

West Nipissing

Positioning Plan

Strictly Confidential

May 2003

Executive Summary

In January of 2003, shortly after the closing of the Weyerhaeuser Container Board Plant, CAI Corporate Affairs International (CAI) was engaged by the Community Adjustment and Recovery Committee (CARC) to develop a long-term strategic plan to encourage the sustainable growth of the Corporation of the Municipality of West Nipissing (West Nipissing).

Long term plans for development must meet the needs of the municipality, while positioning the municipality for new investment and further economic diversification. Prior to developing a concrete, step-by-step approach for the economic development of West Nipissing, CAI and CARC had to appraise the current state of affairs. To do so, CAI adopted a blended approach, conducting both quantitative and qualitative analyses of West Nipissing's economy focusing on 10 sectors identified by CARC as fundamental to the municipality's past, present and future.

The quantitative analysis of employment utilized the most locally specific reliable dataset available to Canadian economic developers, namely Statistics Canada's Labour Force Survey, which was made available to CAI with the kind assistance of Human Resources and Development Canada's North Bay office. The qualitative analysis relied upon an extensive one on one interview process followed by a series of consultative roundtable discussions. In all, the Project Team based its qualitative observations on the testimony of approximately 100 residents of West Nipissing.

The quantitative analysis provided the Project Team with a portrait of the size, maturity, diversity and growth record of the regional economy. As such, it provided an excellent framework within which the challenges and opportunities identified during the qualitative phase could better be understood. In developing this snapshot of West Nipissing's economy, a picture began to emerge.

From a regional perspective, West Nipissing is in the spatial centre of two globally relevant clusters: Forestry and mining. With respect to the municipality itself, its main areas of strength are in forestry, agriculture, health, education, retail services and tourism. While the agricultural sector does not have a high concentration of employment, its historical and cultural importance, as well as its recent high growth rate, ensures its place upon this list. Quantitatively, none of the sectors analyzed demonstrated a large degree of diversity. In this light, the qualitative analysis revealed that very little secondary and tertiary conversion occurs in West Nipissing.

Like much of Northeastern Ontario, West Nipissing's economy has under-performed vis-à-vis the Canadian economy since the Second World War. While the Canadian economy experienced spectacular growth in value added secondary and tertiary industries, West Nipissing's economy has remained dependent on the exploitation of natural resources and the processing of commodities (e.g. pulp, low-value timber, unfinished granite) allowing much of the value generated from natural resources to accrue elsewhere.

During the course of the fieldwork, however, the Project Team did uncover many small ventures on the upper end of the value chain. Despite the nature of the regional economy and the course of history, a spirit of entrepreneurship is emerging in West Nipissing that offers a great deal of hope for the future.

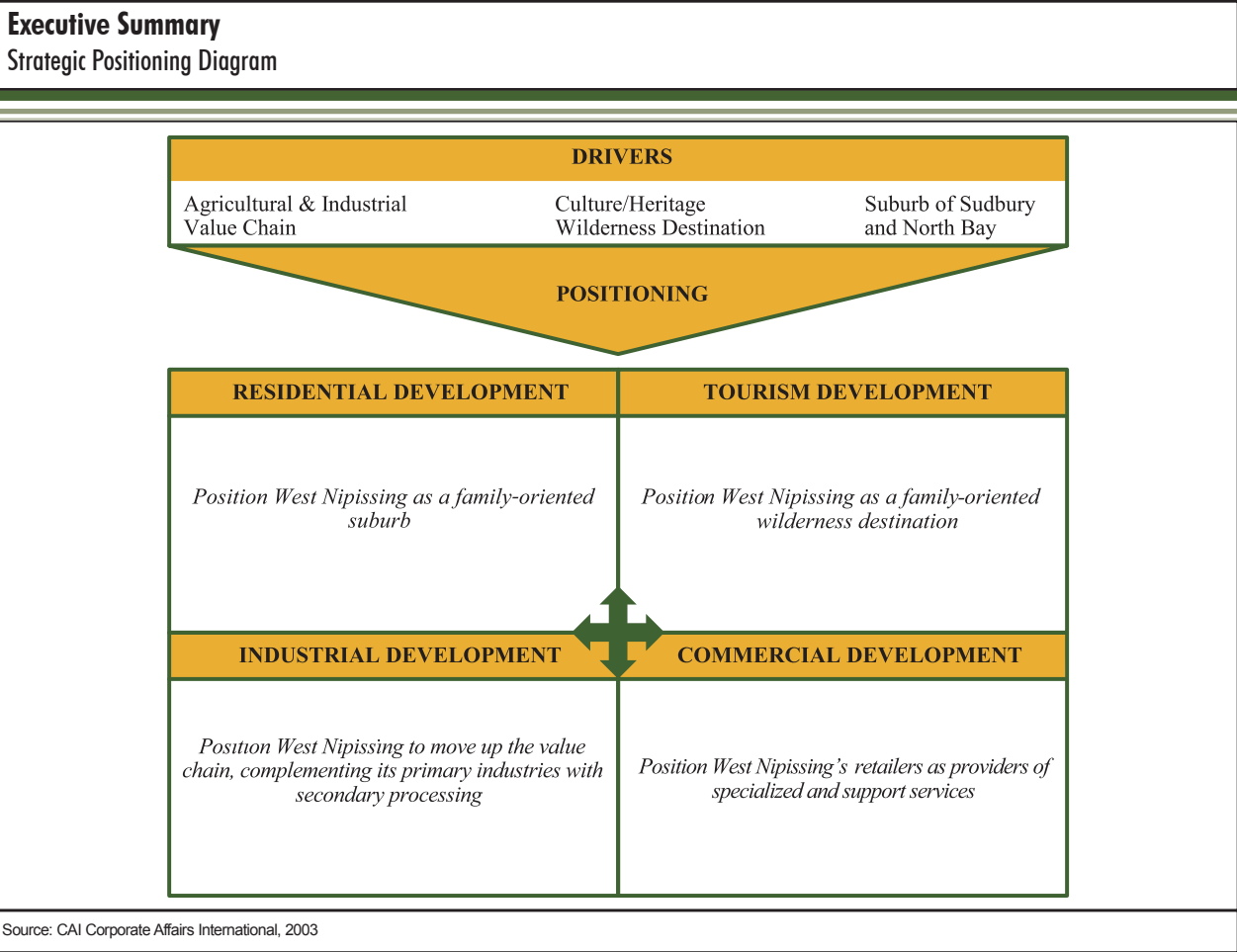
Another phenomenon emerged from the testimony of the primary sources. Over the last quarter century, Sudbury, and particularly North Bay, "became closer." As a relatively small, semi-urban municipality nestled between two cities, residents of West Nipissing have increasingly found employment in the two much larger centres.

This ongoing process of suburbanization will continue to affect the economic and social fabric of the community. The retail sector of Sturgeon Falls, albeit strong and vibrant, is currently experiencing the effects of the transition from a self-contained retail market to one that is almost completely integrated with North Bay’s.

Finally, two underlying themes emerged from much of the testimony of the primary sources. First, West Nipissing is a meeting place of many distinct cultures, with strong Franco-Ontarian, Neo-Canadian and Aboriginal roots, and its residents place an enormous stake in their cultural heritage. Secondly, many residents expressed a strong sense of identification with the northern wilderness that surrounds them either as a “playground” and/or as an asset that should be exploited.

Based on these determining elements and the sectoral assessments, West Nipissing’s geography and demographics and the input of the CARC committee, the Project Team has proposed a fourfold strategy by means West Nipissing can best position itself for future prosperity. The positioning statement, reproduced in the accompanying chart, will provide a framework for the municipality’s future actions in four spheres: industrial/agricultural, commercial, tourism and residential.

As a result of this positioning strategy, the Project Team was then able to determine over 30 functional initiatives and action items for the benefit of West Nipissing’s economic developers. For ease of use, these actionable recommendations have been tabulated separately and appended to the document.



Further, the full impact of the positioning framework will also be felt as the *Let's Grow Together* campaign reaches its apex. The campaign, which is designed to act as a catalyst to encourage the emergence of community and business development initiatives, serves a dual role: While providing West Nipissing's entrepreneurs with an opportunity to put their projects on the table, it also provides CARC with a concrete means of supporting local industry. The integration of the 10 selected projects into the framework presented in the final positioning plan will launch the implementation phase of the strategy and CARC will be positioned to provide the support that local entrepreneurs require.

While no approach or plan provides a "silver bullet," and the municipality is unlikely to achieve its goals overnight, this report will provide the building blocks for a successful and prosperous future for West Nipissing.

Table of Contents

| | |
|---|-----------|
| Introduction | 1 |
| Overview: The Corporation of the Municipality of West Nipissing | 1 |
| Geography | 2 |
| Workforce | 3 |
| Natural Resources | 3 |
| Real Estate | 4 |
| Situational Analysis | 4 |
| The Community Adjustment and Recovery Committee (CARC) | 5 |
| The Project Team | 5 |
| Mandate Description and Expected Outcome | 6 |
| Let's Grow Together | 6 |
| Methodology and Approach | 6 |
| Top Down/Bottom Up Approach | 6 |
| Quantitative Data: Location Quotient Analysis | 7 |
| Observations | 8 |
| Quantitative Data: Shift Share Analysis | 9 |
| Observations | 9 |
| Qualitative Data: Interviews and Sectoral Roundtables | 11 |
| Observations | 11 |
| Sectoral Analysis | 13 |
| Overview | 13 |
| Agriculture | 15 |
| Overview | 15 |
| Quantitative Analysis | 16 |
| Challenges | 19 |
| Opportunities | 20 |
| Next Steps | 21 |
| Education | 22 |
| Overview | 22 |
| Quantitative Analysis | 22 |
| Challenges | 23 |
| Opportunities | 23 |
| Next Steps | 24 |
| Energy and the Environment | 24 |
| Overview | 24 |
| Quantitative Analysis | 25 |
| Challenges | 25 |
| Opportunities | 26 |
| Next Steps | 26 |

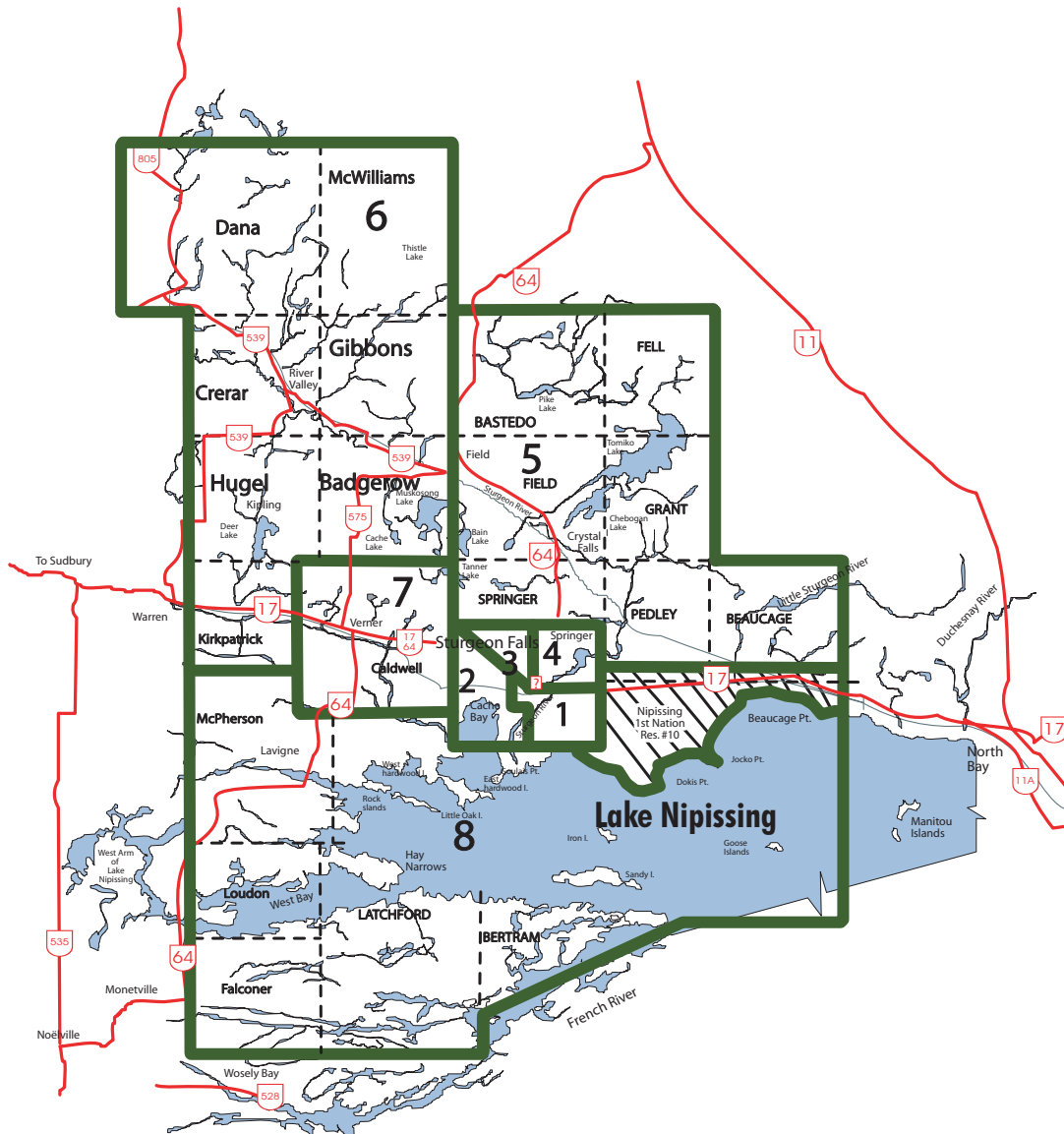
| | |
|---|-----------|
| Forestry | 26 |
| Overview | 26 |
| Quantitative Analysis | 27 |
| Challenges | 27 |
| Opportunities | 28 |
| Next Steps | 29 |
| Health | 29 |
| Overview | 29 |
| Quantitative Analysis | 29 |
| Challenges | 30 |
| Opportunities | 31 |
| Next Steps | 32 |
| Mining | 32 |
| Overview | 32 |
| Quantitative Analysis | 32 |
| Challenges | 33 |
| Opportunities | 34 |
| Next Steps | 35 |
| Retail Services | 35 |
| Overview | 35 |
| Quantitative Analysis | 36 |
| Challenges | 37 |
| Opportunities | 38 |
| Next Steps | 39 |
| Quality of Life | 39 |
| Overview | 39 |
| Quantitative Analysis | 39 |
| Challenges | 40 |
| Opportunities | 40 |
| Next Steps | 41 |
| Technology and Communications | 41 |
| Overview | 41 |
| Challenges | 42 |
| Opportunities | 42 |
| Next Steps | 42 |
| Tourism | 42 |
| Overview | 42 |
| Quantitative Analysis | 43 |
| Challenges | 43 |
| Opportunities | 44 |
| Next Steps | 45 |
| Positioning Plan | 47 |
| Overview | 47 |
| Industrial and Agricultural Development | 49 |
| Overview | 49 |
| Retention and Expansion | 50 |
| The Attraction and Retention of Skilled Workers | 51 |

| | |
|---|-----------|
| Training Initiatives | 52 |
| Determining Venture Feasibility | 53 |
| Developing a Modus Operandi | 54 |
| Partnerships: A Bridge Between Public and Private | 54 |
| Business Attraction and Promotion | 55 |
| Comprehensive Land Use Plan | 55 |
| Targeting Viable Industries | 56 |
| Feasibility Studies | 56 |
| Real Estate and Industrial Facilities | 56 |
| Commercial Development | 57 |
| Overview | 57 |
| Retention and Expansion | 57 |
| Signage | 57 |
| Urban Revitalization | 58 |
| Suburbanization | 58 |
| Attraction and Promotion | 59 |
| Pilot Project | 59 |
| Tourism Development | 60 |
| Overview | 60 |
| Retention and Expansion | 61 |
| Impact Assessment | 61 |
| Urban and Waterfront Redevelopment | 61 |
| Access | 61 |
| Impact Assessment | 61 |
| Historic Downtown | 61 |
| Sports Fishing | 62 |
| Trade Association | 62 |
| Attraction and Promotion | 62 |
| Destination Complex | 62 |
| Signage | 62 |
| Residential Development | 63 |
| Overview | 63 |
| Comprehensive Land Use Plan | 63 |
| Infrastructure Commitment | 64 |
| Appendix 1: Actionable Recommendations | 67 |
| Appendix 2: Employment Data | 69 |
| Appendix 3: Next Steps: A summary of sector-specific recommendations | 71 |

Introduction

Overview: The Corporation of the Municipality of West Nipissing

Founded in 1999, The Corporation of the Municipality of West Nipissing (West Nipissing) amalgamated the former Towns of Cache Bay and Sturgeon Falls, the organized Townships of Caldwell, Field and Springer, the unorganized Townships of Bertram, Latchford, Falconer, Loudon, MacPherson, Beaucage, Pedley, Kirkpatrick, Grant, Badgerow, Hugel, Fell, Bastedo, Gibbons, Crerar, McWilliams, Dana and a section of Janes. With a wide range of existing assets at its disposal, the new municipality offers a great deal of opportunity for the future. In particular, the municipal economy benefits from a wealth of natural resources, spectacular wilderness, proximity to two major northern cities, affordable real estate, a diverse and rich cultural heritage, and strong educational and health services. With a view towards elaborating upon these assets, this section will provide an overview of the Municipality of West Nipissing.



PLANNING, BUILDING & DEVELOPMENT DEPARTMENT

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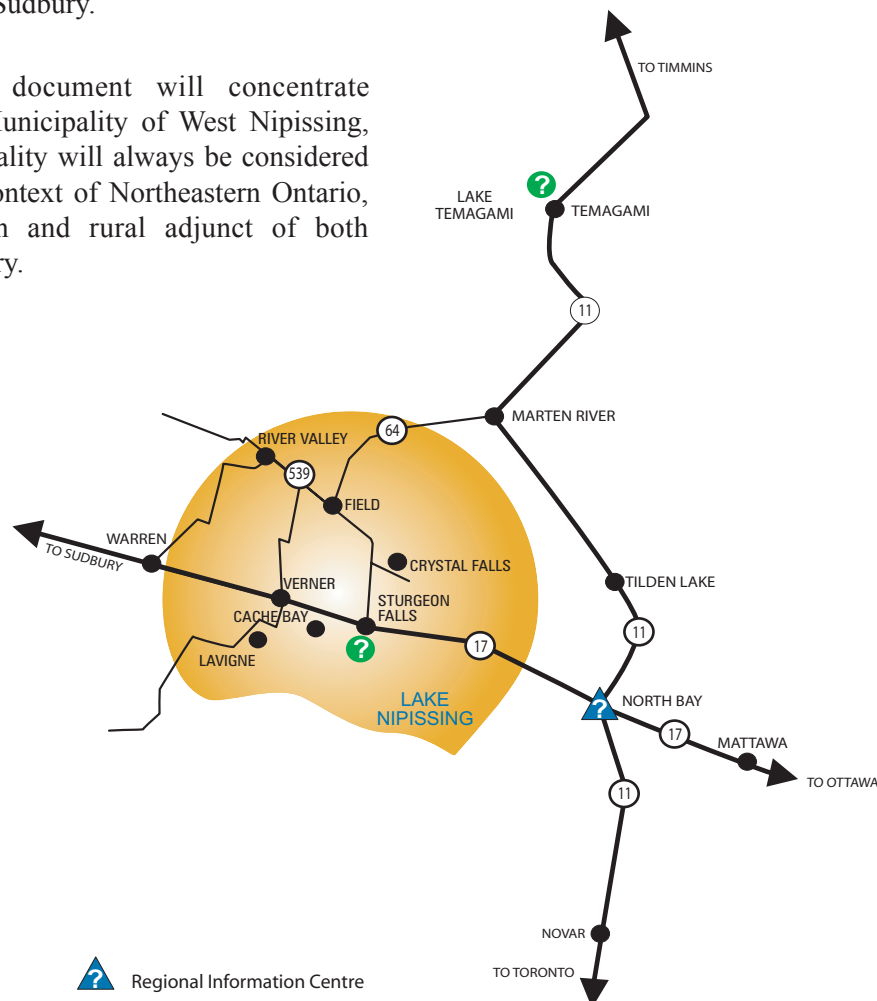
Geography



As illustrated in the accompanying map, West Nipissing is strategically poised at a mid-point between Sudbury and North Bay. Served by the Trans-Canadian Highway 17, near the junction with Highway 11, the municipality is a four-hour drive from both Toronto (to the south) and Ottawa (to the southeast). The municipality spans an impressive 1,274 km² and regroups, from east to west: Sturgeon Falls, Crystal Falls, Field, Cache Bay, Verner, Lavigne and River Valley as

well as 17 1/2 townships. Interestingly, approximately half of the municipality's 13,650 people live within and in the immediate surroundings of Sturgeon Falls. West Nipissing's location at the geographic mid-point between two of Northeastern Ontario's major cities has greatly affected its evolution in recent decades. In fact, in many respects, West Nipissing has become a suburb of both cities, as many residents of Sturgeon Falls work in North Bay, and many residents of Verner and Lavigne work in Sudbury.

In this light, this document will concentrate specifically on the Municipality of West Nipissing, however, the municipality will always be considered within the regional context of Northeastern Ontario, and as a semi-urban and rural adjunct of both North Bay and Sudbury.

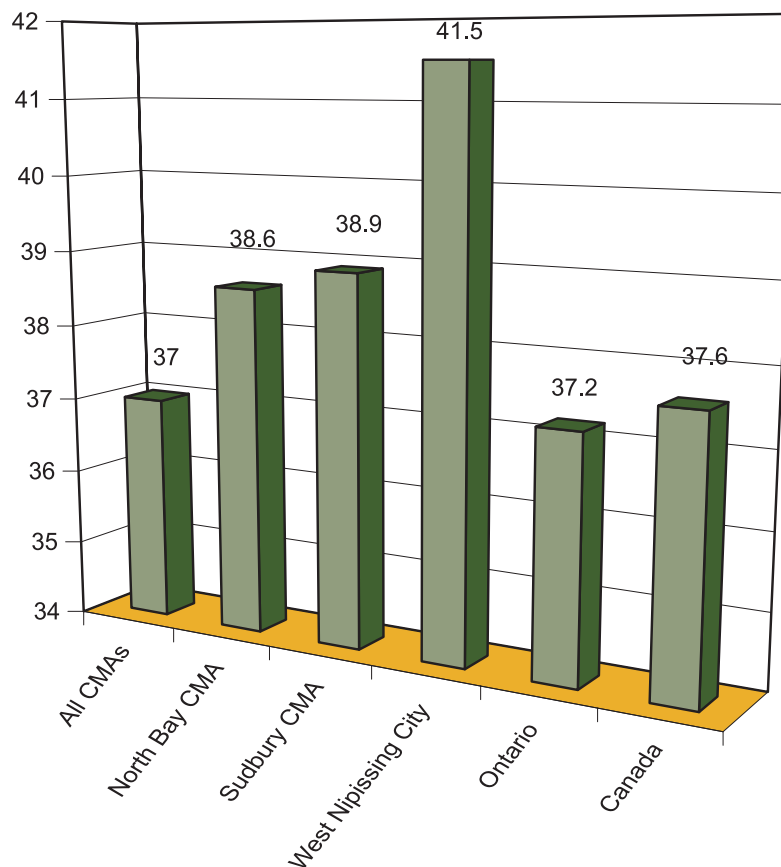


Workforce

Like much of Northeastern Ontario, West Nipissing is affected by an ageing population and workforce as well as a net out-migration of youth from the region. As illustrated in the accompanying diagram, the median age of West Nipissing, Sudbury and North Bay residents is considerably higher than the provincial or national median. This is expected to have a significant impact on not only the provincial workforce, but also the skills composition within the labour (market due to retirement.) These wide demographic trends are expected to lead to a decline of experienced workers and a reduction in the skill base of the labour force. Whereas this would tend to indicate a decline in the productivity of the regional workforce, it also means that there is likely to be a wealth of employment opportunities for the communities of Northeastern Ontario to fill the gaps of the regional labour force. The Sectoral Analysis section of this document provides a more detailed examination of the municipal workforce.

Environmental Scan

Median Age : Sudbury and North Bay



Source: 2001 Community Profiles, Statistics Canada

Natural Resources

West Nipissing is located along the north shore of Lake Nipissing in the centre of one of Canada's most concentrated clusters in forestry and mining. Wide woodlands of red and white pines, firs and spruce stretch outward from the municipality in all directions; stunning lakes and the wilderness are always right next door. The woodlands have been exploited for over 150 years and one of the largest employers in Sturgeon Falls is still the local sawmill. To the north and west of Sturgeon Falls, the wilderness stretches to areas rich with granite and feldspar. It has also exhibited certain signs indicating that it might contain diamonds.

The wilderness itself has also been a considerable source of wealth for the residents of West Nipissing as numerous campsites, outfitters and others offer spectacular angling and hunting for tourists and locals.

To the southwest of the municipality, the primary economic activity has been - and remains - agriculture, which is heavily dependent on dairy farming, simple forage and cash crop cultivation. Although still rather poor relative to Southern Ontario, the land in the West Nipissing area is part of the basin of an ancient lake. As such, the land is richer than much of Northeastern Ontario's typical soil.

Real Estate

West Nipissing offers low-cost real estate (much of it waterfront) for residential purposes as well as an inventory of available commercial and industrial land for development. Although the land is available, it is still in the hands of private owners and very little of it is fully serviced. Available infrastructure includes 8" and 10" water mains, 8" sewer mains and a full loop road accessing all lots. Most areas along Highway 17 have high-speed Internet access as well as wireless phone service, which is available throughout the municipality on the Bell Network.

