

East Algoma Economic Development Strategic Plan



Economic Development Mission, Strategies and Initiatives

Community Workshop Draft Report



March 5, 2012

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March 5, 2012

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Project intent and process review...

- A economic development strategy for the Community
 - Opportunities for regional cooperation as they emerge
 - Realistically, regional commonality *WILL* emerge
 - Must be very conscious of limited resources and where funding may be obtained for implementation
- Community Values Workshops held in late October
 - To form the Economic Development Mission parameters based upon Community Values
- One-one-one discussions with dozens of Community Respondents from November through January
 - As identified by the Municipality
 - It further promoted the entire process in the Community
 - It allowed us to garner ideas from the Respondents; although these are embryonic, in time they may develop further for economic development purposes

...Project intent and process review

- It allowed us to identify potential “Champions”
 - Members of the Community who may be willing to devote some of their time and effort, on a volunteer basis, to assist the process of economic development.
- We were able to identify and confirm the recommend strategic thrusts of the report
 - Respondents, for the very most part were in agreement and supported these
 - This support will be vital when the time comes to invest in some of the ventures that will emerge.
- However, the “double-edged sword” is that ***it greatly raised expectations that something will happen.***

Huron Shores Economic Development Mission

The Huron Shores Economic Development Mission is to enhance prosperity in the Community. Key strategies will focus on:

- Well-paying and enduring employment opportunities
- Encouraging diverse, value-added and appropriate industries to locate in the Community
- Agriculture as a key component

The Mission will respect the dearly held Values of the Community, most especially:

- Avoiding, minimizing or mitigating further impacts to all aspects of the natural environment
- Maintaining the individual and unique nature of the Community
 - Keeping taxes as low as possible, consistent with the desired level of service

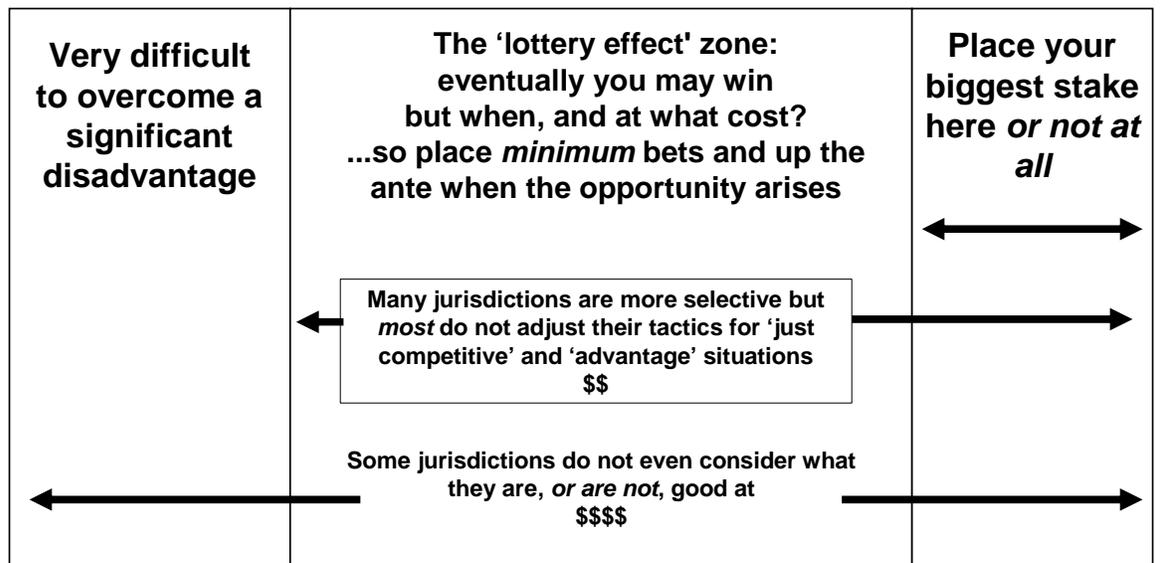
Huron Shores Community Respondents Synopsis

- Events and festivals are key to attracting tourists
- Effective, modern signing is essential on the highway
 - Too easy to miss it and drive by
- Must market the area to attract tourists
- Council must be prepared to invest – take a risk
- Maple syrup is an opportunity
- Get tour operators to stop here
 - Well-spoke volunteers as hosts
- Promote the lifestyle
 - Natural beauty
 - Sailing
- Need a concerted REGIONAL effort to promote the area

Huron Shores Community Respondents Synopsis

- Increase trap-rock sales
- Promote lake cottages
- Excess hardwood pulp conversion to pellets
- Seniors complexes
- Regional branding of agri-products
- Work with Amish to attract more tourists
- Lack of local amenities (grocery, etc.) is a detriment
- Leadership is essential

