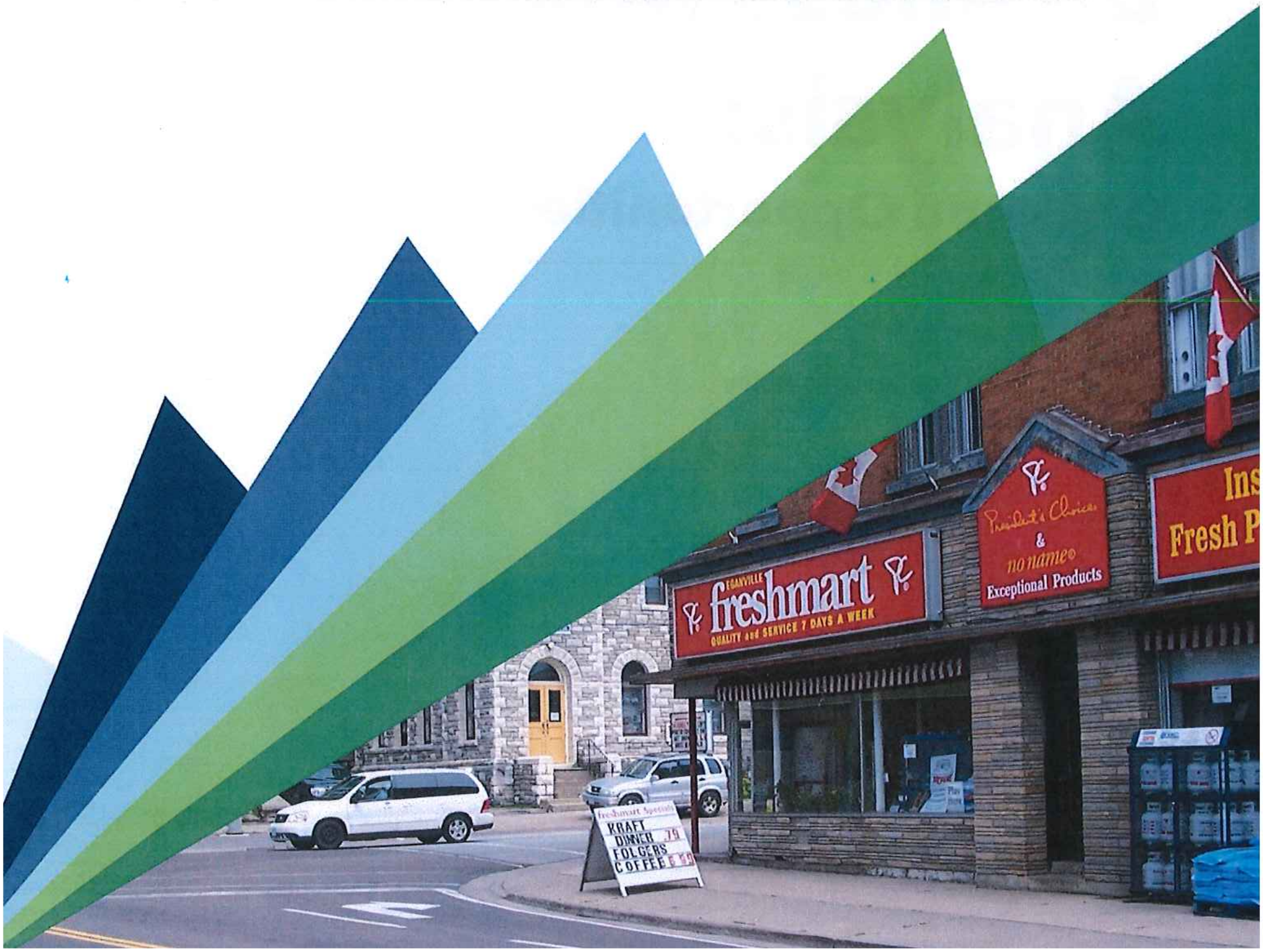
McSWEENEY
inspiring economic sustainability®

Township of Bonnechere Valley

BUSINESS MIX ANALYSIS

March 2021



Business Mix Analysis:

Gaps and Opportunities

Prepared for:
The Township of Bonnechere Valley

Prepared by:

McSWEENEY
inspiring economic sustainability®

McSweeney & Associates
201-900 Greenbank Road
Ottawa, ON K2J 1A8
T: 1-855-300-8548
E: consult@mcsweeney.ca
W: www.mcsweeney.ca

Table of Contents

List of Figures and Tables

1. EXECUTIVE SUMMARY

The Township of Bonnechere Valley boasts a high quality of life and is rich in natural and tourism assets. This part of the Ottawa Valley benefits from immediate access to several freshwater lakes, rivers, and caves; as well as having a large supply of forests and farmland, making it an ideal location for many types of businesses. Bonnechere Valley is centrally located within Renfrew County and just a 90-minute drive from the City of Ottawa. It is also located along Highway 60, an area that attracts motorcycle enthusiasts, cottagers, and outdoor aficionados.

The population has grown over the past 5 years and the real estate sector appears to currently be booming, particularly as a result of a residential influx caused by the ongoing pandemic, which has incited many urban citizens to seek larger homes, open spaces, and access to outdoor recreation. When compared to municipalities of similar population size and distance to urban centres, Bonnechere Valley residents enjoy mid-range employment income levels (slightly below that of Ontario), but this is offset by comparatively lower value of dwellings and monthly shelter costs. However, there are issues of rental affordability which appear to be the result of a shortage in rentals options.

In terms of labour supply, businesses locating in Bonnechere Valley have access to over 41,500 graduates with postsecondary education living within the labour shed (Renfrew County). This labour force has a higher concentration of technical and mid-level skills, attained through apprenticeship, trades, and college certificates or diplomas relative to the rest of the province.

At the beginning of 2020, there were approximately 1,665 jobs in Bonnechere Valley and North Algona Wilberforce. The largest employment subsectors in the areas were:

- Food services and drinking places;
- Education services;
- Specialty trade contractors;
- Construction of buildings;
- Food and beverage stores; and
- Wood product manufacturing.

The area has comparative concentrations of employment in logging, accommodation services, publishing industries, motor vehicle parts dealers, and farms, relative to the nation. Between 2015 and 2020, the largest growing employment occupations can be broadly associated to construction, finance, retail, and food services. Meanwhile, the fastest-growing employment occupations (by % change) were:

- Supervisors, forest products processing;
- Administrative assistants;
- Hairstylists and barbers; and

- Financial auditors and accountants.

In the business mix analysis, the level of businesses in Bonnechere Valley and North Algona Wilberforce for each industry was compared to 1) that of municipalities with similar population size and distance to larger urban centres and 2) the threshold capacity in Ontario (minus the City of Toronto). This analysis uncovered similar results to the sentiments expressed by businesses and community stakeholders interviewed; that is, the community is very well serviced for its population size. **Nevertheless, the community has the capacity for more business in a variety of industries including retail (e.g. office supplies, clothing, electronics, and personal care), professional services (e.g. computer systems, design services, lawyers and accountants), and health services (e.g. family physicians, mental health care, and physiotherapists).**

Moreover, the employment and business patterns data, coupled with the interview data collected, identified important trends and opportunities for the community. Firstly, the local economy has a clear competitive advantage within two clusters given its proximity to natural resources: wood product manufacturing and the tourism economy. Thus, there are opportunities to further develop these clusters which have been identified throughout the report.

Second, as the real estate market and the demand for regional tourism continue booming as a result of the current economic conditions, Bonnechere Valley has a unique opportunity to capitalize on these trends in two specific ways: 1) making room for population growth by facilitating housing development that brings forth a diversity of housing options, and 2) branding, promoting and marketing tourism assets through digital media and print regionally and by working with the local RTO.

