

4.0 Business Investment and Retention

4.1 Approach to Measuring Benefits

A high level assessment of the potential impact of TSW system on business investment and retention was undertaken using the following information sources and data:

- Interviews with representatives of specific economic and business development organizations in corridor communities (see Appendix B);
- Relevant data from Statistics Canada, the Ontario Ministry of Tourism, and internet web sites on the TSW;
- Data on residential and commercial property values from the Municipal Property Assessment Corporation (MPAC);
- Study team knowledge of business location and site selection decision making;
- Results of the review of canals and canalway corridors elsewhere.

4.2 Role of Trent-Severn in Business Investment

The TSW is noted for its high quality of life which is one of several factors considered in business site selection decisions.

When selecting a location for new investment or expansion, the key factors companies consider are access to resources at reasonable costs (raw materials, human resources); infrastructure (transportation and technology); access to markets; and innovation potential (such as the concentration of expertise and skills needed for new-product development). A listing of factors considered in business site selection is provided below. The relative importance of these factors varies by sector and type of investment.

Availability and Quality of Labour

- Prime working age labour (20-45 years)
- Educational levels
- Availability of required and specialized skill sets
- Competition for labour
- Pipeline of new labour through in-migration and educational institutions
- Labour relations/union activity

Operating Costs

- Labour costs
- Real estate
- Utilities
- Property taxes
- Business taxes

Infrastructure

- Access to four-lane highways, ports, rail
- Direct air access/ frequency of flights/ on-time statistics
- Commute time
- Technology infrastructure

Market and Industry Cluster Considerations

- Supply chain, alternative sourcing and inbound logistics
- Proximity to existing and new markets
- Market size and growth
- Competition
- Presence of similar operations/cluster

Real Estate Availability

- Availability of suitable real estate/zoned and serviced development sites

Quality of Life

- Cost of living, recreational/cultural attributes and amenities, etc.

Natural Disaster Risk/Disruption

- Probability of natural disasters such as floods, tornados, and earthquakes

Incentives

- Type, duration and dollar value of incentives

The TSW is a recreational and scenic amenity which is associated with a high quality of life and, as such, plays a strong role in attracting business investment and talent. Quality of life is considered in assessing the attractiveness of a community for transferees and recruits, and for attracting talent. The relative importance of this factor however varies significantly by industry sector. For example, in site selection screening of alternative communities, a weighting of between 0% to 15% of the overall community scoring is generally applied to quality of life ratings. The highest weightings for quality of life factors are used in evaluating alternative communities for knowledge intensive industries, where labour is highly skilled, educated and mobile. Lower ratings are applied for low skill operations.

Discussions with representatives of economic development and business organizations along the corridor confirmed that the TSW is an important component of the quality of life of the area. While it is acknowledged that the presence of the TSW adds to the attractiveness and favourable perception of quality of life in the corridor communities, it was noted that the TSW is only one part of the overall quality of life package, and with the exception of some types of tourism operations, most investment decisions can not be attributed to the presence of the waterway.

It was also noted in discussions with economic development and business group representatives that some of the land along the TSW is underutilized or undeveloped and

that planning and facilitating further environmentally and economically sustainable development could result in additional private sector investment. This is consistent with the findings of Section 7.1 and Appendix D, the Review of Experience Elsewhere, where quality of life investments which have spurred significant further public and private sector investment along canalway corridors. Where investment has occurred, canals and canalway corridors have become a significant part of the recreation and lifestyle amenities of corridor communities. These “quality of life” investments have had the effect of attracting new residents, businesses, and tourists back to waterways and downtowns of canal communities.

4.3 Quality of Life in Talent Attraction and Retention

The TSW and its high quality of life is a strong selling feature in the ‘package’ which is used in efforts to lure new talent to corridor communities. For example, a targeted approach has been used to attract physicians to specific communities along the corridor. Quality of life, including the presence of the TSW, has been of key importance in ‘selling’ these communities to new talent.

Quality of life may be a factor in explaining higher levels of self employment and working at home segments along corridor communities. Self employment and ‘working at home’ are two measures of lifestyle employment where individuals tend to be more entrepreneurial and more mobile in business location choices, often choosing to live and work in specific communities for lifestyle reasons.

The level of self-employment and portion of labour working at home (largely enabled by telecommunications technology) is slightly higher in corridor communities compared to Ontario as a whole. Key findings from the review of Statistics Canada data on the labour force in corridor communities in 2001 are:

- 15.5% of the employed labour force of corridor communities were self-employed; this may be compared to 12.0% for Ontario overall;
- 9.2% of the employed labour force of corridor communities worked at home; this may be compared to 7.1% of the Ontario labour force.