Choose your targets carefully; you have little ammunition



Industry specific jurisdictional

Industry specific jurisdictional

Industry specific jurisdictional

Disadvantages

Competitive

Advantages

Vary from one industry to the next

Strategic Thrusts considered and discarded

- **Manufacturing**
 - No advantages are present in the area for the general manufacturer and the distances to markets are a potential detriment
 - The cost/reward imbalance is too great to pursue when economic development resources are scarce
- **Exported Services (call centres, headquarters, etc.)**
 - A company headquarters is unlikely to select East Algoma unless a resource based enterprise that had to be so located.
 - Call centres (incoming and outgoing) generally seek areas of relatively high and chronic unemployment amongst plentiful younger workers. Youth tend to migrate away from East Algoma in search of jobs.
- **Resources – Mining**
 - Requires the private sector prospector to drive this and cannot be readily encouraged by community efforts
- **Resources – Forestry**
 - The industry is in a continuing slump and, with highly automated post-harvesting processes, fewer and fewer jobs are being created
 - Existing mills are struggling and are looking for value-added opportunities

Summary - Strategic Thrusts recommended and “Horsepower”

- **Develop the tourism potential in the Community**
 - Council to be the spearhead in working with the Community
 - Economic Development Officer is the “fuel in the tank”
 - Senior government to be asked to fund EDO for the Five Communities for three-year period
 - Senior government to be asked to assist as worthwhile initiatives emerge
- **Resident attraction**
 - Target younger families
- **Encourage agri-value added activities**
 - Starts with the farm community
 - RAIN is the “fuel in the tank”
 - Council to remove unintended/unnecessary barriers
 - Senior government to be asked to assist as worthwhile initiatives emerge

Strategic Thrusts recommended and “Horsepower”

Tourism-the Advanced Guard of People Attraction

- In itself, Tourism provides direct benefits to operators and all businesses that service the needs of visitors
- In the longer term, it is the Advanced Guard of People Attraction, focused on the entrepreneurs who may relocate and start new businesses
 - It can be the key to the creation of new enterprises in the Municipality
- Identify opportunities for collective enhancement of the local industry
- Work with regional partner communities to enhance the overall tourist experience
- Where appropriate, bring forward EIACs (cases) that show the investment and benefit of Municipal financial participation

Strategic Thrusts recommended and “Horsepower”

Tourism

- Regional marketing is key
 - Alone, no municipality has sufficient to attract
 - Together, the potential is greater
- Excellent highway signage is essential
 - Can be too easy to miss on the highway
- Clear and attractive signage to points of interest needed within the boundaries, once people arrive
- Local events and festivals must be created
 - Coordinate with other municipalities to avoid competition and promote synergy

Economic Development Officer

- “Horsepower” for Tourism Development
- Annual cost approximately \$150,000
 - Salary, benefits, overhead, travel, etc.
- Far too rich for any of the five municipalities
 - Need a REGIONAL approach to Tourism, anyway
- Share five ways = \$30,000 per municipality
 - Still a hefty investment
- Approach senior levels of government
 - 50-90% of the cost
- Seek three-year commitment for any support
- Need to determine reporting structure
 - One of the Five?
 - Rotating?
 - Other?

Half Way !

Strategic Thrusts recommended and “Horsepower”

Agri-Value Added

- The way forward for many farm operations
- Mennonite and Amish Communities have inspired thinking along these lines
- Some examples of agri-value added opportunities:
 - Instead of selling a cash crop, further process it
 - Instead of raising cattle and selling them before finishing, finish them locally and then custom slaughter/cut for retail and restaurants
 - Farm vacations
 - Regional branding of products
 - Cut out some of the “middle-men”
 - Agri-tourism
 - On-farm retail outlets
 - Etc.
- Council need not drive this
 - Act in a supporting role
 - Must respond quickly to barriers and issues as they arise

Strategic Thrusts recommended and “Horsepower”

Agri-Value Added

- Requires the farmer to become “entrepreneurial”
 - Self-employed and independent is NOT the same!
- Must learn new aspects of doing business
 - Assessment of their own capabilities
 - What can they do in the new value-added enterprise?
 - For what must they obtain help?
 - Not a relative because they happen to be there!
 - Customer-focused marketing
 - NOT “this is what I sell” BUT “what do you want to buy?”
 - Must be prepared to invest
 - Time!
 - Without detracting from existing operations
 - Money!
 - Without “betting the farm”
 - Must take risks
 - Small steps for small risks – “pilot” processes
 - Non-successes will happen
 - Learning experience

Rural Agricultural Innovation Network (RAIN)

- “Horsepower” for Agri-Value Added
- Mandated and funded by senior levels of government to encourage and assist in agri-value added throughout Northern Ontario
- Based in the Soo, with a pilot area of East Algoma
 - A perfect match for our recommendation
 - All farm operator respondents fully endorse this
- RAIN are eager to help lead the way with local farmers and some are already engaged
 - Municipality can play a supporting role
 - Respond to issues and opportunities as they arise

Challenges for Value-added Agriculture - RAIN

- Lack of infrastructure.
- Inadequate business skills among entrepreneurs and producers.
- Poor food and non food product distribution system.
- Lack of market development skills, need for greater consumer acceptance and take up.
- Poor knowledge among investors and entrepreneurs outside Algoma of the potential for the local agri-business value chain.

