial Park)
- Extensive recreational facilities

Opportunities

- Present projects
 5. Wild Side,
 6. Golf Course
 7. Agriplex
 8. Log Homes
 9. Walking Trails
- Potential future projects
 8. Bowater's new woodlands office
 9. Residential development in Rosslyn village
 10. Residential development along the Kam river (privately held lands)
 11. Expansion of the Rubin light industrial park
 12. Expansion of privately owned light industrial zoned lands
 13. Gordon Trailer's RV park
 14. Northwest Village
- Agriculture opportunities (i.e. new crops, live stock, etc.)
- Enhance tourism opportunities in Kakabeka and across Oliver Paipoonge (i.e. signage program, trifold brochures on things to do while in Oliver Paipoonge, website enhancement and cross-linking, etc.)
- Exporting opportunities across various sectors (i.e. wood products, agriculture, arts & crafts, etc.) into the US Midwest.

4.3 Community Weaknesses & Areas of Concern

4.3.1 Local Issues

- Lack of long-range planning
- Lack of common identity for Oliver Paipoonge due to
 3. Recent amalgamation
 4. Geographical dispersion (i.e. 5 separate enclaves)
- Lack of resources in the municipal office (i.e. EDO, By Law Enforcement,

- Policy/Research and Administrative support)
- Lack of land use designation

4.3.2 Global Issues and Trends

- US economic slowdown and softwood lumber tariffs (i.e. two of the area largest employer's - Bowater and Buchanan laying off)
- Structural deficiencies of northern communities (i.e. smaller economies of scale, higher prices, higher transportation costs, youth out-migration, etc.)
- Constraints to development outside of the municipality control (i.e. MTO and other bureaucracies such as new water regulations)
- New Hydro de-regulations and higher energy costs which would curtail the Municipality's ability to retain and attract manufacturing operations.

4.4 List of Viable Economic Development Opportunities

4.4.1 Residential

The new official plan has identified an average population growth rate of 4.5 percent during the last 10 years. If this growth rate continues at the same levels, the projected increase in the number of households over the next 20 years will be around 220. The present lot inventory allows for such growth.

The consulting team is of the opinion that residential growth and demand for housing will be greater than these estimates. As of December 31, 1998 the number of vacant buildable residential lots was 308, or sufficient to meet even a higher growth projection. Note that to be considered a vacant buildable lot, a parcel of land had to have road access and be classified in the VL tax class. Vacant lands that were considered to be vacant industrial or commercial lands (by tax class) were not considered vacant buildable lots.

Some concern has been expressed by a few people in regards to the incremental cost to the municipality in providing services to new residential areas. In our follow-up discussions with the Planning Department, the Economic Development Committee, Administration, and Council members, it is apparent that **the Municipality is prepared to encourage patterns of development which facilitates the provision of local services with minimal or no impact on local finances.**

Given this provision, a policy of infilling, and the natural growth sequence that is already occurring along settlement areas such as Rosslyn Village and Murillo, it should be not only cost effective, but beneficial to commercial development as well to allow residential growth in these areas. Such growth in Rosslyn Village would also minimize the impact of new water regulations and costs to the present residents through economies of scale. Other opportunities identified by the private sector would see residential development along the Kaministiquia River and in the proposed King George Park.

4.4.2 Agricultural

Agriculture in the Municipality of Oliver Paipoonge.

Over the past 50 years many rural agricultural communities seem to have lost their purpose. The trend during this period has been toward fewer, larger, and more specialized farms. The result has been declining agricultural populations, declining demand for local markets and locally purchased inputs, and the resulting economic decay of many rural communities. Some communities attempt to diversify their economy and reduce their dependence on agriculture, while others abandon agriculture entirely as a basis for economic development.

New rural economic activities such as tourism, vacation homes, retirement communities, and rural residences can have strong economic foundations in climate, landscapes, or proximity to urban employment. Such activities have helped some rural communities survive the downturn in farm employment but most continue to search for new industry to support the tax base.

Between the 1991 and 1996 census, Oliver Paipoonge experienced a 40.7% decline in agricultural activity (mostly in the former Oliver Township) with the resulting loss of 110 jobs. By comparison Ontario agriculture over all declined by 10.8% in the same period. It should be noted that during this period, while the end number of jobs decreased the amount and value of production, particularly in the dairy industry, remained the same or increased slightly. It is also important to note that at that time there was no free movement of milk quota within the province. If a producer was shutting down for whatever reason, that quota was picked up by other local producers, thereby maintaining production levels.

The background information prepared for the Oliver Paipoonge Township Plan, Chapter 5, Agriculture, states:

“Oliver Paipoonge is at a cross-roads at which they must decide whether agriculture is to be retained as the major land use activity or gradually replaced by non farm activities. Retaining agriculture will require both strong measures to protect the land base for agriculture and positive measures to encourage and help the farmer. Replacing agriculture with non-farm uses will only require that land use be determined in the marketplace where agriculture will invariably come out second best to urban uses.”

That notwithstanding, considerable agricultural activity continues in the municipality. Census data indicates a total of 64,000 acres is still farmed in Oliver Paipoonge, in scattered pockets within an hour's drive of the city. Traditionally the dairy industry has dominated the agricultural picture.

In 1998/99- 48 licensed producers marketed over 22 million litres of milk (DFO Statistical Handbook). A substantial portion of this production is processed as fluid milk in a plant located in the city. The balance is processed into cheese, butter and other milk products at plants located

in Manitoba and Southern Ontario. Given the fact that there are no restrictions to quota movement now in Ontario (producers can buy more quota by the bid process), there would seem to be opportunity for expansion in the production of milk for cheese, butter and other milk products, possibly at a new, local production facility. Since Thunder Oak Cheese already supplies the local market, it would seem that opportunities are limited. However, they only produce one kind of cheese (Gouda), therefore some opportunities for expansion may still exist.

The major detriment to such an expansion is capital. While land prices may be lower than in Southern Ontario, and cattle prices relatively the same, the capital requirement for say a hundred head operation for buildings and equipment could be in excess of \$1 million. A daunting investment requiring long term secure markets.

Nevertheless there are significant reasons to be optimistic for the future of agriculture in Oliver Paipoonge.

Nearly 4000 acres are planted yearly to barley, used mainly for cattle feed, and in the year 2000 over 300 acres of hard red spring wheat were planted and harvested successfully. This wheat was also used for feed but has potential in the food market as well. Yields for cereal crops average 1.5 to 2 tons per acre. Wheat samples regularly test over 14% protein. The 2000 growing season also marked the first commercial soybean crops successfully grown in the district. Approximately 19 acres at 2 locations reached maturity and were combined yielding 35 to 40 bushels per acre.