Data on self employment and working at home segments by employed labour in each of the corridor communities (not just 2 km corridor area) are provided in Table 4.1.

Table 4.1: Portion of Labour Force Self Employed and Working at Home

Municipality	% Self Employed	% Working at Home
Quinte West C	9.3%	5.4%
Hamilton TP	17.3%	11.8%
Alnwick/Haldimand TP	22.8%	16.9%
Campbellford/Seymour Percy Hastings T	19.2%	15.4%
Asphodel-Norwood TP	17.0%	16.7%
Otonabee-South Monaghan TP	18.8%	16.5%
Cavan-Millbrook-North Monaghan TP	17.0%	11.0%
Peterborough C	10.8%	5.9%
Smith-Ennismore-Lakefield TP	18.3%	9.0%
Douro-Dummer TP	17.9%	14.0%
Galway-Cavendish and Harvey TP	27.4%	19.4%
Kawartha Lakes C	17.5%	11.1%
Scugog TP	17.5%	11.7%
Brock TP	20.8%	15.8%
East Gwillimbury T	16.1%	10.0%
Georgina T	14.0%	6.1%
Bradford West Gwillimbury T	12.0%	7.2%
Severn TP	19.0%	11.2%
Innisfil T	15.9%	7.4%
Ramara TP	19.5%	9.5%
Oro-Medonte TP	21.6%	12.2%
Orillia C	11.4%	4.8%
Gravenhurst T	19.7%	9.1%
Muskoka Lakes TP	26.9%	15.3%
Georgian Bay TP	18.2%	10.1%

Source: Statistics Canada, customized data tabulation, 2001 Census

Workers in the professional, scientific and technical services sector generally have greater mobility than workers in other sectors and often select work and residential locations based on quality of life considerations. Although a smaller portion of the overall labour force in the corridor communities work in the professional, scientific and technical services sector compared to Ontario as a whole (4.2% vs. 7.2%), the portion of self employment and labour working at home in this sector is higher in corridor communities. A total of 34.3% of labour in the professional, scientific and technical services sector in Trent-Severn corridor communities were self employed compared to 27.6% for Ontario as a whole. This trend was consistent for most of the sub-sectors, as shown in Table 4.2. Self employment levels were highest within the townships. Additionally, within the professional, scientific and technical services sector, 23.3% of labour in Trent-Severn Corridor communities worked at home, compared to 17.7% for Ontario as a whole.

Table 4.2: Percentage of Self Employed Labour

Sector/sub-sector	Corridor Communities	Ontario
Professional scientific and technical services	32.8%	26.4%
Legal	25.1%	27.9%
Accounting related	34.8%	22.4%
Architectural, engineering, and related	19.6%	18.8%
Specialized design services	10.8%	18.5%
Computer systems design and related	20.3%	16.0%
Management, scientific and technical consulting	47.0%	34.9%
Scientific research and development	25.6%	8.2%
Advertising and related	33.9%	17.5%

Source: Statistics Canada, customized data tabulation, 2001 Census

4.4 Businesses Directly Related to the Waterway

The presence of the TSW and the rivers and lakes that comprise the waterway are important for the following types of businesses:

- Tourist related businesses that depend on the river or lake access for their operation such as marinas;
- Tourist related businesses, such as resorts, and those dependent on ambience and recreational aspects which attract customers;
- Businesses that draw water from the TSW for use in industrial operations.

Based on data from the Socio-Economic Profiles for the Trent-Severn, it is reported that 812 operations in the following industry classification are located along the 2-km. band of the Corridor: hotels, theatres, amusement and recreation, museums, art galleries. This represents 5.9% of corridor businesses, which is slightly higher than the portion these types of businesses represent at the provincial level (4.0%). These types of businesses have significant impacts on the regional economy through employment, purchases of goods and supplies, and taxes. Estimates of the economic impact associated with all businesses along the TSW could not be developed given data and budget limitations of this study. However, high level economic impact estimates are provided for marinas.

Marinas

Based on data from the Ontario Property Assessment Corporation, it is known that 230 commercial marinas are located along waterfront areas in corridor communities and an additional 17 marinas not located on the waterfront. These marinas are defined as commercial facilities for the maintenance, storage, service and/or sale of watercraft. There are also additional marinas along the waterway that are part of accommodations

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and tourist facilities. For example, the Panel secretariat has estimated that the total number of marinas along the TSW is 342. This suggests that over 100 marinas may be part of larger establishments rather than operating as separate business entities. The total number of marina slips along the TSW as estimated by the Panel secretariat is close to 11,700.

