



Township of Ignace

Business Gap Analysis



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Mr. Jason Felix
Economic Development Manager
Township of Ignace
PO Box 248
34 Highway 17 West
Ignace ON P0T 1T0

March 15, 2018

Dear Mr. Felix,

Business Gap Analysis

We are pleased to provide our report concerning KPMG's analysis of the Township of Ignace's current businesses. Our study was undertaken based on the terms of reference outlined in our engagement letter with the Township dated February 2, 2018.

The purpose of the study was to assist the Township in assessing the potential opportunities available to the Township in relation to current and future development, as well as potential strategies for moving from opportunity to reality.

We trust our report is satisfactory for your purposes and appreciate the opportunity to be of service to the Township of Ignace. Please feel free to contact the undersigned at your convenience should you wish to discuss any aspect of our report.

Yours truly,

A handwritten signature in black ink, appearing to read 'Chas Anselmo', written over a light grey rectangular background.

Chas Anselmo, Senior Manager
705 669 2549 | canselmo@kpmg.ca

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Executive summary

Executive Summary

The Township of Ignace (the 'Township') is strategically located on Highway 17 also known as the Trans Canada Highway. The Township's population remained unchanged over the course of the past Census but has experienced a decline in its population as a result of changes to resource sector in the area. Historically, the municipality's economy has been largely dependent on forestry, transportation and tourism.

In 2008, the Nuclear Waste Management Organization announced that it would be seeking a host community for the construction and operation of a nuclear waste repository. This project being the first in Canada's history would offer a willing community with the appropriate geology an opportunity to transform its current state given the multi-generational approach for the safe disposal of nuclear waste. The Township of Ignace was the first in the country to put forward their intention to serve as host and still remains part of the selection process which is down to five municipalities in Ontario. A final decision is believed to occur in the next five years.

While this opportunity remains on the Township's horizon, the Township decided to develop a comprehensive Community Investment Readiness and Capacity Building Master Plan (the 'Master Plan'). The Master plan includes eleven separate projects including business gap analysis and its overall objective is to ensure that the Township has the capacity to foster growth and is investment ready regardless of the outcome of the nuclear waste repository and/or any economic benefits associated with the Ring of Fire mining project. The Ring of Fire is a large planning mining development located in the James Lowlands in Northern Ontario and according to Ontario's Ministry of Northern Development and Mines ('MNDM'), the Ring of Fire is "one of the most promising mineral development opportunities in Ontario in almost a century."

The intent of the business gap analysis is to assist the Township in assessing potential opportunities available to the Township in relation to current and future development, as well as potential strategies for moving from opportunity to reality. The potential opportunities were identified through a series of stakeholder and community consultations with Township residents. Three potential opportunities were identified and developed for the Township's purposes based on the project's Terms of Reference. Those opportunities included:

- Potential development of seniors housing;
- Potential development of the Township's waterfront; and
- Potential attraction of retail business to the community.

In addition to the three which may present the best business cases for the Township and potential investors to pursue, additional opportunities were identified which the Township may wish to pursue depending on its success with the first three and/or in place if any of the three and those include potential opportunities within the Township's tourism and transportation sectors.

The Township acknowledges that this project was proudly funded by the Northern Communities Investment Readiness ('NCIR') and Patricia Area Community Endeavors ('PACE').



Study Overview

Study Overview

A. Terms of Reference

- The terms of reference for our engagement were established in KPMG's engagement letter dated February 2, 2018 and consistent with KPMG's proposal document dated December 15, 2017, the intention of our review was to assess potential opportunities available to the Township in relation to current and future development, as well as potential strategies for moving from opportunity to reality.

B. Methodology

Project Initiation

- An initial meeting was held with the Economic Development Manager and Project Coordinator to confirm the terms of the study including the objectives, deliverables, methodology and timeframes.
- Upon the completion of the project kick-off meeting, KPMG scheduled bi-weekly calls between the Township and KPMG which occurred throughout the duration of the project.

Information Collection and Analysis

- KPMG requested and received a series of documents from the Township to better understand the current state of the Township and its ability to meet the demands of future development, including but not limited to infrastructure, servicing, support programs, etc.
- At KPMG's request, the Township scheduled a number of individual stakeholder consultation sessions. Key stakeholders consulted as part of the individual stakeholder sessions included Mayor and Council, business owners, community representatives from various sectors (Healthcare, education, municipal services) and representatives from the Nuclear Waste Management Organization ('NWMO').
- In addition to the key stakeholder consultations, through the Township, KPMG hosted a public consultation to provide the opportunity for members of the public to bring forward their thoughts and assist in the identification of potential opportunities for the community.

Study Overview

B. Methodology

Draft Analysis and Validation

- Upon the conclusion of the consultations, KPMG identified a number of potential opportunities for the consideration of the Township going forward. In order to better assist the Township in its decision making, each opportunity was analyzed on the basis as to the nature of the opportunity, the role of the Township, and its potential benefits to the Township. In consultation with the Township, the opportunities were then prioritized for the Township's purposes.
- To assist the Township in the potential development of the prioritized opportunities, KPMG identified and developed high level case studies involving other small and rural communities that have pursued similar projects including the identification of the types of investments required, obstacles encountered and lessons learned that may be applicable to the Township of Ignace.
- A draft report was shared with the Township for their review on March 15th, 2018.

Finalization and Reporting

- Throughout the review process, KPMG and Township scheduled and participated in bi-weekly teleconference calls to discuss the progress of the project.
- Based on the feedback received and subsequent incorporation into the draft document, a final report was issued to the Township on March 19th, 2018.

Study Overview

Restrictions

This report is based on information and documentation that was made available to KPMG at the date of this report. KPMG has not audited nor otherwise attempted to independently verify the information provided unless otherwise indicated. Should additional information be provided to KPMG after the issuance of this report, KPMG reserves the right (but will be under no obligation) to review this information and adjust its comments accordingly.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the Township of Ignace. KPMG has not and will not perform management functions or make management decisions for the Township of Ignace.

This report includes or makes reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the Township of Ignace nor are we an insider or associate of the Township of Ignace or its management team. Our fees for this engagement are not contingent upon our findings or any other event. Accordingly, we believe we are independent of the Township of Ignace and are acting objectively



Current State of the Community

Township of Ignace Business Gap Analysis

Current State of the Community

A. Municipal Plans and Studies

The analysis performed by KPMG is one component of a larger goal of the Township. The Township is in the midst of developing a comprehensive Community Investment Readiness and Capacity Building Master Plan (the 'Master Plan'). The Master plan includes eleven separate projects including this analysis and its overall objective is to ensure that the Township has the capacity to foster growth and is investment ready should two regional economic development come to fruition: the 'Ring of Fire' mining project and the potential of becoming a nuclear waste repository with the NWMO. The following table is an illustration of the plans and studies which are part of the Township's Master Plan and their expected timelines:

Project	Q4 – 2017	Q1 – 2018	Q2 – 2018	Q3 – 2018	Q4 – 2018	Q1 – 2019	Q2 -2019
Branding Strategy	Project underway						
Economic Development and Planning Intern	Funding approved – Economic development intern hired and the Township is in the process of hiring a planning intern						
Business Gap Analysis		Funding approved – project underway					
Community Profile		Funding approved					
Land Use Planning – Official Plan, Zoning Bylaw and Community Improvement Plan		Project underway					
Waste Management Plan		Project underway					
Economic Development Strategy			Expected project timeframe				
Tourism Strategy			Expected project timeframe				
Community Capacity Study					Expected project timeframe		
Asset Management Plan					Expected project timeframe		
Workforce Development Study					Expected project timeframe		

Source: Information Provided by the Township of Ignace

Township of Ignace Business Gap Analysis

Current State of Community

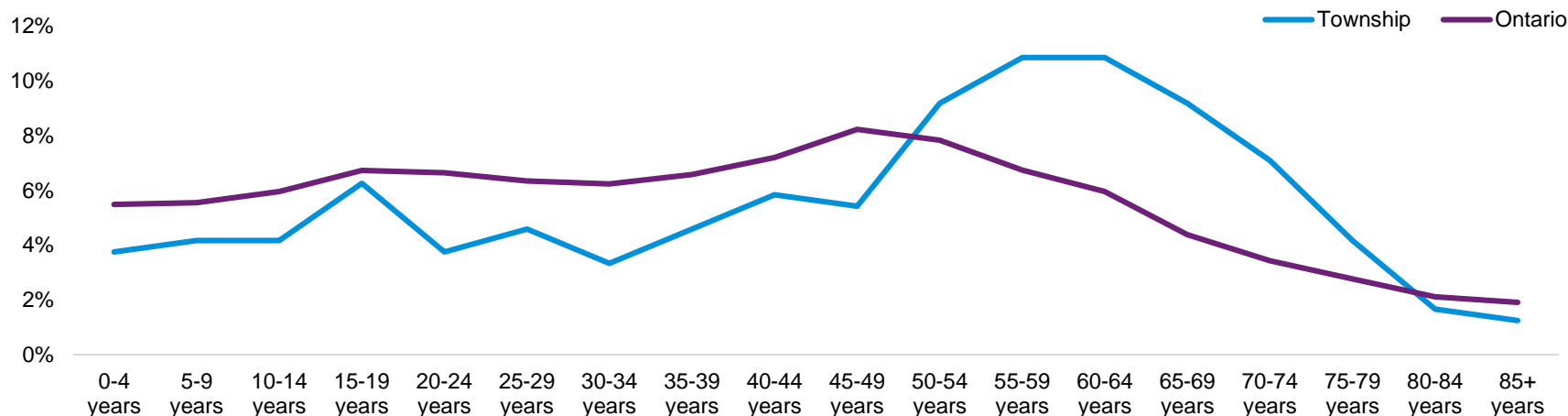
B. Population and Demographics

Incorporated in 1908, the Township of Ignace is located on the Trans Canada Highway approximately 247 kilometres west of the City of Thunder Bay and 107 kilometres east of the City of Dryden. Based on the information collected as part of the Township's 2016 Census Profile, the Township's population is 1,202 with 711 private dwellings. In between the two Census periods (2011 and 2016), the population remains unchanged over that time period. While the Township's population may have remained constant over the past five years, the Township has experienced a decline in its population (33%) over the past twenty years. The following chart illustrates the Township's population decline between 1996 to 2016:

	1996	2001	2006	2011	2016
Population ¹	1,782	1,709	1,431	1,202	1,202
Change	-	↓4.1%	↓16.3%	↓16.0%	-

The age demographics for the Township appear to be consistent with many municipalities in Northern Ontario. 34% of the Township's population is 60 years or older and at the other end of the range, 18% of the Township's population is 19 years or younger

Township of Ignace and Province of Ontario Demographics (2016)¹

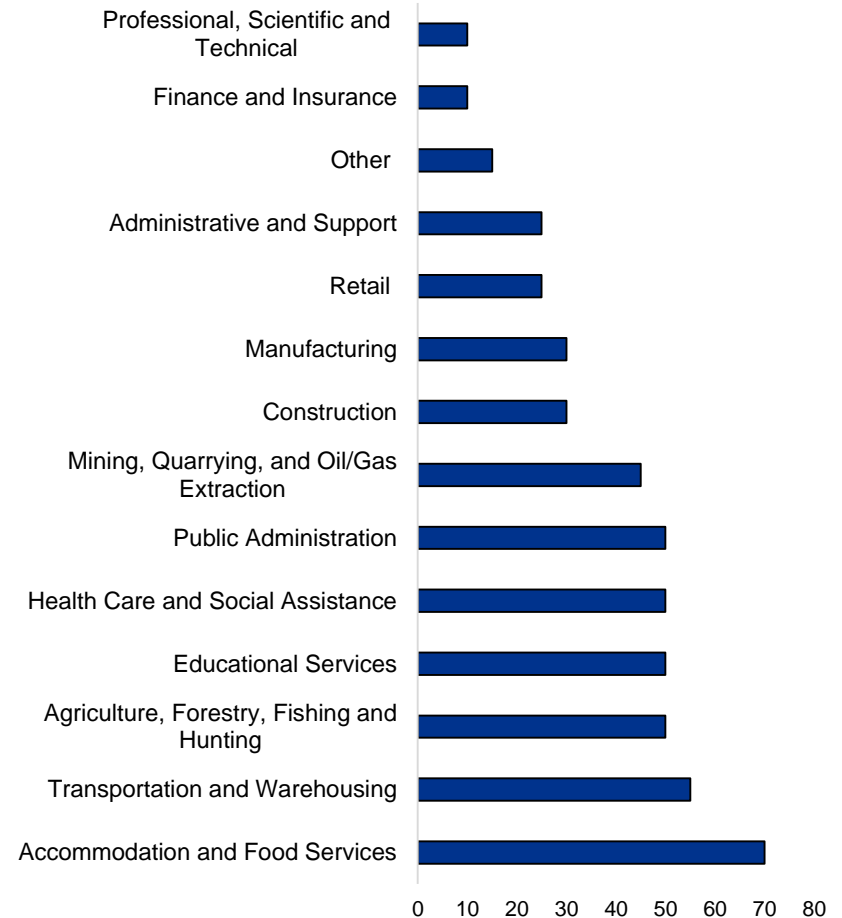


Current State of the Community

C. Labour Force

The 2016 Census Profile for the Township of Ignace reported a total labour force of those aged 15 years and over to be 535. The chart illustrates a breakdown of the Township's labour force using Statistics Canada's classification system. Based on upon our analysis of the classification system, the Township's labour force is:

- 28% of the reported labour force are classified as public sector (public administration, education, health care, etc.);
- 21% are associated with trades;
- 18% of the reported labour force is resource-based (mining and forestry); and
- Accommodations and food services account for 13% of the total labour force.

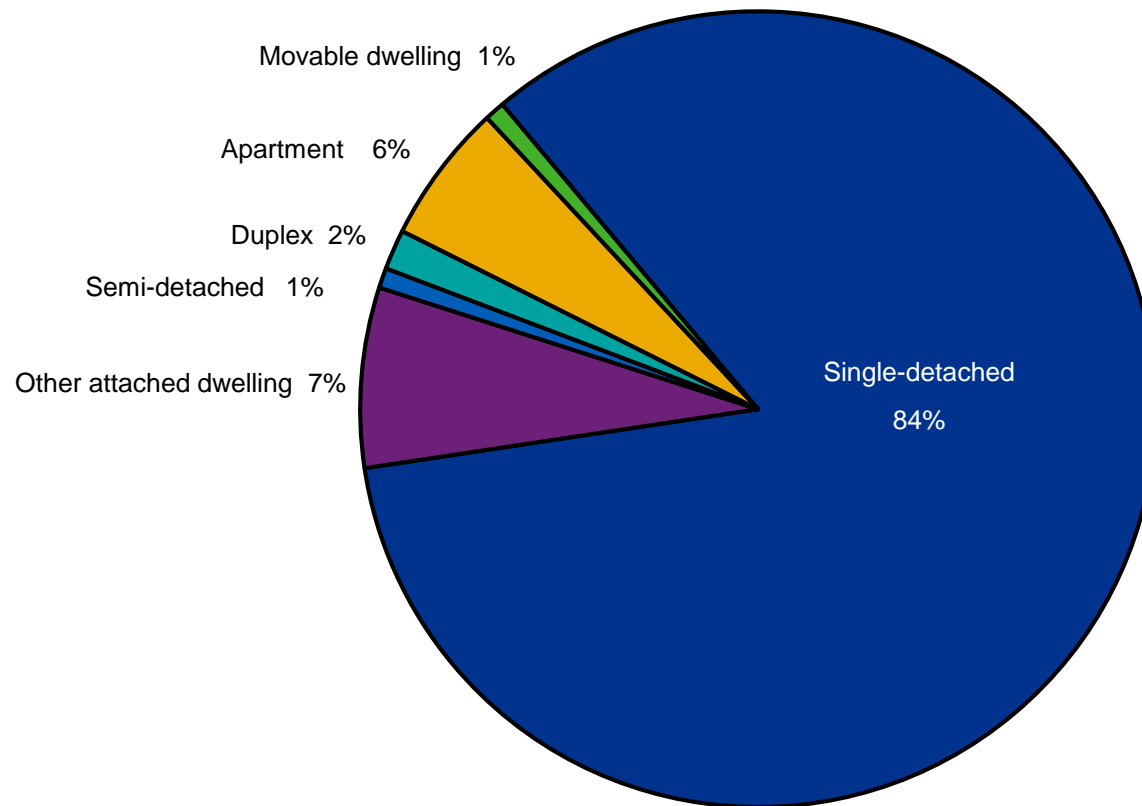


Source: Statistics Canada – Census Profile for the Township of Ignace

Current State of the Community

D. Housing

The Township's housing profile is mainly comprised of single-detached houses. 84% of the Township's houses are considered to be single-detached housing with the other 16% a mix of other attached dwellings (7%) or multi-residential housing (9%).