The electrical requirements of West Nipissing businesses and residents are served by Hydro One, the new supplier of hydro in the province and by West Nipissing Energy, the regional distributor. Hydro One vows to promote economic and industrial development by providing business and industry with some of the lowest energy rates in Canada. In addition, solid waste disposal is accomplished through transportation to the municipal landfill, which is currently owned and operated by the Municipality of West Nipissing.

In order to best position West Nipissing's, it is essential to have a thorough understanding of the drivers of the municipal economy. In this light, this document is structured to reflect the methodology employed by the Project Team in analyzing West Nipissing's economic fabric as well as the approach employed in determining a strategy for its future. Thus, the following section will conclude with a brief statement of the methodology employed to derive the sector-specific findings. This statement of methodology and approach is followed by an analysis of the 10 sectors selected by CARC. In turn, the sectoral analysis is followed by the iteration of a fourfold positioning strategy geared toward generating future wealth and employment and is accompanied by a series of actionable recommendations.

Situational Analysis

Over the years, West Nipissing's economy has grown and evolved as an element within the greater whole of Canada's burgeoning economy. It has largely been shaped by the activities surrounding the exploitation of natural resources and agriculture as well as tourism anchored in hunting and angling. However, changes in the very fabric of the global economy began to affect West Nipissing in the late twentieth century. The recent closing of the Weyerhaeuser mill has fully revealed the impact of these changes and brought the question of the evolution of West Nipissing's economy to the forefront.

It is significant to note that, since the Second World War, the economy of much of Northeastern Ontario has under-performed compared to the national average as a result of numerous factors. Whereas the Canadian economy witnessed spectacular growth in value-added secondary and tertiary industries, Northeastern Ontario's economic mix remains largely dependant on its historic roots in the extraction of commodities from natural resources. The regional economy has remained dependent on economic activities at the lower end of the value chain, allowing most of the wealth that is generated from such resources to flow elsewhere. Moreover, this has had the added effect of leaving the local economy over-exposed to the uncertainty and vagaries of global commodity markets.

More specifically, with respect to West Nipissing, this long-standing situation reached a climax with the closing of one of the municipality's largest employers; a commodity producing paperboard mill. The crisis spurred on by its closing has renewed interest in pursuing a long-term strategic planning exercise. In this light, the Community Adjustment and Recovery Committee (CARC) was established to counteract the gradual erosion of regional wealth in West Nipissing. In an effort to position West Nipissing for the future, CARC has commissioned this plan to develop new strategies that will enable employment and business growth.

The Community Adjustment and Recovery Committee (CARC)

CARC is composed of 17 full members and an advisory board of 12 local stakeholders. Committee members are listed below.

Community Adjustment and Recovery Committee Members

Royal Poulin
Gary O'Connor
Paul Finley
Mike Page
Ken Landry
Brian Vaillancourt
Suzanne Gammon
Denis Senecal
Daniel Gagne

Tom Sayer
Francine Chartrand
Guy Piquette
François Rivet
Ron Demers
Michelle Poitras-Horner
Ray Brouillette
Denis Lafrenière

The Project Team

The West Nipissing Positioning Plan has been executed by a Project Team consisting of six full-time members from CAI Corporate Affairs:

Howard R. Silverman, President and CEO
Louis Grenier, Vice President, Economic Development Division
Larry Cosgrove, General Manager, Toronto
Rene Sylvestre, Director of Consulting Services
David McFarlane, Senior Consultant
Dwayne Baker, Graphic Designer

Founded in 1991, CAI Corporate Affairs International (CAI) is an innovative consulting firm that specializes in facilitating corporate investment projects by serving as a bridge between business and government. Committed to increased capital investment, sustained job creation and long-term economic growth, CAI assists public and private sector clients with the retention, expansion and relocation of corporate mandates. In addition to offering a range of business location services, the company also executes studies and strategies for economic development agencies around the world.

To date, CAI has facilitated investment projects valued at approximately CDN\$4 billion, which have directly contributed to the creation and preservation of more than 10,000 jobs.

Mandate Description and Expected Outcome

Together, CARC and CAI have undertaken to develop a plan to enhance the long-term growth of the municipality. The logical outcome of such a plan must be centred upon the procurement of tangible and achievable results. However, the Project Team also recognizes that actionable recommendations cannot be made without due consideration to the region's current situation. As such, a realistic strategy must be developed with a view to meeting the needs of actual and potential residents, local businesses and visitors to prepare the region for additional investment and economic diversification. Given the stated challenges and scope of the mandate, this plan will:

- Identify sustainable employment opportunities, any key competitive advantages and potential partnerships;
- Assess the success of any existing initiatives as well as any existing approaches or new development;
- Establish a positioning strategy for the region to identify priority markets, targeted approaches, and effective methods for such promotion.

Let's Grow Together

A concurrent initiative, the *Let's Grow Together* campaign, has been designed to facilitate the retention and expansion of existing businesses as well as the development of new business and community initiatives. As such, the campaign will attract and retain new and existing business, solicit community involvement as well as promoters and champions. The campaign is structured to solicit as many projects as possible from the community. Following a preliminary reading of these nascent projects, an evaluation committee is charged with selecting 100 of the proposals for further review. At this point, the authors of the 100 projects will be asked to submit a short (five-page) business plan for assessment by the evaluation committee. Following a final review, 10 projects will be selected by the committee. The development of the selected projects will, thereafter, be prioritized by CARC and West Nipissing. As such, these projects must be integrated into the positioning strategy iterated in this document. The following section provides a brief description of the methodology adopted in the determination of a positioning strategy and actionable recommendations for West Nipissing.

Methodology and Approach

Top Down/Bottom Up Approach

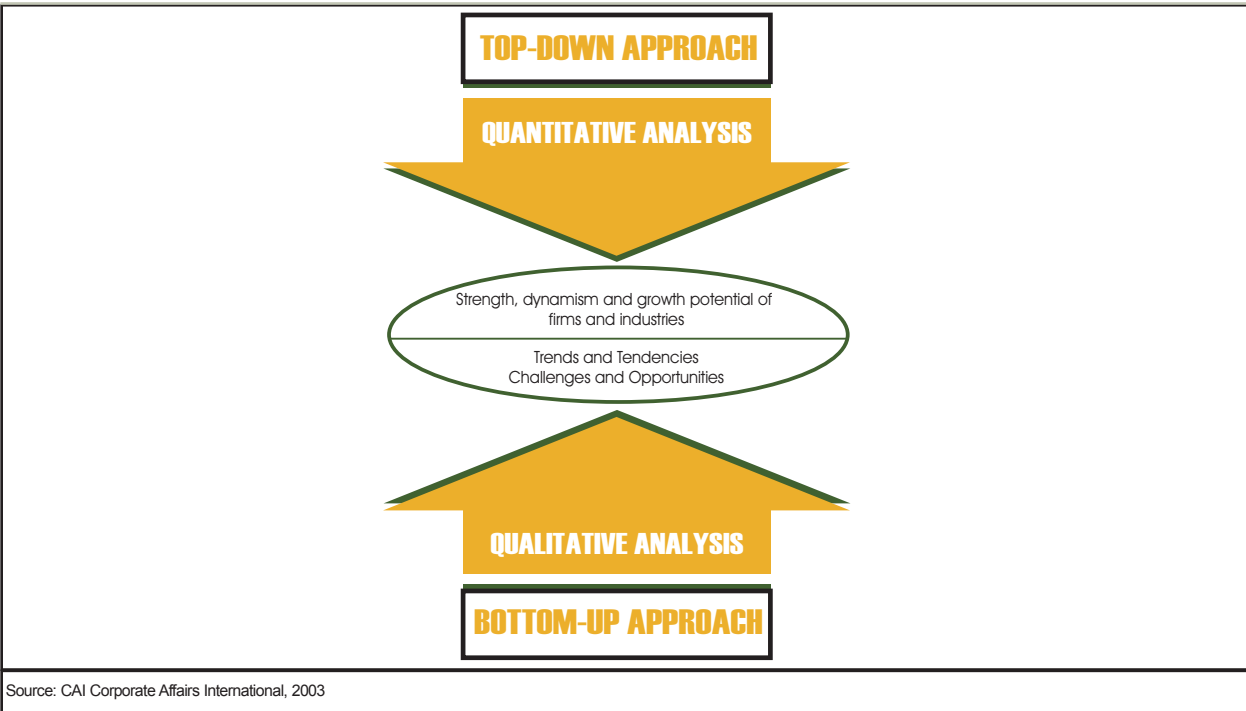
This document was drafted subsequent to the culmination of three phases of activity: the analysis of quantitative and qualitative data, the identification of the challenges and opportunities unfolding from an analysis of 10 key sectors defining the regional industrial fabric, and the development of next steps for each sector. The implementation of the next steps will help regional business and projects grow in a focused and measured fashion. To gain a comprehensive understanding of the methodology employed, the following will provide a detailed description of each phase of activity.

At the broadest level, there are two principal approaches to the identification and analysis of the 10 selected sectors, including a "top down" and a "bottom up approach". The top down approach focuses on the understanding of industry sectors within the context of the national market. By focussing on datasets that present the regional economy along functional lines, this technique allows one to compare "apples with apples," in this case, comparing industry with industry.

On the other hand, the bottom up approach seeks to analyse the 10 selected sectors by identifying and exploring the trends, challenges and opportunities that are affecting each sector.

Methodology and Approach

Top-Down Bottom Up Approach



The first phase of economic development planning begins with a thorough analysis of quantitative and qualitative data. Quantitative data refers to information about employment, establishments, payroll, earnings, etc. collected from studies, reports, censuses, statistics, reviews, surveys, and other sources. This information can then be manipulated by using various data reduction techniques such as location quotient analysis and shift share analysis with a view to gaining perspective on specific sectors, industries or other targeted fields of study. Quantitative data can provide meaningful insight into which sectors are growing or declining as well as which are most important or competitive in the region and how they compare to their national counterparts.

Quantitative Data: Location Quotient Analysis

The process of exploring the 10 selected sectors began with a rigorous analysis of quantitative data. Employment data by industry was collected over the 1998-2001 period from Human Resources Development Canada (HRDC) and Statistics Canada, which provided comparable statistics for Canada, Ontario and Northeastern Ontario. The composition of each the identified industry sectors can be found at the end of this document in Appendix 2. Like other quantitative methods, this approach was subject to an unknown margin of error due to data suppression.

From an analytical standpoint, employment data was analysed under two primary approaches: location quotients and shift shares. Location quotient (LQ) measures a sector's share of regional employment in relation to its share of national employment, providing an objective determination of a sector's concentration of regional employment relative to the national average. A location quotient greater than 1 would indicate a higher concentration of regional employment than the national average. Conversely, a location quotient less than 1 would indicate a lower concentration of regional employment than the national average.

Finally, a location quotient equal to one would indicate an identical concentration of regional employment relative to the national average.

LQ > 1 = Greater concentration than national average

LQ < 1 = Lower concentration than national average

The change in location quotient measures the rate at which a sector's share of regional employment is growing in relation to the same sector's share of national employment over a fixed timeframe. A positive change in location quotient indicates that the sector's concentration of regional employment is increasing faster than the national average rate. Conversely, a negative change in location quotient indicates that the sector's concentration of regional employment is increasing slower than the national average rate. Finally, a change in location quotient of zero indicates that the sector's concentration of regional employment is changing in line with the national average rate.

$\Delta > 0\%$ = Growth

$\Delta < 0\%$ = Decline

Location quotient and change in location quotient were studied in terms of Northeastern Ontario as a function of Canada. The results of the location quotient analysis can be employed to position each sector in terms of maturity (from embryonic to established) and growth (from decline to growth). A large location quotient that is changing faster than the national average represents an established, growing sector. On the other hand, a large location quotient that is changing slower than the national average depicts an established declining sector.

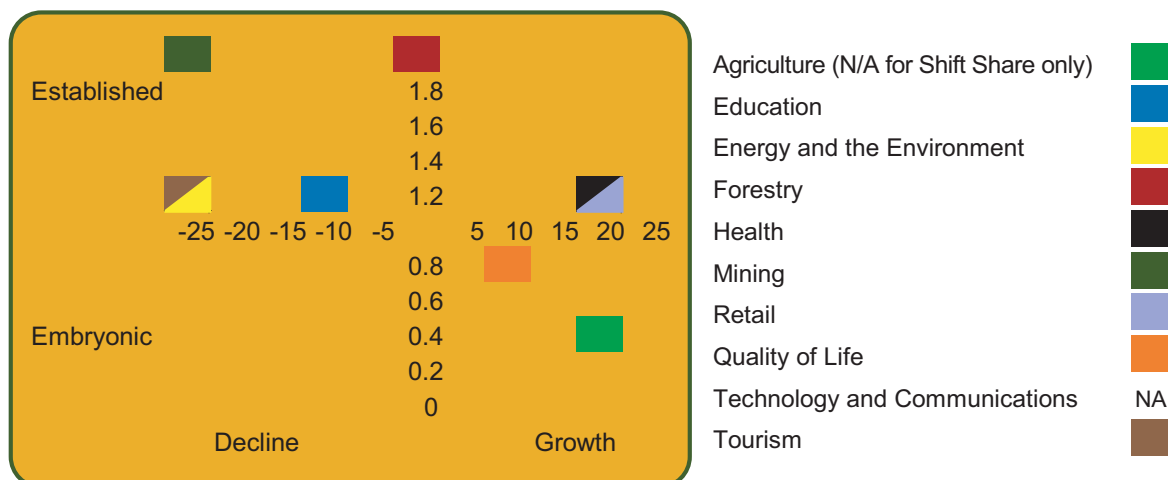
Observations

In order to provide a visual representation of the maturity and rate of growth for the 10 identified sectors, when possible, each was charted on a two-dimensional positioning matrix. The vertical axis of the matrix represents the maturity of the sector, wherein sectors demonstrating a location quotient of less than 1 are charted as embryonic and those with a location quotient of greater than 1 as established. The horizontal axis charts change in location quotient, expressed here as a percentage. Thus, industries with a drop (negative growth) in location quotient are mapped as declining and those with an increase in location are mapped as growing. For example, the accompanying Summary of Findings chart positions the 10 selected sectors in terms of location quotient.

Methodology and Approach

Summary of Findings: Location Quotient

Location Quotient: All Sectors



Source: CAI Corporate Affairs International, 2003

A rapid overview of the Summary of Findings: Location Quotient table reveals five established yet declining sectors, namely mining, tourism, energy and the environment, education, and forestry. It also depicts two established and growing sectors, namely health services and retail services. Finally, agriculture and quality of life (information, culture and recreation) are depicted as embryonic and growing sectors.

The location quotient analysis had a significant impact on the evolution of this document. Had the Project Team relied only on qualitative research, the significance of both the mining and forestry sectors to Nipissing's economy might well have remained a local secret. In reminding the Project Team of the importance of such sectors to the regional economy, the analysis reinforced the importance of maintaining a regional vision, of understanding West Nipissing as an element of a regional whole.

Quantitative Data: Shift Share Analysis

In an attempt to depict the competitiveness and the relations between the industries that compose the 10 selected sectors, the quantitative analysis is further refined through the calculation of regional shift shares. Shift share analysis can be broken down into two relevant constituents, namely the industry mix component and the competitiveness component. The analysis begins by determining the share of regional job creation in an industry that can be attributed to the overall growth of the national economy. The industry mix component and the competitiveness component are derived by assuming that the jobs created (or lost) in excess of the national growth rate may be attributed to regionally specific factors such as the mix of regional industries or regional competitiveness.

As such, the analysis continues with a determination of the industry mix component, which identifies the number of jobs created in a sector due to the difference in the sector's national growth rate and the average national growth rate of all sectors. A positive industry mix component indicates a wider mix of regional firms and sectors whereas a negative industry mix component indicates a narrower mix of regional firms and industries. An industry mix component of zero indicates that the mix of regional firms and sectors has no bearing upon regional job creation.

Finally, shift share analysis concludes with the determination of the competitiveness component, which describes the number of jobs created in a sector as a function of regional competitiveness. The net result is determined by any additional regional job creation that cannot be accounted for by national growth or the regional mix of firms and sectors. A positive competitiveness component indicates that the region has certain traits that contribute to a higher job creation than the national average. On the other hand, a negative competitiveness component indicates that the region has certain traits that contribute to a lower rate of job creation than the national average.

Observations

The results of the shift share analysis can then be employed to position the 10 selected sectors on a two-dimensional positioning matrix. A positive competitiveness component and a positive industry mix component represents a sector consisting of a wide range of firms that benefit from certain traits that have increased employment. A positive competitiveness component and a negative industry mix component represents a sector consisting of a narrow range of firms that exhibit high regional competitiveness. A negative competitiveness component and a positive industry mix component represents an industry consisting of a broader range of firms that benefit from lower regional competitiveness. Finally, a negative competitiveness component and a negative industry mix component represents an industry consisting of a narrow range of firms that exhibit poor regional competitiveness.

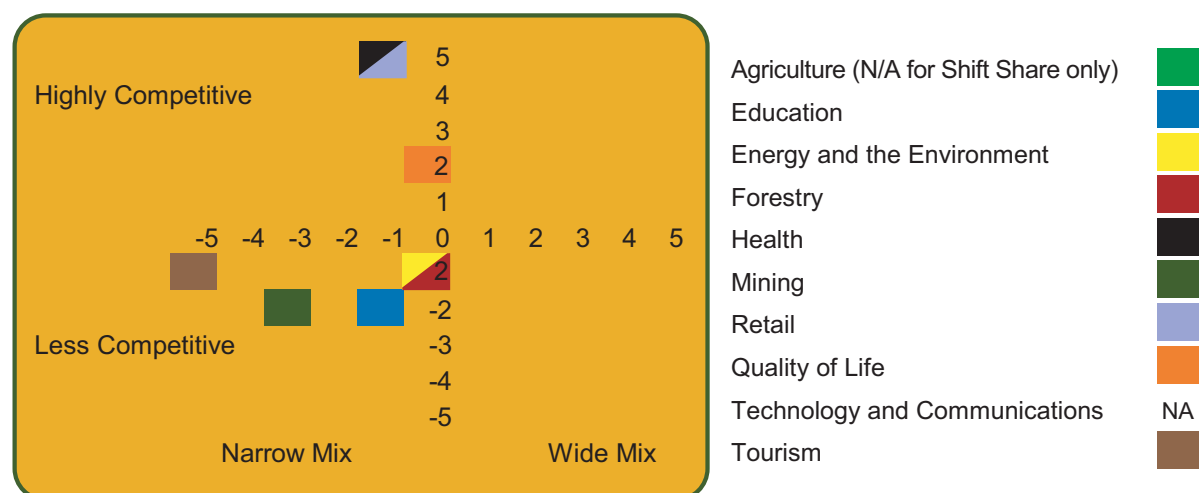
As illustrated in the accompanying Summary of Findings: Shift Share Matrix, in order to provide a visual representation of the breadth of the industry mix and of the competitiveness of the 10 identified sectors, when possible, each was charted on a two-dimensional positioning matrix. The vertical axis of the matrix represents the breadth of the sector, wherein sectors demonstrating a negative industry mix component were charted as narrow and those with a positive industry mix were charted as wide.

The horizontal axis charts the sector's competitiveness component. Thus sectors with a negative competitiveness component were mapped as less competitive and those with positive components were mapped as highly competitive. A rapid overview of the Summary of Findings: Shift Share matrix reveals a cluster of five sectors (tourism, mining, education, energy and the environment and forestry) that are considered less competitive than the national average and have a narrower range of industries than their counterparts nationwide. While still depicted as having a narrower mix of industries than the national average, three sectors are represented as being more competitive than the national rate, namely health services, retail services, and quality of life.

Methodology and Approach

Summary of Findings: Shift Shares

Shift Share: All Sectors



Source: CAI Corporate Affairs International, 2003

The narrow mix that typifies all the selected sectors of the regional economy is not surprising as there is an undue concentration of industry at the lower end of the value chain. The lack of competitiveness of the five industries positioned on the lower left of the matrix is, however, more difficult to explain. Of the eight sectors depicted on the positioning matrix the three that enjoyed a regional advantage (health, retail services, and quality of life) are comprised of industries that serve the regional population base.

Methodology and Approach

Summary of Findings Table

| Sectors | Maturity | Change | Mix | Competitiveness |
|-------------------------------|-------------|---------|--------|-----------------|
| Agriculture | Embryonic | Growth | n.a. | n.a. |
| Education | Established | Decline | Narrow | Low |
| Energy and the Environment | Established | Decline | Narrow | Low |
| Forestry | Established | Decline | Narrow | Low |
| Health | Established | Growth | Narrow | High |
| Mining | Established | Decline | Narrow | Low |
| Quality of Life | Embryonic | Decline | Narrow | High |
| Retail Services | Established | Growth | Narrow | High |
| Technology and Communications | n.a. | n.a. | n.a. | n.a. |
| Tourism | Established | Decline | Narrow | Low |

Source: Compiled by CAI Corporate Affairs International, 2003

While such quantitative analyses provide important insight into regional job creation per sector vis-à-vis the national rate, it does not indicate the reasons why industry employment has grown or declined. The analyses do not indicate the reasons why a given industry may be economically diverse or competitive, only that it is so. As such, quantitative analysis simply provides a relative indication of regional economic diversity and regional economic competitiveness. For a more in-depth understanding of the dynamics at work in the economy of Northeastern Ontario and West Nipissing, one must work from the bottom up.

Qualitative Data: Interviews and Sectoral Roundtables

The quantitative approach is valuable in that it provides a thorough analysis of hard data. However, in order to obtain a more comprehensive perspective on the jurisdiction in question, qualitative data is also necessary. Its value relies more on the viewpoints, opinions, thoughts and feelings of community leaders and members at large, which are critical to the success of economic development planning. While this approach may be subject to a certain degree of undue bias, reliance upon either quantitative data or qualitative findings is precarious, if conducted in isolation.

The primary research aspects of the methodology employed involve two main phases of activity: personal interviews and sectoral roundtables. This approach was expressly designed to address the broad scope of the study, matched with the need to provide highly specific recommendations. As such, the primary research aspects of the methodology concentrate on progressively refining the area of study through the execution of the mandate.

Personal interviews proved to be one of the most useful tools in advancing the West Nipissing Positioning Plan. The study methodology targeted a high level of inclusiveness by emphasizing widespread consultation with the private, public and paragovernmental sectors. Respondents were selected largely based on their expertise and interest in the future of economic development in West Nipissing.

The interviews were employed as a means of orienting the Project Team to the unique economic environment of West Nipissing and provided an ideal forum for identifying the key issues, challenges and opportunities facing each regional sector. The interviews became the primary methodological tool used to collect data, which, in turn, informed the sectoral roundtables.

Personal interviews were scheduled in such a manner as to ensure a representative sample of participants from the 10 sectors identified by CARC. Within each of these sectors, the Project Team conducted personal interviews with the widest possible array of respondents to ensure a high level of representation. In total, the Project Team conducted approximately 50 personal interviews over a four-week period.

A second element of the study methodology involved the use of sectoral roundtables to elicit more refined and sector-specific commentary. The study methodology targeted a high level of inclusiveness by issuing open invitations for public participation in the discussion. The sectoral roundtables were employed as a methodological tool for the validation of secondary research findings as well as the findings of the personal interviews. Participants were led through a discussion of the challenges and opportunities that the Project Team had identified for their sector of economic activity. Open, animated discussion then followed with a view towards validating, and when necessary, re-evaluating the Project Team's initial findings. In this light, the roundtables were focused on achieving an understanding of the complex regionally-specific issues affecting each sector. The Project Team conducted ten roundtables, engaging over 80 participants in total.

Observations

The bottom-up approach was responsible for the identification of the challenges and opportunities unique to each sector, as well as a means of soliciting “top-of-mind” impressions of West Nipissing’s residents and sectoral experts. While the challenges and opportunities expressed were often sector specific, many were found to be endemic to all categories, including problems associated with the attraction and retention of skilled workers and the lack of venture capital and seed money. The results of the qualitative analysis are recounted in each sector analysis and form the backbone of the positioning strategy proposed in the final section of this document.

Sectoral Analysis

Overview

The sectoral analysis, as discussed previously, has both quantitative and qualitative components. The process begins with an analysis of employment data and an overview of aggregate employment data for Northeastern Ontario. As illustrated in the accompanying table, all 10 selected sectors employed 14,243 persons in 2001, representing 55.5% of Northeastern Ontario's labour force of 25,650 for that year. Retail services, health, and education were the three largest sectors, representing 32.8% of Northeastern Ontario's total employment.

Overview

Comparative Ranking Based on Total Employment: Northeastern Ontario

| | 1998 | 2001 | Share | Growth |
|-------------------------------------|----------------|----------------|---------------|-------------|
| Retail Services | 32,600 | 38,325 | 14.9% | 17.6% |
| Health | 21,325 | 26,775 | 10.4% | 25.6% |
| Education | 20,025 | 19,000 | 7.4% | -5.1% |
| Tourism | 25,325 | 18,975 | 7.4% | -25.1% |
| Forestry | 14,375 | 14,050 | 5.5% | -2.3% |
| Mining | 14,175 | 10,600 | 4.1% | -25.2% |
| Information, Culture and Recreation | 7,800 | 9,775 | 3.8% | 25.3% |
| Energy and the Environment | 3,175 | 2,575 | 1.0% | -18.9% |
| Agriculture | - | 2,350 | 0.9% | n.a |
| Technology | - | - | 0.0% | n.a |
| Total Employment 10 Sectors | 138,800 | 142,425 | 55.5% | 2.6% |
| Transportation and Logistics | 19,025 | 20,500 | 7.8% | -99.9% |
| Construction | 15,125 | 14,850 | 5.8% | -99.9% |
| Remaining Employment | 70,750 | 114,040 | 30.9% | 61.2% |
| Total Employment | 243,700 | 256,500 | 100.0% | 5.3% |

Source: HRDC and Statistics Canada, 2003

Overall employment for Northeastern Ontario grew by 5.3% between 1998 and 2001 and employment for the 10 selected sectors grew by 2.6%. Health, quality of life (information, culture and recreation), and retail services were the fastest growing sectors in terms of employment, evidencing a change of 25.6%, 25.3%, and 17.6% respectively, between 1998 and 2001. Mining, tourism, and energy and the environment were the slowest growing sectors, showing a decline in employment of 25.2%, 25.1%, and 18.9%, respectively, for that same time frame.