Other crops grown regularly include over 600 acres of potatoes, 500 to 600 acres of oats, and 20,000 acres of hay. Sweet corn, field peas and strawberries are produced annually as well. The oats, hay, and now some field corn are also used for feed. These and other products could be grown for export but at the present time there are no elevator operations to process and ship the smaller quantities local producers can supply. The Agriculture Committee is looking into this issue.

Provincial Government's support is quite strong. There is an established research farm here, operated as an extension of the University of Guelph. A researcher from the university, stationed here, is responsible for agriculture research for all of Northwestern Ontario. The province maintains an office of the Ministry of Agriculture, Food and Rural Affairs in Thunder Bay. The Northern Ontario Heritage Fund continues to provide strong support for agriculture initiatives.

During the last program which ended April 2000, they provided a contribution of \$594,274, which levered local investment of \$627,254 for tile drainage in the Municipality. Tile drainage can improve crop yields and enable farmers to grow higher value crops. Dairy, Beef, and Greenhouse expansion projects received \$529,100 which in turn levered \$271,845 local investment.

Also a general agriculture infrastructure project funded the Thunder Bay Co-op Fertilizer Blending Plant with a contribution of \$195,186 that was matched by local funds.

In December 2000 the Province announced the Healthy Futures for Ontario Agriculture program. This four year, \$90 million program is aimed at maintaining and building on the success of

Ontario's agri-food industry, which annually contributes \$25 billion to the provincial economy, generates \$6.2 billion in agri-food exports, and employs more than 40,000 people.

Opportunities

Organic Farming

Given the size of the district and the separation from other agricultural areas, Oliver Paipoonge might be an ideal location for agricultural opportunities that require isolation to preserve the integrity of the product to be produced as is the case in organic farming.

The organic sector in Canada is small but growing rapidly. Farm cash receipts from this industry reached about \$500 million in 1999, mostly from grains and oilseeds. In Canada there are approximately 2000 organic farmers, about 150 processors and handlers, and about 46 certifiers, many with accreditation from various foreign accreditation bodies.

This certification is important since nearly all of Canada's organic products are exported. The United States, where a huge portion of the organic products are processed and resold to other markets, is the largest market for Canadian organic foods, followed by Europe and Japan. The relative isolation of this region lends itself to this method of farming providing protection from cross contamination from neighboring fields.

As the popularity of organic crops grows, the necessity to isolate them from conventional crops grows also. Canadian organic retail sales growth is expected to rise from \$0.7 billion in 1997 to \$3.1 billion in 2005, which equates to an average growth of 20% annually. In addition to the export market, the industry anticipates that its market share will increase to 10% of the Canadian retail market by 2010.

Although the growing season may be slightly shorter than Southern Ontario, averaging 96 to 98 frost free days, (early May to early September) the growing months average half the total of nearly 2200 hours of sunshine received annually, a climate that grows grass, forage crops, and cereal grains very well.

Hay Crops

There could be a market for higher value hay crops primarily in the U.S Midwest. Farms in Southern Ontario are currently shipping high quality hay to Japan. Obstacles to this initiative would be, acquiring proper compaction equipment, an understanding of the market, possibly a central clearing house offering service to all producers and providing quality control. Not insurmountable obstacles to be sure. Supporting this initiative is the regions access to good rail and road links for export, and the close proximity to markets in the upper Midwest States.

Greenhouse and Market Garden

Greenhouse and market garden production. With the large local population there is an

opportunity to produce and sell more food locally than at present. The main obstacle is market access in competition with the major food chains.

Local producers need assistance to increase their share of the local market and to access the regional markets of the many remote fly-in communities serviced by Thunder Bay.

Agriculture Committee Initiatives

Cash Crops

The Agriculture Committee is currently working on several important initiatives. A major one is to establish a soybean processing facility to support this new crop. While grown successfully this past season, more needs to be done to prove the viability of soybeans and how they respond to the climate and soil conditions of the region. Over time soybeans can add significantly to farm incomes in the municipality. Unfortunately, this potential crop and others suffers from a lack of infrastructure. The collection, cleaning, weighing and storage of alternate cash crops such as hemp, canola, milling wheat, milling oats and navy beans requires local facilities able to handle local farm production. The existing facilities are designed to handle large bulk loads. They lack the flexibility to collect small loads from local farmers.

High Quality Seed Production

There is potential to develop this region as a supplier of high quality seed. This may primarily be an opportunity to reduce imports, but would have an export component as well. This region is isolated from the main seed producing areas and offers the bio-security so important to this industry.

Marketing Oliver Paipoonge Agriculture Opportunities

Another promising opportunity is to market the agricultural and availability of farms in Oliver Paipoonge to North America and Europe. The Committee is working with Confederation College to produce a high quality video of the advantages and farming opportunities of the region. This video, and other promotional material, will be provided to real estate agents with contacts particularly in Europe.

It is understood that younger European farmers are constrained by the lack of available land and are interested in relocating to Canada. This immigration has been taking place for some time with most going to Western Canada and to Southern Ontario. An aggressive promotional campaign could produce significant results for Oliver Paipoonge.

In the final analysis part of the statement from the background report bears repeating. "Retaining agriculture will require both strong measures to protect the land base for agriculture and positive measures to encourage and help the farmer".

AGRIPLEX

Thunder Bay Agricultural & Equestrian Corporation

The business case for this facility states that its purpose is to serve the growing equestrian market, provide a destination attraction to promote regional tourism, and support a variety of rural, agricultural, and other community organizations and activities. The Agriplex is intended to provide year round facilities for agricultural exhibitions, education, and promotion of rural community economic development.

Facility

Specifically, the Agriplex has been designed to host horse shows, dressage, heavy horse competitions, show jumping, gymkhanas, barrel races, rodeos, cattle shows, livestock auctions and sales, and agricultural machinery exhibitions. The facility will also feature attractive and competitive space, services and related commercial activities to attract visiting exhibitors and spectators from regional and international market areas including the Northwestern Ontario region, Manitoba, and the United States upper midwest.

The facility has also been designed to accommodate a variety of additional rural, agricultural and other community uses including clubhouse and meeting facilities for amateur sports, the 4H clubs, Scouts, Guides, etc. The Agriplex can also accommodate general trade shows, exhibitions, municipal meetings, and other animal husbandry and hobby events. The Lakehead Board of Education and Lakehead University have expressed interest in using the facility for various agri-programs.

Operations Management

The Thunder Bay Agricultural & Equestrian Corporation will manage and operate the facility, with the support of the Municipality of Oliver Paipoonge and the participating agricultural and equestrian organizations, through a volunteer board of directors. A project manager will supervise the day to day operation. The operation is expected to employ approximately 10 full time and part time seasonal personnel, plus contract event staff and volunteers.

