



ECONOMIC UPDATE

Produced by Terrace Bay Municipal Staff

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This document outlines projects completed or ongoing in the Terrace Bay region the past 12 months.

TERRACE BAY PULP ENTERS CCAA PROTECTION

Terrace Bay Pulp announced a shutdown in November 2011 and filed for creditor protection on January 25, 2012. Court documents submitted by the company outline the operation faced a liquidity crisis after being down from the annual shutdown and then an unexpected explosion. This, coupled with declining market conditions and the upward impact on costs of production due to the loss of equipment damaged in the explosion, resulted in their decision to idle the mill. Ernst & Young have been appointed by the Ontario Superior court as the monitor in the proceedings. According to papers filed in the Ontario Superior Court, Terrace Bay Pulp had revenue of \$123.8 million for the fiscal year ending April 30, 2011, with retained earnings of \$17.6 million. The company, with assistance from the Monitor, has outlined a detailed sales process of the mill and some of its non-business assets. The mill has also been granted approval from the Court to continue to complete equipment repairs and finish its Green Transformation Projects for emission reductions and generating renewable energy.



OPENING OF WILKES TERRACE LONG-TERM CARE FACILITY

Construction of the new Wilkes Terrace Long-Term Care Facility was completed in April 2011. The 22-bed facility, which has been fundraising and in development for 11 years, opened its doors to patients in May 2011 and has already been filled to capacity with patients. Fundraising for the \$8 million project included an investment of \$4.7 million from the provincial government and approximately \$2 million from businesses and residents in the Terrace Bay and Schreiber region. The project has created 15 new jobs in the community.



*Wilkes Terrace Long-Term Care
before and during the Ribbon Cutting Ceremony*



An official ribbon cutting was held on July 20, 2011 where approximately 200 people helped celebrate the completion of the project. The event featured speeches from the project stakeholders, residents and the Minister of Northern Development, Mines and Forestry Michael Gravelle.

TERRACE BAY DOWNTOWN REVITALIZATION PROJECT COMPLETE

The \$3 million Downtown Revitalization Project was completed in July 2011. Approximately 200 people attended a ribbon cutting event whereby project partners, residents and business owners celebrated the project which has been in development for 4 years. CAO Carmelo Notarbartolo was Master of Ceremonies and other speakers included Minister Michael Gravelle, Katherine Turner for the Thunder Bay FedNor office, who spoke on behalf of Minister of Industry Tony Clement, Mayor Michael King, and other project partners. CAO Notarbartolo thanked all of the project partners and also made special mention of the excellent working relationship with the Thunder Bay Ministry of Transportation Office and the support of the those unable to make the event including Minister of Transportation the Honourable Kathleen Wynne, Minister of Agriculture, Food, and Rural Affairs the Honourable Carol Mitchell, and Federal Minister of Industry Tony Clement.



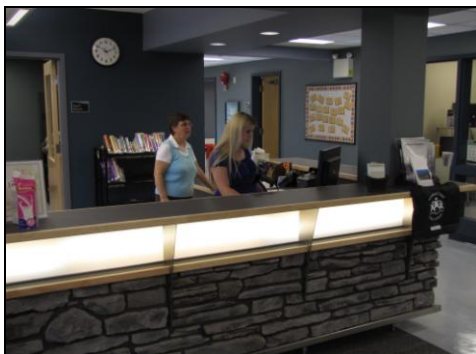
Project construction included extensive renovations to the existing canopy with new roofing, soffit, sidewalks, stonework and landscaping. The project also included the addition of a new theme based on Lake Superior with a canopy signage wall and highway signage. Finally, the project involved the construction of the 50 foot lighthouse attraction to draw visitors into the new revitalized downtown.

TERRACE BAY CULTURAL CENTRE GRAND OPENING

The official grand opening ceremony for the new Terrace Bay Cultural Centre was held on January 11, 2011 and approximately 150 people were in attendance. Chief Administrative Officer Carmelo Notarbartolo was the Master of Ceremony for the event which included speeches from the Minister of Northern Development, Mines, and Forestry - Michael Gravelle, Acting Mayor - Jamie Robinson, Superior Seniors Club President - Joan Clark, and Terrace Bay Public Library Board Chair - Irene Moore. CAO Notarbartolo also read a letter on behalf of the Federal Minister of Industry, the Honourable Tony Clement who was unable to attend the event. The Terrace Bay Cultural Centre began construction on January 4, 2010 and the building opened to the public on October 4, 2010. The total cost of the project was \$1.9 million. The Michael King Hall has already hosted numerous large events and the building is used regularly by patrons to the library and members of the Superior Seniors Club. In 2011, the Michael King Hall was painted in April and will have new secondary lighting installed. The Superior Seniors Club also has plans to add an activity garden outside the Seniors Activity Centre with bocce ball, horseshoes, bbq patio, & landscaping. The library space was also recently recognized with an award at the annual Ontario Library Service North Conference with Excellence in Physical and Virtual Library Spaces.



