

SMOOTH ROCK FALLS COMMUNITY DEVELOPMENT CORPORATION

ANNUAL MEETING – JUNE 2007

Presented By:

**Robert Cheetham
Director-Community Development**

“Looking Back – Moving Forward”

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
- Memorandum of Understanding between Town of Smooth Rock Falls and Hardy Cedar Lumber Inc.
- 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 and Robert Manseau (CMG).
- Tembec agrees to provide \$100,000 in total to support the EDC process over a three year period

The CDC Board

- The newly established EDC 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 1st, 2006 and December 4th, 2006 efforts were undertaken to establish a 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 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 Kathy Taylor has assisted many residents with employment and training adjustment issues since the July 31st shut down at Tembec.

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 his start date.
- Francine Levesque was hired in November 2006 and commenced her shared duties in support of the Director and the Chairman of the CAC process on December 4, 2006

The Chinese Connection

- The EDC 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 pursue 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
- An joint application to undertake a feasibility study on the Ethanol Plant initiative has been submitted to NOHFC and Fednor for their funding consideration.

Opportunities

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

1. New upscale motel/hotel
2. A variety of new Bio-based energy generating projects
3. Expanded seniors rest & retirement care facility
4. New hospitality & tourism based ventures
5. New metal manufacturing production facilities
6. Training Institute to support future development initiatives
7. Development of a Cedar Centre of Excellence
8. Redevelopment of the Tembec Pulp Mill site.

December 5, 2006

- Tembec Enterprises Inc. announces closure of the Smooth Rock Falls Pulp Mill
- 230 jobs lost in the community
- 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

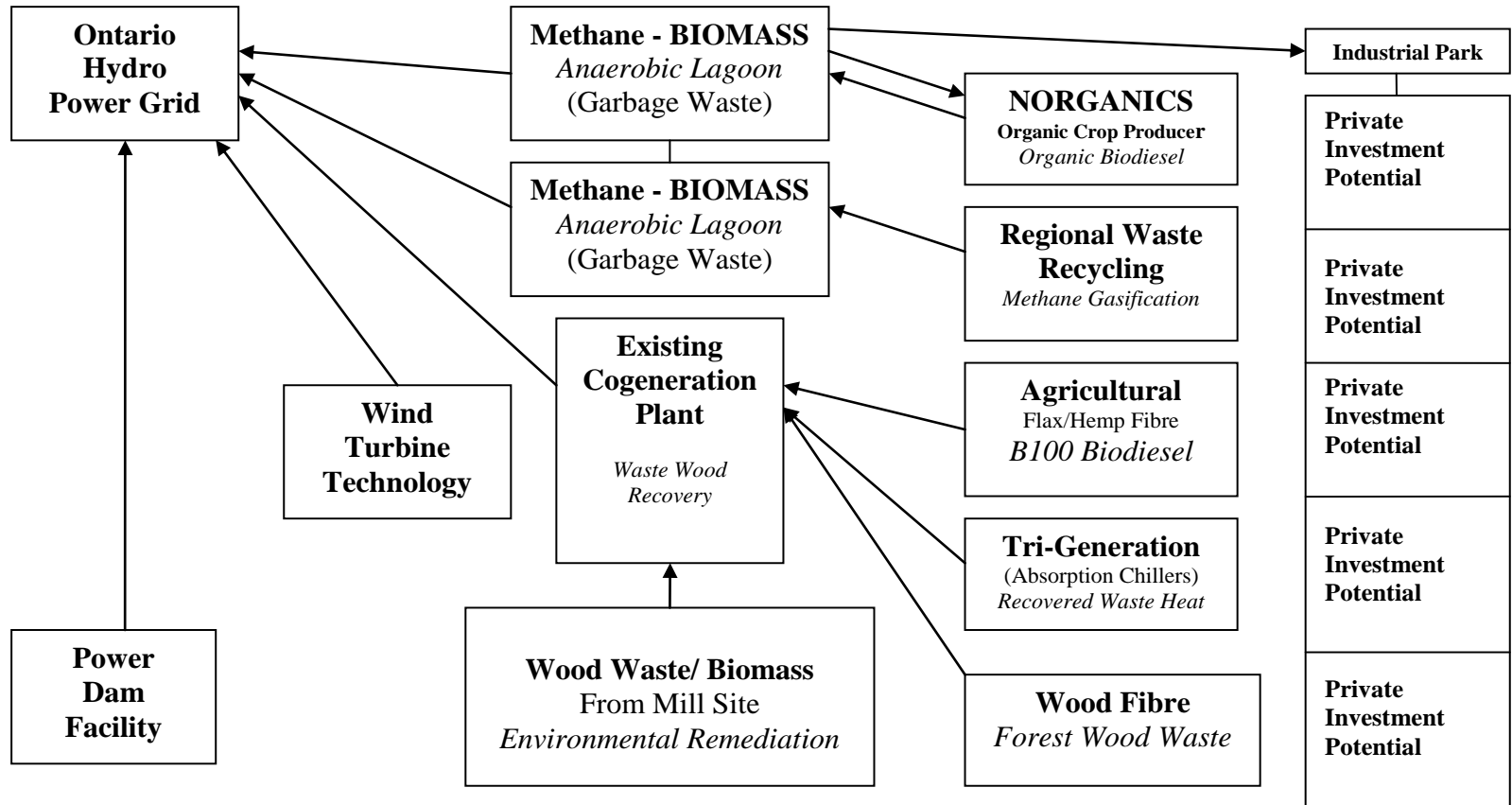
- The Mayor establishes the Revitalization Task Force represented by two members from each of: SRF CDC, Town of Smooth Rock Falls, CEP Local 32 and Tembec Enterprises Inc.
- In January 2007 the SRF CDC Board supports a revitalization strategy and pursues the development of a *"Northern Ontario Centre of Regeneration Excellence"* on the existing Tembec Mill site
- Land Inventory Study completed and 120 acre municipal Industrial development site identified and land 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
- Subsequent meetings with CEP Local 32 Union officials also lead to support for moving forward with the “Regeneration” conceptual model