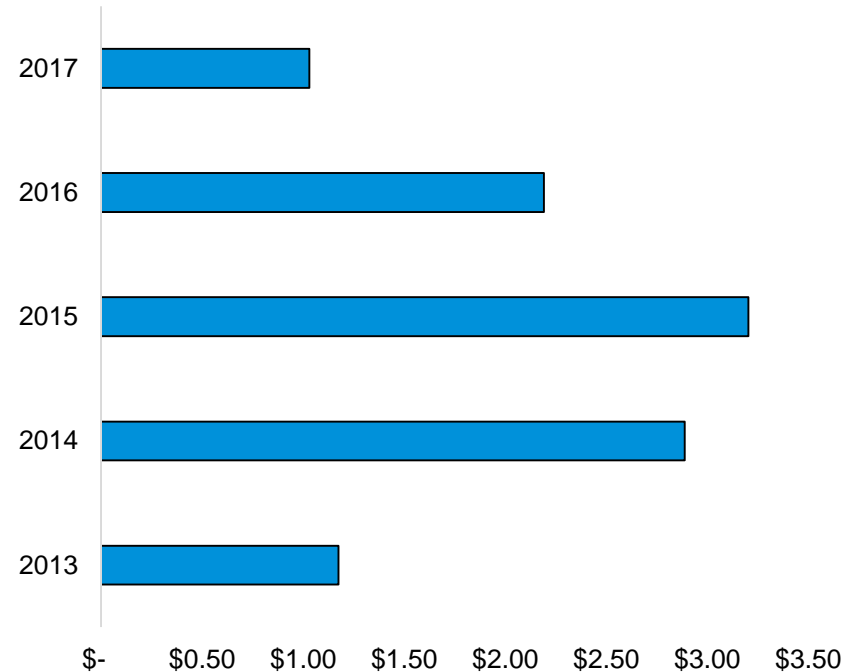
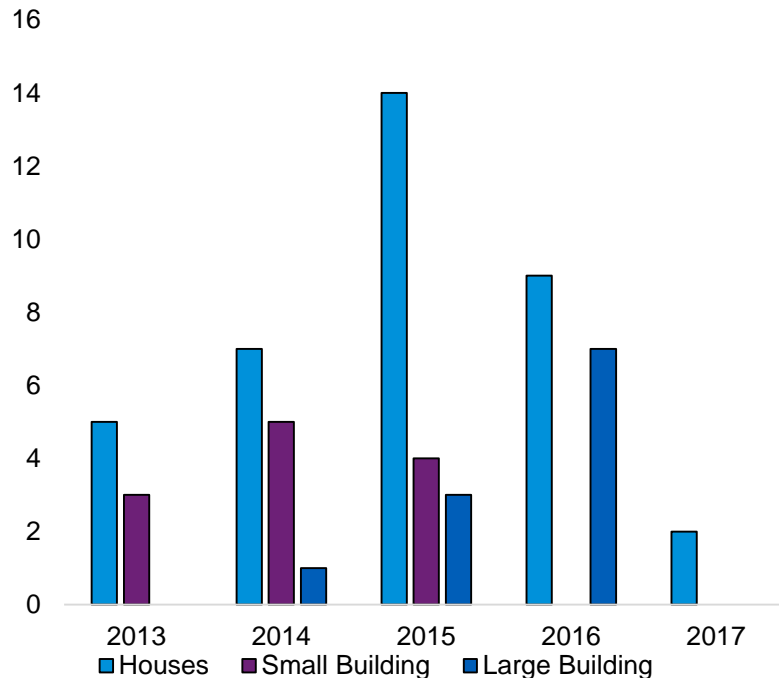
Source: Statistics Canada – Census Profile for the Township of Ignace

Township of Ignace Business Gap Analysis

Current State of Community

E. Construction Activity

Over the past five years, the Township has experienced a fluctuation in construction activity. For the years 2013 to 2017 inclusive, the Township had an average of \$2.1 million in construction activity with the highest being achieved in 2015 (\$3.2 million). In terms of the type of new construction the Township has experienced, it has been mainly the construction with new houses. Similar to the total of new construction activity, the Township had the most activity in 2015 where 14 new homes, 4 small buildings and 3 large buildings had permits taken out for construction purposes. Since 2015, the value of construction activity in the Township has decreased by 68%.

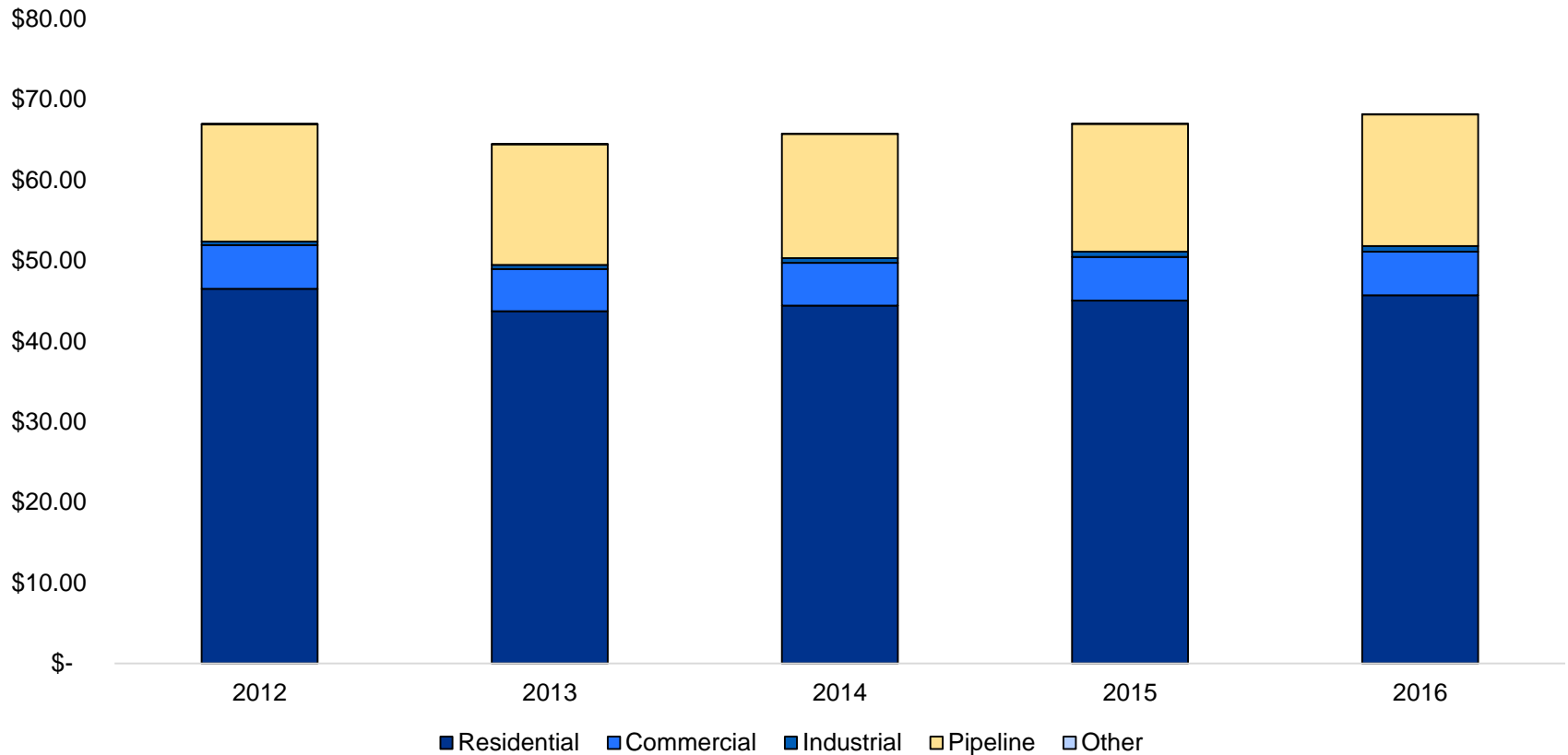


Township of Ignace Business Gap Analysis

Current State of Community

F. Taxation and Assessment

The assessment profile for the Township has remained consistent over the past five years. The level of assessment for each property class has increased over the past five years. Residential and commercial assessment has increased by an average of 1% from 2013 to 2016. The Township's industrial assessment increased by an average of 9% and pipeline assessment increased by 3% annually.

