
Photo: The Dryden Regional Training and Cultural Centre, Courtesy of the DDC, 2015.

Dryden Development Corporation – Economic Development Strategic Plan

September 14, 2015

Contents

List of Acronyms

CD – Census Division

CSD – Census Subdivision

DDC – Dryden Development Corporation

DDCC – Dryden District Chamber of Commerce

FDI – Foreign Direct Investment

LMI – Labour Market Information

NAICS – North American Industry Classification System

NHS – National Household Survey

NOC – National Occupational Classification

NOC-S – National Occupational Classification for Statistics

NTAB – Northwest Training and Adjustment Board

R&D – Research and Development

1 Executive Summary

As a regional centre in northwestern Ontario, Dryden has built and maintained a competitive infrastructure to support primary industries, including forestry and mining, along with a robust service sector and emerging knowledge based activities. And yet, the City of Dryden, like so many communities across Ontario, is faced with limited financial resources to directly support the wide array of economic opportunities available to the community. In this context, the Dryden Development Corporation (DDC) has retained the services of Millier Dickinson Blais to examine the city's economic base and prepare a five year economic development strategy.

This report gives due consideration to investment attraction, but also promotes a range of activities all designed to bolster Dryden's economy and ensure long term local economic prosperity.

Economic development in northern Ontario is operating within an increasingly competitive landscape. Communities are battling one another for not only investment, but for the next generation of workers. In recent years, with limited capacity and resources, the DDC has struggled to effectively deliver on its mandate. Moving forward, the DDC must re-tool and re-establish its reputation as a leading economic development organization. In this context, it is recommended the DDC focuses on improving the City's economic development fundamentals. This includes relationship building with the local business community, workforce development, investment readiness, and leveraging regional partnerships.

Like many communities in northern Ontario, Dryden has relied on large resource extraction businesses, primarily in the forestry and mining sectors, for economic sustainability. Recent improvements in the US economy have led to some re-investment, but the prolonged downturn and closure of many forestry manufacturers have reduced capacity to meet the potential demand. Furthermore, a challenging commodities market and related investor uncertainty have led to a lull in mining activity.

The prospects for Northern Ontario are optimistic with increased demand for wood to support U.S. housing starts, but are tempered by globally soft mineral prices, which have stunted mining investment and activity.

These economic conditions in combination with Dryden's limited state of investment readiness have shaped the short term priorities of this economic development strategy. Over the longer term, however, as Dryden's economic development program is re-established, and the US economy moves past recovery, there will be considerable opportunities associated with forestry bio-materials and regional mining operations.

To understand how Dryden can benefit from these medium-term economic opportunities, the community's competitive advantages and disadvantages have been summarized in Figure 1.

FIGURE 1 DRYDEN 'S SELECTED COMPETITIVE ADVANTAGES AND DISADVANTAGES

Competitive Advantages	Competitive Disadvantages
Active forestry harvesting contractors, maintaining capacity and expertise in the forestry industry	Deterioration of municipal relationships with economic development partners
Operating forestry manufacturer, Domtar	Legacy municipal financial constraints
Relatively central location in western area of northwestern Ontario	Population aging and lack of replacement workers; concentration in 50-54 years and gap from 20-40 years
Strength of retail supply and service sector, including accommodations and restaurants	Relatively low presence of arts, entertainment and recreation businesses; professional, scientific and technical services; and transportation and warehousing
Airport infrastructure and operations; partially serviced and fully serviced industrial lands	Some economic opportunities exist outside municipal boundaries, limiting benefits in terms of tax assessment
Number and potential scale of mining exploration projects in the region surrounding Dryden	Increased 2014 tax rate for large industrial businesses is well above the rate charged by neighbouring communities
Cloverbelt Food Co-operative's impressive work in developing agriculture distribution system	

When developing an economic development strategic plan, competitive advantages are considered important strengths to leverage, while strategies are developed to mitigate competitive disadvantages. For example, Dryden's location is consistently identified as its leading competitive advantage. To achieve its potential as a regional centre, and the associated concentration of goods, services and employment, Dryden's competitive disadvantages need to be addressed. Through research and community engagement, crucial barriers to Dryden's competitiveness have been identified.

Dryden's demographic profile was compared with the surrounding communities of Fort Frances, Kenora, Sioux Lookout, and Thunder Bay…

Poor relations with local industrial operators are one example of a competitive disadvantage. These relationships are easily unearthed by site selectors and regional investors. Poor relations warn potential investors that they may encounter difficulties if they bring business to the community or invest in expansions to existing facilities. Manufacturing investment is mobile, and Dryden is in a fierce competition to retain investment; positive relationships and fundamentals like competitive taxation rates, can make the difference. Business relationships are within the community's ability to influence. Accordingly, improving these relations are identified as a priority within this strategy.

Dryden's median age of 45 is the oldest among these regional communities and well above the provincial average

Further, Dryden's demographic profile was compared with the surrounding communities of Fort Frances, Kenora, Sioux Lookout, and Thunder Bay. The comparison showed that Dryden has an older population, with a lower percentage of youth in the community, indicating that Dryden appears to have more challenges retaining its youth. Dryden's median age of 45 is the oldest among these regional communities and well above the provincial average of 40.4. An aging community presents economic opportunity in that seniors are seeking particular business services and housing to meets their needs. At the same time, investors consider the presence of a current and future workforce as an important asset, and these demographic trends put Dryden at a disadvantage when it comes to attracting and retaining investment. Workforce development strategies are often implemented at a regional level;

accordingly, the DDC is advised to work with the Northwest Training and Adjustment Board to strengthen the local and regional workforce.

This Economic Development Strategy comprises a number of actions intended to mitigate Dryden's challenges and build on it strengths. The figure below outlines the umbrella areas for action. The highest priority actions in these areas are then described.

FIGURE 2: DRYDEN'S PRIORITY ECONOMIC DEVELOPMENT OPPORTUNITIES

Commitment to Service Excellence and Increasing the City's Economic Development Capacity

The DDC needs well-equipped economic development staff, including an experienced manager, because an important part of economic development is about establishing point people known in the region and investing in long term relationships. The DDC must re-tool to return to a state of investment readiness and update the programs, materials, and tools which are generally outdated.

Highlighted Actions

- Hire a full time Economic Development Manager (roles and responsibilities for this position are detailed in the Appendix)

- Review and refresh the DDC website design and contents
- Update and maintain a ‘shovel ready’ development land inventory
- Educate and engage Council and Senior Staff to create a customer service culture

Ensuring Inclusivity and Strengthening Relationships

There are tremendous partnership opportunities to be leveraged with the Aboriginal communities of northern Ontario. Dryden is home to over 1,200 Aboriginal people and Aboriginal populations are well represented in neighbouring districts and municipalities. A series of First Nations communities are also in close proximity to Dryden. The City of Dryden must take pro-active measures to ensure the common perception that Dryden is inclusive and open to diversity.

Highlighted Actions

- Support the creation of a City department responsible for “Equity, Diversity and Inclusion”
- Encourage the City to liaise with the senior leadership of Sioux Lookout to discuss best practices and lessons learned regarding community inclusivity initiatives
- Facilitate a more sustainable relationship between regional Aboriginal communities, local/provincial governments, post-secondary institutions, and the business community by understanding Aboriginal priorities for economic development, and brokering connections with key non-aboriginal organizations and institutions
- Facilitate connections between Aboriginal training providers and educational institutions as a means of expanding and enhancing available programming to match current and anticipated needs in the local labour force
- Identify opportunities for Aboriginal and non-aboriginal collaboration on major economic development projects and opportunities for Dryden that align with the goals of regional First Nations communities

Supporting Local Businesses

The DDC should continue the current business retention and expansion program, but replace the Dryden District Chamber of Commerce (DDCC) as the lead facilitator. The BR+E will become an umbrella under which a number of business supporting activities led by the DDC will occur. Examples include: tailored business workshops, and shared industry training, and local business networking.

Highlighted Actions

- Engage regular communications with existing businesses, maintain on-going dialogues and develop a business culture within the City
- Coordinate with the DDCC about continued BR+E activities to establish roles and responsibilities
- Follow up with businesses identified in BR+E survey that are considering expansion

Workforce Development

The DDC has a significant role to play in workforce development due to the community's aging workforce and youth retention challenges. The DDC has a responsibility to support or champion any workforce related initiative that will directly benefit Dryden's business community and inform future program design and delivery by the region's network of educators and employment service providers.

Highlighted Actions

- Support activities of the new Dryden Area Young Professionals Network
- Promote the Northern Ontario Youth Entrepreneurship Initiative
- Create a marketing campaign that highlights employer benefits of investment in employee training
- Promote apprenticeship and educate employers on the free services available to them
- Ensure awareness among local businesses of the importance of organizational memory. Provide workshops that seek to minimize the impact of retirees

Targeting Economic Opportunities

"Targeted Economic Opportunities" contains a wide spectrum of opportunities which have presented themselves throughout the strategic planning process. Admittedly it is a broad statement of focus; however, the importance of this array of opportunities must be emphasized as the City becomes more pro-active in its approach to development. In the years ahead, Dryden will strengthen its economy with initiatives that leverage traditional areas of strength while cultivating new and emerging economic opportunities.

Highlighted Actions

- Downtown Development: Maintain and rejuvenate Dryden's Downtown, and advance the implementation of Dryden's Municipal Cultural Plan
- Seniors Services and Housing: Address service gaps, improved access to services and improved the quality of life for seniors
- Industrial and Commercial Development: Maximize tax assessment from serviced employment lands, encourage office space to support Lone Eagles, and foster an environment for small business growth
- Regional Approach to Development: Work with other communities and organizations in the region to enhance regional competiveness, build and maintain relationships with the region's economic development and planning community
- Local and Regional Tourism: Strengthen local tourism product and advance related marketing efforts, cross linking and networking of regional tourism offerings, and advance local sports tourism
- Airport: Maximize airport related activities and increase related municipal revenues
- Local and Regional Food Network: Support the growth of local and regional food networks, and leverage the Cloverbelt brand to enhance Dryden's value proposition

Photo: Dryden Aerial shot, Courtesy of the DDC, 2015

2 Introduction

As a regional centre in northwestern Ontario, Dryden has built and maintained a competitive infrastructure to support primary industries, including forestry and mining, along with a robust service sector and emerging knowledge based activities. And yet, the City of Dryden, like so many communities across Ontario, is faced with limited financial resources to directly support the wide array of economic opportunities available to the community. In this context, the Dryden Development Corporation (DDC) has retained the services of Millier Dickinson Blais to examine the city's economic base and prepare a five year economic development strategy.

In this sense, this project is a means to optimizing Dryden's economic development capacity by prioritizing economic opportunities and supporting them with clear action plans. To maximize effectiveness, the DDC must prioritize those with the greatest return on investment and marshal resources accordingly. Recognizing that the nature of economic development in North America is changing, this is not a straight forward exercise. Today, economic development has moved well beyond business attraction towards activities that build economies from within. Increasing emphasis is placed on innovation, knowledge, creativity, talent, and fostering entrepreneurial skills. This shift from the "production of goods and commodities" to less tangible knowledge and creative-based economies has contributed to a diversity of economic development practices which fall under the umbrella of "economic gardening" and "business retention and expansion". In this light, the following report gives due consideration to investment attraction, but also promotes a range of activities designed to bolster Dryden's economy and ensure long term local economic prosperity.

This report gives due consideration to investment attraction, but also promotes a range of activities all designed to bolster Dryden's economy and ensure long term local economic prosperity.

2.1 Why this needs to be a Living Document

This Economic Development Strategy is a foundation on which to continue to develop a prosperous local economy. The activities included in the action plans all have a time line so that they can be prioritized and resources allocated appropriately. That being said, it is important to recognize that the Strategy should not be treated as a static document. The findings in this report should continually be re-assessed as the context of Dryden changes, including changes in the economy, demographics, and provincial and regional developments. By treating the Strategy as a living document, the City of Dryden and its Economic Development Corporation can ensure that the findings remain relevant and contribute towards the overall objectives of supporting the continued economic prosperity of Dryden.

2.2 Methodology

The methodology used to develop this Strategy combined research and analysis of the current context in Dryden, and the province, with a comprehensive consultation and engagement process with business and community leaders and regional organizations. These efforts provided a foundation for informed strategic directions for Dryden, and actions to implement those directions.

FIGURE 3 PROJECT METHODOLOGY

The detailed components of the methodology include:

- **Project Launch -** Project initiation, work plan, outreach consultation plan and confirmed report outline
- **Research and Engagement -** Background review, economic base analysis, targeted foreign direct investment (FDI) assessment, two focus groups, an online business survey and key interviews
- **Strategic Directions & Action Planning** - SWOT analysis, competitive advantages and disadvantages, selection of future directions and opportunities, action planning and draft final report to the DDC
- **Project Conclusion** - Finalizing the Economic Development Strategic Plan and final presentation to the DDC

2.3 Report Structure

The Economic Development Strategy is organized into seven sections:

Section 3 provides an overview of the local and regional economy and how Dryden is situated within that economy. The demographic, economic, and labour force profile for Dryden is also presented.

Section 4 outlines the results of the consultation activities conducted as part of this study. Common themes among interviews, focus groups and online surveys are presented in summary form. The full results are provided in the report's Appendix.

Section 5 identifies the city's strengths, weaknesses, opportunities and threats. The discussion details Dryden's competitive position. The section concludes by underscoring the importance of a diversified approach to economic development. In this context, Dryden's opportunities for FDI are described with cautious optimism.

Section 6 introduces the guiding contextual considerations for economic development in Dryden. It then presents the critical path steps required to advance a progressive economic development agenda.

Section 7 provides distinct actions plans to support each of the critical path steps outlined in section 6.

A number of **Appendices** are also included with additional information that expands on the sections presented in the main body of the report.

Photo: Dryden Sunset, Courtesy of the DDC, 2015.

3 Where Are We Now?

3.1 Local Context

Dryden's economy is significantly tied to natural resource based economic activity, specifically the forestry and mining sectors. There are exciting innovations emerging in forestry manufacturing, although quickly evolving and challenging to capture, and the mining extraction shows good medium term potential to be a renewed economic driver.

In the near term, Ontario's economy is poised to benefit from a series of external factors including: lower oil prices, lower Canadian dollar, and a stronger U.S. economy. Southern Ontario is expected to benefit from steadily growing populations supported by industry growth in manufacturing, agriculture, and tourism. The prospects for Northern Ontario are optimistic with increased demand for wood to support U.S. housing starts, but are tempered by soft mineral prices, which have stunted mining investment.

…it is critical [for the forestry industry] to identify and aggressively pursue low-volume, high-value co-products.

The Forestry Producers Association of Canada has extensively researched the future of the forestry sector, finding that traditional wood production facilities must evolve to survive. In the case of pulp mills this means moving into bio-chemical manufacturing, where new bio-chemical products increase the profitability of existing facilities. These results are echoed in a recent report by FPInnovations, "… it is critical [for the forestry industry] to identify and aggressively pursue low-volume, high-value co-products."[1] Forestry manufacturing is now a global business and investment appears to be flowing away from Canada[2]. Evolving to compete in this new global environment is the challenge facing Northern Ontario's forestry industry. Unfortunately, many forestry operations in the region have been shuttered over the past 10 years. Forestry investment in capital and repairs in Ontario has been reduced by approximately 24% since 2004, when expenditures reached over $1,200 million dollars annually.

Dryden has the oldest median age amongst regional communities and well above the provincial average

The mining sector is currently in a contractionary cycle, and although significant deposits are located throughout Northern Ontario including but not limited to the "Ring of Fire", a series of mineral deposits in the James Bay Lowlands valued at more than $9 billion in GDP over only 10 years[3], development of these assets has largely stalled. The mining sector has been in a contractionary cycle for more than five years, facing many challenges including, "price volatility, geopolitical turmoil, rising costs, declining grades and a general lack of access to financing", as outlined recently by Deloitte[4]. Exploration activities near Dryden are well positioned to beat this trend, if financing can be secured to move the projects forward.

Without concrete news on the much anticipated investments in mining extraction operations, and facing an anemic recovery in forestry, Northern Ontario communities

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[1] Bio-energy and Bio-chemicals Synthesis Report, FPInnovations, 2011

[2] See the FDI report beginning on page 87 showing investment by Canadian firms into other countries

[3] Where are we now? A Report Card on the Ring of Fire, Ontario Chamber of Commerce, 2015

[4] Tracking the trends 2015: The top 10 issues the mining sector will face this year, Deloitte, 2015

must work hard to diversify other aspects of their local economies and retain their workforce and business communities. Communities that build and retain their community assets during this difficult time will be prepared for new economic opportunities as global economic trends improve, which they are expected to do.

3.2 Demographics

3.2.1 Demographic Profile

Dryden's workers with a university certificate, diploma or degree are relatively well paid.

As of 2011, the demographic structure (Figure 4) of Dryden was considerably different from the overall structure of Ontario and its regional counterparts (For this study, Dryden was consistently compared with Fort Frances, Kenora, Sioux Lookout, and Thunder Bay. The complete results of these comparisons can be found in the Appendix). The most notable demographic findings include:

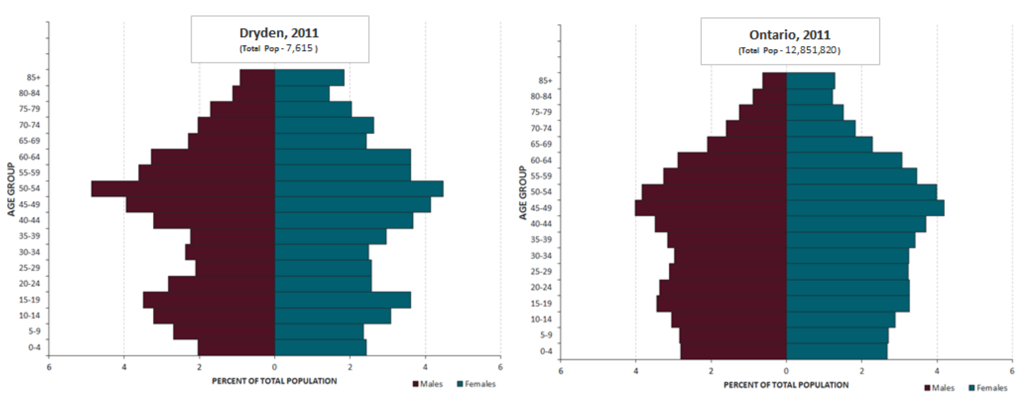
- The median age of Dryden's population is 45. This is the oldest median age amongst regional communities and well above the provincial average (40.4).
- Dryden has a relatively high number of elderly dependants. At the same time, Dryden has a relatively low number of young dependants (except 15-19 year olds).
- Dryden's working age population is smallest for those age cohorts between 25 and 39 years of age, which is likely the result of consistent youth out migration.
- Population aging and the lack of a replacement workforce is a considerable challenge facing Dryden's economy.
- Dryden's population has declined by 7.1% since 2006. This is the greatest population decline amongst its regional counterparts.

Nearly one third or 1,110 members of Dryden's employed workforce are between the ages of 45 and 54.

These population trends play a significant role in the public policy and infrastructure development needs of Dryden. Dryden, for example, will need to focus on providing services to seniors to allow them to age in place. Efforts on job creation and retention also need to be strengthened for Dryden to retain its resident labour force.

Dryden's population has declined by 7.1% since 2006. This is the greatest population decline amongst its regional counterparts.

FIGURE 4 POPULATION AGE PYRAMIDS FOR SELECTED GEOGRAPHIES, 2011



Source: Statistics Canada; 2011 Census of Population. Adapted by Millier Dickinson Blais Inc. 2015.

In terms of education, when compared to the provincial average, Dryden has a relatively high proportion of its population with an apprenticeship or trades certificate.

Accordingly, Dryden's population has relatively low rates of education at the bachelor degree or above.

Dryden's median income of $33,359 is in line with its regional counterparts and the provincial average. Dryden's workers with a university certificate, diploma or degree are relatively well paid. These elevated compensation levels may be the result of difficulties with local talent attraction.

3.3 Labour Force Profile

Dryden supports relatively few workers in recreation, arts and culture. This is concerning given the City's ambitions to develop a more robust tourism sector.

As of 2011, Dryden's employed workforce totaled 3,635 people. Of that number, 3,340 were employed by a business while the remaining 290 were self-employed. Nearly one third or 1,110 members of Dryden's employed workforce are between the ages of 45 and 54. This is contrast to the small proportion (13.8%) of the employed workforce between the ages of 15 and 24.

The figure below shows Dryden's employment base is concentrated in sales and service and education related occupations. At the same time, Dryden's traditional strengths in forestry and trades oriented activities are also reflected in the city's employment composition. Occupations tied to hospital functions are also well represented with notable concentrations of registered nurses and paramedical occupations. On the other hand, Dryden supports relatively few workers in recreation, arts and culture. This is concerning given the City's ambitions to develop a more robust tourism sector.

FIGURE 5 DRYDEN'S OCCUPATIONAL COMPOSITION BY NOC, 2011

Occupational Grouping (1 digit NOC)	Employment
0 Management occupations	265
1 Business, finance & administration occupations	495
2 Natural & applied sciences & related occupations	135
3 Health occupations	185
4 Occupations in education, law & social, community & government services	730
5 Occupations in art, culture, recreation & sport	30
6 Sales & service occupations	945
7 Trades, transport & equipment operators & related occupations	600
8 Natural resources, agriculture & related production occupations	130
9 Occupations in manufacturing & utilities	120
Total Employment	

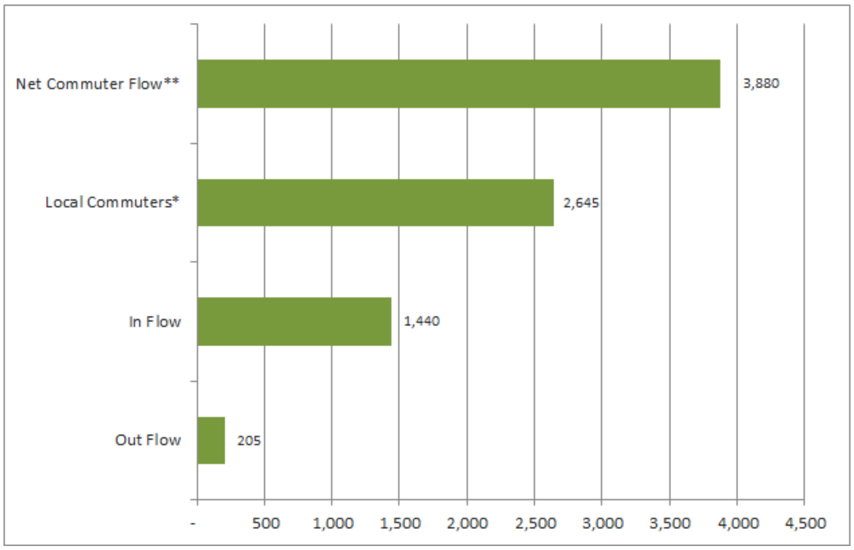
Source: Statistics Canada; 2011 NHS Custom Data Table - 99-012-X2011054. Adapted by Millier Dickinson Blais Inc. 2015.

Besides the occupational composition of Dryden, the more important consideration with respect to Dryden's economic positioning, centers on commuting flows. On any given work day, for those workers with a fixed place of work, Dryden imports approximately 1,440 people from neighbouring jurisdictions. This speaks to Dryden's positioning as a regional centre for not only business and personal services, but also employment. To this end, Dryden directly employs at least 1,340 people from the Unincorporated District of Kenora.