The Conceptual Framework

“CONCEPTUAL MODEL”



The Revitalization Task Force

- Meetings of the 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
- 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 Regeneration 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

The Outcomes

- The 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 have been submitted and first phase approval to move forward to a more comprehensive second stage approval process has been given by NOHFC
- Applications to FEDNOR will now be reviewed at the second stage level and decisions are expected by August 2007

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 13th, 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 acres of land on Kelly Road – approximately \$7-8 million investment creating 35 jobs once operating
- 80-100 unit motel/hotel complex located on approximately 25 acres along the Mattagami River - \$6.5 million investment and 35 direct jobs once operating
- 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

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)
- Smooth Rock Falls Lions Club (Entrepreneur Training)
- Trinity United Church
- Pride & Booster Committee (North Claybelt CFDC)

Our Regional Responsibilities

- The SRF CDC is an active participant in regional activities, including:
 - NCIR Ontario Investment Service Regional Project
 - The Northern Clay Belt Agri Network (NCBAN)

Northern Clay Belt Agri Network

- Regional Highway 11 Corridor Network of approximately 13 communities
- Regional Community Futures Development Corporation financial commitment
- Bob Cheetham assumes role of Chair - Smooth Rock Falls CDC acts as lead applicant on behalf of all thirteen communities
- Steering Committee established
- Request for Proposal to undertake Land Inventory Study and Soil Classification Update
- Three phased application approach: land inventory, marketing plan and gap analysis
- 220,000 ha of un-utilized agricultural land across north claybelt region

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 Conference
- Application submitted to OMAFRA for 2nd and 3rd year funding of SRF CDC
- Application to NOHFC & FEDNOR for undertaking feasibility study of Tembec facility
- Application to NOHFC & FEDNOR for undertaking feasibility study of construction of a Ethanol production facility
- Commitment from Nightingale Premier Inc. to proceed with three projects totaling approximately \$15 million and job creation of 75 (2007-2008)
- Support and planning for the 2007 Smooth Truck Fest Event (August 31st, Sept. 1st and 2nd, 2007)
- Facilitated transfer of the Trinity United Church to SRF CDC for future use as a Historical Centre
- Chairman – Northern Clay Belt Agri Network and lead applicant for Land Inventory Study
- 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?

- Undertake feasibility study of Tembec facilities with completion slated for March 31, 2008
- Undertake feasibility study of Ethanol Plant with completion for December 31, 2008
- Facilitation of NCBAN application and Land Inventory Study (2007-2008)
- Support and act as resource to Nightingale Premier Inc. on development of identified project 2007-2008
- Facilitate funding applications and completion of all infrastructure requirements with Hardy Cedar Lumber Inc.
- 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.

Conclusion

The first year of activities for the SRFCDC 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 opportunity as it presents itself!