

March 20, 2012

Town Hall: Fort Erie

Comments/Backrounder for Mayor

Thank you all for coming today. It is national news that the Province of Ontario has decided to close a number of OLG Slot facilities across the Province. It is national news that first to go is Fort Erie, Windsor and Sarnia.

But I want to tell the public at large why for Fort Erie this is just plain wrong, and for how long we have been trying to get this message across to the Province.

First a little background on Fort Erie, a wonderful community of 30,000 residents and about 10,000 summer residents.

During the 10 year period of 1992 through 2002, Fort Erie lost;

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| 1. Its major tourism destination attraction -
Crystal Beach Amusement Park | 250 jobs |
| 2. Fleet Aerospace | 385 jobs |
| 3. Ronal Canada | 238 jobs |
| 4. Horton CBI | 400 jobs |
| 5. Irvine Aerospace | 80 jobs |
| 6. Hart & Cooley | 70 jobs |

While the absolute number is approximately 1,423, this represents more than 30% of the industrial employment jobs in Fort Erie at the time.

From 2002 to present, Fort Erie has been aggressive in restructuring and managing its Economic Development Corporation and adopting municipal policies to fund and support business analysis, business retention programs, marketing programs and building staff capacities to better manage and expedite the development process.

Our business successes over this time frame include:

1. Fleet Canada restructuring	125 jobs
2. DMI Industries	140 jobs
3. Truk-King	85 jobs
4. Rich Products expansion	80 jobs
5. Peninsula Alloy	52 jobs
6. InfoCision	125 jobs
<u>7. A number of expansions & small projects</u>	<u>50 jobs</u>
Total	657 jobs

As a Town we don't whine to the Province, we roll up our sleeves and create solutions.

We have also developed several large scale projects such as the Canadian Motor Speedway (\$240 million) and the Miller Creek Marina Project (\$200 million). Both will create economic impact throughout Niagara and the Golden Horseshoe.

But herein has our problem with the Province; provincial policies and regulations they have passed are conflicting in Fort Erie and frustrating our efforts to succeed.

We are not talking about special measures here just routine policies that by themselves seem not too bad but taken together create a synergy that is completely negative for our Town's future growth.

- 1.) **Municipalities must develop ONLY within their existing urban service boundaries** - Essentially the Province is creating a paradox; "development pressure shall be funneled to growth centers like Niagara/South Niagara" but, "development shall only take place within urban service boundaries, regardless of infrastructure servicing needs, market demand, municipal planning goals/objectives, etc. The Province pursued this rule and never asked Fort Erie if the urban service boundaries made sense (which they do not) and if they needed to be modified first, before being adopted as "the policy".

- 2.) **Provincially Significant Wetlands** - Expansion of Provincially Significant Wetlands mapping has significantly constrained the ability to develop and service the little industrial land we have available within our Urban Service Boundaries. Specifically, in the case of our efforts to develop an Industrial Business Park Master Plan, the area originally identified as developable was slashed by almost 2/3rds (from over 300 hectares to less than 120 hectares) as a direct result of PSW's.

Reduction in acreage in the subject Industrial Business Park area has not only constrained the amount of land available for development, but by the nature of the wetlands legislations (i.e. complexing, buffering, etc.), it also drives increases in the cost of servicing the remaining lands because the same amount of infrastructure is required to reach the developable lands. But the cost of such infrastructure must be spread over fewer acres of developable land (driving increases in the cost of servicing per developable acre), which in turn makes what would otherwise be prime industrial land (along the QEW, near the Canada/U.S. border, etc.) much less marketable. The resulting developable industrial lands, even if serviced, are not in economical units and have greatly reduced market appeal.

3.) **Employment and Accessibility** - The Town of Fort Erie has a limited local municipal transit system, however, an almost complete lack of inter-municipal transpiration exists in Niagara (especially in south Niagara) which acts to cut the “remote” community of Fort Erie out of the regional dynamic in Niagara. This situation creates a number of problems;

- those who cannot afford a vehicle must find employment in Fort Erie or relocate to other communities within or outside Niagara;
- limits our ability to move tourists between (to/from) Fort Erie, Niagara Falls, St. Catharines and NOTL (limiting our attractiveness/accessibility to tourists);

- compromises/frustrates accessibility or increases costs to Fort Erie residents in seeking healthcare;
- limits access for local young people and senior citizens to amenities in neighboring communities and visa versa (thereby limiting/stunting our quality of life); and,
- Regional events/activities are inaccessible to many cohorts in Fort Erie.

4.) **Provincial Energy Policy (Sourcing)** - The Province of Ontario's energy policy calls for significant increases in the utilization of alternative energy sources, wind power being principal among them, on a go-forward basis. To this end, the Province of Ontario is pursuing major wind-energy projects in the Province through Provincial subsidies. Despite the fact that Fort Erie, Ontario is home to Ontario's only wind-tower manufacturing facility, DMI Industries there is no condition or Provincial objective defined that supports domestic tower use in subsidized projects.

It is perplexing, given that the Minister of Finance was happy to attend the grand opening of the DMI facility and speak to all the wonderful implications this new facility would have for the local, regional and Provincial economies, and given that the Province is leading a "buy Ontario steel" campaign, that the Province would allow the industry to source these materials from outside the Province, when a world-class producer exists within the Province.

Subsequently, to our competing for and attracting DMI to Fort Erie, the Province's "Green Plan" has frustrated their efforts in 2 major ways:

- 1.) The Samsung "Deal" was a huge unknown and so virtually every major wind project in planning stages was put on hold waiting to find out what it means.
- 2.) The Province was supporting CSWind, a competitor in the wind tower business, at twice the size of DMI.

5.) **Miller Creek Marina** - This is a private sector, public sector project brought forward to the Niagara Parks Commission (NPC). It is a creative solution to the NPC dilemma of closing down the existing marina in Fort Erie as a cost savings measure by NPC and also a way to generate revenue for NPC, the Town and the Province.

At almost \$200 million, it will be a major tourist attraction and help Fort Erie, Niagara Falls and Niagara Region create more jobs and tax revenue.

Yet the NPC a Crown Corporation, ergo Provincial Government has announced they will after 6 years of working with the proponent, not proceed further.

6.) **The Fort Erie Race Track** - This is the 115th Anniversary of this grand old Race Track. The Race Track and Slots in Race

Track Program was extended in Fort Erie and we need to give credit where credit is due. The province created an exception to the shared revenue formula in Fort Erie.

I don't think anyone really believed we could run a Track, let alone successfully. But through our Economic Development & Tourism Corporation, we formed a not-for-profit Corporation of the Town of Fort Erie, the HBPA, the Unions and the EDTC called the Fort Erie Live Racing Consortium.

It is working, working well and yet with absolutely zero consultation the Slots are being closed by this government and the revenue sharing program cancelled.

No warning, no transition, no care for employees future except they get "good severance packages".

This is not the way to treat employees.

This is not the way to treat good partners.

This is not the way to treat municipal government.

So just what does this government have as issue with Fort Erie?

Just why do they keep knocking us backwards every time we have a plan to go forward?

We have met formally for the past 6 years with the government and explained how these policies are killing our growth and our economic future.

Today is enough.

Today we need for the Provincial Government, for Mr. McGuinty to hear and really appreciate how these policies are dramatically hurting Fort Erie.

We need the Province's support to get some of these moving faster, such as the Canadian Motor Speedway, Miller Creek Marina, our industrial lands serviced and we want to keep our legacy, the Fort Erie Race Track.

So let me now turn over the microphone to Mr. Jim Thibert, GM of the EDTC and CEO of the FELRC to outline our plan on that matter.