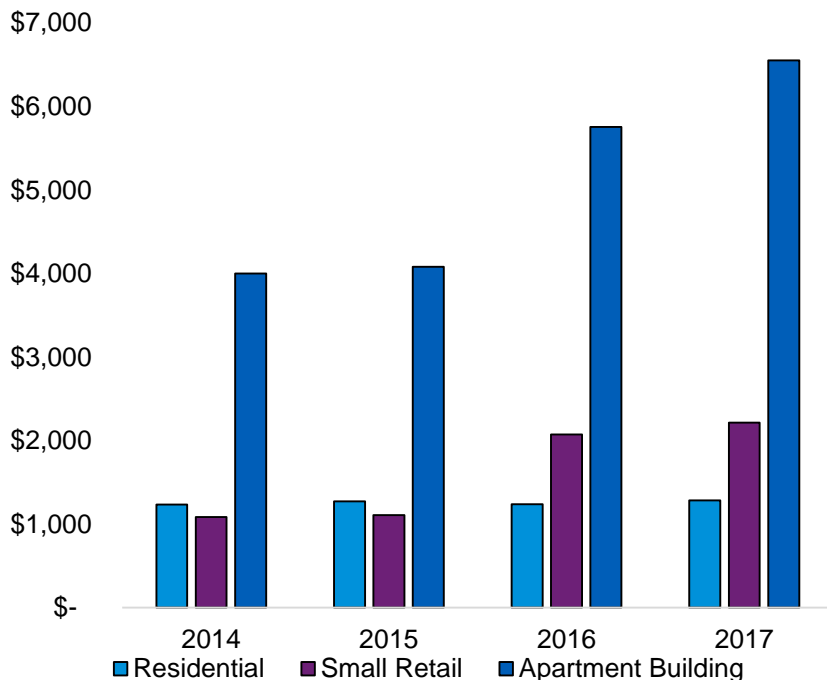


Current State of Community

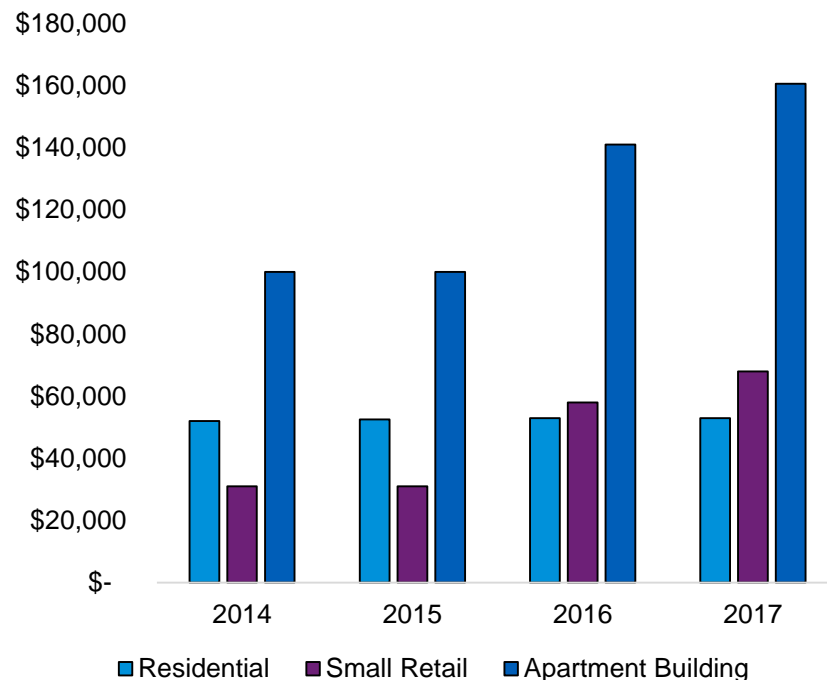
F. Taxation and Assessment

The two following charts provide an illustration of municipal taxation and current value assessment for three typical/median property classes in the Township. The typical residential property appears to have increased by an average of 1% over the past four years. The property taxes for a typical small retail business significantly increased over the past four years with an 87% increase between the years of 2015 and 2016. Similarly, property taxes for a typical apartment building increased by 41% over the same two years. The increases in taxation appear to be the result of large increase in the current value assessment for each. The chart on the right hand side illustrates the increase in assessment.

Property Taxes for Typical/Median Property (2014 to 2017)



Current Value Assessment for Typical/Median Property (2014 to 2017)



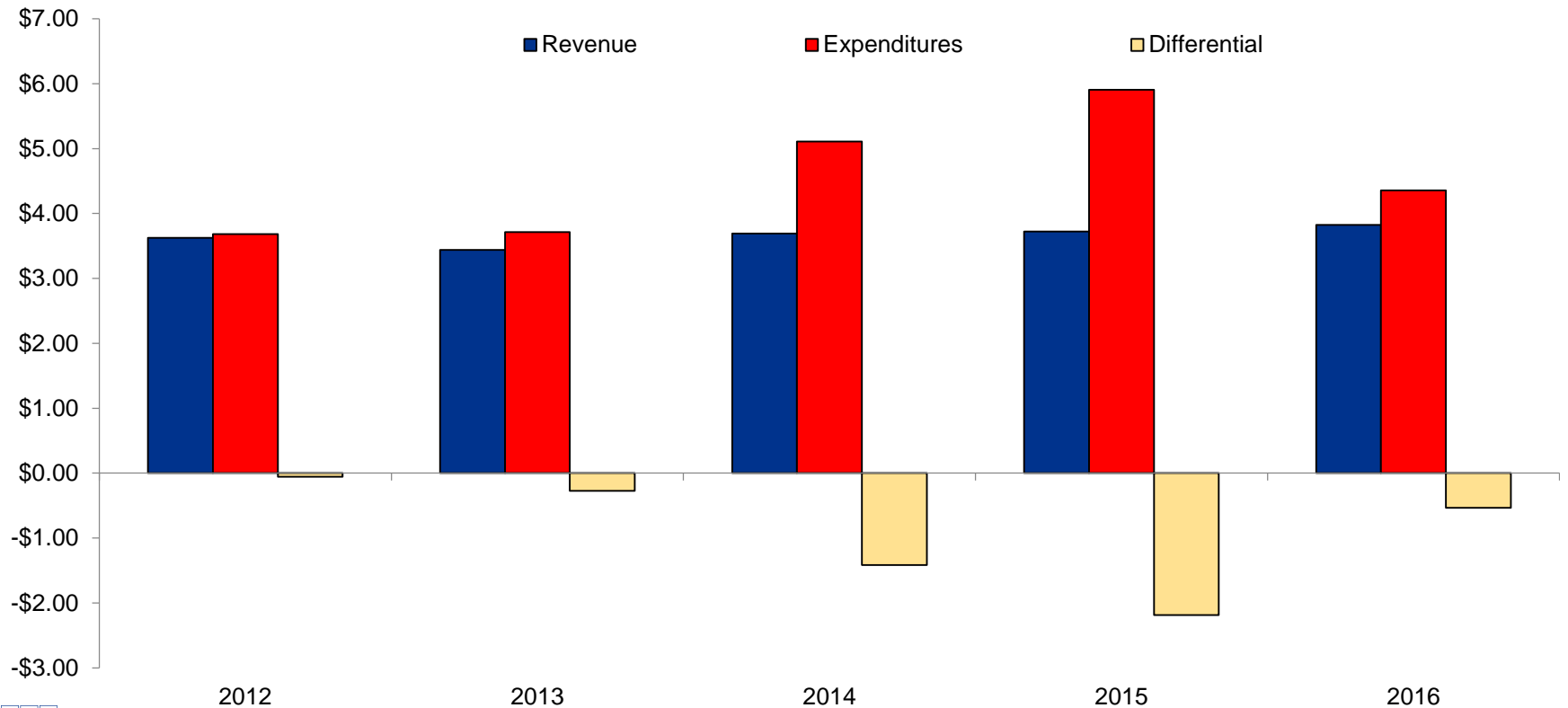
Township of Ignace Business Gap Analysis

Current State of the Community

G. Township Financial Performance

Municipal Operating Results

The operating results of the Township of Ignace is reflective of the Township's investment into its capital works program. Over the past five years, the Township has incurred an operating deficit each year but the negative variances appear to be the result of investments in the Township's capital assets.



Current State of the Community

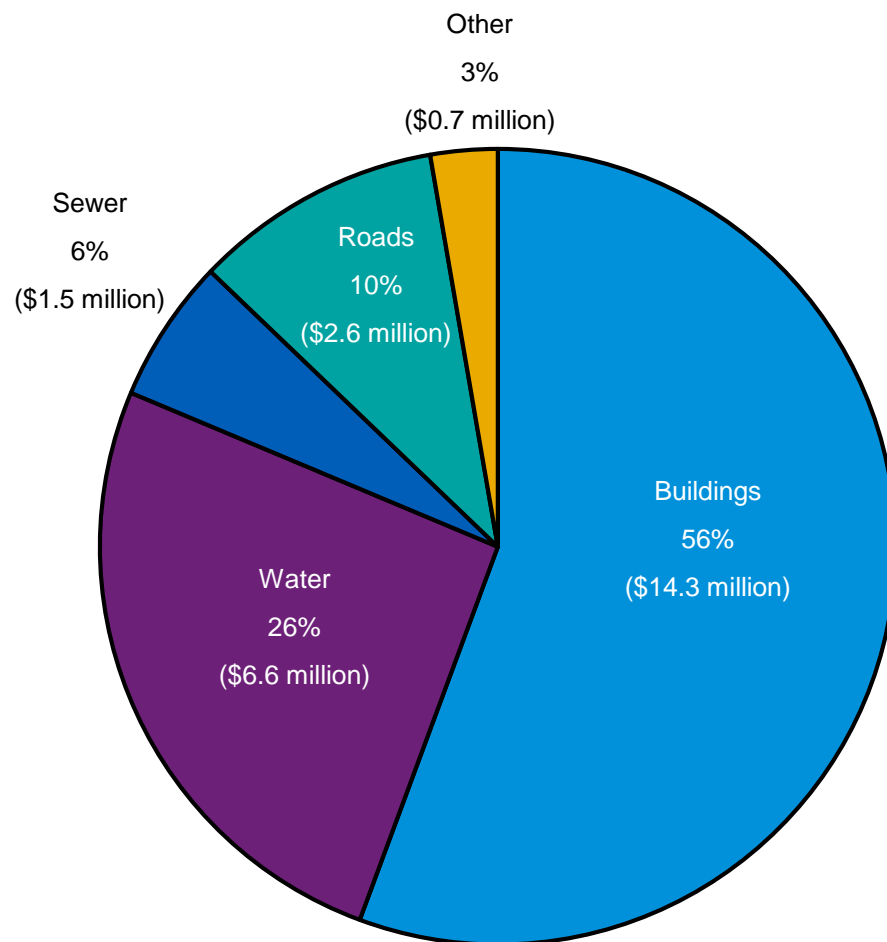
H. Municipal Infrastructure

For municipalities who have the eligibility to apply for provincial capital grants, one requirement is the adoption of an asset management plan and as much as the exercise was a pre-requisite to meet the criteria of future capital grant funding, it was necessary step in explicitly stating the infrastructure needs of every municipality and provided each municipality with a 'roadmap' of where their respective capital needs would be over the next decade. In almost every plan, the costs associated with replacement and re-investment appear to be significant and this is consistent with the Township's asset management plan.

