

# SMOOTH ROCK FALLS COMMUNITY DEVELOPMENT CORPORATION

Presented By:

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Director-Community Development  
February 19<sup>th</sup>, 2008

**2006-2007 “THE YEAR IN REVIEW”**

## SRFCDC

*February 19<sup>th</sup>, 2008*

# The History

- Community Adjustment Committee “Strategic Renaissance” Report September 2005 ( Carole Cloutier, Marc Blais, Sharon Nadeau and Claude Gervais)
- Recommendations to establish an economic development authority and seek out expertise to pursue economic revitalization of the community (67% of recommendations implemented)
- Memorandum of Understanding between Town of Smooth Rock Falls and Hardy Cedar Lumber Inc. (July 2006)
- Smooth Rock Falls Economic Development Corporation incorporated August 1, 2006

# The History (Cont'd)

- Extensive negotiations between the Town, NOHFC, FEDNOR and MTCU regarding funding of the first year of operations.
- Resource facilitation and support from Luc Denault (MNDM), Kim Nadeau (Fednor) and Daniel Richard (Fednor) and consulting support from John Caruso (Northern Consulting Group) and Robert Manseau (Commerce Management Group).
- Tembec agrees to provide \$100,000 in total to support the CDC process over a three year period

# The CDC Board

- The newly established CDC was initially Chaired by former Mayor Rejeanne Demeules and following the November 2006 municipal election Mr. Daniel Alie assumed the role of Chairperson
- A search was undertaken in July 2006 to seek out an “Project Implementation Officer” which culminated in October 2006 with an agreement being completed with Bob Cheetham to commence his new duties as Director Community Development, November 1, 2006

# The Transition Period

- Between November 1<sup>st</sup>, 2006 and December 4<sup>th</sup>, 2006 efforts were undertaken to establish an new CDC office on the second floor of the Town Office.
- Furniture and technical equipment was purchased and interviews were conducted to hire an administrative-assistant
- Mr. John Caruso continued to provide transitional support to the new Director

# The Community Adjustment Process

- Following the first round of community adjustment activities a new “CAC” project was undertaken under the Chairmanship of John Caruso. This project is about to conclude but the committee is still active and pursuing initiatives that support community revitalization in Smooth Rock Falls
- The Action Centre was established as a result of a Labour Adjustment process and the facility under the management of Cathy Taylor has assisted many residents with employment and training adjustment issues since the July 31<sup>st</sup> shut down at Tembec. The Centre closed in January 2008.

# The Staff

- Bob Cheetham commenced his duties as Director of Community Development on November 1, 2006 and has been actively pursuing new business investment and community revitalization since that date.
- Francine Levesque was hired in December 2006 and commenced her shared duties in support of the Director and the Chairman of the CAC process as the CDC's Administrative-Assistant.

# The Chinese Connection

- The former CDC Chair and Consultant became actively engaged in early discussions with a group of Chinese investors interested in pursuing development initiatives in the community
- On November 5, 2006 a Memorandum of Understanding was signed by the Town and the Chinese Investment Group to actively pursue various development initiatives.



# Zest Canada Corporation

- In February 2007 the Mayor and the CDC Director met with Zest Canada Corporation in Toronto and negotiated a new MOU between Zest Canada Corporation (Chinese), the Town of Smooth Rock Falls and the SRF CDC to pursue the development of an Ethanol production facility in the community
- Zest Canada Corporation will act as the venture capital group and be responsible for pursuing off-shore investment totaling \$50,000,000 utilizing the Canada Immigrant Investor Program. Funds secured will be available exclusively for supporting development of the Ethanol Production Plant within the community once deemed to be feasible
- A joint application to undertake a feasibility study on the Ethanol Plant initiative was submitted by the SRF CDC and Zest Canada Corporation to NOHFC and Fednor for their funding consideration (\$100,000 Approved).

# Opportunities

Since August 2006 there have been a variety of potential opportunities identified in the community:

1. A new upscale 80-100 room motel/hotel (Nightingale Premier Inc.)
2. The 2007 Smooth “Truck Fest” Activity
3. Development of an Ethanol Production Facility (Feasibility Study - Underway)
4. A Centre of Regeneration of Excellence (Feasibility Study - Underway)
5. 60 Unit Seniors Rest & Retirement care facility (Nightingale Premier Inc.)
6. Training Institute to support future development initiatives (Coast to Coast to Coast)
7. Development of a Cedar Centre of Excellence (Hardy Cedar Lumber)
8. Private Sector MOU surrounding the potential acquisition of the Tembec Pulp Mill and Power Dam.
9. The development of a Heritage Centre in the former Trinity United Church.
10. Regional development of the North Claybelt region as an agriculture and agri-bio based economy (NCBAN)