Pictures of the Building in Fall 2011



Library Circulation Desk



Library Fireside Reading Area



Chef Sam in the Hall Kitchen

TERRACE BAY RECOGNIZED FOR DOWNTOWN PROJECT

Terrace Bay was very honoured to have been selected as a Finalist with Honourable Mention for the prestigious Economic Development Council of Ontario (EDCO) Marketing Awards for our Downtown Revitalization Project on February 2, 2012. EDCO annually recognizes the best examples of Municipal marketing projects throughout the Province of Ontario with competition against major urban areas like Toronto.



Terrace Bay was recognized on November 9, 2011 with two awards at the prestigious North of Superior Tourism Association's Annual General Meeting. The awards ceremony, held as part of the annual meeting, showcased some of the successes in the region's tourism industry. The Municipality won awards for excellence in Municipal Marketing and as a Tourism Innovator for the use of the Terrace Bay Lighthouse within the Downtown Revitalization Project. This builds on earlier recognition by the Northern Ontario Development Network in its video showcase of successful economic development projects in Northern Ontario to which the project was featured in a high definition video in October 2011.



DOWNTOWN PROJECT ACHIEVING ITS GOAL OF ATTRACTING TOURISTS AND BUSINESS

The results for the downtown revitalization project were easy to see right away. New highway signage directs visitors to the major attractions in the Township and business owners have remarked substantial increases in their business resulting in new part-time employee hiring. A people counter sensor at the lighthouse recorded 6,051 visitors in the first 30 days (13,000 in the first 4 months) and hundreds of people have signed the lighthouse guestbook. In addition to the



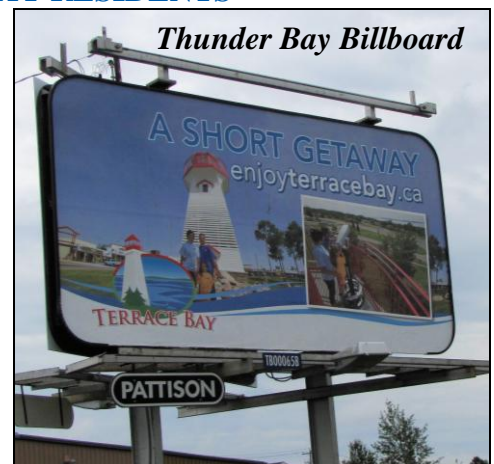
Terrace Bay Solar



influx of tourists, the project has resulted in the creation of 8 full-time jobs (including the expansion of Stewart Pharmacy and new business Terrace Bay Solar), 6 part-time jobs in the expansion of service in the hospitality industry, and saved 16 jobs in businesses that were for sale with possible closure that have survived.

TOURISM MARKETING CAMPAIGN TO CITY OF THUNDER BAY RESIDENTS

In July 2011, Terrace Bay began a targeted marketing campaign with the goal of attracting visitors from the City of Thunder Bay. Two billboard spaces were rented in Thunder Bay at prominent locations and feature the new Terrace Bay Lighthouse and the great outdoors which the Township view as a fit with potential visitors. The Municipality has also created a webpage with the domain name www.enjoyterracebay.ca which features 1 and 2 day trip itineraries to assist tourists plan their trip. The project was funded through a contribution from the Superior North CFDC local initiatives program as funded by FedNor. Within 3 weeks of initiating the campaign, the webpage received 500 visitors, and businesses remarked talking to Thunder Bay tourists. The marketing campaign received regional recognition in the Chronicle Journal.



MCGUINTY GOVERNMENT INVESTS IN TERRACE BAY BUSINESSES

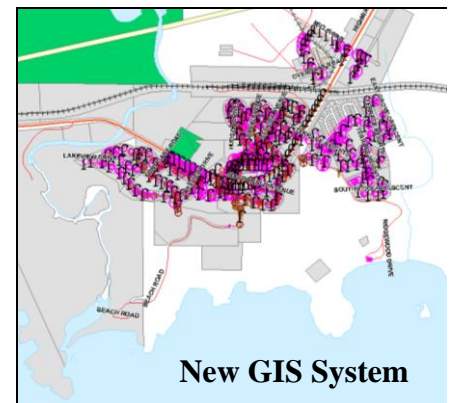
The Honourable Michael Gravelle, Minister of Northern Development, Mines and Forestry in May 2011 announced a contribution of \$1 million from the Northern Ontario Heritage Fund Corporation. The contribution will be to the Terrace Bay business Superior NorthPath and allow them to purchase new rock crushing equipment to expand their services and create four new jobs. Congratulations to Gilles Begin, owner of Superior NorthPath Construction. The Northern Ontario Heritage Fund Corporation also made a \$100,000 investment in July 2011 in the new business Terrace Bay Solar. Local entrepreneur John Turcotte will be using the investment to purchase equipment for the startup of a solar panel and installation company. Terrace Bay Solar will be located in the centre of the newly revitalized Simcoe Plaza.



