

**TEMAGAMI ECONOMIC
DEVELOPMENT CORPORATION
BUSINESS CASE**

**7 LAKESHORE DRIVE
PO Box 220
TEMAGAMI, ON
P0H 2H0**

DATE

TABLE OF CONTENTS

1.	EXECUTIVE SUMMARY	3
1.1.	Issue	3
1.2.	Anticipated Outcomes	3
1.3.	Recommendation	3
1.4.	Justification	4
2.	BUSINESS CASE ANALYSIS TEAM.....	4
3.	PROBLEM DEFINITION	4
3.1.	Problem Statement	4
3.2.	Organizational Impact	5
3.3.	Board Formation, Staffing and Knowledge Migration	6
4.	PROJECT OVERVIEW	6
4.1.	Project Description.....	7
4.2.	Goals and Objectives.....	7
4.3.	Corporation Performance	7
4.4.	Project Assumptions	8
4.5.	Project Constraints.....	8
4.6.	Major Project Milestones.....	8
5.	STRATEGIC ALIGNMENT	9
6.	COST BENEFIT ANALYSIS	9
7.	ALTERNATIVES ANALYSIS.....	9
8.	APPROVALS.....	9

1. EXECUTIVE SUMMARY

This business case outlines the benefits and concerns surrounding the Municipality of Temagami establishing the Temagami Economic Development Corporation. This business case will also establish an initial work plan and how success will be determined.

1.1. Issue

Starting in the fall of 2019 and continuing to present, Council of the Municipality of Temagami has commissioned a Strategic Plan preparation and a Service Delivery Review. Although these two projects were completed independently of each other, both recommended Council consider the establishment of an economic development corporation. The formation of a municipal corporation is governed by the Municipal Act and this business case is designed to satisfy one of the requirements.

1.2. Anticipated Outcomes

The goals and work plan of this corporation will be structured to ensure that an economic development strategy is developed. In conjunction with the formulation of this strategy, this corporation will also manage the promotion and use of the Temagami Dry trademark and general parking facilities. Using the structure of an economic development corporation will also provide better flexibility and improved timeliness to manage economic development activities than is permitted through other municipal structures.

1.3. Recommendation

The formation of the Temagami Economic Development Corporation will provide a more focused approach with broader inputs than is the case presently. This will demonstrate the importance of economic development to our community. The Temagami Economic Development Corporation will also provide Council with the ability to ensure offered talents in the associated business lines are used for the economic advancement of the Municipality.

The first step in the formation of the Temagami Economic Development Corporation is to call for expressions of interest for those who wish to submit their names for consideration to serve on the Board of Directors. This process, and the development of the articles of incorporation could happen simultaneously.

The first projects of the Temagami Economic Development Corporation would be the development of an economic development strategy, promotion and use of the Temagami Dry trademark and the development of a parking authority. For the last item, this could also include a joint initiative with Temagami First Nation.

1.4. Justification

Municipalities, by their nature, are typically slow to move from concept to delivery. In the realm of Economic Development it could be that by the time the delivery phase is put into action, the opportunities could be forgone.

This also is relevant when creating advisory and focus groups where the time required when directed by the Municipality is longer than what is present in a more business like environment.

Establishing an economic development corporation will allow these activities to operate in a more timely manner and be able to be more responsive to the needs of our business community and potential entrepreneurs. Activities such as those related to the Temagami Dry trademark and the operation of parking facilities could also provide funds to be reinvested in community economic development without the need for an increase in the tax levy.

This corporation would operate within the constraints established by Council and included in the articles of incorporation but enjoy a certain amount of flexibility as to how the goals are met.

2. BUSINESS CASE FORMATION

This business case was formed using comments from the Strategic Plan developed by the Commerce Group, the Service Delivery Review developed by BDO, and augmented with comments received from the public. Work on the plan by the Treasurer/Administrator was completed ensuring the requirements of legislation could be met.