Economic Benefits

This facility will provide significant economic benefits to the Thunder Bay District, primarily through the reinforcement of traditional agricultural activities and additional tourism. The Agriplex should encourage increased value added activity in the horse and livestock industry in Northwestern Ontario reducing the present volume of imports, and over time, enabling area livestock producers to once again become net exporters to the Midwestern U.S. markets. The economic benefits from the Agriplex will include an estimated 7,500 additional visitor days to the Thunder Bay area. Based on an average daily expenditure of \$250/visitor/day, the incremental direct tourism spending is forecast to be at least \$1,9 million per year, with an additional spin off of up to \$3.8 million in indirect spending.

Industry Overview

The “horse” business in Northwestern Ontario is substantial with more than 4000 horses stabled. The total investment in fixed assets by horse owners is estimated to exceed \$73 million, and industry wide expenditures are estimated at more than \$11 million per year.

Events Calendar

The Directors of the Agriplex plan an aggressive event calendar including 20, 2 day horse shows in the first year of operation, in addition to 5 special events such as Auctions, Trade Shows etc. These activities will grow in number in subsequent years as the popularity of the facility grows.

Facility location and building description

The Agriplex is located on a 23.5 acre leased site on Highway #130, in Concession A in the Municipality of Oliver Paipoonge, approximately ten kilometres from the municipal boundaries of the City of Thunder Bay. It consists of a pre-engineered steel structure, 250’ x 140’ housing an indoor arena, with adjoining meeting rooms, offices and amenities. A separate area of the building includes 110’x140’ of barn space for 150 portable stalls for visiting show and riding horses, boarding facilities and accommodation for other animals, and an indoor exercise area. The site also features a fenced outdoor riding/exercise ring, 400 parking spaces, as well as vehicle and horse trailer storage areas.

Conclusion

Without question the Agriplex has the potential to be a major factor in the growth of economic development and tourism in Oliver Paipoonge.

4.4.3 Commercial

Opportunities for commercial expansion from a planning perspective have been identified in all three villages of Kakabeka, Murillo, and Rosslyn. This follows the natural growth already experienced by these settlement areas and is in keeping with maintaining the rural setting in the Municipality. A case in point is the Log Homes commercial operation in Kakabeka. Location, traffic pattern, and land availability made it a natural choice.

In our discussions with Bowater, an opportunity was identified in their desire to relocate the Woodlands administrative office into one new office building to replace the present facilities (trailers) on the 25th Side Road. The new office would have to be large enough to accommodate 200-300 employees and would provide incremental tax revenue to the municipality.

Other commercial opportunities identified during interviews with stakeholders are:

- 10-20 thousand sq. ft. shop for repair facility to serve the trucking industry

- Retail sales for logging equipment. Western Star ready to expand

4.4.4 Light Industrial

A similar natural extension of present light industrial lands is recommended for Rubin Park. While the private sector has land already zoned and ready for development, the consulting team is of the opinion that there is a role for the Municipality to play in this area. Having some light industrial land available will provide the Municipality the flexibility necessary to have a number of options available, while providing a balance in terms of prices, location, and potential uses.

The consulting team recognizes that there are some concerns with this approach. However, we want to emphasize that the Municipality should not be competing with the private sector, but work in partnership by providing similar options, albeit in a more controlled environment. This approach is based on the understanding that there is a need for the Economic Development Committee to be proactive in its search for potential investments in the area. As such, this role is consistent with its mandate.

Light and heavy industrial lands have also been designated in parts of Twin Cities Cross Roads. The Economic Development Committee needs to clearly identify such lands and help market them to potential investors. Examples of such investments are as follows:

- Rebuild engine (diesel) company. This would require a large investment in machinery and equipment. There are only few such companies operating in Ontario (Tormat Plant, Powell?)
- Northwestern Ontario is a large hub of industrial activity presently being served by companies from Winnipeg and Toronto. The potential exists to identify and target such companies to move to Oliver Paipoonge.

4.4.5 Heavy Industrial

Same as above, only in those areas designated in the new official plan. Heavy industrial lands are primarily owned by private sector interests. Manufacturing operations were ranked number four in the survey behind recreation, tourism, and residential development as providing the best development opportunities. As described in the competitive analysis, Oliver Paipoonge does not have the resources necessary to mount an aggressive inward investment campaign. However, there are opportunities to leverage resource by working in close co-operation with surrounding municipalities.

4.4.6 Tourism

This sector has been identified as a major area of opportunity by most stakeholders and survey respondents. Responses from businesses were much higher at 62 percent as compared with 37 percent from residential. Tourism was also ranked number one and two respectively as providing the greatest impact on the community during the next five and ten years.

Specific opportunities seem to focus on maximizing the impact of the number of tourists who presently visit Kakabeka Falls. 1998 actual numbers were 303,639 of which 268,884 were day visitors. It is assumed that the remaining 34,755 were overnight campers.

Other important points to consider:

- 51% of the day visitors or 137,030 were under 14 years of age
- 83% were Canadians and 17% Americans
- 57% were repeat visitors and 43% were new
- 61% had incomes over \$40,000
- of the overnight campers (34,755), only 23% were under 14
- reasons for visiting the park: 62% en route; 28% repeat visitors; 27% close to home; and 19% were recommended

Using a benchmark of 300,000 visitors, and an additional spending amount of \$25 for admission and souvenirs from an added attraction, gives a potential gross revenue of \$7.5 million plus any economic spin-offs for the village. Even if no new attraction was available, many opportunities to enhance the revenue generating potential of the current visitors are available. Suggestions made during the public meeting and interviews with stakeholders are as follow:

- signs are needed to attract the attention of tourists, i.e. big entrance signs that will slow traffic down and indicate availability of restaurants, gas stations, retail operations, etc.
- welcome to Oliver Paipoonge signs should also be placed at Municipal boundaries
- market the history of the area. Between 1875-1900 the area had 25 silver mines
- make marketing brochures available at the Park's information kiosk and businesses in the village
- market recreational opportunities across the municipality on the web site and in marketing brochures

A suggestion that the Municipality should operate the Park was made by a number of people and followed up with provincial park's management staff. The short answer was that the government would not be interested. The reason is that the government is not in the business of selling parks. While there are instances where municipalities are managing and operating parks, they occurred as a result of parks losing money and being in the process of being closed. The Municipalities in question then offered to operate the parks, and absorb any operating losses or gains. The provincial government still retains ownership and funds capital expenditures.

Other opportunities to enhance the tourism potential of the area have already been pursued with CANUSA a regional company that owns tourism information terminals. They have already updated their web site to include points of interest in Kakabeka and surrounding areas, including the Pioneer Village.

Further opportunities also exist by enhancing Oliver Paipoonge present web site and linking it with regional tourism sites, as well as getting a community page with all relevant tourism and

recreational information in the Thunder Bay telephone book. Based on discussions held with the management of Thunder Bay Telephone (meeting with Oliver Paipoonge Mayor and Economic Development Officer on May 7, 2001), there exist a possibility to include a regional map in the telephone book as well. This map would include addresses and contact numbers for Municipalities and Townships adjacent to Thunder Bay (the CMA or Census Metropolitan Area).