Based upon our review of the Township's asset management plan developed in 2013, the Township had a current replacement cost of \$78.7 million for all of its assets. For the number of households in the Township, the current replacement cost translated to \$99,187 per household. The plan provided the annual contribution required to cover future replacement costs of the Township's assets and the annual contribution as determined in 2013 was \$2.8 million or \$3,560 per household would be required on an annual basis.

The chart on the right side of the page provides an visual illustration of the Township's assets (2012 – net book value). Over half of the Township's assets are municipally owned buildings. The Township's water and sewer infrastructure (32%) is the second largest category of municipal assets.

The Township has identified an update of its asset management plan as part of the development of its Master Plan which is set to commence in latter part of 2018. The results of the update may result in changes to the information presented within this report.



Source: KPMG Analysis of the Township's Asset Management Plan

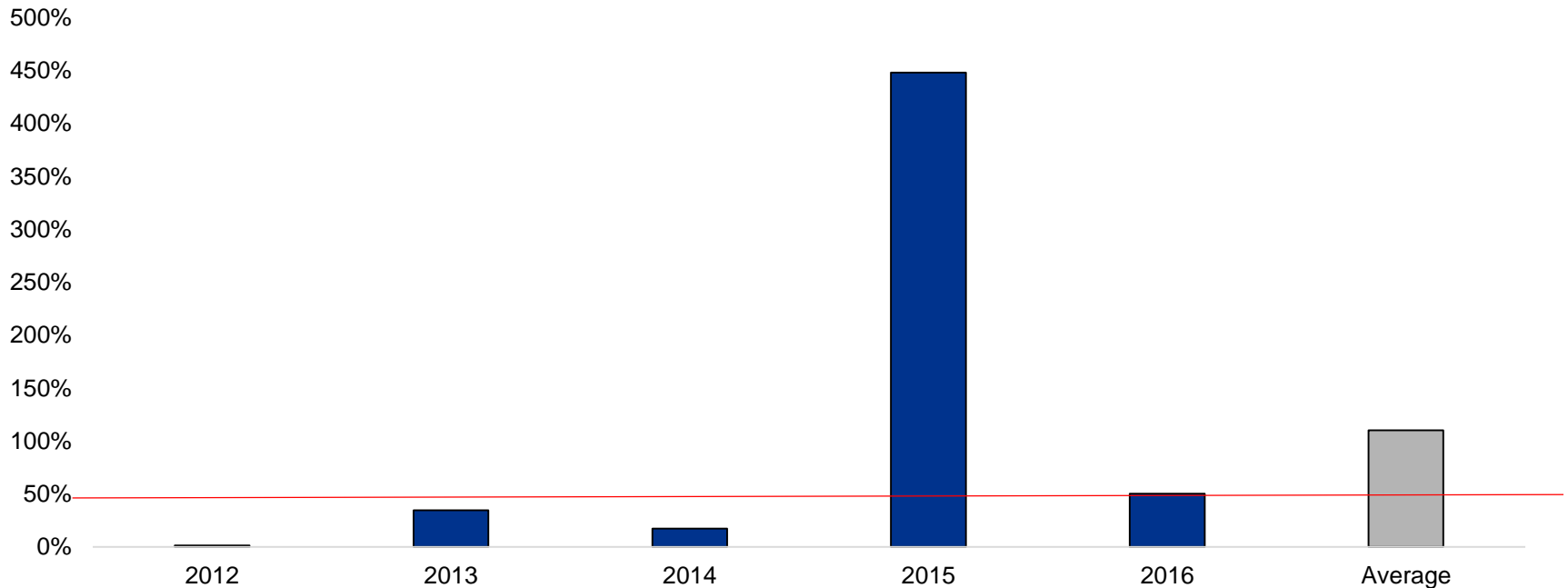
Current State of the Community

H. Municipal Infrastructure

Asset Sustainability Ratio

The Ministry of Municipal Affairs established an asset sustainability ratio which is “an approximation of the extent to which a municipality is replacing, renewing or acquiring new assets as the existing infrastructure being managed by the municipality are reaching the end of their useful lives.” The Province sets a target ratio of 90% or greater and if a municipality is below the ratio, there may be concerns about the sufficiency of the municipality’s asset management and the potential future burden this may place upon residents. For the years of 2012 to 2016, the Township of Ignace did not exceed the target ratio for all but one year (2015).

Asset Sustainability for the Township of Ignace (2012 to 2016)



Township of Ignace Business Gap Analysis

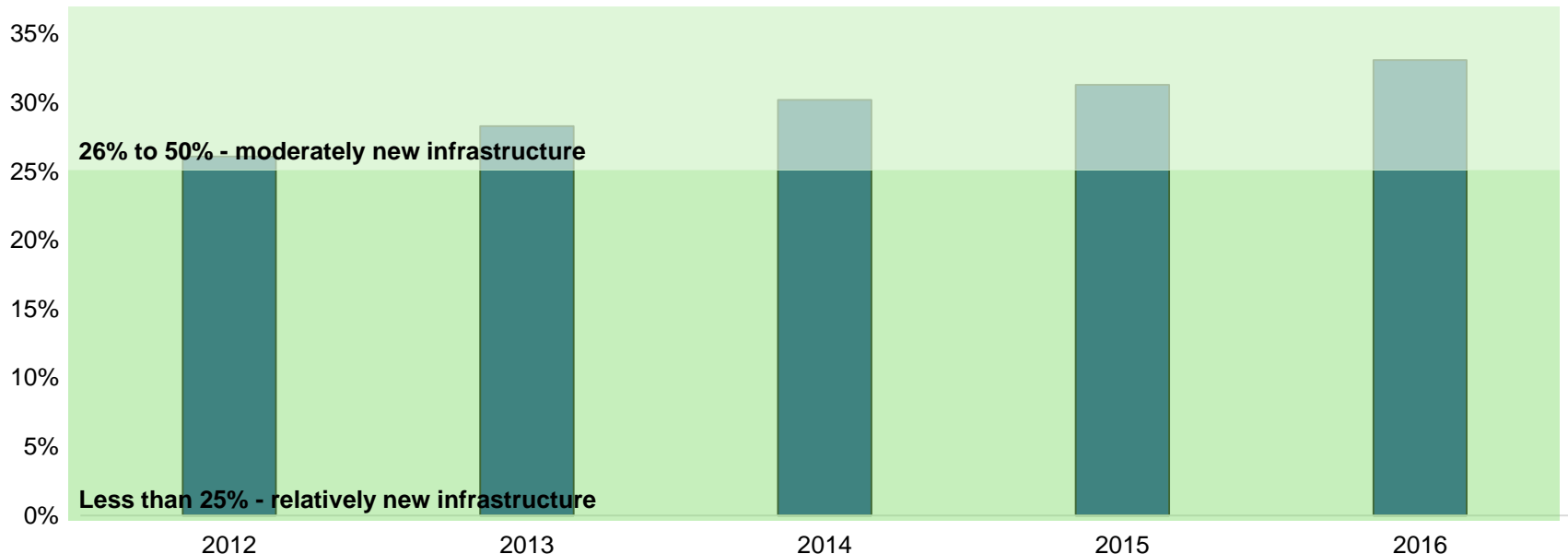
Current State of the Community

H. Municipal Infrastructure

Asset Consumption Ratio

The previous page examined the sufficiency of asset maintenance, renewal and replacement and the Ministry of Municipal Affairs also established a ratio which measures the consumption of a municipality's physical assets in comparison and their cost. As part of this ratio, the Province established the following ranges: Less than 25% - relatively new infrastructure, 26% to 50% - moderately new infrastructure, 51% to 75% - moderately old infrastructure and 75% or greater – old infrastructure. Using the Ministry's ratio and the associated ranges, the Township has an infrastructure that may be considered as relatively new infrastructure and this appears to be consistent with the Township's asset management plan which identifies this as well.

Asset Consumption for the Township of Ignace (2012 to 2016)



Current State of the Community

I. Township Services

The Township has a wide range of services available to its community

Recreational and Cultural Services

The Township's Recreation Department oversees a variety of recreational facilities which provide access to residents. The Township operates a recreational complex which has an ice pad, bowling alley, fitness centre and two large halls for community events. In addition to the complex, the Township owns and operates a 9-hole golf course and maintain sports fields (two baseball diamonds and a soccer field).

