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Needs and Gaps Analysis

Township of Manitouwadge Needs and Gaps Analysis and Marketing Study

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WELCOME TO
Manitouwadge
HOME TO A LOT OF
REALLY GREAT PEOPLE
BIENVENUE A
Manitouwadge
la où beaucoup de bon
gens appellent "chez nous"

1 Introduction

The Township of Manitouwadge is at a critical juncture, where its leadership has the opportunity to invest in long term economic sustainability of the community through a realistic assessment of viable target sectors and opportunities, as well as the challenges that exist in making these opportunities a reality. Manitouwadge is relatively remote within northwestern Ontario, but certainly not as remote as many other places in the region or within Canada. Long term community economic development efforts, aimed at making Manitouwadge a better place to live and do business, are creating its most significant competitive advantage for business attraction, and are even more critical for Manitouwadge than for many other communities.

The aim of the Manitouwadge Needs and Gaps Analysis is to identify target sectors and specific opportunities within these sectors to focus the lead generation portion of the project and to support its economic development programs. The conclusions of this report will be further developed in its companion document, the Manitouwadge Marketing Study.

Long term community economic development efforts, aimed at making Manitouwadge a better place to live and do business, are creating its most significant competitive advantage for business attraction

The Needs and Gaps Analysis identifies current target sectors for economic development as:

- Mining, the sector that have sustained Manitouwadge's economy since the community was founded, has fundamentally shifted its approach away from local procurement, however through relationship building, specialization and smart marketing, there may still exist opportunities to attract business to the community.
- Forestry is another mainstay of the local economy. Although investment is still declining in the sector overall, there are new and emerging opportunities that can support small to medium sized businesses.
- Tourism is profiled as an emerging sector, which deserves attention as a means to diversify the local economy and to make new services available that sustain the quality of life of all community members.
- Retail and Service Sector businesses in Manitouwadge are overwhelmingly led by local entrepreneurs, and although opportunities in this area will continue to exist, they will most likely be accessed through the networks of the local business community.

Opportunities

The most significant opportunities that are identified in this report require strong initiative on the part of the local business community and economic development organizations to become a reality. Manitouwadge has a beautiful location, a welcoming community, a wealth of natural resources, rewarding employment opportunities and a unique quality of life to offer its residents.

Some of the best opportunities for overall economic growth in this environment are:

- To encourage local business investment
- To continue to pursue new investment attraction opportunities and become more investment ready
- Connect local entrepreneurs with new business opportunities
- To encourage new residents to locate in Manitouwadge

The importance of building relationships with major players in the mining sector, such as Barrick and Stillwater cannot be understated, to ensure their ongoing support for the business community and for resident attraction initiatives.

There are certainly competitive disadvantages to be overcome. Specifically, the additional distance that must be travelled from the TransCanada highway to the community and the significant population decline pose the greatest barriers to relocation and business development. Manitouwadge has a similar tax profile, labour force characteristics and population profile to its regional competitors, and none of these are positive distinguishing features. Manitouwadge distinguishes itself through quality of life factors.

The investment attraction opportunities explored here focus on areas where Manitouwadge has a competitive advantage, and where disadvantages have the potential to become advantages through concerted effort.

Contents of the Report

The Needs and Gaps Analysis opens with an overview of the local economy of Manitouwadge, including a high level review of the local economy and assessment of current trends in mining and forestry; sectors that are currently key private sector employment drivers.

The competitive benchmarking section then provides a snapshot of how Manitouwadge measures up to surrounding communities in the region, including the Municipality of Greenstone, Town of Marathon, and the Town of Elliott Lake.

Priority target sectors are then outlined and specific subsector opportunities identified, including the advantages and challenges of each opportunity. An additional section on labour market development has been included in this section. Labour market development is included as an additional target opportunity.

2 Economic Overview

Over the past five years, the Township of Manitouwadge has developed a number of key strategies and information guides that provide insight into the dynamics of the local economy. This economic overview is therefore a synthesis of prior studies, although Millier Dickinson Blais has provided additional sector specific information to begin to develop an understanding of the larger context of Manitouwadge's economy.

2.1 Local Economic Realities

The Township of Manitouwadge, like many resource-based communities, has battled a number of local economic challenges in its history and continues to look for innovative approaches to diversify the local economy and generate increased economic prosperity in the future. In this section of the report, Manitouwadge's history, demographics and key economic indicators will be summarized and analyzed in order to gain a better understanding of the community's economic position.

Economic Development History

Manitouwadge was identified by the "Willroy brothers", William Dawidowich and Roy Barker, who originally prospected in the area early in the 1900's and established the Willroy mine. The population of Manitouwadge grew along with the Geco copper mine, which was opened by Noranda, now part of Xstrada, in the 1950s. Noranda further acquired the mining rights to a significant portion of the land area and built the Golden Giant Mine. As was customary, Noranda offered housing in Manitouwadge for its labour force and the town boomed. In the early 1980s, gold was discovered at Hemlo, roughly 50km south of Manitouwadge, and the Golden Giant mine site.

A reliance on the extractive industry to support its population has supported the town's prosperity as well as created challenges for the community. When the Geco copper mine closed in 1995, Manitouwadge's population decreased significantly. After peaking at 4,000 people in the early 1990s, the population decreased to less than 3,000 in 2001. The closing of the Golden Giant Mine in 2006 led to further loss of population –, to 2,105 people in 2011.

Newmount Mining currently owns the Golden Giant Mine property. Barrick currently owns the Hemlo operation and Stillwater Canada Inc. is developing a new property rich in palladium, platinum and copper resources. The proposed Stillwater property is located 10km north of Marathon. The Stillwater project is still in the environmental assessment phase and is not yet approved to move forward.

Action was taken to support the community in the face of mine closures. In 1994, through the efforts of the manager of the Manitouwadge Economic Development Corporation, the mangers of Noranda Minerals (Geco Division), Hemlo Gold Ltd (Golden Giant Mine), Ministry of Northern Development and Mines, and representatives of the Municipality of Manitouwadge, struck an agreement whereby the Community Stabilization Fund (most often referred to as the CSF) was established.

The CSF fund was founded to help "stabilize the housing market in Manitouwadge". The urgency for this fund was the imminent closure of the Noranda Geco Mine (1995) and the future closure of the Hemlo Golden Giant Mine (2005). The Town had success in attracting retirees with its low cost housing. Over the years the fund has been well managed. All mine owned homes have now been sold and the MEDC has a surplus in the fund, providing resources for economic development initiatives.

Demographic Profile

As introduced in the economic history of the community the demographics of Manitouwadge present some challenges as well as trends that may present advantages. The following trends, which present challenges and opportunities, characterize the local economy in Manitouwadge. All comparisons are with the province of Ontario.

- Significant decline in population and increase in average age
- High median family income
- Low cost of housing
- Low percentage of University graduates
- High percentage of skilled tradespeople

Many workers and families have been forced to leave the community to find work due to mine closures. The total population of the community has dropped by 38% over the past 15 years. Population losses include young families and workers, which increases the percentage of older adults (aged 44 to 69) in the population. Manitouwadge has an average age of 47.6 years which is significantly higher than the provincial median of 40.4 years.[1]

Due to the high wages paid in the mining industry at the time of the last census, Manitouwadge had a median family income of $83,409 in 2005, which is high compared with the provincial median of $60,455. Housing costs in Manitouwadge are much more affordable than elsewhere in the province. The average cost of a single family dwelling in Manitouwadge is estimated at $30-50,000[2] while the current average cost in Ontario is $365,100.[3]

Although there are relatively few university graduates in Manitouwadge (7.3% compared to the provincial average of 20.5%) there are more skilled tradespeople (16.4% compared to 8% across Ontario). In terms of high school completion, Manitouwadge is on par with the provincial average.

TABLE 1 EDUCATIONAL ATTAINMENT

Educational Attainment	Manitouwadge	Ontario

[1] Statistics Canada, 2011 Census of Population.
[2] Manitouwadge Community Profile 2012
[3] Canada Mortgage and Housing Corporation (2012). Housing Market Outlook: Canada Highlights Edition.

Total population 15 years and over	1,855	85.2%	9,819,420	83%
No certificate, diploma or degree	440	23.7%	2,183,625	22.2%
High school certificate or equivalent	575	31.0%	2,628,575	26.8%
Apprenticeship or trades certificate or diploma	305	16.4%	785,115	8.0%
College; CEGEP or other non-university certificate or diploma	345	18.6%	1,804,775	18.4%
University certificate or diploma below the bachelor level	45	2.4%	405,270	4.1%
University certificate, diploma or degree	135	7.3%	2,012,060	20.5%

Source: Statistics Canada, Community Profile, 2006.