4.4.7 Recreational

Recreational opportunities have been ranked at the top along with tourism in the survey and in many interviews. Recreational and entertainment facilities were ranked higher by residential respondents than businesses (56% vs. 38% respectively).

Recreational opportunities are already present and are being developed with projects such as Wild Side (due to open in July 2001) and King George Park (due to open in 2002). Such projects are situated near the Rosslyn village and have the potential to attract residential and commercial interest in the area due to the economies of scale that it would generate.

King George Park includes a low and medium density residential component that will benefit from the recreational facilities already in the area, such as walking areas on Rosslyn Road and the walking trails on the MNR property on the 25th Side Road. The Municipality has also invested in viewing platforms over the creek.

The Nor West Recreation Centre also provides further opportunities for recreational expansion especially in the winter. With a shortage of reasonably priced ice time, the centre can be marketed across the region and generate additional sources of revenue. Other events such as roller blading, dog shows, strawberry socials, etc. can also be advertised and promoted throughout the year to surrounding municipalities.

Oliver Paipoonge is already well served by many recreational facilities and events during the year such as ski hills, cross-country trails, ski-do trails, four outdoor rinks, a curling rink, an arena, six ball diamonds, four tennis courts, water tubing and winter ice races in the Kam river, Kakabeka Falls street fair, Murillo agricultural fair, country music festival at the Barn (local restaurant), strawberry picking, and two museums. Such activities throughout the year provide excellent opportunities to attract tourists from across the region and to keep those already visiting Kakabeka a little longer in the area.

4.4.8 Exports

While exporting opportunities were ranked low in the survey results, the consulting team is aware of companies in the Oliver Paipoonge Municipality who have taken advantage of export opportunities in the past. We believe that lack of awareness should not be the determining factor in a company's ability or desire to explore export markets. The following will provide a synopsis of general export opportunities present in the U.S. Midwest market.

General opportunities:

Northwestern Ontario, by virtue of both geography, human resources and technical and institutional infrastructure, possesses vast potential for realizing positive economic opportunities through the continued development of regional economic ties with Midwest US markets. The predominant factors are as follows:

- Close geographic proximity (the NW Ontario regional center of Thunder Bay is within a half-hour drive of the US border, a three hour drive of Duluth, MN, and within a six-hour drive of the Twin Cities of Minneapolis and St. Paul – this compares with a nine hour drive to Winnipeg and an eighteen hour drive to Toronto)
- Strong transportation, shipping and communication networks (all markets are accessible by air, rail, water and by significantly improving telecommunication networks)
- The Midwestern US economy is very strong (less than 2% unemployment with strong projected growth rates over coming years) and **most major Midwest industries are now beginning to look to external solutions through partnerships and investment in other communities as a means to solve a chronic labor and land shortage problem**
- The North America Free Trade Agreement (NAFTA), has removed many barriers to the opportunity for Canadian communities to establish economic ties with US markets
- Favorable exchange rates provide opportunities for investment of US capital and the establishment of US-Canadian joint ventures (particularly in areas of research and development and expanding sectors such as information technologies)
- Northwestern Ontario possesses a **highly skilled and trainable but none-the-less underemployed work force, strong educational institutions, and the flexibility to fill both niche and broad market opportunities** through partnership with regional institutions, agencies and industry to develop mutually beneficial solutions to both Northwestern Ontario and Midwestern US economic problems

Thunder Bay and region have already benefited from exploring opportunities in the U.S. market. These opportunities are evident in local companies (Engineering, Information Technology, Printing, etc.) setting up offices in Duluth and Minneapolis to reach a vast and lucrative market that allows them to diversify across geographical boundaries. Having access to such a market has allowed them not only to weather any downturn in our local markets and retain the employees they presently have, but also to hire additional people in their local office to serve the expanding U.S. market.

Northwestern Ontario companies can count on the services of agencies such as Development Thunder Bay, the Northwest-Midwest Alliance, the Ministry of Northern Development and Mines, and FedNor in exploring such opportunities that go beyond exporting to include attracting investments into our region and the creation of joint-venture and strategic alliances.

Specific opportunities

Specific opportunities are identified by economic development officers at the Consulate office in

Minneapolis, the Northwest-Midwest Alliance representative in the Twin Cities, and by economic development staff at both Development Thunder Bay and Northwestern Ontario Development Network. These opportunities are communicated to companies in the region that have dealings with such offices in the past in the area of export development and new companies that have shown an interest in exporting.

As there are many stages of export development, companies that are planning to enter an export market such as the U.S. need to go through an evaluation of export readiness. Development Thunder Bay's staff is trained to provide such evaluation. Interested companies can also attend trade shows organized by the Consulate office in Minneapolis and co-ordinated by local economic development officers. A Community Development Officer in Oliver Paipoonge would ensure that relevant trade shows and seminars would be highlighted and interested businesses contacted. A targeted approach would also greatly enhance participation rates.

4.4.9 Other

Information technology and e-commerce

For years we have heard, discussed, and analyzed ways to turn the economy of Northern Ontario around. We are an economy in transition and are not experiencing the expansionary growth that is happening in southern Ontario. The Internet is helping us bypass some of these problems by allowing local businesses to reach into international markets. However, the global economy is a double-edged sword and it can cut both ways.

As we reach into other markets, other entrepreneurs can reach into ours and take market share away from local businesses. To make matters worse, large organizations such as Bowater, Bombardier, Buchanan, School Boards, Hospitals, Municipalities, etc. are starting to do their purchasing on line and buying from outside the region when products/services are not available locally, or when prices are lower due to economies of scale in larger centers.

A consortium of private and public sector investors (including merchant banking from Toronto) last year raised over \$500,000 to develop, launch, and run a business-to-business platform in Northwestern Ontario. The website www.northernsupplier.com is already up and running.

With over 9000 companies in Northwestern Ontario and 30,000 in Northeastern Ontario, the potential to increase selling opportunities for local suppliers is huge. Buyers can go on line and submit their requests for products or services within certain parameters. The system will filter out the suppliers that do not fall within the criteria and send the top 5 bids to the buyers who can then follow up quickly via e-mail or by phone. Savings for the larger institutional buyers can reach 10-15% of their procurement costs.

It is estimated that there are over 18,000 people connected to the Internet in Thunder Bay alone. Most businesses now realize that they need to be on line. However, in the new economy being connected is not sufficient to remain competitive. Having the right tools (i.e. application software) and the ability to apply them strategically (i.e. platform and infrastructure) will make

the difference between stagnation and growth.