Lastly, it is crucial to recognize that some of the top strategic opportunities identified relate to the attraction of home-based businesses and residential attractions. This document identified science and technology industries, creative industries, and knowledge economy industries within the top opportunities for business attraction. These represent a strategic move to continue diversifying the local economy. However, these industries require access to broadband and telecommunications. Further attraction of entrepreneurs and small start-ups into the community will require that the municipality aggressively pursue investments into the existing infrastructure to improve mobile cell services and broadband.

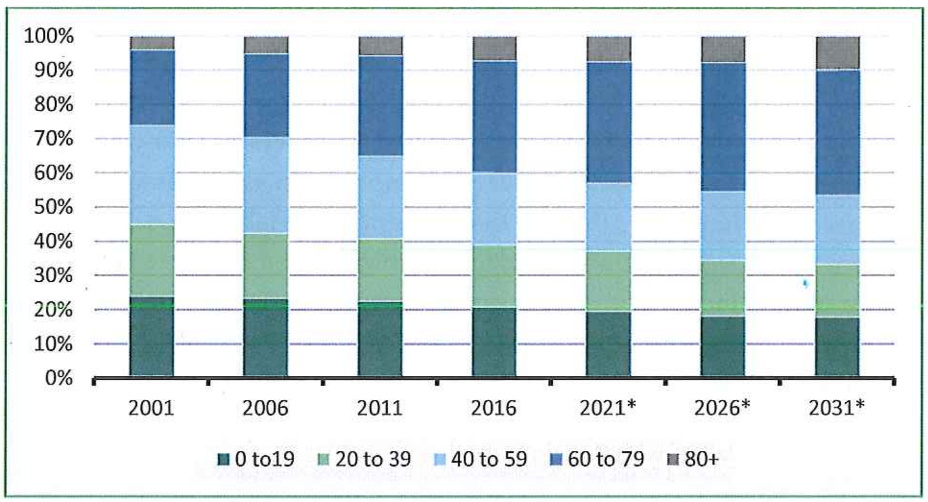
2. SELECT DEMOGRAPHIC AND WORKFORCE CHARACTERISTICS

Population Growth and Age Profile

The first part of this study focuses on providing an understanding of where the community is now. Here, a review of key trends in select demographic and labour force characteristics of the population for Bonnechere Valley are explored to better understand the surrounding available labour force to businesses locating in the Municipality.

The following figures illustrate the age distribution of the municipal population over time. Bonnechere Valley has an estimated population of 3,836 persons as of July 2020[1]. Based on previous census data, Figure 1 illustrates the most probable shift in age demographics over the next 10 years. Bonnechere Valley needs to aggressively attract persons 59 and younger to avoid shrinking the working-age population. Currently, the population in Bonnechere Valley is already significantly older than in Ontario, as measured by average and median age (48 compared to ON average of 41, and 52 compared to ON median of 41).

Figure 1: Population Age Profile, 2001-2031*



Bonnechere Valley Snapshot

Population 2016: **3,745**

Population 2020: **3,836**

Population Growth: **2.3%**

Average Age: **47.6**

Median Age: **52.4**

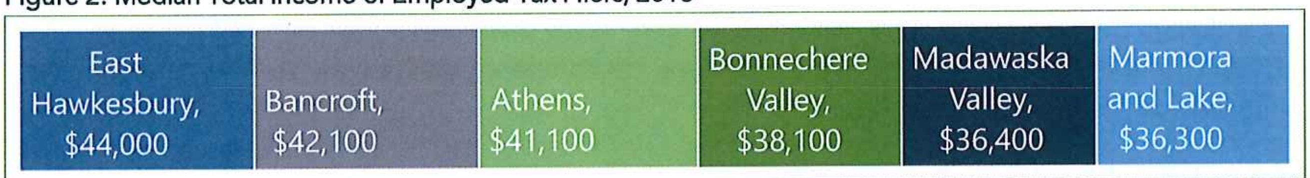
Source: Statistics Canada's Census Profiles for 2001 to 2016.
*County of Renfrew Projection calculations based first on establishing trend line birth rates calculated as the change in the number of the 0-4 age cohort as a percentage of the female population aged 15-49, then on advancing each 5 year age cohort to the next period, calculating the change over that period, then applying the least-squares method to calculate the trend line change from the existing census data over the projection periods.

[1] Source: Statistics Canada: Population estimates, July 1, by census subdivision, 2016 boundaries Online at: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710014201&geocode=A00053547035

Income and Housing

The economy of Bonnechere Valley provides competitive salaries and employment wages relative to similar size communities in Ontario. Figure 2 illustrates the median income level for employed persons living in Bonnechere Valley compared to regional municipalities of a similar size. Here, we see that Bonnechere Valley lands in the middle of the pack. Most of these non-urban municipalities have median income levels below that of Ontario. In Ontario, the median income for persons employed ($44,700) is higher due to the impact of major urban centers like Toronto and Ottawa. This represents a competitive advantage for businesses locating in Bonnechere Valley as these income levels are representative of competitive wages (lower labour costs) and suitable for the corresponding lower costs of living.

Figure 2: Median Total Income of Employed Tax Filers, 2018



Source: Statistics Canada. Table 46-10-0047-01 Total income and characteristics of owners and tax filers who do not own residential property.

Relative to the municipal comparators, Bonnechere Valley has a lower median and average value of dwellings and monthly shelter costs. Table 1 illustrates key housing statistics in Bonnechere Valley, benchmarked by the relevant macro-economies. The table indicates that Bonnechere Valley offers lower median and average costs of shelters and value of dwellings, compared to its regional and provincial settings. However, the table also highlights the fact that housing affordability is a challenge for rental households in Bonnechere Valley, considering a significantly higher percentage of tenant households spending 30% or more of their income on shelter costs, compared to the benchmarks. Since monthly shelter costs for rented dwellings appear to be competitive, issues of rental affordability could be the result of a shortage in rentals options.

Table 1: Key Housing Statistics for Bonnechere Valley, with Benchmarks

Housing costs and affordability	Bonnechere	Renfrew County	Ontario
Total # Owner households in non-farm, non-reserve private dwellings	1,360	31,550	3,557,485
% of owner households with a mortgage	42.3	55.9	61
% of **owner** households spending 30% or more of its income on shelter costs	18.4	14.3	19.8
Median monthly shelter costs for owned dwellings ($)	677	970	1,299
Average monthly shelter costs for owned dwellings ($)	891	1,087	1,463
Median value of dwellings ($)	189,477	240,212	400,496
Average value of dwellings ($)	219,528	265,964	506,409

Housing costs and affordability	Bonnechere	Renfrew County	Ontario
Total # Tenant households in non-farm, non-reserve private dwellings	205	10,315	1,554,940
% of tenant households in subsidized housing	19.5	18.8	15
% of **tenant** households spending 30% or more of their income on shelter costs	56.1	38.8	45.7
Median monthly shelter costs for rented dwellings ($)	757	838	1,045
Average monthly shelter costs for rented dwellings ($)	765	864	1,109

Source: Statistics Canada, 2016 Census of Population

Talent and Skills Supply

To understand the labour force and skills available for businesses locating in Bonnechere Valley, it is important to review the commuting flows which illustrate the availability of regional workers. According to Statistics Canada's 2016 Commuting Flows data, Bonnechere Valley has access to a workforce that travels across the County of Renfrew[2]. In other words, although some residents in the County leave the County for work, the workers that come to or leave Bonnechere Valley for work, most commonly do so from within the County. This makes the County the most probable labour shed area for businesses locating in Bonnechere Valley.

In what follows, the key skills levels and knowledge types available to businesses locating in the region are uncovered.