# December 5, 2006

- Tembec Enterprises Inc. announces closure of the Smooth Rock Falls Pulp Mill
- 230 jobs lost in the community with over \$17 million in lost annual disposable income
- Tembec indicates the Mill can and will not ever be utilized again as an operating pulp facility
- Tembec indicates that it intends to continue to own and operate the Hydro-Electric Power Dam in the community

# Taking Action

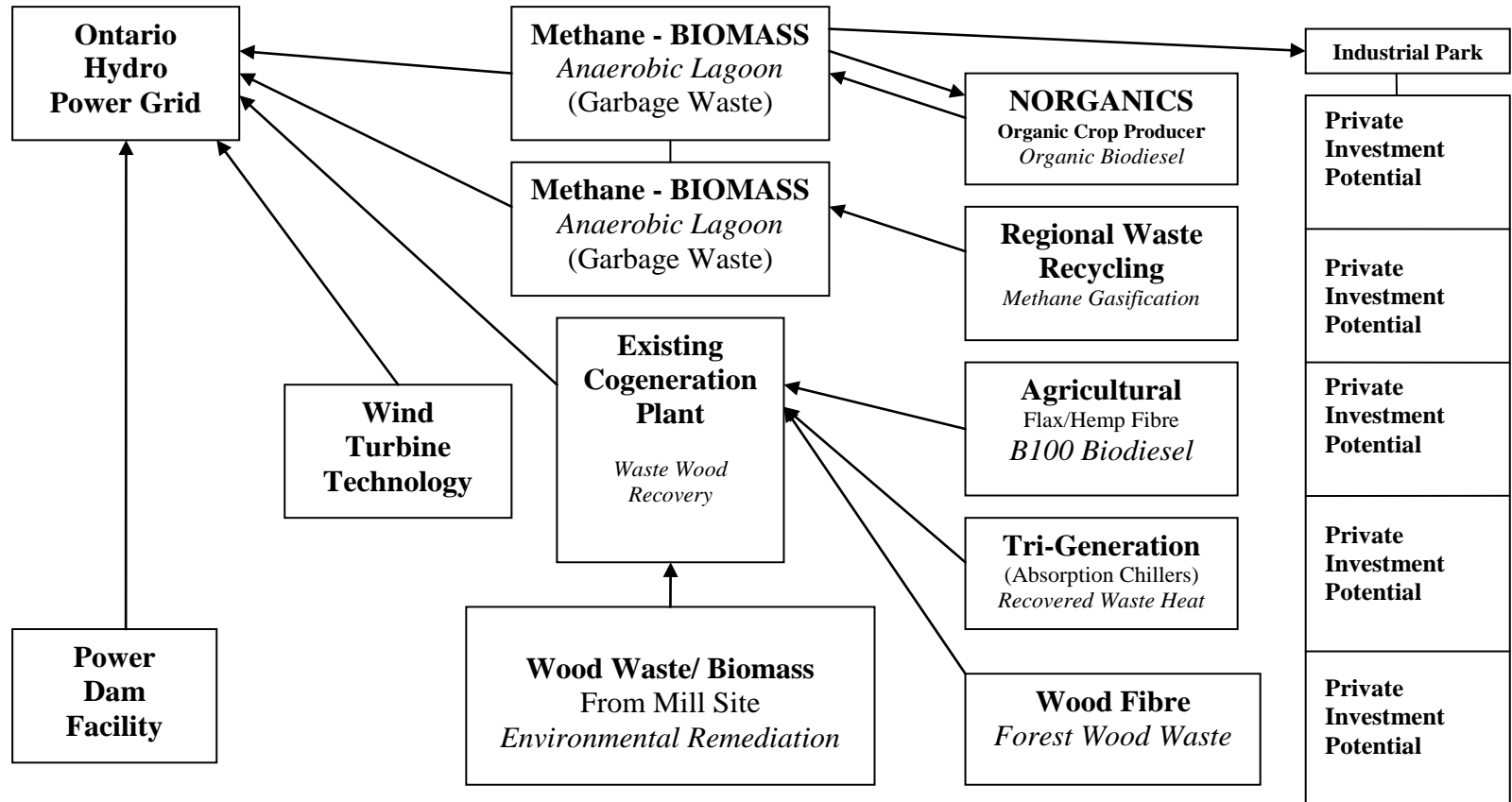
- The Mayor established the SRF Revitalization Task Force represented by two members from each of: SRF CDC, Town of Smooth Rock Falls, CEP Local 32 and Tembec Enterprises Inc.
- In January 2007 the SRF CDC Board supports a revitalization strategy and pursues the development of a *"Northern Ontario Centre of Regeneration Excellence"* on the existing Tembec Mill site
- Land Inventory Study completed and 120 acre municipal Industrial development site identified and land has been cleared for future development initiatives