As illustrated in the accompanying table, the analysis of employment data continues with an overview of location quotients based on employment data for Northeastern Ontario. Mining, forestry, and health demonstrated the three largest location quotients. However, retail services, energy and the environment, education, and tourism all demonstrated a greater concentration of employment than the national average. Quality of life (information, culture and recreation) and technology and communications demonstrated a lower concentration of employment than the national average.

Overview

Comparative Ranking Based on Employment Location Quotients: Northeastern Ontario

| Sectors | LQ | Δ LQ |
|-------------------------------|------|---------|
| Mining | 3.33 | -27.26% |
| Forestry | 2.34 | -0.14% |
| Health | 1.37 | 16.83% |
| Retail services | 1.23 | 10.37% |
| Energy and the environment | 1.23 | -22.67% |
| Education | 1.16 | -6.98% |
| Tourism | 1.14 | -28.23% |
| Quality of life | 0.81 | 10.55% |
| Agriculture | 0.42 | 17.27% |
| Technology and communications | - | 0.00% |
| Other Industries | | |
| Construction | 1.04 | -12.85% |
| Transportation and logistics | 0.89 | -5.33% |

Source: HRDC and Statistics Canada, 2003

With respect to the change in location quotient, agriculture, health, and quality of life (information, culture and recreation) were the three fastest growing sectors in terms of Northeastern Ontario's share of national employment, with a change in location quotient of 17.3%, 16.83% and 10.7%, respectively. Tourism, mining, energy and the environment sectors experienced the most significant decline in their respective location quotients, evidencing a decrease in location quotients of 28.3%, 27.3%, and 22.67%.

The analysis of employment data concludes with an overview of shift shares for Northeastern Ontario. Although none of the 10 selected sectors had a favourable industry mix, the sectors with the widest mix were energy and the environment, quality of life (information, culture and recreation), and education with industry mix components of -0.2, -0.3, and -0.3. Mining, retail services and tourism had the widest mix, with industry mix components of - 2.8, - 1.8 and - 1.6, respectively.

With respect to the competitiveness component, retail services, health, and quality of life (information, culture and recreation) demonstrated positive competitiveness of 5.4, 4.9 and 1.8, respectively. Tourism, education, and mining all exhibited a lower degree of competitiveness than their national counterparts, with competitiveness components of -6.4, -2.0, and -1.7, respectively. In summary, a comparative ranking of the performance of the 10 selected sectors in Northeastern Ontario, based on shift shares, is provided in the accompanying chart.

Overview

Comparative Ranking Based on Employment Shift Shares: Northeastern Ontario

| Sectors | IMC | CC |
|-------------------------------|------|------|
| Agriculture | n.a | n.a |
| Technology and communications | n.a. | n.a |
| Retail services | -1.8 | 5.4 |
| Health | -0.8 | 4.9 |
| Quality of life | -0.3 | 1.8 |
| Forestry | -1.1 | -0.2 |
| Energy and the environment | -0.2 | -0.6 |
| Mining | -2.8 | -1.7 |
| Education | -0.3 | -2.0 |
| Tourism | -1.6 | -6.4 |
| Other Industries | | |
| Construction | -0.3 | -1.0 |
| Transportation and logistics | 0.4 | -0.6 |

Source: HRDC and Statistics Canada, 2003

As a final step before analyzing each sector individually, employment in West Nipissing was examined. Location quotient and shift share analysis was impossible with this dataset. With total employment in West Nipissing of only 5,335, the dataset was considered to be too unreliable to justify further analysis. The data does, however, provided the best snapshot available of actual employment in the municipality. As such, the 2001 Census data was considered on its own. Healthcare and social assistance, retail trade and construction were the three largest employers in West Nipissing, employing 715, 705 and 520 people respectively. Management of companies and enterprises, information and cultural industries and real estate, rental and leasing, were the three sectors with the lowest employment counts in the municipality. The 2001 Census figures for West Nipissing's employment are included in the accompanying table.

Overview

Employment Ranking by Industry - 2001 Census: West Nipissing

| | | West Nipissing | |
|-----------------------|---|----------------|------------|
| | | # | % |
| All industries | | 5,335 | 100 |
| 62 | Health care and social assistance | 715 | 13.4 |
| 44-45 | Retail trade | 705 | 13.2 |
| 23 | Construction | 520 | 9.7 |
| 31-33 | Manufacturing | 475 | 8.9 |
| 91 | Public administration | 455 | 8.5 |
| 72 | Accommodation and food services | 450 | 8.4 |
| 61 | Educational services | 370 | 6.9 |
| 11 | Agriculture, forestry, fishing and hunting | 305 | 5.7 |
| 48-49 | Transportation and warehousing | 250 | 4.7 |
| 81 | Other services (except public administration) | 220 | 4.1 |
| 41 | Wholesale trade | 175 | 3.3 |
| 52 | Finance and insurance | 155 | 2.9 |
| 54 | Professional, scientific and technical services | 120 | 2.2 |
| 56 | Administrative and support, waste management and remediation services | 120 | 2.2 |
| 21 | Mining and oil and gas extraction | 80 | 1.5 |
| 71 | Arts, entertainment and recreation | 70 | 1.3 |
| 22 | Utilities | 65 | 1.2 |
| 53 | Real estate and rental and leasing | 50 | 0.9 |
| 51 | Information and cultural industries | 35 | 0.7 |
| 55 | Management of companies and enterprises | 10 | 0.2 |

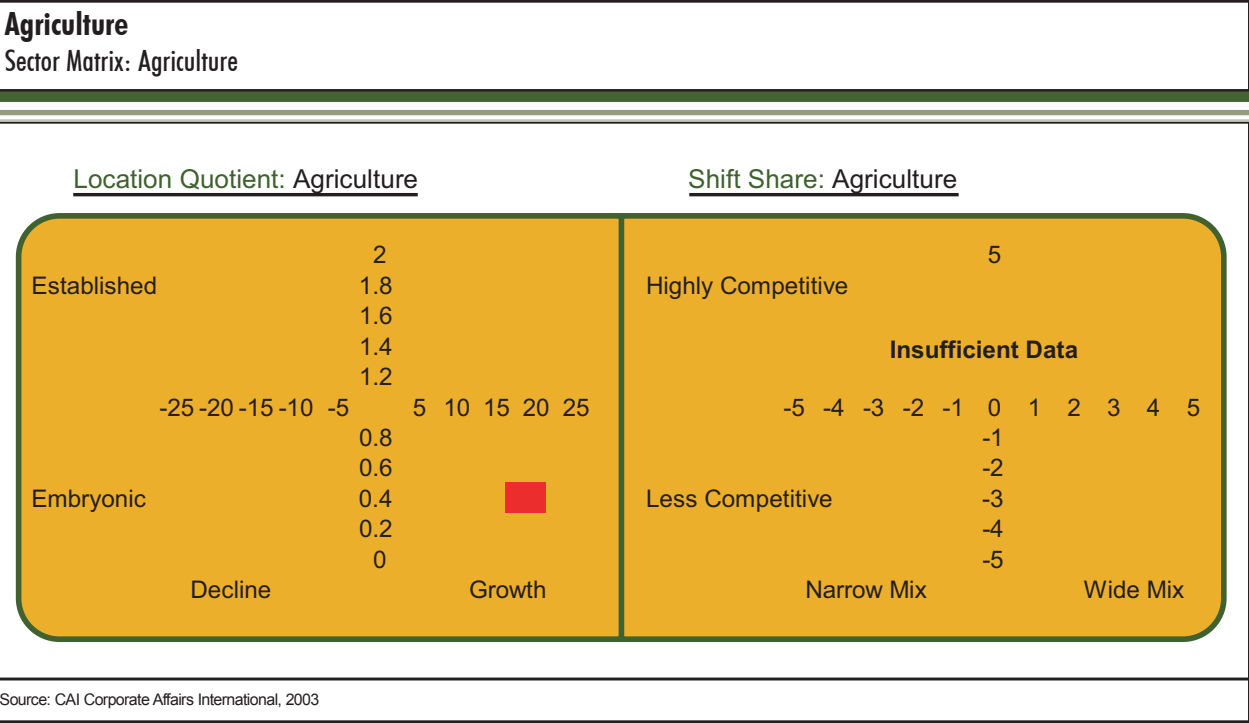
Source: HRDC and Statistics Canada, 2003

The following subsection of this document will provide a brief analysis of the 10 sectors identified by CARC.

Agriculture
Overview

The agricultural sector has been fundamental to the development of West Nipissing. Rooted in the former municipalities of Lavigne, Verner and neighbouring townships, the agricultural sector remains one of the primary economic engines of the new municipality.

Due to different methods used by Statistics Canada to track employment in agriculture versus other sectors, there is a lack of historical data and therefore no shift share calculations have been possible. However, location quotient analysis reveals an embryonic sector experiencing rapid growth in Northeastern Ontario.



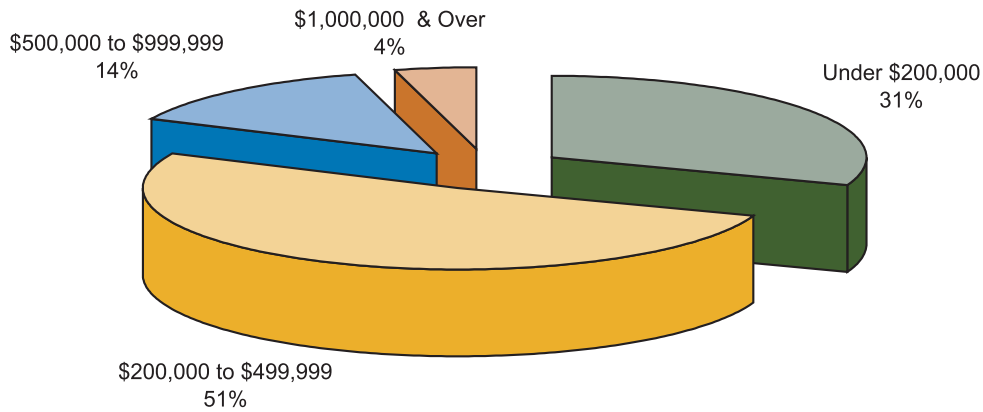
Quantitative Analysis

A portrait of the sector’s performance and impact can be gleaned by examining Census data and other datasets on Northern Ontario, the Blue Sky region, Nipissing District and the Municipality of West Nipissing. As of 2001, 284 farms in Nipissing District participated in the Agricultural Census, representing 8.2% of Northern Ontario’s farms. There were 83,170 acres of agricultural farmland reported in 2001, representing a 6.5% decline since 1986. This phenomenon is consistent with provincial patterns and the numbers throughout Northern Ontario, where the acreage of Census farms dropped from 1,094,347 in 1986 to 1,012,026 in 2001, representing a decline of 8.2%.

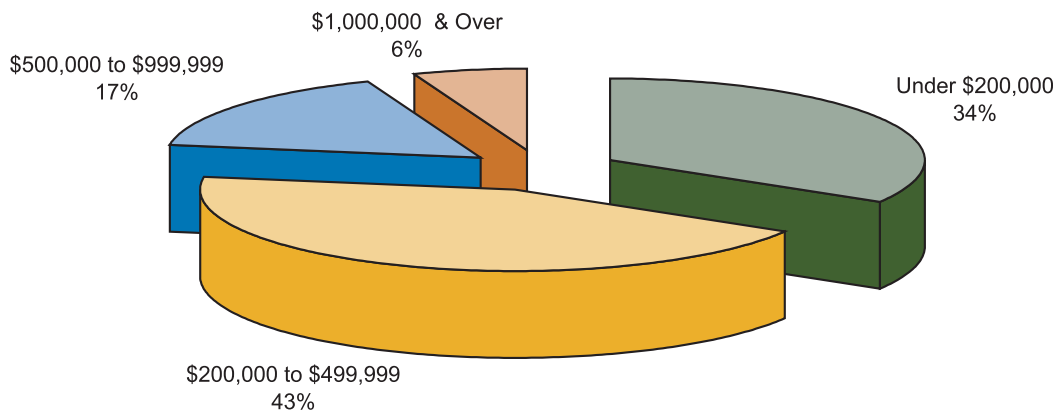
Of the 284 Nipissing District farms that participated in the 2001 Agricultural Census, only 4% had a capital value in excess of \$1 million. As illustrated in the chart on the following page, this is less than the Northern Ontario rate, where 6% of farms had a capital value in excess of \$1 million. It is also significantly less than Ontario’s rate, where 14% of farms had a capital value in excess of \$1 million. In fact, 82% of the farms in Nipissing District had a capital value of less than \$500,000, while 77% of the farms in Northern Ontario and only 53% of Ontario farms fell into this category.

Agriculture
Capital Value Classifications

Farm Capital Value: Nipissing District



Capital Value Classifications: Northern Ontario

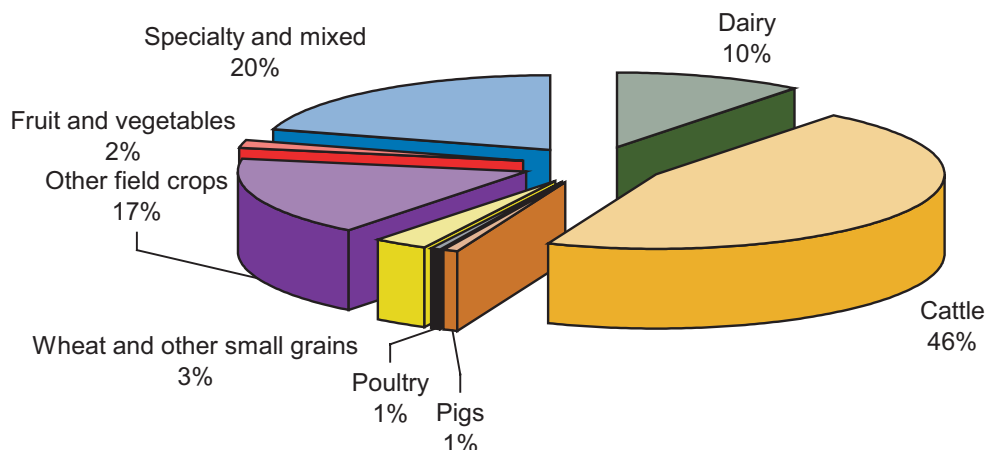


Source: Statistics Canada, Census of Agriculture, 2001

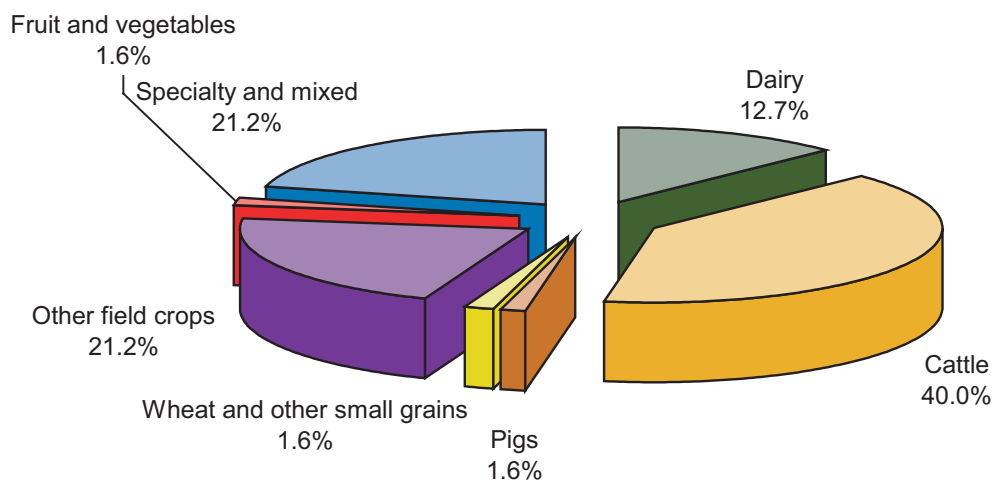
Forty percent of the 284 Nipissing District farms that participated in the 2001 Agricultural Census were non-dairy cattle farms, representing the largest farm type in the district. However, in terms of identifiable types of local expertise, Nipissing District had a higher concentration of dairy farms than Northern Ontario, as illustrated in chart on the following page.

Agriculture Farm Types

Northern Ontario Census Farms by Type



Nipissing District Census Farms by Type



Source: Statistics Canada, Census of Agriculture, 2001

With respect to the Municipality of West Nipissing itself, dairy farming accounts for 80% of the farming enterprises, where fewer than 50 dairy farms produce approximately 14 million litres of milk annually, contributing over \$8 million dollars to the municipal economy. While most crops are grown incidentally as feed for dairy and livestock on the farm, there are a few producers who specialize in growing feed crops. Some of the forage cultivated is exported across Canada and to the US.

In terms of economic impact, the agricultural sector contributes \$37.1 million in direct sales and \$42.7 million in indirect sales per annum to the Blue Sky region, according to a November 2001 study published by the consulting firm Harry Cummings and Associates Inc. With a sales multiplier of 2.15, every dollar generated by direct agricultural sales produced an additional \$1.15 in agriculture-related sales.

Although significant, this sales multiplier is indicative of the comparative lack of regional industries up the value chain from the primary producers. The other Ontario areas cited in the study, including Lanark and Renfrew Counties (both of which have a sales multiplier of 2.4) and Lambton County (sales multiplier of 2.6), had relatively higher sales multipliers.

With respect to employment, the study reported that for every job in Blue Sky's agricultural sector, an additional 2.8 jobs are supported (employment multiplier of 3.8). The area's 1,330 direct agricultural jobs support 404 indirect jobs and 3,329 induced jobs.

In general, the farms of West Nipissing are subject to many of the trends affecting the agricultural sector throughout Northern Ontario. Demographically, there has been and there continues to be a net outflow of youth from the north. This tendency is more prevalent in rural areas and is believed to be exacerbated by the hard work and commitment required for dairy and livestock farming, which demand attention seven days a week throughout the year.

Further, farms across Northern Ontario have witnessed an increase in operating expenditures over the last 25 years. Concurrently, the net revenues derived from farming have declined. However, and despite the structural obstacles that are affecting primary producers across the country, West Nipissing's agricultural sector has emerged as a leader of the local economy by capitalizing on cooperative and innovative practices. The following subsection will examine some of the challenges and opportunities facing the sector, as identified during the personal interviews and the sectoral roundtables.

Challenges

The high price commanded by Ontario dairy milk quotas has affected the industry significantly. On one hand, it is an important addition to the already high capital outlay required to start a dairy farm, thereby acting as an impediment to people who might seek to enter into the industry. On the other, the high price has acted as an incentive for farmers to sell their production quotas. The net result of these linked phenomena has been increased consolidation of the area's farms and a significant reduction in the overall acreage being exploited in West Nipissing. Roundtable participants estimate that there were approximately 100 dairy farms in West Nipissing 20 years ago and that less than 50 remain.

Roundtable participants also expressed the belief that the money available to those willing to sell their production quota has contributed to the outflow of youth from the business, and ultimately, the region.

The gradual transition away from dairy farming has led to an increasing tendency to use former pastureland for cash crop production or for raising specialty livestock. Although this has presented the primary producers of West Nipissing with numerous opportunities, cash crop farming represents a significant challenge since the financial viability of such projects requires significant acreage (by some estimates, 800 acres and up). This, in turn, has also contributed to the consolidation of West Nipissing's farms and has added to the capital outlay required to establish a successful farming operation.

The structure of the new municipality, encompassing both rural and urban areas, was identified as a challenge by some of the sectoral representatives. Largely, the participants expressed the fear that the interests of the agricultural sector were overlooked on certain occasions by the municipality whose focus remained on the urban, former municipality of Sturgeon Falls.

There is very little secondary processing of regional products within West Nipissing. Other than a local abattoir, most of the value added to primary goods is effected outside of the region before being sent to market. Thus, many of the potential economic benefits that could be derived from agriculture leave the municipality.

Roundtable participants expressed concern about the absence of links between the industry and local high schools and colleges, and the belief that these institutions offer no programs in agriculture or agronomics. The local school system seems unable to rectify this situation because the curriculum is controlled provincially and the two local colleges lack the critical mass of students to offer such specialized programs. This does little to build the image of agriculture as a viable career choice for the youth of West Nipissing.

With respect to the availability of capital, which is crucial to the expansion of farms and any projects encouraging vertical integration, roundtable participants expressed the belief that the banks know very little about the nature and importance of the agricultural sector. This is believed to have contributed to a scarcity of capital, impeding sectoral growth.

Opportunities

The Verner Co-op has worked successfully to support the region's farmers since its founding in 1945. Most recently, the purchase of a grain elevator has made the former municipality of Verner the hub of regional cash crop activity. This has also contributed to the continued development of regional cash crop farming. Despite the challenges presented by agriculture in general, and agriculture in Northern Ontario in particular, this sector has continued to thrive. The local agricultural sector could be used as an example of how organization, cooperation, vision and hard work can be combined to retain and even expand existing business.

Beyond the potentially negative long-term effects of recent climate change, the warming of the continent has helped the production of cash crops in West Nipissing. The increase in annual heat units has allowed primary producers to plant a wider variety of crops than previously thought possible. Former pastureland now serves as land for planting small amounts of oats (Nipissing District produced 1,000 tonnes in 2001), 2400 tonnes of barley, 900 tonnes of mixed grain and 1000 tonnes of grain corn. Within West Nipissing, canola, flax and soybeans are being produced with yields now nearing one tonne per acre.

Throughout the last decade, the agricultural sector has undergone joint visioning and planning efforts designed to best position West Nipissing's producers for the realities of tomorrow. These efforts culminated in the East Sudbury-West Nipissing Agricultural Diversification Symposium in March 2001. Many of the opportunities identified within the sector are highlighted in the chart on the following page.

A distinct lack of value added secondary transformation in West Nipissing definitely presents an opportunity for the development and expansion of the area's agricultural sector. For example the goat industry has expanded rapidly in recent years. Currently the milk is shipped outside the region for processing. The CFDC has invested \$125,000 in the Goat Milk Producers Association to increase the number of goats in the region and this investment was equaled in Temiskaming. The resulting primary production has now reached a level whereby processing goat's milk, yoghurt and cheese locally has become an option.

This type of venture, however, requires expertise not traditionally associated with primary producers and significant capital outlay. Nonetheless, it represents an opportunity to generate sustainable economic wealth and employment while building on the historic success of the industry. Furthermore, projects in this area could create links and direct relationships across the many sectors and communities that make up West Nipissing.

Agriculture Opportunities and Initiatives

Crop Storage/Processing

- Roaster
- Crusher
- Extractor
- Pelletizer mill for feed and/ or wood heating
- Additional bins at dryer/ elevator facility (condo - bins)

Livestock Processing

- Multi-purpose abattoir facility
- Exotics
- Lamb processing
- Tanning
- Hog
- Cattle

Marketing and Education

- Vegetable/ farmer's market
- Goat meat marketing
- Vertically integrated systems (new age co-operatives)
- Branding
- Consumer education
- Identity preserved crop co-operative
- Marketing partnership with Sudbury Farmer's Market
- Forward contracting to packers
- Marketing agent
- Reindeer moss co-operative

Milk Processing

- Pasteurized goat milk cheese factory
- Goat milk co-operative/company for production of milk
- Sheep's milk

Organic Farming

- Crop diversification
- Crop isolation
- Processing of organic vegetable products including juices
- Production and processing of organic beef and grains
- Organic milk products

Research

- Oil Seeds

Specialty Products and Industrial Crops

- Switchgrass for fuel production
- Hemp production and development of markets
- Identity preserved crops
- Crop isolation
- Seed production
- Horseradish
- Garlic
- Kale
- Tree farming
- Maple syrup
- Cranberries
- Berry production
- Kindey/navy and canato beans
- Sunflower seed; bird seed
- Goat milk based cosmetics (soap, body lotion)
- Value added sheep /goat products
- Mint sauce
- Wild boar
- Hogs
- Rabbits
- Fur Farming
- Elk/deer
- Honey bees
- Ducks/ geese

Agricultural Tourism

- Eco-tourism
- Bed and breakfast
- Wild boar game farms
- Agri-tourism
- Petting farms

Herbs

- Herb production
- Herbal medicines
- Cultivated and wild

Agricultural Services

- Veterinary services e.g. University of Guelph student placement partnership

Source: East-Sudbury - West Nipissing Agricultural Diversification Symposium, March 2001

Next Steps

Given the success of the agricultural sector in identifying opportunities and building thereon, CARC members will allow sectoral leaders to lead development initiatives. However, CARC can play a valuable support role and bring a great deal to the table. The Agricultural Diversification Symposium identified the possibility of cultivating switchgrass for biofuel production and the creation of a pelletizer mill for such products. CARC members can begin work immediately with the Project Team to determine any potential links between Dell-Point's research initiative currently underway at McGill University's MacDonald College.

As a second step to encourage this venture, CARC can work with sector leaders to establish the cross-sectoral links required to build a consortium of landholders and potential investors with a view toward establishing a capital fund for project development. Such an ambitious project will never come to fruition without a thorough process of due diligence involving a basic feasibility study assessing, in this case, crop/soil viability for West Nipissing, long-term market potential for such a product and an investigation into the potential ROCE in establishing a local pelletizing facility.

CARC will actively encourage the CFDC to consider investing in a local goat's milk processing plant. This can best be accomplished by seeking to build a consortium of private sector investors that recognize the market potential of goat's milk products. Thus, CARC will determine the market potential of goat's milk products for Ontario, Quebec and beyond. Once this has been accomplished CARC will work with local producers and experts in branding to create West Nipissing's unique branded goat's milk products, thereby stimulating the economy and creating employment for West Nipissing.