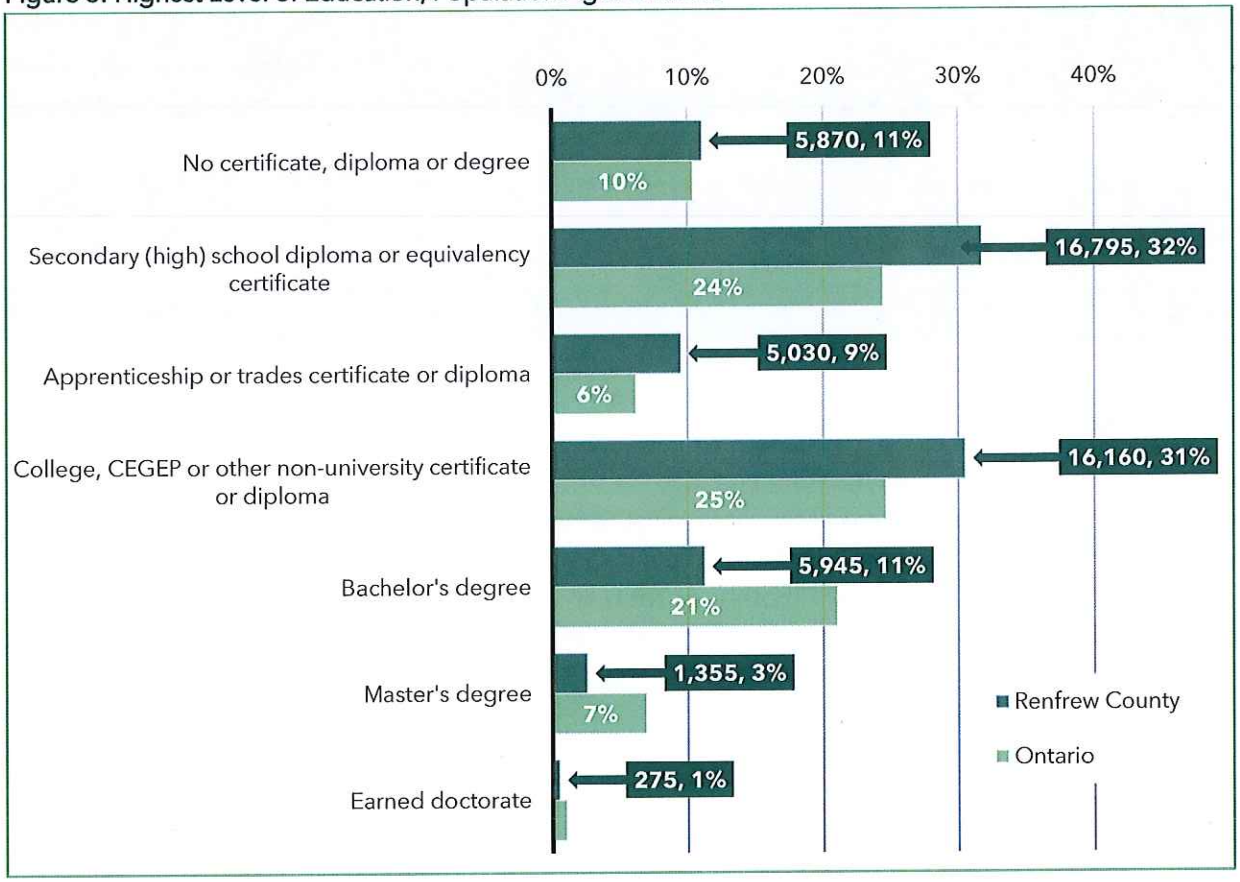
The Bonnechere Valley economy has access to over 41,500 graduates with postsecondary education living within the labour shed: Renfrew County[3]. The following table illustrates the educational attainment rates for residents living in Renfrew County. The analysis is focused on persons older than 24, as this is commonly the age when people will have completed their studies, and younger than 65, as this age range is most likely to capture the working-age population.

As can be seen from Figure 3, the most common type of educational attainment in the County is a college education. Also, importantly, the County has a concentration of technical and mid-level skills, as can be seen by the higher share of the population attaining apprenticeship, trades, and college certificates or diplomas in the County, relative to the province.

[2]Source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016325.

[3]Statistics Canada. 2017. Bonnechere Valley, TP [Census subdivision], Ontario and Renfrew, CTY [Census division], Ontario (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017. https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E (accessed February 17, 2021).

Figure 3: Highest Level of Education, Population Ages 24 to 65

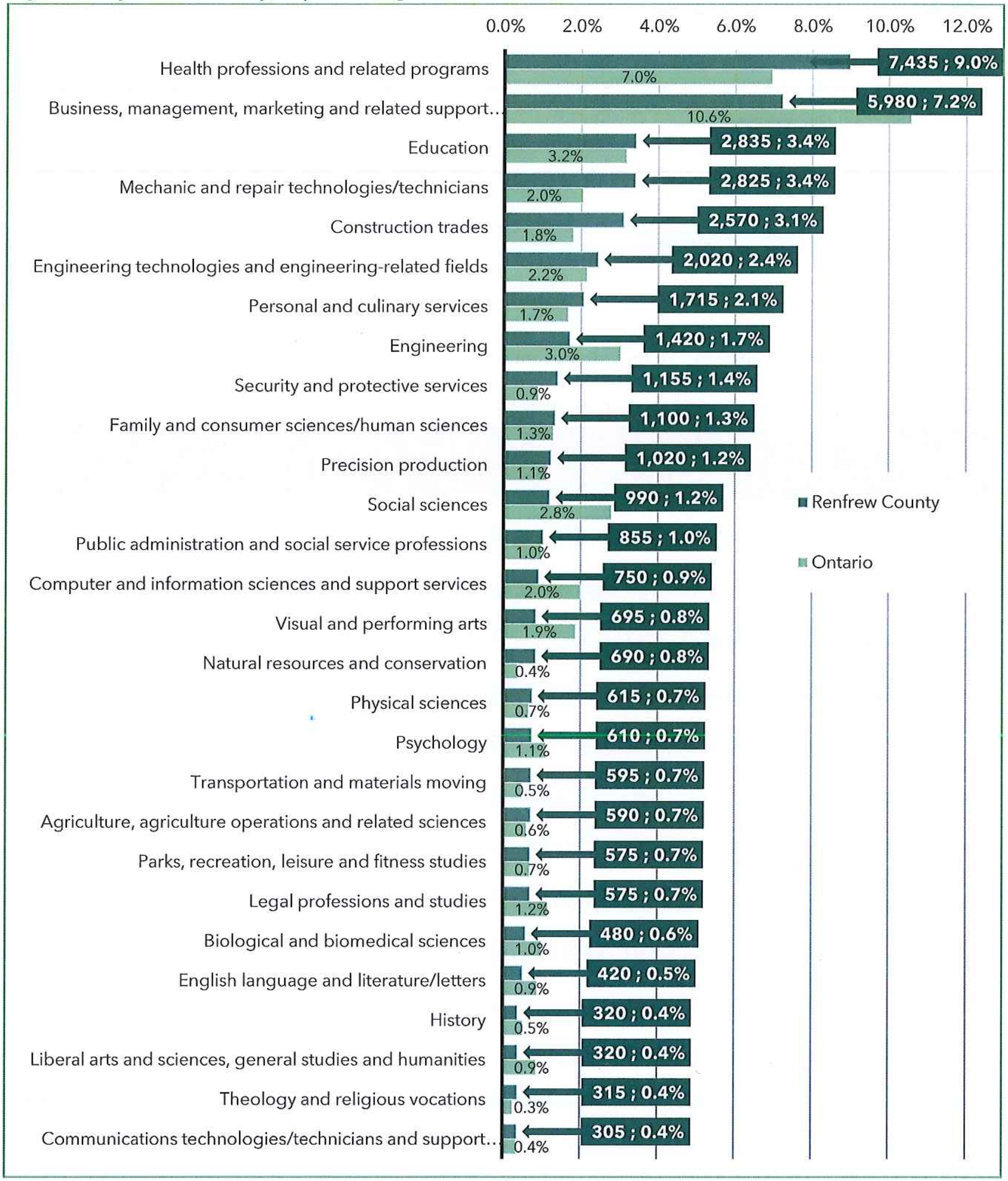


Source: Statistics Canada's 2016 Census

Figure 4 (on the following page) illustrates the top major field of studies for graduates who completed postsecondary education and are residing in the labour shed. The table clearly shows what types of skills/ knowledge have the highest supply in the labour shed. Less evident, is the fact that the following major fields of study are the **most concentrated**–representing a larger share of graduates in the County–relative to the rest of the province:

- Health professions and related programs
- Mechanic and repair technologies/technicians
- Construction trades
- Security and protective services
- Natural resources and conservation
- Personal and culinary services
- Engineering technologies and engineering-related fields

Figure 4: Major Field of Study, Population Ages 15 and Older, 2016



Source: Statistics Canada's 2016 Census

3. LOCAL ECONOMY AND LABOUR MARKET

This subsection focuses on the local economy and studies changes in employment across industries and occupations for the past 5 years. The aim here is to highlight where there is a growing demand for labour and what industries are flourishing in the local economy. Bonnechere Valley and North Algona Wilberforce are considered together in this part of the analysis, as the community is adjacent to each other and the lines are blurred between their economies.

3.1 The Local Labour Market

At the beginning of 2020, there were approximately 1,665 jobs in the area. Table 3 identifies the top occupations employed in the municipality. The table also shows changes in demand for those occupations (note that numbers in parenthesis indicate negative figures).

Table 2: Occupational[4] Demand (Employed), 2015-2020

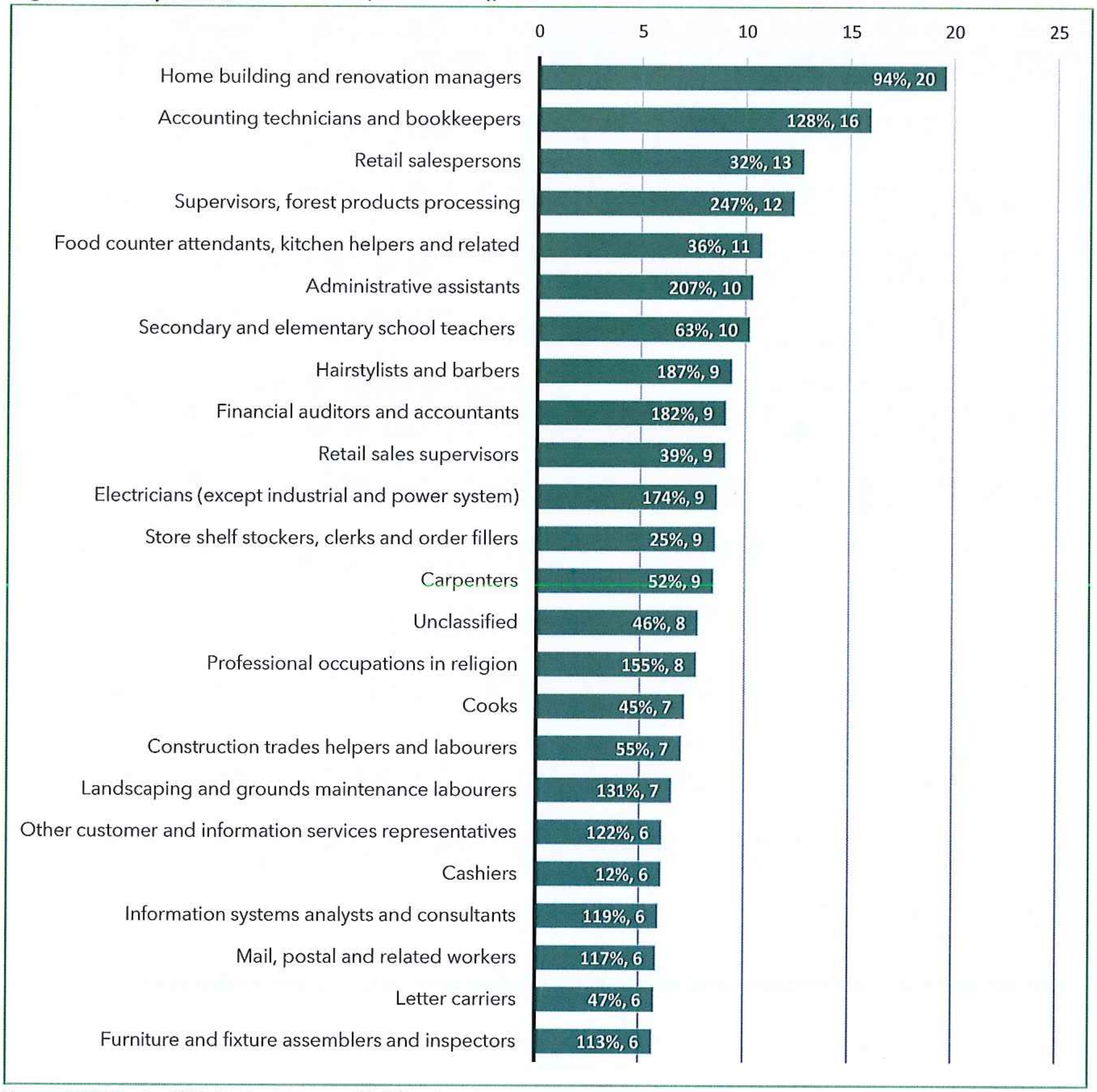
NOC	Description	2015 Jobs	2020 Jobs	2015-2020 Change	2015-2020 % Change
6611	Cashiers	51	57	6	12%
6421	Retail salespersons	40	52	13	32%
0821	Managers in agriculture	63	46	(17)	(27%)
6622	Store shelf stockers, clerks and order fillers	34	43	9	25%
6711	Food counter attendants, kitchen helpers and related	30	41	11	36%
0712	Home building and renovation managers	21	40	20	94%
0632	Accommodation service managers	74	36	(38)	(51%)
6211	Retail sales supervisors	23	32	9	39%
4032	Elementary school and kindergarten teachers	36	32	(4)	(11%)
0621	Retail and wholesale trade managers	28	29	1	4%
6731	Light duty cleaners	24	29	4	18%
1311	Accounting technicians and bookkeepers	12	28	16	128%
4030	Secondary and elementary school teachers	16	26	10	63%
7271	Carpenters	16	25	9	52%
6322	Cooks	16	23	7	45%
9614	Labourers in wood, pulp and paper processing	18	23	5	26%
6733	Janitors, caretakers and building superintendents	18	22	4	22%
7611	Construction trades helpers and labourers	13	20	7	55%
6513	Food and beverage servers	15	19	4	27%
5254	Program instructors in recreation, sport and fitness	15	18	3	19%
1512	Letter carriers	12	18	6	47%
0631	Restaurant and food service managers	15	18	2	16%
3413	Nurse aides, orderlies and patient service associates	15	18	2	16%
9431	Sawmill machine operators	13	16	2	18%
9215	Supervisors, forest products processing	5	17	12	247%

Source: EMSI Analyst 2020.3 – Employees and Self-Employed

[4] National Occupational Classification (NOC) 2016 - Statistics Canada

The following figure shows those occupations which grew the most, by the total number of new jobs, over the past five years in the area. The largest growing employment occupations can be broadly associated to construction, finance, retail, and food services. The fastest growing occupations (by % change) were supervisors, forest products processing; administrative assistants; hairstylists and barbers; and
financial auditors and accountants.