# The Regeneration Centre of Excellence Strategy

- Meetings with senior Tembec officials result in a “green light” to move forward with the “Regeneration Conceptual Framework” being proposed
- Meetings with CEP Local 32 Union officials also lead to support for moving forward with the “Centre of Regeneration Excellence” conceptual model

# The “Centre of Regeneration Excellence” Conceptual Framework

## “CONCEPTUAL MODEL”



# The Revitalization Task Force

- Meetings of the Revitalization Task Force were held in February 2007 that led to “motions” of unanimous agreement to move forward with requests for senior levels of government support from NOHFC & FEDNOR
- The SRF CDC put forward an inventory of Tembec system assets that were viewed to be integral to the future of the regeneration strategy for Tembec’s response and approval

# The Political Sell

In late February the Mayor and Director of the SRFCDC prepared and presented the “Centre of Regeneration Excellence” Conceptual Framework to five Ontario Cabinet Ministers for their review and support. Those Cabinet Ministers included:

1. Minister of Natural Resources
2. Minister of Northern Development & Mines
3. Minister of Municipal Affairs & Housing
4. Minister of the Environment; and
5. Minister of Agriculture, Food & Rural Affairs



# Accomplishments

- Meetings with senior Ontario Cabinet Ministers were most positive and resulted in applications being submitted to NOHFC and subsequently to FEDNOR for undertaking a major feasibility study of the Tembec Mill site as a potential site for development of the “Regeneration Centre” concept
- Applications were submitted and approvals to move forward have been received from NOHFC for undertaking the Regeneration Centre of Excellence Feasibility Study (\$145,350) and the Ethanol Production Facility Feasibility Study (\$45,000) as well as the Hardy Cedar Infrastructure Funding (\$495,000);
- Applications to FEDNOR were made and approval was granted to move forward with the Regeneration Centre of Excellence Feasibility Study (\$145,350) and the Ethanol Production Facility Feasibility Study (\$45,000). The Hardy Infrastructure Funding of \$333,000 is still progressing, pending Town of Smooth Rock Falls and Tembec lease negotiations.

# Accomplishments (cont'd)

- The NOHFC has approved funding for an Intern “Project Development Coordinator” Position for one year (\$27,500)
- OMAFRA has approved year two and year three funding for implementation of projects (\$238,000 at 90% funding)
- SRF CDC, Council and CAC members attended a joint personal development session September 2007 (Timmins)

# Nightingale Premier Inc.

- Discussions began between the SRF CDC and Dr. Ravindra Sondhi of Nightingale Premier Inc. in November 2006
- Dr. Sondhi and his development team visited the community on March 1, 2007 for three days of discussions and tours of the community
- In March 2007 the Town of Smooth Rock Falls, the SRF CDC and Nightingale Premier Inc. entered into a formal MOU to pursue projects of mutual benefit in the community
- Discussions and negotiations continued and on June 13<sup>th</sup>, 2007, the Town, SRF CDC and Nightingale Premier Inc. announced its intentions to move forward with three key projects

# Nightingale Premier Inc. Projects

- 60 Unit Rest & Retirement Facility on 17.5 acres of land on Kelly Road – approximately \$6-7 million investment creating 35 jobs once operating (Land Purchased August 2007)
- 80-100 unit motel/hotel complex located on approximately 25 acres along the Mattagami River - \$7-9 million investment and 35 direct jobs once operating (Real estate closes March 31, 2008 pending Town Planning Board Severance and Zoning By-Law change approval)
- Acquisition of Audrey's Restaurant, Northern Pizza and the Formula 21 gas Bar on Highway 11, with renovations to the restaurant and future development as an East-Indian Restaurant (Property purchased with renovations to be decided upon in mid April 2008 with visit to community by Dr. Sondhi)

# Community Partnerships

Over the course of the last six months the SRF CDC has assisted with the development of partnerships with:

- Smooth Rock Falls Chamber of Commerce (Rural Economic Development Program – Project Implementation Funding)
- Smooth Rock Falls Lions Club (Entrepreneur Training Materials purchased)
- Trinity United Church ( Transfer of ownership to SRF CDC in September 2007)
- Pride & Booster Committee Funding (\$5,000 from North Claybelt CFDC)
- Numerous partnerships transpired with a variety of community based organizations to undertake the Smooth “Truck Fest” Activity during the Labour Day Weekend in September 2007