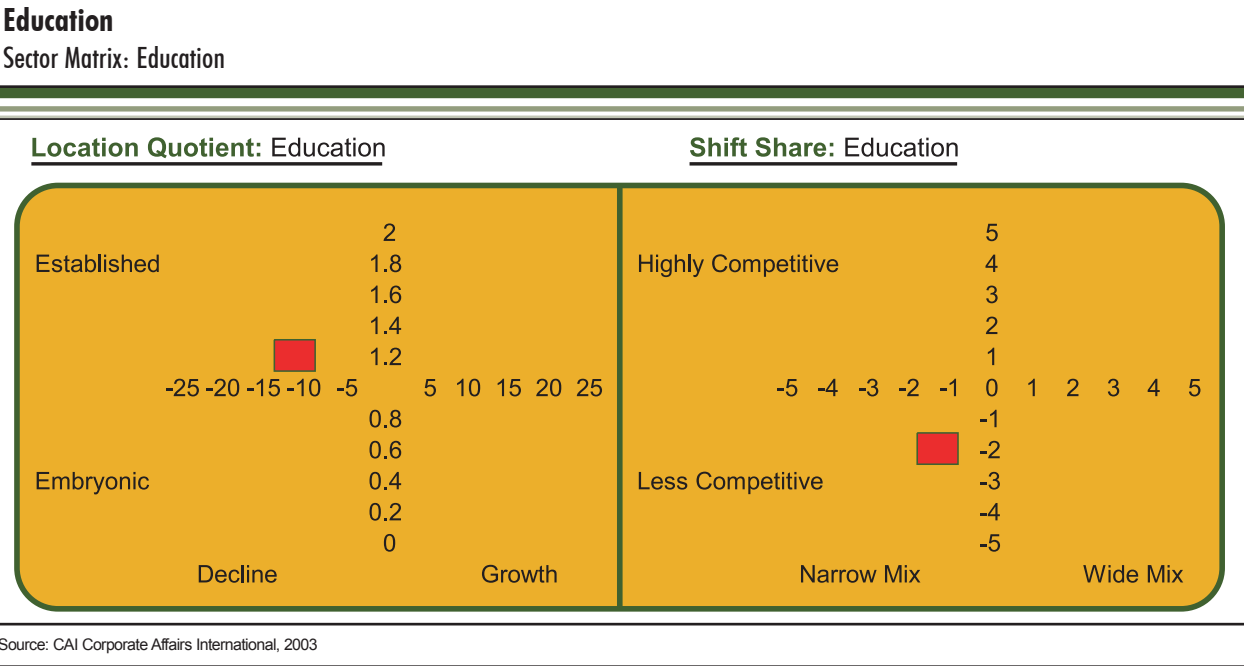
Concurrently, CARC can be of immediate assistance to the sectoral leaders by helping to co-ordinate tours of Quebec communities that have successfully integrated some value-added processing to their regions. The success of the “produits du terroir” movement in Quebec was not built overnight and much could be learned from a cross-provincial exchange. CARC members will contact the Project Team immediately to begin arrangements for a guided tour of some of Quebec’s new cheese processors, one of the more successful experiments in pulling regional primary producers up the value chain.

Education
Overview

West Nipissing is served by 15 schools governed by four school boards. The boards serve distinct interests and are divided along linguistic lines and between public and secondary systems. Although it is a small community, West Nipissing has satellite campuses from Sudbury’s Collège Boréal and North Bay’s Canadore College.

Quantitative Analysis

From a quantitative perspective, an analysis of employment data reveals that the education sector in Northeastern Ontario employed 20,003 people in 1998 and 19,000 in 2001. Employment within this sector accounted for 7.4% of the workforce in 2001, representing a 5.1% decline since 1998. In terms of location quotient, the sector can be considered mature, despite a drop in its relative concentration of 7.0% over the same period. As illustrated in the accompanying matrix, a shift share analysis reveals an industry with a slightly narrower mix than average that has not demonstrated a high degree of competitiveness when compared with Canada’s education sector.



With respect to the Municipality of West Nipissing itself, 2001 Census data reveals that 370 people were employed in educational services, representing approximately 6.9% of the municipality's workforce. The economic significance of the education sector is based on the important contribution to the municipality that education professionals make in terms of income and spending. The role played by this sector in framing the society of tomorrow and in preparing the next generation for tomorrow's workforce is critical to the future economic development of the region.

Despite the importance of the education sector to West Nipissing's economy, the ability of economic developers to influence the sector is limited. Most major decisions regarding education are policy driven and derived from Queen's Park. However, participants at the sectoral roundtable identified several challenges and opportunities they believe municipal representatives should be made aware of.

Challenges

Like many northern communities, West Nipissing faces a fundamental demographic challenge. Census figures reveal that the last decade has been characterized by an ageing and declining population, which has been exacerbated by net youth out-migration from the area. Although, general demographic tendencies of northern life are not expected to reverse unless concrete action is taken, roundtable participants remained optimistic.

Although West Nipissing's educational infrastructure is solid, the curriculum is almost exclusively academic. Roundtable participants expressed concern about the systemic devalorization of technical and vocational programs. The economy of Northern Ontario is anchored in forestry, mining and the industries that provide services and manufactured goods to these sectors. Within West Nipissing, the Verner and Lavigne areas also have a longstanding history of successful agriculture. Whereas highly paid employment requiring technical training can be found in these sectors, there are few positions for which academic qualifications apply. As such, there is little link between future employment opportunities in the region and the provincially mandated curriculum.

Moreover, roundtable participants expressed the belief that they could not change the status quo, and that the centralization of school curricula in Toronto had stripped them of their ability to reflect local dynamics in their programs.

The attraction and retention of skilled teachers and administrators is a critical issue for the educational sector in West Nipissing. As trained professionals, teachers are mobile professionals with global vision. As communities around the world compete to attract them, they will have the luxury of deciding where they will teach. Attracting them to rural areas and retaining them once they have arrived has proved to be no small challenge.

Opportunities

The desire was expressed by roundtable participants to foster increased links between the educational sector and regional industry. By working with industry, the participants foresaw a potential increase in the importance accorded to trade, and increased understanding of the economic future of the region. It was noted that a co-op program was already in place with the Verner Co-op, and that other programs could follow this model. Moreover, Contact Nord, a successful and well-developed distance learning program regrouping 15 northern colleges, universities, school boards and TV Ontario could provide the intellectual and communications infrastructure required to bring industry and the educational sector together in a meaningful initiative.

The increasing suburbanization of West Nipissing was considered to be a potential advantage by roundtable participants. The growing residential base will help increase the municipality's population which, in turn, will contribute to the critical mass required to maintain the existing educational infrastructure as well as attract new mandates for the satellite college campuses.

Next Steps

CARC members will work to encourage current interest expressed by some leaders of the educational community to develop a local training program for call centre workers. This program will be of immediate benefit to locals as there are existing opportunities for employment in this industry in North Bay. Moreover, the existence of a trained multilingual workforce is among the primary site-selection criteria for inbound call centres. As such, the development of a contact centre training program will be a critical element in future efforts to attract an inbound call centre to West Nipissing.

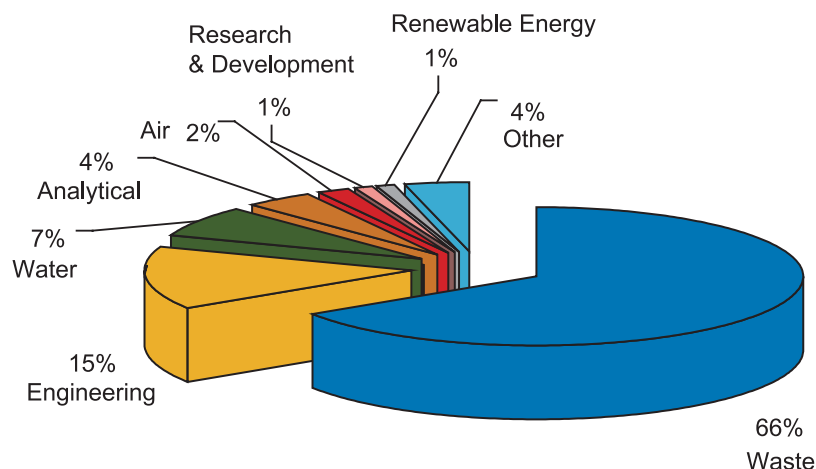
CARC members will call a meeting of regional administrators, teachers and representatives of local industry with a view toward encouraging the establishment of a local lobbying effort targeting the provincial government. The provincial government must be made aware of the importance of fostering links between local industry and educational facilities. The items to be promoted will include a limited devolution of the centrally administered curriculum and the adoption of specialized co-operative programs in key sectors such as forestry, mining, agriculture and tourism.

Energy and the Environment Overview

The energy and the environment sector is comprised of a range of industries that are focussed on power generation, waste management, and the management, measurement, prevention and correction of environmental damage to water, air and soil as well as problems related to waste, noise and ecosystems. The sector also includes clean technologies that have been designed to reduce environmental damage, pollution and energy consumption. The accompanying chart provides a breakdown of the distribution of the revenues derived from environmental services throughout Canada.

Energy and the Environment

Distribution of Environmental Services Revenues by Type of Service: 2000



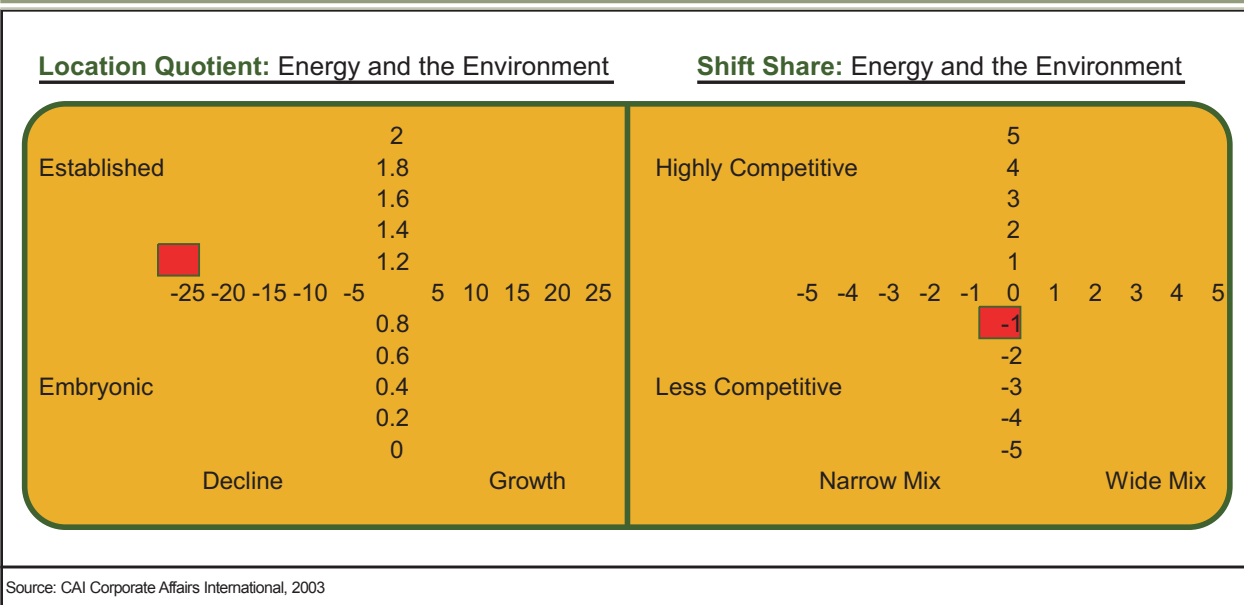
Source: Statistics Canada, Environment Accounts and Statistics Division, 2001

Quantitative Analysis

From a quantitative perspective, an analysis of employment data reveals that the energy and the environment sector in Northeastern Ontario employed 3,180 people in 1998 and 2,580 in 2001. Employment within the sector declined by 18.9% during this period, accounting for a 1.0% share of the workforce in 2001. In terms of location quotient, the sector should be considered mature despite a significant drop (-22.67%) in its relative concentration over the same period. As illustrated in the accompanying matrix, the shift share analysis reveals an industry with a slightly narrower mix than average, and one that has not demonstrated a high degree of competitiveness vis-à-vis Canada's energy and the environment sector.

Energy and the Environment

Sector Matrix: Energy and the Environment



With respect to West Nipissing, it is difficult to calculate how many people are employed in this sector. However, the 2001 Census reports that 65 people (1.2% of the municipality's active workforce) are employed by utilities.

Challenges

One of the fundamental challenges facing West Nipissing's energy and the environment sector is the awkward agglomeration of the sector's industries. For example, the link between waste management and fuel cells is purely eidetic. As such, each industry that constitutes the sector has a different agenda and achieving sectoral consensus is very difficult.

Again, the attraction and retention of skilled workers has been identified as a concern. This is hardly surprising as many environmental industries are knowledge-intensive. As such, an all too familiar dynamic recurs in this sector: West Nipissing is merely one possible location amid a world of options, pitting one location against another in attempting to attract type of worker that the sector commands.

Opportunities

The increasing environmental challenges faced by industry and agriculture have created opportunities for growth in the environmental industries. As the environmental emission standards in agriculture become tighter, farmers are seeking new and innovative ways to control effluent. Likewise, as the pulp and paper industry has had to conform to higher environmental standards, new methods of controlling waste and reducing water pollution have been generated. Forestry and agriculture, which have played important roles in the economic development of West Nipissing, along with the pursuit of sustainable development, have been transformed the environmental industries and will continue to act as a catalyst for growth.

The creation of Hydro One, has transformed power generation from a government service to a viable, albeit capital-intensive, business. The initial investment required to generate hydroelectricity is significant. However, long overlooked assets, such as small dams, are now being examined with a new eye. The transformation of such assets into operational power generators will represent a significant opportunity for development.

Next Steps

CARC will offer its assistance to the Municipality in an effort to provide increased support in the development of the case for investment with respect to the municipal landfill. A series of viable contacts must be established with waste treatment companies across North America in an attempt to find a company willing to take over the operations. Once the business case demonstrating the potential ROCE for the investor has been established and a network of contacts identified, CARC will be in position to begin the promotion of the landfill as one of the premier investment opportunities in West Nipissing.

With a view towards fully leveraging the municipality's existing assets and before the litigious cloud has cleared from the Weyerhaeuser facility, CARC will assemble a power generation committee that will establish the amount of energy that could be generated by the facility dam and sold back through the grid. In early meetings, the committee must emphasize the potential that the dam represents, not only for the sale of power, but as a tool for economic development.

Forestry Overview

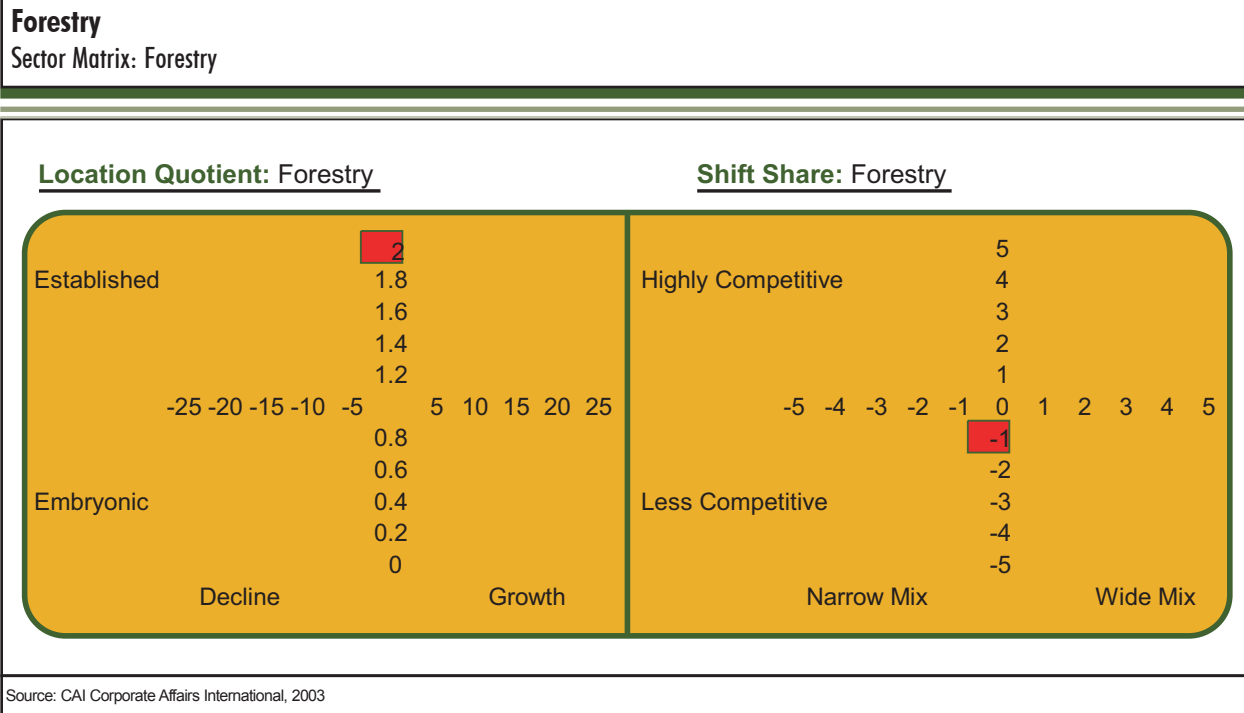
The forestry sector is one of the most developed sectors of West Nipissing's economy and among the most important industries in Northeastern Ontario. Forestry industries include logging, forestry, paper and allied products manufacturing as well as commodity and value added wood and building products industries. As such, forestry has an impact throughout the wooded regions of the municipality and in its urban centres, particularly Sturgeon Falls, where a mid-sized mill still operates and several value-added wood product industries are established.

Other than an original trading post, the first descendants of Europeans to settle the area north of Lake Nipissing arrived to cut timber. In many ways, the sector became a key driver for the development of much of the current municipal territory as lumber and paper mills opened up along its major waterways. The development of the former municipality of Sturgeon Falls was particularly influenced by the forestry sector and it remained, until recently, a "mill town."

Quantitative Analysis

From a quantitative perspective, an analysis of employment confirms the important role the forestry sector plays in Northeastern Ontario as one of the region's most significant employers and that the sector is well established. Employment dropped from 14,380 in 1998 to 14,050 in 2001, representing 5.5% of the total workforce. As such, the sector experienced a change in employment of -2.3% during this period.

The sector's location quotient attests to the high concentration of regional forestry employment relative to the national rate. The location quotient, however, has declined slightly (- 0.14%) since 1998. Finally, the sector demonstrated a narrow mix of regional industries and exhibited a marginally lower degree of competitiveness than the national average.



More specifically, with respect to West Nipissing, the 2001 Census recorded that the forestry sector employed 305 individuals or 5.7% of West Nipissing's active labour force. It is important to note that this figure does not include paper and allied products manufacturing as well as commodity and value added wood and building products industries. Despite the fact that forest product manufacturing plays a significant role in West Nipissing, no data set is currently available to measure the impact of its successes and failures.

Challenges

A number of challenges exist for the forestry sector in Canada, and for the West Nipissing region in particular. Foremost among them is the current trade dispute between Canada and the United States, commonly referred to as the softwood lumber dispute. Canada and the United States have a long history of trade disputes pertaining to the forestry sector. At the heart of these disputes is a difference in the ways that the two countries run their lumber industries. In the United States, most lumber production lands are privately held; in Canada, most land is publicly owned. A notable exception to this practise in Canada is in the Atlantic provinces of New Brunswick and Nova Scotia. As a result, these provinces are considered exempt from the duties currently being imposed by the US on Canadian softwood lumber exports.

Canada charges foresters a fee to harvest timber on public land. These stumpage fees have always been central to the long-running dispute. In the eyes of the Americans, stumpage fees amount to a subsidy. A US coalition of lumber producers wants the provincial governments to follow the American system and auction off timber rights at market prices.

Canadian forestry firms exporting south of the border are charged a 19.3% countervailing duty - a tax applied on imports found to be unfairly subsidized - that the American government imposed on Canadian exporters earlier this year. In addition, an anti-dumping duty of 12.57% was introduced in October 2001. Dumping is a term used to describe the sale of goods to another country at a lower price than what they cost to produce.

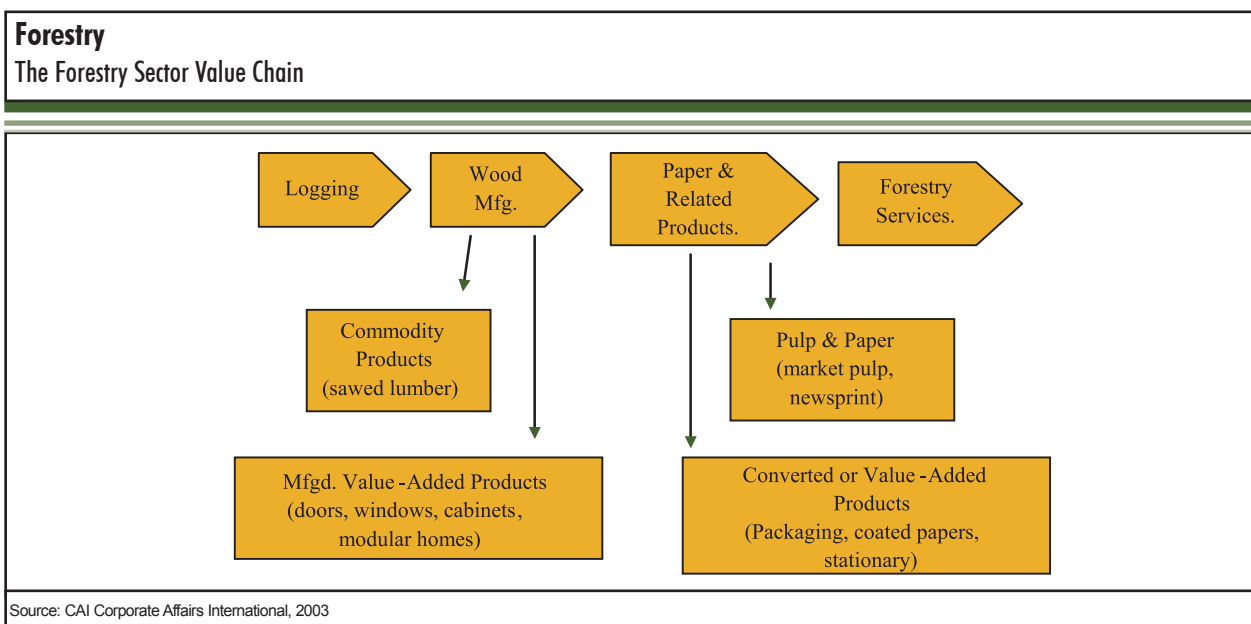
The two duties were applied separately in the period since the expiration of the softwood lumber agreement between the Canadian and US governments, which governed exports from April 1, 1996 to March 31, 2001. Under the agreement, the United States guaranteed market access to Canadian exporters for the five years and permitted the import of 14.7 billion board feet per year of lumber without fees. applied to \$10 billion worth of lumber manufactured in British Columbia, Alberta, Ontario and Quebec.

The net impact on logging within West Nipissing's forestry sector has been severe. In an effort to compensate for the loss of financial margin and meet rising demand, producers have increased supply. The oversupply of lumber has, in turn, led to a reduction in price, with overall prices falling to levels consistent with those of the early 1980s. Thus, while the region enjoys a healthy inventory of forestry, the market conditions make it economically unattractive to maintain logging and downstream processing at levels previously experienced. As a result, and based on field interviews with industry experts, the current rate of cut to allowable cut is at about 60%.

In addition to trade disputes, another challenge facing the forestry sector pertains to ongoing environmental concerns. The Canadian industry has had to adapt to consumers' growing desire for environmentally friendly products. Many companies have responded by having their products certified as originating from sustainably managed forests. There are now three third party certification systems in Canada: the Canadian Standards Association, the Forest Stewardship Council, and the Sustainable Forestry Initiative. All require third-party audits of forest practices. To date, more than 18 million hectares (about 15% of Canada's managed forests) are certified under these systems. Another 106 million hectares are certified under the ISO 14001 environmental management system, which is often considered a step toward forest certification. The Forest Products Association of Canada announced earlier this year that member companies must now undergo third-party assessments to ensure the sustainability of forests and that certification will be a condition of membership in the future.

Opportunities

In order to better assess opportunities for the forestry sector in West Nipissing, the industry value chain is represented below.



There are two main areas of opportunity for the West Nipissing region's forestry sector:

1. Engineered Wood Products

Given the proximity of the West Nipissing region to major industry players such as Domtar and Tembec, there may exist opportunities to attract investments in engineered wood products that serve as substitutes for other construction materials in residential, commercial, and light industrial applications. Although all building materials are made from natural resources, wood is the only building material that comes from a renewable resource. In contrast, steel, aluminium and concrete come from materials extracted from the earth that can never be renewed or replaced. Recycled steel contains a large portion of virgin materials and even plastics are derived from non-renewable petroleum products.

In addition to the opportunities associated with the direct manufacturing of engineered wood products, there are additional value-added processing opportunities directly associated with engineered wood products. For example, most engineered wood products use an adhesive of some sort to bind laminates of wood for structural strength. Therefore, opportunities may exist for the production of the adhesive itself.

2. Value-added Wood Products

Opportunities exist for entrepreneurial firms in the area of value-added wood manufacturing. More specifically, there is an apparent demand for manufactured wood products, including pre-fabricated housing, doors, windows, kitchen cabinets, hardwood flooring, pallets and related millwork.

Next Steps

CARC will co-ordinate a study that will assess the potential market for modular homes in Northeastern Ontario, Ontario, and neighbouring states. The potential for developing a purchasing agreement with Nipissing First Nation will be investigated immediately. Concurrently, CARC will need to help establish the consortium of cabinetmakers, carpenters, contractors and millwrights and investors that will be required to advance such a project. Although West Nipissing has people working on many aspects of the project that relate to modular home components, no integrated building project has ever taken root.