3. PROBLEM DEFINITION

3.1. Problem Statement

While it used to be a bustling community, over the past twenty years Temagami has seen a steady decline of employment. Whether this is from the Provincial reorganization of 1998 which lead to the closure of many ministry offices or the decline in the logging or mining industries, the economic landscape today is quite different than it was a few years ago. With the loss of employment also comes a decrease in population. This can alter plans for community recreation, infrastructure services and

even ensuring a continuous supply of potable drinking water as the costs of service provision is spread amongst fewer people.

We do have pending investments in our broadband infrastructure as well as other tools required by today's business, however we are lacking in a focused direction for economic development investments. The development of an economic development strategy is a key piece to ensure our investments are well directed.

Additionally, the Municipality purchased the Temagami Dry trademark in the summer of 2020. There are many different options available to the municipality on the use and marketing of this trademark and, by removing some of the rigidness of the governmental structure, an economic development corporation could be more responsive to suggestions from the public and focus group. In simple terms, the business asset could operate in a businesslike way.

With the parking facility, not only do we have spaces throughout the municipality that could have day use rates applied but there is the shared parking at the landing. Through the Temagami Economic Development Corporation, the ownership and operation of the shared parking, and other parking throughout the municipality could have a consistent, non-political approach with the net proceeds being used to fund other economic development initiatives contained in the economic development strategy.

3.2. Organizational Impact

The Temagami Economic Development Corporation would provide the municipality with an organization whose whole focus is the economic health of our community. While there may still be some overlap between the Municipality and the Corporation, if economic development was kept under the municipal umbrella, it would be an additional service which may not have the same level of attention given the other service areas which attract municipal Staff attention.

In addition to having a total focus being the economic health of the community, the Temagami Economic Development Corporation can create and/or work with different community stakeholder groups and focus groups as the economic development strategy is developed and implemented. The activities that can be an area of focus of the Temagami Economic Development Corporation is governed by legislation but there can be more flexibility when formulating future directions of community economic development.

3.3. Board Formation, Staffing and Knowledge Migration

Creating a corporation is not the end of the process but just the beginning. To function well, a dedicated board of directors with a good mix of skills is required. This board would then have to have staff in place to manage the day to day activities as well as coordinating the activities of the corporation. Once the board and staff are in place, working to migrate the knowledge gained over the years to the corporation is necessary to ensure there is a solid foundation from which the board can move forward. At any of these phases, assistance from consultants or counsel could be necessary.

An overview of the steps are:

Phase I: Complete the legislated requirements and draft the articles of incorporation/letters of patent. Consideration given at this stage to the skills desired to be contained in the Board of Directors and advertised for interested parties to submit their names for consideration.

Phase II: Council, or a committee of Council, will lead the selection of Board Members and when completed the corporate documents can be filed.

Phase III: Create a job description and working with FEDNOR and NOHFC search for possible grants and seek advice on priority setting.

Phase IV: Advertise and hire key employee.

Phase V: Working with municipal staff, create an action plan to be approved by the Board and start the framework for the three main projects being the economic development strategy, business development and parking facilities.

4. PROJECT OVERVIEW

The project overview provides detail for how the Temagami Economic Development Corporation will move from concept to a functional organization invested in the growth of the economy for the Municipality of Temagami. The overview consists of a project description, initial goals and objectives for the Temagami Economic Development Corporation, project performance criteria, project assumptions, constraints, and major milestones. As the project is approved and moves forward, each of these components will be expanded to include a greater level of detail in working within established frameworks toward the project plan.

4.1. Project Description

The end goal is to have a vibrant economy supported by the work of the Temagami Economic Development Corporation. The Corporation, led by a Board of Directors with diverse backgrounds, will ensure information is available for entrepreneurs to make informed decisions on the benefits of establishing their home base in the Municipality of Temagami as well as manage several business lines of the Municipality such as Temagami Dry and parking facilities.

This will be led by an economic development strategy developed for the Temagami Community. This strategy will include short, medium, and long term goals as the Corporation becomes more established.