Some RAIN advice for Councils

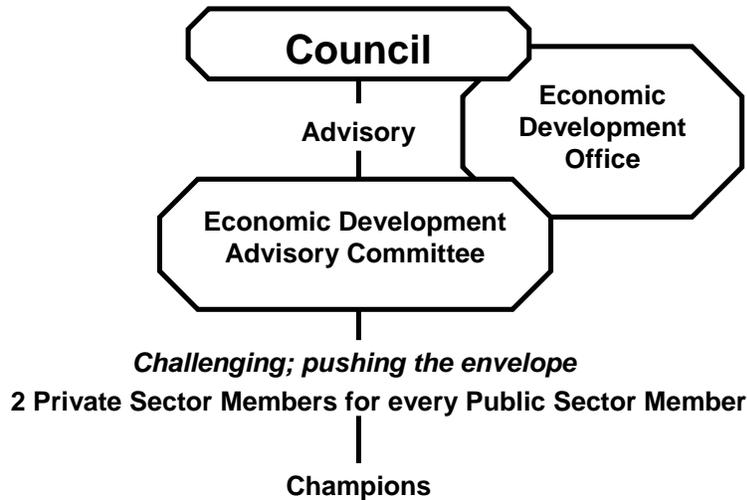
- Avoid development of bylaws without consideration of the impacts on agri-business interests.
- Avoid win-lose scenarios in making decisions regarding land use conflicts. Seek win-win opportunities whenever possible.
- Work in unison with other municipalities to create a stronger voice for addressing rural issues.
- Avoid seeing themselves as an entity unto themselves - rather find opportunities to initiate regional meetings and planning, including rural and First Nation communities in developing initiatives.



**THE
PLAN**

...but it's only a piece of paper!

Organizing the Community for Economic Development



More Strategies have failed in their execution than have ever faltered in their development; the imperative is to convert inertia into momentum.

Who is a Champion?

- A person who works with the Municipality to help develop the economy
- A 'force-multiplier' for prosperity
- May act out of altruism
- May act for gain, with the public gaining also
 - There must be a clear path for public gain to occur with a high degree of certainty

Economic Investment Action Case (EIAC)

- Opportunity background
- Nature of the benefits
 - Direct dollars
 - Socio-economic
- Assumptions
- Feasibility and barriers
- Costs
- Resources required
- Timelines: investment and 'returns'
- Risks and mitigation
- Recommended lead organization
- Recommended partner organizations
- Actions with milestones
- Measurements of success

FACT, not OPINION

- Minimize the effects of 'opinion' and 'influence'
 - **Fact-based, defensible case**
- Differentiate between opportunities
- A well-considered cost to implement
- Assess most beneficial to Community
 - **Net Financial**
 - *(\$Cost less \$Gain)*
 - **'Socio-Gain'**
- Measure progress
 - **Clear assumptions**
 - **Defined milestones**
 - **Opportunities for corrective action**

Similar to a regular business investment case



Almost there!