The Ontario Marina Operators of Ontario estimates that each marina slip generates roughly \$5,000 in spending at the marina and on local services. Based on this economic impact per slip estimate, the estimated economic impact associated with the 11,700 marina slips along the TWS is in the order of \$58.5 million.

The total assessment value of the 247 marinas along the TSW corridor communities is around \$128.9 million. This does not include the assessed value associated with marinas that are included as part of larger tourist facilities and assessed as part of those properties. Property assessment rates for marinas in the corridor vary by municipality. However, using a fairly representative property tax rate of 4%, the overall property tax revenue generated from 247 marinas is estimated to be in the order of \$5.2 million.

5.0 Residential Attractiveness and Lifestyle Benefits

5.1 Approach to Measuring Benefits

A high level assessment of the impact of the TSW system on residential attractiveness was undertaken using the following information sources and data:

- Interviews with representatives of economic development and business organizations in the corridor communities;
- Relevant data from Statistics Canada;
- Data on property taxes from the Municipal Property Assessment Corporation (MPAC);
- Study team knowledge of residential location decision making;
- Results of the review of canals and canalway corridors elsewhere.

The results of this assessment are provided below.

5.2 Role of Trent-Severn in Residential Attractiveness

Quality of life is a broad factor in the perception of attractiveness of a community as a place to live. Quality of life includes a number of sub-factors; the relative importance of each may vary considerably depending on individual preferences and life stage.

Typically the quality of life factor encompasses sub-factors such as cost of living, crime levels, quality of schools, recreational opportunities including access to lakes and rivers, climate, arts and culture, entertainment, etc. In *Cities Ranked and Rated* which includes ratings for U.S. metropolitan areas and larger Canadian cities (although none within the Trent-Severn Corridor), key features considered in the Quality of Life rating are:

- Physical attractiveness: this includes the physical setting and overall appearance of the community, as these are factors that influence initial impression, and long term satisfaction with an area. Attractive communities with rivers and lake settings rate much higher, for example, than those with flat, nondescript landscapes.
- Heritage: communities that try to preserve physical and cultural heritage are usually considered more attractive and better places to live.
- Overall ease of living: this is essentially a 'stress factor'. It incorporates crowdedness, attitude and friendliness of people, and simplicity of infrastructure.

Measures developed by Richard Florida (*Cities and the Creative Class*) have been used in assessing quality of life and attractiveness of communities for the creative class of workers. Indices related to population diversity and tolerance (Bohemian Index, Gay Index, and Diversity Index) have been used to measure the attractiveness of communities for attracting talent.

Given the foregoing, it is obvious that several factors influence the perception of the quality of life and attractiveness of communities, and these vary significantly by individual preferences and stage in the life cycle. The presence of the TSW is one of several considerations that add to the attractiveness and, as such, the quality of life of corridor communities. Based on the interviews with representatives of economic development and business organizations, it is known that the TSW is one of the quality of life assets that attracts and retains residents and is also a key consideration in former residents returning to the area. However, the importance of the TSW in this regard cannot be quantified.

Based on the review of experience elsewhere, it is known that quality of life investments in other corridor communities have had the effect of attracting new residents and tourists back to waterways and downtowns of canal communities.

Population Growth as an Indicator in Community Attractiveness

The level of population growth was reviewed for corridor communities relative to growth for Ontario as a whole to determine whether there were any significant differences that could potentially be attributed to quality of life factors such as the presence of the TSW.

The population growth in Ontario between 2001 and 2006 was 6.6%. The overall growth was slightly lower for corridor communities as a whole, at 6.1%. Population growth was higher in municipalities within the Trenton to Lakefield segment, however, at 10.8%. This relatively high increase for the Trenton to Lakefield segment could have resulted from a number of economic and social considerations as well as quality of life factors. As such, no definitive conclusions can be drawn from this data on the role of the TSW in resident attraction.

Table 5.1: Population Growth in Corridor Communities

Geographic Segment	2006	2001	% Change
Trenton to Lakefield	99,314	89,673	10.8%
Lakefield to Lake Simcoe (east side)	216,544	208,961	3.6%
Lake Simcoe and Lake Couchiching	202,355	190,008	6.5%
Severn River to Georgian Bay	31,883	30,067	6.0%
Total *	516,660	486,849	6.1%

* sum of segments is higher than total due to overlap of segments

Source: Socio-economic Profiles for Trent-Severn; Statistics Canada

While it is known that the TSW adds to the attractiveness and perceived quality of life of corridor communities, analysis of impact of TSW on resident attraction and retention would require resident surveys and more in-depth analysis than is possible within the scope of this high level study.