With its geographic location in Northern Ontario, the Township also utilizes the physical landscape for recreational purposes. The natural environment provides for outdoor activities such as hiking and fishing and winter-related activities such as snowmobiling. Also, the Township maintains two public beaches in the community in the summer months and provides service to Tower Hill which currently hosts an annual sliding event but may have potential to become of more use throughout the year.

The Township has a public library which has a mission of guaranteeing "all community residents an opportunity for life-long learning through equal access to library services including but not limited to educational, recreational, cultural, historical and life-skills information in a variety of formats."

Healthcare

The community's healthcare centre, the Mary Berglund Health Centre, offers residents a wide variety of health care services. Beyond typical patient care, the centre also provides the following services:

- Resident home care on an as needed basis
- Physiotherapy – at no additional cost to residents
- Psychiatry services – at no additional cost to residents
- Health care related transport
- Food security programs including the operation of the community's food bank and community garden
- Foot care services – at no additional cost to residents
- Other mental health services

Current State of the Community

I. Township Services

Education

From an educational and training perspective, residents have access to educational services with two with an English public school that offers classes beginning at kindergarten through grade 12 and a French elementary school with classes from kindergarten to grade 8. In addition to the two schools, the Ignace Nursery School provides pre-school educational services to residents.

Beyond elementary and secondary schooling, the residents of the Township have access to post-secondary education through a partnership with Confederation College as well as with Contact North which provides residents access to online programs from across the province.

Current State of Community

J. Future Outlook

The Potential Selection for a Deep Geological Repository for Canada's Used Nuclear Fuel

In 2007, the Canadian Government selected Adaptive Phased Management ('APM') as its strategy in addressing the long-term management of used nuclear fuel and the intended outcome of APM was the development of a deep geological repository for the used fuel. In 2010, the site selection process for choosing a location for the repository commenced. In its initial approach and as part of APM, NWMO sought out communities to be assessed on both technical as well as social factors. Beyond the specific site requirements, the site selection process uses the following guiding principles:

- Focus on safety;
- Selected an informed and willing host community
- Foster the long-term well-being of the host community
- Involve those who are potentially affected; and
- Respect Aboriginal rights, treaties, and land claims.

Based on information shared by the NWMO, the Township was the first community to communicate its intentions of potentially becoming the site for the repository and in 2011, the Township's Mayor and Council formally requested the NWMO to initiate a Preliminary Assessment of the community's potential suitability. Since declaring their intention to be a host for the used nuclear fuel repository, twenty other communities expressed an interest in being the host for the facility across Canada. Over the past eight years and at the time of this report, the site selection process has screened out sixteen communities and the Township continues to meet the criteria to remain as one of the final five sites.

According to the NWMO, the construction and operation of the repository represents an investment of \$18 to \$24 billion and as such, the impact of becoming the host community for the repository would appear to have the potential of being transformational for the Township as well as have a significant impact on the surrounding area. Based upon the estimated job creation by phase for the project, the Township and its surrounding area appear to be in a position to directly benefit. Beyond job creation, the NWMO has made a commitment to whichever community is selected as the site to ensure the long-term well-being of the community and will work with the selected community to ensure the community has what it needs to ensure the success of the project. The chart on the following page provides the annual estimated average annual employment to the area near Ignace as well as the Northwest economic region.

Current State of Community

J. Future Outlook

The Potential Selection for a Deep Geological Repository for Canada's Used Nuclear Fuel

APM Project Phase	Jobs per Year	
	Area near Ignace	Northwest Economic Region
Site Selection	50	50
Initial Licensing	40	45
Construction	1,165	1,265
Operations	1,340	1,410
Extended Monitoring	275	290
Decommissioning	380	425

Source: Economic Modeling Report for the APM Project Located in the Area Near Ignace, Ontario

The Ring of Fire

The Ring of Fire is a large planning mining development located in the James Lowlands in Northern Ontario and according to Ontario's Ministry of Northern Development and Mines ('MNDM'), the Ring of Fire is "one of the most promising mineral development opportunities in Ontario in almost a century." Given that, the Ring of Fire represents a significant opportunity to Northern Ontario. The Township has identified this project as one where the Township has the potential to benefit. Based on information shared by the Township, the Township believes that it has the potential to benefit from the Ring of Fire because of its proximity to Highway 599. Highway 599 is a stretch of the provincial highway network that ends in the Township of Pickle Lake and as part of the Ring of Fire development, the Province of Ontario has pledged its support in the extension of the highway to connect with the mining development area.

At the time of this report, the project still remains in the exploration stage according to MNDM's Ring of Fire Secretariat. Four communities in Northern Ontario have submitted bids to Noront Resources to become the site for a ferrochrome smelter – Greater Sudbury, Timmins, Sault Ste. Marie and Thunder Bay. The Township is 246 kilometres away from Thunder Bay – with a decision expected by the end of 2018. As such, this may have potential benefit to the Township but it appears to be unknown what the potential would be.

Current State of Community

J. Future Outlook

Identified earlier in this section of the report, the Township has a number of plans either in progress or slated to commence in the next year as part of its Master Plan exercise. The Master plan includes eleven separate projects including this analysis and its overall objective is to ensure that the Township has the capacity to foster growth and is investment ready. Based upon our analysis and in consultation with the Township, it appears that the Township appears committed to growth and development regardless of the two larger initiatives ever materialize.



Key Themes of Community Consultations

Key Themes of the Community Consultations

To identify potential business opportunities for potential investment in the Township, a series of community consultations were undertaken by KPMG. The consultations were performed in two ways:

- Individual stakeholder consultation sessions – The individual stakeholder sessions were developed by both KPMG and the Township in identifying key community members from various sectors of the Township. Those consulted included but not exclusive to:
 - Mayor and Council
 - Educators
 - Business representatives
 - NWMO
 - Provincial Government
 - Healthcare representatives
- Public consultation session – On the evening of March 6th, through the Township, KPMG hosted a public consultation session for interested residents. The objectives of the session was to first provide residents with KPMG’s approach to the project but the main objective was to provide an opportunity for residents to bring forward their ideas as to what the Township needs and what may appear attractive to potential investors. A complete summary of all ideas shared as part of the public session can be found in Appendix A.

The following is a summary of the key themes identified as part of the consultation sessions:

1. There appears to be a desire for a more diverse retail sector

Stakeholders consistently expressed an interest for more variety within the Township’s retail sector and in particular, identified the lack of a hardware store as one specific type of retail which is no longer present in the municipality. Residents and other stakeholders discussed how they travel to the City of Dryden to purchase items such as lumber, paint and other related necessities. Other types of retail that stakeholders expressed an interest in seeing in the community were:

- A general store which can provide a variety of products;
- A second grocery store to complement the current retailer;
- The potential of a goodwill retailer which would provide an opportunity for residents and neighbouring communities to purchase second-hand goods as well as donate those types of goods; and
- A clothing store to provide options to residents.

Key Themes of the Community Consultations

The following is a summary of the key themes identified as part of the consultation sessions:

2. The hospitality sector may need to be expanded upon to take advantage of its geography

Based on information shared throughout the consultation sessions, the Township's hospitality sector (motels and restaurants) is an area where the residents appear to believe that more is required. Various stakeholders discussed how the apparent trend is restaurants have been closing in the area. As a result, residents shared their thoughts on the number of restaurants in the community are limited and given their geographic location along the Trans Canada Highway, the Township does not have a rest area for transport traffic. In general, residents expressed a concern that the current state of their hospitality sector with limited choices may not appear to be appealing to anyone travelling through the area.

3. The current housing stock needs to be diversified

Various stakeholders and community members discussed the current housing stock. One type of housing which appears to be desired but not currently present is seniors housing. A number of community members remarked that the Township's seniors do not appear to have options when they can no longer remain in their homes. Community members discussed the perceived need for seniors housing within the community to allow for older residents to remain in the Township opposed to looking to neighbouring communities for suitable housing.

4. The Municipal Airport is perceived to be an under-used asset

The Township has a municipal airport and its current use is mainly for private aircraft users. Consistently, members of the community and stakeholders commented on how they believe the airport is not being used to its full potential. A variety of ideas were shared by community members with respect to the airport and included seeking out educational opportunities located at the facility (flight schools) and using the facility as part of the Township's tourism strategy.

5. Similar to the Municipal Airport, the Township may not be maximizing the potential of its waterfront

There were two opportunities explored with respect to the Township's waterfront. First, residents and stakeholders brought forward the idea of exploring whether or not there was any potential in developing lots for waterfront development. The second opportunity looked at the waterfront from a different perspective but instead of looking at housing development, community members expressed the need for recreationally based businesses such as a marina for any watercraft users and the potential for a business that host water-based activities and/or rental access to various watercrafts such as canoes, kayaks, etc.

Key Themes of the Community Consultations

The following is a summary of the key themes identified as part of the consultation sessions:

6. The Township is in the process of becoming more investment ready

Throughout the consultations, community stakeholders identified local issues that it would appear they believe need to be addressed as the Township begins to seek investment. However, residents expressed opinions which appear to reflect a desire for investment in their community. Residents provided their thoughts about the Township's main corridor and many appear to believe it is in need of beautification. Community members provided their opinions on the corridor expressing that they did not feel that it is welcoming to visitors to the community. Residents at the public consultation session believe that the Township may need to play a more active role in enforcing property standards and bylaws across the community to better reflect a municipality who is investment ready and attractive to those considering any opportunities in the Township.