Recognizing Dryden is supported by a well-integrated regional labour market is fundamental to economic development and labour market strategic planning. In this sense, the decisions made and actions taken by the City of Dryden have direct consequences for neighbouring communities and their residents.

Dryden imports approximately 1,440 people from neighbouring jurisdictions. This speaks to Dryden's positioning as a regional centre for not only business and personal services, but also employment.

FIGURE 6 COMMUTER PATTERNS FOR DRYDEN, ONTARIO, 2011



*Note. Local commuters are those workers who live and work in the same community.

**Note. Net commuter flow are total commuters minus out flow

Source: Statistics Canada - 2011 National Household Survey. Catalogue Number 99-012-X2011032.

3.4 Economic Composition

3.4.1 Local Business Assessment

In terms of the total number of businesses with or without employees, Dryden's top industrial sectors include: real estate and rental and leasing; retail trade; other services (except public administration); construction; and health care and social assistance.

Although in terms of businesses with employees, which is a more stable representation of a local economy, the following sectors (identified in Figure 7) exhibit the highest proportion of establishments in Dryden as of 2014:

- Retail Trade (69 businesses, 18% of subtotal or those businesses with employees)
- Other services (except public administration; 51 businesses, 13% of subtotal)
- Construction (43 businesses, 11% of subtotal)
- Health care and social assistance (40 businesses, 10% of subtotal)

- Accommodation and food services (39 businesses, 10% of subtotal)

FIGURE 7 DRYDEN CANADIAN BUSINESS PATTERNS INDUSTRY BREAKDOWN, DECEMBER 2014

NAICS Code	Description	Total	Ind.	Subtotal	1-4	5-9	10-19	20-49	50-99	100-199	200-499
11	Agriculture, forestry, fishing and hunting	41	28	13	8	1	1	3	0	0	0
21	Mining, quarrying, and oil and gas extraction	2	1	1	0	0	1	0	0	0	0
22	Utilities	5	4	1	1	0	0	0	0	0	0
23	Construction	80	37	43	20	14	8	1	0	0	0
31-33	Manufacturing	11	4	7	3	1	1	1	0	0	1
41	Wholesale trade	31	11	20	9	4	5	2	0	0	0
44-45	Retail trade	102	33	69	23	19	14	8	3	1	1
48-49	Transportation and warehousing	45	19	26	9	5	9	3	0	0	0
51	Information and cultural industries	7	4	3	0	0	2	1	0	0	0
52	Finance and insurance	39	25	14	7	1	2	3	1	0	0
53	Real estate and rental and leasing	112	101	11	9	1	0	1	0	0	0
54	Professional, scientific and technical services	51	29	22	18	3	1	0	0	0	0
55	Management of companies and enterprises	10	9	1	1	0	0	0	0	0	0
56	Administrative and support, waste management and remediation services	20	7	13	7	1	3	2	0	0	0
61	Educational services	7	2	5	2	2	0	0	1	0	0
62	Health care and social assistance	63	23	40	18	10	5	4	2	0	1
71	Arts, entertainment and recreation	7	2	5	1	2	1	1	0	0	0
72	Accommodation and food services	61	22	39	6	9	14	8	2	0	0
81	Other services (except public administration)	91	40	51	30	14	5	1	0	1	0
91	Public administration	2	0	2	0	0	0	1	0	1	0
	Total	**787**	**401**	**386**	**172**	**87**	**72**	**40**	**9**	**3**	**3**

Source: Canadian Business Patterns, Dec 2014. Adapted by Millier Dickinson Blais Inc. 2015.

While manufacturing does not support a large number of operations, it is one of the city's largest employers, with Domtar reporting 200-499 jobs related to the processing of pulp. The hospital is the other single largest employer in Dryden.

While manufacturing does not support a large number of local operations, it is one of the city's largest employers, with Domtar reporting 200-499 jobs related to the processing of pulp….The hospital is the other single largest employer in Dryden.

Conspicuously low with respect to business counts is the professional, scientific and technical services sector. This sector is increasingly important to support and drive local economic outcomes because of its connection to creative and knowledge based occupations. These are the types of businesses which are often characterized as highly innovative with incredible growth potential. A lack of these types of businesses in Dryden raises questions about the city's capacity to meaningfully diversify its economy away from primary industries and related support activities.

Business Trends

With respect to business trends, between 2008 and 2013, Dryden's total business counts remained relatively constant with a minimal decline of two businesses. During this same period, Dryden's firms with employees declined by 7.7% or by 34 businesses. Those sectors with the greatest number of closures included agriculture, forestry, fishing and hunting; wholesale trade; transportation and warehousing. At the same time, those sectors responsible for the greatest growth included real estate and rental and leasing; health care and social assistance; and professional, scientific and technical services. The growth in these sectors is notable for their absolute and percentage change.

Comparative Business Assessment

When compared against the provincial average, and regional counterparts, Dryden has several industrial strengths and weaknesses. Dryden has relative strengths in personal services, retail trade, and accommodation and food services. These strengths may be attributed to its position as a regional centre. Dryden is also well represented in forestry and mining related activity. On the other hand, the city's dearth of arts entertainment and recreation operations is notable given local tourism ambitions. Professional, scientific and technical services are uniformly low in Northern Ontario communities. Finally, given Dryden's position as a logistics centre, its concentration of transportation and warehousing businesses does not support this sector as a competitive strength.

Dryden has relative strengths in personal services, retail trade, and accommodation and food services

Professional, scientific and technical services are uniformly low in Northern Ontario communities.

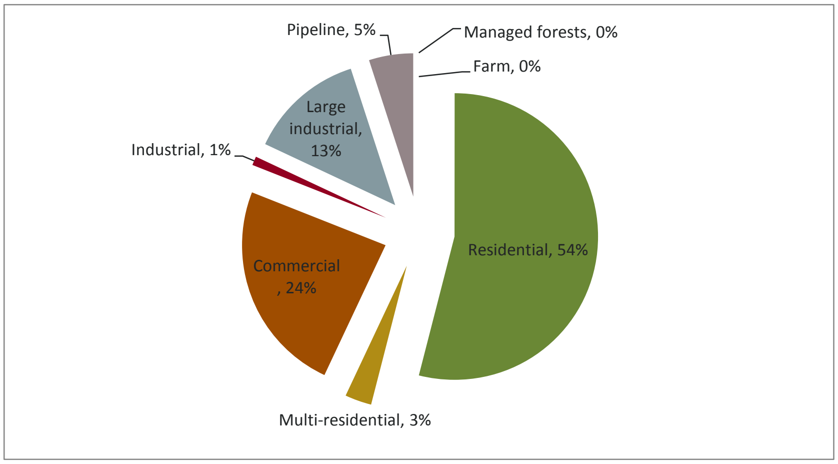
3.4.2 Tax Assessment Breakdown

As of 2014, the City of Dryden was in an enviable position with respect to its tax assessment breakdown. Most municipalities within Ontario struggle to draw more than 30% of their tax assessment from non-residential uses. As shown in Figure 8 residential uses account for 57% of the City's tax base while the remaining 43% is derived from a combination of commercial, industrial, and large industrial uses.

While Dryden's current tax position is positive it is somewhat precarious. The City's only large industrial user is the Domtar Pulp Mill. Domtar is solely responsible for 13% of the City's tax assessment. Without Domtar's contribution, the City would be in a far less sound fiscal position as its residential uses would comprise nearly 70% of the tax assessment. Therefore, it is in the interest of the City to foster a healthy working relationship with Domtar.

As of 2014, the City of Dryden was in an enviable position with respect to its tax assessment breakdown… although this position is precarious.

FIGURE 8 DRYDEN'S 2014 TAX ASSESSMENT BY CLASS



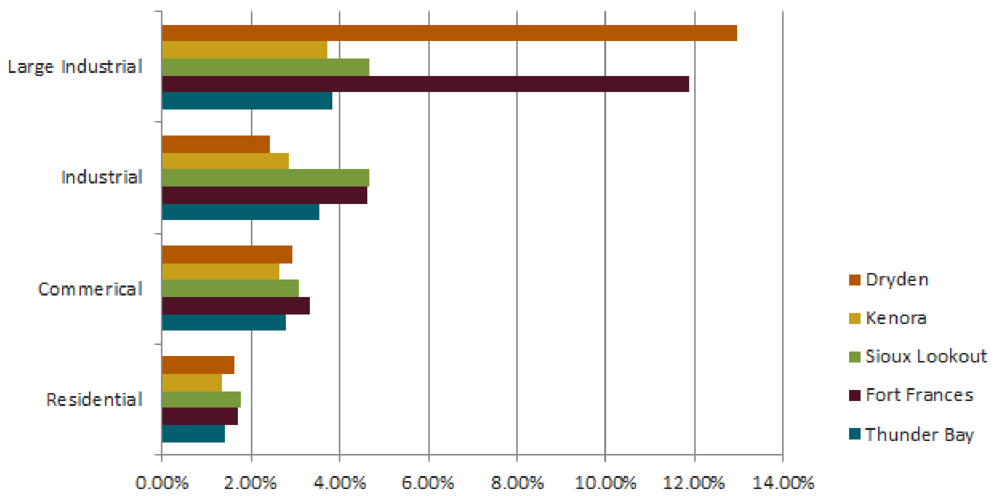
Source: City of Dryden. 2014.

3.4.3 Comparable Tax Rates

As of 2014, Dryden's tax rates for residential, commercial, and industrial uses were competitive with neighbouring communities. As shown in Figure 9 Dryden's tax rates across the board were on par or lower than its neighbouring communities in every user category (except for large industrial). Dryden's industrial tax rate, for light industrial users, was well below the rates charged by Sioux Lookout, Fort Frances and Thunder Bay. Only Kenora's industrial rate was comparable to Dryden's.

Dryden's tax rates across the board were on par or lower than its neighbouring communities in every user category…except for large industrial.

FIGURE 9 PROPERTY TAX RATE COMPARISONS FOR SELECTED GEOGRAPHIES, 2014



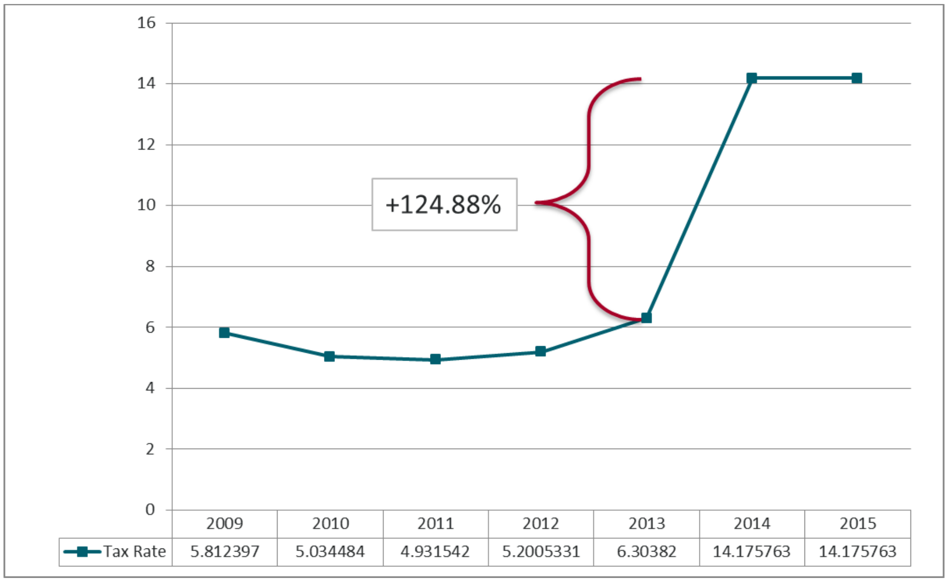
	Residential	Commerical	Industrial	Large Industrial
Dryden	1.626668%	2.914220%	2.440002%	12.955763%
Kenora	1.353522%	2.654958%	2.873806%	3.738039%
Sioux Lookout	1.773000%	3.086261%	4.662990%	4.662990%
Fort Frances	1.687815%	3.341874%	4.632266%	11.879517%
Thunder Bay	1.400543%	2.773075%	3.530538%	3.826867%

Source: Ministry of Municipal Affairs and Housing. Financial Information Returns, 2014. Adapted by Millier Dickinson Blais Inc.

Dryden's industrial tax rate for large users, for which Dryden's only user is Domtar, jumped by nearly 125% from 2013 to 2014… This new rate is well above the large industrial rate charged by Dryden's neighbouring communities.

Since 2013, Dryden's tax rates have remained stable with the exception of the large industrial category. As shown in Figure 10 Dryden's industrial tax rate for large users, for which Dryden's only user is Domtar, jumped by nearly 125% from 2013 to 2014. This new rate of 12.955763% is well above the large industrial rate charged by Dryden's neighbouring communities. Despite the rationale for the rate hike, from an external perspective the City of Dryden is now viewed as the most expensive jurisdiction in northern Ontario to locate heavy industrial operations. This elevated tax rate is a competitive disadvantage to the attraction of new large industry. Moreover, the year over year rate hike also signals a volatile business climate for potential industrial investors, for both large and smaller scale operations.

FIGURE 10 DRYDEN'S LARGE INDUSTRIAL CONSOLIDATED PROPERTY TAX RATE 2009-2015



	2009	2010	2011	2012	2013	2014	2015
Tax Rate	5.812397	5.034484	4.931542	5.2005331	6.30382	14.175763	14.175763

Source: City of Dryden. 2015. Adapted by Millier Dickinson Blais Inc. 2015.

Photo: Dryden’s Northern Lights, Courtesy of the DDC, 2015.

4 Stakeholder and Investor Engagement

4.1 Summary of Community Engagement Findings

A number of consultation activities were used to engage local and regional stakeholders in the creation of this Economic Development Strategic Plan. These consultation activities incorporated perspectives of residents, local municipal staff, local community and business leaders, regional organizations and government representatives.

Three outreach activities were used during consultations:

- **Online Survey** - An online survey was distributed by the DDC to generate input from business and community leaders on economic development opportunities and priorities for Dryden. The survey was open from June 3 to July 15, 2015 and generated a total of 39 responses.
- **Focus Groups** - Two focus group sessions were held in Dryden on June 23 and 24, 2015. One focus group involved local business leaders (including some of the lead developers and industries in Dryden), while the other was directed to the DDC's staff and board of directors.
- **Interviews** - A series of in person and telephone interviews were conducted with business and community leaders in Dryden and the surrounding area. These were open-end interviews each averaging approximately 30 minutes in length.

The main goals for each consultation activity involved generating input on economic development progress in Dryden over the last number of years, and discussing the opportunities and challenges for the economy in the years ahead.

A summary of those consultation activities is presented in this section.

Consultation Themes

A number of important trends were identified consistently through the engagement activities. They include:

- **Economic Development Services**: There is a recognized need to improve relationships between municipality and DDC as well as with the business community, improve investment readiness, aim to improve number of businesses and number and quality of jobs
- **Transportation:** Dryden's central location, airport facilities and highway/potential rail access are key competitive advantages for economic development
- **Forestry:** Importance of improving relationship between municipality and Domtar, and of retaining existing forestry manufacturing in the community, strength of capacity in Dryden's forestry sector is unusual - many other areas have lost

manufacturers due to lack of cost competitiveness and investment has gone south or east
- **Aboriginal Communities:** Great potential for joint ventures, Aboriginal people are active community members who support the local economy. Strengthening relationships between Aboriginal and non-Aboriginal peoples is a necessity.

Dryden's central location, airport facilities and highway/potential rail access are key competitive advantages for economic development.

Online Survey Findings

As part of the online survey, participants were asked as series of questions. The responses to selected questions are summarized below. The full results from the online survey are presented in the Appendix.

In your opinion, what should be the economic development objectives for Dryden?

The top five responses in order of importance include:

1. Job creation
2. Long term growth of specific business clusters
3. Attracting new residents
4. Improved quality of local jobs
5. Attracting visitors

There is great potential for joint ventures… Aboriginal people are active community members who support the local economy. Strengthening relationships between Aboriginal and non-Aboriginal people is a necessity!

What is your vision for Dryden in the next 5-10 years?

- Development of cultural activities
- Youth retention, things for youth to do and jobs in Dryden
- Increased employment and good wages
- Business growth, a booming economy
- Fiscally sustainable community
- Community pride, vibrancy
- Economic diversification
- Tourism promotion of outdoor activities
- Environmentally sustainable industry
- Restoring investment readiness
- Revitalization of buildings and infrastructure, beautification

What would you like the Dryden Development Corporation (DDC) to focus on in the next 2-5 years?

Many respondents identified the need for business development, primarily investing in economic development services including hiring an economic development manager and committing to a structure for economic development in Dryden. Responses also highlighted the importance of retaining the forestry industry, supporting existing businesses, promoting entrepreneurship and tourism, and preparing for investment opportunities. Specific comments included:

- Business development, review tax rates, invest in economic development

- Investment readiness, create incentives for business
- Marketing and communications
- Training and skills development
- Tourism development

What key words would you use to promote Dryden to potential investors?

Using the responses, the following word cloud was created. The words used most by respondents appear largest in the cloud.

FIGURE 11 WORD CLOUD TO DESCRIBE DRYDEN

Dryden's geographic location and positioning as a regional centre or hub were regularly cited by respondents. Dryden's relative cost of living was also a primary attribute. These descriptors are fundamental to establishing Dryden's value proposition. While many of these attributes are not unique to Dryden, collectively they pinpoint Dryden's primary strengths which may be used to separate the city from its regional counterparts.

Photo: Dryden's Downtown, Courtesy of the DDC, 2015.

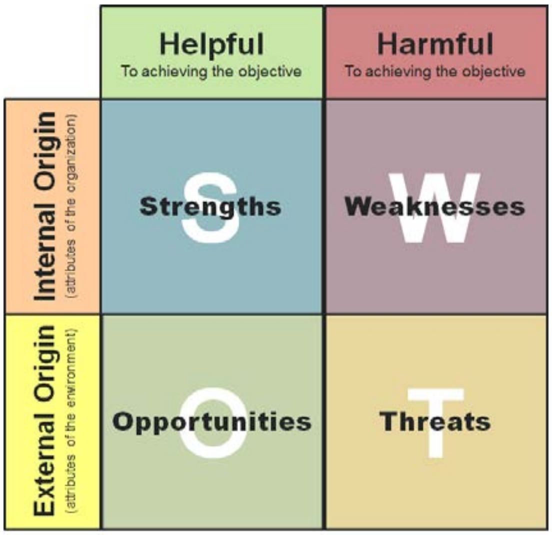
5 Prioritizing Dryden's Economic Opportunities

Strategic planning often involves a Strengths, Weaknesses, Opportunities, and Threats (SWOT) assessment. The assessment outlines competitive conditions that affect the economic development potential of Dryden. The power of a SWOT is that it summarizes conditions unique to Dryden that will directly impact the strategies and actions that the DDC can effectively take to develop the local economy.

A SWOT Defined

For the purposes of this report a SWOT is characterized in the following terms.

FIGURE 12 SWOT DIAGRAM



- **Strengths** (Positive, Internal): Positive attributes or assets currently present in Dryden by comparison to the region or Province
- **Weaknesses** (Negative, Internal): Local issues or characteristics that limit the current or future growth of the city
- **Opportunities** (Positive, Internal and External): Areas where the DDC and its partners can capitalize on current trends and investment opportunities
- **Threats** (Negative, External): Trends that threaten Dryden's economic growth

Please note that the various statements in the SWOT Analysis represent information emerging from participants in the consultation activities and general context of Dryden's economy. Statements in the SWOT do not necessarily reflect the conclusions or suggestions of the Project Team. Conclusions and suggestions from the Project Team can be found in later sections of this report.

5.1 Major SWOT Themes

The major themes of the SWOT analysis, unique and consequential to Dryden's economic development, are summarized below.

5.1.1 Strengths

Publically Supported Regional Centre

- Strong retail and service sector, including big box stores and niche retailers in downtown, well equipped to support regional demands
- Sustained Ministry of Natural Resources investment, for fire management and administrative functions, as well as anticipated $25 million airport expansion
- Dryden's Regional Health Centre is a fully modern 41 bed acute care hospital with many programs and services including imaging, emergency, lab, mental health, oncology, rehab and assault treatment

Local strengths include publically supported economy with a Sustained Ministry of Natural Resources investment, for fire management and administrative functions, as well as anticipated $25 million airport expansion… Dryden's Regional Health Centre is another notable public asset.

Infrastructure

- Airport infrastructure and services
- Partially-serviced industrial lots
  - Norwill Industrial Park, 32 acres, one block north of the Trans-Canada Highway (zoned Light Manufacturing)
  - Centennial Business Park, 19 acres, one block north of the Trans-Canada Highway (zoned Commercial Highway)
  - Airport Business Park East, 50 acres, 6 kms north of the Trans-Canada Highway (zoned Industrial and Commercial)

Forestry

- Access to wood supply through Domtar
- Existing forestry manufacturer, Domtar

Tourism amenities

- Well-organized sport tourism information and good facilities to support events
- Depth of accommodations with three hotels and eight motels
- Community supported agriculture, the Cloverbelt food co-operative, which is now expanding its services to reach the surrounding region

Training

- Confederation College's wide range of program options and ability to sustain local programming for a limited enrolment base; educational programming supported through Contact North which offers virtual access to programs offered throughout Ontario
- Keewaytinook Centre of Excellence offering professional training for water and wastewater operators

5.1.2 Weaknesses

Financial Constraints

- Municipal financial constraints, although this will improve somewhat over five years
- Municipal boundaries restrict tax assessment and dilute effectiveness of economic development activities as well as financial sustainability of Dryden

Dryden is facing notable financial constraints in the near term.

Challenges for Business

- Lack of office space for professional services
- Lack of local entrepreneurship capacity and supportive services
- Perception of waning municipal support for business development tied to:
  - relatively high industrial tax rate
  - declining satisfaction with economic development services
  - perceived lowered investment readiness over the same time period
  - businesses tax rate (
- Mining exploration companies and forestry contractors have difficulty securing investment and financing
- High structural manufacturing costs (distance to global markets, energy prices, harvesting costs due to height of trees, structural labour costs)
- Restricted energy transmission line capacity, limiting the potential for renewable energy investment attraction and FDI potential
- Construction costs associated with materials and labour are higher than in southern Ontario

Restricted energy transmission line capacity, limits the potential for renewable energy investment attraction.

Dryden's aging population is unable to afford potential new housing developments in the area. As a result new housing developments are not viable for developers.

Aboriginal Relations

- Aboriginal partnerships (achieving mutual understanding of treaty rights, duties to consult and accommodate, business development and training opportunities)
- Ongoing issues related to equal acceptance of Aboriginal people in the community due to entrenched negative perceptions resulting in a lack of trust and unrecognized opportunities

Labour force and demographics

- High levels of youth out migration
- Median age of Dryden's population is 45. This is the oldest median age amongst the comparator communities and well above the provincial average (40.4)
- Aging population is unable to afford potential new housing developments in the area; as a result new housing developments are not viable for developers
- Decline in working age population, to a greater degree than the surrounding area
- Businesses report a lack of appropriate skills or training in the workforce to meet employer needs

- Regional challenges attracting talent for senior management in forestry and mining

5.1.3 Opportunities

Opportunities in the forestry sector involve new markets, such as co-generation, bio-chemical and bio-materials production, and increasing use of engineered wood and cross-laminated timber.