As indicated by Thunder Bay Telephone manager's reply to Oliver Paipoonge CAO, the local utility has invested up to 4.5 million dollars of capital improvements in Oliver Paipoonge over the last 5 years. These expenditures have allowed Thunder Bay Telephone to provide all residents of the municipality with a number of services. This includes universal access to single line service, fiber optics and features at competitive rates.

Plans for 2001 include further enhancement to the existing cellular network. Such improvements to the service will allow the municipality to take advantage of opportunities in the information technology sector previously unavailable. The College proposal for an e-commerce training facility is something that the Municipality should seriously consider since it will help open up further opportunities for businesses and residential users alike.

5 RECOMMENDATIONS

Based on the previous four sections, an economic development strategy and action plan will be developed. The plan will outline recommendations that will allow the Oliver Paipoonge's Economic Development Committee to take results-oriented action. This plan is based on the following:

1. Review and analysis of the existing economic plans, strategies, marketing activities and materials.
2. Recommendations on an economic development strategy framework (i.e. a vision of a more diversified economy, more quality jobs, a higher quality of life, etc.) supported by appropriate policies and programs for the municipality in line and complementary to those of the surrounding municipalities and region. Such policies and programs will include but not be limited to business climate, technology, capital, infrastructure, education, health, attraction, retention, exporting.
3. Rank top priority opportunities in line with the economic development strategy framework.
4. Strategies on how to best integrate ongoing successful activities with the findings of this study.
5. Strategies on how to best utilize the recommendations in developing successful marketing materials.
6. Recommendations on successful target marketing activities for inward investment such as: prospecting trips, the best trade shows, direct mail, and advertising.
7. Recommendations on successful strategies for business retention and expansion.
8. Staffing and budgetary requirements to carry out a successful plan.

The summary of recommendations is as follows:

- Develop an Economic Development Strategy Framework
- Develop a Vision Statement for the Municipality including appropriate policies

and programs to carry out the Vision.

- Create a Community Development, Planning/Research/Policy position to support the work of Administration, Council, and Economic Development Committee
- Develop marketing strategy to provide a common theme, including promotional and marketing materials for tourism and another one for business attraction
- Develop a retention/expansion strategy and program for local businesses
- Position Oliver Paipoonge to take advantage of other resources (incl. Government funding) available in the region by working closely with other government agencies (Omafra, Fed Nor, Development Thunder Bay, Tourism Thunder Bay, NODN, NMA, North Superior Training Board, etc.) and political bodies (Northwestern Ontario Municipal Association, Association of Municipalities of Ontario, local MP's and MPP's)
- Develop and implement a communication strategy to achieve all the above.

5.1 Economic Development Strategy Framework

The strategy will be based on these key principles:

- Well-defined, practical action plan, with realistic and measurable objectives.
- Take into account both the dynamics and needs of individual communities (Murillo, Kakabeka, Rosslyn, Slate River, Stanley, Intola) and the Municipality of Oliver Paipoonge.
- Give high priority to the economic aspirations of each community while developing a theme to bind them together.
- Compliment other economic work already going on in the region in order to leverage resources and maximize the benefits to the municipality.

5.2 Develop a Vision Statement

The vision statement is the one thing that can crystalize the energy and resources of the Municipality and its citizens towards a common goal. Such goals have to be clear and simple enough to be remembered and express the desires and aspirations of the community. It is the view of the consulting team that the following embodies such requisites.

The vision statement is:

"Oliver Paipoonge will be the premier community in Northwestern Ontario"

The Municipality will achieve this vision through:

- A political and economic integrated vision
- The development and enhancement of opportunities for investment, employment, and a rewarding lifestyle
- Further diversification of the economic base

- The provision of an excellent quality of life

5.3 Develop Policies and Programs

In support of the above, Municipal Council and Staff are committed to:

1. Reflecting the aims of the vision in planning, policy-making and program implementation;
2. Building a sound, well planned and long lasting municipal infrastructure
3. Maintaining community involvement in the process of developing municipal infrastructure and delivering municipal services;
4. Marketing the municipality and actively promoting the spirit and pride of the community; and
5. Fostering an excellent quality of life by balancing economic development and diversification with social amenities and environmental responsibility.

5.4 Top Development Opportunities

5.4.1 Short Term

The short term (6 months to 2 years) would see the Economic Development Committee and Community Development Officer concentrate on projects that are already ongoing to ensure their successful completion and build momentum for the rest.

Present projects are:

- The Wild Side Recreational Park
- King George Golf Course
- Northwest Village

New projects:

- Kakabeka Falls Tourism opportunities (marketing brochure), signage proposals (welcome to Oliver Paipoonge on highway 61 and 11/17 entering Kakabeka Falls).
- Address the lack of proper signage at the junction of highway 102 and 11/17 in regards to the availability of food, gas, and lodging in Kakabeka. Many tourists and truckers are using Highway 102 as an alternate route and bypassing Oliver Paipoonge all together.
- Get Oliver Paipoonge web site updated and linked to major tourist and economic development web sites
- Develop simple trifold brochure for business attraction to be placed with larger community brochure of Thunder Bay being used in their inward investment program
- Help get funding for development of promotional video to market agricultural and farming potential to European markets
- Potential new woodlands office to replace Bowater's present trailer offices
- Explore export opportunities across all business sectors but specifically specialty gifts,

woodcraft, furniture making, agricultural and food products

5.4.2 Medium Term

In the medium term (2 to 5 years) the efforts of the Committee and the Community Development Officer should be on:

- Maintaining present investments (retention and expansion strategy) while promoting the community to the region and foreign investors (specifically the US Midwest and European markets)
- Pursue attraction of trucking related service opportunities along the highway 11/17 corridor
- Residential, retail and commercial development expansion in Rosslyn Village as a result of the Wild Side and King George Golf course developments
- Pursue manufacturing opportunities for Log Homes. Central location and easy access to both the eastern Canadian market and U.S. Midwest will make this a natural. Access to wood supply will have to be secured
- Information technology opportunities. High-speed access will provide young entrepreneurs with easier access to international markets. Work in co-operation with regional partnerships to fully develop this sector

5.4.3 Long Term

The long-term (5 to 10 years) opportunities would take advantage of Oliver Paipoonge position as a premier community in the region. The greatest opportunities will continue to be in tourism, recreational facilities, small business growth, agriculture, exports, residential, and commercial development.

Specific projects are harder to identify given the long time span, but would fall out from a successful implementation of a strategy of retention and expansion of local businesses. This strategy coupled with innovative approaches to economic development driven by a progressive Council, Administration, and Economic Development Committee will provide a unified vision for the future.

6 IMPLEMENTATION PROCESS (ACTION PLAN)

Goal: to ensure that the recommendations may be carried out in a results-oriented fashion. It is the experience of this consulting group that a well defined, practical action plan, with realistic and measurable objectives, will go a long way to ensure successful implementation and transition.