CARC will also put a call out to the local champion who is currently developing the case to attract a value added, engineered wood product facility to the region. The now-closed Weyerhaeuser facility has been proposed as one of the sites for the potential project. CARC members must contact the project's champion and determine in what ways the site is appropriate for the project and in what ways it is not. To facilitate this process, a meeting could be called bringing together the current project's engineers and former Weyerhaeuser engineers. If the project seems viable, then CARC will throw all its weight into assisting the local champion in attracting a major promoter.

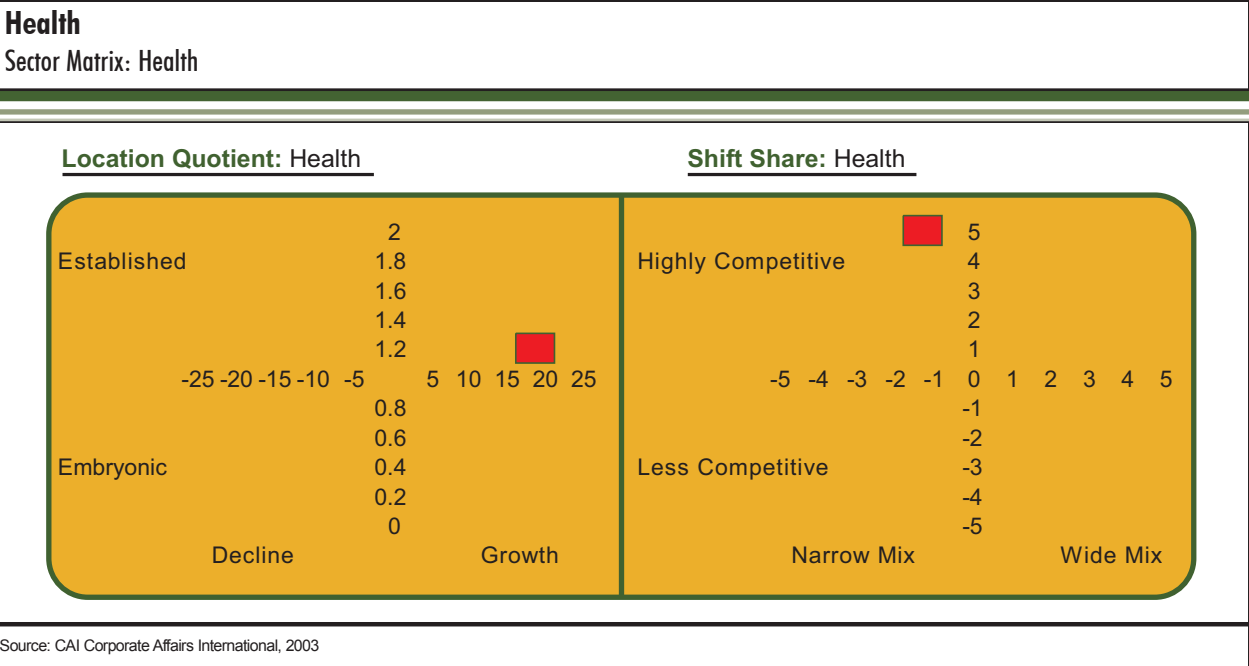
Health Overview

West Nipissing's health sector is anchored by the West Nipissing General Hospital (175 FTE, 50 PTE) and by the Au Château retirement and assisted living complex (75 FTE, 100 PTE). These two institutions are complemented by numerous medical, dental and other clinics.

Quantitative Analysis

Whether or not health care should be included in a sectoral economic analysis when it is delivered as a public service can be questioned. Regardless, the administration and the delivery of health care services are responsible for employing a significant proportion of the regional workforce (10.4%). As of 1998, the health sector employed 21,330 people in Northeastern Ontario. Employment in this sector has since grown by more than 25% to 26,780 in 2001.

The health sector in West Nipissing is mature, exhibiting a location quotient of 1.37. Moreover, its concentration relative to the rest of Canada has grown by 16.83% between 1998 and 2001. Finally, a shift share analysis revealed that it has a fairly low mix of industries and that the sector was extremely competitive compared to others across the country.



Health care and social services is the largest employment category in West Nipissing. More specifically, with respect to the Municipality of West Nipissing, the 2001 Census reported that health care and social services employed 13.4% of the active workforce, or 715 people. It should be reiterated, however, that social services are included in this mix, representing a wider scope than the health sector as defined elsewhere in this document.

Despite the importance of the health sector to the economy of West Nipissing, the ability of economic developers to influence it is limited. Most major decisions regarding healthcare are policy-driven and derived from Parliament Hill and Queen’s Park. Nonetheless, the participants at the sectoral roundtable identified several challenges and opportunities that they believe should be brought to light.

Challenges

Although health services are delivered by the public sector, and are therefore not driven by profit, the sector has experienced significant cost pressure over the last decade. In this light, health care administrators, while maintaining essential services, have had to carefully evaluate the viability of the services that they provide. In Northern Ontario, low population density has compounded the problem of cost efficient service delivery. The area comprises almost 89% of Ontario’s landmass while representing only 7.4% of its population. Hospitals in small northern communities have therefore had to define their services carefully, opting to provide emergency services to stabilize patients prior to transferring them to larger facilities for more comprehensive care and then repatriating them for convalescent care.

As such, smaller hospitals have had to position themselves as centres for emergency services and convalescence, have not been able to provide services that require medical specialists. This has created the widely expressed public perception of a decline in the importance of rural hospitals and the fear that the West Nipissing General Hospital is in the process of shutting down - the organizational equivalent of a “death by a thousand cuts.”

The planned opening of a superhospital in North Bay, on Highway 17 between North Bay and West Nipissing, has raised speculation within the community that the West Nipissing General Hospital will close its doors. It should be noted that the hospital is designed to serve North Bay and not the region. Regardless, the planned opening a regional superhospital has increased the public's negative perception regarding the future of West Nipissing General Hospital and the future of health care in West Nipissing.

Beyond the basic challenges presented by cost compression and geography, certain demographic trends are contributing to the strain on the health care sector. The population of Northeastern Ontario is declining and ageing. An ageing population requires more health care services and has a diminishing income base, thereby putting more stress on the limited resources available.

Small northern communities, like West Nipissing, do not currently have the means to support the widely varying levels of service required by seniors. Although Au Château provides exemplary care and is a much larger senior's care facility than can be found in most municipalities of comparable size, it has not been able to meet the needs of the entire community. Low-level seniors' care is currently not subsidized by the government, thereby greatly reducing the incentive to offer such services. As a consequence, the community is now faced with the prospect that some of its seniors who are in need of care will be "displaced."

The greatest challenge facing the health care sector in West Nipissing and many other northern communities is the attraction and retention of talented professionals. Doctors and nurses are highly educated, mobile professionals with global vision. As communities around the world compete to attract them, they will have the luxury of deciding where they will work or set up practice. Attracting them to rural areas and retaining them once they have arrived is difficult.

Opportunities

During the roundtable discussion, participants identified several opportunities for the health care sector in West Nipissing. For example, the proximity of the planned North Bay superhospital will provide an opportunity for partnerships between the institutions, allowing West Nipissing's hospital to share specialists who might not have had enough funding or billing time in one hospital alone. This process is already underway, as arrangements currently exist with an anaesthesiologist. West Nipissing General Hospital will seek to further develop this type of arrangement.

The possibility of extending the type of senior care available in the municipality also represents an opportunity. However, as this would constitute a large capital project, it would require investors who are willing to take a risk. Some residents have questioned whether the services provided at Au Château could be extended to include seniors requiring lower levels of care, which could help address an immediate community need for increased accommodations for local seniors and thereby provide a great deal of assistance to local residents, striving to keep their families together.

Roundtable participants discussed the potential of attracting seniors to the community as an economic development strategy, mirroring the retirement living approaches taken by Elliot Lake and Brampton, Ontario. As West Nipissing can supply many of the advantages provided by Elliot Lake, participants proposed that such an option be considered. However, the potential strain placed on health services resulting from an influx of seniors was considered to be a potential disadvantage.

With respect to the attraction and retention of medical professionals, two elements were identified as being potentially beneficial. First, the establishment of a medical college at Sudbury's Laurentian University has created a situation where doctors will receive their medical training in Northeastern Ontario for the first time.

It is hoped that once medical students have spent time in the region, it is more likely that they will stay. Second, roundtable participants suggested that the forecasted closing of the North Bay Psychiatric Institute could provide a pool of trained professionals, who already reside in Northeastern Ontario, from which West Nipissing's institutions could recruit personnel.

Next Steps

Without delay, CARC will work to support the initiatives of the group that is currently contemplating expanding the existing facilities and the current offering at Au Château. This project provides an excellent opportunity to leverage existing assets and meet the needs of the municipality's growing body of seniors. CARC will work with the group to help establish and maintain the public/private partnerships required to develop such a facility.

As a mid to long-term project, CARC will begin work with WNGH and other hospitals as well as partners from the private and public sectors, to establish a pilot project in telehealth applications. The first step involved in such a project is to determine what needs at WNGH could be addressed by means of a telehealth initiative. In order to do so, this autumn, CARC will deliver a questionnaire to local health officials designed to identify gaps in local care that could be remedied by mediatized medicine. Concurrently, CARC will consult with private sector broadband providers (and other technology companies) to determine if any among them have new technologies that must be tested in the field. The planning for this phase of activity can begin immediately by working with the Project Team to identify potential private sector leads.

Mining Overview

Situated between Sudbury and North Bay, West Nipissing is located at a spatial mid-point of Canada's largest mining cluster. Sudbury and North Bay are global capitals of geosciences and mining technologies, while the Toronto Stock Exchange (TSE), which raises over \$2.5 billion a year in new mining related equity capital, is the mine financing centre of the world.

The Ontario Ministry of Northern Development and Mines estimated that in 2001, there were more than 20,000 people directly employed in mines, associated smelters and refineries. Further, an additional 5,000 were directly employed in quarries and sand and gravel operations. The ministry estimates that a total of approximately 89,000 people were indirectly employed by related industries.

Active black granite and pink feldspar quarries in Ratter, Dana and McWilliams townships represent the bulk of West Nipissing's mining activity. However, many residents of the municipality actively work in the mining sector in Sudbury and North Bay. Recent results from an Ontario Geological Survey have raised local hopes for the continued development of this sector by the discovery of "indicator minerals," which could be a sign of the existence of diamonds in the River-Valley - Field area.

With respect to quantitative analysis, Northeastern Ontario's mining sector employed 14,180 in 1998, declining approximately 25% to 4.1% of the provincial workforce, or 10,600 employees, in 2001. As illustrated in the accompanying matrix, the location quotient analysis revealed that the mining sector is the most established among all of Northeastern Ontario's sectors that were selected by CARC for study. However, the sector's importance was not a "top of mind" consideration for most people interviewed or attending the roundtables. Its relative importance has been declining since 1998. A shift share analysis reveals that the sector has a narrow industry mix and that it has been less competitive than the same sector nationally.

Mining

Sector Matrix: Mining

Location Quotient: Mining

Shift Share: Mining



Source: CAI Corporate Affairs International, 2003

More specifically, with respect to West Nipissing itself, the 2001 Census reported that 1.5% of the active municipal workforce, or 80 people, are employed in the mining sector.

Challenges

Throughout the 1990's and into the new century, the price of real metals and minerals has been on a radical downward trend. This has led to a global slowdown in mining exploration, the opening of new mining operations and the exploitation of existing mines. Moreover, this slowdown in basic mining activity has had repercussions throughout the sector's value chain. It is believed that the slowdown in mining exploration and activity has led to less interest in R&D spending and subsequent commercialization initiatives.

The decline in mining employment in Northeastern Ontario reflects a general tendency that has affected the sector as a whole over the last decade. This is partly due to the significant gains in productivity enjoyed by the sector. According to the Institute for Northern Ontario Research and Development (INORD), in 2002, seven miners produced the equivalent output of 10 miners in 1992. Industry experts predict this figure will continue to fall and reach as low as five miners by 2012.

Despite the general decline in employment in the mining sector, the high-tech nature of contemporary mining practices has made recruiting skilled labour, management, and researchers more difficult. Although Laurentian University in Sudbury is a global centre of excellence in mining and mining technologies, none of West Nipissing's satellite campuses offers courses on mining. This situation is likely to remain unchanged until Queen's Park sees the benefits of including mining-related technical courses in the standard curriculum.

Like many northern communities, West Nipissing's population has been ageing and declining, a situation that is exacerbated by net youth out-migration from the area. This has contributed to difficulty in attracting and retaining the skilled workers required for the sector to continue flourishing.

Opportunities

As previously mentioned, new advances in geoscience and GPS technologies have opened the door to renewed exploration in Northeastern Ontario. For example, the Ontario Geological Survey has recently (January 2001) identified an area that could contain diamonds and other minerals. The presence of diamondiferous kimberlite is generally indicative of the presence of diamonds. There is also considerable hope that the region will hold platinum group metals, which has renewed interest in exploration. Other interesting exploratory missions could include a search for a reliable, sustainable spring water as a basis for a water bottling plant.



In Sudbury and North Bay, the mining sector has developed into a large cluster spanning both cities stretching southward to include the financial services of the Greater Toronto area. This has led to numerous public/private/parapublic partnerships wherein much hope for the future development of the sector is generated. The opportunity exists to expand the virtual and satellite operations of West Nipissing's Canadore College and Collège Boréal to include a centre for training in mining.

The presence of large quantities of black granite ("Dana Black") in the River Valley area has been identified as a potential opportunity for development. Popular worldwide for artistic and residential applications, black granite is highly sought after in Asia for use as flooring. Because little finishing of the granite is handled in West Nipissing, the presence of the quarry in an area with such extensive regional expertise in mining industries represents a development opportunity.

The increased productivity resulting from the adoption of advanced mining technologies and techniques, INORD forecasts that global mining supplies and services industries will grow by a factor of 10 over next 30 years.

Although mining remains of only limited importance to West Nipissing itself, its location within a globally recognized cluster in mining and mining technologies should provide the municipality with an opportunity to develop mining-related activities. For example, if traditional mining methods have been widely viewed as destructive to the environment, new paradigms of mining development, such as Integrated Landscape Management are being established. The proximity of Sudbury's Laurentian University, and the expertise in mining technologies in North Bay, should provide West Nipissing with an inside track to establishing research activities in advanced mining practices.

Next Steps

CARC members will work with neighbouring North Bay and Sudbury to develop a world-class centre for mining supplies and services. West Nipissing, as the mid-point between the two cities constitutes a perfect location. It's proximity to existing mining operations both in the North Bay and Sudbury areas would allow it to fit the supply-side needs of regional companies. Whereas the main target for such a venture is the Sudbury mining operations market - it is also fundamental to maintain close contact with the highly specialized mining equipment makers in North Bay and in the Abitibi region. Such a project encouraging links between mining interests and the education sector has resonances. While building on the regional cluster of mining activity, the centre of excellence will, in turn, be a lever for subsequent development.

As a first step, CARC will contact the Haileybury School of Mining Engineering, Technology and Instrumentation. This world-renowned technical institute located in Northern Ontario already offers certification in several areas related to mining technologies. Once this preliminary information gathering session is complete, CARC will work to build a consortium of regional sector representatives and educators. As a third step, in order to further develop its network of contacts, CARC will begin planning a symposium on the future of mining supply and services for spring of 2004. The symposium will be used as an official launch for the campaign to establish the new centre of excellence in mining supplies and services in West Nipissing.

Retail Services Overview

The retail sector is one of the most developed elements of West Nipissing's economy and one of the fastest growing industries in Northeastern Ontario. The sector is centred in Sturgeon Falls and is supported by smaller retail clusters in the former municipalities of Verner, Lavigne, Field, Cache Bay and River Valley. Sturgeon Falls' retail cluster serves four distinct markets, namely rural, urban, tourists, and travellers, from two principal corridors, namely King Street and Highway 17. Distinct patterns of evolution have resulted in a lack of continuity between the two corridors and, as a result, in a significant lack of unity in West Nipissing's retail offering and community.

Downtown Sturgeon Falls, the older of the two corridors, is characterized by the type of retail offering that one might expect from a small urban centre. Its anchors include a general/hardware store that has been in the same family for five generations, a Giant Tiger and a Foodland. Historically, the local downtown core met the retail needs of Sturgeon Falls and many of the neighbouring communities while benefiting from a strong tourism market. However, like the downtown core of many small cities, it is currently experiencing considerable decay and is marked with many vacant storefronts. In general, the area lacks identity and focus and is in need of considerable renewal. As it no longer seems to meet the needs of its traditional markets, the area is seeking to redefine its position.

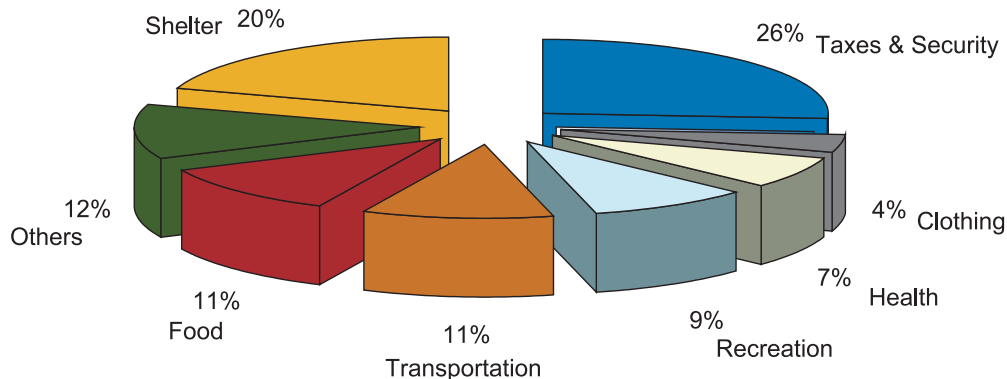
The corridor along Highway 17 features bigger, newer commercial developments. It is characterized by larger commercial establishments, fast food restaurants, car rental services, car dealerships and gas stations. It has absorbed much of the local market that historically frequented the downtown and ongoing development points towards a promising future. However successful the strip may be, though, it remains visually uninviting and unremarkable.

According to the 2001 Census, West Nipissing's retail services sector serves over 13,114 people, or 4,480 households, with average household expenditures of \$47,641. Although, this number falls below the national and provincial averages of household expenditures, West Nipissing still has a considerable total annual municipal purchasing power of \$173 million (annual household income of \$38,634 x 4,480 households).

The accompanying chart provides a breakdown of average annual household expenditures for West Nipissing.

Retail Services

Average Annual Household Expenditures



Source: West Nipissing Community Profile, 2002

Quantitative Analysis

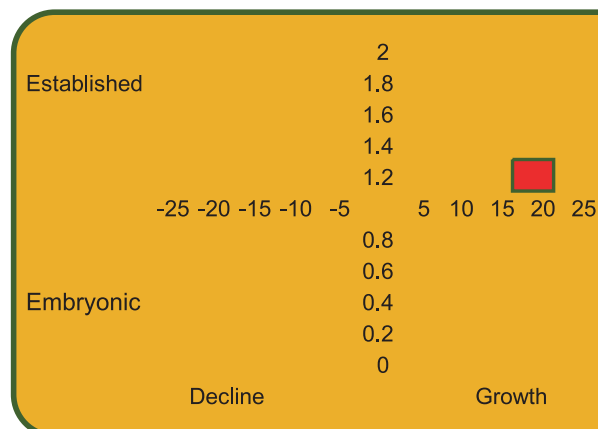
From a quantitative perspective, the sector is well-established and enjoying rapid growth. An analysis of employment confirms the important role played by the retail sector as one of the region's most significant employers. Individuals employed in retail rose from 32,600 in 1998 to 38,330, representing 14.9% of the total workforce in 2001. As such, the sector experienced absolute growth in employment of 17.6% during this period.

The sector's location quotient attests to the high concentration of regional retail employment relative to the national rate. Moreover, the absolute growth in location quotient of 10.37% distinguishes Northeastern Ontario's retail sector as one of the fastest growing in the nation. Finally, the sector demonstrated a narrow mix of regional industries and exhibited a significantly higher degree of competitiveness than the national average.

Retail Services

Sector Matrix: Retail Services

Location Quotient: Retail Services



Shift Share: Retail Services



Source: CAI Corporate Affairs International, 2003

More specifically, with respect to West Nipissing, the 2001 Census recorded that the retail sector is the municipality's second largest employer, employing 705 people, or 13.2%, of West Nipissing's active labour force.

Challenges

Like many northern communities, West Nipissing faces the demographic challenge of an ageing and declining population, which is exacerbated by net youth out-migration from the area. Because retail spending is directly linked to personal disposable income, the ageing population curve has a negative impact on the purchasing of non-essential goods. Ageing households that are less well off must spend a larger fraction of their income on the goods needed for everyday life than those at the upper end of the income scale. As such, the retail mix serving ageing communities tends to favour providers of daily household goods, such as groceries and pharmaceutical goods at the expense of non-essential goods and commodities (e.g. CD's, electronics and clothing).

Moreover, with the closing of operations at the Weyerhaeuser paperboard plant, West Nipissing has recently experienced a decline in its active labour force. The long and medium term effects of the closing cannot yet be determined as of yet, although it will lead to a short term decline in municipal purchasing power.

One of the fundamental challenges faced by West Nipissing's retail sector is its proximity to two much larger urban centres: North Bay, to the west, and Sudbury, to the east. This has had a significant impact on West Nipissing's retail sector, because the two larger urban centres have the critical mass required to attract the presence of big box and other large-scale retailers. The current affinity for such retail outlets drives many of the municipality's residents to travel the extra distance to shop, whether for variety or cost savings.

Trends within the industry itself have also affected West Nipissing's retail sector in general, and the downtown cluster in particular. Whereas the traditional retail mix in the downtown of small urban centres has tended to favour the development of small generalist operations, current industry distribution patterns are forcing retailers to become larger or, alternatively, remain small and highly specialized. Both types of outlets require a certain critical mass of income and residents and are thus more prevalent in larger urban centres.

Further, many residents of West Nipissing work in the two large, neighbouring urban centres. Many of the roundtable participants expressed the belief that this group prefers to shop in North Bay or Sudbury prior to returning home from work. This is a phenomenon common to many suburban communities across North America and an examination of retail patterns and consumer preferences will be required in order to establish why consumers are purchasing in North Bay and Sudbury. Some bedroom communities, after all, do have a rich retail offering.

Another factor that has affected the growth of West Nipissing's retail sector has been the decline in the traditional tourism market, which was based primarily on sports fishing. West Nipissing retailers expressed the view that the days where men would leave their families behind to enjoy a week at Lake Nipissing with "the boys" have come to an end. This high-spending group is sorely missed by the community's older retailers and has yet to be replaced.

One might well ask whether or not tourists realize that West Nipissing has a retail offering off Highway 17. There is little signage indicating the presence of a retail cluster in the historic downtown area. Further, many roundtable participants expressed concern regarding a general lack of awareness among regional retailers about the important role that tourism plays in retail. Stories abound of tourists receiving exceptionally poor service.

Roundtable participants all agreed that the absence of a major non-retail attraction was detrimental to the health of the retail community. Participants felt much discretionary spending occurs during evenings out (e.g. when people go out to the movies, they also have supper and shop). West Nipissing has no major draw. As such, a significant amount of residents' and visitors' discretionary spending leaves the municipality in favour of major urban centres.

Finally, there is little cohesiveness within the sector itself. Many downtown merchants perceive the operators along Highway 17 to be threats rather than allies. Further division occurs between the smaller retail clusters within West Nipissing and the two major ones in the former municipality of Sturgeon Falls. Moreover, there is dissent between merchants from the other small retail clusters and those of Sturgeon Falls. This fragmentation is clearly reflected in the fact that business hours kept by local merchants are not standardized. The two major associations likely to represent the sector, namely the Business Improvement Area (BIA) and the Chamber of Commerce, have low levels of participation and have positioned themselves as competing organizations.

Opportunities

The high traffic flow of Highway 17 certainly presents an excellent opportunity for existing and prospective retailers. With traffic counts estimated to be in the area of 8,000 vehicles per day, imaginative retailers stand to generate solid occasional sales as well as repeat shoppers on their way to North Bay and Sudbury. Moreover, West Nipissing has the distinct locational advantage of being the only major stop on Highway 17 between Sudbury and North Bay. As a mid-point, West Nipissing should be able to attract business from people traveling between the two cities and across the country on the TransCanadian.

A significant opportunity also exists to further develop the retail sector by working in conjunction with regional tourism associations to renew existing brownfields and improve the urban waterfront of Sturgeon Falls. Beyond the existing available land, there remains a significant amount of land that could be opened for mixed-use development, including the prime land surrounding the municipal pier currently controlled by the city.

West Nipissing is also the inheritor of an historically strong retail sector, underpinned by a strong Franco-Ontarian commercial culture. Roundtable participants revealed that in the past, Sturgeon Falls was a retail destination. Residents of North Bay and Sudbury would visit the municipality to shop in the high-end "French" and "Montreal-style" boutiques that lined the downtown. Because the current municipality remains largely francophone (75%), the opportunity still exists for West Nipissing to differentiate itself from its competitors. Signage could welcome francophones with "service en français" in an effort to recapture a largely untapped market made up of Franco-Ontarians and the large number of francophones passing through on Highway 17.

Participants seemed uncertain whether or not to label West Nipissing as a bedroom community. The exact percentage of the municipality's able residents that work in the neighbouring urban centres is not known, however, it is clear from personal testimony that many do. The suburbanization of the community is a fairly recent phenomenon and its full effect on West Nipissing's retail sector is not likely to be felt at once.