Forestry

- Innovative value-added forestry research seeking new markets, such as co-generation, bio-chemical and bio-materials production, and increasing use of engineered wood and cross-laminated timber
- Value-added forestry investment from medium sized technology firms that perform secondary manufacturing for bio-chemical, and identifying buyers for locally produced value-added forestry products
- Retention of mill by increasing profitability thorough biomass energy generation and Feed-in Tariff agreement with provincial government

Mining

- Significant mining exploration occurring in the area around Dryden with medium to long term potential for mining activity and associated supply and servicing investment (there will be strong competition for this investment)

Significant mining exploration occurring in the area around Dryden with medium to long term potential.

Energy

- Good photovoltaic rating for regional solar renewable energy generation
- Nuclear Waste Management Organization competition to site a deep geological repository includes neighbouring community of Ignace, if successful there may be long term opportunities associated with the Deep Geologic Repository (DGR) for Dryden

Logistics and Airport

- Access to potential markets, including proximity to Midwestern United States market, with approximately 20 million people within one day's drive, and rapid processing options at the border, and shipping access to international markets from Thunder Bay
- Airport opportunities for industrial development, cargo and passenger services to northern communities
- Water bottling and distribution

Strengthened Relations and Partnerships

- Engaging the young and growing Aboriginal population for workforce development
- Aboriginal tourism (friends and family visitation, shopping and business travel) and spending related to health care service support retail and local services
- Establishing mutually beneficial relationships and potential partnerships with local First Nations to further economic development

Tourism

- Centrally located in Canada and in the western area of northwestern Ontario, a good meeting place for regional conferences, sports and other events

5.1.4 Threats

Threats include:

Speed of innovation in value-added forestry means that the first-mover advantage and patent position are critical for profitability.

Slow pace of development in Ring of Fire due to lack of major infrastructure investments, challenges in partnership building, and the withdrawal of Cliffs Natural Resources from the area.

Commodity Prices

- Volatility of commodity prices and exchange rate, effecting global competition for forestry manufacturing investment

Pace of Innovation

- Speed of innovation in value-added forestry means that the first-mover advantage and patent position are critical for profitability, and that profitability may be short lived, for example, the price of dissolving pulp has been greatly reduced over the past few years due to over-supply

Regulatory Environment

- Regulatory burden attributed to species at risk legislation, ongoing implementation of the Ontario Forest Tenure Modernization Act and the Far North Act
- Reduced provincial investment in road funding increasing costs for forestry operations
- Significant investment required throughout eastern Canada to rebuild the forestry industry, a great deal of infrastructure has been lost
- Future twinning of the TransCanada Highway to bypass Dryden

Industry Trends

- Reliance on a declining forestry sector for 13% of annual tax assessment
- Slow pace of development in Ring of Fire due to lack of major infrastructure investments, challenges in partnership building, and the withdrawal of Cliffs Natural Resources from the area

5.2 Competitive Advantages and Disadvantages

The results of the SWOT analysis provide a detailed list of Dryden's strengths, weaknesses, opportunities and threats. While no two communities are identical, Dryden shares many similarities to other municipalities in Northwestern Ontario, such as Kenora, Fort Frances, Thunder Bay and Sioux Lookout. Some of these similarities include availability of industrial lands, access to primary industrial inputs and strategic proximity to highways. While these similarities represent important strengths of the city, they do not give a clear picture on the unique aspects of Dryden that business investors would be looking for in particular.

Looking at competitive advantages and disadvantages is helpful in differentiating Dryden from these other communities. Dryden's competitive advantages form the basis of the unique value proposition the community offers to new businesses and potential investors, while competitive disadvantages are the factors that need to be addressed to minimize the effects of barriers, particularly if they are affecting important target industries.

A key component of this economic development strategic plan is to build on Dryden's competitive advantages and resources in a way that will spur new and greater investment and development in the community, while also presenting pathways to identify and rehabilitate any competitive disadvantages that threaten the growth potential of the community.

A summary of those competitive advantages and disadvantages are presented in the table below.

FIGURE 13 DRYDEN 'S COMPETITIVE ADVANTAGES AND DISADVANTAGES SUMMARY

Competitive Advantages	Competitive Disadvantages
Operating forestry manufacturer, Domtar, interested in value-added wood products	Deterioration of municipal relationships with economic development partners, including the business community, particularly Domtar, the economic development corporation, and local and regional First Nations
Active forestry harvesting contractors, maintaining capacity and expertise in the forestry industry	As compared to other forestry regions, northern Ontario has severe cost disadvantages which make manufacturing investment difficult to attract and retain
Relatively central location in western area of northwestern Ontario	Future twinning of the TransCanada Highway to bypass Dryden will reduce accessibility and travel-related economic activity
Strength of retail supply and service, including accommodations and restaurants	Very similar positioning to many other regional centres across northwestern Ontario, challenged by sparse population and significant distances to markets
Airport infrastructure and operations; partially serviced and fully serviced industrial lands	Legacy municipal financial constraints from poor asset management
Number and potential scale of mining exploration projects in the region surrounding Dryden	Population aging and the lack of a replacement workforce, a concentration of workforce in 50-54 age range and lack of 20-40 year olds
Cloverbelt Food Co-operative's impressive work in developing the agriculture sector and greenhouses, to potentially service regional market for locally grown food	Lower presence of businesses in the following sectors than in comparable communities and competitors; arts, entertainment and recreation businesses; professional, scientific and technical services; and transportation and warehousing
Keewaytinook Centre of Excellence offering professional training for water and wastewater operators	Some economic opportunities exist outside municipal boundaries, limiting benefits in terms of tax assessment
Dryden's Regional Health Centre is a fully modern 41 bed acute care hospital, complete with many programs and services including imaging, emergency, lab, mental health, oncology, rehab and assault treatment	The increased 2014 tax rate for large industrial businesses is well above the rate charged by neighbouring communities; including Fort Frances, which has traditionally had the highest tax rate for large industry

5.3 Creating Economic Growth in Dryden

5.3.1 What is Economic Development?

Economic development is rooted in the premise that initiatives must ultimately increase the total wealth within a community. There are two main ways to do this:

1. **Export Development** – any initiative that brings new money into the community:
   - starting/attracting a business that sells products/services outside the community
   - attracting visitors who then buy local products/services
   - encouraging existing business to sell product/service outside the community
2. **Import Substitution** – any initiative that keeps money in the community:
   - encourage people and businesses to buy their goods/services locally rather than importing them from another community
   - starting or attracting new businesses that recognize the leakage and provide a product/service to stop it

In strong local economies, locally generated wealth changes hands many times before it is spent outside. The impact of these drivers and subsequent circulation is job creation, property investment and local taxation.

Taken together, these two philosophies form the fundamental direction for economic development programs. If economic development programs are meant to increase wealth in the community (and for the community) then initiatives should be directed to improve export development (primarily) and improve import substitution (secondarily).

A series of factors have combined to compromise Dryden's capacity to sustain its economic prosperity.

Dryden is challenged by an ageing workforce coupled with high levels of youth-outmigration.

A slow transition towards creative and knowledge based businesses suggests the city is still pre-occupied with primary industries and related support activities.

Supporting a more diversified and dynamic economy is central to creating quality jobs and employment in the near and longer term.

5.3.2 Implications for the City of Dryden

For decades Dryden has benefited from a strong export based economy built around forestry. Domtar's presence has provided quality local employment and reliable tax revenue for the City. With Domtar as its economic engine, Dryden has cultivated a robust business environment. It is a regional centre for goods and services. Over the years, public investment has also cemented the city's status as a regional hub.

In some ways, Dryden's economic structure could be considered the ideal model to support community economic growth and prosperity. The city's economy is export based and has evolved to mitigate retail leakage. In this sense, Dryden has traditionally maximized its economic assets to generate local wealth.

Unfortunately, a series of factors have combined to compromise Dryden's capacity to sustain its economic prosperity. Besides the decline of forestry, the city is challenged by an ageing workforce and high levels of youth-outmigration. Furthermore, a slow transition towards creative and knowledge based businesses suggests a pre-occupation with primary industries and related activities. While forestry and mining still represent opportunity for Dryden, supporting a more diversified and dynamic economy is central to creating quality jobs and employment in the near and long term.

5.4 Assessment of Foreign Direct Investment Opportunities

The subsequent foreign direct investment (FDI) assessment was conducted to understand the degree to which the DDC may pursue large scale investment attraction activities. In this case, FDI is defined as a controlling ownership in a business enterprise in one country by an entity based in another country. In other words, a firm with headquarters located outside of Canada, but which takes a controlling interest in a Canadian firm would be considered FDI activity.

The FDI assessment suggests the DDC should not dedicate resources to these opportunities until Dryden is more investment ready.

Upon examination of Dryden's economy, opportunities for foreign direct investment exist, particularly with respect to exciting innovations in bio-chemical manufacturing from forestry. However, the analysis suggests the DDC should not dedicate resources to these opportunities until Dryden is more investment ready.

The primary reasons for this conclusion include:

- The best FDI opportunity for Dryden is bio-chemical manufacturing, part of the value-added forestry sector, and securing an investment would require the full support and involvement of Domtar, a relationship that needs to be re-built
- FDI opportunities in forestry product manufacturing, specifically new innovations in advanced building materials for wood building construction, appear to either be minimal or are being invested by Canadian sources
- Due to global economic conditions, investment in the mining sector has slowed; until conditions improve and an active local extraction operation is imminent, it is not recommended to pursue FDI in mining supply and servicing.

In the longer term, the three leading FDI opportunities include Value-Added Forestry in Bio-Chemical Manufacturing, Value-Added Forestry in Building Materials, and Mining Supply and Servicing.

The three leading FDI opportunities, **Value-Added Forestry in Bio-Chemical Manufacturing, Value-Added Forestry in Building Materials** and **Mining Supply and Servicing** do not appear to present a strong, immediate chance to secure investment, and the significant resources required to raise Dryden's profile to the level of international investors are therefore not likely to yield significant results.

The analysis of Dryden's leading FDI opportunities includes levels of global FDI in relevant sectors over the past 10 years, leading international sources and destinations of FDI, leading subsectors, and top investing companies.

Regional and national sources of investment may present a larger opportunity than those tied to FDI.

Because foreign direct investment is specifically from international sources, the assessment does not identify opportunities for regional investment, or investment from other areas of Canada. Therefore, regional and national sources of investment may present a larger opportunity than those tied to FDI.

Before examining the specific opportunities within these leading subsectors, a case study of Hexham, United Kingdom, is presented to demonstrate leading investment readiness practices and recent international investment in the forestry sector.

Egger UK Chipboard Plant, Creative Commons Copyright Trevor Littlewood

Community Case Study: Hexham (North East, United Kingdom)

Population of 11,446

April 2015 - Egger Group of Austria invested $21 million in the city of Hexham. The company produces wood-based panel products, and planned to build a new 215m^2 shipping warehouse and a second impregnation line at its plant. The investment will also be used to fund new plant machinery and in factory maintenance.

Egger had previously made three other expansion investments in Hexham, demonstrating the value of a long term positive relationship in terms of future. These investments included:

- Engineering facility and training academy in 2013
- New timber processing plant in 2009, located beside the existing facility, processing laminated chipboard and raw boards, manufactured at the existing plant, into finished products such as kitchen doors and worktops
- Existing facility upgrades and expansions with a value of $192 million in 2004

Economic Development Services are delivered at the county level, with 6 staff. At the regional level, economic development is supported by The North East Local Enterprise Partnership area covers: County Durham, Gateshead, Newcastle, North Tyneside, Northumberland (Hexham), South Tyneside and Sunderland.

The economic development website for the county is managed by its arm's length regional economic development corporation, available at /www.archnorthumberland.co.uk . The county business services website is also basic but informative, available at www.northumberland.gov.uk/business.

By cultivating re-investment by an existing major manufacturer over time, and by working regionally, Hexham has secured significant FDI in value-added forestry manufacturing.

5.4.1 Value- Added Forestry Manufacturing (Bio-Chemicals)

A pulp mill is actually a bio-chemical manufacturing facility. It can also produce a variety of other chemicals, potentially with a higher value than pulp. Bio-chemicals is an increasingly innovative field, advancing very quickly. This means the first movers, such as Domtar, stand to gain critical market share in new manufacturing.

There is some opportunity for Dryden to increase its share of bio-chemical manufacturing related to forestry, with five source countries and five source cities identified as possible targets.

Similar to how new FDI investment repeatedly expanded an OSB manufacturer in Hexham, United Kingdom, into a cutting edge value-added forestry plant with training facilities, Domtar's interest in FDI attraction is critical to the feasibility of FDI in this subsector. Bio-chemical manufacturing would likely involve pulp by-products or modified pulp products, with testing already planned on site in Dryden[5].

The manufacturing of bio-chemicals from forestry operations has historically sustained significant FDI project numbers and has experienced growth in the past two years. The opportunity for Dryden to attract FDI is reinforced given that the neighbouring United States is by far the top source of projects in the sector, and could be a key market for Dryden's chemical products.

Based on historic investment trends, FDI project types and project destinations, the following countries and cities have been identified as the top potential investment sources for Dryden.

FIGURE 14 LEADING POTENTIAL TARGET COUNTRIES AND CITIES

Country		City
United States		Tokyo
Japan		Osaka
Germany		Ludwigshafen
Netherlands		Helsinki
Switzerland		Amsterdam

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Although not featuring as top cities for investment, the United States is the key source country for investment, with some of the top source cities in the country including Midland (MI), Columbus (OH), Cleveland (OH), St. Paul (MN) and Pittsburgh (PA).

As the bio-chemical industry focuses on globalization, market diversification, and merger and acquisition (M&A) activities, Dryden has the opportunity to present itself as a prime location for aiding the industry in pushing these objectives.

5 http://www.newswire.ca/en/story/1563651/minister-rickford-announces-investment-in-first-of-its-kind-forest-innovation-in-dryden

5.4.2 Value-Added Forestry Manufacturing (Forestry Products)

Investment in manufactured forestry products has declined over the last decade, although there have been some signs of recovery since 2012. Relative to the other two sectors of interest with respect to FDI, forestry products appear to present a moderate opportunity.

The FDI potential of the forestry products subsector, both internationally and domestically, is reliant on access to wood fibre. The Ontario government's efforts to reform the forest tenure system by transitioning to Local Forestry Management Corporations (LFMC), including the success of Obishikokaang Resources in managing the Lac Seul Forest (in that case an EFRL), are important to support future investment. Dryden's relationships with surrounding communities will therefore also be a factor in determining the viability of future investment in this subsector.

There is moderate opportunity for Dryden to increase its share of forestry manufacturing at a global level, with six source countries and five source cities identified as possible targets.

Based on historic investment trends, FDI project types and project destinations, the following countries and cities have been identified as the top potential investment sources for Dryden.

FIGURE 15 LEADING POTENTIAL TARGET COUNTRIES AND CITIES

Country		City
United States		Helsinki
Sweden		Tokyo
Finland		Stockholm
Germany		Helsingborg
Japan		Vaud

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Growing global concerns regarding environmental sustainability and the associated return of wood as a construction material in taller buildings, currently spurring building code changes in Ontario, could lead to greater project volumes within wood building materials in the future, and an investment, and/or FDI opportunity for Dryden.

5.4.3 Mining Supply and Servicing

With project numbers declining substantially, investment opportunity within the mining sector has declined. Therefore, compared to the value-added forestry manufacturing sectors, the current FDI potential is limited. Nevertheless, there is a large volume of exploration activity continuing in the region which presents opportunities.

Extraction projects are of course the main activity for mining projects, although there is also strong opportunity in support activities, which have generated as many projects as the different types of extraction (e.g. gold, copper, iron, coal).

Based on historical investment trends, project types and project destinations, the following countries and cities have been identified as the top potential mining sector investment sources for Dryden.

There is a low level of opportunity for Dryden to increase its share of mining projects at a global level, with five source countries (including Canada) and five source cities identified as potential targets. However, the scale of mining investment opportunity has decreased in recent years.

FIGURE 16 LEADING POTENTIAL TARGET COUNTRIES AND CITIES

Country		City
Canada*		Vancouver*
United Kingdom		London
United States		Toronto*
Australia		Perth
China		Houston

*Note. Not a potential source of FDI for Dryden, added for purposes of illustration of the domestic opportunity

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

The lack of confidence in the mining sector is negatively affecting project numbers, but should investor confidence improve there may be some recovery in FDI potential.

Photo: Wabigoon River Canoeing, Courtesy of the DDC, 2015.

6 Future Directions for Economic Development – The Critical Path for Dryden

In 2007 the Dryden Development Corporation was created to:

“…act as the City of Dryden's project delivery agent to meet economic development and diversification objectives relating to business retention, expansion and tourism.”

The DDC’s mandate of diversification was in response to the downsizing of Domtar in 2006. At the time there was general recognition for the need to bolster other areas of Dryden’s economy to compensate for the decline in local employment. In the following years, the DDC (with a well-funded and staffed economic development program) tackled ambitious projects and succeeded in laying the foundations for a rejuvenation of the local economy. The 2007 Community Improvement Plan for example succeeded in facilitating private investment in the downtown. During this period the city’s business community was impressed with the increased level of attention and support they were receiving from the City and the DDC. There was a sense of momentum and a sense of optimism for Dryden.

By 2011, however, the sense of urgency around the need for economic development in Dryden had evaporated. Faced with considerable fiscal constraints, the City opted to scale back funding to the DDC. Consequently, a once robust economic development program has all but collapsed. Today it is directly supported by one staff member who lacks the capacity to effectively fulfil a range of inherited tasks.

In this context, the City of Dryden is at a critical juncture. Continuing on the current path of half-hearted support for economic development is one option. It is the path of least resistance because it is easy to justify. The City could say, “We are not spending money on economic development activities because we are short on funds...” This path, however, does not inspire or captivate potential investment. Instead, it reinforces the notion of a community struggling to maintain the status quo while hoping things get better on their own. Furthermore, it does not convey a sense of leadership for a community which is in desperate need of a unifying vision and direction to reinvigorate its economic fortunes.

The subsequent section and action plans speak to another path. A path which requires sustained support for economic development in Dryden. A path which requires conviction and recognition that Dryden needs to invest now to sow the seeds of a prosperous future.

In 2008 the city’s business community was impressed with the increased level of attention and support they were receiving from the City and the DDC. There was a sense of momentum and a sense of optimism for Dryden.

By 2011, however, the sense of urgency around the need for economic development in Dryden had evaporated.

This plan highlights a path for Dryden… A path which requires conviction and recognition that Dryden needs to invest now to sow the seeds of a prosperous future.

6.1 Guiding Principles for Economic Development in Dryden

Through the consultation and research activities conducted for this project, a series of principles have been articulated by the community, and hence adopted by the consulting team, to guide the setting of priorities.

- Diversify the local economy and business composition
- Provide quality employment opportunities
- Develop, attract and retain a well trained workforce
- Be ready to support business investment
- Foster positive relationships with businesses, residents and new-comers
- Pursue inter-municipal and organizational collaboration

6.2 Critical Path Steps for Dryden

6.2.1 Critical Path Step 1: Commitment to Service Excellence and Increasing the City's Economic Development Capacity

It is one thing to be open for business. It is another thing to be open and ready for business. Good customer services will leave a positive impression, build and enhance business relationships, land deals for new development and ensure future referrals.

Across Canada there are communities with processes in place to ensure excellence in client management and customer service for potential new investors and existing businesses. The Town of Ajax, Ontario, for example, invented Ajax Priority Path[6], which uses a team of professionals to personally help companies navigate through the site plan approval process. Customers enjoy expedited site plan and building approvals, enabling them to fast-track their business plans.

While larger communities tend to invest more resources to be "investment ready" there are many examples of communities of similar size to Dryden, which are ready for business. The Township of North Grenville, Ontario for example, is a community of 15,000, which has adopted a client-focused initiative and become part of its investment-readiness measures. This approach has drawn accolades from Ottawa-based developers, who are a key target market. Closer to home, Fort Frances has also resourced a rebranding and investment readiness effort to grow and diversify its economy.

During the consultation process and community assessment, the Project Team identified a series of short-comings related to the City's economic development capacity. First and foremost, the DDC needs well-equipped economic development staff. At its core, economic development is about people and relationships. The DDC needs to invest in a passionate individual to spearhead a complete re-tooling of the City's economic development program. Importantly, this individual needs to be entrusted by the DDC and the City to guide the implementation of the economic development strategy over the long term. This individual would be responsible for understanding the need of business clients, and coordinating services and information for them. Supporting this effort are the City's departments which should be encouraged to prioritize the specific needs of the DDC, and their clients, on a case by case basis. See page 95 for a more full description of an Economic Development Manager's role in Dryden.

In the years ahead, this "re-tooling" involves returning to a state of investment readiness and updating the programs, materials, and tools which are generally outdated. The DDC website for instance requires a complete refresh. Ensuring investment readiness in Dryden, which is part and parcel of service excellence, is required to remain competitive for investment in northwestern Ontario.

6.2.2 Critical Path Step 2: Ensuring Inclusivity and Strengthening Relationships

The most successful communities in Canada provide high quality of life to attract and retain new residents, but they also fully leverage and support the population they are presently home to. Though most experts expect that immigration will be needed to fully support economic development opportunities in Canada over the medium-term, most communities have a largely untapped resource represented by their existing working age population – unemployed or underemployed labour force and those that lack the skill or social/economic support to engage in the active labour pool. The problems are particularly acute in Canada for Aboriginals and

[6] http://www.ajaxfirstforbusiness.ca/en/ajax/prioritypath.asp

new immigrants; both of which typically experience higher unemployment rates and lower participation rates than the total population.

Dryden is home to over 1,200 Aboriginals with Aboriginal populations well represented in neighbouring districts and municipalities. A series of First Nations communities are also in close proximity to Dryden with Eagle Lake and Wabigoon Lake First Nation the closest. These communities and their organizations represent potential partners in an economic development context. There are tremendous partnership opportunities to be leveraged. There are opportunities for land and infrastructure development that can assist with the community building and sector-based activities of the city and its economic development partners. By partnering, aboriginal organizations and communities can accomplish their goals of revenue generation and workforce development. In order to leverage and fully realize these opportunities though, a more sustained effort should be made to engage potential aboriginal partners on a regular basis to identify opportunities for collaboration and mutual benefits. The growth and success of the Dryden Native Friendship Centre is a testament to the collaborative spirit which should underpin future relations.

In this light, the City of Dryden must take pro-active measures to ensure the common perception that Dryden is inclusive and open to diversity. The City must demonstrate unwavering leadership in this area.

6.2.3 Critical Path Step 3: Supporting Local Businesses

The next step is fostering a supportive business environment in which the city's existing businesses can grow and thrive. Recruitment as an economic development activity has its limitations. Many times, community leaders and the media are caught up in the excitement of luring new companies to their area, only to realize that they are replacing companies who have been 'lured' someplace else.

Few people would argue with the assertion that existing businesses are important to the local economy. Over the last two decades studies have documented the impact of existing businesses on job growth. Other studies have examined the impact of businesses on maintaining strong local economies through investments in the social fabric of the community. Finally, existing businesses are always a primary source of information about the community for companies looking to relocate.[7]

In this context, the DDC should continue the business retention and expansion program (BR+E), which in 2014 was primarily implemented by the Dryden District Chamber of Commerce. Moving forward, despite the success of the 2014 BR+E program, it is critical that the City's economic development team has a strong and visible role in this effort. This is important because the DDC should be seen as the primary conduit for business to voice their "unfiltered" concerns directly to the City. DDC personnel are also best positioned to inform businesses about the types of programs and supports available to meet their needs. As demonstrated by the results of the 2014 BR+E the majority of businesses had little to no contact with business support agencies so communicating this information is a priority.