Such a plan must also take into account the dynamics of both the needs of individual communities (Murillo, Kakabeka Falls, Rosslyn Village, Slate River, Stanley, Intola) and the municipality of Oliver Paipoonge. While giving high priority to the economic aspirations of each community, a common theme must bind them together. The economic development strategy framework identified above in section 5.1 will crystalize the vision necessary to make it a reality, while a clear

understanding of who does what, when, where and why will ensure proper succession planning. It will also complement other economic work already going on in the region in order to leverage resources and maximize the benefits to the municipality.

6.1 Create a Community Development Officer Position

As discussed in the body of the report, a successful implementation of this Strategic Economic Development Plan rests to a large degree on the Municipality's ability to carry it out. While some of the key recommendations can stand on their own and could be contracted out, a Community Development Officer would not only carry out the economic development functions as outlined below, but provide the technical and administrative support (including policy/research and by-law enforcement) needed by the Economic Development Committee, Council and Administration.

The key functions of this position would be:

Information Development and Transfer

Information gathering is probably the CDO's primary research area, and this task should be well underway before promotional programs are implemented. For example, it is difficult for a CDO to advertise, respond to inquiries, call on prospects or participate in trade shows without having available the necessary information regarding their jurisdiction.

At least 3 basic information functions are critical for local economic development. First the strengths and weaknesses of the community must be described accurately and kept up to date. Second, both access to information and its packaging for different purposes, i.e. marketing, must be facilitated. Third, businesses and the community must be assisted through a well-publicized brokerage function, i.e. where to turn for help, for information on markets, etc.

Local Business Retention and Expansion

Development and maintenance of a program for the promotion and encouragement of existing business is the key economic development function. That comes as a huge surprise to most communities who continue to put the major emphasis (and promotional dollars) into attracting new (and sometimes footloose) companies. It is a fact that it is often easier to expand on what a community already has than to attract an outsider to locate in the community. This program should be aimed at all economic sectors, should cover retention and expansion of existing firms, and should be based on a regular and comprehensive program of contacting local business.

Through the information gained in these contacts, firms can be aided in their adjustment to changing economic situations, advised regarding federal and provincial assistance programs, and advised regarding relevant municipal regulations. Local business assistance programs help make companies feel welcome, and show them they are an important part of the community.

Attracting new Investors and Entrepreneurs

This involves programs aimed at encouraging new businesses to locate in the community. It requires selective advertising and other forms of promotion beyond the community's borders, e.g. literature preparation and targeted distribution, direct mail campaigns, trade show participation, and the use of other innovative marketing tools. New firms coming from outside can be an important source of employment growth.

Success in this area requires targeting appropriate sectors and firms that require what the community offers. This is underscored by the fact that many communities are chasing these companies so finding a niche where a limited number of communities are competing is essential. Whatever specific marketing strategy is used a key point is that the attraction of new business must be established as part of the community's strategic economic development plan.

Strategic Economic Planning

Opportunity identification is critical and this involves evaluating community resources and targeting types of development compatible with the community and for which the community should be competitive.

Advocacy

Development and maintenance of a program to keep Oliver Paipoonge economic development before senior levels of government. This involves developing key contacts, finding out about assistance programs, and promoting the integration of local development with provincial and national programs. It is necessary to not only develop an understanding of external forces influencing local economic development, but to aggressively provide accurate information to all levels of government, and to others, regarding local economic development achievements and potential.

Maintaining a Public Relations Program for the Community

Such a program increases local residents' awareness of local development activity taking place and of the community's general development goals. This helps generate a favourable public reaction to development efforts and confidence in the community's long term economic health. The key point is that it is hard to sell the community to outside investors without selling it to its own residents first.

Policy & Research

As discussed under amalgamation, the Municipality is facing continuing downloading of services from the province including new regulations (i.e. water) that increase costs to the taxpayers and liability for the Municipality. While certain regulations are mandated, an economic development plan needs to address these issues as well. Creative solutions are needed and the CDO is in the best position to do so through his/her role of assisting Council and Administration with

researching such issues and developing appropriate policies to deal with them.

By-Law Enforcement

As discussed under critical issues, small business growth and home/industry occupation has and will continue to be a pressing issue for the community. While it provide opportunities for growth and diversification, without the proper controls and scrutiny put in place, it can lead to abuses. To some extent this is already occurring, By-laws to deal with this problem are in place but the resources are not. The CDO is in the best position to deal with by-law enforcement issues because in most cases they are also closely related to economic development.

One-stop-shop for investors and developers

It is very frustrating for investors and developers to have to deal with multiple points of contact. Because of its smaller size that allows the CDO to get involved in all aspects of the administrative process including planning, Oliver Paipoonge has an excellent opportunity to use this position as one point of contact for investors and developers. Even in larger centres across North America, the one-stop-shop concept has proven to be the most effective and efficient way to deal with potential investment opportunities.

6.2 Marketing Plan

Oliver Paipoonge marketing and communications strategies are based on the following issues:

- Promotional materials are not developed
- Points of interest are under utilized (i.e.: tourist info centres in Kakabeka Falls)
- Internet under utilized – links with high traffic web sites are not established
- Signage under utilized on highway and within the Municipality
- Trade show displays are insufficient to promote all opportunities in the Municipality
- Oliver Paipoonge Web site is good (especially the business section - Start your business here checklist) but needs to be better utilized and coordinated with other marketing material
- Façade of buildings in all three village centres need sprucing up

Must do:

- Develop promotional materials for visitors (see sample brochure developed by consulting team)
- Continue discussions with Thunder Bay Telephone to ensure inclusion of a district map showing Oliver Paipoonge along with address and contact numbers (phone, fax, web site and e-mail address)
- Place promotional materials at all appropriate tourist destination sites
- Link Oliver Paipoonge web site to high traffic sites such as GetNorth.com
- Improve highway and tour signage
- Update trade booth displays

- Maintain web site
- Print "Start your business here checklist" from web site and make available at the front counter in the Municipal office. Not everyone who wants to start a business has access to a computer or is connected to the Internet
- Develop a core area rehabilitation & redevelopment grant and façade loan improvement program to enhance the core's appearances. Provide incentives to businesses in the Central Business District Zone

6.3 Communication Strategy

Oliver Paipoonge has made noticeable progress since amalgamation in terms of enhanced communication with taxpayers, government agencies, and other municipalities. Through the monthly newspaper, the Mayor and Council along with Administration have kept residents fairly well informed. However, survey results show that there is a need for improvement in this area.

A communication strategy has to keep in mind what the intended outcome is. Is it just to inform, persuade, or motivate people to action? Any one of these objectives would require a slight deviation of the strategy. In light of the objectives as outlined in the terms of reference and the recommendations presented by the consulting team, we recommend a targeted approach to achieve all three objectives.