Next Steps

In the near future, CARC will commission a study to assist in the re-engineering of Sturgeon Fall's retail mix, in conjunction with the Municipality, the Chamber of Commerce and the BIA. The study will examine consumer patterns normally associated with primarily residential suburban communities and survey the needs and desires of local residents. This study will allow existing retailers the opportunity to adjust to the progressive suburbanization of West Nipissing. By identifying gaps in the mix, it will also provide CARC with target niches for prospecting new retail investment.

As short to mid-term initiative, CARC will establish a signage and beautification subcommittee responsible for recommendations on new regulations standardizing and harmonizing public and private signage. Although the nature of this committee will be consultative at first, it will have, in the end, to enlist the full support of the municipal government to see new signage legislation enacted. The adoption of new signage will have ramifications across sectors and on most levels of the economy. Well-designed signage will notify passing travellers of attractions (e.g. museums etc.), the historic downtown retail and provide greetings as they enter the municipality. By harmonizing the public and private signage, West Nipissing will significantly enrich the municipality's aesthetic offering. Finally, new signage will leverage West Nipissing's strong cultural assets and will not shy away from emphasizing the municipality's bilingual nature. This will allow West Nipissing to differentiate itself from other communities that line the TransCanadian and contribute to creating the municipality's unique product offering.

Quality of Life (Information, Culture and Recreation)

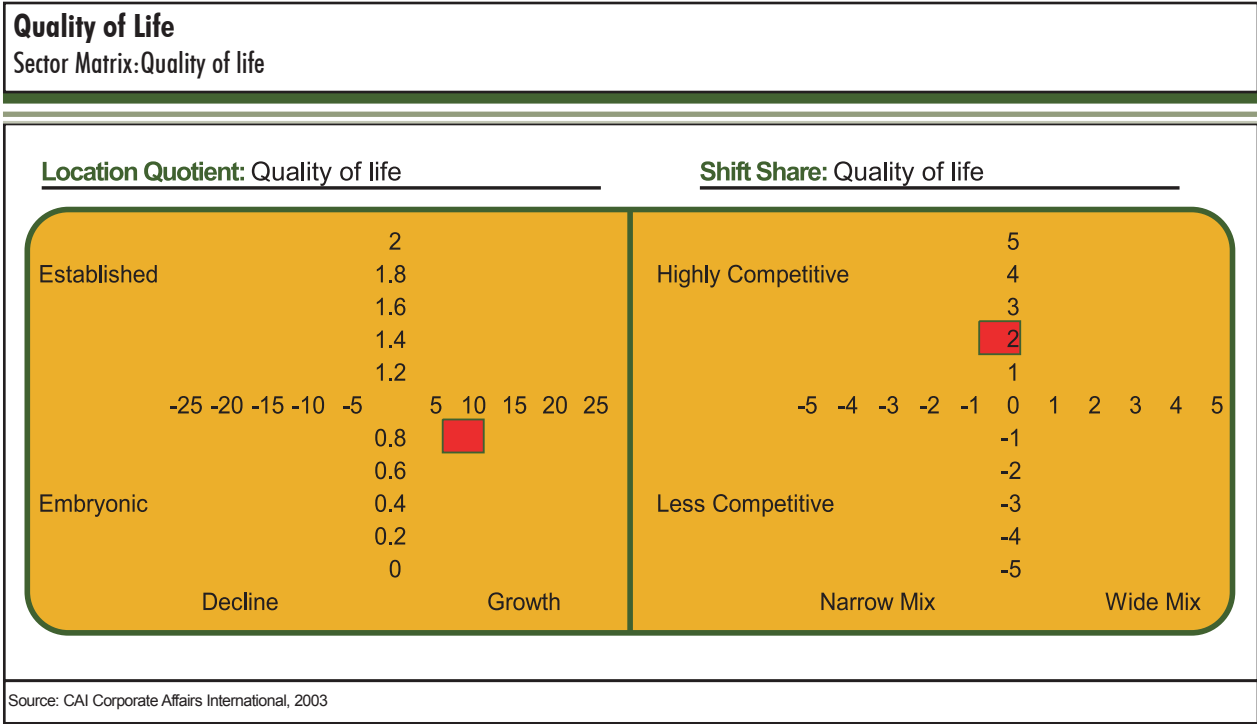
Overview

Quality of life was among the 10 sectors identified by CARC for analysis. Although quality of life is most often treated as a horizontal consideration on the nature of life, an attempt has been made to identify the industries that cater to quality of life. The Project Team identified an employment category that meets this criterion, namely information, culture and recreation. As defined, this sector has undoubtedly played a significant role in the evolution of West Nipissing and will contribute to define the municipality's future.

Events such as the River Bluegrass Festival, the Sturgeon Falls Step Dance and Fiddle Festival and others, along with the municipality's recreational infrastructure, are important. They have a concrete role to play both in the promotion of West Nipissing as a tourist destination and in the quality of life of the municipality's residents. Fundamentally, events and the arts are a means of leveraging human capital and cultural resources to generate economic vitality.

Quantitative Analysis

From a quantitative perspective, an analysis of employment data reveals that information, culture, and recreation in Northeastern Ontario employed 7,800 people in 1998 and 9,780 in 2001. Employment within the sector increased by more than 25% during this period, representing 3.8% of the workforce in 2001. In terms of location quotient, the sector is still developing and its relative importance increased by 10.6% over the same period. As illustrated in the accompanying matrix, the shift share analysis reveals a sector with a marginally narrow mix, which has demonstrated a high degree of competitiveness vis-à-vis its national counterparts.



Next Steps

CARC members will begin immediately to provide support for efforts underway to establish a performing arts centre adjacent to Franco-Cité High-School in Sturgeon Falls. This project, championed by an association representing Franco-Cité alumni, will leverage West Nipissing's strong cultural assets and develop a centre designed specifically to promote Franco-Ontarian arts and culture while also allowing for the leasing of the facility for repertory cinema and other popular events. As such, the centre will contribute significantly to the arts infrastructure of West Nipissing. Although the Franco-Cité alumni association has begun efforts to finance the facility, it is recommended that CARC put all their weight behind the project in order to facilitate the financing process.

CARC will examine the possibility of creating a "West Nipissing Access" electronic voucher that would entitle residents of West Nipissing with access to local recreational facilities at a discounted rate. Such a voucher, sold to residents for a modest annual fee, will allow a two-tiered pricing system, which discriminates between residents and visitors. As such, local recreational facilities will be able to target tourist dollars and seek out this potentially lucrative revenue stream by upgrading their offering. The additional self-financed amenities will add to the municipality's offering to tourists while creating an improved municipal recreational infrastructure for residents.

Further, CARC will provide assistance to those responsible for municipal recreational programs in an effort to introduce new initiatives designed to attract tourism (e.g. full-service day camps for the summer). CARC will arrange to meet with representatives of the education sector in order to begin examining the possibility of establishing French-immersion programs targeting businesspersons, professionals and new immigrants from Toronto, Ottawa, North Bay and Sudbury.

Technology and Communications

Overview

With respect to employment statistics, there is no measurable technology sector in Northeastern Ontario. However, advanced telecommunications infrastructure and services do exist and much employment, including a Statistics Canada inbound call centre in West Nipissing, depend upon them.

The areas adjacent to Highway 17 have voice and data high-speed Internet connections via optical and coaxial cable networks. Basic single line phone service now extends as far as River Valley, that is, through most of the more densely populated area of the municipality. Such outlying areas have access to the Internet via basic DSL dial-up accounts. With respect to wireless telephony, the corridor along the highway is served by Rodgers Wireless and Bell Mobility, although reception becomes spotty the further one strays from Highway 17.

Where infrastructure permits, the private sector and residents have been quick to adopt technology and related services, which have been applied primarily to commercial uses rather than industrial. The principal users of high-speed services include the retail and tourism sectors and food service establishments for inventory, order management and processing transactions. The banking community has also become a heavy user and the local Caisse Populaire employs a secured data line for online transactions.

West Nipissing's only major industrial user is Serca Food Services Ltd., which uses an online distribution application. With respect to the public institutions, the health and education sectors adapted to the use of the technological and communications backbone most rapidly. West Nipissing General Hospital, for example, uses a high-speed connection to link internal processes between the clinic, hospital, and the assisted living residences.

Collège Boréal uses a high-speed connect with capacity for data, multimedia and videoconferencing. However, there remain many schools in more rural areas that are still looking to upgrade their DSL connect to an ADSL.

Recently, the Municipality of West Nipissing has adopted high-speed connections at City Hall and in the municipality's administrative offices.

Challenges

The challenges of providing technological infrastructure have primarily been related to the massive size of the municipality and to its low population density. Most of the major infrastructure providers have demonstrated their willingness to deploy networks when a compelling business case was made, one that demonstrated the significant return on investment for the provider and the company. However, establishing such a case has been difficult for businesses and residents of the more remote areas of the municipality.

Opportunities

Such an underdeveloped sector presents numerous, albeit often expensive, opportunities for development. The opportunities for northern communities to improve their public services in areas such as education and health by means of modern broadband technologies abound. It is hoped that some of the many local projects being discussed were submitted to the Federal Broadband Initiative prior to March 31st, 2003.

Next Steps

CARC will work with sectoral representatives and members of the education sector who are championing the call centre training initiative. The establishment of a centre providing training for future employees of inbound call centres is an excellent first step towards putting a package together that will be attractive to investors. Such a venture will be very capital intensive, even if an existing facility is renovated to serve as the training centre. The success of such a project hinges upon two key components: **1)** The existence of programs encouraging economic diversification and the development of training infrastructure that will allow both federal and provincial governments to contribute to such a not-for-profit venture; and **2)** the ability of those concerned to establish that such an institution will contribute to the economic diversification of West Nipissing and to the development of its workforce. CARC can act as a catalyst in this process by preparing or commissioning an impact study establishing the project's potential economic and social benefits.

CARC must continue consultations with sectoral representatives. During the sectoral roundtable, many potential projects were discussed. As this sector is essentially embryonic, it lacks the formal links and networks that allow more established sectors to adopt mechanisms that encourage their own growth. As such, CARC can be of great assistance to the technology and communications sector by proactively fostering growth. This can most readily be accomplished by encouraging municipal procurement policies that favour local providers of goods and services when their products are deemed to be at least equal in terms of quality and price.

Tourism Overview

Since the turn of the last century, when the CPR opened up the territories north of Lake Nipissing, the West Nipissing area has been a destination for tourists. Sportsmen in pursuit of big game and larger fish joined the flood of people heading to the newly opened land northwest of York, and sports fishing remained the anchor of the region's tourism sector.

However as North Bay, Sudbury and Toronto got “closer” to West Nipissing and as the pressure on fish stocks grew, industrial development and pollution became an issue. The result was that stocks of game fish declined steadily and significantly through the late 1970s, 1980s and early 1990s.

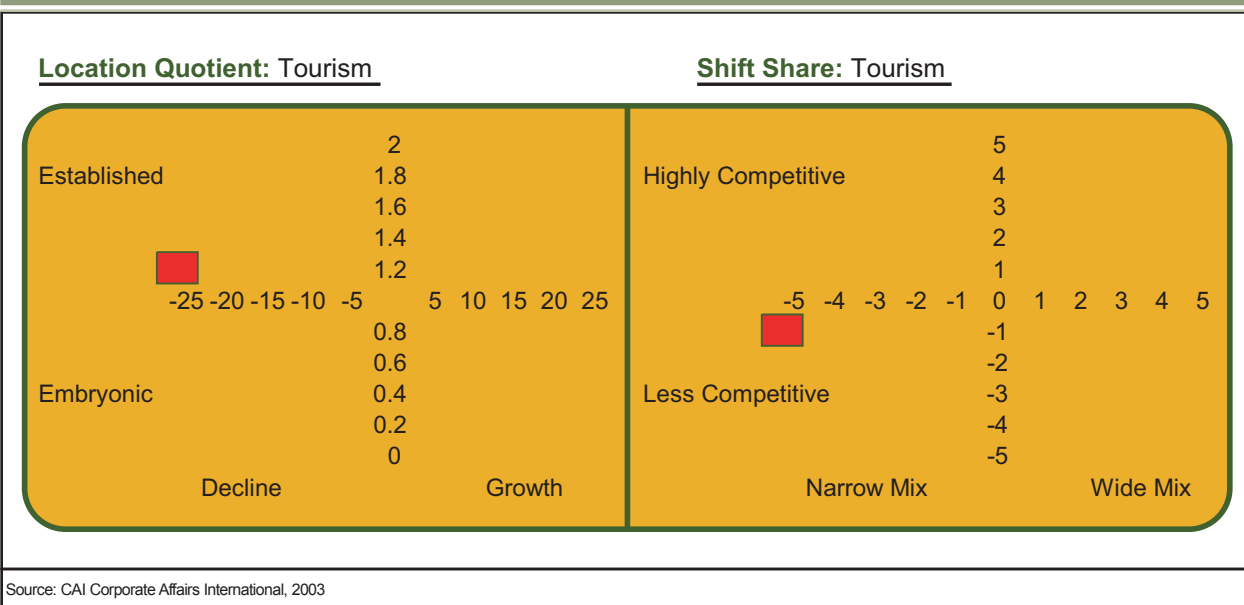
Despite the fact that recent efforts to rebuild freshwater fish stocks have been paying off, West Nipissing no longer receives the large number of “big spender” sportsmen that once fuelled the local retail economy. This is partially due to a perceived decline in the number of trophy fish being caught and partially due to the changing work and vacation patterns in middle class families. The infrastructure to support tourism, parks, marinas, hotels and restaurants, major attractions and activities is either incomplete or decaying.

Quantitative Analysis

With respect to employment in Northeastern Ontario, tourism is an important sector. Tourism employed 25,330 people in 1998, dropping sharply (25%) to 18,980 employees, or 7.4% of the overall workforce, in 2001. As illustrated in the accompanying chart, the tourism sector is mature yet declining, while the shift share analysis reveals an industry that has too narrow a mix and has been fairly uncompetitive.

Tourism

Sector Matrix: Tourism



More specifically, with respect to West Nipissing, the 2001 Census recorded that the tourism sector employed 450 people, or 8.4%, of West Nipissing’s active labour force. This corresponds roughly to the share of employment occupied by tourism throughout Northeastern Ontario.

Challenges

For an area with such spectacular natural assets, West Nipissing has done very little to showcase them. In fact, the only view of the Sturgeon River that travellers’ glimpse from Highway 17 is the now derelict paperboard mill and the accompanying hydro dam. If a visitor stops in Sturgeon Falls and by chance finds the municipal pier - he or she will find an old abandoned shack on cracked concrete stretching out into one of the most beautiful rivers in Canada. West Nipissing is not alone in this respect; the failure to place due value on waterfront property is an unfortunate pattern repeated throughout North America. The more important a waterway has been to an area’s development, the more likely it is to have disappeared, to be buried under the community’s industrial legacy. Opportunities to highlight nature abound, yet transforming an industrial waterfront is an expensive undertaking that requires strong commitment and significant capital outlay.

The Municipality of West Nipissing incorporates five towns and over 25 townships, covering an area of over 1,200 km². Land use within the municipality varies from industrial, commercial, residential, and agricultural to true northern wilderness. The municipality, thus, must deal with stakeholders with radically different needs. For example, trying to convince someone from River Valley that a waterfront rehabilitation plan for Sturgeon Falls should be the municipality's top priority for the development of the tourism sector sounds almost absurd. Some roundtable members expressed their resentment with respect to what they perceive to be a favoured class in Sturgeon Falls. In short, the municipality is diverse and fragmented, and some believe that others have received special treatment.

As of yet, no industry association has been able to unify the fragmented elements, geographically or otherwise, that constitute the sector. While one group represents West Nipissing and the Upper French area, another focuses eastward from West Nipissing to Mattawa. In fact, the associations that exist offer overlapping services and end up pitting one end of the municipality against the other in the fight for projects and funds. As such, these organizations have been unable to fulfill their mandates; the tourism sector has not taken a clear position, nor has it adopted a clear message. This has had several ramifications, including a general lack of awareness in the community regarding the importance of tourism, a lack of support amongst the retail sector and inadequate promotional campaigns.

West Nipissing also suffers from a lack of signage to identify historical landmarks, the waterfront, the historic downtown of Sturgeon Falls, the museum, and even the entry into the municipality. In order to make informed decisions about where to spend their vacations, tourists require basic information about where they can spend their time and dollars, making signage critical. For instance, although West Nipissing has invested a significant amount of time and capital in Sturgeon River House, there is no sign clearly indicating its presence and alerting motorists that it is a museum.

Fundamentally, West Nipissing's tourism sector is underdeveloped and lacks the basic infrastructure required to support and satisfy a large influx of visitors. This lack of infrastructure manifests itself on two levels. Firstly, many participants expressed the belief that the absence of a major attraction is an impediment to the development of tourism in West Nipissing. Although local natural assets provide much for people to enjoy, industry professionals agreed that, after a couple of days, most visitors had exhausted the field of local activities. Consequently, most are directed to seek entertainment in North Bay or Sudbury.

Secondly, although there are many fast-food restaurants along Highway 17, there are very few eating establishments in West Nipissing with a higher standard of cuisine. This phenomenon is reflected in the available accommodations, where visitors are greeted by a handful of small, old-fashioned motels.

Finally, most industry professionals expressed the belief that, although West Nipissing was not much farther away from Toronto than the Muskokas - and certainly closer than Temagami - that it was considered "too far away" by most Torontonians to visit.

Opportunities

West Nipissing has spectacular natural assets that have remained chronically underdeveloped. The opportunity exists to build a tourism industry from the ground up. Rather than having to work with the clumsy legacy left behind by former sectoral professionals, the champions of today's sector will be able to build upon the municipality's new identity and position West Nipissing for future success.

Moreover, West Nipissing benefits from many festivals and events throughout the year, including the River Valley Bluegrass Festival, the Sturgeon Falls Step Dance, and the Lake Nipissing Ice Fishing Derby, among others. Such events draw a significant number of tourists to the area, and are complementary to the many opportunities that exist to exploit the municipality's numerous cultural assets, including First Nations and the community's strong Franco-Ontarian heritage. Although West Nipissing currently lacks the infrastructure to accommodate and feed the visitors, their presence represents a significant opportunity for development.

Located at a mid-point between Sudbury and North Bay on Highway 17, West Nipissing is in an excellent position to provide accommodation to the many travellers making the journey across Ontario. The high traffic flow of Highway 17 presents a steady stream of potential clients for restaurants and hotels. Such establishments have a legitimate pool from which to prospect business. As a semi-urban stop, West Nipissing can hope to attract long-distance travellers seeking a place to rest or eat without the hassle of entering an urban centre.

The completion of the four-lane highway to North Bay from Toronto will reduce the travel time from Canada's largest city to the area to just under four hours. This extension of the province's transportation infrastructure will provide residents of Toronto with access to a unique reserve of fish, birds and undeveloped wilderness. This must be taken into account when establishing the future direction of West Nipissing.

Next Steps

West Nipissing must improve its basic tourism infrastructure. The development of a mid-market hotel would be a significant contribution towards this goal. CARC members must work with a local or external promoter to commission a feasibility study and develop and devote a capital pool of at least \$100,000 exclusively for this project's needs. If a reasonable proposal is put forward the CFDC could be convinced provide up to 50% of the cost of a feasibility study. CARC will be able to play an active role in this process by providing the services of one of its contributing mentors in selecting and awarding the study. Once the study has been printed, it will form an integral part of CARC and the Project Team's promotional kit, which will be designed to attract investors from outside the municipality.

Another potential avenue that will be investigated by CARC is the possibility of establishing an off-campus hotel/restaurant run by Canadore hospitality and culinary management students. This would be a significant contribution to the regional tourism infrastructure and provide a unique level of dining for residents.

As one of the fundamental challenges facing West Nipissing's tourism sector, the decline of freshwater fish stocks must be addressed. CARC will, by the spring of 2004, develop a means of encouraging the redevelopment of local fish stocks. Across Canada, many communities have successfully adopted spawning bed reconditioning programs and gathered funds destined for stocking initiatives. As a first step, CARC will need to find a local champion and solicit the time of local specialists to identify spawning grounds and their occurrence throughout the municipality. Such areas must be protected, and when damaged by human incursion, reinstated. In cases where this is not possible, alternative spawning sites can be created by mimicking the natural conditions as closely as possible.

Finally, a joint initiative bringing the retail and tourism sectors together must, out of necessity, be undertaken. The signage throughout West Nipissing lacks clarity, style and substance. As such, many of the area's prime activities and sights continue to go unnoticed by passers by. As discussed in the "Retail" section of this document, if signage represents an important expense, it is also an excellent motivator. West Nipissing has the opportunity to establish and proclaim its identity. CARC will work to improve the visibility of West Nipissing's attractions, businesses and lodging. Businesses will be encouraged to join the campaign and align their signage within the aesthetic parameters established by CARC. The new signage, based on the municipality's new positioning will be unified under a common theme and will send a unique message to visitors.

Positioning West Nipissing

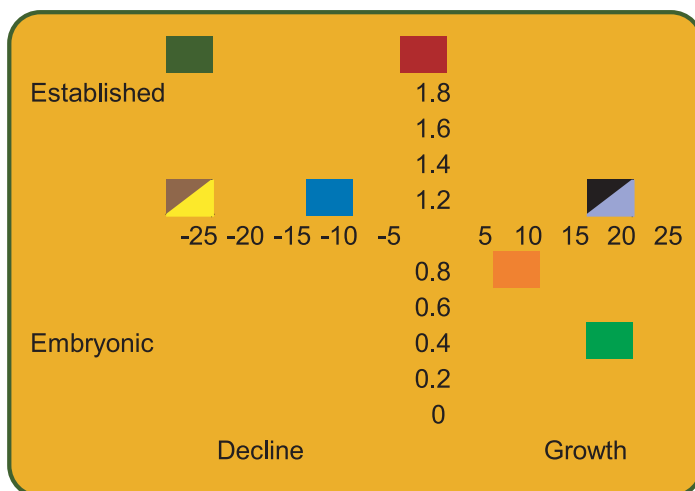
Overview

In seeking to position West Nipissing for future growth, three fundamental considerations emerged from the analysis of the municipality's status quo. One of these elements is purely economic; that is, the established sectors of the regional economy that are not driven by the public sector are largely anchored in the exploitation of the region's wealth of natural assets such as Mining and forestry. The positioning matrices below provide a graphic illustration of this observation. Notice the privileged position, with respect to the maturity of these sectors. Despite the regional strengths in these two sectors, little value added processing takes place in West Nipissing. With respect to tourism, although established, it has not distinguished itself in terms of growth or competitiveness. This is surely one area that is ripe for development.

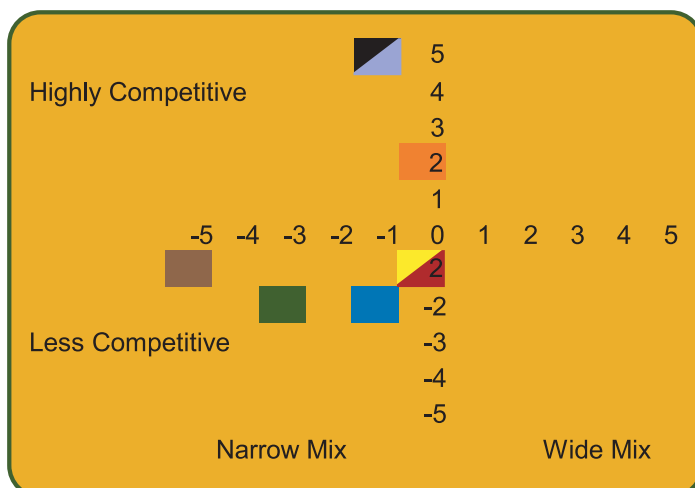
Positioning West Nipissing

Sectoral Analysis

Location Quotient: All Sectors



Shift Share: All Sectors



- Agriculture (N/A for Shift Share only)
- Education
- Energy and the Environment
- Forestry
- Health
- Mining
- Retail
- Quality of Life
- Technology and Communications
- Tourism



The third element, more strictly socio-cultural, emerged as a recurring theme from the qualitative research. Residents consider the history and culture of the communities that comprise the new municipality to be fundamental to its future development. West Nipissing is a meeting place of many distinct cultures, with strong Franco-Ontarian, Middle-Canadian and Aboriginal roots. A second socio-cultural theme emerged from the discussions and interviews: many residents of West Nipissing, from all walks of life, have a strong sense of identification with the northern wilderness that surrounds them, both as a “playground” and as an asset that should be exploited.

Positioning West Nipissing

Strategic Positioning Diagram



Industrial and Agricultural Development Strategy

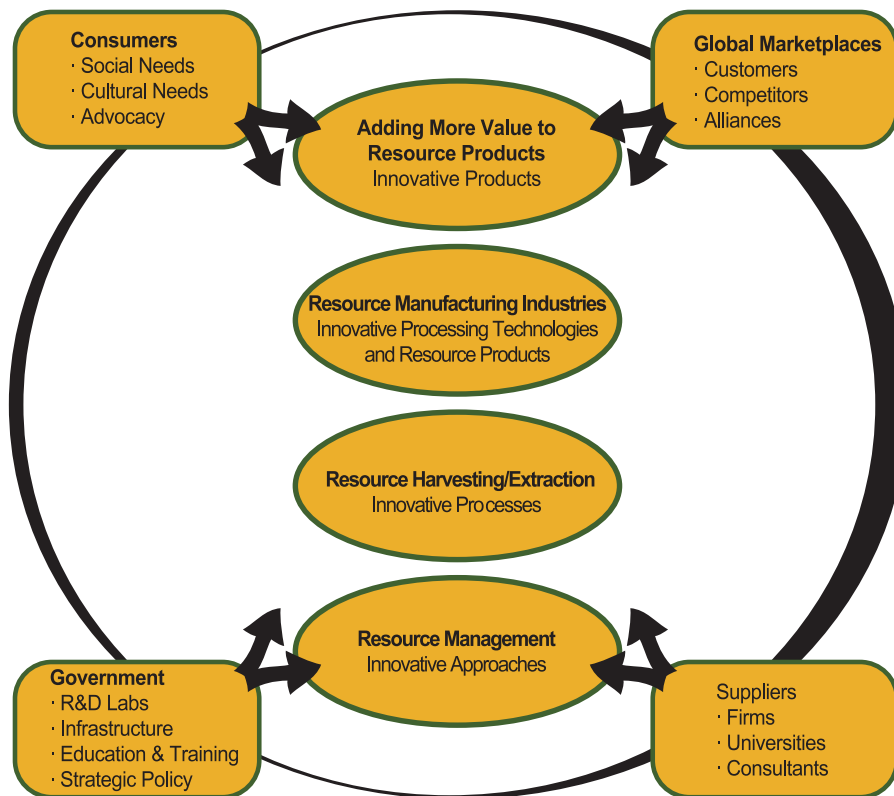
Overview

West Nipissing's industrial and agricultural mix remains at the lower end of the value chain, that is, largely dependent on the extraction, production and export of commodities. Other than Serca Foods and a handful of light manufacturing businesses in the mining, forestry and construction sectors, very little value-added secondary manufacturing occurs within the municipality. As such, much of the wealth that can be derived from the full exploitation of natural assets has been generated elsewhere. This has left the municipal economy over-exposed to the long-term decline in the value of commodities as well as to the fluctuations of global commodity markets.