In time this program should become an umbrella under which a number of business supporting activities will occur. Tailored business workshops, shared industry training and local business networking are a few examples of these activities. In sum, this program will deliver on the DDC's core mandate.

[7] Henry M. Cothran. (2013). Business Retention and Expansion (BRE) Programs: Why Existing Businesses Are Important. University of Florida. The Institute of Food and Agricultural Sciences (IFAS).

6.2.4 Critical Path Step 4: Workforce Development

The Northwest Training and Adjustment Board publishes an annual Local Labour Market Plan for the Kenora and Rainy River Districts. As one of the area's largest urban centres, this Plan has direct implications for Dryden. The Labour Market Plan underscores the importance of tackling local and regional labour market challenges. Employers confirm talent attraction and retention is a primary barrier to growth and continued operations. Moreover, employers confirmed labour market shortages from entry-level to experienced professionals and at all skill and education levels. They point to growing labour market shortages nationally that make the area's remote location a recruitment challenge. The exponential rise of technology in the workplace is also increasing the skill requirements for workers. As a result, local businesses are finding it difficult to fill positions with qualified personnel. In response to these labour market challenges the Northwest Training and Adjustment Board has identified five priority areas for action:

- Transitioning our workforce in a changing economy
- Out-migration of key demographics of our population
- Evolving education requirements
- Supporting entrepreneurs
- Integrating the marginalized workforce

Aside from the Northwest Training and Adjustment Board there are a number of local and regional organizations focused on strengthening Dryden's labour force. Accordingly, it would be a mistake for the DDC to unilaterally address one or more of these priority areas. Nevertheless, the DDC has a significant role to play in workforce development. The DDC has a responsibility to support or champion any workforce related initiative that will directly benefit Dryden's business community. The DDC may also inform future program design and delivery to ensure the region's network of educators and employment service providers are addressing Dryden's most pressing labour market issues. Finally, the DDC is well positioned to cultivate political will to drive increased investment in Dryden's labour force.

6.2.5 Critical Path Step 5: Targeting Economic Opportunities

"Targeted Economic Opportunities" contains a wide spectrum of opportunities which have presented themselves throughout the strategic planning process. Admittedly it is a broad statement of focus; however, the importance of this array of opportunities must be emphasized as the City becomes more pro-active in its approach to development. In the years ahead, Dryden will strengthen its economy with initiatives that leverage traditional areas of strength while cultivating new and emerging economic opportunities.

In accordance with the "Guiding Principles for Economic Development in Dryden" this step in the critical path is centred on the promotion of strategic growth, not growth for its own sake. This step also supports the diversification of the local economy with the ultimate goal of improving residents' quality of life and fostering a strong local sense of place.

At a more tactical level, this step has implications for residential, commercial and industrial developments. This step also speaks to the need for the City of Dryden along with the DDC to expand their "economic development sandbox" to work more closely with its regional counterparts.

Downtown Development

Dryden's urban landscape plays a central role in shaping the life of its residents and is a reflection of the city's traditions and aspirations. Dryden's downtown, and associated quality of place, is the cornerstone of its value proposition to attract new residents and businesses alike. Accordingly, there must be a commitment to enhancing the standards of new developments and revitalizing those areas which have fallen behind. Investing in Dryden's downtown is a necessity to ensuring the continued growth and prosperity of Dryden for generations to come.

The resident population and business community have voiced keen desire to maintain and rejuvenate Dryden's Downtown. When the Community Improvement Program was launched in 2007, there was immediate uptake. Through this program, the City of Dryden financially supported building façade improvements, improved signage, parking improvements, etc. Currently, this program is on hold, but represents the City's commitment to supporting the downtown. As the City's fiscal position improves, this is a program worth revisiting. In the meantime, the City can prioritize the upkeep and maintenance of the downtown to demonstrate its value to the community.

Seniors Services and Housing

Single-detached homes define the majority of the local residential housing stock. As the Dryden population ages and their needs begin to change, there will be a need for more diverse residential options. Local seniors have already voiced their need for smaller unit sizes and supportive amenities. The challenge, as articulated by local housing developers, is the local cost of construction and labour. As a result, newly built condominiums in Dryden would be more expensive than the single detached homes local residents would be selling. In essence, the economics for both local developers and potential buyers do not make sense. Ontario's policy stance to encourage seniors to age in their homes, or "age in place" is also limiting the number of publically subsidized assisted living facilities built in the region.

Looking ahead, it is unlikely Dryden's housing stock will be significantly augmented by the private sector to support the city's aging population. Similarly, public sector investment in local housing is expected to be limited. Given these realities, Dryden's senior population needs home and community based supports to prolong their tenure in Dryden. Dryden's Age-Friendly Network is active in this space having formed partnerships to address service gaps, improved access to services and improved the quality of life for seniors. The City of Dryden and DDC need to more actively support these efforts. With a regional hospital, Dryden is a relatively attractive place for seniors, especially those currently living in rural settings. If its caregiver network is well supported along with other in home support services, Dryden has the potential to separate itself as a truly age friendly community. This issue demands serious attention from the City and should be viewed as an economic priority.

The DDC Board is supportive of the functions of the KDSB in Dryden and the region by recognizing the important contribution KDSB provides the community from a social and economic standpoint. A city councilor is appointed as a member of the board of directors with KDSB's Chief Administrative Officer providing an annual report to all of Council. The Dryden Development Corporation is committed to working in partnership with KDSB on community initiatives to improve Dryden's overall economy.

Industrial and Commercial Development

Dryden boasts a number of competitive strengths, which make it an attractive place to do business. Dryden's existing business infrastructure and regional positioning combine to present a robust value proposition for private, non-profit and public organizations of various sizes. Ensuring the City's advanced state of investment readiness, as previously detailed, will serve to strengthen Dryden attractiveness to new investors. With this positon, the City should be selective in the types of development it encourages and approves. Serviced employment lands are a precious commodity and should be treated accordingly. The DDC should seek out those developments which maximize the City's return on investment. For example, the City should:

- Move to the highest and best use of serviced industrial lands
- Pursue high rates of site coverage

Dryden is also home to a small, but growing number of sole proprietors who work in scientific, technical and professional services. Some of these sole proprietors are considered 'Lone Eagles'; they are knowledge workers with highly transportable skills, such as writers, analysts, accountants, sales professionals, manufacturers' representatives and other advisors. Most Lone Eagles live in large cities, but many are moving to smaller communities for a better quality of life. Housing affordability is a primary consideration especially for young professionals who are saddled with student debt.

In this light, an increasing number of smaller communities across Canada have been successful with an approach of attracting these types of business people. For instance, Prince Edward County, Ontario, has focused much of their entire economic development campaign around this class of individual as well as agri-food producers and tourism operators (see www.buildanewlife.ca).

Lone Eagles' infrastructure requirements are few, which means limited investment by Dryden. Efficient telecommunications (mobile phone coverage, broadband access), reliable courier service and access to an airport are all attributes inherent to Dryden. Creating spaces where these Lone Eagles want to work is the real challenge. At present, Dryden has limited office space suitable for shared office arrangements. Encouraging the repurposing of suitable public or private buildings to accommodate the needs of Lone Eagles may be achieved through land-use policy or community incentive programs.

Regional Approach to Development

The latest economic development literature articulates the importance of integrated regional approaches to development. This approach helps to avoid the traditional problem of creating winners and losers. Instead, regional approaches to economic development focus on identifying potential strengths and acting to make a region economically stronger together.[8] Ideally developments would directly benefit the City of Dryden through increased tax assessment, but the importance of proximate developments outside of Dryden's official boundaries should not be discounted. These developments offer employment opportunities to Dryden residents and serve to bolster the local economy by creating new markets. Dryden's local businesses also service these regional operators and their employees which in turn brings wealth back into the local economy.

Therefore the region's communities should not simply be satisfied with just job creation or increased tax assessment. To maximize economic benefits, it is now about strategically aligning investment with the strengths of each community. From this perspective, there are some investments that make sense for Dryden and not for Ignace or vice versa. As an example the Nuclear Waste Management Organization competition is considering a deep geological repository in Ignace, which is not viable in Dryden. With this in mind, building and maintaining close relationships with the region's economic development and planning community will foster more strategic developments at the regional level. In time, these relationships may be formalized to

[8] David Freshwater et al. 2014. Local Labour Markets as a New Way of Organizing Policies for Stronger Regional Economic Development in Atlantic Canada. The Harris Centre of Memorial University.

include official memorandums of understanding for lead generation and follow-up protocols. In time, this approach will pay dividends for Dryden and its neighbours.

Local and Regional Tourism

As a regional centre which boasts ample accommodations, recreational and cultural amenities Dryden is well positioned to support local and regional tourism activities. The City has been successful at attracting large sporting events and has shown an active interest in strengthening its tourism offerings. While tourism directly contributes to Dryden's economy in the form of visitor spending, tourists are important for another reason. They are potential residents and business investors. They also account for Dryden's best source of word of mouth advertising. There is no guarantee, however, that their testimonial will be positive. This is ultimately determined by their memories and experience in Dryden.

In this light, advancing tourism in Dryden and the surrounding region is deserving of the City's resources. A word of caution, however, it is important to manage expectations when marketing Dryden and its tourism products. Over promising and under delivering is a real threat, which would undermine the long term viability of this sector. Therefore, regular coordination and collaboration with regional organizations will be critical to optimize marketing and product development.

Local and Regional Food Network

In recent years increased attention by policy makers and consumers has focused on food quality, sustainability and accessibility. In response, northwestern Ontario has experienced a growth in demand for local food co-ops. At one time, Thunder Bay acted as the regional hub for producers, but since its 2013 inception, the Cloverbelt local food co-op, based in Dryden, has quickly emerged as the region's largest and most effective food cooperative. The City of Dryden has supported the growth of the cooperative by providing land and in-kind staff support. Moreover, the DDC has actively embraced the co-op and championed its continued operation and federal grant applications.

Moving forward, the DDC should continue to support Cloverbelt with its research Local Food Mapping and Distribution Network project. The DDC may also explicitly leverage the presence and capacity of the Cloverbelt local food co-op in its marketing and promotional materials. Increased community signage and promotion of the co-op's local activities would be of mutual benefit.


Photo: Dryden's Joshua Tree, Courtesy of the DDC, 2015.

7 Action Plans

7.1 Interpreting the Action Plans

This series of action plans directly support the critical path described above. They should be interpreted in the following context.

Timing and priority level

In the actions tables to follow, the level of priority has been based on several criteria including:

1. The level of immediacy based on the City's economic development objectives
2. The potential to contribute to the overall economic vitality and sustainability of Dryden
3. The resources required (i.e. the capacity to implement given the current state)
4. The logical sequence of actions, with each building from the last; in some cases, these are identified as separate steps to support the same overall action

Each action item is assigned a timeframe and priority level. The **timeframe** may be understood as follows:

- Near term – immediately
- Short term – within a year
- Medium term – within 3 years
- Long term – 3-5 years

The level of **priority** denotes the sense of urgency and importance associated with each action. These terms may be understood as follows:

- Highest – utmost importance
- High – important
- Moderate – moderate urgency
- Low – limited urgency

Performance Management

Performance measures are tools to determine how well a job has been done using qualitative and quantitative information. The following reasons make it important to track activity and performance.

- Providing public accountability
- Assisting with human resources management
- Using results to improve performance
- Identifying the return on investment

An effective economic development office must measure and communicate these results.

Performance measurement in economic development is not a common practice. This is somewhat unacceptable and is slowly changing as mangers see the merits in tracking performance so they can improve their operations. To a large degree though, they are reacting to negative circumstances – only tracking because their stakeholders are forcing them. Governors of municipal dollars cannot be blamed, however, as they are being increasingly pressured by their constituents to do more with less.

Below each action plan, presented below, are several logical performance metrics. It is recommended that the DDC carefully consider each metric before their application. Questions to consider:

- Is there enough information to consistently inform this metric over time?
- Are there enough resources to consistently monitor the metric?
- Does the metric effectively demonstrate the success or failure of the action?

If any of these questions cannot be answered with a definite "yes" than the DDC should consider a different measure.

7.2 Action Plan - Commitment to Service Excellence and Increasing the City's Economic Development Capacity

FIGURE 17 GOALS AND ACTIONS FOR CUSTOMER SERVICES INCREASING THE CITY'S ECONOMIC DEVELOPMENT CAPACITY

Goals	Actions (DDC Role)	Timing / Priority
1. Increase Economic Development Capacity	1. Hire a full time Economic Development Manager (roles and responsibilities for this position are detailed in the Appendix) 2. Review and refresh the DDC website design and contents 3. Update and maintain a detailed source of community data including skills inventory, a community profile, labour market statistics and up to date business directory. Ongoing updates should be provided (minimum semi-annually for all but Skills Inventory which is annual) 4. Update and maintain a vacant land and storefront inventory 5. Update and maintain a 'shovel ready' development land inventory 6. Work towards the gold standard of investment readiness (investment readiness check list is provided in the Appendix)	1. Near/ Highest 2. Short/ High 3. Medium/ High 4. Medium/ Moderate 5. Short/ High 6. Long/ High
2. Create a culture of Customer First service and create one-stop service and business process	1. Educate and engage Council and Senior Staff to create a customer services environment and filter it through the entire organization 2. Prepare "ready to go" collateral material to expedite customer service 3. Create expedited service channels and process to serve urgent cases 4. Identify channels and process to provide tailored services to new business customers and redevelopment need 5. Build relationships and partnerships through customer services by solving problems and streamlining information 6. Track communication and project work with investors, stakeholders and the business community through a customer relationship management system 7. Develop a "one team" Dryden approach to investment attraction efforts. Once an opportunity is identified DDC and City should know who the local stakeholders are in the community and region that need to be brought into the room. Staff should compile and maintain a list of human resources, real estate, accounting, legal and financial professionals	1. Short/ High 2. Medium/ High 3. Medium/ High 4. Medium/ High 5. Short/ High 6. Medium/ Moderate 7. Medium/ Moderate

Goals	Actions (DDC Role)	Timing / Priority
3. Establish customer service standards	1. Upgrade and commit to service standards 2. Identify service process and time expectation 3. Streamline regulations and make it easy and transparent for developers	1. Medium/ High 2. Medium/ High 3. Long/ High

POTENTIAL PERFORMANCE METRICS

- Number of companies that have expanded and been retained
- Number/value of permits
- Jobs created (i.e. full-time, part-time, contract, seasonal) due to new businesses and start-ups, business relocation and existing businesses expanding

7.3 Action Plan – Ensuring Inclusivity and Strengthening Relationships

FIGURE 18 GOALS AND ACTIONS FOR ENSURING INCLUSIVITY AND STRENGTHENING RELATIONSHIPS

Goals	Actions (DDC Role)	Timing / Priority
1. Ensure and demonstrate commitment to inclusivity	1. Support the creation of a City department responsible for "Equity, Diversity and Inclusion". This office would oversee anti-racism training for administration, staff and Council; the implementation of new structures to address complaints for harassment and discrimination; take direct responsibility for the policy and public education that aims to combat systemic discrimination 2. Support the introduction of 'diversity and inclusion' in the performance evaluation criteria of City leadership positions. An example would be adding the following as a criterion to evaluate a director: "A director should be proactive in promoting diversity and inclusion in all areas of City activities." 3. For the next City vacancy at the senior level, support the pursuit of special initiatives to identify internal or external qualified, diverse candidates, such as Aboriginal candidates, who can be considered for the position 4. Encourage the City to liaise with the senior leadership of Sioux Lookout to discuss best practices and lessons learned regarding community inclusivity initiatives 5. Work with Dryden area anti-racism network's (DAARN) to deliver cultural diversity training programs for businesses	1. Medium/ High 2. Medium/ High 3. Medium/ High 4. Short/ High 5. Medium/ Moderate
2. Strengthen partnerships to advance economic development objectives	1. Facilitate a more sustainable relationship between regional Aboriginal communities, local/provincial governments, post-secondary institutions, and the business community by understanding Aboriginal priorities for economic development, and brokering connections with key non-aboriginal organizations and institutions 2. Facilitate connections between Aboriginal training providers and educational institutions as a means of expanding and enhancing available programming to match current and anticipated needs in the local labour force 3. Work with Aboriginal organizations to develop a mentoring program composed of Aboriginal and non-aboriginal business leaders and professionals aimed at engagement of Aboriginal youth 4. Build connections with local and regional Aboriginal communities and organizations to promote the profile of available economic development and business assistance services	1. Medium/ High 2. Medium/ High 3. Long/ High 4. Medium/ High

Goals	Actions (DDC Role)	Timing / Priority
3. Target areas of opportunity with mutually positive impacts	1. Pursue intergovernmental cooperation around Aboriginal economic development and play a leadership role in identifying economic development activities of mutual interest 2. Work with First Nations Chiefs in Northwestern Ontario to identify areas for support to achieve objectives of revenue generation and skill development 3. Identify opportunities for Aboriginal and non-aboriginal collaboration on major economic development projects and opportunities for Dryden that align with the goals of regional First Nations communities	1. Medium/ High 2. Medium/ High 3. Medium/ High

POTENTIAL PERFORMANCE METRICS

- Number of joint economic development projects supported or undertaken with Aboriginal organizations
- New federal funding attracted to support local and regional economic development objectives
- Uptake of cultural diversity training programs for businesses

7.4 Action Plan - Supporting Local Businesses

FIGURE 19 GOALS AND ACTIONS FOR SUPPORTING LOCAL BUSINESSES

Goals	Actions (DDC Role)	Timing / Priority
1. Retain existing business; expand existing business; Identify new business opportunities related to existing businesses	1. Engage regular communications with existing businesses, maintain on-going dialogues and develop a business culture within the City 2. In collaboration with the Chamber of Commerce, conduct a sector specific business BR+E survey (different sector each year or six months). Answer the questions: • What barriers to growth need to be removed? • What opportunities exist in the broader economy as well as for individual businesses? 3. Showcase recent success 4. Identify ambassadors in the business community to advocate for the City 5. Ensure Official Plan is consistent with economic development goals 6. Introduce a program for City procurement of sustainable products and processes developed by local businesses, or products and processes licensed to or distributed by local businesses	1. Short/ High 2. Medium/ High 3. Short/ Low 4. Medium/ Low 5. Medium/ Moderate 6. Long/ High
2. Develop promotional/ marketing material that portrays the promise to promote and support small business	1. Encourage development of local space that allows for small professional services agencies like engineers, accountants, legal services, public relations and internet/website services 2. Market and promote the Lone Eagles environment within Dryden	1. Medium/ Moderate 2. Medium/ Moderate
3. Support entrepreneurs and new business start-up and expansion	1. Coordinate with the DDCC about continued BR+E Activities to establish roles and responsibilities 2. Follow up with businesses identified in BR+E survey that are considering expansion 3. Collaborate with local and regional employment support providers and small business support providers to enhance local awareness of available services and programs 4. Support broadband expansion/upgrades throughout the region	1. Near/ Highest 2. Near/ Highest 3. Short/ Moderate 4. Medium/ High

POTENTIAL PERFORMANCE METRICS

- Number of new business licenses
- Number of companies that have expanded and been retained
- Number/value of permits

7.5 Action Plan – Workforce Development

FIGURE 20 GOALS AND ACTIONS FOR WORKFORCE DEVELOPMENT

*Note. The goals and actions outlined in the Workforce Development section are to be pursued in partnership with the Northwest Training and Adjustment Board (NTAB)

Goals	Actions (DDC in partnership with the NTAB)	Timing / Priority
1. Ensure the capacity of tomorrow's local workforce	1. Support activities of the new Dryden Area Young Professionals Network 2. Work with post-secondary institutions and local school boards to develop programming focused on Dryden's growing sectors and in-demand occupations 3. Build strong partnerships with other governments and agencies in support of joint research and, apprenticeships and internship programs in selected business sectors 4. Develop joint marketing materials with post-secondary institutions to enhance local and regional recognition of the strengths of the city's institutions 5. Work with the local business community to develop mechanisms to retain existing and experienced workers in the labour force 6. Leverage partnerships to encourage businesses to create additional opportunities for co-op placements and apprenticeships. These placements should support community training, secondary, and post-secondary programs 7. Promote the Northern Ontario Youth Entrepreneurship Initiative 8. Promote the Ontario Youth Apprenticeship Program (OYAP) as a viable and cost effective career pathway	1. Short/ High 2. Long/ Moderate 3. Medium/ Moderate 4. Medium/ Moderate 5. Medium/ High 6. Medium/ High 7. Short/ High 8. Medium/ High
2. Ensure local and regional business have access to the skilled labour they require	1. Support more investment in management skills training. This includes certificate programs that can be completed through a series of one-day workshops 2. Emphasize core customer service skills in all training programs affiliated with the service sector	1. Medium/ Moderate 2. Medium/ High
3. Advance on-the-job training and skill development	1. Create a marketing campaign that highlights employer benefits of investment in employee training. This could leverage an award system that recognizes employers that demonstrate investment in skills and knowledge development among staff 2. Promote apprenticeship and educate employers on the free services available to them. Examine the "Destination: Apprenticeship!" initiative developed by the Niagara Workforce Planning Board as a potential model. This short publication thoroughly describes the value proposition of supporting apprenticeships. Refer to the following website for details: www.niagaraworkforce.ca/wp-content/uploads/2013/11/DestinationApprenticeship.pdf	1. Medium/ Moderate 2. Medium/ High

Goals	Actions (DDC in partnership with the NTAB)	Timing / Priority
4. Address industry's future planning and systemic human resource needs	1. Support the development of and proactively market and distribute materials and programming, to support succession and business planning 2. Ensure awareness among local businesses of the importance of organizational memory. Provide workshops that seek to minimize the impact of retirees. Potential tactics include: Conducting exit interviews to ease the entrance of new employees; developing oral histories of the "here-and-now" of business; and developing corporate histories that will transmit the identity and culture of the business between generations of employees. This will support the value proposition associated with effective succession planning	1. Medium/ High 2. Medium/ High

POTENTIAL PERFORMANCE METRICS

- Jobs created (i.e. full-time, part-time, contract, seasonal) due to new businesses and start-ups, business relocation, and existing businesses expanding
- Local regional partnerships – number of partnerships, size and mix of partnerships (how many partners are working together and what is the cross mix – education, business, voluntary, etc.), type of partnerships (public, private, voluntary sector, public-private-voluntary, etc.)
- Post-secondary enrollment and graduation rates / Training participation rates
- Certification rates
- Graduation rates – high school
- Labour shortage projections by occupation
- Regional job postings by occupation and sector

7.6 Action Plan - Targeting Economic Opportunities

FIGURE 21 GOALS AND ACTIONS FOR TARGETING ECONOMIC OPPORTUNITIES

Area	Goals	Actions (DDC Role)	Timing / Priority
Downtown Development	1. Maintain and rejuvenate Dryden's Downtown 2. Advance the implementation of Dryden's Municipal Cultural Plan	1. Meet with the local cultural committee to identify those priorities with direct relevance and synergies to advance this economic development strategy 2. Examine the viability of funding an updated CIP focused on incenting improvements to façade and signage 3. Coordinate with DDCC and municipal arts committee to animate empty storefronts to help portray a downtown that is thriving economically 4. Leveraging local business sponsorships, establish free Wi Fi hot spots in the downtown 5. Promote and maintain artists benches 6. Support installation of public art in public facilities and commercial buildings	1. Medium/ Moderate 2. Medium/ High 3. Medium/ High 4. Medium/ Moderate 5. Medium/ Low 6. Long/ Low
Seniors Services and Housing	1. Address service gaps, improved access to services and improved the quality of life for seniors	1. Meet with the Dryden's Age-Friendly Network to identify those areas requiring increased City and Provincial support 2. Examine the capacity of City and regional organizations to address these priority areas 3. Advocate for the advancement of the local age-friendly community plan 4. Voice the importance of volunteerism and the need to enhance caregiver supports at the City level 5. Position Dryden as a truly age friendly town. Prepare and distribute marketing materials reinforcing this message	1. Short/ High 2. Short/ High 3. Short/ High 4. Medium/ Moderate 5. Medium/ High