The first objective, to inform, can be geared towards the general population to ensure that the residents and taxpayers are well informed of changes that would affect them. The present communication vehicle i.e. newspaper, supported by television and open Council meetings will suffice. An enhanced version of the "inform" objective would use more current means such as the Internet or fax programs that allow for easy transmittal of information to large groups fairly quickly. Through these means the target group could be broadened to include businesses, and other stakeholders.

A communication strategy does not only provide information to others, but includes being informed as well. The Municipality of Oliver Paipoonge needs to ensure that its fax, phone number, and e-mail address (including web site) is made available to all government, industry, education, municipalities, etc. that have information relevant to the municipality. Ensuring that only relevant information is received, would be the responsibility of the Community Development Officer.

Again, the need for such position to be filled as soon as possible cannot be overemphasized. In fact, with multiple changes occurring at the same time, Council and Administration are swamped by loads of information. Advocating for their constituency and getting ready for Council meetings as well as attending other public functions take a toll on elected representative's time and ability to sift through everything they receive. The Community Development Officer role in ensuring the interpretation and analysis of relevant information with the purpose of facilitating decision making will facilitate savings in efficiency and better decision.

6.4 Leveraging Resources

As discussed in the body of the report, the Municipality does not have the necessary resources to develop full-fledged economic development programs of its own. A good understanding of what is already available in the region in regards to economic development will ensure that opportunities are not missed. Again, this is part and parcel of the communication strategy, i.e. receiving information relevant to the needs of the community.

An excellent leveraging tool, especially in smaller municipalities, is the ability to bypass layers of bureaucracy that would be present in larger environments. In other words, you are closer to the action. That in itself will not ensure that things will get done in an efficient and effective manner. However, the Community Development Officer position as outlined in this report has the potential to become a one-stop-shop for the community as a whole, and greatly streamline the process of economic development, expansion, and ultimately planned growth and prosperity.

6.5 Performance Indicators and Timelines

The intent of this section is to clearly identify performance indicators that can be reviewed, evaluated and measured. This process should be flexible to allow for change with time and circumstances, and include both short-term and long-term approaches.

The performance indicators will flow from the vision, an economic development framework and sound policy statements (i.e. help strengthen, modernize and expand the tourism industry in a manner consistent with maintaining a high quality of life. Encourage Oliver Paipoonge's youth to develop an interest in and skills for entrepreneurial careers).

Other short-term objectives may be to foster and facilitate the expansion of exports to foreign countries while attracting non-competing investment into the area. While such objectives will require other intermediate steps (i.e. identify future industrial land site supply, encourage new communications infrastructure investments such as 807 Network) the short-term effect of implementing such strategies may be measured as such over a two-year time frame:

- achieve at least \$ 1.0 million in export sales
- attract 1-2 investment projects into the Oliver Paipoonge Area
- assist 1-2 local companies in establishing a presence in the US market
- work with 4-5 area companies to help them re-position their companies for long-term US trade.

Impacts:

Detailed below are the broader, long-term effects linked to the program goals and vision:

- making companies more competitive
- identifying new business opportunities

- establishing key business and industry contacts
- growing the local economy

Indicators

Listed below are the performance measures that will indicate the overall success of the program at the community level:

- sustaining jobs
- creating new jobs
- building value-added jobs
- building capacity
- re-investing and diversifying
- increasing taxable assessment

6.6 How to Measure Success

Key Success Factors: how we are going to measure success

- **Growth in tax assessment** in commercial, industrial, and residential tax base through planned development and economic expansion. Appendix B shows assessment levels by class and in total from 1998(amalgamation) to 2000. The Municipality shows a growth in assessment of 2.6% during this period. Future changes can be compared to these base years to determine the level of success in achieving growth and diversification of the tax base.
- **Increase in the number of people who visit the community** (i.e. tourists to Kakabeka area) and extend their stay, thereby contributing more tourist dollars to local businesses and the local economy. These numbers can be derived from the Park's statistics and from surveys with local businesses.
- **Population growth** to measure the net inflow of people into the community. Planned population growth is an indication of sound planning and economic expansion. Accurate population numbers are available every 5 years from Census statistics. The current Census (2001) should have such numbers available next year.
- **Increase in disposable income** is ultimately the measure of wealth in any community. In fact it is not sufficient to measure the number of jobs being created if we are replacing higher paying jobs with lower paying ones. This information is available from Human Resources Development Canada and from Census numbers.
- **Maintain and enhance a high quality of life.** Quality of life is a combination of many indicators, including those identified above. It also comprises education, health, recreational facilities, environmental consideration (quality air, water) and proper infrastructure including roads. All these factors make a community a better place to live, work, and play and enhance its marketable potential to attract new investments.

6.7 Follow Up - Maintaining Momentum

Maintaining momentum is part and parcel of an effective economic development strategy. In fact, seizing the opportunity and seeing it through to the end can mean the difference between success and failure. While a lot of effort is usually dedicated in attracting new investments in the community, 80% of business growth comes from the expansion of present businesses. Sufficient resources and attention should be dedicated to this sector to ensure momentum building, while new opportunities are being explored.

Any news regarding positive economic developments should be fully exploited. The mayor is already doing an excellent job in this area, and the awareness of opportunities in Oliver Paipoonge will increase accordingly. As the saying goes, "**a crowd attracts a crowd**". People want to know what is going on, and ongoing announcements of events and/or business developments and activities will keep them interested.

Consistent implementation of the marketing and communication strategy will ensure that Oliver Paipoonge will not only become the premier community in Northwestern Ontario, but maintain this place of relevance and prominence for years to come.

7 APPENDICES

Appendix A - Survey Questionnaire

Appendix B - Assessment Comparison (1998-2000)

Appendix A - Survey Questionnaire

MUNICIPALITY OF OLIVER PAIPOONGE
Strategic Economic Development Plan
Questionnaire

1. Are you a: Business Owner Residential Owner
2. What are in your opinion the best development opportunities:
Manufacturing Recreation & Entertainment Facilities Tourism
Residential Development Other (please describe) -

3. Please identify your level of satisfaction with the Municipality:
- Extremely satisfied Satisfied
Somewhat satisfied Not satisfied
4. Please list the strengths and weaknesses of the Oliver Paipoonge economy (i.e. strengths: availability of good paying jobs, educational/training opportunities, quality of life, etc. Weaknesses: economy too dependent on forestry, high cost of transportation, outside perception, high tax rates, etc.)
- Strengths: _____