# Our Regional Responsibilities

- The SRF CDC is an active participant in regional activities, including:
  - NCIR Ontario Investment Service Regional Project (Investment Database)
  - The Northern Clay Belt Agri Network (NCBAN – 12 communities and 4 CFDC's) \$226,656 funding under NCIR to undertake land inventory and soil classification update (underway), market study and gap analysis study (April 2008) under project leadership of SRF CDC

# Northern Clay Belt Agri Network

- Regional Highway 11 Corridor Network of approximately 12 communities
- Four Regional Community Futures Development Corporation financial commitment to NCBAN
- Bob Cheetham assumes role of Chair - Smooth Rock Falls CDC acts as lead applicant on behalf of all twelve communities
- Steering Committee established
- Request for Proposal to undertake Land Inventory Study and Soil Classification Update (Dec 2007- now underway)
- Two phased application approach: marketing plan and gap analysis (Apr. 08)
- Approx. 1 million acres of utilized and un-utilized agricultural land across north claybelt region being reviewed for development purposes

# The Outcomes

- Revitalization Task Force underway and unanimous support for moving forward with “Centre of Regeneration Excellence” conceptual framework
- Successful meetings with Ontario Cabinet Ministers at ROMA and AMO Conferences
- Application submitted to OMAFRA under RED Program for 2<sup>nd</sup> and 3<sup>rd</sup> year funding of SRF CDC (\$238,000 Approved August 2007)
- Application to NOHFC & FEDNOR for undertaking feasibility study of Tembec facility (\$153,000 Approved – September 2007)



# The Outcomes

- Funding approved by NOHFC for Hardy Cedar Infrastructure Project (\$495,000 Sept 2007)
- Application to NOHFC & FEDNOR for undertaking feasibility study of construction of a Ethanol production facility (\$90,000 Approved- September/October 2007)
- Commitment from Nightingale Premier Inc. to proceed with three projects totaling approximately \$15 million and job creation of 75 (June 2007-Advancing 2008)
- Hardy Cedar Mill a \$7.2 million project employing approximately 44 at start-up (July 13, 2007)

# The Outcomes

- Support and planning for the 2007 Smooth Truck Fest Event (August 31<sup>st</sup>, Sept. 1<sup>st</sup> and 2<sup>nd</sup>, 2007) – Successful weekend generating approx. \$190,000 economic spin-off & \$29,000 profit
- Facilitated transfer of the Trinity United Church to SRF CDC for future use as a Historical Centre (Completed)
- Chairman – Northern Clay Belt Agri Network and lead applicant for NCIR Funding of \$226,656
- Participation on Panel for CEP National Union accepting position papers on the forestry sector (July & August 2007 – Dryden, Sudbury, Thunder Bay and Kapuskasing)

# Where Do We Go From Here?

- Complete feasibility study of Tembec facilities with completion slated for May 27th, 2008
- Undertake and complete feasibility study of Ethanol Plant with completion for June, 2008
- Provide leadership and complete NCBAN agri-bio based regional studies (July 2008)
- Support and act as resource to Nightingale Premier Inc. on development of identified projects 2008-2009

# Where Do We Go From Here?

- Facilitate funding applications and completion of all infrastructure requirements by Town with Hardy Cedar Lumber Inc.(2008)
- Support MOU with private sector investors to pursue Tembec negotiations (2008)
- Hire an Intern Placement to support project coordination of SRF CDC (April/08)
- Support Heritage Centre Committee activities to facilitate opening of the Centre (2008)
- Continue to pursue revitalization efforts to re-establish the community of Smooth Rock Falls as an excellent place to live, to work, to play and to do business (Ongoing)

# Pending Circumstances

- Completion of lease arrangements between Tembec and Town of Smooth Rock Falls to locate Hardy Cedar on the Tembec site
- Work with Town Planning Board to alleviate any issues surrounding zoning and development of the Nightingale Premier projects
- Work with the Town of Smooth Rock Falls towards the development of investment ready development property (new industrial park development)
- Continue to actively seek out new investment and revitalization of the local economy

# Conclusion

The first year of activities for the SRF CDC have been challenging, energizing and rewarding!

The next year offers even greater challenges and together, we must strive to exceed even our greatest expectations and seize every opportunity that presents itself, by having patience, maintaining trust and working together for the common cause:

“A sustainable quality of life, revitalization of the local economy and new employment opportunities for our residents!”