Figure 3: Occupations, Jobs Growth (% and Total), 2015-2020



Source: EMSI Analyst 2020.3 – Employees and Self-Employed

It should be noted that the area currently has a concentration of jobs in industries related to tourism and a wood product manufacturing cluster. However, as can be seen in Table 3, other industries are growing and are also concentrated in the area relative to the rest of Canada (based on the location quotient (LQ) measure of relative concentration; the table below shows employment concentrations by LQ>1.25).

Table 3: Concentrated Industries by Location Quotient, Relative to Canada, 2015-2020

Description	2015 Jobs	2020 Jobs	2015 - 2020 Change	2015 - 2020 % Change	2020 Location Quotient
Wood product manufacturing	112	96	(16)	(14%)	12.03
Forestry and logging	27	29	1	5%	11.29
Postal service	26	39	13	52%	6.52
Accommodation services	119	83	(37)	(31%)	4.61
Construction of buildings	48	106	58	121%	3.11
Publishing industries (except internet)	28	19	(9)	(31%)	2.87
Motor vehicle and parts dealers	44	55	11	25%	2.69
Farms	85	66	(19)	(22%)	2.69
Food and beverage stores	102	102	0	0%	2.26
Building material and garden equipment and supplies dealers	35	29	(6)	(17%)	2.22
General merchandise stores	19	35	16	84%	1.81
Local, municipal and regional public administration	56	68	12	21%	1.80
Gasoline stations	14	13	(0)	(4%)	1.79
Personal and laundry services	31	41	10	30%	1.72
Health and personal care stores	20	29	9	44%	1.62
Specialty trade contractors	70	107	37	53%	1.53
Food services and drinking places	93	130	37	40%	1.29
Repair and maintenance	36	27	(9)	(25%)	1.15
Religious, grant-making, civic, and professional and similar organizations	16	24	9	55%	1.11
Educational services	123	122	(1)	(1%)	1.02
Amusement, gambling and recreation industries	12	20	8	67%	1.02
Credit intermediation and related activities	25	31	6	22%	0.97
Ambulatory health care services	50	63	13	26%	0.96
Administrative and support services	51	73	22	42%	0.92
Nursing and residential care facilities	27	32	6	21%	0.85
Social assistance	34	31	(4)	(11%)	0.80
Professional, scientific and technical services	73	82	10	13%	0.69
Transit and ground passenger transportation	12	11	(2)	(14%)	0.69

Source: EMSI Analyst 2020.Q3 – Employees and Self-Employed

3.2 Conclusions on the Supply and Demand in the Labour Market

The following key metrics were utilized to analyze the regional labour market's characteristics:

Labour Supply	Labour Demand
■ Educational attainment levels in the labour shed; and ■ Largest fields of study in the labour shed.	■ Largest occupational employment in the local economy; ■ Growth and concentrations in occupational employment; and ■ Industry employment, growth and concentrations

Based on the conclusions from the preceding sections, we identified occupations that "rise to the top" in terms of occupational demand and supply for investment attraction. Note that we have removed any occupations directly related to the public sector, as these are normally not areas of interest for investment attraction. With that said, as the baby boomers continue to age, it is expected that there will be an increasing demand for health services to that cohort: palliative care, retirement homes, personal support workers and nurses.

The following occupations represent opportunities for their potential to attract new businesses into the area, as they stood out in the analysis above (they are large or/and growing in the area):

- Home building and renovation managers
- Food counter attendants, kitchen helpers and related
- Administrative assistants
- Supervisors, forest products processing
- Financial auditors, accountants and bookkeepers
- Electricians (except industrial and power system)
- Carpenters
- Managers in agriculture
- Retail and wholesale trade managers
- Information systems analysts and consultants
- Mail, postal and related workers

4. COMPARATIVE BUSINESS MIX

Bonnechere Valley and North Algona Wilberforce are considered together in the analysis. Together they are home to 521 businesses. These two communities are considered a single service area due to their proximity. The comparator communities were selected based on similar population sizes and proximity to urban centers.

Table 4: Key Comparative Statistics, 2020

Metric	Bonnechere + North Algona	Athens	Bancroft	East Hawkesbury	Madawaska Valley	Marmora	Average
Population	6,876	2,984	4,011	3,313	4,265	4,273	4,287
Business Counts	521	250	69	277	393	298	220

Source: EMSI Analyst 2020.3 – based on Statistics Canada's Business Registry June 2020
Statistics Canada: Population estimates, July 1 (2020), by census subdivision, 2016 boundaries.

The comparative business mix analysis takes the business counts in Bonnechere Valley and North Algona Wilberforce (BV+NA) and compares them to the average number of businesses for all comparison communities. The industries listed in the table below exhibit minor gaps relative to the comparator communities. On the other hand, Bonnechere Valley and North Algona Wilberforce have a surplus in beef cattle ranching, residential construction, logging and forest product trucking, and Recreational vehicle (RV) parks and campgrounds.

Table 5: Comparative Business Gaps, 2020

Industry	BV+NA	Athens	Bancroft	East Hawkesbury	Madawaska Valley	Marmora	Average	Difference
Other personal services	0	0	0	3	4	3	2	(2)
Sporting goods, hobby and musical instrument stores	0	1	0	1	3	1	1	(1)
Specialized design services	0	0	0	2	2	2	1	(1)
Support activities for farms	2	3	2	9	1	0	3	(1)
Furniture stores	0	0	0	1	2	2	1	(1)
Office supplies, stationery and gift stores	0	1	0	0	4	0	1	(1)
Services to buildings and dwellings	4	7	1	3	11	3	5	(1)
Health and personal care stores	1	2	0	0	5	2	2	(1)
Commercial and industrial machinery and equipment (except auto and electronic) repair and maintenance	1	1	1	2	1	4	2	(1)
Printing and related support activities	0	0	0	1	2	1	1	(1)

Industry	BV+NA	Athens	Bancroft	East Hawkesbury	Madawaska Valley	Marmora	Average	Difference
Other miscellaneous manufacturing	0	2	1	0	1	0	1	(1)
Scientific research and development services	0	2	0	1	1	0	1	(1)
Business support services	0	0	0	1	1	2	1	(1)
Nursing care facilities	0	1	0	0	2	1	1	(1)
Other miscellaneous store retailers	1	0	1	0	5	2	2	(1)
Direct selling establishments	1	0	2	2	1	3	2	(1)
Other information services	1	2	1	1	4	0	2	(1)
Office administrative services	0	1	0	1	1	0	1	(1)
Investigation and security services	0	0	0	2	1	0	1	(1)

Source: EMSI Analyst 2020.3 – based on Statistics Canada's Business Registry June 2020

5. MARKET THRESHOLD ANALYSIS

The Market Threshold Analysis uncovers what sorts of activities the area might be able to support, based on the provincial threshold, and considering the local size of the area population. The theoretical capacity of the community is calculated by dividing the community's population by the number of people per business type in Ontario.

The theoretical capacity for businesses in the community for industry X is:

$$= \frac{Total\ population\ in\ the\ community}{(Total\ number\ of\ Ontario\ businesses\ in\ industry\ X\ \div Total\ population\ in\ Ontario)}$$

The City of Toronto represents a concentration of businesses and people unlike any other place in Ontario. For the theoretical threshold analysis, the City of Toronto businesses and population were subtracted from the Ontario figures to avoid inflating the threshold capacity of the rural area in question. Table 6 evaluates threshold capacity for retail industries (NAICS 44-45) in the area of Bonnechere Valley plus North Algona Wilberforce. Note that the red numbers indicate negative figures and the magnitude of the potential gap in number of businesses.