Area	Goals	Actions (DDC Role)	Timing / Priority
Industrial and Commercial Development	1. Maximize tax assessment from serviced employment lands 2. Encourage office space to support Lone Eagles 3. Foster an environment for small business growth	1. Engage in targeted investment attraction activities in partnership with local businesses (mining, forestry, logistics related) 2. Identify and attract new business opportunities that enhance the value chains of existing business in Dryden 3. Identify and promote existing local office space to be occupied by Lone Eagles 4. Coordinate with developers to ensure office space is a priority for future developments 5. Consider the introduction of a minimum site coverage requirement in the Official Plan	1. Long/ Moderate 2. Long/ Moderate 3. Medium/ Moderate 4. Long/ Low 5. Long/ Moderate
Regional Approach to Development	1. Work with other communities and organizations in the region to enhance regional competiveness 2. Build and maintain relationships with the region's economic development and planning community 3. Establish formalized lead generation and handling protocols with regional partners 4. Leverage regional/ provincial community funding opportunities	1. Work collectively with other regional communities to develop joint initiatives (share the cost of business workshops, etc.) 2. Establish stronger relationship with Dryden's provincial development advisor 3. Establish partnerships with regional agencies and non-governmental organizations to support and enhance program delivery; the City can leverage existing programming offered by provincial agencies and non-profit groups, to provide local businesses with additional resources and educational opportunities 4. Actively attend events and seminars throughout the region to: build the network of business contacts; show support for regional initiatives; generate awareness and learn municipal best practices 5. Play a greater role in Patricia Area Community Endeavours 6. Increase levels of coordination with Patricia Area Community Endeavours 7. Develop Regional Stakeholder Coalition with semi-annual networking meetings 8. Provide ongoing support for regional EDO meetings 9. Pursue regional partnership opportunities when submitting grant and funding applications to upper levels of government	1. Medium/ Moderate 2. Medium/ High 3. Medium/ High 4. Medium/ High 5. Medium/ High 6. Medium/ High 7. Long/ High 8. Medium/ High 9. Short/ High

Local and Regional Tourism	1. Strengthen local tourism product and advance related marketing efforts 2. Cross linking and networking of regional tourism offerings 3. Advance local sports tourism	1. Partner with tourism organizations on marketing campaigns, and improved highway signage 2. Improve signage for the Dryden Visitor Information Centre 3. Examine the feasibility of re-introducing or renewing the certified tourism ambassador program 4. In coordination with the DDCC, and regional tourism organizations, directly engage with those businesses to first assess their product positioning and then improve their online presence/messaging 5. Encourage Dryden area tourism businesses to post other businesses' tourism products on their respective websites; then Encourage businesses to track and reward or celebrate referrals 6. Advance the recommendation of the Dryden Tourism Strategy of assembling key stakeholders to form a Sports Tourism Alliance; this group is designed to: • Identify weaknesses in attracting and hosting sporting events in Dryden (use the Sport Tourism Planning Template) • Identify all possible solutions and sources of funding • Develop and implement a prioritized action plan 7. Pursue festivals and events development, including celebrations of Aboriginal culture 8. Actively support tourism related entrepreneurship and succession planning amongst older businesses	1. Medium/ Moderate 2. Medium/ Moderate 3. Medium/ Low 4. Medium/ High 5. Medium/ Moderate 6. Medium/ Moderate 7. Medium/ Low 8. Medium/ High
Airport	1. Maximize airport related activities and increase related municipal revenues	1. Examine City's airport management strategy to identify opportunities for increased revenue generation 2. Examine public private partnerships to support the development of airport industrial lands 3. Pro-actively engage regional carriers to increase passenger and cargo traffic 4. Examine City's airport management structure to understand potential role for DDC	1. Short/ Highest 2. Medium/ Highest 3. Medium/ Highest 4. Short/ Highest

Local Food	1. Support the growth of local and regional food networks 2. Leverage the Cloverbelt brand to enhance Dryden's value proposition	1. Actively champion and support Cloverbelt's new Local Food Mapping and Distribution Network project 2. Increased community signage and promotion of the co-op's local activities 3. Leverage the presence and capacity of the Cloverbelt local food co-op in the DDC's marketing and promotional materials	1. Medium/ High 2. Medium/ High 3. Medium/ Moderate
Investment Attraction	1. Secure local and regional investment in value-added forestry and mining sectors	1. Publish information on the forestry sector online. Position material to emphasize local strength of forestry supply chain and producers (profile local companies), available industrial properties, available fibre, quality of local fibre, by-products produced by local forestry businesses, etc. 2. Build and maintain relationships with local and regional forestry management organizations 3. Build and maintain relationship with Domtar by listening to the company's concerns and taking reasonable measures to address them; City leadership must genuinely support these efforts and work to improve relations 4. Build relationships with the prospectors, juniors, in the area to establish a business case for [future] mining industry value chain investments – including providing a strong sense of the volume of activity that is likely to occur in the area over longer term 5. Ensure that up-to-date marketing information, including the status of regional mining projects, and the Ring of Fire is provided on the municipal website 6. Establish a regular timeline for review and update of these materials	1. Medium/ High 2. Medium/ High 3. Short/ High 4. Medium/ High 5. Medium/ High 6. Medium/ Moderate

RECOMMENDED PERFORMANCE METRICS

- Amount of private investment leveraged from public investment
- Dollar value of public investment in development projects
- Local regional partnerships – number of partnerships, size of partnerships, type of partnerships
- New business investment attracted – dollars and number of businesses
- Jobs created (i.e. full-time, part-time, contract, seasonal) due to new businesses and start-ups, business relocation, and existing businesses expanding

Photo: Aaron Park, Courtesy of the DDC, 2015.

8 Appendix A: Community Assessment

8.1 Demographic Profile

Comparative Population Age Pyramids

FIGURE 22 POPULATION AGE PYRAMIDS FOR SELECTED GEOGRAPHIES, 2011

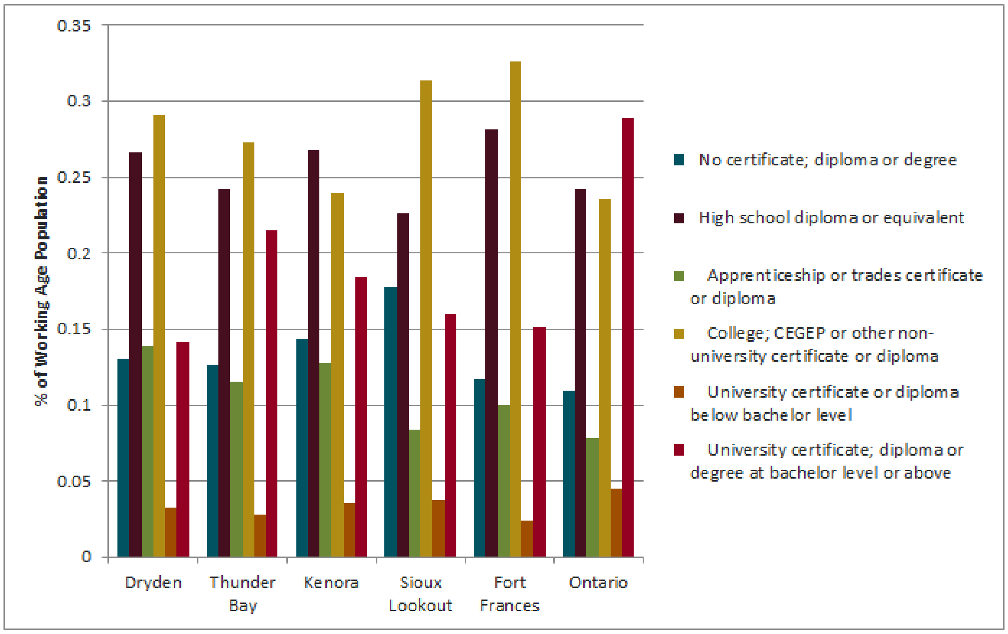
Source: Statistics Canada; 2011 Census of Population. Adapted by Millier Dickinson Blais Inc. 2015.

- Dryden has a relatively high number of elderly dependants.

- Dryden has a relatively low number of young dependants (with the exception of the 15-19 age cohorts).
- Dryden working age population is concentrated in the 50 to 54 age cohort.
- Dryden's working age population is smallest for those age cohorts between 25 and 39 years of age. This may be a result of consistent youth out migration.
- These population age characteristics are similar to those found in neighbouring communities, with the exception of Sioux Lookout, which has a younger age pyramid entirely.
- The median age of Dryden's population is 45. This is the oldest median age amongst the comparator communities and well above the provincial average (40.4).
- Population aging and the lack of a replacement workforce is a considerable challenge facing Dryden's economy.
- Dryden's population has declined by 7.1% since 2006. This is the greatest population decline amongst its regional counterparts.

Educational Attainment Level

FIGURE 23 HIGHEST LEVEL OF EDUCATIONAL ATTAINMENT, 2011

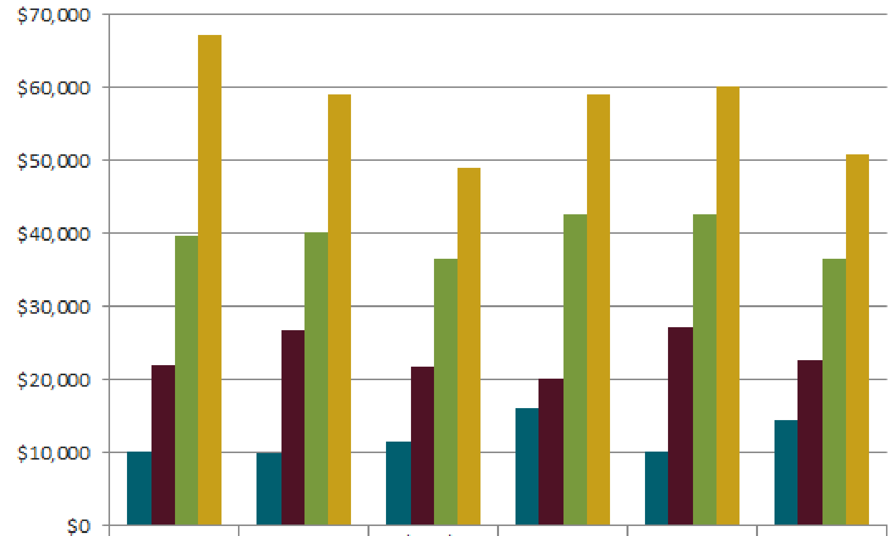


Source: Statistics Canada; 2011 NHS Custom Data Table - 99-012-X2011041. Adapted by Millier Dickinson Blais Inc. 2015.

- Dryden has a relatively high proportion of its population with an apprenticeship or trades certificate.
- Dryden's population has relatively low rates of education at the bachelor degree or above level.
- Ontario's population has approximately double the rate of education at the bachelor degree or above level, when compared to Dryden.

Employment Income by Educational Attainment

FIGURE 24 MEDIAN EMPLOYMENT INCOME BY LEVEL OF EDUCATION, 2011



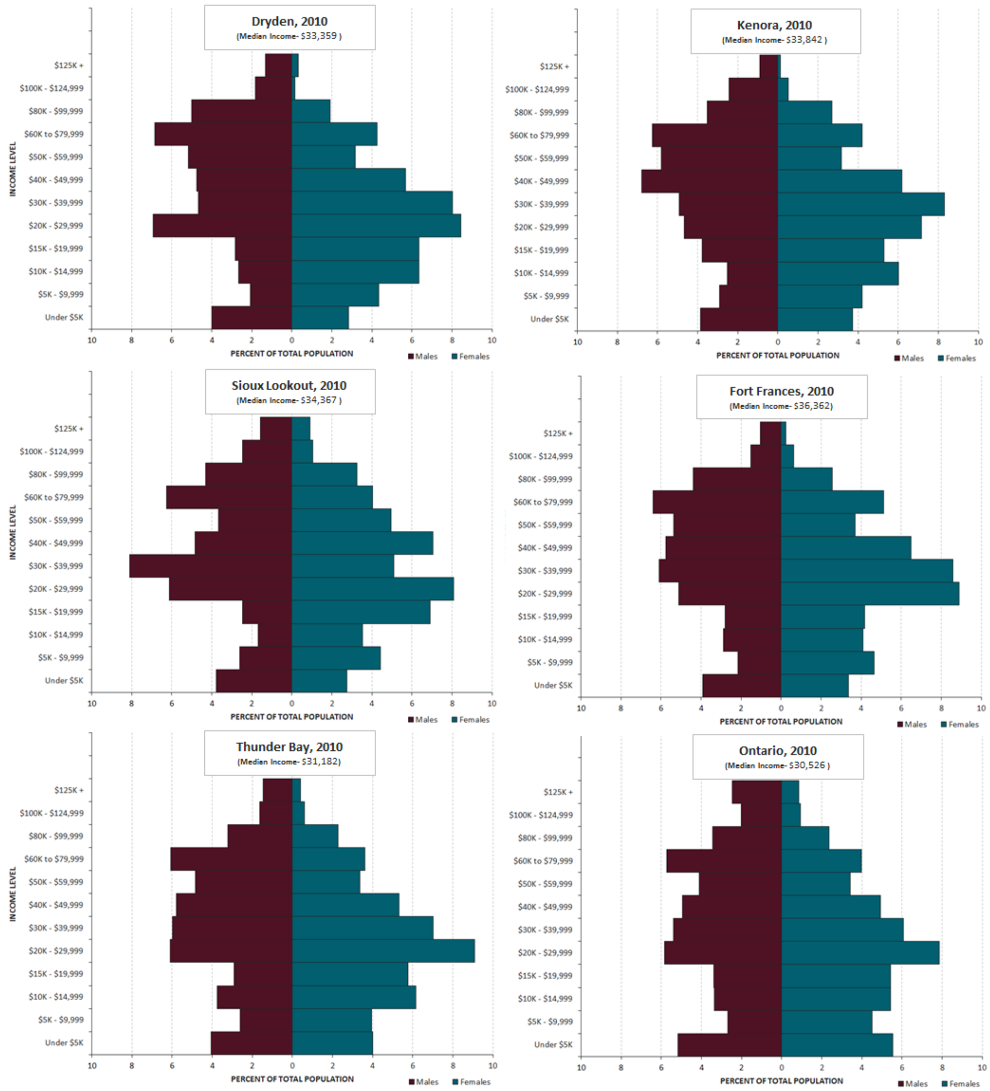
	Dryden	Kenora	Thunder Bay	Sioux Lookout	Fort Frances	Ontario
No certificate, diploma or degree	$10,105	$9,884	$11,417	$16,028	$10,022	$14,387
High school diploma or equivalent	$21,863	$26,610	$21,706	$20,022	$27,229	$22,626
Postsecondary certificate or diploma below bachelor level	$39,772	$40,201	$36,495	$42,653	$42,628	$36,574
University certificate, diploma or degree at bachelor level or above	$67,286	$59,065	$48,958	$59,120	$60,060	$50,769

Source: Statistics Canada; 2011 NHS Custom Data Table - 99-012-X2011041. Adapted by Millier Dickinson Blais Inc. 2015.

- With the exception of those individuals with a university certificate, diploma or degree, Dryden's median income levels are on par with the provincial average. Those individuals with a university certificate, diploma or degree in Dryden are relatively well paid. These elevated compensation levels may be the result of difficulties with local talent attraction.

Comparative Income Levels

FIGURE 25 COMPARATIVE INCOME LEVELS, 2011

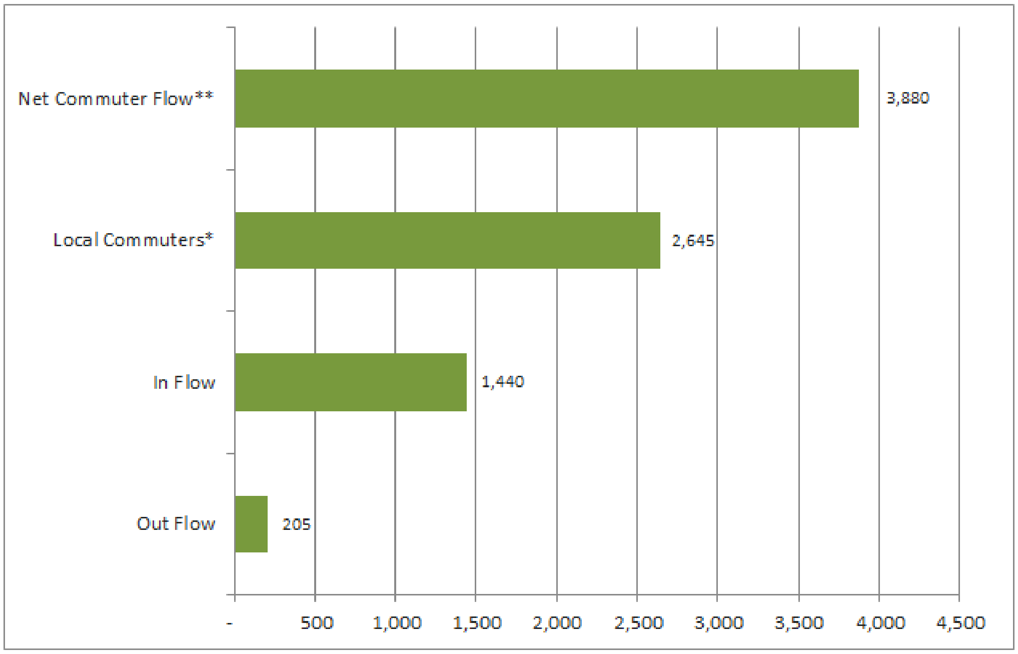


Source: Statistics Canada; 2011 National Household Survey. Community Profiles. Adapted by Millier Dickinson Blais Inc. 2015.

- Dryden's median income is $33,359. This is above the provincial median, and in line with its regional counterparts.
- Dryden's income distribution, based on its total male population, is distinct from its neighbours. It shows a concentration of incomes levels, between $20K and $30K, and between $60K and $80K.
- Dryden's income distribution, based on its total female population, is in line with its neighbours. Income levels for females tend to follow a normal distribution with the most prominent income levels between $20K and $40K.

Commuting Patterns

FIGURE 26 COMMUTER PATTERNS FOR SELECTED GEOGRAPHIES, 2011



*Note. Local commuters are those workers who live and work in the same community.

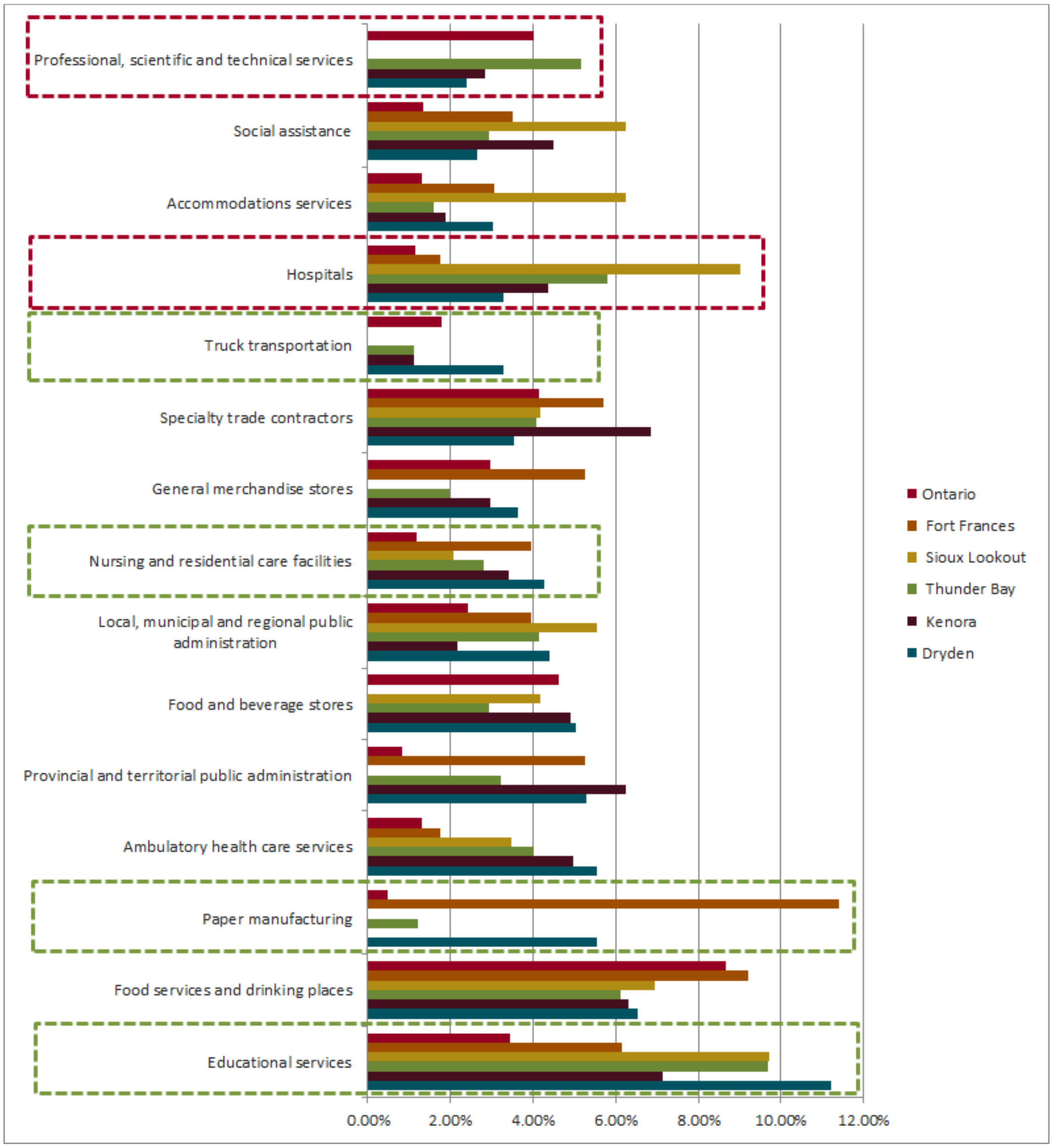
**Note. Net commuter flow are total commuters minus out flow

Source: Statistics Canada - 2011 National Household Survey. Catalogue Number 99-012-X2011032.

- The bulk of Dryden's workforce lives and works in the city.
- 1,340 workers commute into Dryden from the Unincorporated District of Kenora.