Employment

In 2006 there were 1,155 people employed in the labour force with participation rates and employment rates similar to the provincial average.

TABLE 2 LABOUR FORCE ACTIVITY

Labour force activity	Total	Male	Female	Ontario
Total population 15 years and over	1,850	955	895	9,819,420
In the labour force	1,237	695	535	8,587,580
Employed	1,155	640	615	6,164,245
Unemployed	80	55	25	423,335
Participation Rate	66.5%	72.8%	59.8%	67.1%
Employment Rate	62.4%	67.0%	57.5%	62.8%
Unemployment Rate	6.5%	7.9%	4.7%	6.4%

Source: Statistics Canada, Community Profile, 2006.

Manitouwadge's major private sector employers continue to exemplify the importance of the forestry and mining sector to the local economy.

TABLE 3 TOTAL EMPLOYMENT MAJOR PRIVATE SECTOR EMPLOYERS

Major Private Sector Employer	Product/Service	Employment
Barrick Gold	Gold Mining	245
B & M Hauling	Hauling Logs/Chips	100
Manroc Developments	Mining Contractor	175

Source: Township of Manitouwadge, Community Profile, 2011 (Modified).

Note that the figures in the table represent total employment, not the employment of Manitouwadge residents. Daily, 30% of the total employed labour force leaves Manitouwadge to work. This may be explained in part by the number of Manitouwadge residents who work at the Hemlo Mine near Marathon.

Sector Strengths

This report draws on an economic base analysis completed for Manitouwadge in 2010, based on 2006 data.[4] The analysis includes location quotients for the mining and forestry sectors, which outline both the number of jobs in the community and the number of people who are employed. Location Quotients (LQs) assess the concentration of economic activities within a smaller area relative to the overarching region in which it resides. For Manitouwadge, LQs have been calculated to compare labour force concentrations in Manitouwadge relative to the Province of Ontario, to provide an understanding of the areas in which the region may hold a competitive advantage within the Province.

Although LQs calculated relative to the Province provide a more accurate representation of local business activity, resident labour force information will provide a more current assessment. Place of work data at the community level will only be released in mid-2013. Once this information is available, a more current picture of existing and emerging industry specializations in Manitouwadge is possible.

A location quotient greater than 1.0 for a given sector indicates a local concentration of economic activity as compared to the Province and may be indicative of a competitive advantage with respect to the attraction of that industry sector - especially as it relates to the capabilities of local labour force. Location Quotients equal to 1.0 for a given sector suggest that the study area has the same concentration of economic activity as the Province. Finally, a location quotient of less than 1.0 suggests that Manitouwadge does not have a strong competitive advantage in that sector.

[4] Township of Manitouwadge, Economic Base Analysis, 2010.

TABLE 4 LOCATION QUOTIENT ANALYSIS AND LABOUR FLOW

Manitouwadge	Local Jobs	Employed Residents	Net Flow	LQ Jobs	LQ Employed
Agriculture, forestry, fishing & hunting	90	100	-10	6.2	4.9
111-112 Farms	0	10	-10	0.0	0.57
113 Forestry and logging	55	80	-25	91.48	62.06
115 Support activities for agriculture and forestry	35	10	35	54.09	8.12
Mining and oil & gas extraction	40	285	-245	12.8	62.75
212 Mining (except oil and gas)	20	230	-210	9.17	77.62
213 Support activities for mining and oil & gas	15	30	-15	26.69	31.61
219 Mining – Unspecified	0	20	-20	0.0	177.9

Source: Township of Manitouwadge, Economic Base Analysis 2010.

Not surprisingly, Manitouwade`s economy has above average concentrations of forestry and mining activities. Within forestry and mining there are a few sub-sectors that clearly standout based on the LQ analysis based on the number of employed residents. They are:

- Mining – Unspecified[5] – LQ of 177.9
- Mining (except oil and gas)[6] – LQ of 77.62
- Forestry and logging[7] – LQ of 62.06
- Support activities for mining and oil & gas[8] – LQ of 31.61

[5] Mining – Unspecified – Definition Unavailable

[6] Mining (except Oil and Gas) - Industries in the Mining (except Oil and Gas) subsector primarily engage in mining, mine site development, and beneficiating (i.e., preparing) metallic minerals and nonmetallic minerals, including coal. The term "mining" is used in the broad sense to include ore extraction, quarrying, and beneficiating (e.g., crushing, screening, washing, sizing, concentrating, and flotation), customarily done at the mine site.

[7] Forestry and logging - ndustries in the Forestry and Logging subsector grow and harvest timber on a long production cycle (i.e., of 10 years or more). Long production cycles use different production processes than short production cycles, which require more horticultural interventions prior to harvest, resulting in processes more similar to those found in the Crop Production subsector. Consequently, Christmas tree production and other production involving production cycles of less than 10 years, are classified in the Crop Production subsector.

[8] Support activities for mining and oil & gas - Industries in the Support Activities for Mining subsector group establishments primarily providing support services, on a contract or fee basis, required for the mining and quarrying of minerals and for the extraction of oil and gas. Establishments performing exploration (except geophysical surveying and mapping) for minerals, on a contract or fee basis, are included in this subsector.

In addition to the LQ analysis conducted in the previous economic base analysis identified areas of the economy that had either gained or lost jobs between 2001 and 2006. Using 2001 and 2006, place of residence statistics for Manitouwadge there were a number of sectors that experienced job losses while other areas of the economy gained jobs. The net effect of both the job losses and gains was to **reduce** total employment of residence by 205 jobs. In total 320 jobs were lost between 2001 and 2006, primarily in Mining which lost a total of 255 jobs. While the period was hard on the economy as a whole, there were a few industries that experienced positive growth including:

- Accommodation and food services – Gained 55 jobs[9]
- Finance and insurance – Gained 5 jobs
- Transportation and Warehousing – Gained 5 jobs
- Agriculture, forestry, fishing and hunting - Gained 5 jobs

[9] This figure seems high given local intelligence and could not be verified through consultation.

2.2 International and Regional Trends

Historically, the economy of Manitouwadge has been heavily concentrated on mining and forestry. While some work has been done to diversify the local economy to include tourism and tertiary industries, much of the economy is still heavily focused on these two important sectors. The forestry and mining sectors are reliant on external market forces and global economic growth. For these reasons, it is important to understand international and regional trends in both of these sectors.

Trends in Mining

Over the past number of years, the mining industry has experienced booming growth, with high commodity pricing leading to increased exploration, extraction and development around the globe. The table below outlines a number of major trends in the mining industry and their impacts.

TABLE 5 TRENDS IN THE MINING INDUSTRY

Trend	Overview
Commodity price volatility	▪ Copper, gold and platinum experienced upward price trends in 2012 ▪ Rising prices have led to increasingly complex projects, with higher risks ▪ Continued market uncertainty
Increasing input costs	▪ Increased production has led to increased demand, pushing costs up ▪ Other factors include the ongoing weaknesses of the US dollar and the rising costs of energy ▪ The industry average for operating costs increased 12% in 2010, with employee costs making up the bulk of the increase
Talent	▪ As the workforce ages, its estimated that the mining industry could lose 40% of its workforce by 2018 ▪ The Mining Industry Human Resources Council estimates that the Canadian mining industry needs approximately 92,000 workers over the next decade, with an estimated 20,000 positions in Ontario alone ▪ The shortage of labour is causing increased wages ▪ Many experienced workers are not interested in relocating to the remote locations of new projects ▪ Many companies are now taking a more active role in workforce development, with public-private partnerships seeking to rebrand mining careers and new scholarships and support for students pursuing mining related areas of study

Environmental and Social Impacts	▪ Issues around environmental sustainability and human rights, including First Nations and Métis, have resulted in increased community unrest in response to mining developments ▪ As a result, monitoring and regulatory bodies are shifting to more stringent regulatory mandates ▪ An increase in destructive weather events has raised the risk associated with mining activities

As outlined in Table 5, alongside new developments have come new risks. Higher input costs, increasing sensitivities to the environmental and social impacts of mining, and shortages of skilled labour, are all affecting the viability of mining projects. As a result of labour shortages, mining companies and mining regions are taking on an expanded role in workforce development.