Table 6: Threshold Analysis for the Retail Sector, BV+ NA, 2020

NAICS Code	Description	# Businesses in (Ontario - Toronto)	# people per business (Ontario - Toronto)	Theoretical capacity of the area	Actual number in area	Gaps: fewer than capacity
446110	Pharmacies and drug stores	4,918	2388	3	1	(2)
454390	Other direct selling establishments	4,287	2740	3	1	(2)
447190	Other gasoline stations	2,278	5156	1	0	(1)
446199	All other health and personal care stores	2,123	5533	1	0	(1)
453999	All other miscellaneous store retailers (except beer and wine-making supplies stores)	3,746	3136	2	1	(1)
448120	Women's clothing stores	1,814	6475	1	0	(1)
448140	Family clothing stores	1,491	7878	1	0	(1)
442110	Furniture stores	1,470	7990	1	0	(1)
441110	New car dealers	1,455	8073	1	0	(1)
453220	Gift, novelty and souvenir stores	1,421	8266	1	0	(1)
448310	Jewellery stores	1,362	8624	1	0	(1)
446120	Cosmetics, beauty supplies and perfume stores	1,296	9063	1	0	(1)
443143	Appliance, television and other electronics stores	1,268	9263	1	0	(1)
444190	Other building material dealers	1,266	9278	1	0	(1)
446130	Optical goods stores	1,062	11060	1	0	(1)
442298	All other home furnishings stores	990	11864	1	0	(1)
446191	Food (health) supplement stores	975	12047	1	0	(1)
451119	All other sporting goods stores	962	12210	1	0	(1)
453910	Pet and pet supplies stores	916	12823	1	0	(1)
454110	Electronic shopping and mail-order houses	2,615	4492	2	1	(1)

Source: EMSI Analyst 2020.3 - based on Statistics Canada's Business Registry June 2020. Note that the red numbers indicate negative figures and the magnitude of the potential gap in number of businesses).

Table 7 illustrates the threshold analysis for all other industries (at 6-digit NAICS codes). Relative to Ontario (minus Toronto), the largest gap is in computer systems design and related services. There are also gaps in several in health services industries and professional services (i.e. lawyers, management consultants, financial services).

Table 7: Threshold Analysis for the Entire Economy, BV+NA, 2020

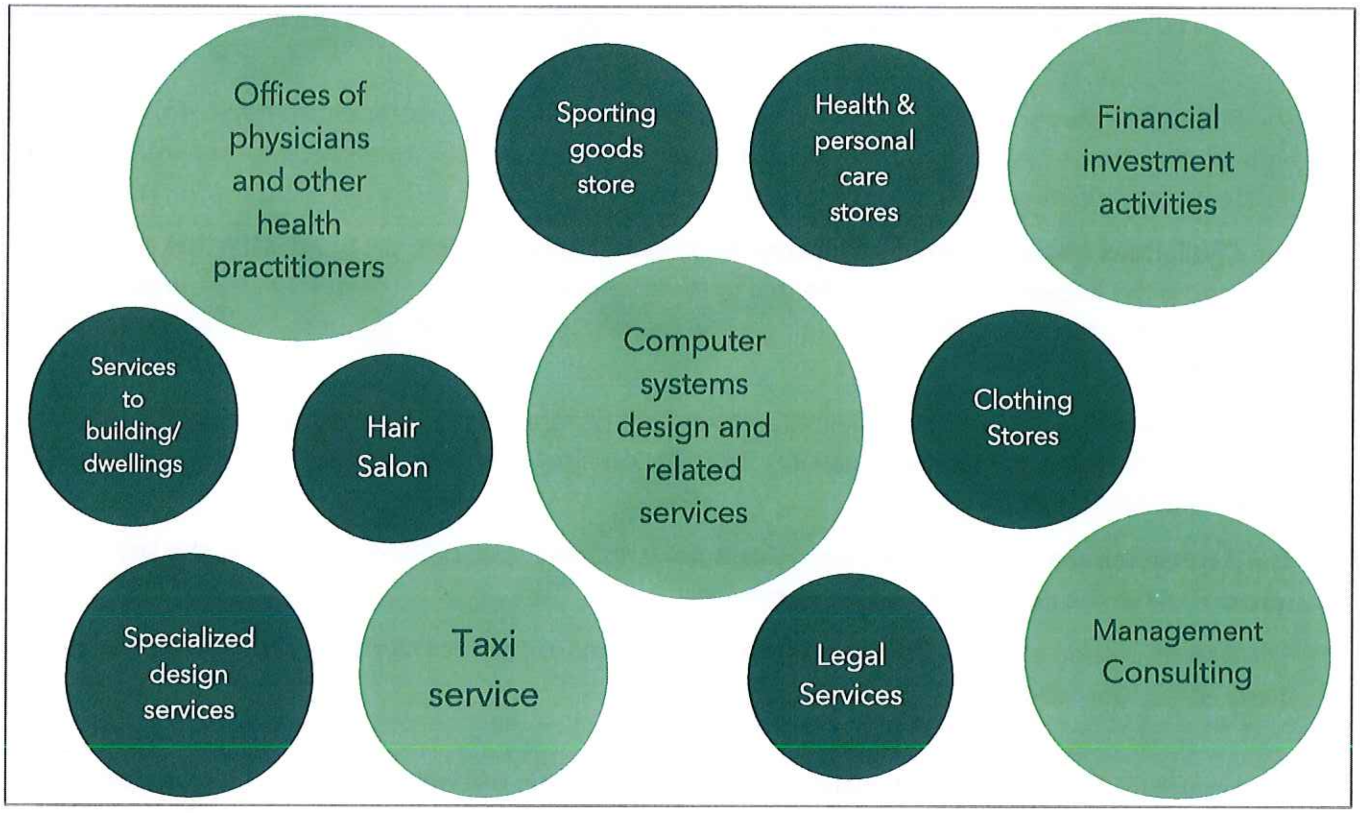
NAICS Code	Description	# Businesses in (Ontario -Toronto)	# people per business (Ontario-Toronto)	Theoretical capacity of the community	Actual number in community	Gaps: fewer than capacity
541514	Computer systems design and related services (except video game design and development	35,416	332	21	2	(19)
531211	Real estate agents	29,236	402	17	4	(13)
484121	General freight trucking, long distance, truckload	22,741	516	13	2	(11)
485310	Taxi service	15,207	772	9	0	(9)
621110	Offices of physicians	23,081	509	14	5	(9)
531120	Lessors of non-residential buildings (except mini warehouses)	24,322	483	14	6	(8)
523910	Miscellaneous intermediation	29,225	402	17	9	(8)
484110	General freight trucking, local	13,703	857	8	2	(6)
541611	Administrative management and general management consulting services	14,350	819	8	3	(5)
531310	Real estate property managers	8,197	1433	5	0	(5)
621390	Offices of all other health practitioners	11,172	1051	7	2	(5)
813990	Other membership organizations	7,206	1630	4	1	(3)
621210	Offices of dentists	8,800	1335	5	2	(3)
111190	Other grain farming	5,023	2338	3	0	(3)
541110	Offices of lawyers	8,435	1392	5	2	(3)
561110	Office administrative services	4,988	2355	3	0	(3)
561722	Janitorial services (except window cleaning)	8,389	1400	5	2	(3)
812115	Beauty salons	6,612	1776	4	1	(3)
561730	Landscaping services	7,972	1473	5	2	(3)
812990	All other personal services	4,448	2641	3	0	(3)
523930	Investment advice	4,330	2713	3	0	(3)
624410	Child day-care services	7,573	1551	4	2	(2)
238320	Painting and wall covering contractors	5,818	2019	3	1	(2)
561490	Other business support services	4,095	2868	2	0	(2)