8.2 Labour Force Profile

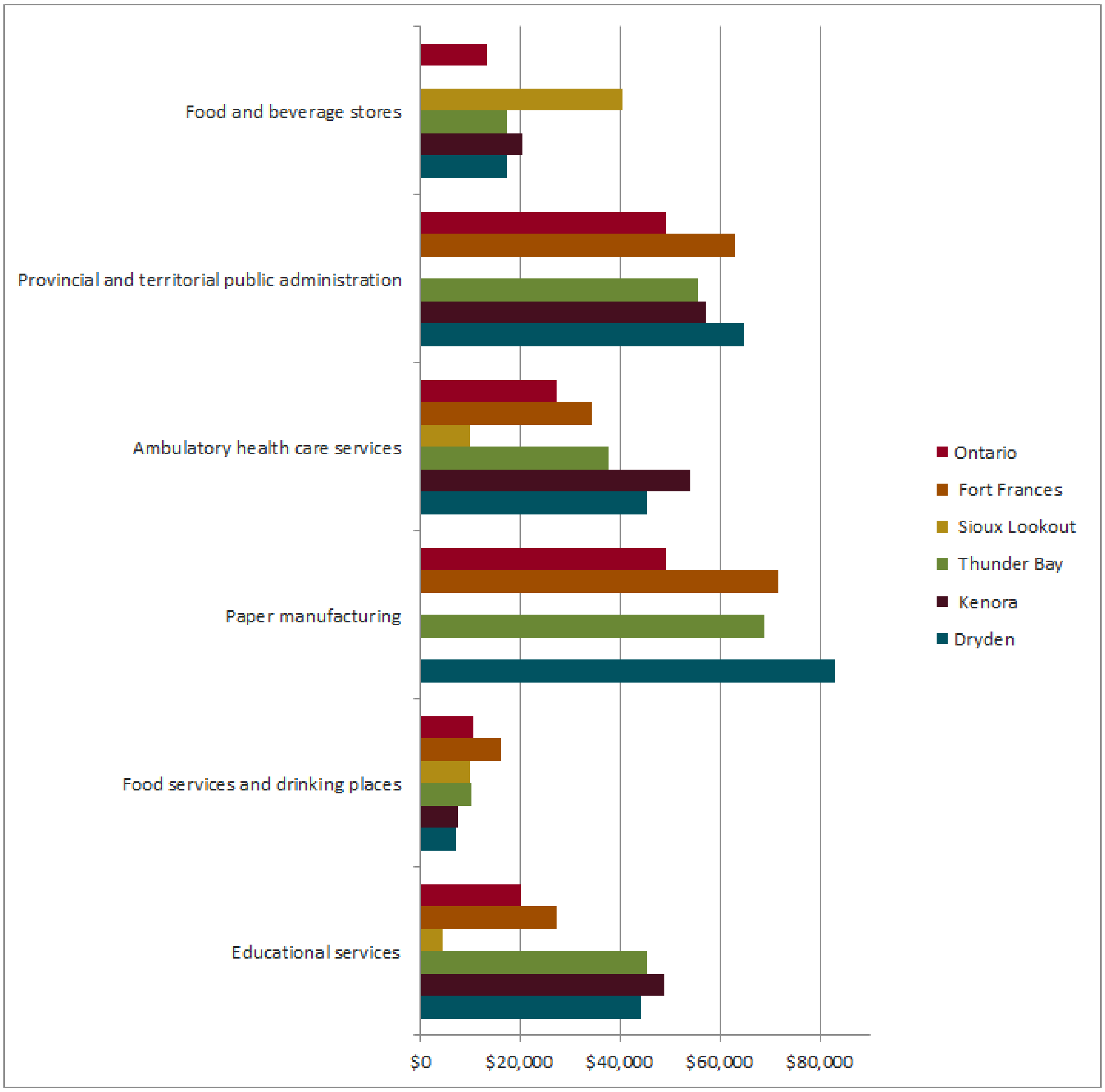
FIGURE 27 EMPLOYMENT COMPOSITION BASED ON DRYDEN'S TOP 15 INDUSTRIAL SUBSECTORS (3 DIGIT NAICS), 2011



Source: Statistics Canada; 2011 NHS Custom Data Table - 99-012-X2011034. Adapted by Millier Dickinson Blais Inc. 2015.

- Comparatively, Dryden's employment composition, as defined by the North American Industrial Classification System (at a three digit level), has notable concentrations in educational services, paper manufacturing, nursing and residential care facilities, and trucking.
- Paper manufacturing is Dryden's greatest relative industrial strength, as measured by employment.
- Dryden is lagging with respect to employment in professional, scientific and technical services and hospital based employment.

FIGURE 28 MEDIAN EMPLOYMENT INCOME BY SELECTED INDUSTRIAL SUBSECTOR (3 DIGIT NAICS), 2011



- Dryden's median employment income for its largest industrial subsectors, as defined by total employment, is generally aligned with its regional counterparts.
- Paper manufacturing is the only sector where Dryden's workers are compensated well above the regional average.
- With the exception of food services and drinking places, Dryden's compensation levels are above the provincial average.
- Median wage levels will not differentiate Dryden from its regional counterparts.

FIGURE 29 DRYDEN'S OCCUPATIONAL COMPOSITION BY 1 AND SELECTED 4 DIGIT NOC, 2011

Dryden	
Occupation	Employment
0 Management occupations	**265**
0621 Retail & wholesale trade managers	85
0632 Accommodation service managers	20
1 Business, finance & administration occupations	**495**
1241 Administrative assistants	75
1411 General office support workers	75
2 Natural & applied sciences & related occupations	**135**
2223 Forestry technologists & technicians	15
2242 Electronic service technicians (household & business equipment)	15
3 Health occupations	**185**
3012 Registered nurses & registered psychiatric nurses	60
3234 Paramedical occupations	25
4 Occupations in education, law & social, community & government services	**730**
4031 Secondary school teachers	75
4032 Elementary school & kindergarten teachers	130
4212 Social & community service workers	75
4214 Early childhood educators & assistants	75
5 Occupations in art, culture, recreation & sport	**30**
*no occupation above 5	
6 Sales & service occupations	**945**
6421 Retail salespersons	130
6731 Light duty cleaners	105
7 Trades, transport & equipment operators & related occupations	**600**
7271 Carpenters	55
7321 Automotive service technicians, truck & bus mechanics & mechanical repairers	55
7511 Transport truck drivers	115
8 Natural resources, agriculture & related production occupations	**130**
8231 Underground production & development miners	25
8432 Nursery & greenhouse workers	30
9 Occupations in manufacturing & utilities	**120**
9215 Supervisors, forest products processing	15
9614 Labourers in wood, pulp & paper processing	15

Source: Statistics Canada; 2011 NHS Custom Data Table - 99-012-X2011054. Adapted by Millier Dickinson Blais Inc. 2015.

- Dryden's employment base is concentrated in sales and service and education occupations.
- Dryden's forestry activities are reflected in its occupational structure as related occupations rank highly.
- Occupations tied to hospital functions are also well represented.

8.3 Industry Profile

FIGURE 30 DRYDEN CANADIAN BUSINESS PATTERNS INDUSTRY BREAKDOWN, DECEMBER 2014

NAICS Code	Description	Total	Ind.	Subtotal	1-4	5-9	10-19	20-49	50-99	100-199	200-499
11	Agriculture, forestry, fishing and hunting	41	28	13	8	1	1	3	0	0	0
21	Mining, quarrying, and oil and gas extraction	2	1	1	0	0	1	0	0	0	0
22	Utilities	5	4	1	1	0	0	0	0	0	0
23	Construction	80	37	43	20	14	8	1	0	0	0
31-33	Manufacturing	11	4	7	3	1	1	1	0	0	1
41	Wholesale trade	31	11	20	9	4	5	2	0	0	0
44-45	Retail trade	102	33	69	23	19	14	8	3	1	1
48-49	Transportation and warehousing	45	19	26	9	5	9	3	0	0	0
51	Information and cultural industries	7	4	3	0	0	2	1	0	0	0
52	Finance and insurance	39	25	14	7	1	2	3	1	0	0
53	Real estate and rental and leasing	112	101	11	9	1	0	1	0	0	0
54	Professional, scientific and technical services	51	29	22	18	3	1	0	0	0	0
55	Management of companies and enterprises	10	9	1	1	0	0	0	0	0	0
56	Administrative and support, waste management and remediation services	20	7	13	7	1	3	2	0	0	0
61	Educational services	7	2	5	2	2	0	0	1	0	0
62	Health care and social assistance	63	23	40	18	10	5	4	2	0	1
71	Arts, entertainment and recreation	7	2	5	1	2	1	1	0	0	0
72	Accommodation and food services	61	22	39	6	9	14	8	2	0	0
81	Other services (except public administration)	91	40	51	30	14	5	1	0	1	0
91	Public administration	2	0	2	0	0	0	1	0	1	0
	Total	**787**	**401**	**386**	**172**	**87**	**72**	**40**	**9**	**3**	**3**

Source: Canadian Business Patterns, Dec 2014. Adapted by Millier Dickinson Blais Inc. 2015.

- Dryden's top industrial categories based on business location counts include: real estate and rental and leasing; retail trade; other services (except public administration); construction; and health care and social assistance.
- With the exception of real estate and rental and leasing, these industries are supported by a high level of employer based operations (as identified by the "Subtotal" heading in the figure above. Conversely those businesses under the "Ind." heading represent those businesses without employees. These are also known as sole proprietorships).
- Those industries with the highest number of business counts, with employers include: retail trade; other services (except public administration); construction; health care and social assistance; accommodation and food services.
- While manufacturing does not support a large number of operations, it is one of the city's largest employers, with one operator reporting 200-499 jobs (pulp, paper and paperboard mills).
- The hospital is the other single largest employer in Dryden.
- Professional, scientific, and technical services ranks low with respect to business locations. Moreover, less than half of these operations have employees (as identified by the "Sub total" heading in the figure above). The majority of these operations have 1-4 employees. In fact, Dryden has no firms in this industrial category with employment over 19.

FIGURE 31 DRYDEN CANADIAN BUSINESS PATTERNS INDUSTRY BREAKDOWN, PERCENTAGE CHANGE 2008 – 2013

Industry NAICS	Total	Ind.	Subtotal
11 - Agriculture, forestry, fishing and hunting	-17.4%	-13.6%	-20.8%
21 - Mining and oil and gas extraction	100.0%	0.0%	0.0%
22 - Utilities	-33.3%	0.0%	-66.7%
23 - Construction	5.5%	24.0%	-4.2%
31-33 - Manufacturing	-7.7%	0.0%	-10.0%
41 - Wholesale trade	-25.0%	-18.2%	-27.6%
44-45 - Retail trade	1.0%	38.5%	-12.5%
48-49 - Transportation and warehousing	-25.8%	-20.0%	-29.7%
51 - Information and cultural industries	20.0%	200.0%	-25.0%
52 - Finance and insurance	-9.4%	-21.1%	7.7%
53 - Real estate and rental and leasing	34.7%	28.2%	60.0%
54 - Professional, scientific and technical services	25.6%	35.0%	15.8%
55 - Management of companies and enterprises	-7.7%	-8.3%	0.0%
56 - Administrative and support, waste management	-15.0%	0.0%	-21.4%
61 - Educational services	-20.0%	200.0%	-44.4%
62 - Health care and social assistance	27.5%	100.0%	17.1%
71 - Arts, entertainment and recreation	14.3%	50.0%	0.0%
72 - Accommodation and food services	7.7%	20.0%	4.8%
81 - Other services (except public administration)	-8.0%	-3.8%	-3.4%
91 - Public administration	-33.3%	0.0%	-66.7%
Total	**-0.3%**	**12.6%**	**-7.7%**

Source: Canadian Business Patterns, Dec 2008 and Dec 2013. Adapted by Millier Dickinson Blais Inc. 2015.

Note. Statistics Canada has changed the reporting methodology for the 2014 business patterns data. Accordingly comparisons between earlier datasets are not recommended for trends analysis. For this reason, 2013 and 2008 data is used.

DRYDEN CANADIAN BUSINESS PATTERNS INDUSTRY BREAKDOWN, ABSOLUTE CHANGE 2008 – 2013

Industry NAICS	Total	Ind.	Subtotal
11 - Agriculture, forestry, fishing and hunting	-8	-3	-5
21 - Mining and oil and gas extraction	1	1	0
22 - Utilities	-1	1	-2
23 - Construction	4	6	-2
31-33 - Manufacturing	-1	0	-1
41 - Wholesale trade	-10	-2	-8
44-45 - Retail trade	1	10	-9
48-49 - Transportation and warehousing	-16	-5	-11
51 - Information and cultural industries	1	2	-1
52 - Finance and insurance	-3	-4	1
53 - Real estate and rental and leasing	17	11	6
54 - Professional, scientific and technical services	10	7	3
55 - Management of companies and enterprises	-1	-1	0
56 - Administrative and support, waste management	-3	0	-3
61 - Educational services	-2	2	-4
62 - Health care and social assistance	11	5	6
71 - Arts, entertainment and recreation	1	1	0
72 - Accommodation and food services	4	2	2
81 - Other services (except public administration)	-7	-1	-2
91 - Public administration	-2	0	-4
Total	**-2**	**32**	**-34**

Source: Canadian Business Patterns, Dec 2008 and Dec 2013. Adapted by Millier Dickinson Blais Inc. 2015.

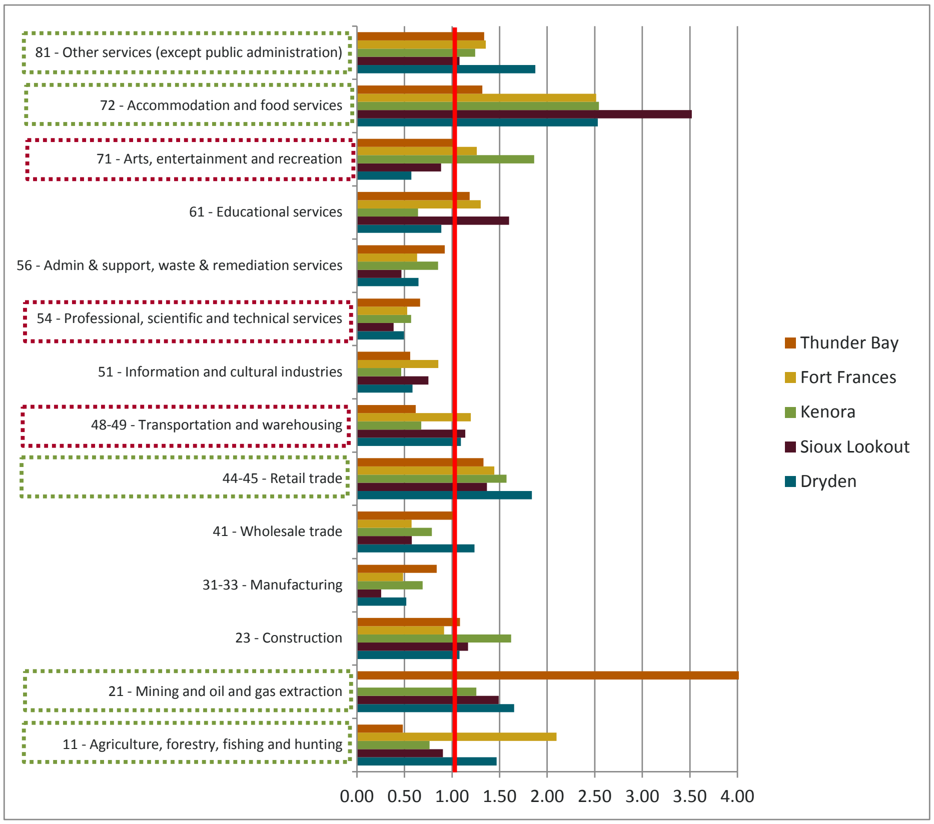
Note. Statistics Canada has changed the reporting methodology for the 2014 business patterns data. Accordingly comparisons between earlier datasets are not recommended for trends analysis. For this reason, 2013 and 2008 data is used.

- Between 2008 and 2013, Dryden’s total business counts remained relatively constant with a minimal decline of two businesses. Although, during this period, Dryden’s firms with employees declined by 7.7% or by 34 businesses (as identified by the “Subtotal” heading in the figure above. Conversely those businesses under the “Ind.” heading represent those businesses without employees. These are also known as sole proprietorships).
- Between 2008 and 2013, Dryden’s real estate and rental and leasing; health care and social assistance; and professional, scientific and technical services have the highest rates of growth. The growth is notable for both percentage and absolute values.
- During the same period, Dryden’s agriculture, forestry, fishing and hunting; wholesale trade; and transportation and warehousing experienced the highest rates of business closures.

Comparative Industry Location

Location quotations (LQs) are used to compare the relative concentration of a sector within a jurisdiction against a larger economy. In this case industrial concentrations, as measured by total business location counts, for Dryden along with regional comparators are measured against the province of Ontario. An LQ of 1.0 indicates a jurisdiction has the same proportions of businesses when compared to the province. An LQ of 1.25 or above suggests a relatively high concentration of businesses. On the other hand, an LQ of 0.75 or below suggests a relatively low concentration of businesses. In the context of Dryden's regional competitors LQs, and trends over time, these LQs help to inform Dryden's competitive areas of strength and relative areas of weakness.

FIGURE 32 TOTAL BUSINESS COUNT LQS FOR SELECTED GEOGRAPHIES, 2014 (AGAINST ONTARIO)



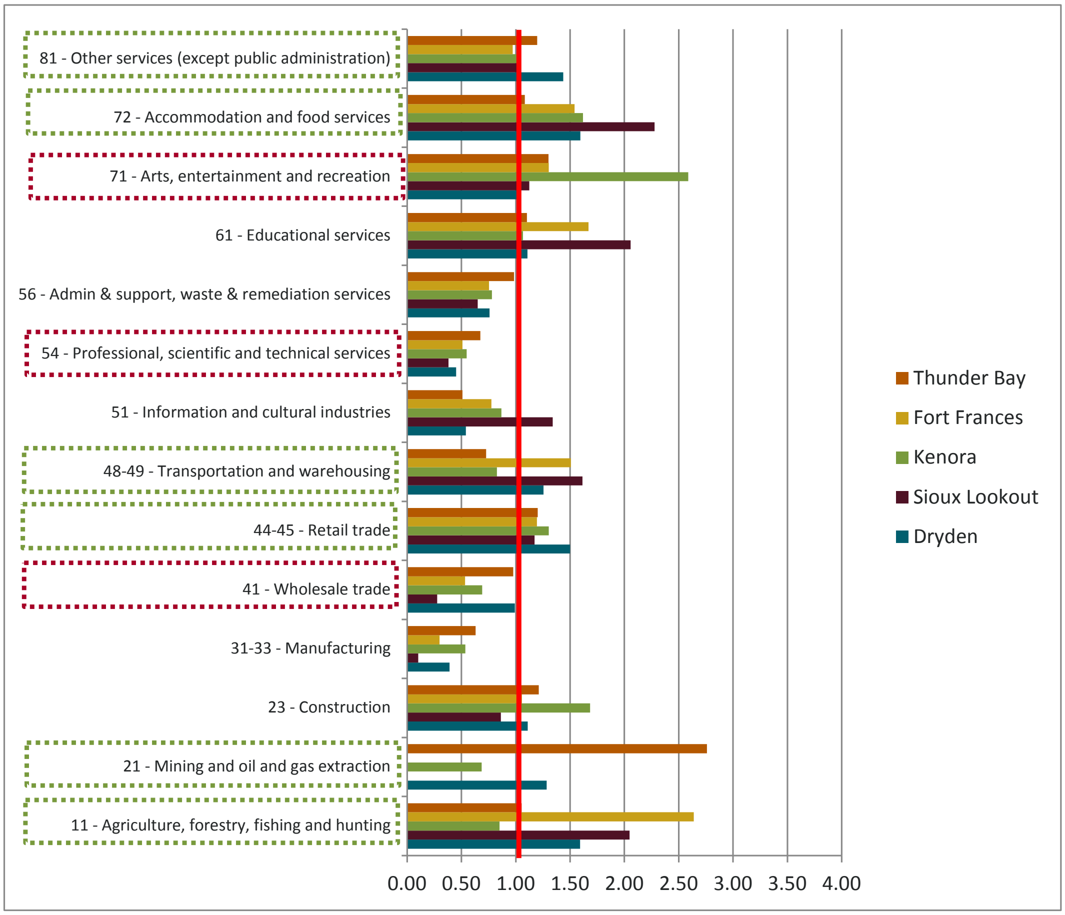
Source: Canadian Business Patterns, Dec 2014. Adapted by Millier Dickinson Blais Inc. 2015.

With respect to the industrial areas presented in the following figures, there are several observations concerning Dryden:

- Those industries identified by a green box have a LQ greater than 1.25. From Dryden's perspective, these industries also have a comparative advantage.
- Dryden's position as a regional centre explains why the city has strengths in personal services, retail trade, and accommodation and food services. Dryden is also well represented in forestry and mining related activities.
- This figure may be used to substantiate or refute chosen "target sectors".

- Those industries identified by a red box either have an LQ less than 0.75 or are underrepresented industries given Dryden's position as a regional centre.

FIGURE 33TOTAL EMPLOYER BUSINESS COUNT LQS FOR SELECTED GEOGRAPHIES, 2014 (AGAINST ONTARIO)



Source: Canadian Business Patterns, Dec 2014. Adapted by Millier Dickinson Blais Inc. 2015.

- Those industries identified by a green box have a LQ greater than 1.25. From Dryden's perspective, these industries also have a comparative advantage. These results are generally in line with the total business count LQ findings.
- Those industries identified by a red box either have an LQ less than 0.75 or are underrepresented industries given Dryden's position as a regional centre. Once again, these results are generally in line with the total business count LQ findings.

Engagement Activities

The findings of the Economic Development Strategic Plan are based on research as well as the views of the local business community as well as external stakeholders who have a different perspective of Dryden's potential as compared to other areas of Ontario and Canada. A total of 16 individuals were interviewed, 39 business stakeholders completed the online survey, and 12 individuals attended workshops. A number of important trends were identified consistently through the engagement activities. They include:

- **Economic Development Services:** improve relationships between municipality and DDC as well as with the business community, improve investment readiness, aim to improve number of businesses and number and quality of jobs
- **Transportation:** Dryden's central location, airport facilities, and highway/potential rail access are key competitive advantages for economic development
- **Forestry:** Importance of improving relationship between municipality and Domtar, and of retaining existing forestry manufacturing in the community, strength of capacity in Dryden's forestry sector unusual - many other areas have lost manufacturers due to lack of cost competitiveness and investment has gone south or east
- **Aboriginal Communities:** Great potential for joint ventures, Aboriginal people consume goods and services in the community and this could be increased, challenges in relationship between Aboriginal and non-Aboriginal people

8.4 Workshop and Interview Trends

Twenty-eight individuals were reached through the engagement program to better understand Dryden's strengths, weaknesses as well as the opportunities for economic development as perceived by stakeholders. The conversations were detailed and informative, they included many suggestions for Dryden's future prosperity, and new sources of information were uncovered through the interview process, some potential avenues for economic development were tempered through cross-checking with sector experts. The following summary of the interviews captures consistently repeated comments with some confirmed details from specific interviews.