5.3 Expenditure and Economic Impact of Waterfront Residents

a) *Spending by Seasonal Residents*

In estimating the economic impact of spending by seasonal residents along the TSW, we have drawn upon spending data from the *2004 Second Home Study* undertaken by the District of Muskoka. That study found that the average weekly expenditure of seasonal households in Muskoka in 2004 was approximately \$614 comprised of:

- \$167 on marina services
- \$127 for groceries, convenience items
- \$87 on auto services
- \$79 on entertainment
- \$62 on liquor, wine and beer
- \$48 on sporting and recreational goods
- \$44 on small household appliances and hardware

For the purpose of this analysis, we have inflated the 2004 spending data to 2006 dollars using the Consumer Price Index (CPI) for Ontario, resulting in a weekly spending level of around \$639 per seasonal household. We have assumed a seasonal dwelling average usage of the 10 weeks a year based on the *Muskoka Second Home Study*.

The Ontario Municipal Assessment Corporation has reported that 32,226 seasonal dwellings are located along or in proximity to waterfronts of TSW communities. Using this figure, and the above expenditure data, it is estimated that residents of seasonal dwellings in corridor municipalities collectively spend approximately \$205.9 million per year on common household goods and services. It is noted that the location of spending will vary by type of purchase, and therefore not all this spending will occur in communities along the TSW. For example, as noted in the *Muskoka Second Home Study*, 81% of the expenditures on alcohol by seasonal residents were within Muskoka, however, 49% of expenditures on auto services (gas, oil, repairs, and maintenance) were made outside of Muskoka. Overall, around 69% of the total spending on common household goods and services occurred within Muskoka District.

For our analysis, we have assumed that between 65% and 75% of spending by seasonal households on basic household goods and services occurs in communities along the TSW. It is therefore estimated that collectively seasonal residents in corridor municipalities spend between \$133.9 and \$154.4 million per annum on common household goods and services in corridor communities.

It is noted that significant spending by seasonal residents will also occur for the following types of major purchases and services:

- Furnishings, major appliances, and electronics
- Construction, renovations, and landscaping
- Boats, recreational vehicles, etc.
- Professional services

- Utilities
- Insurance

Spending patterns may vary significantly by household, location and the stage of ownership/need for renovations. For example, in the *Muskoka Second Home Study*, reported expenditures on major items per annum ranged around \$13,700 per seasonal household in one municipality to over \$30,000 per household in another; with the highest portion of expenditures being related to construction, renovation and landscaping. However, it is noted that this data is not considered to be representative given the small sample size of respondents providing data for major expenditures.

For the purpose of this high level estimate, we have assumed an average annual expenditure level on the above items of approximately \$5,000 to \$15,000 in the regional/local economy, recognizing that this is a conservative estimate which does not include one time major renovation/redevelopment costs which may be incurred by some seasonal residents. Using this assumption, the level of spending by seasonal households in the Trent-Severn Corridor municipalities on major purchases would be in the order of \$161.1 million to \$483.4 million per annum.

Using the same approach and assumptions identified above, it is estimated that spending on common household goods and services by the 16,534 seasonal households in the Haliburton Highlands is roughly \$69 million to \$79 million, with spending on major purchases being in the order of \$83 million to \$248 million.

b) Spending by Permanent Waterfront Residents

Spending by permanent waterfront residents was estimated using the following approach:

- Data on the number of single detached homes (excluding seasonal residences) along waterfront areas in corridor communities was obtained from the Ontario Municipal Property Assessment Corporation (MPAC);
- Data were obtained from the *FP Markets, Canadian Demographics* for average household expenditures by type for corridor communities;
- The average spending levels by category for each municipality were multiplied by the number of single detached homes along the waterfront in each community;
- For our analysis, we have assumed that between 65% and 75% of spending by permanent households on basic household goods and services occurs in municipalities along the TSW.

Based on the above approach, it is estimated that local annual spending of the 16,437 households residing along waterfront areas in the TSW corridor communities is in the order of \$365 million to \$421 million, excluding housing costs and taxes. At this level of analysis, we are unable to determine the portion of this expenditure that could be attributed to the presence of the TSW. However, it is likely that a significant portion of this economic impact would not accrue to area municipalities in the absence of the TSW as these households would have located to available waterfront areas in other communities.