The mining industry's growth has been accompanied by growth in the service and supply sector, which is under-researched. In 2010, the Ontario North Economic Development Corporation Study examined the mining supply industry in Northern Ontario, determining that the value of the sector in 2010 was $5.6B, employing 23,000 people[10]. Yearly salaries for the sector was estimated to be $1.38B in 2010, with approximately 500 companies in Northern Ontario doing more than 50% of their business with the mining sector. Their activities are found to be concentrated in following five major areas.

- Mining engineering and mine management
- Mining equipment manufacturing
- Customization of wheeled, tracked, and flanged vehicles
- Equipment repair and rebuild
- Support, consulting, research, training and financing

Regionally, these companies were dispersed in Greater Sudbury (with a $3.94B share of this activity), North Bay ($770M), Timmins ($590M), Thunder Bay ($350M), and Sault Ste. Marie, Elliot Lake and Marathon sharing the balance.

[10] Doyletech Corporation, Northern Ontario Mining Supply and Services Study, 2010.

Trends in Forestry

Canada produces 12% of the global industrial round-wood, second only to the United States in scale of production. In addition, Canada produces 14% of the global sawn-wood production globally. The trends highlighted in the table below have significantly affected the Canadian forestry sector.

TABLE 6 TRENDS IN THE FORESTRY INDUSTRY

Trend	Overview
U.S. housing construction remains slow	▪ Although global markets have rebounded since 2008, there is still a lull in worldwide housing construction, particularly in the United States ▪ Within the past year this has changed with significant improvements in the U.S. housing market but this rebound still sees housing starts below pre-recession numbers ▪ There has been an increase in renovation and remodeling within the past few months, but similarly this rebound is slow and small
Increased demand in Asian market	▪ Over the past year there has been a remarkable turnaround in lumber sales in Asia ▪ Logs lumber and pulp and paper are the fastest growing forest product imports to China ▪ China and other fast developing Asian economies (namely India) will continue to import vast quantities of lumber within the foreseeable future
Push towards sustainability	▪ Canada is a leader in ecosystem management and professional and industry associations have developed codes of ethics, forest principles and standards of practice ▪ Legislation protects the sustainable management of crown forests ▪ Some debate as to whether sustainable harvesting actually occurs with clear cutting still present
Biofuels debate	▪ Increasing interest in the use of wood fiber pellets for energy creation ▪ Companies like Chevron and Weyerhaeuser are developing ways to convert biomass into biofuel hoping to offset increasing prices for gasoline and crude oil and concerns surrounding a peak oil scenario
Changing provincial and federal policy	▪ Province of Ontario has developed community forest management policies and is developing pilot projects throughout the province, including Northwestern Ontario

Recently, Canada's forestry industry has experienced challenges related to a slow recovery from the global recession in 2008, along with increasing international competition from areas with a lower cost of production. ~~Globally~~, there has also been an increase in wood energy and biofuels created from ~~wood~~ products. In ~~some~~

industrialized countries 50% of wood demand is for wood energy. These countries include: the United States, Canada, Finland and Sweden. With advancements being made in liquid biofuels and chemicals extracted from wood products and biomass the demand for a more diversified range of forestry products will continue to rise. Forests will increasingly be used to produce wood energy and fuels because of advancements in biofuels and biotechnological changes.

Due to some of these global trends, supply management challenges, and the need for the preservation of Ontario's forests, forestry tenure throughout Ontario has recently been reviewed. The province is experimenting with transitioning to new forestry management models including: Local Forest Management Corporations (LFMCs) and Enhanced Sustainable Forest Licenses (Enhanced SFLs). Largely these organizations are being developed to create greater separation between forestry companies and the management of Crown forests in addition to developing a timber pricing system driven by competitive markets that more adequately reflects the value of timber based on market conditions.

Tertiary Industries and the Role of Entrepreneurship

Tertiary resident services and support industries are also an integral component of Manitouwadge's local economy and provide a number of goods and services to area residents as well as jobs. These businesses include local retail facilities, professional services (including banks, lawyers, accountants) and other sector services and supports. Most of these tertiary industries are made up of micro and small businesses.

Small businesses (businesses with fewer than 10 employees) form a dynamic, integral part of the national economy, providing goods and services, especially within Canada's rural regions. Canadian small businesses accounted for 94% of all firms and 84% of employer firms. They employ up to 25% of all individuals or over 11% of all employees within employer-only firms.

Many large-scale retail outlets must have a certain amount of market access to locate a store in a particular area. In many cases this means that box-store retail outlets, or even smaller franchise businesses, have not been attracted to rural region communities such as Manitouwadge. Although this can be seen as a negative, it also provides an opportunity for local entrepreneurs and business owners to capitalize on the lack of competition and develop service and retail facilities that would be impossible otherwise.

Northwestern Ontario is known for its spirit of entrepreneurship; Manitouwadge will continue to rely on its local entrepreneurs to develop many aspects of its economy, as is true across the region. It is in the best interests of the community to support and encourage entrepreneurship in the future to ensure that adequate services are provided to local residents.

Although the distance to a major highway can be seen as a negative, it also provides an opportunity for local entrepreneurs and business owners to capitalize on the lack of competition and develop service and retail facilities that would be impossible otherwise.

3 Competitive Benchmarking

In order to develop a clear understanding of Manitouwadge's competitive positioning in attracting business, economic growth, and residents, a comparative analysis was conducted highlighting key economic factors. Communities from across Northern Ontario were chosen as comparator communities due to their similar population base, economic base, location and assets, these communities include:

- Town of Elliot Lake
- Municipality of Greenstone
- Town of Marathon
- Town of Wawa

Along with key municipal traits including population change, employment, labour force, tax rates and the availability of land, a number of additional factors were also identified in determining Manitouwadge's comparative advantage and value proposition. In particular, transportation linkages and location were compared, as well as the overall business community. These additional factors highlight Manitouwadge's differentiation among similar communities in the region. The conclusions of the comparison are highlighted here, and detailed charts are included in Appendix A.

Labour Force Development

The labour force of Manitouwadge is generally comparable to similar communities throughout Northern Ontario. With the closure of Golden Giant and Geco Mines, a number of skilled tradespeople and labourers have left the community. This pattern has been repeated throughout resource-dependent communities in northwestern Ontario, including comparator communities of Marathon, Greenstone, Wawa and Elliot Lake.

The population in each of these communities has generally declined or stagnated over the past two decades. Some of the communities have been more successful than others in being able to attract additional residents and businesses. Elliot Lake, for example, has developed resident retention and attraction strategies based on becoming a retirement and cottage destination for people across Ontario through their affordable housing stock and abundant lake front properties.

In terms of skills and training, Manitouwadge's population is, once again, very similar to most communities in the region. The town has a large number of people trained in skilled trades however there is a shortage of workers with college and university degrees. Unlike both Marathon and Greenstone, Manitouwadge does not have a campus of Confederation College, however, Contact North distance learning services are available in the community. For traditional classes, residents have to travel to Marathon for classes at the Superior North campus.

Location/Transportation and Logistics

Unlike many of the comparator communities Manitouwadge does not have as strong a link to major transportation assets. Although the distance from Highway 17 and the Great Lakes can be a viewed as negative, it can also be viewed positively. The economy of Manitouwadge tends to be more contained with the money generated in the town remaining there as well. Although, there is still a high level of outflow of spending to stores in Marathon, Wawa and Thunder Bay, it may not be as significant as other communities along Highway 17 and Highway 11 that are closer to urban amenities. Despite this, the comparator communities still have an overall advantage:

- Town of Marathon is built on the shores of Lake Superior and has a deep water port, and is approximately two minutes off of highway 17. Marathon also has access to both the CP and the CN rail line.
- Wawa is located 24 kilometres west of the CN Rail's Hawk Junction station on the rail line from Sault St. Marie to Hearst. This line provides passenger and freight service to communities in northern Ontario.
- With this being said, Manitouwadge has an airport, like Marathon, Greenstone and Elliot Lake which positions it among these communities in attracting mineral exploration.

Other communities along Highway 11 and Highway 17, including Marathon, Wawa and Geraldton have continued to benefit from some level of traffic on the major highways in terms of seasonal tourism. In turn, communities like Elliot Lake and Manitouwadge need to develop tourism products and mechanisms to attract people off the major arteries to their communities. The Play in the Extreme brand and Manitouwadge's corner project are an excellent start, however consistency, product development in the community and a coherent strategy are essential to success in community branding.