Dryden's Strengths and Opportunities for Economic Development

- Location central to the western area of northwestern Ontario, between Kenora and Thunder Bay, a natural service centre and gathering place for the surrounding region and more northern areas, particularly for Aboriginal people, also for trucking repair and servicing
- Full service centre, including health care, shopping at big box stores, restaurants, conference centre and hotels that support the idea of Dryden as a hub, one area where there is reported to be unsatisfied demand is professional services, and some out-shopping is still reported, either to larger centres for lower prices or variety of products
- Some local stakeholders see progress in transparency of decision making by the City, and hope this will continue to improve
- Airport infrastructure and rail access could provide a differentiator for Dryden as compared to other northwestern Ontario communities with a similar "hub" or "gateway" positioning; Airport well positioned to

attract industrial investment, increase cargo flights, lease hangars, increase passenger flights to northern communities, flight training

- Agriculture: local land available, Cloverbelt co-op very successful and greenhouses to supply northern communities with tender vegetables could be expanded in the future
- Tourism: location on Highway 17 and associated touring or travelling traffic, facilities for regional sport tourism, know market for travelling Manitobans and potential in Quebec/Minnesota, TransCanada Trail and the Path of the Paddle are ongoing projects
- Forestry: Domtar's operations are a major advantage in the community, and the contractors have good capacity, Dryden needs to work to maintain this advantage that many others in the region have lost, it's challenging to secure financing for the equipment these businesses need – tremendous cost pressures
- Forestry: the access to fibre in northwestern Ontario is a global advantage
- Many small communities have famous former residents that could be approached to support a homecoming event and perhaps invest in community projects (if they are inclined), Dryden was home to Chris Pronger, for example
- Mining and Forestry: Businesses currently re-manufacture and re-purpose machinery and equipment for mining and forestry, existing businesses need to be supported but there are related opportunities related to ventilation and mine hoisting equipment
- Renewable Energy: solar array built near Dryden, good benefit from construction jobs, but not as much work in maintenance and tax base doesn't benefit due to distance from community

Dryden's Weaknesses and Barriers for Economic Development

- Lack of an economic development manager and minimal municipal support for economic development services, a sense that the DDC and the City may not be working in concert undermines the effectiveness of economic development
- Investment readiness was consistently identified as needed, Dryden is reported to be perceived negatively or simply not a player regionally; a return to the basics of economic development, getting investment ready and re-building relationships with the business community were all recommended as solutions
- Forestry: small tree size and long tree rotation in northern Ontario as compared to western Canada, an expensive region to operate in because of energy costs, forestry management standards, and wood hauling cost
- Challenged relationship between Dryden and Aboriginal communities could undermine resource development opportunities, potential joint ventures, and aboriginal business development in Dryden: examples include a cluster of non-profit organizations providing government and social services for Aboriginal people, education and training services, northbound goods and services etc…
- Tension in the relationship between Aboriginal and non-Aboriginal people at the community level can make shopping, working, and doing business in the community challenging for Aboriginal people. This could lead to loss of business, potential residents, and workers in Dryden
- Forestry training could be more consistently available for forestry related occupations reported to be in demand within the community, such as log trucking and forestry harvesting
- Health care services for seniors could include more assisted living and long term care facilities, as well as more specialized services, however local nursing program from Confederation college very successful

Relevant Industry Trends

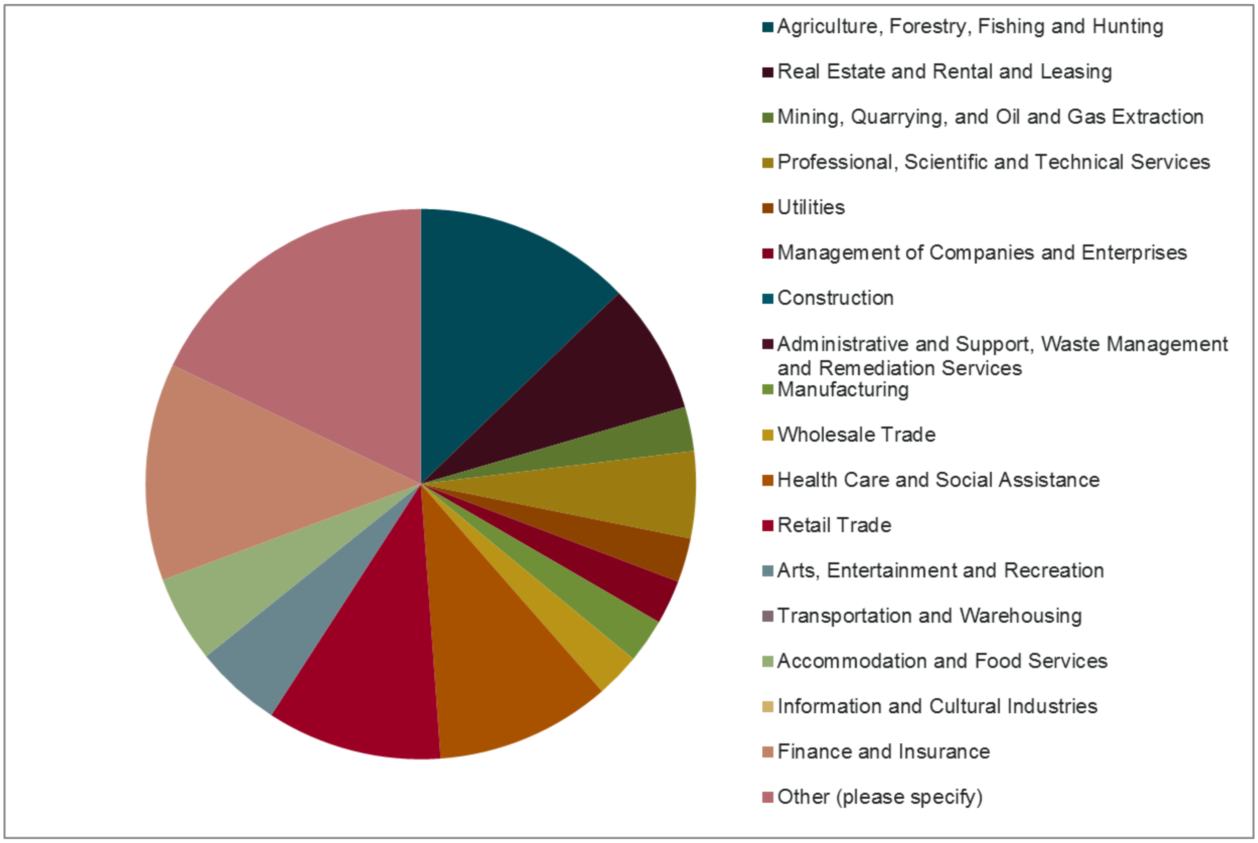
- Tourism: Travellers are interested in the historical uniqueness of communities, and in storytelling as a cultural activity and tourism attraction, NOHFC is funding tourism product development and there could be opportunities to fund the development of Dryden's unique history and culture
- Tourism: Partnerships with Tourism Northern Ontario and Sunset Country will provide provincial level support for marketing efforts, regional projects, and alignment with the regional brand, focused on angling and hunting, and touring.
- Mining: companies and mining related associations are meeting and strategizing as to how to approach development in northwestern Ontario, being involved in these networks would serve Dryden's interests
- Mining and Forestry: First Nation relationships are critical to success in natural resource development, and increasingly so, communities with positive relationships with Aboriginal communities are better positioned to capture investment, and business is less likely to invest where there are not positive relationships
- Forestry: The pace of innovation is increasing, particularly in value-added forestry with respect to bio-chemicals where there are many possible chemical products, and a lot of the partnerships are being made behind closed doors aimed at securing patents. Many projects are operating in absolute secrecy to try to capture the first mover advantage. The key to success is to make sure that the value-added products are differentiated, for example do not open a pellet plant or dissolving pulp mill if there are others already in the region or supplying the market, there is potential for technology providers and buyers of chemical products to become investors in existing businesses to improve the profitability of these businesses
- Forestry: we've seen increasing investment in the southern United States instead of Canada due to the cost structures here.

8.5 Survey Summary

A brief online survey was sent to business leaders, owners and managers in located in Dryden and the surrounding area. Thirty-nine responses to the survey were collected, but approximately twenty of those responses were completed for each question, with the exception of the respondent profile.

Profile of Respondents

FIGURE 34 PROFILE OF SURVEY RESPONDENTS



All 39 survey respondents identified the sector they operate in. Close to 13% categorized the business they own and/or manage as agriculture, forestry, fishing and hunting, and the same percentage stated finance and insurance. Just over 10% identified as involved in health care and the same percentage in retail trade.

FIGURE 35 PARTICIPANT BREAKDOWN BY SECTOR

Sector	%
Other	17.9%
Agriculture, Forestry, Fishing and Hunting	12.8%
Finance and Insurance	12.8%
Health Care and Social Assistance	10.3%
Retail Trade	10.3%
Real Estate and Rental and Leasing	7.7%
Professional, Scientific and Technical Services	5.1%
Arts, Entertainment and Recreation	5.1%
Accommodation and Food Services	5.1%
Mining, Quarrying, and Oil and Gas Extraction	2.6%
Utilities	2.6%
Management of Companies and Enterprises	2.6%
Manufacturing	2.6%
Wholesale Trade	2.6%

Participation in the tourism sector was identified by 8% of respondents within the 'other category. Due to the nature of tourism, a number of other businesses in the fishing and hunting sector as well as accommodations and retail will also be partially or fully reliant on tourism.

What key words would you use to promote Dryden to a potential investor?

- **Location** – hub – central
- **Amenities** – excellent services and facilities – shopping - lakes and outdoors
- **Quality of Life** – relaxed – community – family - friendly
- **Affordability** – low cost of doing business
- **Accessibility** – transportation hub - infrastructure ready

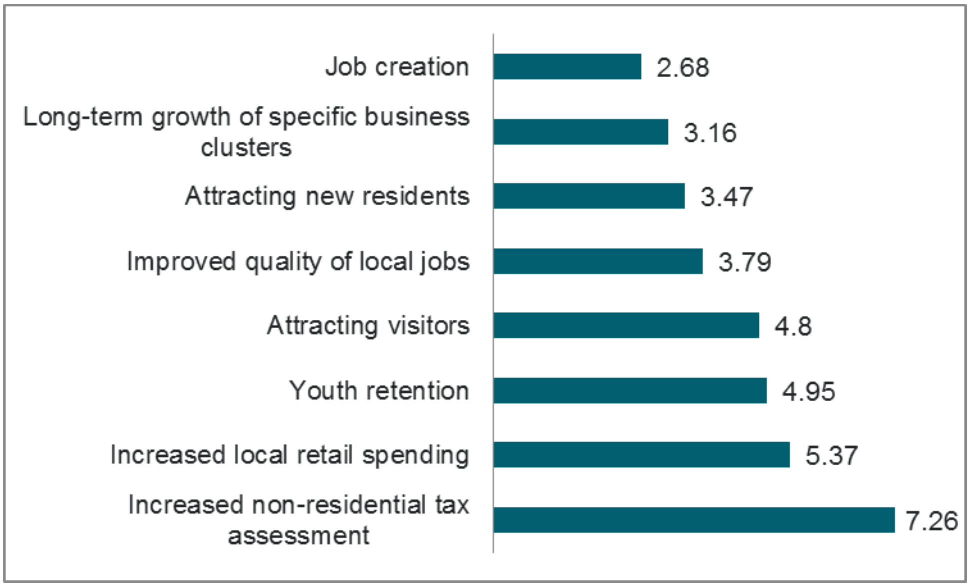
Please describe the top three OPPORTUNITIES you see for business growth and development in Dryden.

- Forestry and forestry related businesses
- Mining and mining related businesses
- Aboriginal economic development in partnership with First Nations
- Tourism, including waterfront development, lakefront businesses, accommodations, and more arts and entertainment businesses
- Business development through incentives, lower taxes,
- Service centre for the region, transportation, air service, servicing traffic
- Skills development and training

In your opinion, what should be the economic development objectives for Dryden?

Twenty respondents ranked the economic development objectives from most to least important, with low numbers indicating the most important objective in the following figure.

FIGURE 36 AVERAGE RATING OF ECONOMIC DEVELOPMENT OBJECTIVES



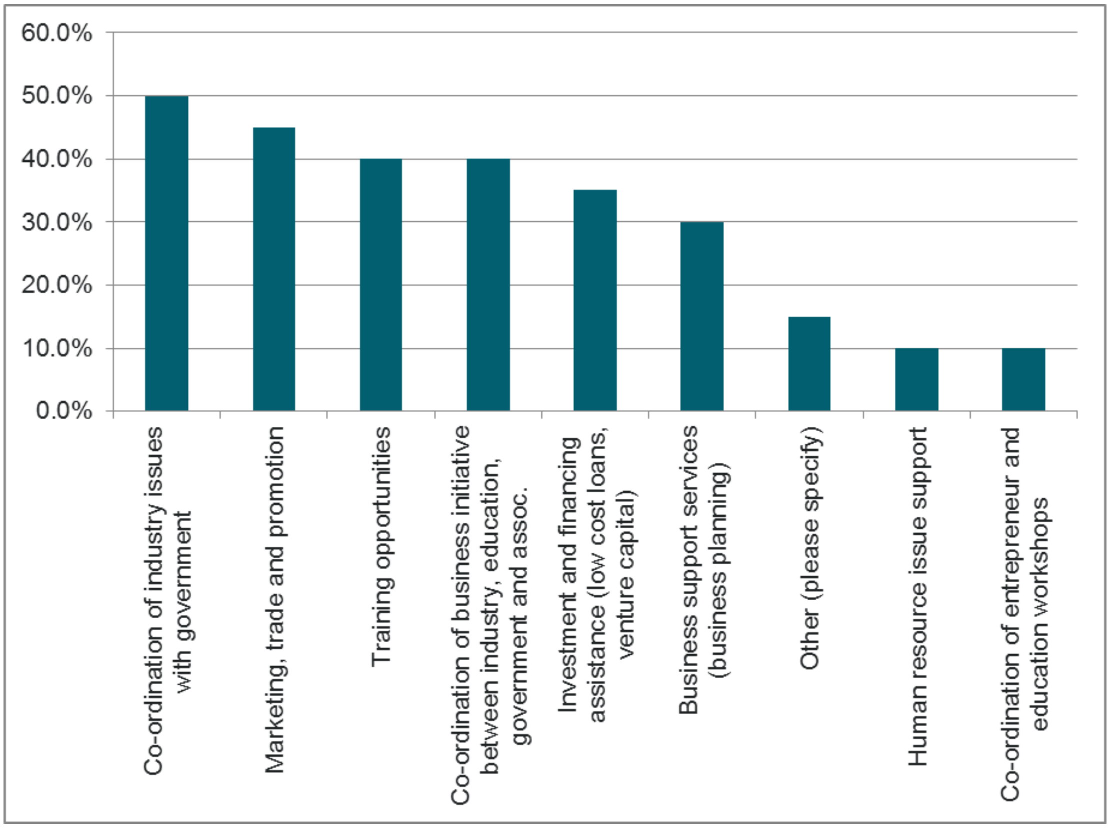
What is your vision for Dryden in the next 5-10 years?

- Development of cultural activities
- Youth retention, things for youth to do and jobs in Dryden
- Employment, good wages
- Business growth, a booming economy
- Fiscally sustainable community
- Community pride, vibrancy
- Economic diversification
- Tourism promotion of outdoor activities
- Environmentally sustainable industry
- Restoring investment readiness
- Revitalization of buildings and infrastructure, beautification

Which types of regional initiatives would make a difference in the success of your business?

Twenty respondents indicated that improved management of issues between government and business is the top priority to improve the business environment. Improved marketing, trade and promotion, as well as training were also frequently identified.

REGIONAL INITIATIVES THAT WOULD MAKE A DIFFERENCE FOR BUSINESS



What would you like the Dryden Development Corporation to focus on in the next 2-5 years?

The most request responses identified the need for business development, primarily investing in economic development services including hiring an economic development manager and committing to a structure for economic development in Dryden, but also retaining the forestry industry, supporting existing businesses, promoting entrepreneurship, and preparing for investment opportunities.

The following responses were frequently stated:

- Business development, review tax rates, invest in economic development
- Investment readiness, create incentives for business
- Marketing and communications
- Training and skills development
- Tourism development

Background Review

The following reports and studies were reviewed as part of the research process. Highlights of the findings of these reports have been integrated throughout the strategy, including sector summaries, SWOT assessment and the actions and recommendations.

- City of Dryden Economic Development Strategy Implementation Plan, 2008
- Northern Forest Innovation Centre Feasibility Study & Implementation Plan, 2009
- Patricia Area Community Endeavours Regional Strategy: 2009-2012
- Dryden Development Corporation Sector Sheets, 2010
- Value-Added Wood Processing Strategic Plan – Dryden Development Corporation & PACE 2012
- A Municipal Cultural Plan for The City of Dryden 2011-2014
- Revisions to Dryden Community Strategic Plan
- 2014/2015 Regional Business Retention + Expansion Project: Final Report and Action Plan
- Mineral Exploration and Mining Sector Strategic Plan, Dryden Development Corporation, 2012
- Dryden Strategic Plan for Renewable Energy, Dryden Development Corporation & PACE, 2013
- DDC annual work plan 2015
- Kenora and Rainy River Mining Hiring Requirements Forecasts, Mining Industry Human Resources Council, 2013
- Beneath the Surface: Report on Ring of Fire, Ontario Chamber of Commerce [Online: **www.occ.ca/Publications/Beneath_the_Surface_web.pdf**]
- Report Card on Ring of Fire, Ontario Chamber of Commerce, [Online: www.occ.ca/policy/read-our-new-report-card-on-the-ring-of-fire]
- Tracking the Trends 2015 – The top 10 issues mining companies will face this year, Deloitte, 2015
- Forest Innovation – expect us in the unexpected, FPAC, 2014
- 2014 industry outlook housing starts, Wood Business, 2014 [Online: **www.woodbusiness.ca/industry-news/2014-industry-outlook**]
- Dryden Yacht Club Strategic Plan 2010-2014
- Market Prospects for NanoCellulose, Bruce Lyne, The Royal Institute of Technology, Alberta Biomaterials Development Centre, Feb. 12th 2013
- Dryden Tourism Strategy and Implementation Plan, 2007
- 2014 Tax Levy by Class, City of Dryden
- Dryden Demographic Report, Ontario Ministry of Agriculture and Food, 2010-2014
- Honouring the Truth, Reconciling for the Future: Summary of the Final Report of the Truth and Reconciliation Commission of Canada, 2015

8.6 Foreign Direct Investment

The subsequent foreign direct investment (FDI) assessment was conducted to understand the degree to which the DDC may pursue large scale investment attraction activities. In this case, FDI is defined as a controlling ownership in a business enterprise in one country by an entity based in another country. In other words, a firm with headquarters located outside of Canada, but which takes a controlling interest in a Canadian firm would be considered FDI activity.

Upon examination of Dryden's economy, opportunities for foreign direct investment exist, particularly with respect to exciting innovations in bio-chemical manufacturing from forestry. However, the analysis suggests the DDC should not dedicate resources to these opportunities until Dryden is more investment ready.

The reasons for this assessment are as follows:

- The best FDI opportunity for Dryden is bio-chemical manufacturing, part of the value-added forestry sector, and securing an investment would require the full support and involvement of Domtar, a relationship that needs to be re-built
- FDI opportunities in forestry product manufacturing, specifically new innovations in advanced building materials for wood building construction, appear to either be minimal or are being invested by Canadian sources
- Due to global economic conditions, investment in the mining sector has slowed, until conditions improve and an active extraction operation in the region is imminent, it is not recommended to pursue FDI in mining supply and servicing

The three leading FDI opportunities identified in the initial sector research, **Value-Added Forestry in Bio-Chemical Manufacturing, Value-Added Forestry in Building Materials**, and **Mining Supply and Servicing** do not appear to present a strong, immediate chance to secure investment, and the significant resources required to raise Dryden's profile to the level of international investors are therefore not likely to yield significant results.

The analysis of Dryden's leading FDI opportunities includes levels of global FDI in relevant sectors over the past ten years, leading international sources and destinations of FDI, leading subsectors, and top investing companies.

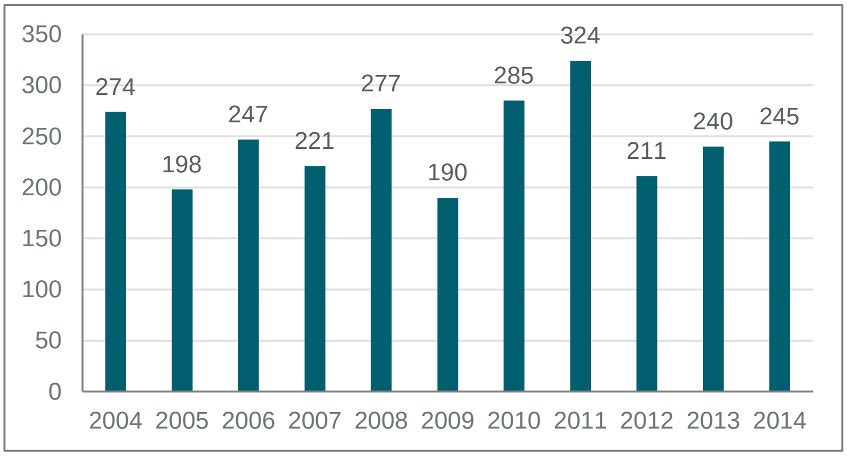
Because foreign direct investment is specifically from international sources, the assessment does not identify opportunities for regional investment, or investment from other areas of Canada. Therefore, regional and national sources of investment may present a larger opportunity than can be identified in an FDI specific study.

Value- Added Forestry Manufacturing (Bio-Chemicals)

FDI Trends

The figure below shows manufacturing FDI related to chemicals from forestry between 2004 and 2014, including a global total of over 2,700 projects. Project numbers peaked in 2011 at over 320 projects before declining in 2012. However since 2012 there has been a return to growth, albeit still far below the 2011 peak.

FIGURE 37 TIME SERIES OF GLOBAL SECTOR FDI PROJECTS, 2004-14

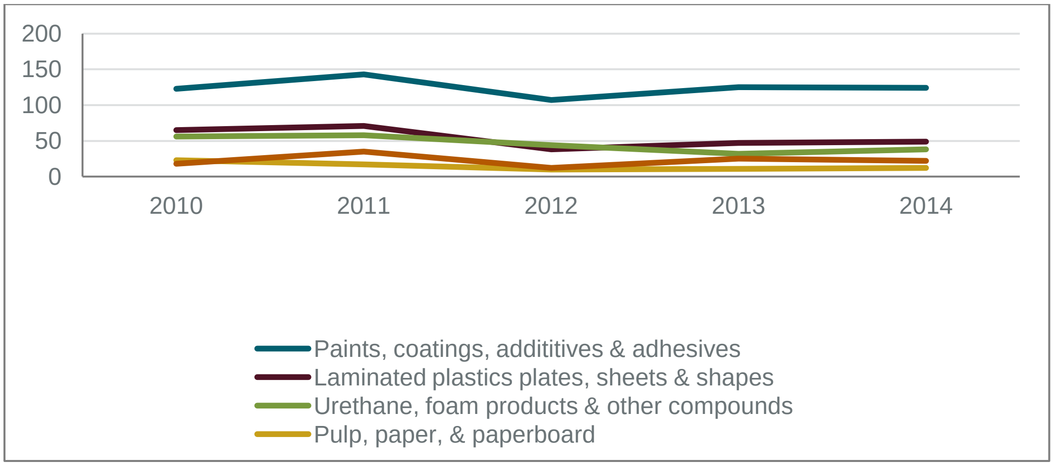


Source: fDI Markets from the Financial Times

Project numbers within the majority of subsectors (see figure below), have followed a similar trend as the industry as a whole. Each presents some opportunity, albeit at different levels due to the difference in overall project numbers.

Urethane, Foam Products & Other Compounds witnessed a large decline until 2013, although has since shown some recent growth. However, Woodbridge is a major supplier of foams for car interiors, and is headquartered in Ontario. This is a domestic market opportunity rather than FDI opportunity, but would still be worthwhile considering as a potential customer or investor in a manufacturing operation.