NAICS Code	Description	# Businesses in (Ontario -Toronto)	# people per business (Ontario-Toronto)	Theoretical capacity of the community	Actual number in community	Gaps: fewer than capacity
812116	Unisex hair salons	3,822	3073	2	0	(2)
722511	Full-service restaurants	12,352	951	7	5	(2)
722512	Limited-service eating places	12,314	954	7	5	(2)
523920	Portfolio management	3,729	3150	2	0	(2)
541619	Other management consulting services	10,466	1122	6	4	(2)
524210	Insurance agencies and brokerages	8,690	1352	5	3	(2)
492110	Couriers	3,372	3483	2	0	(2)
541215	Bookkeeping, payroll and related services	6,752	1740	4	2	(2)
238310	Drywall and insulation contractors	4,834	2430	3	1	(2)
484122	General freight trucking, long distance, less than truck-load	3,058	3841	2	0	(2)
541330	Engineering services	8,105	1449	5	3	(2)
522310	Mortgage and non-mortgage loan brokers	2,954	3976	2	0	(2)
419120	Wholesale trade agents and brokers	2,930	4009	2	0	(2)
523990	All other financial investment activities	4,484	2619	3	1	(2)
713940	Fitness and recreational sports centres	2,732	4299	2	0	(2)
236220	Commercial and institutional building construction	4,417	2659	3	1	(2)
561990	All other support services	4,406	2666	3	1	(2)
541430	Graphic design services	2,660	4416	2	0	(2)
621340	Offices of physical, occupational, and speech therapists and audiologists	4,339	2707	3	1	(2)
238390	Other building finishing contractors	4,331	2712	3	1	(2)
111110	Soybean farming	4,284	2742	3	1	(2)
621310	Offices of chiropractors	2,575	4561	2	0	(2)

Source: Canadian Business Patterns 2020 Note that the red numbers indicate negative figures and the magnitude of the potential gap in number of businesses).

The threshold analysis identified which industries are undersupplied, based on theoretical capacity, given the total population relative to the population of Ontario (minus Toronto). The following industries stand out as major business gaps (without considering industries related to real estate):

Figure 4: Business Gaps Highlighted by the Threshold Analysis for Bonnechere Valley plus North Algona Wilberforce



Source: McSweeney & Associates from EMSI and Statistics Canada Business Registry June 2020 Data

On the other hand, the area boasts a greater number than the capacity threshold would dictate for several industries. These industries represent strengths of the area and potential opportunities for cluster/sector development:

- Beef cattle ranching and farming, including feedlots;
- Logging;
- Recreational camping and vehicle (RV) parks and campgrounds;
- Forest products trucking, local;
- Hay farming;
- Grant-making, giving, civic and social organizations;
- Housekeeping cottages and cabins;
- Hardware stores;
- Timber tract operations; and
- Sawmills (except shingle and shake mills)

6. ANALYSIS OF PRIMARY DATA COLLECTED

Qualitative data was gathered through 10 interviews with employers, municipal staff and elected officials in Bonnechere Valley. The analysis of those interviews represents a thematic summary of the perspectives of interviewees. A SCOAR® was used, which involves two layers of analysis. Firstly, deductive analysis is conducted in a structured approach. The following categories were built in advance by the research team, and connections were mapped in the data to the specific categories:

The **Strengths** category identifies where the Bonnechere Valley has a competitive edge. This section highlights community and economic assets that can be used to promote skills development, as well as residential and youth attraction and retention.

The **Challenges** category identifies infrastructural as well as service and program gaps that are preventing the Region from its full potential to attract and retain talent. This section also summarizes the skills and certifications that represent gaps in the talent pool as they are perceived as "hard to find" by employers.

The **Opportunities** category identifies where there are program and service gaps that could be filled to facilitate skills development and upskilling. This section also identifies target groups that would benefit most from skills upgrading.

The **Aspirations** category identifies vision statements that the stakeholders describe as the key outcomes that the Region should aspire towards

The **Results** section is created at the end of the process and identifies structural changes needed to arrive at the ideal state.

Subsequently, thematic content analysis was conducted again but without approaching the data with a predetermined framework. This form of analysis identifies common themes appearing throughout the materials organically, weeding out biases, and establishing overarching impressions found in the data, to find common patterns across the data set.

The following page presents a summary of the thematic analysis of the perspectives and experiences shared by those interviewed. **Comprehensive content analysis can be found in** Appendix A.

6.1 Summary of SCOAR® Analysis

R

RESULTS

- Diversifying supply of housing stock to support population growth.
- Improving communication between council/staff and businesses (e.g. BR&E programs).
- Strategic Planning around EcDev and land development
- Improved access to health services and professional services.
- Increase resource allocation towards developing a vibrant downtown.
- Supporting and actively developing tourism and wood product manufacturing (key clusters).
- Branding, promoting and marketing the community and its tourism assets online and in print.

7. IDENTIFICATION OF STRATEGIC BUSINESS ATTRACTION OPPORTUNITIES

To confirm the information uncovered, we have cross-referenced the results from the interviews (i.e., the businesses, services and goods gaps identified by business and community stakeholders), with the comparative business mix analysis and the business threshold analysis. Based on the data evaluated throughout this report, the most prominent business gaps and opportunities for investment attraction are highlighted in the table below.

Top 12 Business Opportunities		
	TOURISM ECONOMY	1. Experiential accommodation services (i.e. cabins, treehouses, lakefront resorts, etc.) 2. Sporting goods, hobby, book and music stores
	COMMERCIAL RETAIL	3. Clothing and shoe stores 4. Health and personal care services (includes drug stores, hair salons, optical goods, etc.) 5. Office supplies and electronics sales and repair
	THE KNOWLEDGE & CREATIVE INDUSTRIES	6. Administrative management and general management consulting services 7. Computer systems design and related. 8. Specialized design services (includes graphic, interior, and industrial design)
	HEALTH SERVICES	9. Family physicians 10. Mental health care 11. Physio and massage therapists
	WOOD PRODUCT MANUFACTURING	12. Cross-laminated timber & wood pellets production

Source: McSweeney & Associates

APPENDIX A: COMPREHENSIVE SCOAR® ANALYSIS

STRENGTHS

Well Serviced for a Small Town

Access to restaurants, coffee shops, hardware stores, gas stations, grocery stores, libraries, employment and training services, major highways, etc.

High Quality of Life and Livability in the Community

- Immense natural beauty and geographic assets (large supply of lake, rivers, forests parks and trails)
- Quietness of the area and a small-town feel
- Lower cost of living compared to the region and the province
- Proximity to bigger commercial centres: Pembroke, Petawawa, Renfrew, and Arnprior
- Businesses want to contribute to the well-being of the community
- Snowmobiler paradise
- Affordable waterfront properties
- Friendly people – supportive townspeople
- Low crime rate
- Safe
- The area is very original, not trying to be a big city, businesses will only open up to support the local population
- Accessible and central in eastern Ontario

Rich in Tourism Assets

- Eganville is a hub for cottagers and snowmobilers
- Beautiful river going through the township and many lakes in the area
- Eganville has name recognition in the "Valley"
- Cottage country identity
- Longer winters with more snow relative to southern Ontario, ideal for winter tourists
- Winter tourism opportunities available (i.e. ice fishing, snowmobiling)
- Fantastic motorcycle route along Highway 60

- Many outdoor recreation activities: hunting, fishing, canoeing, kayaking, cycling and mountain biking
- Existing downtown provides a community hub that is central within Renfrew County
- Abundance of artists
- Bonnechere Caves are a major touristic draw

Market Access and Desirable Location

- Access to good roads and transportation networks
- Natural resources (feedstock, lumber and lakes)
- Market Access: proximity to Ottawa (90 mins), and other major centres (Pembroke 20 mins/Renfrew 20mins)
- Two major highways that overlap Eganville

Competitive Business Climate

- Low overhead costs (i.e. rents)
- Eganville business association has been a strong community champion
- The real estate industry in the region is supporting economic growth
- Readily available office and commercial spaces
- Ample workforce development supports (training and learning service, employment services, employment Ontario)
- No development charges or planning permits in place
- No business licensing system in place
- Existing online business directory
- Community improvement plan in place
- Support for tipping fees for improvements and signage
- Encouraged vacant building redevelopment through CIP with phased-in taxes
- Wood product manufacturing – one of the largest sawmills in the country
- Concentration of technical/mid-level skills attained by apprenticeships, trades and college, relative to the province