**The definition of insanity
is the *repeat* of past performances,
with expectations of *different* results.**

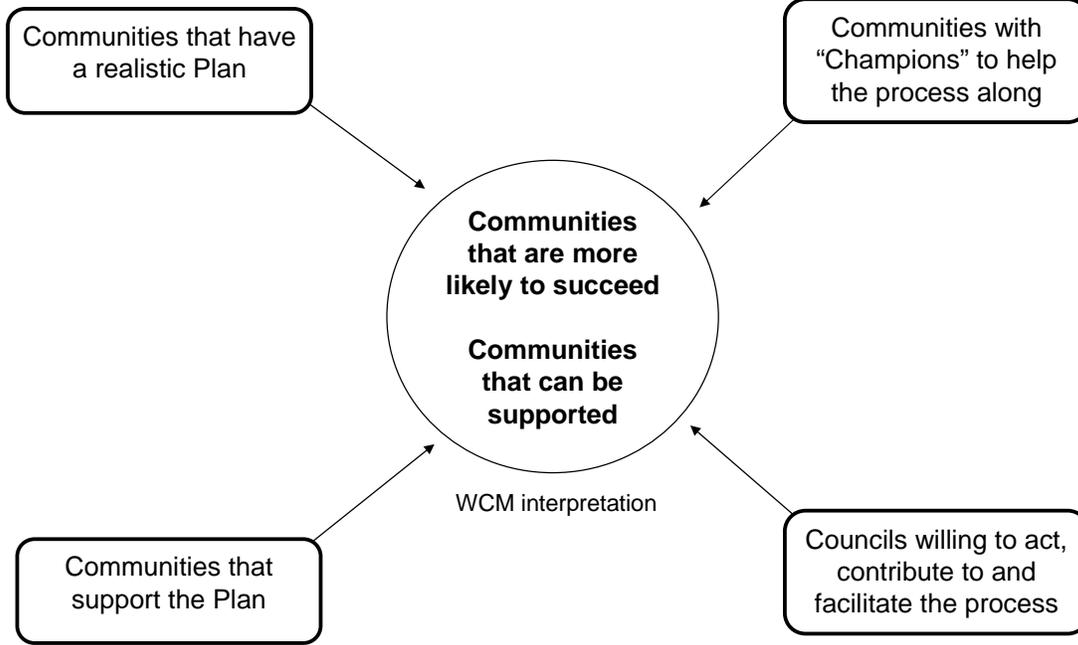
ALBERT EINSTEIN



Vital Aspects

- Economic Development seen as an INVESTMENT and not just a cost
- Working with private sector Champions as force-multipliers to the Municipality efforts
- Regional efforts make sense
- Council involvement at critical times and at ANY time
- Cannot please everyone; move forward despite this
- Business-case disciplines to decide the best socioeconomic return on the tax-payer dollar:
 - WHICH efforts to pursue and WHY
 - Act vigorously...but only when you know what you are doing
- Ongoing Initiatives and Actions
 - What *WE* do is far less important than what *YOU* do
 - Words on paper do not get the job done – *commitment and action do*

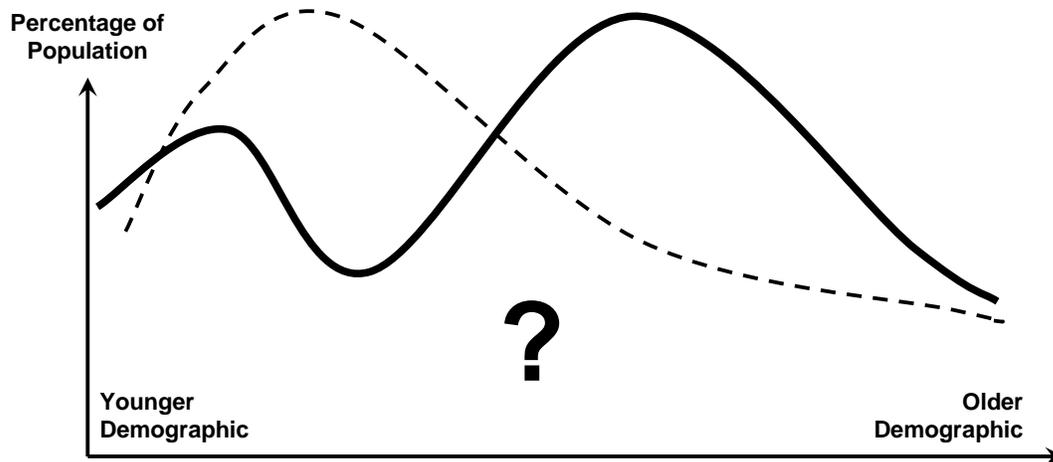
Senior Government perspective?



The REAL Challenge

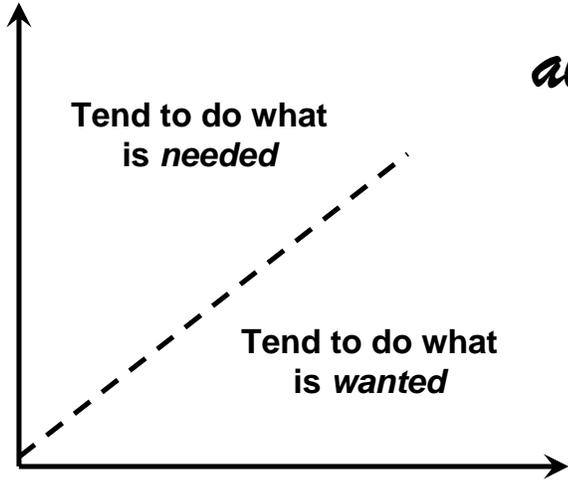
Late 60's to early 80's
'Boomers First Vote'

2010
Shorter Horizons
Different Perspectives



What is Leadership?

Leadership focus



"Leadership is always doing what is needed, not always what is wanted."

Questions?



East Algoma
Economic Development
Strategic Plan



...and thank you for your time