Business Community

A clear differentiator between Manitouwadge and other comparator communities is the sense of entrepreneurship and the success of the local business community. For a community the size of Manitouwadge, local businesses are quite diverse and well established.

Manitouwadge boasts one of the most successful wood harvesting businesses in the region, specialty mining companies and a range of tertiary industries. Many of the business owners in the community own multiple businesses in addition to taking a leadership roles within the voluntary sector. These business owners and the spirit they represent underscore Manitouwadge's distinctive advantages in both attracting and growing business. New investment that occurs in the town will largely come from within the established business community or by individuals and businesses who understand the potential that the leaders of the local business community continue to see in Manitouwadge.

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In addition to the business climate, Manitouwadge's quality of life is also a key factor that can drive the attraction of independently owned businesses compared to similar comparator communities. The community is welcome to recreational vehicle use and celebrates the outdoor adventure assets that are available throughout the region but also have qualities unique to Manitouwadge.

Risks and Impediments to Growth

In comparing Manitouwadge's competitiveness, it was found that the town faces the same challenges as many other communities in northwestern Ontario, although to a greater degree. Local tax rates, while on par with the region, do not provide a strong basis for attraction, nor do demographic trends, transportation assets or the location of the town.

In order to develop a strong business case to support the attraction of key businesses to the area Manitouwadge must identify key assets that enhance the value proposition and clearly communicate these assets in all of its communications.

The significant assets that Manitouwadge affords are described in consultation as:

- A particular quality of life that appeals to the adventurous, and those who enjoy outdoor recreational activities
- The economic development efforts of the MEDC
- Small town lifestyle, including mutual support and belonging

Assets that are in place but could be further developed include:

- Highlighting and communicating the town's willingness to work with MEDC, the and business community to develop retention strategies and other programming
- Comprehensive business support services available through Superior North Community Futures and the Ministry of Northern Development and Mines
- Interest on the part of

Potential Lessons for Cottage Development

The Town of Elliot Lake has been specifically included within this competitive benchmarking exercise due to the location of the community, in that it is not directly on the Trans Canada or other major thoroughfares, and because of its ability to grow and attract new residents and businesses since its mine closure. The City has primarily been successful in attracting new residents and business development through their lake front cottage developments.

- In January 2002, ten lakes were approved by the MNR-SSM District for potential waterfront lot developments by the Town of Elliot Lake.
- A detailed planning process was conducted under MNR 26/7 to finalize the list of approved lakes, including the preparation of lake management plant and public, agency and aboriginal consultations.

After this initial planning process was conducted, the Town and the MNR developed an Amendment Form for an Area-specific Crown Land Use Policy allowing cottage development on only the specified lakes within the City's boundaries. Further amendments to planning documents (including affected Enhanced Management Areas documents for the lakes and rivers) were completed by both the City and the MNR as needed.

In order for Manitouwadge to take advantage of potential similar developments within the Township they must initiate a Waterfront Development planning process and collaborate with Provincial authorities to develop the appropriate Environmental Assessment and consultation process.

4 Priority Economic Opportunities

The priority economic opportunities in this section have been identified through sector research and consultation, and were originally intended to include only target sectors and subsector opportunities. The following four target areas have been identified as the opportunities with the most potential for the community of Manitouwadge.

- Mining
- Forestry
- Retail and Service Sector
- Labour Market Development

While reviewing possible economic opportunities for the community, Labour Market Development continually comes forward as an opportunity that has promise. Consider that labour shortages in forestry and mining occupations have been identified in consultations, that Manitouwadge has historically experienced success in attracting retirees, and the possible opportunity to regain lost populations, and attract potential entrepreneurs. The development of cottage properties is aligned with this opportunity, as lake front property is an asset that can attract new residents.

However, the aim of this study is to identify investment attraction opportunities. As such, while labour market development is an important strategic priority for economic development, this area is simply identified and further action in this area recommended for the community's consideration.

4.1 Mining Sector Opportunities

The national and international trends in the mining sector continue to have a direct impact on the local economic development potential of Manitouwadge. As previously discussed, mine closures in the early 2000s led to a decrease in population and employment opportunities. However, on a more positive note, the rise in gold prices has prompted Hemlo- Barrick Gold to tentatively increase site longevity projections by a decade from 2015 to 2025.

Although the development is still in the early stages, the Ring of Fire exploration and development north of Manitouwadge is poised to play a leading role in northwestern Ontario's economic and infrastructure development. In addition to large-scale projects, exploration continues to occur throughout northwestern Ontario, including in the Mantouwadge area.

The mining value chain offers opportunities for small and medium sized enterprises in Manitouwadge over the course of a mines lifecycle. The lifecycle of any mine can be broken down into five distinct stages[11] which include:

1. **Exploration and Resource Evaluation (5-10 years)** – Firms interested in developing a resource must first determine the size of the geological resource, develop a plan for mining and processing and secure rights to the land. This stage relies on geospatial analysis, sampling, environmental studies and data collection;

2. **Regulatory Licenses, Permits and Approval (1-5 years)** – Various licenses and permits are required before any mining project can proceed beyond exploration. The regulatory requirements, permits and approval are typically identified during the environmental approval process. During this stage, consultations with government agencies and local communities are necessary to obtain input on the project and to ensure any concerns are addressed;

3. **Engineering and Construction (1-2 years)** - This stage of the lifecycle is capital intensive. The construction of the mine as well as necessary infrastructure such as roads, bridges, airports and electricity are built. The time needed to complete the engineering and construction stage of the lifecycle can vary depending on the accessibility of the site, size and the regulatory environment;

4. **Operations and Maintenance (10-40 years)** - Prior to opening a new mine, recruitment, hiring and training of staff is required. Once staff is in place, mine operations and maintenance involves the extraction of ore, separation of minerals, disposal of waste and shipment. The maintenance program selected can extend or shorten the expected life of equipment. Reactive maintenance, where the company repairs equipment only when it fails, is typically more expensive and shortens the useful life of the machinery. Preventive maintenance programs rely on regularly scheduled maintenance which can reduce the overall maintenance costs.

5. **Closure, Reclamation and Monitoring (1-10 years)** - The final stage of the lifecycle of a mine involves the removal of equipment, the tear down of facilities and the safe closure of the mine shafts or pits. Following the closure, the responsible for reclamation of the land which includes re-vegetation. Once the land is reclaimed, the owner is responsible for continued environmental testing and assessment of the site.

Currently, the only mine operating near Manitouwadge is the Hemlo gold mines property owned by Barrick Gold Corp. The site consists of David Bell (an underground

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[11] Mine lifecycle from Association for Mineral Exploration BC and Ministry of the Economy, Saskatoon, Saskatechewan [Online: http://www.enterprisesaskatchewan.ca/PotashGuide]

mine) and Williams (an underground and open pit mine). The two mines share milling, processing and tailings facilities. Ores from each mine are aggregated together and fed through a grind, leach and carbon-in-pulp extraction mill. Based on discovered resources, Hemlo was expected to close in 2018. However, as discussed, there remains a possibility the mine could stay open longer if additional resources are found.

Established mines, like Hemlo, that are at the later stages of the Operations and Maintenance Stage are unlikely to undertake major changes to their procurement as infrastructure and logistics tend to be locked in early in the lifecycle of the mine. As a result it is unlikely that Manitouwadge will be able to attract value-added repair and maintenance services to the community due to its proximity to Hemlo. However, the pending closure of the mine also presents opportunities for contracts related to closure, reclamation and monitoring of the site.

As Hemlo begins to near the end of its lifecycle, Stillwater Canada Inc's Marathon PGM-Cu Project is moving towards production. Located 10km north of Marathon, the operation has an 11.5 year reserve and strong expansion potential. Given the proximity of the site to Marathon, the majority of the regional benefits are expected to flow directly to the local community. In the Marathon PGM-Cu Project Environmental Impact Statement-Main Report[12], the company proposed that the project would include employee accommodations in Marathon and possibility the development of a rail load-out. These investments in Marathon do not exclude the possibility of Manitouwadge attracting some residential investments and supply chain business opportunities from the project.

The short-term value-added mining service opportunities for Manitouwadge are primarily related to the Exploration stage at this time. The Municipality should seek to build strong relationship with companies that are exploring the area. Working with these companies will aid in the identification of future opportunities and help local goods and services companies become part of the mining supply chain.