In this light, in a move to protect itself from such fluctuations, and in a proactive effort to generate sustainable wealth and employment within the municipality, West Nipissing should seek to build upon its existing strengths in the extraction of commodities from the land and seek to integrate some of the value-added production that currently occurs elsewhere. As illustrated in the accompanying diagram, there is significant opportunity to add value to resource products and by creating innovative products that meet the social and cultural needs of consumers in the global marketplace.

Industrial and Agricultural Development Strategy

Natural Resource Sectors: Value Inputs



Source: Conference Board of Canada, based on NRCAN and Statistics Canada data

While the main agents of this process will have to be the industries and producers themselves, economic developers have a part to play in the process. For example, economic developers will be able to help the existing businesses establish the partnerships and know-how required to pull local industry up the value chain into processing and distribution. Among the many options to be examined is the production of specialty food items (as identified by the agricultural sector) such as non-bovine dairy products (e.g. goat's cheese and yoghurt), game products (e.g. wild boar salami), and pea butter (an alternative to peanut butter). Non-food uses of processed crops, such as pelletized switchgrass, also provide an opportunity to add value to primary products.

In sum, by contributing to the retention, expansion, attraction and promotion (REAP) of such industries, economic developers will be of considerable assistance. The REAP framework is built upon the notion that successful economic development rests on the strength of the local economic foundation.

REAP accommodates two investment strategies that are often held to be at odds. Many analysts will insist that a successful economy is home-grown or vice-versa, that the only way to grow an economy is to open the gates to inward investment. REAP proposes that the two are not incompatible and that one, in fact, will beget the other. In other words, inward investment will occur when and if the local economic base is strong.

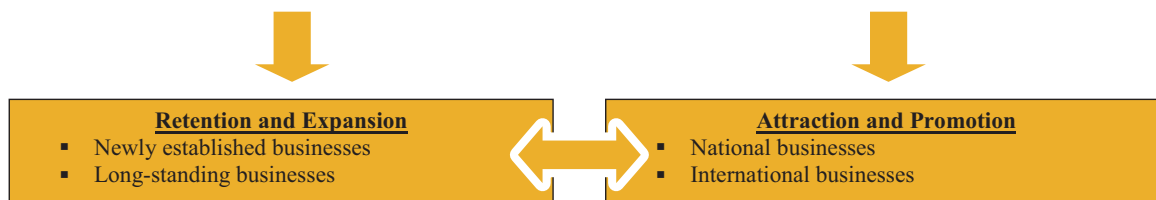
Industrial and Agricultural Development Strategy

REAP: Retention, Expansion & Attraction, Promotion - Overview

REAP: Retention, Expansion & Attraction, Promotion - Overview

- Successful development rests on the strength of the local economic foundation
- Vigorous competition among jurisdictions necessitates leveraging local assets to the fullest extent and developing innovative techniques to attract new businesses
- Local business leaders and community should be engaged to increase the sustainability of economic development efforts

Initiatives geared toward REAP may be deployed independently, sequentially or concurrently, depending on the needs, objectives and status of the local economy



Source: CAI Corporate Affairs International, 2003

Retention and Expansion

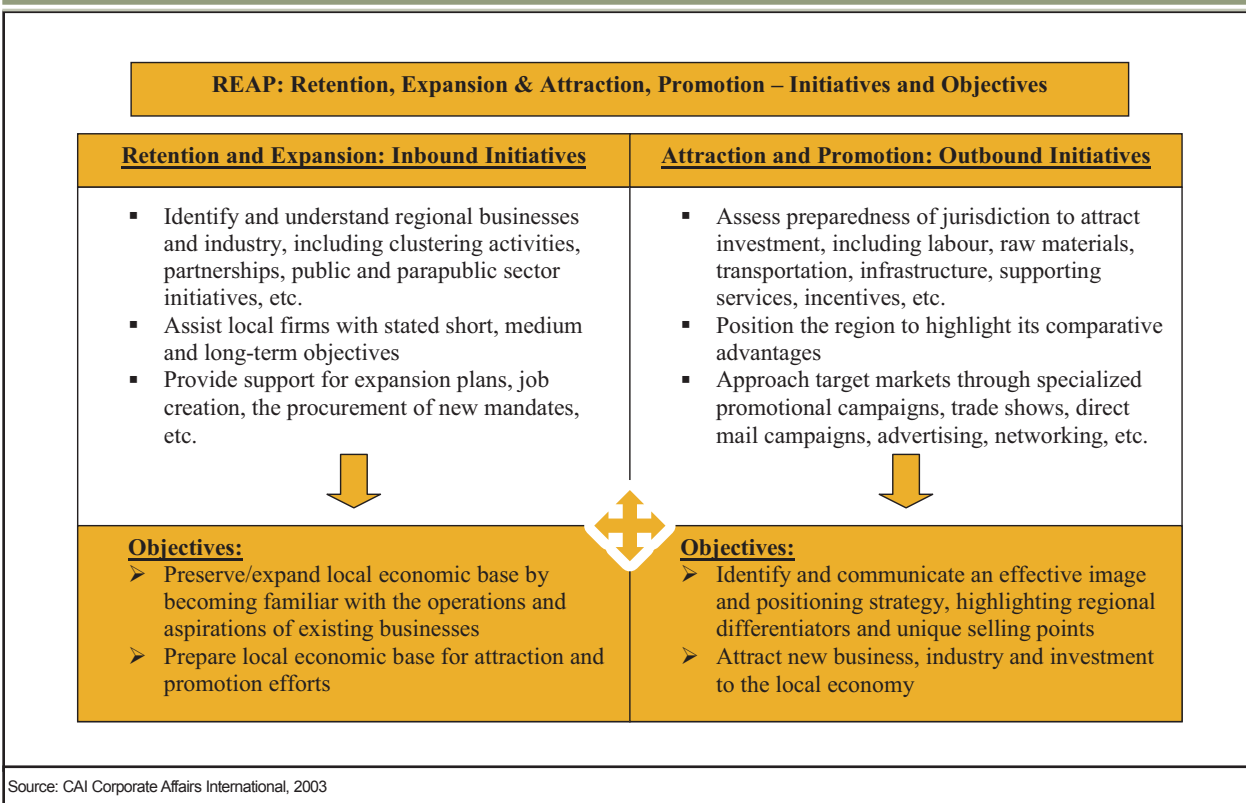
As such, in a first step, West Nipissing should work to encourage the retention and expansion of its existing business. This process has already begun, as CARC has launched the *Let's Grow Together* campaign. The campaign offers mentorship and assistance designed to encourage investment and growth, particularly in existing businesses. By mobilizing the community behind 10 ventures that have been identified as priority projects, *Let's Grow Together* is designed to encourage the retention and expansion of local economic assets.

Let's Grow Together provides an excellent catalyst for the development of local enthusiasm. However, it is unlikely to produce any results in terms of brick and mortar investment until the beginning of next year. In the meantime, local enthusiasm could be generated by a local inward promotional campaign emphasizing the successes that economic development strategies have brought the agricultural sector. Agriculture's success stories could act as the inspirational lever to encourage West Nipissing's industrial development.

The main agent behind a long-term retention and expansion campaign could be formed initially as a sub-committee of CARC. The business retention and expansion committee should work actively with local businesses to ensure their survival and growth. Rather than resigning itself to an ad-hoc development plan, the committee should establish priority actions designed to meet the needs of West Nipissing's stakeholders. The following recommendations are based on the findings of the Project Team subsequent to the quantitative and qualitative sectoral analyses.

Industrial and Agricultural Development Strategy

REAP: Retention, Expansion & Attraction, Promotion - Initiatives and Objectives



The Attraction and Retention of Skilled Workers

A problem faced by almost every sector in West Nipissing is their limited success in attracting and retaining skilled workers and professionals. Although the reasons for this are sector-specific, a common theme emerged. Today's mobile professionals have a global vision. Communities around the world compete to attract them thus, providing them with the luxury of deciding where they will work. Seeking employment in West Nipissing is no longer the alternative to seeking work in North Bay. West Nipissing is competing with London, Kinshasa, New York and Rome. Attracting skilled workers to rural areas and retaining them once they have arrived has proved to be no small challenge.

In light of this problem, West Nipissing must establish a welcome committee linking the municipality's social clubs, schools and real estate agents. As such, when newcomers arrive, the advantages (strong bilingual schools system, well maintained recreational facilities, etc.) of living in the community will be immediately communicated and every opportunity will be offered to become integrated in local activities and life. There is, of course, no guarantee that such efforts will bear fruit, however, such efforts have produced results in the past and do provide a means for West Nipissing to showcase its many assets.

The welcome committee could also begin the proactive recruitment of skilled workers. Ex-patriots are obvious targets for such efforts. By remaining in contact with them and keeping them aware of current job openings, many who left the municipality in search of employment might be encouraged to return. As many young people leave to attend institutions of higher learning, special attention should be paid to this group that will, upon graduating from college or university, be seeking employment.

Moreover, by paying close attention to any lay-offs or rationalization plans of regional businesses and institutions, the committee could develop a list of people who might be eager to work in West Nipissing. For example, the closing of the North Bay Psychiatric Institute will mean that hundreds of health professionals living in the North Bay area will be seeking employment. Locally, the West Nipissing General Hospital (NWGH) has experienced difficulties attracting and retaining nurses and other professionals. By helping NWGH establish contact with the North Bay professionals, the committee could certainly be of great assistance to both parties.

Finally, economic developers should seek to influence the policies of the municipal, provincial and federal governments in an effort to stem the demographic trend that underlies the shrinking labour and skills base. Federal and provincial governments should be lobbied to adopt new immigration policies favouring settlement in northern communities, while the municipal government could be pressured to adopt programmes and property tax incentives designed to attract new Canadians.

Training Initiatives

A second theme that was made clear to the Project Team was that, despite West Nipissing's strong educational sector, there was little or no training being provided that had any link to regional industry. Without a doubt, local teachers and administrators run excellent schools that deliver a high standard of education. However, very little training and no courses were being provided in agriculture, mining or forestry. Agriculture, mining and forestry-related industries are the drivers of the regional economy, and sectoral experts all expressed a need for skilled workers. This has led to the unfortunate situation where people educated in West Nipissing are being taught skills that are unlikely to be employable in the municipality. They are thus, in a sense, encouraged by the system to seek work elsewhere upon graduation.

There are certain structural reasons for this deficiency in trade-related education. First of all, there has been a tendency in Canada to devalorize technical, vocational and commercial education in favour of academic pursuits. Secondly, West Nipissing's two colleges are, in reality, satellites of their parent colleges in North Bay and Sudbury. As such, they do not offer a full range of courses. Thirdly, the curriculum of local high schools is not established at the school (or even at the school board level) but by top-down policy from Queen's Park. These three factors have combined to leave local educators with the belief that changing the curriculum to include technical and other training would be nearly impossible.

However, it is recommended that economic developers work with the educational community and local industry in order to bridge the divide between industry needs and the provincial curriculum. No one is suggesting abandoning "the three Rs," however, learning real skills for the real job market would work to the advantage of most employees and employers.

It is likely that in order to make any real changes to the curriculum of West Nipissing's schools, a concerted lobbying effort in Queen's Park will be required. As many teachers are still feeling the negative effects of the their long labour dispute with the province, economic developers could assist in the establishment of a lobby group that would seek provincial commitment to expanding the curriculum. Concurrently, efforts could be undertaken to make contacts at Ontario's other institutes of higher education to deliver web-based distance learning courses to the residents of West Nipissing. For example, agronomics courses could be developed at Guelph University or the agricultural college at Alfred and delivered to local schools.

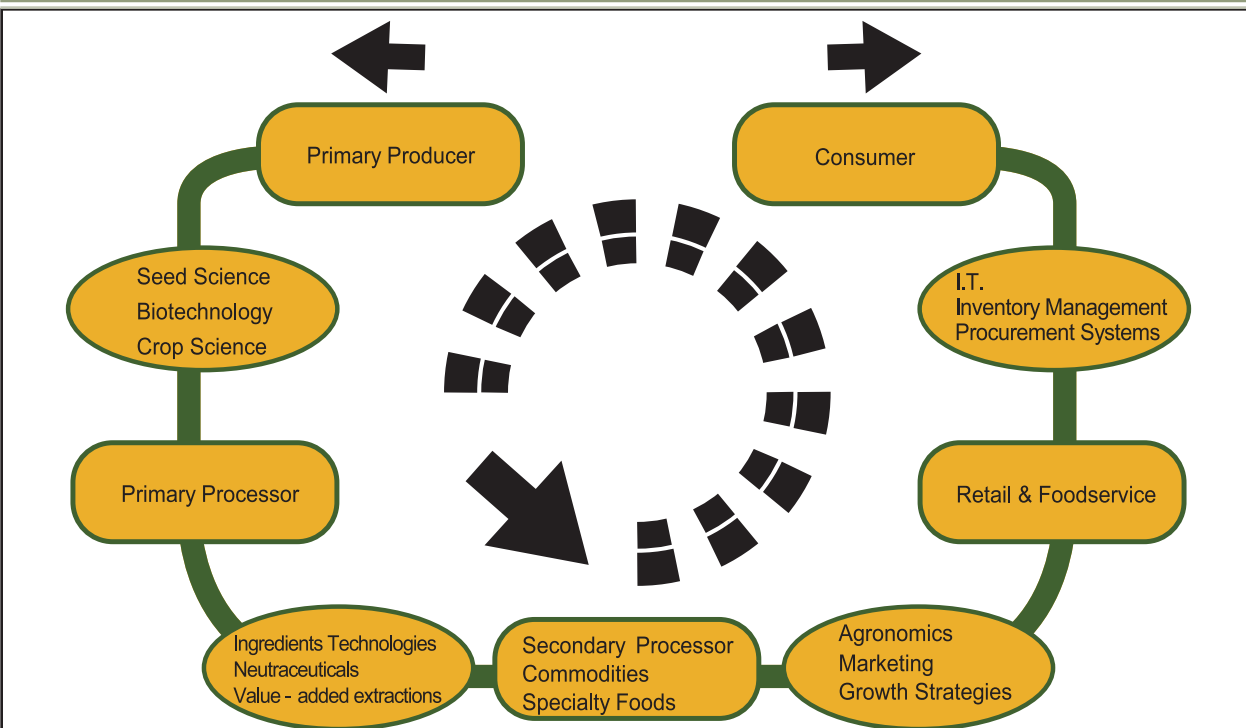
Determining Venture Feasibility

The success of any manufacturing or processing venture depends upon numerous factors, including a correct assessment of the market potential for the product, adequate, low-cost production facilities and considerable operational expertise. As such, it is recommended, as a first step, that economic developers assist in the preparation of feasibility studies regarding the market and the production of the proposed products. This assistance can take the form of active participation in the study or in providing financial assistance to those seeking to commission such studies. No project should be undertaken without examining its market potential and viability.

In light of efforts to assist West Nipissing's businesses and industries climb the value chain, and projects that have been identified to the Project Team thus far, a feasibility study into the market potential of West Nipissing-made modular homes/cottages could be commissioned. The study would need to measure the size of the potential market, the competitors and the capital investment required. More generally, a study, with potential cross-sector benefits could be commissioned to determine the scope and size of West Nipissing's primary, secondary and tertiary markets for manufactured goods.

Industrial and Agricultural Development Strategy

Natural Resource Sectors: From Agriculture to Packaged Consumer Goods



Source: Conference Board of Canada, based on NRCAN and Statistics Canada data

Also, the agricultural sector should be given as much room as possible to continue along the course it has identified during and since the East Sudbury-West Nipissing Agricultural Diversification Symposium. Rather than being interventionist, economic developers should allow industry experts to chart the future of the sector although they do have an active role to play. By working with the sectoral experts to structure and finance a feasibility study investigating the possibilities of preparatory work for small scale specialized secondary food processing initiatives, economic developers could act as catalysts for a new manufacturing initiative.

Particular attention should also be paid to long-term diversification projects designed to exploit underused land. Identified fields such as aquaculture should be explored, including the growing practice of farming sturgeon. However, no such project should be undertaken without a thorough investigation of its basic feasibility and its potential environmental impact. The close relationship enjoyed between local producers, the OMAF and its partner, the University of Guelph's Aquaculture Extension Centre, should be leveraged to investigate the potential for such ventures.

By the same token, the first step in supporting the *Let's Grow Together* projects will be providing assistance in assessing the feasibility of each of the 10 selected projects.

Developing a Modus Operandi

In order to effectively abet the retention and expansion of local industry, it will be essential that the CARC Retention and Expansion subcommittee carefully define the role that it intends to play in the development of West Nipissing. While taking full advantage of the existing services offered by its partners in economic development, the municipality, North Bay and Sudbury, the subcommittee will have to establish what the limits of its activity should be. It will thus, be essential for the municipality and EDO's to define the role and scope of its partners in government and elsewhere, in order to ensure no overlap with existing organizations and services.

Partnerships: A Bridge Between Public and Private

Economic developers can provide significant assistance in helping establish partnerships, in acting as a bridge between the representatives of different industries (e.g. agriculture and food) and government. Moreover, economic developers should work closely with MNDM and OMAF personnel in helping regional entrepreneurs integrate innovative organizational structures that encourage vertical integration up the value chain. For example, some of the high initial capital cost and risk associated with the establishment of new generation co-operatives and joint ventures could be alleviated by the financial participation of the provincial government.

By sharing their networks with local entrepreneurs, economic developers can offer invaluable assistance by providing the most valuable of assets: knowledge. For example, fora and presentations could be organized wherein successful specialty cheese producers would be brought from Quebec to share their experiences and expertise. The committee could also invite buyers from major food chains, thereby providing the impetus for producers and processors to attend.

Economic developers could also play a critical role in establishing partnerships with Nipissing First Nation. Dialogue should be opened with a view to determining what the residents of Nipissing First Nation believe the foundations of a new and equitable relationship could be. An outreach program seeking to further integrate the municipality's overall economic strategy with the economic interests of the First Nation should be a level one priority.

Business Attraction and Promotion

A second sub-committee should be formed from CARC with a mandate of business attraction and promotion. Before seeking to attract new industry and business, West Nipissing must lay the ground. In compiling an inventory of available properties and buildings, the Municipal Planning Director and Building Inspector have completed the first step in this process. A formal examination must now be undertaken with a view toward creating a bank of property that will be controlled by the municipality. This should not be an ad hoc process and should be conducted under the guidance of a comprehensive land use plan. Such a plan should be designed as a framework for the sustainable development of the municipality.

Comprehensive Land Use Plan

The plan should underpin the intelligent, cohesive, constructive long-term development of West Nipissing's properties. The plan should also formally structure the municipality's individual parcels into interwoven assets that can be more easily marketed to investor and development partners. In light of the proposed positioning statement, the comprehensive land use plan should delineate provisions for a light industrial park or condominium to facilitate the establishment of secondary industries. As such, a thorough understanding of the needs of the food and value added wood products industries will be required for the plan to be effective.

Accordingly, the comprehensive land use plan's provisions should create an intelligent vision for development by prioritizing the desired outcome for the properties involved, rather than dictating "first come first serve," or "squeaky wheel" development notions. Such apparent quick fixes satisfy demands for early returns on investment but do not offer the sustainable long-term benefits of incremental highest and best use buildout of properties. As such, the policies should aim to create an evolving value-added tax base, driven by activity centres and poles that create lasting opportunities for public private partnerships.

The plan should also outline "permitted uses" that will enable fast track approvals for proposed developments without overbearing encumbrances. Provisions should be made for rezoning, adverse effect analyses, impact fees, etc. Further, each element of the plan should be designed to promulgate the rational development of the properties as a symbiotic whole. Therefore, the plan should have measured, weighted, internal districts or zones that permit the development of key clusters of activity that feed from one another. For example, as the current industrial heart of the area, Sturgeon Falls could be deemed the municipal centre for manufacturing, whereas area waterfront properties in the Cache Bay area could be set aside for recreational and tourism development.

Finally, the comprehensive land use plan should set forth development priorities in order to establish the foundations of transportation and infrastructure development. The topology of the district's transportation infrastructure will define the future spatial distribution of its development. As such, it will constitute both the spine of the development and the necessary branches of activity that will enable it to grow over the buildout of the property. This section of the land use plan should also spell out a commitment by the municipality to providing crucial infrastructure and aesthetic amenities as well as the necessary setbacks and easements for medians, signage, lighting, etc. Finally, the establishment today of the principles developed in the comprehensive land use plan will determine tomorrow's vehicular, non-vehicular, pedestrian, recreational and inter-modal uses.

In fact, not only should the plan encourage business but it should also help drive it and entrepreneurial opportunity, quality of life, and the socio-economic bonding of the entire community. By defining the policies, programs and specific actions necessary to attain these objectives, the plan will become the principal guide for all future land use policy and decision-making.

Targeting Viable Industries

Once the very basic groundwork of organizing available properties and determining their highest and best use within the function of a comprehensive land plan is accomplished, the municipality will need to begin meeting the infrastructure commitments it has made. Note that much of the activity of targeting industries should be taken prior to the development of the plan.

In targeting industries for expansion, communities should play on their existing strengths by working with their established industries to identify gaps in the regional supply chain. The emphasis on “regional,” in this case, is of capital importance.

The proximity of both North Bay and Sudbury, and West Nipissing’s burgeoning identity as a suburb of both, should be leveraged by local economic developers in any campaign to attract value added secondary manufacturers in the following fields: Value added manufactured wood products, mining technology and related manufacturing industries, and value added secondary food processing.

Feasibility Studies

If feasibility studies have already been highlighted as an important tool to stimulate the retention and expansion of local business, they can be equally effective when utilized as a means to proactively promote West Nipissing as a location for business. A study demonstrating the viability of a project, coupled with a prepared and serviced site, is the type of bait that is required to lure outside investment.

As an adjunct to this consideration, the viability of establishing the infrastructure for an inbound call centre and a training program affiliated with local high-schools and colleges designed to prepare people for employment could be studied. Once the costs and potential of such a project have been established, the task of soliciting stakeholder buy-in by demonstrating the potential ROI becomes less onerous. Moreover, if the community moves to put the infrastructure and the training program in place, it could indeed position itself as a bilingual, and perhaps even tri-lingual, site for the industry.

Real Estate and Industrial Facilities

In an effort to accelerate industry-driven development, economic developers could work to secure low-cost light industrial real estate for new ventures and expansions. Once the litigious cloud is cleared from the former Weyerhaeuser facility, the possibility of converting the plant into low rent, industrial condominiums should be investigated. Brownfield projects such as this have a two-fold advantage. On one hand, they can provide high quality industrial accommodations, while on the other, acting as a lever for the aesthetic and environmental renewal of the municipality.

Finally, with respect to outright promotion, as the municipality is just now developing an idea of who their target market for attraction is (the value added industries that complement the region’s well established primary resource sectors), only now is it in a position to identify its own unique selling proposition. For example, economic developers could assist in building a promotional campaign targeting secondary food processors by vaunting the successful cultivation and husbandry of speciality crops and livestock, which has characterized the local agriculture sector over the last decade.

The specific nature of the campaign will depend upon the precise type of industry targeted and West Nipissing’s corresponding advantages. Once a target is clearly identified, all cost-effective promotional tools should be put to work, including direct mail, e-mail based promotions, brochures, CD- ROMs and, of course, the EDO network. The *Let’s Grow Together* campaign should provide success stories as the projects evolve over time. Careful video records should be kept of the events surrounding the contest as well as of the contestants and their projects as they develop. Successful investment projects make excellent promotional tools.

Commercial Development

Position West Nipissing's retailers as providers of support and specialized services

Overview

West Nipissing has a well-established retail sector that is concentrated in the former municipality of Sturgeon Falls. Although vibrant and growing, it is currently in the process of being re-defined by the shopping habits of the residents of West Nipissing. While some downtown merchants have managed to find a mix that works, the once prosperous downtown Sturgeon Falls shopping area is experiencing considerable decline. Meanwhile, newer larger outlets along Highway 17 seem to be doing quite well. The dynamics of change in consumer preference are complex and this document will not try to offer a single explanation for them; rather, it will begin from a premise largely expressed by the residents of West Nipissing and that has emerged as a factor from all the research conducted. West Nipissing is now largely a residential community serving two employment centres, North Bay and Sudbury.

In light of this, it is recommended that West Nipissing's retail services not compete directly with those in the much larger neighbouring centres. Rather, West Nipissing's retailers should be positioned as providers of specialized and support services to meet the needs of the suburban market.