CHALLENGES

Eganville Downtown Beautification/Revitalization

- Need to generate foot traffic to ensure businesses can serve customers and remain in business
- Downtown parking is a challenge for visitors and businesses
- Public washrooms are non-existent downtown and often businesses cannot offer these services because it becomes an insurance liability
- Empty storefronts make the downtown look a bit dead
- Slow commerce during the winter
- Downtown is not in great shape (some derelict building detract from its appeal)
- Council is not aggressively funding and promoting the CIP
- Locals don't always shop local even when possible

Seasonal Economy & Primary Resources Focused

- Seasonality of customers for tourism industries and even local restaurants
- Key occupations (management, mechanic, other trades and retail) are challenging to fill locally
- Difficult to do businesses – lack of consumers, lack of loyal consumer base
- At the conjunction of two major routes to great tourism locations (Algonquin Park and the Highlands), rare that people stop and shop here (in Eganville) – missing touristic assets to keep people in Bonnechere Valley
- Ottawa Travel Association has stopped the travel magazine, which promoted the area to seniors and residents of the valley through print
- Lack of a strong social media campaign to show off/promote touristic assets to residents in the valley
- People not realizing what the potential is (available resources like grants and business support)
- Tradespeople that are young and semi-experienced are hard to find
- Lack of places for employment for youth
- Lack of competition and critical mass to help diversify service providers
- Lack of businesses/industry to offer employment opportunities
- Slow growth of new businesses or professional businesses growing in the region

Lacking Resources for Business Retention, Expansions & Attraction

- Lack of affordable and accessible internet/broadband connections
- Subdivision appraisals are expensive for smaller developments
- Small land parcels for agricultural land that are not being used for agriculture, are zoned for agriculture, and cannot be developed
- Complex development process and rezoning is a challenge because there are multiple levels of bureaucracy to go through
- Increased fees might make it hard to do business – fear of not remaining competitive
- No green /vacant/shovel ready land
- Tight restrictions around development around the lake and agricultural lands

Lack of Communication with and Supports to Local Businesses

- Perceived lack of trust between the business community and council
- Limited resources available for economic development
- Commercial tax rates are perceived to be high by local businesses
- No concierge system – businesses are not helped through the various stages of development hurdles
- Lacking a businesses resources and support hub

Business, Services, and Goods Gaps

- Medical services are undersupplied – family physicians, mental health care, and physiotherapists
- The massage therapist is booked solid all the time
- Only one lawyer in town – which presents a conflict of interest
- No architects available only a technologist
- Commercial cleaning supplies are only available in Kanata at Costco
- Booksellers (independent booksellers)
- Clothing and shoe stores are limited or non-existent locally
- Abattoirs are completely missing from the region and local animals are processed elsewhere
- Basic supplies are sold cheaper by big box stores outside of the municipality (e.g. cleaning, office, construction, etc.)
- Proximity to Pembroke, Renfrew, and other urban areas causes incredible consumer leakage

Investing in Community Improvement; Vision and Mission

- Lack of cellular and broadband connectivity outside of Eganville
- Not enough promotion in the area to attract people to live here
- Perceived lack of a defined community visions/identity (i.e. retirement community vs. cottage country vs. tourism town)
- Perceived lack of leadership by the municipal council to pursue infrastructural updates for wireless connectivity
- Perception that council is not sufficiently funding facade or signage improvements in the downtown

OPPORTUNITIES

Diversification and Business Attraction

- High demand for experiential and regional tourism expected beyond 2021
- Consumers are looking for environmentally friendly/sustainable products
- More kitchen/eatery/pubs; there's a need for a breakfast spot
- Developing a maker's space gift shop to promote and sell local crafts/goods
- Opportunities to fill gaps in niche food providers like bakers or boutique restaurants
- Central in the Ottawa valley and could be a hub for social services
- Outdoor sports equipment rentals and repairs: bikes, canoe and kayaks, and snowmobiles
- A lot of old buildings that need rejuvenation
- Shoes and clothing stores for the whole family
- Computer store/ technology and gadgets
- Office supplies and school supplies
- Support for on-farm value-added agriculture (jams, apple cider, sausages, bread, etc.) by creating a new property tax class for small-scale on-farm businesses
- Premade and frozen foods manufacturing
- Creative and knowledge industry service providers could work here with decent internet

Business Retention and Expansion

- When developing properties, the municipality could go to the county planning department together to help developers with smaller developments to expedite the process

- Linking local businesses/entrepreneurs to resource lists for grants and subsidies
- Listening to businesses, regular check-ins
- Keeping costs of doing business competitive relative to adjacent municipalities.
- Continue to promote buy local awareness programs
- Building entrepreneurship and having a pro-business approach to dealing with developers
- Promoting training opportunities (e.g. internships/placements) & wage subsidies to boost employment
- Employment services are available in Town – this could be expanded to be a source of information on business and entrepreneurship learning, support and resources.

Strategic Development Planning

- Adaptive/responding to COVID with a broadband strategy (i.e. telecommunications and broadband are more important than ever)
- Fee reduction or assessment to endure everyday levies are competitive
- Opportunity to increase municipal cooperation with North Algoma Wilberforce (land for development available but need the utilities from Bonnechere Valley)
- Plan to add a certain % of new assessments every year so that the municipality can continue to grow and be viable (target setting)

Residential Attraction Campaign

- Better marketing of community assets (e.g. community profile, brochures, hospitality spokesperson)
- Beautifying the downtown – aggressively funding and promoting the CIP
- Better leveraging the lake/waterfront for residential development
- Consider adding a community center with a rink, gym and indoor pool
- Strategically drive traffic to the community using road signs and digital media
- Attraction of doctors and medical professionals to the area
- Maximize housing developments to benefit from tight housing markets across the valley
- Attraction of home-based businesses by investing resources (political and financial) into the development of infrastructure needed to develop broadband and telecommunications

Tourism Cluster Development

- Whitewater rafting capital of Canada branding

- Develop branded events like Ice Cream Wars and Snowmobile Conventions to generate recognition
- Family attractions like mini-golf, petting zoos, day spa, and other experiential farm tourism
- Increasing promotion to bike/hiking trail system
- Increase online marketing/promoting the area to attract residents of the Ottawa Valley
- Growing accommodation services (experiential tourism like cabins in the wood, tree houses, etc.)

Wood Product Manufacturing Cluster Development

- Connecting local producers with local builders (i.e. local tile and wood products)
- Ample wood product resources available
- Help promote the forest industry (ensure conservation and good management practices are promoted)
- Attracting cross laminated timber & wood pellets production to the area
- Develop internships and work placements within the sawmills and MDF board plants
- Pulp and paper mills need to grow demand for their product. Could be done with attraction of the following industries:
  - Furniture manufacturing
  - Biomass resources (energy and heat)
  - Masks, medical protective equipment and other paper containers manufacturing

ASPIRATIONS

- Diversified, vibrant downtown with amenities to support foot traffic
- A well-connected community in terms of ICT
- Sustainable growth of the local economy and population
- Well known and easily accessible touristic attractions across the Ottawa Valley
- Business retention, expansion and attraction effort leads to growing the commercial tax base

RESULTS

- Diversifying supply of housing stock to support population growth.
- Improving communication between council/staff and businesses (e.g. BR&E program)
- Strategic Planning around Economic Development and land development
- Improved access to health services and professional services
- Supporting and actively developing tourism and wood product manufacturing (key clusters)
- Branding, promoting and marketing the community and its tourism assets online and in print.