Table 7 below highlights five distinct opportunities that Manitouwadge can pursue.

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[12] http://www.ceaa.gc.ca/050/documents_staticpost/54755/57673/Executive_Summary.pdf

TABLE 7: MINING SECTOR OPPORTUNITIES

<table>
<tr><th>Opportunity</th><th>Description</th><th>Types of Companies</th></tr>
<tr><td>Analytical laboratories and supplies</td><td rowspan="2">In 2011, over $ 1 billion dollars was spent on mineral exploration in the Province of Ontario. Due to the level of exploration, many junior mining companies are struggling to source supplies and labs (space and time) to properly study core samples. There exists an opportunity for Manitouwadge to attract companies that operate analytical laboratories and suppliers to the Township.</td><td>Acme Analytical Laboratories
ALS Group</td></tr>
<tr><td>Camp Management Services</td><td>ATCO Camp Services</td></tr>
<tr><td>Education & Training</td><td rowspan="3">The total value of the mining services sector in 2010 was $5.6B, employing 23,000 people13. Yearly salaries for the sector were estimated to be $1.38B in 2010, with approximately 500 companies in Northern Ontario doing more than 50% of their business with the mining sector.
As Stillwater Canada ramps up operation of its Marathon project, Manitouwadge can connect with the company to better understand how the community may support operations. The immediate opportunities are likely to be construction and training related.
Confederation College has formed a partnership with Canadabridge to provide international students from China the opportunity study in Manitouwadge[14]. The Township can work with the College to attract repair, rebuild and training services to the Township. Training and services required are related to the following modes production and processing equipment[15]:
Open pit & Longhole stopping
Cruching, Grinding, Leaching
Carbon-in-pulp extraction
Truck and shovel equipment
LHDs, Drills, Crushers, Grinders
Cyanidation
Carbon-in-pulp circuit</td><td>Simlog
VISTA Training</td></tr>
<tr><td>Transport and logistics service providers</td><td>Rohde & Liesenfeld Canada Inc.
ITN Logistics Group</td></tr>
<tr><td>Mining Equipment Repair and Rebuild</td><td></td></tr>
</table>

[13] Northern Ontario Mining Supply and Service Study, Ontario North Economic Development Corporation, 2010
[14] http://www.confederationc.on.ca/node/2901
[15] http://www.infomine.com/minesite/minesite.asp?site=hemlo

4.2 Forestry Sector Opportunities

The opportunities for the local forestry sector are limited in Manitouwadge as there is no major production facility and accessing export markets can be difficult. Value added producers are typically locating in and around mills to take advantage of cluster based opportunities. However, with Terrace Bay re-opening, Manitouwadge can expect to see an increase in the amount of wood being harvested locally and hauled to surrounding mills.

In 2012, the idle Terrace Bay Mill was purchased by the Adiyta Birla Group of India. An international conglomerate, Adiyta Birla Group has committed to investing more than $250 million to convert the facility to dissolve wood pulp for rayon fiber which is used in clothing apparel, lighters, furnishings, industrial uses and other uses. It is estimated that when fully operation the mill will support 275 direct jobs, 335 woodland jobs and approximately 1,300 indirect jobs across Ontario[16].

The conversion of the Terrace Bay Mill also aligns with the 2011 decision by the Ministry of Natural Resource to establish the Province's first Local Forest Management Corporation (LFMCs) in Northwestern Ontario[17]. LFMCs are crown agencies governed by a local board of directors charged with managing crown forests and the sale of timber. The first LFMC named "Nawiinginkiima Forest Management Corporation" when operational will manage the Pic River Ojibway, Big Pic, Black River, Nagagami, and White River forest. It is expected that the new model will benefit communities such as Manitouwadge by better allocating wood and allowing local operators to respond to market demand, prices and opportunities more effectively.

While the LFMC and re-opening of the Terrace Bay Mill are positive signs for the forestry sector in the region, the profitability of harvesting and hauling operations in Manitouwadge is not guaranteed.

Trends in investment provide an indication of a sector's relative business environment. Companies generally choose to pursue investment opportunities when the market indicates strong future demand and a favourable price-to-cost relationship. Alternatively, when conditions are unfavourable investment opportunities are perceived to be risky, with uncertain return on investment. Capital investment is the monetary value of machinery, plants, buildings, and equipment that is purchased by companies for production purposes. From 2004 to 2008, the average annual investment in capital and repair expenditures in Ontario's forest industry was $1.0 billion (Indicator 5.2.3). The level of capital investment declined by 29% over this period (Table 1).

[16] http://news.ontario.ca/mnr/en/2012/07/agreement-reached-to-purchase-terrace-bay-mill.html
[17] http://news.ontario.ca/mndmf/en/2011/05/modernizing-ontarios-forest-sector.html

TABLE 8: ONTARIO'S FOREST SECTOR CAPITAL INVESTMENT AND REPAIR EXPENDITURES BETWEEN 2004 AND 2008 (IN MILLIONS OF DOLLARS).[18]

Year	Capital Expenditures $	Repair Expenditures $	Total Investment $
2004	558	642.60	1200.60
2005	544.10	616.30	1160.40
2006	483.50	552.50	1036.00
2007	452.70	494.40	947.20
2008	423.90	433.30	857.20

One of the challenges facing the entire forestry sector in Ontario continues to be the cost of bringing wood from forest to mill. Transportation costs continue to be a major disadvantage for operators, as the Province has transferred the cost of building and maintaining access roads and bridges to the forestry industry. Enjoyed by tourists, campers, hunters and other industries, this added cost makes the entire sector less competitive and in some areas of the province creates a disincentive to harvest. In response to this challenge, the Minister of Natural Resources Council of Forest Sector Competitiveness[19] identified the reduction of transportation costs in the forest sector as a priority strategic direction. To be successful over the long-run, new market entrants will have to utilize new technologies and implement innovative solutions to ensure efficient operations as long as the sector faces high transportation costs.

[18] Source: http://www.mnr.gov.on.ca/stdprodconsume/groups/lr/@mnr/@forests/documents/document/stdprod_101907.pdf, December 2012

[19] http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STEL02_179260.html

Despite these concerns there are several areas of opportunity for Manitouwadge related to value added wood products and hauling and harvesting summarized below.

TABLE 9: FORESTRY SECTOR OPPORTUNITIES

Opportunity	Description	Types of Companies
Value Added Wood Products	▪ The challenge Manitouwadge faces with distance to market can be combatted if the product being produced is of higher value. The ability to sort logs coming out of a forest is critical to allowing niche producers to access particular sizes and varieties of wood	▪ Tim Braun Lumber Specialties LTD
Silviculture	▪ As harvesting begins to resume in the Manitouwadge areas, new opportunities for silviculture operations can also be anticipated to grow. Greenhouses could also present a spin off benefit of a strong silviculture business	▪ Resolute Forest Products
Hauling	▪ With Terrace Bay set to re-open, Manitouwadge can expect to see an increase in the amount of wood being harvested locally. To facilitate harvesting, Manitouwadge has entered into to a joint venture with Marathon and Pic River First Nation to harvest wood from the Big Pic forest. This agreement sets the stage for potentially new harvesting companies and hauling operations to enter the local market	▪ B&M Hauling ▪ HUSBY Forest Products
Harvesting		▪ Meakin Forest Enterprises ▪ Little Wolf Timber Limited
Bio Mass	▪ There exists an opportunity for Manitouwadge to partner with local agencies and the Provincial and Federal government to plan a local bio-mass project. These projects are generally funded by several levels of government to prove viability before being marketed to the private sector	

4.3 Tourism Sector Opportunities

Manitouwadge is located within the North of Superior Tourism Association region and Regional Tourism Organization 13 (RTO13). The North of Superior Tourism Association covers a 500Km area from Upsala to White River. Members of the association offer year round experiences closely linked to the physical landscape. Similarly, RTO13 covers a large area of Northern Ontario and, following the direction of "Discovering Ontario, a Report on the Future of Tourism", focuses its efforts on investment attraction, capacity building, product development and marketing.