During those sessions, the Township acknowledged the concerns of the residents and provided an update as to the steps that the Township was taking to address them including the adoption of a Community Improvement Plan with the intent of community beautification and ensure an environment ready for investment.

7. Council appears to be in support of all of the Township's initiatives underway

With the Township undertaking a number of plans and studies with an objective of long-term sustainability of the municipality, Mayor and Council play a crucial role in ultimately being the body that will decide upon the Township's direction and providing the financial support necessary to potentially achieve this objective. Given the role of Mayor and Council and based upon consultations with each member of Council, it appears Mayor and Council support the Township's economic development activities and appear willing to commit the necessary financial support to do so. In our experience, political support is a requirement for any potential success.



Potential Opportunities

Potential Opportunities

For the purposes of the analysis and the Township's consideration, each potential opportunity was identified and developed as a result of KPMG's environmental scan of the community in conjunction with the results of the community consultations. Based on the project's objectives, three potential opportunities were to be developed to provide the Township with a framework to pursue each. The three potential opportunities identified for the Township's purposes were:

1. The potential development of a seniors housing complex;
2. The potential development of the Township's waterfront; and
3. The potential attraction of new retail to the Township.

The framework used to assist the Township in its potential pursuit of each is:

- Sector and nature of the potential opportunity
- Identified need and rationale
- Potential implementation action items
- Opportunity benefits and/or risks
- Potential timeframe
- Consistent with the community
- Other Considerations

In addition to the development of the three potential opportunities, other opportunities which the Township may wish to give consideration to are identified within this chapter and include:

1. Airport development;
2. Tourism sector;
3. Hospitality sector; and
4. Health care development.

Potential Opportunities

Sector and Nature of the Opportunity	Housing – The potential development of Seniors Housing within the Township
Identified Need(s) and Rationale	<p>In consultation with the community and as part of an environmental scan of the municipality, the current housing stock of the Township does not appear to include any senior housing. As a result, if a resident desires seniors housing, they are required to choose other communities in the Kenora District who have this type of housing opposed to being able to remain in the community with their social network.</p> <p>The demographics of the Township appear to resemble those of other municipalities across Ontario whereas a larger proportion of Ontario’s residents are considered to be seniors. Based on the last Census, 23% of the Township’s population was 65 years or older and 31% of the population was between the ages of 50 to 64 years old. As this population shift continues, the needs of these residents will change.</p> <p>Additionally, it appears the demand for housing is high in the District according to the Kenora District Services Board and depending on what type of unit is being sought, an applicant may be on a waiting list for months if not years.</p> <p>In summary and based on our experience, municipalities are looking to address this need with the development of seniors housing.</p>

Potential Opportunities

Sector and Nature of the Opportunity	Housing – The potential development of Seniors Housing within the Township
Potential Implementation Action Items	<p>Based on our experience, the municipality assumes an active role in the pursuit of this type of housing. In some cases, the municipality coordinates the pursuit of the project but may not want to be the owner of the building and look to either establish a corporation or seek out a private sector interest. Regardless of ownership, there are a number of action items for the Township's consideration and the following potential action items are listed below:</p> <ul style="list-style-type: none"> • Determination of whether or not the Township has a suitable building within its current housing stock • Determination where or if the Township has a suitable site for the potential development of a complex • Consultations with the Kenora District Services Board: <ul style="list-style-type: none"> • To determine the availability of potential funding through the Affordable Housing Program for the initiative as well as identify any other funding opportunities may exist • To discuss the potential need in the area including the current status of the waiting list and the desired unit type (one bedroom vs two bedroom units) • Potential development of a feasibility study to support requests for funding from senior levels of government and to assist in determining the level of need and cost of a complex in the Township • Potential development of a Request for Proposal document to seek out potential developers of a complex (dependent on the outcome of the feasibility study if conducted)
Opportunity Benefits and/or Risks	<p>Benefits:</p> <ul style="list-style-type: none"> • The creation of new housing stock and the increased assessment for taxation purposes • Allows residents to age in place • May create an environment for further health sector economic spin off • Assist in addressing a demand of housing across the Kenora District but in particular, in the Township <p>Risks:</p> <ul style="list-style-type: none"> • Provided housing units are built that allow for repurposing (not specifically seniors' housing), there are no risks associated with this opportunity.

Potential Opportunities

Sector and Nature of the Opportunity	Housing – The potential development of Seniors Housing within the Township
Potential Timeframe	The Township could commence the planning for this initiative in the current year. The realization of this opportunity would be contingent on a number of the action items listed above as well as other plans and studies the Township has in development.
Consistent with the Community	Yes – Throughout the community and stakeholder consultations, community members discussed the lack of seniors housing within the community. As a result of this gap, when a community member decides that they can no longer remain in their homes, it appears that many decide to leave the community and move to municipalities that have housing which meets their current needs.
Other Considerations	<ul style="list-style-type: none"> • Based on our experience, a number of small municipalities (with similar demographics to the Township's) across Northern Ontario have pursued and subsequently developed this type of housing in their respective communities. • The Township is in the process of updating its Official Plan and developing a Community Improvement Plan. The Township may wish to give some consideration to this opportunity as the Township moves through this process. These plans will potentially provide the Township with additional tools/incentives to assist in the development of the initiative. • If the Township should grow as a result of either the successful pursuit of the used nuclear fuel repository and/or any benefits from the Ring of Fire, there exists the potential for an increased need for a more diverse housing stock

Potential Opportunities

Sector and Nature of the Opportunity	Housing and Tourism – The potential development of the Township’s waterfront
Identified Need(s) and Rationale	<p>The Township has previously explored the potential of developing waterfront properties for residential/seasonal housing but based on information shared during the project, it appears that initial work has begun and the Township continues to explore this as a viable opportunity.</p> <p>Additionally, the Township’s waterfront, beyond any potential for housing development, may be positioned for business development including the potential for a marina for both residents but also as part of a larger investment to attract tourism and other recreational activities.</p> <p>As the Township moves forward with its tourism strategy, both of these initiatives may become important components to realizing the goals and objectives of the strategy.</p>
Potential Implementation Action Items	<p>Based on our experience, the municipality assumes an active role in the pursuit of this type of housing. To potentially realize this opportunity, the following potential action items are listed below:</p> <p>For waterfront development:</p> <ul style="list-style-type: none"> • It appears that the Township has yet to fully develop a Geographic Information System (GIS). The Township may want to consider making use of GIS in order to take an inventory of available parcels of land for the purposes of housing development and what municipal services may or may not be available. • Initiate a discussion with the Province to determine the suitability of such a development. The Ministries of Natural Resources and Forestry, the Environment and Climate Change and Municipal Affairs and Housing may be identified as part of this exercise. • Provided that the first two action items can be accomplished, the Township may wish to identify potential third party developers who could assist in the development of the waterfront.

Potential Opportunities

Sector and Nature of the Opportunity	Housing and Tourism – The potential development of the Township’s waterfront
Potential Implementation Action Items	<p>Based on our experience, the municipality assumes an active role in the pursuit of this type of housing. To potentially realize this opportunity, the following potential action items are listed below: For the attraction of business development on the Township’s waterfront:</p> <ul style="list-style-type: none"> • Similar for any potential housing development on the waterfront, the Township may wish to consider consulting the provincial ministries listed above to ensure this type of development is permitted on the municipality’s lakes • As noted below, the adoption of the Township’s Community Improvement Plan may be necessary to allow for the Township to potentially provide financial incentives to attract a potential business/investor • Development of a Request for Proposal document to potentially seek out an interested party <ul style="list-style-type: none"> • The Township may want to consider community consultations as to what type of recreational businesses they are seeking
Opportunity Benefits and/or Risks	<p>Benefits For waterfront development:</p> <ul style="list-style-type: none"> • The construction of new waterfront homes, if achieved, will increase the total assessment base of the Township, resulting in increased taxation and user fee revenues <p>For tourism based development:</p> <ul style="list-style-type: none"> • Increased commercial assessment for the purposes of property taxation • Increased commercial activity which potentially lead to new service based services for the community • Increased employment opportunities for the community • For potential investors, there exists the potential of being “first to market” in the community and address a community need <p>Risks</p> <ul style="list-style-type: none"> • There are no risks associated with this opportunity.
Potential Timeframe	Planning for this opportunity could begin in 2018. The realization of this opportunity would be contingent on a number of the action items listed above as well as other plans and studies the Township has in development.

Potential Opportunities

Sector and Nature of the Opportunity	Housing and Tourism – The potential development of the Township’s waterfront
Consistent with the Community	Yes – There appears to be a desire within the community to make better use of the Township’s lakes and property surrounding.
Other Considerations	<ul style="list-style-type: none">• The Township is in the process of updating its Official Plan and developing a Community Improvement Plan. The Township may wish to give some consideration to this opportunity as the Township moves through this process.