The size of the Board of Directors will be established by Council and membership will be application based so the skill diversity of the Board can be ensured. The Corporation will also be granted the freedom to have community and focus groups charged with certain aspects of its operation to ensure the best advice is received prior to decisions being made.

4.2. Goals and Objectives

In general, the overall goal of the Temagami Economic Development Corporation is to increase economic development opportunities within the Municipality of Temagami and promote Temagami as the ultimate location for business establishment. By working in areas contained within the provincial regulation (parking facility for example) the Corporation will also work to ensure there is capacity in the Municipality to welcome new entrepreneurs and employees for expanded operations for existing employers.

4.3. Corporation Performance

Once established the performance of the Temagami Economic Development Corporation will be reviewed in two ways. First the Board of Directors will review on a project basis, and at least annually, ensure that the goals of each project are being reached. Secondly, annual reports to the Council of the Municipality of Temagami on the activities and future plans of the Corporation to ensure the activities of the Corporation are also in line with the goals of the Municipality.

4.4. Project Assumptions

In the fall of 2020, when the public was asked to comment on the possibility of establishing an economic development corporation, there were only a few responses and the majority of them wanted to have more information. It is assumed that as the project progresses, there will be at least one opportunity to reach out to the public if for no other reason but to encourage members of the public to consider putting their names forward for consideration to serve on the Board of Directors. For the corporation to move forward, a Board of Directors separate from Members of Council is imperative.

4.5. Project Constraints

The largest constraint involved with a Municipality establishing a corporation is provincial legislation. By regulation, there are also restrictions related to the activities economic development corporations can be involved with. Care has been, and will continue to be, taken to ensure that the corporation is established with these limitations respected. There may be the need to involve legal counsel at some point but Municipal Staff will work to ensure costs to establish the corporation are minimal.

4.6. Major Project Milestones

The following are the major project milestones identified at this time. Once established, the Board should establish priorities for the Corporation related to the economic development strategy and projects noted earlier.

Milestones/Deliverables	Target Date
Draft Business Case	15APR2021
Edited Business Case Approval	06MAY2021
Draft ideal competencies for Board Members	21MAY2021
Advertise for expression of Interest for Board Members	31MAY2021
Draft First By-Law and Incorporation Documents	30JUN2021
Short list of Board Members	15JUL2021
Board Members Selected and Corporate Documents Filed	15AUG2021
First Board Meeting	30SEP2021

5. STRATEGIC ALIGNMENT

Between 2019 and 2020, the Municipality of Temagami has completed both a Strategic Plan and a Service Delivery Review. Both of these reports agreed that the formulation of an economic development corporation would provide the Municipality with a key tool to improve future economic and population trends.

6. BENEFIT ANALYSIS

At the end of this process, Temagami will have an entity wholly concerned with increasing the economic activity and opportunities which form the foundation for attracting more people to our community. Especially as our access to fast, reliable broadband increases, the notion of a 'cottage' office is one that could reasonably be put forward. Increased populations provide the critical piece for many municipal operations, especially in the area of recreation.

Initially, costs will be modest but as the establishing documentation is being created for the corporation, the premise of analyzing the benefits of investment is key to ensure funds earned or donated are well invested into the future growth of Temagami.

7. ALTERNATIVES ANALYSIS

Council could proceed without an economic development corporation. This is not considered a desirable option in that when mixed with other operations of the municipality, economic development is often prioritized lower than other areas. To have a concentrated approach where economic development activities will always receive priority, having an economic development corporation is the appropriate vehicle for this. As well, especially in the area of parking facilities, where the possibility exist for joint ventures with organizations not included in the provincial regulation as public entities then an economic development provides more options to proceed with projects that will benefit our community.

8. APPROVALS

This Business Case should be considered to be a framework to move from concept to development of the Temagami Economic Development Corporation. Initially, the draft Business Case should be reviewed and edits suggested by Council. Once this debate has occurred, edits made, and approved by Council resolution then the Business Case would be used by Staff to proceed with the steps necessary to establish the Corporation.