One of the major issues facing all of the communities that make up the communities of the North of Superior Tourism Association and RTO13 is accessibility to a major population centre. Like many of the communities in the region the appeal of Manitouwadge as a tourism destination, mirrors the community's quality of life value proposition. Manitouwadge's tourism assets can and should be viewed as a subset of broader quality of life assets. However, it is important to recognize there is strong competition from regions such as Sault Ste. Marie, Grand Marais, and the Boundary Waters Canoe Area, among other regions of northern Ontario, that offer similar experiences. As a result, Manitouwadge and other communities in the region have rightly placed an emphasis on creating a unique brand. Unique tourism experiences that fulfill the "Play in the Extreme" brand promise are critical to develop Manitouwadge as a tourism destination. Investment attraction and tourism product development are the clear next step to make Manitouwadge a competitor in tourism.

Like many of the communities in the region the appeal of Manitouwadge as a tourism destination, mirrors the community's quality of life value proposition. Manitouwadge's tourism assets can and should be viewed as a subset of broader quality of life assets

At this time, Manitouwadge is promoting tourism based on its "play in the extreme" brand which is targeting the outdoor adventure enthusiast. The definition of an outdoor adventure enthusiast as defined by the Canadian Tourism Commission is a person who has,

> *"taken an overnight trip in the past couple of years in order to experience adventure and excitement and have participated in at least one high-energy outdoor activity while on trips. They may have engaged in these activities while on a recent trip in Canada or on trips to other destinations, worldwide."*

According to the 2003, US Hard Outdoor Adventure Enthusiasts report, released by the Canadian Tourism Commission, the outdoor adventure enthusiast is more likely to be male (62%) than female (38%). Recognizing the age of the study, it is still instructive as, it provides a description of the tourism market that is most applicable to Manitouwadge. In general this tourism segment can be broken down into three age categories 18-34 years of age (39%), 35-44 years of age (30%) and 55 years of age or older (12%). As of 2003, most of these enthusiasts lived in adult-only households that were more affluent that the average American leisure traveler. In addition, higher incomes were correlated with higher levels of education.

To the outdoor adventurer, Manitouwadge offers year round activities including:

Summer

- Camping/ RVs
- Off-roading and ATVing
- Fishing
- Hunting & Trapping
- Canoeing and Kayaking
- Bird Watching
- Mountain Biking & Cycling
- Hiking (Waterfall Walking Tour)
- Golf

Winter

- Cross Country & Downhill Skiing
- Fishing
- Hunting & Trapping
- Snowmobiling

Where in the past, tourists wanted to experience an eclectic array of activities on vacation, todays travelers are more inclined to focus on specific activities to get a deeper, more immersive experience that provides greater meaning. As a result, outdoor adventure tourism operators and related businesses need to very strategic about the products and services they offer. Rather than trying to be everything to everyone, businesses that focus on providing a unique experience. The following suggest three areas related to attracting outdoor adventure enthusiasts where Manitouwadge has an opportunity to attract additional investment.

TABLE 10: TOURISM SECTOR OPPORTUNITIES

<table>
<tr><th>Opportunity</th><th>Description</th><th>Types of Companies</th></tr>
<tr><td>Outfitting</td><td>According to the Canadian Federation of Outfitter Associations, there are over 2,000 hunting, fishing, and other outfitting business across Canada. The industry employs over 20,000 people in rural and remote parts of the country and generates nearly $1 billion in economic activity.
In Ontario outfitters specialize in: 1) fishing; 2) hunting for moose, deer, black bear, waterfowl and upland game birds 3) Canoe trips 4) Camping, ATVing, Snowmobiling; and 5) Eco-tourism. If Manitouwadge is going to support additional tourist coming through the region, it will require additional outfitters in the community to sell supplies and provide specialized services.
Community consultation informants have suggested that the land use permits controlled by outfitters are coming up for renewal and many will change hands due to higher costs. The turnover may create an opportunity for entrepreneurs who have innovative and creative ways of marketing the region.</td><td>Gathering Lake Outfitters
Ontario North Outpost</td></tr>
<tr><td>Camping</td><td rowspan="2">With brick and mortar accommodations in limited supply in Manitouwadge this there is an opportunity to expand the availability of camp sites to bring additional tourists.
The outdoor adventure travel segment is one of the fastest growing in the tourism sector as people seek diverse new experiences. According to the Adventure Travel Trade Association, the market was worth approximately $89 billion worldwide in 2009, excluding air travel costs and has grown at a rate of 17% in the years since.
With the growing interest in adventure tourism as a whole, there are opportunities for Manitouwadge to become a bigger player in Northwestern Ontario's tourism sector. The local population already supports many of the activities desired by tourists creating a more welcoming experience for tourists.</td><td>Birch Dale Lodge and Campground
Crawford's Camp</td></tr>
<tr><td>Adventure Tourism</td><td>Lake Superior Visits
Wasaya Wilderness Adventures</td></tr>
</table>

4.4 Retail and Service Sector Opportunities

The role of the tertiary sector, largely comprised of retail businesses and services, is to redistribute money within the local economy, and in Manitouwadge these businesses are generally independently owned and operated. A strong tertiary sector, comprised of well-managed stores and service providers, offers residents daily essentials and luxury goods and services, making the community a more enjoyable place to live.

The success of the retail and service sector plays an important role in encouraging local shopping. If consumer needs can be satisfied locally and shopping locally is an enjoyable experience, there are fewer reasons to shop outside of the community.

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A count of retail and service businesses currently located in Manitouwadge is provided in Table 11.to illustrate their concentrations. The size of these businesses ranges from part time home based businesses to medium sized businesses with approximately 20 employees.

TABLE 11: MANITOUWADGE RETAIL AND SERVICE SECTOR BUSINESSES

Category	Total
Accommodations	5
Automotive and Mechanical Services	3
Construction, Home Repair and Renovation	8
Entertainment	2
Financial Services, Realtor, Law	5
Health Care and Personal Care Services	6
Media	2
Other Services	5
Restaurants	6
Retail Stores	8
Transportation Services	1
TOTAL	51

Source: Superior North CFDC business directory, Township of Manitouwadge and phone directory

The majority of the business areas listed in Table 11 present opportunities for further business development as some businesses are open on a part time basis. Many retail and service sector businesses find their consumers are continually interested in the expanded choice and convenience that new businesses in this sector can provide.

The tertiary sector is very sensitive to changes in the local population, and some of the opportunities presented here may be population dependant, which can create revenue challenges for many businesses. On the other hand, there are often gaps in services available to consumers in rural areas, due to a reduced presence of franchise businesses. These gaps represent business expansion or investment attraction opportunities. The value of entrepreneurship in creating and capturing demand is evident in Manitouwadge, where many niche businesses that one wouldn't expect to be successful with a small population base, sustain their business by offering high quality products and services and by continually adapting to the changing needs and tastes of their clients. The following types of businesses offer significant opportunities for business development.

TABLE 12: RETAIL AND SERVICE SECTOR OPPORTUNITIES

Opportunity	Description	Types of Companies
Accommodations	▪ There are a number of small accommodations in Manitouwadge, including a Bed and Breakfast, and house rentals. The lack of a motel to accommodate larger groups is a challenge in attracting sport tourism or hosting large events. The most successful business model is one that is diverse, with the addition of outdoor recreation, retail or restaurant capabilities.	▪ Companion Hotel/Motel, Hearst
Restaurants	▪ There are a variety of restaurants in Manitouwadge, offering convenience food, seated dining, specialty baking, and a local bar. Areas identified as opportunities for new business include fine dining on a small scale, and businesses that are willing to specialize in evening hours and holidays. There are opportunities for new catering businesses in Manitouwadge, as well as the addition of catering services to existing restaurants. Catering is very flexible, with low overhead costs, and is well suited to occasional demands of a rural community.	▪ Friends Bakery & Coffee Shop ▪ Capri Restaurant ▪ The Serendipity, Rossport
General Retail Stores	▪ Retail is a broad category, which is just starting to experience competition from online retailers. Despite the costs and irregular product shipments to Manitouwadge, which can create significant inventory challenges, the value of customer service and the isolation of the community still presents opportunities in this area. ▪ Creative ways of bringing new products into the community, such as trade shows or rotating stock in partnership with other businesses in the region could be explored to expand choice and support turnover in inventory. ▪ Fresh perishables are difficult to secure in Manitouwadge and the cultivation of fresh produce or farm products like eggs would likely find a local market	▪ Rousselle's Valu-Mart ▪ The Bargain Shop ▪ Sears