Owner Gilles Begin Thanks Minister Michael Gravelle

GEOGRAPHIC INFORMATION SYSTEMS PROJECT

The Township of Terrace Bay and Town of Marathon are working together to create a geographic information system (GIS) for their communities. The project entails taking existing paper maps to build a digital map with a variety of layers that will show the municipal infrastructure of each community including water lines, sewer pipes, roads, trails, etc. This will greatly assist the planning process for the replacement of infrastructure as well as ensuring information mostly contained on paper maps is backed up and verified to actual points on the ground through the use of GPS systems. The system will be mainly used by municipal staff, but parts of it will also be available for residents to access through a public viewer that will be integrated into the Municipal website. The project is approximately \$250,000 with 90% funding coming from the Northern Ontario Heritage Fund and the remaining 10% split evenly between Marathon and Terrace Bay.



The project is expected to take almost 2 years in duration and involve collecting the information and formatting it into the final digital system. The initial system has been setup based on the paper maps and satellite imagery the Municipalities already possesses. A GIS Surveyor was hired in July 2011 to assist with further development of the system and GPS points not identified in paper maps. For more information on Terrace Bay and its mapping database, visit www.terracebay.ca/maps.

MINING INTEREST ON OUTSKIRTS OF TERRACE BAY

Balmoral Resources Ltd. and GTA Resources and Mining Inc. have finalized a property option agreement in regards to positive mineral sampling results they have found on the Worthington Bay property South of the Township of Schreiber. For more information, visit Balmoral Resources Ltd. for a news release.

STRATEGIC PLAN PASSED BY COUNCIL

The new 2011-2014 strategic plan was officially passed by Council on the June 20, 2011 meeting. The strategic plan is the document that guides Municipal staff in how to carry out Council's vision for the next four years. By comparison, the previous strategic plan featured the Cultural Centre, Downtown Revitalization project, and Physician Recruitment, which the Municipality was able to accomplish. The strategic plan focuses on the areas of 1) Health and Welfare, 2) Excellence in Governance, 3) Sustainable Economy, and 4) Healthy Environment. Some of the projects Council has identified as a priority within the strategic plan include: new investment in Municipal operations, supportive housing, waterfront development, creation of a recycling system, and further landscaping in the Terrace Bay Lighthouse area.

NORTHERN COMPUTERS & COMMUNICATIONS EXPANSION

The Northern Ontario Heritage Fund Corporation recently invested in Terrace Bay business owner Brian Doig's plan to expand his business into the interactive whiteboard market. NOHFC provided funding to help accelerate their business plan to sell and train staff on the innovative Promethean ActiveClassroom products in Northwestern Ontario. With an updated business plan, Northern Computers and Communications used NOHFC funding to train staff and market their new services, which now included tech support for a broad range of Promethean's interactive learning technology. The project has been a success for Northern Computers and Communications, creating the equivalent of three full-time positions and expanding their services and client base.



Business Owner Brian Doig

SUPPORTIVE HOUSING COMMITTEE FORMED

Terrace Bay Council officially welcomed members to the new supportive housing committee on June 6, 2011. The committee is made up of group of dedicated residents with the goal of achieving an acceptable level of supportive housing for seniors, persons with disabilities and respite care. Mayor Michael King was elected the chair of the committee and said "The need for this type of service in Terrace Bay is very clear and became even more apparent with the interest from the public in assisting with this project." The committee has been very active in distributing surveys for a Needs Assessment, initiating a Feasibility Study, conducting an Expression of Interest for private and public sector partners, and organizing a public forum on January 19, 2012 with 60 residents in attendance. For more information, visit www.terracebay.ca/shc.



Supportive Housing Committee

LIGHTHOUSE STREET FESTIVAL A HIT!

Terrace Bay held its inaugural lighthouse street festival in August 2011. The festival was organized by the Municipality and its volunteer partners as a way to enjoy the new downtown area. Some of the festival activities included: giant inflatable castles, games for kids and all ages, Dottie the Clown, a show and shine, beer gardens and a street dance with DJ Mario from Santi Sounds. The event had excellent support from the businesses in the Township who featured special sidewalk and in-store sales and the restaurants brought their menu options outdoors under the plaza canopy. Different organizations from within the community also attended and fundraised or sold products underneath the plaza canopy.