Located at the western end of the municipality, Sturgeon Falls is only a 25 minute drive from North Bay's largest mall, the Northgate Mall. During the private interviews, residents often confided that they shop in North Bay and most often while returning from work. When asked why, the most common answers to the question were, in no particular order: price, quality, convenience, and a lack of other amenities in West Nipissing.

As for the representatives of the retail sector, most recognized that North Bay was the dominant player in the region. Several proposed strategies that have been successfully employed to lure customers back and others had suggestions for the future. As a large percentage of the cash that flows from the pockets of residents is spent at retail outlets, preserving a certain amount of this money in West Nipissing is critical to the creation of wealth and employment in the municipality.

By applying the REAP approach to the question of retail, it is clear that economic developers can have an impact in stemming the sector's decline, and in stimulating the renewal of West Nipissing's commercial sector. The principal agents behind this initiative should be drawn from CARC, from the Chamber of Commerce and from the BIA.

However, prior to engaging in a full business retention and expansion campaign, the municipality will be required to establish a framework and the accompanying infrastructure to support current and future business. The infrastructure work should not be accomplished on an ad-hoc basis. It should, rather, be deployed following the vision and guidelines established by the municipality comprehensive land use plan. The plan should follow the same principals as established previously.

Retention and Expansion

Signage

As a preliminary step, economic developers will be required to work with the merchants' associations and all three levels of government to ensure that West Nipissing invest's in signage. This signage should take many forms: billboard advertising, directions to downtown, historic markers and the signs pointing to the existence of local attractions. Providing directions to the municipality's historic downtown retail district could entice travellers and tourists to stop there. Currently, if one were not in the know, it would be difficult to identify the path towards Sturgeon Falls' traditional shopping cluster.



Urban Revitalization

If the area now appears to be in decline, this trend is not irreversible. Many small urban communities across the North America have revitalized their downtown areas. One of the more successful formulas has been through waterfront redevelopment projects allowing for mixed-use development. If such a project is carried out, it will be critical to the survival of downtown Sturgeon Falls' shopping cluster that economic developers work with urban planners to ensure that the municipality's comprehensive land use plan includes provisions for linking the downtown core to the waterfront.

Finally, within just a few blocks of downtown Sturgeon Falls, many roads remain unpaved. This work must be accomplished for West Nipissing to be taken seriously.

Suburbanization

When working towards the retention and expansion of West Nipissing's commercial sector, economic developers will have to take the suburbanization of the municipality into account. As a first step toward understanding the long term and immediate effects this phenomenon will have on the municipality's retailers, economic developers should survey the residents of West Nipissing regarding their shopping habits. This should provide local retailers with valuable information regarding what retail mix would meet the population's needs. Moreover, it could provide the key to disarming a classic chicken-or-the-egg type deadlock, i.e.: Do consumers shop in North Bay because stores close early in West Nipissing or do stores close early in West Nipissing because consumers shop in North Bay.

A second study should be undertaken. Many successful suburban communities have thriving retail sectors and the retail mix of these shopping clusters should be studied in order to provide a model for growth for West Nipissing's retail sector.

A recurring theme heard and overheard in West Nipissing is the lack of cohesion in the business hours of local stores. This ambiguity has created confusion among consumers and some tension within the retail community itself. It is recommended that, as much as possible, retailers begin to think of their offering in collective terms rather than individual ones. As such, it is recommended that West Nipissing retailers work toward co-ordinating shopping hours throughout the municipality.

One final consideration regarding the retention and expansion of local commercial establishments remains. Although, historically, the retail sector benefited a great deal from the presence of tourists, there are many reports citing a lack of awareness among store employees of the important contributions that tourists make to the local economy. An awareness campaign should be organized by economic developers and their sectoral partners regarding the importance of tourism to the municipal economy and the key role that retail plays in supporting tourism.

Attraction and Promotion

As discussed previously, feasibility studies should be thought of as critical parts of a proactive marketing package for targeting prospects. A substantive third party feasibility study, demonstrating the expected ROI for a potential project, coupled with a prepared site, is one of the most effective promotional tools there is. Following the sectoral roundtables and discussions with local area merchants and developers, several potential projects have come to light that could be acted upon. There is a fair degree of consensus building around the belief that West Nipissing's retail market is far from saturated. This type of thorny issue should not remain something that is discussed behind closed doors. The commissioning of a credible study determining the market potential of expanded retail services could go a long way toward quelling the potential disputes that such questions may occasion. Economic developers could play a key role with respect to this specific question. A study measuring the potential for various types of retail or mixed-use development should be commissioned. It is recommended that the study select three site-specific projects for potential development: The development of a quay-style waterfront mixed-use facility, the development of a shopping mall on Highway 17 adjacent to the Canadian Tire, and finally, the development of a downtown shopping centre.

Pilot Project

It is fundamental to all the scenarios outlined in this section that the existing merchants' associations and their partners, including the Chamber of Commerce, the BIA, local economic developers and the municipality, begin to see West Nipissing's retail offering as a unified whole. Certainly, the type of trust required to work together effectively cannot be generated overnight. In an effort to build a solid relationship, the various stakeholders should work together on a beautification project, like the Communities in Bloom program. Such a non-controversial program, one that brings positive returns to the whole community, would make an excellent vehicle for building the type of relationship that economic development demands.

Another option would have the BIA and the Chamber of Commerce jointly fund the previously recommended study pertaining to the shopping preferences of the residents of West Nipissing.

In closing, economic developers will have a key role to play in brokering partnerships with the municipal, provincial and federal governments. As the pre-requisites to a better part of the items included in the REAP approach; the preparation of a land use plan and meeting the municipality's infrastructure commitments must become a top priority.

Tourism Development

Position West Nipissing as a family-oriented wilderness destination

Overview

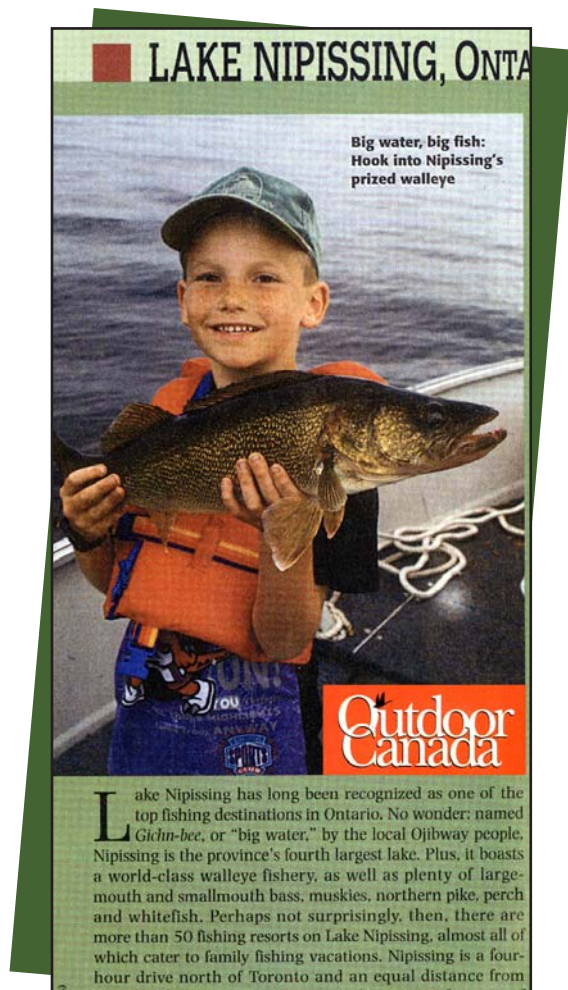
Although, the tourism sector is well established, the quantitative analysis of employment paints the portrait of a regional tourism sector that has certainly not lived up to its potential. This view was not belied by the interviews or sectoral roundtables. West Nipissing has spectacular natural assets and a long history of being a destination location, yet the municipality has done little to capitalize thereon. The lack of a major attraction, the lack of accommodations and restaurants, the general disregard for the waterfront in Sturgeon Falls and the lack of associated development elsewhere in the municipality leaves the impression that very little has been invested in tourism development by both the public and private sectors.

Sectoral representatives reported a decline in their traditional market. As demographics and lifestyles have changed, and fishing stocks were depleted, West Nipissing's traditional base market of men on fishing trips has dwindled. This has led to a relative decline in revenues for outfitters and affiliated industries. However, within the sector and among residents, there is a strong belief that they are "sitting on a gold mine" on one of the world's greatest playgrounds and that West Nipissing should begin leveraging one of its strongest assets: its proximity to the wilderness.

In this light in a move to align itself with the tendencies and habits of twentieth-century vacation patterns, West Nipissing should position itself as a family-oriented wilderness destination.

Family-oriented vacation destinations require a basic level of organized activities and recreational facilities for the young. As such, the potential exists for significant cross-over with plans to improve the amenities available to residents of West Nipissing. For example, the development of beaches along Lake Nipissing will be advantageous to both residents and a strong asset in the tourism mix. The beaches should be set up as municipal parks and charge a flat fee for entry. At beaches and other sites, locals could be granted a discounted rate upon showing proof of residency.

Re-igniting the tourist trade is a key element to the long-term economic development of West Nipissing. However, the development of the required infrastructure will be capital intensive and time consuming and the majority of the real work of development will have to be left to the private sector. Although they are currently providing excellent service, it is doubtful that the existing tourism promoters have the capital required to re-invent West Nipissing as a contemporary destination location. As such, outside promoters must be sought.



Retention and Expansion

The success of the REAP approach will once again require significant commitment from the municipality in terms of planning and infrastructure. In this light, economic developers will have their hands full, assisting municipal representatives in obtaining the required financial support from the provincial and federal governments for infrastructure projects.

Waterfront Re-Development

Waterfront re-development and development projects should be an urgent priority for the Municipality of West Nipissing. Despite the beauty of Lake Nipissing and the regional waterways, throughout the municipality the waterfront is either decaying or radically underdeveloped. Although, all the projects that have been discussed thus far have merit, three projects recurred often. They are the revitalization of Sturgeon Falls' municipal pier, a highly accessible boardwalk and tower featuring Cache Bay's Wetlands, and finally, the building of a boardwalk at Lavigne.

Whichever projects are undertaken, the linking of such waterfront spaces by a multi-use trail could create a unique tourism opportunity in Northeastern Ontario. In this light, the Frontier Adventure Trail project should be encouraged, since trails provide a physical link that could quite literally join differing areas of the municipality and provide cohesion to the diverse agglomeration of West Nipissing.

Access

Access is critical. The trails should link West Nipissing's main residential and commercial areas to any new recreational amenities such as the proposed network of beaches. This would provide families alternative methods of accessing recreational space without all the trappings of eco-tourism-style developments. The trails must be wide enough and clearly divided to allow for multiple uses - an ATV "highway" will have market appeal but will inevitably limit the potential for development. Space should be allotted to ATVs in the spring, summer and fall, but should not limit the potential for bicycles or horseback adventuring.

The possibility of expanding and marketing the programmed activities now available to young residents of West Nipissing should be investigated thoroughly. Planned activities such as high-end bilingual summer day camps can, when opened up to visitors, become an integral part of a local tourism package. Residents of West Nipissing will also benefit from such expanded services and taxpayers will benefit from the new flow of revenues into the system.

Impact Assessment

By applying the REAP approach to tourism, it is clear that economic developers can have an impact on the sector's future development. As a first step, and in conjunction with the proposed commercial development strategy, economic developers could assist in the demonstration of the importance of the tourism industry to the local economy as a whole. The positive impact that tourism has on the retail sector should be established and publicized. The potential for additional recreational amenities should also be argued and demonstrated to the residents of West Nipissing. Such amenities will also differentiate West Nipissing from other suburbs and thus be a strong promotional tool for residential development.

Historic Downtown

The possibility of creating an historic downtown featuring a market square or festive retail in Sturgeon Falls should also be thoroughly investigated. Economic developers will be key players in such a process. The complex partnerships between the municipality, the Chamber of Commerce, the BIA and other groups will require an impartial broker with the economic development of the whole municipality at heart. Although not a strong draw in itself, the creation of an historic downtown area could act as a lever for the kind of specialized retailing that helps support tourism.

Sports Fishing

All participants at the sectoral roundtable agreed that the health of the sports fishery was fundamental to West Nipissing's future as a destination location. There are many initiatives that can be undertaken to proactively boost the health of local fish stocks, above and beyond the activities and regulations of the province. Many small communities have restored or enhanced their offering. With low-cost programs such as spawning bed rehabilitation and the careful stocking of native species. Such an activity will have to be driven by a champion, most likely an avid angler or someone from the industry. Economic developers could, however, provide significant support by adding their organizational support to such a venture, and even arguing for the positive economic impact of the sports fishery. A proactive local campaign to restore the sports fishery should be a level one priority.

Trade Association

Currently, the sector as a whole is fragmented. The hard work, devotion and leadership of the existing associations are not being called into question. There is, rather, a certain amount of tension related to the mixed bag of geographic borders, regions and identities that Northeastern Ontario's people have inherited. A key element in uniting the stakeholders will be the municipality's adoption of a strategy for tourism, which positions it vis-à-vis Blue Sky Region. Blue Sky Region offers many advantages in terms of promotional opportunities etc. However, the territory extends from Mattawa and stops at the end of West Nipissing. The scope of the organization does not, then, account for West Nipissing. Status quo and the fact that the western extremities of the municipality have more to do with Sudbury than North Bay.

Attraction and Promotion

Destination Complex

Attraction and promotion will be fundamental to the development of the tourism sector in West Nipissing. The current lack of restaurants and accommodations is an obstacle to the further development of the sector. Economic developers could provide a significant contribution to the industry by working to attract a destination complex. Such ventures, hotels, spas, marinas etc. require significant capital investment. Such development work is most often handled by industry professionals external promoters. However, attracting a large scale promoter requires a fantastic amount of preparation and legwork. As a first step, as in all other ventures, the economic developer will need to establish the basic feasibility and viability (this is always site-specific) of establishing a destination complex. The determination and subsequent preparation of potential sites will also be essential, albeit politically charged work. It will be critical that the economic developer work with a third party site selector so as to avoid choosing based on local politics.

Signage

As discussed previously, signage is a fundamental tool for the promotion of West Nipissing's assets. Travellers should be cued that they are on the road to West Nipissing when leaving both Sudbury and North Bay. Moreover, local attractions should be showcased, and signage should clearly indicate how to find them. Signage can also be a powerful tool in helping the municipality construct an identity. The message communicated is often not destined for tourists and travelers alone. If insightful and relevant, it can be a powerful tool for building municipal esteem.

As West Nipissing develops and becomes a premier family-oriented wilderness destination, it will need to promote its burgeoning identity. Recommended tactics include participation in tourism fairs and the strategic placement of promotional brochures and e-mail campaigns targeting family-oriented associations and schools.

Much of this work is capital intensive and long-term, and in this light, the adoption of a short-term pilot project is recommended. As much of the museum's current space is unused, the possibility of establishing a high-end educational and recreational summer day camp at the facility should be investigated. This would have the effect of offering a new dimension to West Nipissing's tourism offering. The revenues from the camp could be used to build the museum's permanent collection, thereby making it an increasingly valuable asset.

Residential Development

Position West Nipissing as a family oriented residential suburb of Sudbury and North Bay

Overview

For the economic developer, a residential development strategy must always be subordinated to industrial and commercial development strategies for, as generators of wealth, they must take precedence. This having been said, in some cases, a residential development strategy has a role to play; such is the case in West Nipissing.

West Nipissing is a community in transition. Its traditional economic raison d'être has shifted and the municipality is currently seeking to take charge of its economic development. One of the critical elements of this transition is the suburbanization of West Nipissing. West Nipissing is now the home to many people who work in Sudbury and North Bay. This process has occurred organically, and has, in a way of speaking, crept up on the municipality.

Sturgeon Falls is no longer a northern mill town and Verner is no longer just an agrarian town. Bound together in one municipality, they must now seek a common identity. In this light, in an effort to put municipal planners back in the driver's seat, West Nipissing should position itself as a family-oriented suburb of both North Bay and Sudbury.

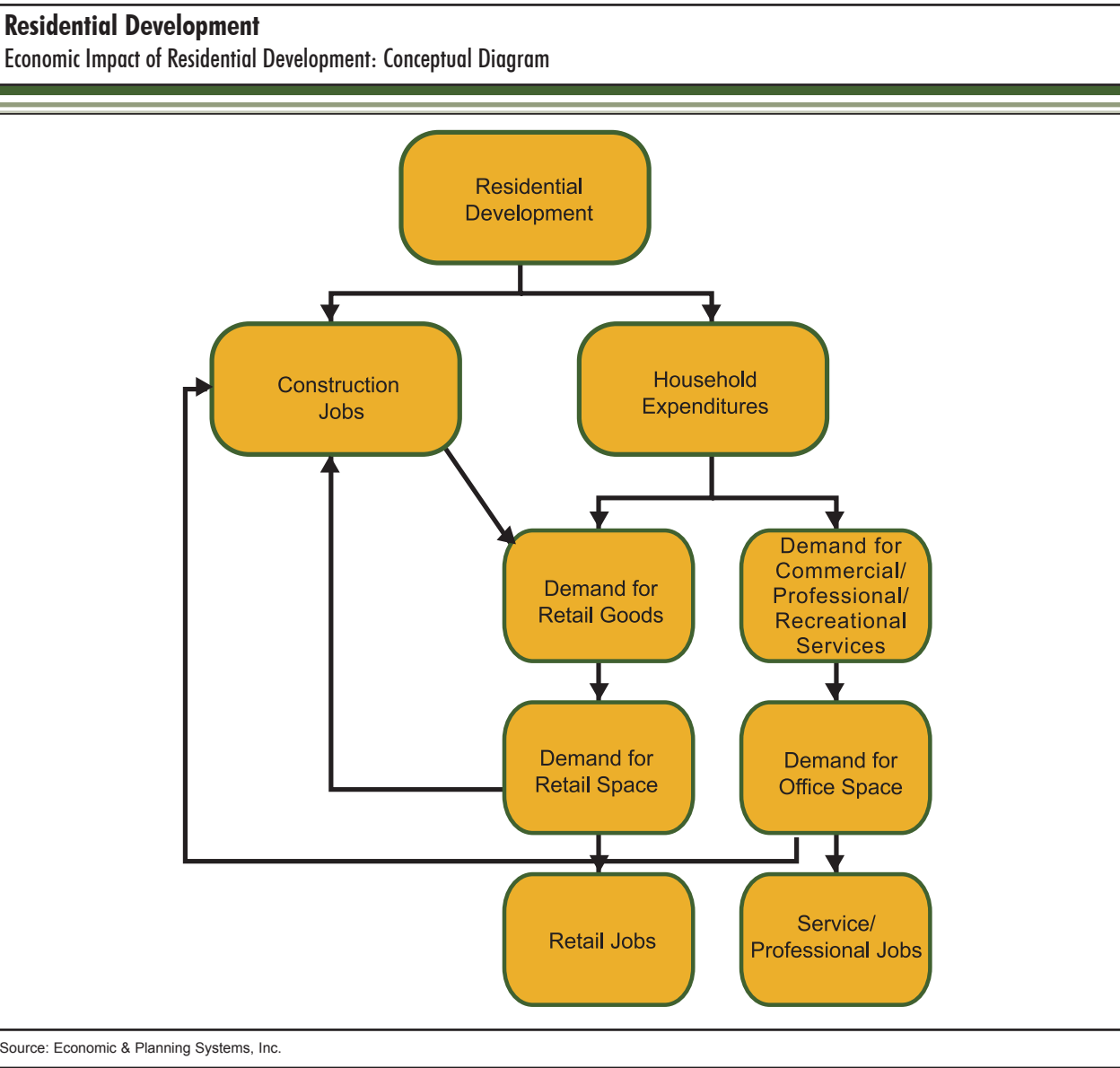
The acceptance of the suburbanization of West Nipissing is not akin to resignation. It should, in fact, allow the municipality to position itself as a central player in regional clusters with respect to industrial development. It should also enable the municipality to develop the kind of recreational infrastructure it will require to be positioned as a family-oriented wilderness destination. Finally, the recognition of this transformation should allow local retailers to understand the dynamics that are at work, and thereby best position themselves vis-à-vis an appropriate retail mix.

Comprehensive Land Use Plan

By means of a carefully designed comprehensive land use plan, West Nipissing can establish a framework for a future residential community. The plan should provide the structure for the community to attain the critical mass required to retain its existing high standard of services and seek expanded services and amenities in certain areas. The principles of the plan have been outlined in the commercial development section of the document.

Economic developers will have to take a backseat in this process and let the municipal government and urban planners take charge. The patterns of future development will be contained in the zoning provisions in the plan. However, the economic repercussions of residential development are significant, including the economic impact. As such, it is in the interest of economic developers to maintain a seat at the table during this process. Certain provisions, for example, can make a significant difference to the future evolution of the local economy.

It is recommended that residential zoning laws for the municipality, particularly in rural areas, encourage double lots for single dwellings. The reduction in housing density, coupled with an incentive to preserve trees, can help maintain the value of rural and waterfront properties while not restraining development. There is a great deal of available real estate in West Nipissing.



Infrastructure Commitment

The municipality will have to step up to the plate with respect to increasing its infrastructure commitments. To do so, the city will require allies to assist in the procurement of funds from the provincial and federal governments. Economic developers can and should be excellent partners for the Mayor in such efforts.

The location of any proposed subdivisions could also significantly influence the future of commercial development of the municipality. Further, in certain key areas, such as the waterfront, economic developers should actively encourage that such areas be available for mixed-use development rather than purely residential use.

The promotion of West Nipissing as a family-oriented suburb can begin immediately. In fact, an ongoing initiative should begin almost immediately wherein company expansions in North Bay and Sudbury are tracked and the new workers are invited to visit any of the new subdivisions, the excellent schools, and the facilities that make West Nipissing a great place to live.

As in the other development strategies, there will be a considerable degree of overlap between the needs of residents and the needs of business and industry. However, in an effort to stem a lack of public interest in a lengthy process, the Project Team recommends a joint venture that will help to mobilize the municipality. The Communities in Bloom Initiative brings together thousands of Canadians in a low-cost community beautification program that can act as a lever for municipal change.

Appendix 1

Actionable Recommendations

Appendix 2

Employment Data

Appendix 3
Next Steps:
A summary of sector-specific recommendations

Appendix 3

Next Steps: A summary of sector-specific recommendations

Agriculture

- 1) Follow-up with the project team on the potential Dell Point investment (AR # 25)*
 - a. Build consortium and investment capital pool
- 2) Support a regional movement up the value chain by encouraging secondary processing of primary products
 - a. Work with project team to establish meetings and site visits with Quebec *artisanal* cheese producers (AR # 20)
 - b. Build consortium interested in establishing goat's milk processing facility

Education

- 1) Build on existing programs such as Contact North to strengthen the links between industry and the educational community
- 2) Establish a joint industry and education sector lobbying body to influence the centrally administered curriculum (AR #12)

Energy and the environment

- 1) Support the municipality in its effort to develop the municipal landfill (AR #31)
 - a. Establish the potential ROI for investors
 - b. Conduct investment research to determine prospects
 - c. Prepare a package for investors
- 2) Support the municipality in negotiations regarding the dam at the Weyerhaeuser site (AR #13)
 - a. Establish a power generation subcommittee to determine the role that the dam could play in future economic development

Forestry

- 1) Modular home facility (AR# 27)
 - a. Determine the market potential for modular homes in Northeastern Ontario and neighbouring states
 - b. Investigate the possibility of developing a purchase agreement with Nipissing First Nation
 - c. Establish a consortium of contractors, carpenters, cabinetmakers and investors required to build modular homes
- 2) Contribute to efforts to attract a value-added, engineered wood-product facility (AR #26)
 - a) Investigate the possibility of retrofitting the Weyerhaeuser facility

*This number refers the reader to the corresponding actionable recommendation in Appendix 1, e.g. (AR #12), refers the reader to actionable recommendation number twelve, or to "Establish West Nipissing education/industry lobbying effort targeting Queen's Park."

Health

- 1) Support the development team at Au Château with their expansion plans (AR #18)
 - a. Investigate the possibility of establishing a public/private partnership to bridge financing
- 2) Begin work with WGNH to establish a pilot project in telehealth applications (AR# 14)
 - a. Needs assessment survey at WGNH
 - b. Consult with project team and national broadband providers to seek out partners

Mining

- 1) Begin development planning for the “Centre of Excellence” in mining supplies and services (AR #29)
 - a. Contact Haileybury school of mines
 - b. Establish consortium of local miners and investors
 - c. Begin planning to host a symposium on the future of mining supplies for the spring of 2004 (invite sectoral experts from around the world)

Retail Services

- 1) Assist in the re-engineering of Sturgeon Fall’s retail mix (AR #10)
 - a. Understand the new context for operations
 - b. Identify gaps in the current mix
- 2) Establish Signage and Beautification Committee responsible for recommendations on new signage regulations and standards (AR # 9)

Quality of Life

- 1) Support the Franco Cité High School performing arts center project (AR #28)
- 2) Create “West Nipissing Access” cards (or E-cards) as a means of supporting new recreational services and increasing revenues for the municipality (AR #1)
- 3) Support the municipality in designing and establishing new tourist friendly and family oriented recreational activities and facilities, e.g. French immersion and/or day camp (AR #15 and AR #19)

Technology and Communications

- 1) Support technology and education experts who are championing the call centre training initiative (AR #17)
 - a. Conduct or commission impact assessment study to determine cost and potential ROI
- 2) Encourage municipal procurement policies, favouring local technology providers

Tourism

- 1) Proactively approach decision makers to establish a mid-market hotel/motel franchise in West Nipissing (AR #23)
 - a. Commission or conduct a feasibility study identifying clear site-specific scenarios
 - b. Investigate the potential of establishing an off-campus unit of Canadore’s hospitality and restaurant management program
- 2) Develop a program to encourage the health of regional fresh water fish stocks (AR #22)
- 3) Joint initiative with the retail sector to beautify and standardize West Nipissing’s signage (AR #9)