Health Care and Personal Care Services	▪ With an aging population comes demand for new services such as foot care, mobility assistance, organized social outings, medication monitoring, bathing, and other care services. Some of these services are provided by the public sector but many are supported by private business.	▪ Superior Health and Wellness ▪ Senior's Club
Construction, Home Repair and Renovation	▪ The need for more construction contractors and skilled technicians is a very common need throughout northwestern Ontario. There are challenges in operating these businesses such as irregular hours, high demand and invoicing delays, as well as securing parts. The skilled tradesperson that is a good candidate to operate a business in this area is often tempted by more lucrative opportunities in mining or oil and gas. Despite the challenges, demand for these services is present, and the pride of owning a business is certainly the top motivator for entrepreneurs.	▪ The Wood Shed ▪ Home Hardware ▪ Tundra Contracting
Automotive and Mechanical Services	▪ The automotive sector is very similar in its challenges, opportunities and benefits as the construction sector.	▪ Petro Canada ▪ Midas
Entertainment	▪ The entertainment sector is similar to restaurants in that there is a strong desire for variety and for something new on the part of residents. Many facilities and programs that provide leisure activities are operated by the Municipality, and continual efforts to retain and wherever possible, introduce new programs is an area of demand. ▪ The private sector can take advantage of this opportunity by offering new entertainment options as diversification tactics, to bring customers in the door who may not otherwise have entered ▪ Community events bring tourism to the community as well as stimulating local spending. Business involvement in these events will support the business community.	▪ Kiwissa Ski Centre

5 Appendix

A. Community Comparison Charts

Manitouwadge				
Population Change	Employment Change	Labour Force	Tax Rates	Available Industrial/ Commercial Land
Population has decreased from 4000 in the early 1990s to 2300 in 2006.	Golden Giant Mine and Geco mine both closes, fueling the rapid decline of the population. Barrick-Hemlo is currently a major employer for the town, in addition to small-scale forestry related businesses and tertiary industries in town.	The median age of residents (42.8), slightly higher than the provincial median of 39 years of age. Higher than average concentration of workers in the skilled trades and with a college degree. Low percentage of university graduates. Participation rate is slightly lower than the Province, but the unemployment rate is significantly lower at 6.5%.	Tax rates should be used with caution as an assessment of competitiveness. KPMG recently presented a comparison of residential taxes per household, where the average cost of a home in Manitouwadge is assessed as under $2000, lower than Marathon and only slightly higher than Wawa. This is not well reflected in the tax rate comparison. Residential: 6.559% Multi-Residential: 7.193% Commercial: 8.236% Commercial Vacant/Excess Land: 5.768% Industrial: 8.232% Industrial Vacant/Excess Land: 5.351% Large Industrial: 8.232% Large Industrial Vacant/Excess Land: 5.351%	Currently 9 residential and 3 industrial properties for sale.

Elliot Lake				
Population Change	Employment Change	Labour Force	Tax Rates	Available Industrial/ Commercial Land
Significantly larger than Manitouwadge with a population of 11,549. Population is decreasing but more slowly, seeing a decrease of 3.4% from 2001-2006.	Elliot Lake is government, health care and retail service hub for the region and has a relatively stable and diverse local economy.	Population is generally less educated than Manitouwadge with a very low population having training in skilled trades (15%) but a higher number of university educated residents (10%) – but still below provincial average. The age of residents in Elliot Lake is significantly higher than Manitouwadge and the Provincial average at 54.8. The participation rate is significantly lower at 38% but this reflects the retirement nature of the community. The unemployment rate is also high at 13% and may highlights a lack of job opportunity in the area.	Residential: 1.029% Multi-Residential: 2.118% Commercial: 1.736% Commercial Vacant/Excess Land: 1.719% Industrial: 1.723% Industrial Vacant/Excess Land: 1.710% Although Elliot Lake's taxes are extremely low this may not be the best indicator of community sustainability. KPMG recently developed a report that highlighted a wide variety of service cuts needed in order for Elliot Lake to be financially sustainable because of tax rate cuts that occurred 5 years ago.	There is no comprehensive data base of available land developed for Elliot Lake, but through a primary scan 6 available industrial properties were identified.

Greenstone				
Population Change	Employment Change	Labour Force	Tax Rates	Available Industrial/ Commercial Land
Greenstone has seen a significant decline in their population. Population has decreased by 16.57% from 2001-2011.	Due to lay-offs within the forestry sector Greenstone has seen a decline in the local economy that has precipitated in population and housing value declines.	Greenstone's labour force is relatively skilled in college oriented occupations and skilled trades. However, there is a high percentage of the labour force that has not completed high school or gone on to complete any level of post-secondary training or education.	Residential: 2.380% Multi-residential: 5.073% Commercial (vacant): 2.932% Commercial (occupied): 4.189% Industrial (vacant): 4.031% Industrial (occupied): 5.758%	Greenstone has 20 properties available for purchase and leasing spread over 4 different communities. The Town of Geraldton currently has 5 available industrial properties.

Marathon				
Population Change	Employment Change	Labour Force	Tax Rates	Available Industrial/ Commercial Land
From 2001-2012 the town's population decreased by 12.5%. The age of the population is low relative to the province and other comparator communities at 39.8.	Marathon's mill recently closed and this led to a decrease in the population between 2001 and 2006. The Hemlo Barrick Gold mine that provides jobs for both Marathon and Manitouwadge is doing well and has lengthened the projected life of the site. The Stillwater development is still pushing forward, with Marathon expecting an increase in jobs within the mining and construction sector as well as spin off opportunities.	The labour force of Marathon is relatively young compared to the province and the broader region. The participation rate is relatively high at 73.8% and the unemployment rate is marginally better than the provincial average at 6.4%. The population is relatively well educated particularly within the skilled trades professions. Like the rest of the region, Marathon has a lower percentage of university educated residents compared to the provincial average	KPMG recently identified the average residential taxes per household in Marathon as higher than Manitouwadge and Wawa, approaching $2000 per year. Residential: 3.274% Multi-Residential: 3.579% Commercial: 5.135% Commercial Vacant/Excess Land: 3.553% Industrial: 8.180% Industrial Vacant/Excess Land: 5.317% Large Industrial: 8.180% Large Industrial Vacant/Excess Land: 5.135%	Marathon currently has 4 industrial and/or commercial properties available.

Wawa				
Population Change	Employment Change	Labour Force	Tax Rates	Available Industrial/Commercial Land
The population of Wawa has steadily decreased from 1986 through 2006. Between 2001 and 2006, the population fell by over 13%. This substantial change in Wawa's population can be attributed in part to the closure of an iron ore mine in 1998 and the downturn of the forestry sector.	Wawa's economy has seen some level of diversification since the closure of the iron ore mine in 1998, with the community's current target sectors including gold mining, four-season tourism, forestry, retail and personal services.	In 2006, Wawa was on par with the province for the number of persons having obtained post-secondary education. Wawa showed a higher number of people with a college or other non-university diploma (22%) There is also a higher concentration of tradespeople in Wawa compared to Ontario with 12% compared to 8% of the population.	KPMG recently identified the average residential taxes per household in Wawa as midway between $1,750-$2,000 per year, lower than both Manitouwadge and Marathon. Residential: 2.733% Multi-Residential: 4.069% Commercial (occupied): 6.073% Commercial (vacant): 4.251% Industrial (occupied): 5.659% Industrial (vacant): 3.678	2 industrial parcels of land are available in addition to 8 commercial buildings.

B. Consultation Summary

In order to develop a localized and in-depth understanding of the issues and opportunities within Manitouwadge, a number of consultations were conducted with the general public, the business community and with members of Council and the municipality. These consultations, together with the economic overview, the competitive benchmarking activity and the SWOT analysis have guided the development of the strategic target sectors as well as the sub-sector opportunities that exist within each of these.

Below, each of the consultations is summarized at a high level with key themes drawn out from each of the discussions that took place.

Community Forum

A community forum was held in Manitouwadge where stakeholders were asked two key questions. The responses garnered from this consultation are highlighted below.

What do you enjoy about working and living in Manitouwadge?

Stakeholders who participated in the community forum highlighted the importance of the local natural amenities including the Provincial Park as a key lifestyle asset of the region. Respondents highlighted the importance of hunting, fishing, ATVing, the ski hill and exploring the wilderness as key reasons they were attracted to the region.

In addition to the lifestyle and outdoors amenities, stakeholders highlighted the warm, community feeling that Manitouwadge has compared to other communities throughout the region. Many of the respondents highlighted that neighbors are support and friendly and that no one is a stranger.

What is your vision for the future of the community in terms of business development?