Lighthouse Street Festival

TERRACE BAY INITIATES MARKETING CAMPAIGN TOWARDS THUNDER BAY RETIREES

As part of the Townships regular efforts to attract new residents, the Municipality initiated a target marketing campaign to potential retirees from the City of Thunder Bay in September 2011. Terrace Bay developed advertising in the Chronicle Journal New Horizons insert with the goal of reaching out to potential Thunder Bay retirees. The article highlighted the strengths of the community by identifying a full complement of physicians, same day doctors appointments, excellent medical services by McCausland Hospital, Wilkes Terrace and Stewart Guardian Pharmacy, the friendly environment of the Superior Seniors Club, the new Cultural Centre with the seniors drop-in centre, the expanded public library, and the Michael King Hall among other things. The Seniors Club is also offering free community tours as part of the initiative and information packages have been developed for mail out with ten mailed out within the first 5 months.

2011 GREEN TRADESHOW A SUCCESS

The 2011 Green Tradeshow had approximately 750 people in attendance to see the interesting exhibitor booths and videos. The Tradeshow featured a record 80 exhibitor tables encompassing the many shades of green including solar panels, pellet stoves, body products, environmentally friendly cleaners, information on healthy living, and much more. The Tradeshow helped local organizations fundraise close to \$4,000 and produced 16 large boxes of food donations for the North Shore Harvest Food Cupboard and 10 bags of used clothing for the Canadian Diabetes Association. The Green Tradeshow also included a special announcement by the Jackfish Bay Remedial Action Program to officially recognize the nearby Jackfish Bay as an Area in Recovery.



Panorama of 2011 Green Tradeshow in Terrace Bay



Announcement of Jackfish Bay Area of Recovery

TERRACE BAY COLLECTS HAZARDOUS WASTE

A dedicated team of staff and volunteers spent a rainy Saturday afternoon collecting hazardous and electronic waste. An estimated 100 vehicles attended the collection event setup at the Terrace Bay Tourism Information Centre which collected a wide variety of materials which was transported away to be recycled or disposed of in a safe manner. The hazardous waste side was supervised by Potter Environmental from Thunder Bay and collected an estimated 4 tonnes of materials including paint, batteries, propane tanks, waste oil, and other hazardous liquids. The electronic waste side was operated by volunteers and collected an estimated 2 tonnes of materials including televisions, computers, printers, and other electronic devices. The hazardous waste day is a part of Terrace Bay Council's ongoing efforts to environmentally friendly practices and was supported by Stewardship Ontario and Ontario Electronic Stewardship.



Hazardous Waste Day Volunteers

HIRING OF A GREEN EDUCATION COORDINATOR

The Township of Terrace Bay, with funding from EcoSuperior Environmental Programs, was able to create a contract position to increase education in the community on green issues in 2011. Allison Dennis from Terrace Bay was the successful applicant. Her background included experience teaching and conducting research of this type through her Master's degree program. Some of the projects she worked on included: the 2011 Green Tradeshow, the two hazardous waste recycling days being organized by the Municipality, Lake Superior Day, the Jackfish Bay Area of Concern Committee, researching the design of a household recycling program and creating green education materials for residents and businesses.

HIGHEST TURNOUT YET FOR LAKE SUPERIOR DAY

Lake Superior Day in Terrace Bay was a great success with approximately 300 people in attendance. 50 volunteers started the event at 11am to assist with the annual cleanup of Terrace Bay Beach. Then at 12pm the activities began including free boat charters in Lake Superior to nearby Lyda Bay, free tandem kayaking in Lake Superior, free make your own kites, and free frisbees from partner Parks Canada. Superior Dining provided many delicious food options and organizers received positive comments from those in attendance. The Municipality would like to thank Parks Canada for their efforts in making the event such a great time for all ages!



2011 CANADA DAY FESTIVITIES

Canada Day afternoon was a great time for all ages. The day began with a welcome address from Mayor Michael King and singing of O'Canada. The winners for the wagon and bicycle contest were chosen as well as the winners of the Terrace Bay Picture Challenge, Mount Neverrest and the Fish Derby. Visitors were treated to the incredible talents of the staff from Little Ray's Reptile Zoo. The Reptile Zoo travelled all the way from their home in Ottawa to wow the crowd with a unique combination of live exhibits and those of existing and prehistoric animals with their museum grade bones. Special thanks to our sponsors Dr. Annabella Zawada, USW Local #665, Stewart Guardian Pharmacy, Canadian Pacific and the Imperial Motel.

DRAGFEST WEEKEND BRINGS IN THE VISITORS

The 2011 Dragfest was another huge success with visitors coming from throughout Canada and the United States. The event attracted 210 cars and over 8,000 visitors to the 3 day drag racing festival which also featured a show and shine, vendors, and great food.

This was the 13th consecutive year for the event which is operated by an incredibly dedicated group of volunteer organizers and helpers for the day of the event.

For more information, visit www.superiorclassics.ca.



Terrace Bay is Extremely Proud of Support Received from its Government Partners:



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