- Weaknesses _____

5. What would in your opinion have the greatest impact on the municipality in the years ahead:
- | | <u>In 5 years</u> | <u>In 10 years</u> |
|---------------------------------|--------------------------|--------------------------|
| Forestry Issues | <input type="checkbox"/> | <input type="checkbox"/> |
| Diversification | <input type="checkbox"/> | <input type="checkbox"/> |
| Population and Demographics | <input type="checkbox"/> | <input type="checkbox"/> |
| Tourism | <input type="checkbox"/> | <input type="checkbox"/> |
| Recreation | <input type="checkbox"/> | <input type="checkbox"/> |
| Small Business Growth | <input type="checkbox"/> | <input type="checkbox"/> |
| Outside Investments | <input type="checkbox"/> | <input type="checkbox"/> |
| Exports | <input type="checkbox"/> | <input type="checkbox"/> |
| Education and Training | <input type="checkbox"/> | <input type="checkbox"/> |
| Land Use (Agriculture vs. Res.) | <input type="checkbox"/> | <input type="checkbox"/> |
| Other _____ | <input type="checkbox"/> | <input type="checkbox"/> |

OLIVER PAIPOONGE STRATEGIC ECONOMIC DEVELOPMENT PLAN

Questionnaire Results

1. RESPONDENTS - 50 (100%)

Total	Business	Residential	Government
50	21 (43%)	27 (54%)	2(04%)

2. WHAT IN YOUR OPINION ARE THE BEST DEVELOPMENT OPPORTUNITIES?
 (Totals are higher than 100% as respondents could choose more than one category.)

	Total	Business	Residential	Government
Manufacturing	28%	33%	26%	-
Recreation & Entertainment (Facilities)	46%	38%	56%	50%
Tourism	46%	62%	37%	100%
Residential Development	34%	33%	37%	100%
Other: (specified)				
Retail	2%	5%	4%	-
Contractor	2%	5%	-	-
Agriculture	4%	10%	-	-
Hobby Farms	2%	5%	-	-
Libraries	6%	-	11%	-
Commercial Development				
In Villages	2%	-	4%	-
Industrial Development	2%	-	4%	-
Fixed Farmer's Market (location)	2%	-	4%	-
Unspecified	10%	10%	11%	-

3. PLEASE IDENTIFY YOUR SATISFACTION WITH THE MUNICIPALITY.

	Total	Business	Residential	Government
Extremely Satisfied	6%	14%	-	-
Satisfied	32%	38%	26%	50%
Somewhat satisfied	26%	28%	26%	-
Not satisfied	26%	10%	41%	-
Unspecified	10%	10%	7%	50%

4. LIST THE STRENGTHS AND WEAKNESSES OF THE OLIVER PAIPOONGE ECONOMY. (Totals are higher than 100% as respondents could list more than one category.)

<i>STRENGTHS</i>	Total	Business	Residential	Government
Quality of Life	20%	10%	30%	50%
Demographics	6%	4%	7%	-
Farming/Agriculture	4%	4%	4%	-
Centrally Located	16%	14%	19%	-
Natural Environment	8%	14%	4%	-
Diverse Economy (Res, Agri, Bus)	2%	4%	-	-
Potential for Growth (Tourism)	10%	14%	7%	-
Low Tax Rates	8%	14%	4%	-
Good Jobs	2%	04%	-	-
Education	2%	04%	-	-
Available Land for Development	4%	10%	-	-
Libraries (Rosslyn & Murillo)	2%	-	4%	-
Accessible (Road, Rail)	2%	-	4%	-
Unspecified	40%	33%	48%	-

<i>WEAKNESSES</i>	Total	Business	Residential	Government
Ongoing Communication	2%	5%	-	-
High Transportation Costs	6%	10%	4%	-
Lack of Community Vision/Cohesion	30%	29%	26%	100%
Lack of Jobs	6%	5%	7%	-
Lack of Signage	4%	5%	4%	-
High Taxes for Services Received	8%	-	15%	-
No large lakes or water sources	6%	5%	7%	-
Lack of Planning (Ind, Bus, Res)	26%	29%	26%	-
Lack of Land Use Designations	12%	5%	19%	-
Lack of Tourism	4%	5%	4%	-
Lack of Long Term Investment	4%	5%	4%	-
Government Regulations (MNR, Transp.)	6%	14%	-	-
Geographic Isolation (too far for retail expansion)	06%	5%	4%	-
Unspecified	22%	24%	22%	-

5. WHAT WOULD, IN YOUR OPINION, HAVE THE GREATEST IMPACT ON THE MUNICIPALITY IN THE COMING YEARS?

Note: the results have been ranked from the highest to the lowest in order to identify not only the priority in the ranking, but the change between the 5 to the 10 years ranking.

<i>In 5 Years</i>	Total	Business	Residential	Government
Small Business Growth	60%	71%	48%	100%
Tourism	54%	67%	44%	50%
Recreation	46%	43%	48%	50%
Diversification	32%	24%	37%	
Population and Demographics	30%	33%	26%	50%
Land Use	24%	19%	26%	50%
Outside Investment	20%	19%	19%	-
Education and Training	16%	14%	19%	-
Forestry	10%	14%	7%	-
Exports	4%	-	7%	-
(incl. Armed Forces/Trades)				
Unspecified	8%	5%	11%	-
Other:				
More 50' Lots with no parking and Libraries	10%	10%	11%	-

<i>In 10 Years</i>	Total	Business	Residential	Government
Tourism	42%	43%	41%	50%
Small Business Growth		38%	33%	41%
Population and Demographics	34%	38%	30%	50%
Diversification	30%	33%	26%	50%
Land Use	26%	29%	22%	50%
Recreation	22%	24%	22%	-
Outside Investment	16%	24%	11%	-
Exports	8%	10%	7%	-
Forestry	8%	10%	7%	-
Education and Training	2%	-	-	50%
(incl. Armed Forces/Trades)				
Unspecified	10%	10%	11%	-
Other:				
More 50' Lots with no parking Libraries	6%	5%	7%	-

Appendix B

**Municipality of Oliver Paipoonge
 Assessment Comparison**

CLASSIFICATION	1998	1999	% change	2000	% change	% of Total
Industrial	9,379,645	9,430,025	0.5%	9,074,340	-3.8%	2.6%
Commercial	24,067,745	23,795,100	-1.1%	25,326,885	6.4%	7.2%
Residential	266,103,315	271,351,380	2.0%	273,067,720	0.6%	77.1%
Multi-Residential	2,349,000	2,349,000	0.0%	2,349,000	0.0%	0.7%
Farmland	22,037,605	22,287,305	1.1%	23,071,305	3.5%	6.5%
Managed Forest	384,570	384,570	0.0%	435,130	13.1%	0.1%
Pipeline	1,838,000	1,978,000	7.6%	2,049,250	3.6%	0.6%
Exempt	19,791,920	19,796,920	0.0%	18,693,920	-5.6%	5.3%
Total Assessment	345,951,800	351,372,300	1.6%	354,067,550	0.8%	100%