There was a wide variety of responses given by the community stakeholders when asked about their vision for the community, these responses include:

- Improved community infrastructure including road and sidewalk upgrades, increases in seniors services especially medical services and transportation for seniors
- Increased information sharing and marketing both within and outside of the community. Community members want the information marketed about Manitouwadge to be accurate and easily accessible.
- Invest in festival and events that both increase the number of visitors to the region but also assist in the development of community pride and bring people who are away home to visit.
- Increase the accessibility of lakefront properties and lakes in the area

Business Forum

A business forum brought together members of Manitouwadge's active business community to brainstorm and discuss key business opportunities and service gaps within the community. In order to engage in a conversation the participants were asked only one question:

What are the opportunities in Manitouwadge's local economy?

Below are the ideas generated by the business community.

- There are opportunities related to retail businesses in the community. These opportunities could include a dollar store, a bulk store, an electronics store and a grocery store.
- Opportunities exist within the tourism sector including increasing the number of accommodations in the community as well as car rental facilities, entertainment and restaurants. In addition to these opportunities, attracting additional outfitters in hunting and fishing are always possibilities.
- Due to the aging population health care can also be a potential growth opportunity including home care businesses and retirement facilities.
- In terms of growth from the mining sector and assay lab could potentially be feasible. Stillwater has expressed interest in the potential of a local assay lab.
- Stillwater will need 350 people by 2014 and is looking to attract those workers to live in the community.
- Generally providing services was highlighted as a key growth opportunity in the community, these services include everything from automotive repair shops, plumbers and electricians to health care workers.
- Opportunities exist with many buildings in the town being vacant. Developing a shared workspace or cost sharing initiative could be beneficial to home businesses or small businesses looking to get a jumpstart.

Stakeholder/Council Workshops

Council and stakeholder workshops were conducted to garner feedback on the target opportunities identified by Millier Dickinson Blais as well as to follow up on potential leads and secure additional leads, deepen sector intelligence and collect site selector criteria. Each of the target sectors was discussed at length, the results of these consultations are provided below.

The goals of the session were to understand the assets in the community and be able to articulate the appropriate information to potential business owners and investors. They were also interested in developing a direction for economic development the municipality that is achievable and has the ability to be financially supported by the community.

Mining

In discussing opportunities related to the mining sector there was some discussion and skepticism around the feasibility of an assay lab locating to the community. However, a Stillwater representative present at the business forum was open to the idea of utilizing a local assay lab and stated that if an assay lab was available their operation would keep the lab busy.

Forestry

Within the forestry sector a number of current gaps were identified. Hauling and cutting businesses, with trucks and bunchers is currently needed. In terms of the labour force, stakeholders highlighted that there is a labour gap in the harvesting side of the business which is the most relevant to Manitouwadge. Familiarizing students in secondary schools about the opportunities that exist within the forestry sector was identified as a way to fill this labour force gap. Immigration was also highlighted as a mechanism to fill the current labour force needed. Stakeholders identified the need to encourage immigrants to locate to the community through mentorship programs and job shadowing.

In addition to labour force challenges, stakeholders highlighted that the overall industry is changing with new technologies coming online within the industry. Work should be done to develop more training and research opportunities through College Boreal and Confederation College to support labour force development and innovation.

Tourism

In terms of tourism development many stakeholders felt that experiential tourism in terms of trapping, hunting and fishing, in addition to snowmobiling and ATVing are the major opportunities in the area. However, legislation is a major limiting barrier to attracting people to the region for hunting and trapping. In addition, the Ontario Federation of Snowmobile Clubs' permitting system and fees are barriers to snowmobile tourism development. With this being said there was discussion about redeveloping the 'Snow Loop' between Hornepayne, Manitouwadge and additional communities. This would require an upfront equipment investment, or the re-establishment of an OFSC executive.

Tertiary

Although the conversation around the tertiary sector was brief, two important points were brought up. Firstly, the quality of services and goods provided in the community must continue to improve in order to ensure capital is kept within the community and not spent in neighboring communities. Secondly, a shop local initiative is currently in place but there is discussion on how it could be better expanded and buy-in improved.

Interviews

Interviews were conducted with members of the community, particularly with local business owners and managers, as well as other key players in economic development in the area. Based on their responses four key themes arose, these include:

- Key assets
- Barriers to conducting/growing business
- Key opportunities
- Necessary actions

Key Assets of Manitouwadge

A number of assets were identified by community members as important community characteristics that could attract and retain both business investment and residents, some of these assets include:

- The gym
- The arena
- The golf course
- Low cost housing
- Health care service
- Outdoor amenities and lifestyle characteristics
- Strong services available

In addition to these assets many business owners suggested that land use policies, zoning and permitting are generally non-issues within Manitouwadge with the process generally being relatively business friendly.

Although these assets were pointed out as key positive attributes of the community there were also a number of assets highlighted that need to be improved. Many stakeholders identified the need for increased retail outlets and specialty products being provided. This does not necessary imply that the market is large enough to sustain a new retail facility but that existing retail providers have opportunities to expand and carry additional products. Many stakeholders noted that upgrades to the grocery store and restaurants in town would be beneficial to the community.

In discussing the assets of the community, another very important point was raised by stakeholders. Although there are generally high paying jobs available in the mining and forestry sector, employment opportunities and services for spouses can be difficult to provide. Targeted services could be provided to ensure that spousal acclimatization to the area is supported.

Barriers to Conducting/Growing Business

In addition to the assets identified in the community a number of barriers to both conducting business in Manitouwadge and growing a business in Manitouwadge were identified. Many business owners and managers highlighted that they felt the Economic Development Office could be more involved with the business community and conduct business visits and be open and responsive to business needs.

The shortage of skilled workers was also highlighted by many stakeholders as a crucial barrier to the growth of businesses in the community, especially within the mining sector. There is a shortage of workers available and trained in skilled trades and more are needed with the Stillwater Development in addition to the prospecting and exploration activities that are currently on-going in the region.

The skills shortage, while imperative and necessary to address, is not the only demographic issue facing the economy in the area. Stakeholders also identified inter-generational issues as a key barrier to conducting business, issues identified include: a lack of mutual understanding, a differing definition of work and communication issues.

Finally, another issue that will be a barrier to economic growth not only in Manitouwadge but throughout the region is the increasing rigidity of the mining supply chain. Many of the services and supports that local mines need could be provided through local companies, however, large, well-established global players generally have long-term supply and servicing contracts with other large players leaving local service providers with limited opportunities to grow because of mining development. In addition to this, many mining operators are discussing a "fly-in and fly-out" labour force recruitment strategy which would see most, if not all, of the capital generated by the mine leave the community and the region.

Key Opportunities

Although there are barriers to business development in Manitouwadge the local business community is actually quite diversified. Stakeholders highlighted the importance of understanding the changing local market and the flexibility required to meet the needs and retain the interest of that market. Many of the business owners in the community own multiple businesses because they act when they see a gap that needs to be filled in terms of local services or products. The entrepreneurial and dynamic qualities of many members of the business community need to be fostered and celebrated.

In addition, many of the stakeholders identified the importance of apprenticeship training and the need for more apprenticeship training opportunities in the community. Stakeholders highlighted the success of Manroc's apprenticeship programming as a key opportunity to the community, as it has attracted new residents and former residents to live in Manitouwadge. Additionally, stakeholders commented that although the mining companies may be restricting supply chain opportunities, Manitouwadge's Mayor and Council can engage with the mining companies to develop relationships that can lead to investment and local procurement policies and skills development in the community.

Many stakeholders also commented on the opportunities that outdoor amenities can play in both attracting visitors and residents. Experiential tourism opportunities including fishing and hunting were highlighted as key opportunities for tourism. Stakeholders were also receptive to the idea of cottage developments along some of the area lakes as a way of encouraging population expansion in the area.

The Local Forestry Management Corporation (LFMC), which will be operational in April of this year is also seen as having the ability to develop a number of opportunities for the local economy. The competition for the head office of the LFMC is competitive with many communities in the region vying for the location. Yet aside from the facility, the LFMC should support the reboot and continued prosperity of harvesters and opportunities for entrepreneurs interested in small-scale value-added forestry manufacturing in the region.

Necessary Action

The importance of both attracting new business owners and supporting new business growth from within was highlighted by a number of stakeholders interviewed. The supportive business community should be enabled further by the Economic Development Office and this can be done by conducting business visits, developing a commercial and industrial land inventory and improving overall customer service.