Potential Opportunities

Sector and Nature of the Opportunity	Retail – The potential attraction of business to the community
Identified Need(s) and Rationale	<p>As the Township positions itself for growth and development the potential for increased investment is justifiable. This potential is linked to the Township's pursuit of the used nuclear fuel repository, the promotion of Highway 599 as the best route to the Ring of Fire development, the community's untapped tourism potential and the fact that Ignace is centrally located along the Trans-Canada Highway, allowing for easy access to larger markets. Additionally, based upon a scan of the current composition of local business as well as stakeholder consultations, the Township appears to be in need of more retail.</p> <p>The Township recognizes the need for investment and as a result, has established and adopted an innovative and comprehensive Community Improvement Plan with the necessary tools and financial incentive programs to encourage investment in this sector and the community as a whole.</p>
Potential Implementation Action Items	<p>Based on our experience, the municipality assumes an active role in the pursuit of this type of initiative. To potentially realize this opportunity, the following potential action items are listed below:</p> <ul style="list-style-type: none"> • Identification of available properties for retail purposes including the identification of what improvements may be required • As noted below, the adoption of the Township's Community Improvement Plan may be necessary to allow for the Township to potentially provide financial incentives to attract a potential business/investor • Development of a Request for Proposal document to potentially seek out an interested party

Potential Opportunities

Sector and Nature of the Opportunity	Retail – The potential attraction of business to the community
Opportunity Benefits and/or Risks	<p>Benefits</p> <ul style="list-style-type: none"> • Increased commercial assessment for the purposes of property taxation • Increased commercial activity which potentially lead to new service based services for the community • Increased employment opportunities for the community • Township has a number of surplus properties which can accommodate a variety of retail purposes • For potential investors, there exists the potential of being “first to market” in the community and address a community need <p>Risks</p> <ul style="list-style-type: none"> • There are no risks associated with this opportunity.
Potential Timeframe	Planning for this opportunity could begin in 2018 but may require the adoption of the Township’s Community Improvement Plan to assist in its implementation.
Consistent with the Community	Yes – Throughout the stakeholder consultations, it appears that the residents of the community desire more diversity within its retail sector.
Other Considerations	<ul style="list-style-type: none"> • The Township is in the process of developing a Community Improvement Plan. The Township may wish to give some consideration to this opportunity as the Township moves through this process. The CIP may provide the municipality with the necessary tools to seek out a potential investor. • If the Township should grow as a result of either the successful pursuit of the used nuclear fuel repository and/or any benefits from the Ring of Fire, there exists the potential for an increased need for a more robust retail sector.

Potential Opportunities

Other Opportunities

Airport Development

One municipal asset that was consistently referred to by community members as under-used was the Township's municipal airport and throughout the consultation process, a number of residents provided a series of potential airport-related initiatives that the Township may wish to explore. While residents appear to recognize some of the challenges its airport faces but mainly its close proximity to the Dryden Regional Airport which has scheduled flight service, many appear to believe potential initiatives exist and those initiatives include:

- The potential usage of the airport for educational purposes. Based on anecdotal information provided during the consultations, Confederation College approached the Township in the past with the intent of using the municipality's airport as part of its aviation program. An agreement was never reached between the two parties but residents with experience in the industry believe that the Township may wish to explore re-visiting this in an attempt to increase usage of the airport.
- Another potential opportunity that the Township may wish to explore is the potential of seeking a third-party operator in an attempt to increase usage and traffic at the facility. The rationale provided during the consultations was bringing in a third party to oversee the operations may provide the Township to potentially benefit from that party's experience in aviation and ability to potentially increase usage at the airport.
- The Township intends on developing a tourism strategy as part of its Master Plan exercise and a common theme identified as part of the consultations was residents believe that the airport should be considered as a tool for tourism purposes and be positioned as such where it could be used to support the Township's hospitality and eco-tourism sectors.

Tourism Sector

Based upon a scan of the current state of the Township and anecdotal information shared through consultations, the Township's tourism sector appears to be focused on "hook and bullet" or traditional in its nature. During the consultations, a couple of ideas were raised by community members and included:

- Making better use of the Township's recreational facilities and incorporating the use of these assets for more recreationally based tourism. One example was seeking out hockey tournaments during the year.
- Expanding on traditional tourism for the Township and exploring opportunities related to adventure based tourism.

As the Township moves forward with its tourism strategy, this exercise may provide another opportunity for additional analysis and identification of opportunities.

Potential Opportunities

Other Opportunities

Hospitality Sector

Based on a scan of the current composition of the Township's hospitality sector coupled with feedback received from the community, the Township's hospitality sector appears to have gaps. Earlier within the report it was noted that the Township possesses the geographic advantage of being located on the Trans Canada Highway and it would appear based on community feedback, the Township may not be taking full advantage of this. In consulting with the community, the following were identified as potential needs for the Township:

- At the time of this report, the Township does not possess a 24 hour truck/rest stop. With the level of traffic passing through the community at given time of day, many believe the Township is missing out on an opportunity to provide service to vehicular traffic with a 24 hour rest stop.
- Similar to the perceived need for a rest stop, residents consistently remarked a need for another restaurant in the community. Based on anecdotal information shared during the consultations, the number of restaurants in the Township has declined over the past few years resulting in limited options for both residents and visitors.

From a pursuit perspective and dependent on a previously identified opportunity, the Township may wish to replicate the approach for diversifying its retail sector and apply it to its hospitality sector.

However, one of the key themes previously identified related to the perceived need for beautification of the Township by its residents. Residents at the public consultation session believe that the Township may need to play more active role in enforcing property standards and bylaws across the community to better reflect a municipality who is investment ready and attractive to those considering any opportunities in the Township.

Health Care Development

One potential opportunity identified by the Township and related stakeholders involved the health care sector but in particular, introduced the concept of the Township exploring the potential for a hospital opposed to the health centre currently providing health services. To accomplish this, the Township may wish to conduct a feasibility study with respect to its pursuit of a hospital. The Township recognizes that one potential barrier to this opportunity is population. If larger initiatives such as the location of a used nuclear fuel repository through the NWMO and/or any potential regional benefits associated with the Ring of Fire should not materialize or provide a significant increase in population, the Township may wish to shift its focus to other priorities.

Potential Opportunities

Other Opportunities

Opportunities Associated with Potential Growth

The potential of becoming the location of the used nuclear fuel repository and/or development related to the Ring of Fire mining project appear to present an opportunity to experience growth. As a result of this potential growth, the needs of the community will change. In consultation with the Township and its residents, it would appear that the following may be required to address the needs of residents – both permanent and temporary:

- Additional growth within the retail and hospitality sector – at the time of this report and identified earlier within this section, it appears that Township has some immediate needs based on what was shared as part of the consultations with the community. If the population should increase, those needs may also grow and may include the need for additional hotels (commentary was received during the consultations that a recognized brand may be more beneficial to the community), the potential for a second grocer as well as an increase in the number of restaurants in the Township.
- Childcare services – with the potential for an influx of residents to the community, the Township does not currently have licensed child care services or a daycare centre for young children. If the Township's population and demographics should change over time, there may exist opportunities for those interested in delivering child care services to the community.



Appendix A – Summary of Public Consultation

Appendix A – Summary of Public Consultation

- Beaches (eco-assets) – to market
- Airport – under used – in need of a strategy
- Location – along the Trans Canada Highway – geographic advantage
- Lacking
 - Beautification along corridor
 - Information/promotion
 - Rest stops
 - Food
 - Shopping
 - Entertainment/attractions
 - Tourism bureau/kiosk
- Businesses needed:
 - Clothing store
 - Hardware – to supply local contractors – local support needed
 - Brand name chain hotel (reliable/trustworthy); place with air miles booking; swimming pools
 - Restaurants – local food
- Optimizing local food production
- Dog parks (rec. infrastructure)
- Trails and signage
- Educate businesses on how to treat/interact with tourists
- Housing needs
 - Social housing
 - Seniors housing (economic impact of seniors leaving the community)
 - Financing for young people
 - Cottage lot development
- Tourism opportunities
 - Recreational sports (hockey, cross country skiing, snowmobiling) – seasonal rec activities
 - Recreational events
- Skilled trades/skill development – opportunities for universities/colleges
- Experiential tourism – survival skills, blueberry picking
- Education – keeping schools open
- Goodwill store (donations)
- General rental store
- Waterfront development
 - Watersports (activities, equipment)
 - Kids activities, play structures
- A bank

Appendix A – Summary of Public Consultation

- Pulley system at Tower Hill
- Develop Tower Hill
- Paintball course/arena
- Winter events (White Otter Castle) – develop/promote
- Night club/sports bar – young people/social life
- Youth drop in centre
- Youth programs
- Day care facilities
- Development of an industrial area
- Recycling programs – valuable metals
- Truck repair
- Truck stops (meals, showers, etc.)
- 24 hour stores
- Renovated/upgraded buildings and homes
- Resources for tradespeople
- Rental properties (availability) – increased housing stock



Contacts

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