FIGURE 38 GLOBAL FDI PROJECTS BY SUBSECTOR, 2010-14



Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Nevertheless, the **Paints, Coatings, Additive & Adhesives** subsector represents the greatest opportunity by volume even though it did decline from 2013 to 2014. **Pulp, Paper and Paperboard** declined slightly over the four year time period, and remains at a low level.

Top Ten Investing Companies

The figure below identifies the top ten companies investing in forestry related bio-chemical manufacturing globally by the total number of projects. Since 2004, a total of almost 1,500 companies have made manufacturing investments related to forestry bio-chemicals. Although Germany is not the most common FDI destination, it has the largest number of leading investors in the industry, presenting a potential opportunity.

FIGURE 39 TOP 10 INVESTING COMPANIES - BIO-CHEMICAL MANUFACTURING

Parent Company	Projects	Subsidiaries	Global HQ
BASF	86	15	Germany
AkzoNobel	40	7	Netherlands
DSM	35	12	Netherlands
Dow Chemical	28	11	USA
Evonik Industries	27	7	Germany
Solvay	24	9	Belgium
Lanxess	23	3	Germany
Mitsubishi Corporation	22	10	Japan
Stora Enso	21	1	Finland
PPG Industries	20	6	USA

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Upcoming Tradeshows

Attending international tradeshows can be an effective way to network and gather potential leads when an immediate and considerable opportunity to attract FDI exists. The following conferences would likely be attended by investors in the bio-chemical manufacturing sector.

FIGURE 40 UPCOMING TRADESHOWS

Trade Show	Website	City	Country	Date
Technochem	www.technochemindia.new	Ahmedabad	India	September 2015
Specialty and Agro Chemicals America	www.chemicalsamerica.com	Charleston	USA	September 2015
Canadian Chemical engineering Conference	www.csche2015.ca	Calgary	Canada	October 2015
Chemie Uzbekistan	www.chemie.uz	Tashkent	Uzbekistan	October 2015
PaintExpo Eurasia	www.paintexpo.com	Messe Karlsruhe	Germany	April 2016
Composite Expo	www.composite-expo.com	Moscow	Russia	February 2016

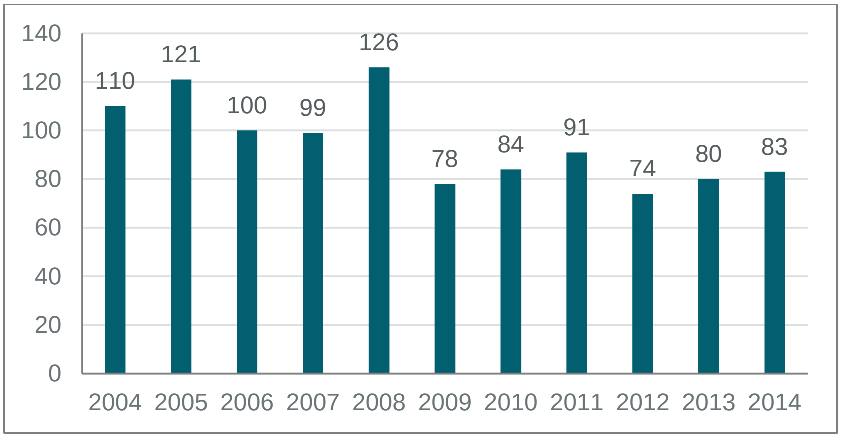
Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Value-Added Forestry Manufacturing (Forestry Products)

FDI Trends

The figure below shows the time series of manufacturing FDI related to forestry wood products between 2004 and 2014, where there have been a total of over 1,000 projects. Prior to 2009, FDI in the industry was relatively stable; however, projects fell noticeably into 2009 and have failed to recover to pre-2009 levels of more than 100 projects per year. Nevertheless, project numbers have been on an upward trajectory since 2012.

FIGURE 41 TIME SERIES OF GLOBAL SECTOR FDI PROJECTS, 2004-14



Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Project numbers within each of the subsectors are somewhat mixed, with **Converted Paper Products,** obviously not relevant to Dryden due to Domtar's continued presence in the community, witnessing sustained high levels of project numbers.

FIGURE 42 GLOBAL FDI BY SUBSECTOR, 2010-14

Subsector	2010	2011	2012	2013	2014
Converted paper products	45	57	52	46	44
General wood products	18	16	10	9	27
Furniture, homeware & related products	9	2	4	8	1
Building material & gardening equipment & supplies dealers	7	7	5	3	5
Other building & construction materials	3	4	2	9	5
Residential building construction	1	4	1	0	0
Forestry & logging	0	1	0	3	1
Other Wood Products	1	0	0	2	0

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

The very low number of FDI investments in the building materials sector could simply indicate that investment in building materials is not often from international sources. Therefore, Dryden may be better positioned to focus on regional, or at best national, sources of investment to capture the opportunity presented by Cross Laminated Timber or engineered wood products designed to capture new market opportunities in wood construction.

Top Ten Investing Companies

Canada is only the 13th most popular FDI destination country, with 24 projects, despite being a major source country for FDI. This figure does not include domestic investment, but still identifies a concern that the Canadian market is not viewed as attractive by the forestry sector.

The figure below identifies the top ten investing companies globally by the total number of projects. Since 2004, more than 600 companies have made investments in the industry. Seven of the top ten companies investing in manufacturing projects in this area are headquartered in the top three source countries for investment, with Finland having the most top investing companies.

FIGURE 43 TOP 10 FDI INVESTING COMPANIES - WOOD PRODUCTS

Parent Company	Projects	Subsidiaries	Global HQ
IKEA	32	4	Sweden
Svenska Cellulosa Aktiebolaget	30	4	Sweden
Tetra Laval	25	2	Switzerland
Kronospan Holdings	24	4	Cyprus
Kimberly-Clark	22	6	USA
Stora Enso	20	4	Finland
Ahlstrom	19	1	Finland
UPM-Kymmene	19	5	Finland
Procter & Gamble	16	3	USA
CCL Industries	15	1	Canada

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Upcoming Tradeshows

Attending international tradeshows can be an effective way to network and gather potential leads when there is an immediate and strong FDI opportunity and the community is investment ready, which is not the case for Dryden at this time. The following conferences would likely be attended by investors in the forestry products manufacturing sector.

FIGURE 44 UPCOMING TRADESHOWS

Trade Show	Website	City	Country	Date
Sustainabuild	www.sustainabuild.com	Vancouver	Canada	October 2015
Contech Quebec	www.contech.qc.ca	Quebec	Canada	October 2015
Construct Canada	www.constructcanada.com	Toronto	Canada	December 2015
The International Congress On Construction & Building Research	N/A	Madrid (Technical University of Madrid)	Spain	December 2015
InformEx USA	www.informex.com	New Orleans	USA	February 2016
BuildTech	www.buildtech.com.ua	Kiev	Ukraine	March 2016

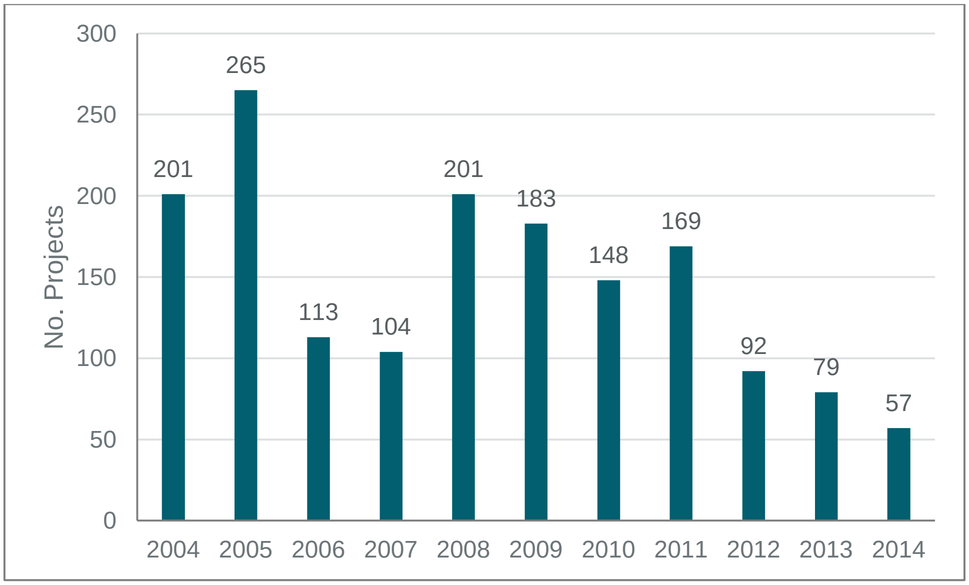
Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Mining Supply and Servicing

FDI Trends

The figure below shows the time series of global mining FDI between 2004 and 2014, where there have been a total of over 1,600 projects. However, mining FDI has been particularly volatile in the last decade, with declining projects numbers being a prominent feature. The total number of projects in 2014 is almost a quarter of the number of projects in 2004. Further, 2011 was the last period in which the number of mining projects witnessed any growth. Since 2011 alone, project numbers appear to have declined by two thirds.

FIGURE 45 TIME SERIES OF GLOBAL SECTOR FDI PROJECTS, 2004-14

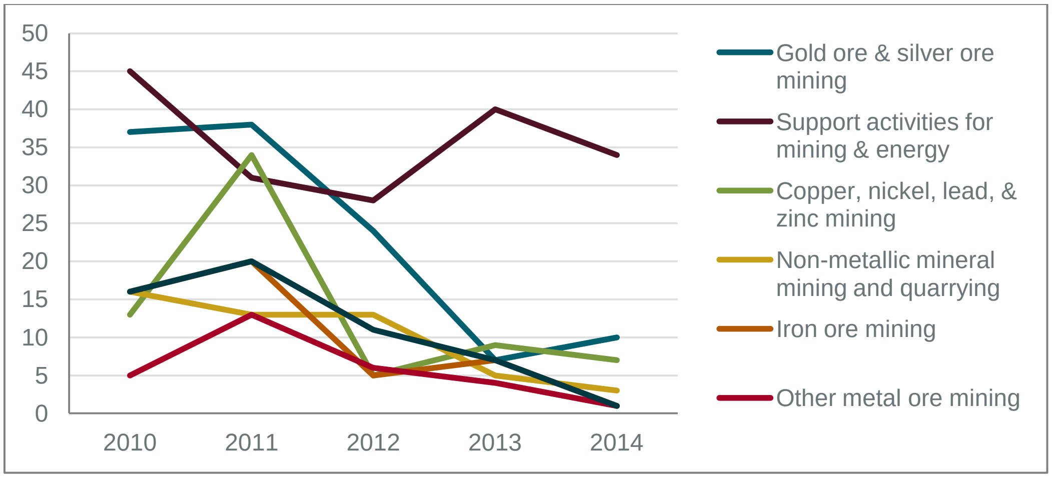


Source: fDI Markets

The mining industry has recently been described as in crisis of confidence, due to sustainability concerns, fluctuating commodity prices, and an unstable market. As the cornerstone of mining activity, extraction is historically the most common type of mining projects, accounting for almost 6 of every 10 projects.

As with the overall mining industry, project numbers are generally in decline in all subsectors, with **Gold Ore & Silver Ore** mining witnessing particularly notable declines in the last five years. **Support Activities for Mining & Energy** show the most promise for future projects, with much higher project numbers and lower levels of decline over the period. The location of support activities is generally associated with active mining extraction activities.

FIGURE 46 GLOBAL FDI BY SUBSECTOR, 2010-14



Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Therefore, before seeking foreign direct investment in mining supply and servicing, a public commitment to investing in extraction in the region is necessary, certainly before Dryden would be in a position to pursue FDI.

Top Ten Investing Companies

The figure below identifies the top ten investing companies involved in support activities for mining and energy. globally by the total number of projects. Since 2004, more than 800 companies have made investments, although the majority of large companies have made multiple investments across sales and marketing, manufacturing, headquarters, and extraction.

FIGURE 47 TOP 10 INVESTING COMPANIES

Parent Company	Projects	Subsidiaries	Global HQ
Schlumberger	16	3	United States
Aker Solutions	16	3	Norway
Johnson Matthey	9	1	United Kingdom
General Electric	9	4	United States
Baker Hughes	8	1	United States
John Wood Group	8	5	United Kingdom
Kaer	8	1	Singapore
STATS Group	7	1	United Kingdom
Technip	7	1	France
Expro	7	1	United Kingdom

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

Upcoming Tradeshows

Attending international tradeshows can be an effective way to network and gather potential leads when there is an immediate and strong FDI opportunity and the community is investment ready, which is not the case for Dryden at this time. The following conferences would likely be attended by investors in the forestry products manufacturing sector.

FIGURE 48 RELATED TRADESHOWS

Trade Show	Website	City	Country	Date
North America Mining Expo	www.northamericaminingexpo.com	Sudbury	Canada	August 2015
Exposibram	www.exposibram.org.br	Belo Horizonte	Brazil	September 2015
Asia-Pacific's International Mining Exhibition (AIMEX)	www.aimex.com	Sydney	Australia	September 2015
Bauma Conexpo	www.bcafrica.com	Johannesburg	South Africa	September 2015
Mining Indonesia	www.mining-indonesia.com	Jakarta	Indonesia	September 2015
China Mining Conference and Exhibition 2015	www.chinaminingtj.org	Tianjin	China	October 2015
Mines and Money	www.minesandmoney.com/london	London	United Kingdom	November – December 2015
MINExpo	www.minexpo.com	Las Vegas	USA	September 2016
PDAC	www.pdac.ca	Toronto	Canada	March 2016

Source: OCO Global Dryden Economic Development FDI Opportunity Study, 2015

9 Appendix B: An Economic Development Manager's Role in Dryden

Economic Development professionals can deliver on a surprisingly wide range of responsibilities, depending on the context of the community they serve. This section will explore the appropriate role for an Economic Development Manager in Dryden, while explaining how this role is situated within the full scope of economic development.

Scoping an Economic Development Mandate

The purpose of economic development is to support the long term growth of the local economy and there are multiple paths to achieve this goal. Each are associated with different philosophies and bodies of research about how to stimulate local economies. See the figure below for an outline of leading approaches to economic development that have been considered in the development of the Dryden Economic Development Strategic Plan.

FIGURE 49 LEADING ECONOMIC DEVELOPMENT PHILOSOPHIES

Early economic development, in the 1970s, focused on attracting large industrial businesses to a community through a sales process emphasizing financial incentives, often described as "smokestack chasing". In a globalized economy, where access to operational advantages such as a talented and/or affordable workforce is increasingly important, direct financial incentives are less successful than in decades past. Economic development professionals now tend to provide more service-oriented investment attraction activities.

Dryden's Economic Development Strategic Plan focuses on economic development fundamentals, activities that strengthen relationships with the business community and other stakeholders and ensure high quality economic development services are provided to businesses and potential investors. Economic development fundamentals include investment attraction, business retention and expansion, and workforce development activities. While opportunities exist for Dryden to undertake FDI attraction, economic gardening, and cluster development, the economic development fundamentals must first be well established. Also, many of these more sector targeted approaches to economic development are best implemented from a regional or provincial perspective.

The Role of Dryden's EDM

Dryden's strategic focus on economic development fundamentals translate into an appropriate role for its EDM. Economic development fundamentals include basic investment readiness, business retention and expansion, and workforce development activities. Therefore, the role of Dryden's EDM should include:

- **Leadership:** Respected economic development leadership has a strong community presence, is a credible liaison with the business community, and advises Mayor, and Council and Senior Municipal Staff on matters related to economic development
- **Partnerships:** Build partnerships with neighbouring communities and regional economic development organizations, as well as provincial and federal officers
- **Investment Readiness:** Provide basic economic information to potential investors through the municipal website, and a basic communications program distributing press releases and other relevant information through the media
- **Investment Attraction:** Respond to investment inquiries as needed by providing information, site tours, and introducing potential investors to key contacts
- **Business Retention and Expansion:** Develop strong relationships with the local business community through support programming relevant to local business needs
- **Special Projects:** The EDM may undertake a strictly limited number of special project aligned with the objectives of the strategic plan, to support regional workforce development priorities, for example
- **Networking:** Attend regional events relevant to target sectors, and consider annual or bi-annual attendance at the Economic Development Council of Ontario's annual conference
- **Accountability:** Annual reporting on activities of the Economic Development Corporation, distributed to key stakeholders

Focus is extremely important when an economic development office has limited resources. Therefore, the role of the EDM of Dryden should not include:

- **Investment Attraction:** Travel to tradeshows or conferences outside of Ontario and Manitoba are costly and not likely to provide significant benefits
- **Investment Attraction:** Foreign direct investment and the proactive targeting of investment prospects are only worthwhile when economic development fundamentals are in place, and these opportunities are best approached through regional partnerships and/or provincial agencies
- **Partnerships:** Direct involvement in the organization of municipal festivals and events is resource intensive, arm's length support roles are far more effective, grant writing support, for example
- **Partnerships:** The EDM's role in political advocacy activities, normally the responsibility of elected local officials, should be limited to avoid stretching resources too thinly

The economic development profession is broad because the nature of local economies vary greatly, as illustrated by the leading philosophies of economic development. Within the timeframe of this strategy, the scope of Dryden's economic development mandate should be limited to establishing strong economic development fundamentals, creating a well-defined role for the EDM and ensuring the DDC's operations are streamlined and effective.

10 Appendix C: Investment Readiness Checklist

Part I: Expertise

Contacts		Yes	No
1.	Does your community have a person designated as the key or main contact on economic development?		
2.	If the contact person is an economic development professional, is that person familiar with the land use planning, development approvals, and building permit process in your community?		
3.	Does he/she have an up-to-date copy of the local official plan and zoning by-law and know council's policies on new development proposals?		
4.	Does this person have an understanding of the site selection response (e.g. responding to inquiries, data collection, site visit, etc.)?		
5.	Does your municipality have a person designated as the key contact on land use planning and development matters in your community?		
	Total		

Land Use Planning		Yes	No
6.	Does the local official plan have one general designation for each of the basic land use categories such as residential, commercial, industrial, institutional, open space, rural and environmentally sensitive?		
7.	Does your municipality list the policy intention, regulations and permitted uses in each land use designation?		
8.	Does your municipality have an effective information system that you use to provide official plan and zoning information to prospective investors/developers (e.g. air photos, series of neighbourhood charts, or wall maps)?		
9.	In your experience, are the policies and/or designations in the local official plan general enough so an official plan amendment is not required to accommodate most development proposals in your community?		
10.	Is your zoning by-law flexible enough to allow desired development in your community?		

Land Use Planning	Yes	No
11. Is the establishment of new “home occupations” allowed in moist areas of the community, without the need for an official plan amendment and/or zoning by-law change?		
12. Where they are allowed, are a wide range of businesses permitted, as well as outdoor signage/advertising and on-site customer parking?		
13. Is your key municipal contact person knowledgeable about the upper-tier official plan as well as neighbouring municipalities’ plans, and how these policies and land use designations may affect proposed development in your community?		
14. Are your community’s official plan and zoning by-laws kept up to date (e.g. updated every five years)?		
15. Is economic development addressed in the official plan’s policies?		
16. Does your municipality have a flow chart outlining the steps in the land use planning and development approvals process in your community?		
17. In cases where planning and development approvals are not handled locally, do you know which level of government has the responsibility? (e.g. upper-tier, province) and who your contact is?		
18. Does your municipality have information on how long it takes for a typical planning application/proposal in your community to be approved?		
19. Do you have a list of all the application fees and other associated charges and imposts or levies that an applicant/developer would be required to pay in connection with processing a planning/development proposal in your community?		
20. Does your municipal planning staff discuss/coordinate their work with economic development staff?		
21. Does your municipality have any materials for internal or external use that quickly and easily illustrate in layperson’s language how development approvals and land use planning work, as well as time guidelines and costs in your municipality (e.g. flow charts)?		
22. Does your municipality have a designated individual to guide the proponent through the approvals process?		
23. When a development application has been successfully completed, is there a review of the process with the proponent as part of your customer services program?		
Total		

Liaising With Existing Businesses In Your Community	Yes	No
24. Does any senior member of your organization monitor/evaluate your community's tack record on liaising with existing investors?		
25. Do your Mayor, CAO, Economic Development Officer or planning staff meet with local business people, including the Chamber of Commerce on a regular basis to talk about business needs and future plans (e.g. once every six months for a breakfast meeting)?		
26. Does your municipality liaise with the local Chamber of Commerce about economic development issues?		
27. Does your community have an active Business Retention and Expansion Program?		
Total		

Information Sources	Yes	No
28. Can you reach utilities representatives in your area with a single phone call to answer technical or pricing questions?		
29. Do you communicate with provincial/federal agencies to learn about new policies, programs, information or issues/trends?		
Total		

Part II: Resources

Industrial Land Inventory	Yes	No
30. Does your municipality have an industrial land inventory?		
31. Is the information up-dated regularly (quarterly)?		
32. Does the inventory provide potential investors/developers with relevant economic development information such as availability and cost of industrial properties, site servicing, transportation access, ownership, location, size, etc.?		
33. Does the inventory include both publicly and privately owned land?		
34. If you have a website, is the inventory posted?		
35. Is your land inventory connected to your community GIS system?		
36. Does your community work closely with the Commercial Real Estate Agencies in your area to make sure that you are aware of what is available?		
Total		

Joint Ventures	Yes	No
37. Do you partner with independent business groups, the local Chamber of Commerce, or tourism board to jointly market your community as a business location or tourist destination?		
38. Is your municipality pooling resources with neighbouring communities to jointly fund a competitiveness study or economic development strategy? The payoff can be surprisingly extensive. In addition to the facts and figures generated by the study, this sends a positive message to the business community contacted as part of the study that your municipality is proactive		
Total		

Economic Development Capacity	Yes	No
39. Has your community established an economic development committee?		
40. Does your municipality employ full or part-time professional planners and/or economic development staff to deal specifically economic development and land use planning matters?		
41. Is there a budget for economic development activity in your municipality?		
42. Does your municipality use private sector economic development or land use planning consultants?		
Total		

Part III: Communications

Community and Site Selection Profile	Yes	No
43. Does your municipality have a community profile?		
44. Is it updated on a regular basis (e.g. every six months)?		
45. Does it include your community's vision statement?		
46. Does the community profile include the following elements **(point for each)**: a. News of recent business expansions and new business locating? b. Local municipal and volunteer services and business partnerships? c. References to local business groups? d. List of local services? e. List of facilities? f. List of attractions? g. List of photos or other graphics to support written information?		
47. Does your community maintain a profile using the North American Site Selection Standards Template?		
Total		

Website	Yes	No
48. Does your community have a standalone website (not connected to the main community website)?		
49. Does your website contain an easily downloadable copy of your community profile?		
50. Does your website contain information done to the North American Site Selection Standards?		
51. Does your website list key contacts?		
52. Does your website include a list of available real estate?		
Total		

Other Communications Considerations	Yes	No
53. Has your municipality reviewed and improved the mapping used to illustrate your regulatory and promotional documents?		
54. Do you maintain regular contact with media representatives?		
Total		

Municipal Economic Readiness Component	Total Yes	Total No
Part I: Expertise ▪ Contacts ▪ Land Use Planning ▪ Liaising with Existing Business in your Community ▪ Information Services		
Part II: Resources ▪ Industrial Land Inventory ▪ Joint Ventures ▪ Economic Development Capacity		
Part III: Communications ▪ Community and Site Selection Profile ▪ Website ▪ Other Communication Considerations		
Your Municipality's Total		