Using the same approach and assumptions identified above, a high level estimate of the spending on common household goods and services by the 2,808 permanent waterfront households in the Haliburton Highlands is roughly \$60 million to \$69 million. At this level of analysis, we are unable to determine the portion of this expenditure that could be attributed to the management of the watershed water levels.

c) Property Values and Taxes

Waterfront properties are more desirable from an aesthetics and recreation perspective than non-waterfront properties, and as such, have higher property values. Based upon data from the Ontario Municipal Property Assessment Corporation, the average assessed value of single detached homes along communities in the TSW corridor in 2005 was \$340,444, which is 67% higher than the average assessed value of \$204,012 for single detached homes not located along a waterfront area. The average assessed value of seasonal dwellings along waterfront areas of corridor municipalities was even higher at \$371,547 for the first tier properties on the water. Seasonal/recreation dwellings at a second tier to the water were lower at \$119,413. According to MPAC, the total assessment value of the 48,663 residential properties along or near the waterfront is in the order of \$17.2 billion.

Data on residential property values by municipality are provided in Table 5.2.

Table 5.2: Residential Assessed Property Values by Municipality

Municipality	Single Detached Not on Water	Single Detached On Water	Seasonal: First Tier on Water	Seasonal: Second Tier to Water
Quinte West C	\$144,778	\$215,672	\$114,831	\$61,500
Hamilton TP	\$205,398	\$254,912	\$171,521	\$123,600
Alnwick/Haldimand TP	\$193,820	\$272,597	\$157,379	\$143,400
Campbellford/Seymour Percy Hastings T	\$136,854	\$153,884	\$105,635	\$61,824
Asphodel-Norwood TP	\$140,457	\$191,328	\$149,645	\$91,724
Otonabee-South Monaghan TP	\$190,434	\$210,477	\$137,608	\$104,578
Cavan-Millbrook-North Monaghan TP	\$215,110	NA	NA	NA
Peterborough C	\$186,891	\$236,363	NA	NA
Smith-Ennismore-Lakefield TP	\$194,404	\$315,895	\$273,025	\$118,412
Douro-Dummer TP	\$176,849	\$382,499	\$345,727	\$76,409
Galway-Cavendish and Harvey TP	\$164,320	\$283,202	\$232,705	\$97,915
Kawartha Lakes C	\$179,329	\$268,327	\$243,348	\$102,772
Scugog TP	\$271,950	\$339,238	\$215,726	\$127,651
Brock TP	\$198,125	\$391,591	\$336,198	\$96,393
East Gwillimbury T	\$341,146	\$299,181	NA	NA
Georgina T	\$219,537	\$416,794	\$404,374	\$262,930
Bradford West Gwillimbury T	\$290,349	NA	NA	NA
Severn TP	\$201,658	\$309,213	\$255,117	\$100,282

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Innisfil T	\$226,389	\$556,789	\$586,678	\$153,656
Ramara TP	\$178,542	\$298,697	\$250,929	\$109,540
Oro-Medonte TP	\$250,664	\$598,298	\$452,070	\$133,532
Orillia C	\$180,907	\$428,754	\$259,222	\$129,000
Gravenhurst T	\$169,109	\$396,929	\$337,764	\$93,374
Muskoka Lakes TP	\$168,705	\$595,179	\$724,020	\$99,900
Georgian Bay TP	\$109,242	\$370,649	\$309,507	\$93,500

Source: Ontario Municipal Property Assessment Corporation

Property assessment rates for single detached residential in the corridor vary by municipality and even by community within some municipalities. To provide a high level estimate of the property taxes associated with waterfront properties, we have used a fairly representative property tax rate of 1.4%. As shown below, the estimate of annual property taxes for homes along associated lakes and rivers in the Trent-Severn Corridor communities is in excess of \$240 million. It is noted, however, that this is a high level order-of-magnitude estimate which may overestimate property taxes as it includes all residential waterfront properties in these communities including those along lakes and rivers not linked to the TSW.

Developing an estimate for the property taxes paid for residences within the Impact Corridor would necessitate a much more in-depth property parcel mapping and data extraction process than is possible within the scope and budget for this project.

Table 5.3: Estimated Property Taxes for Waterfront Properties in Corridor Communities

Property Code Description	Properties	Avg 2005 CVA	Property Taxes
Boathouse with residence above	38	\$735,632	\$391,356
Single family detached on water	16,437	\$340,444	\$78,342,222
Seasonal dwelling - first tier on water	30,667	\$371,547	\$159,519,073
Seasonal dwelling – second tier to water	1,521	\$119,413	\$2,542,785
Estimated total	48,663		\$240,795,436

Data on assessed residential property values in the Haliburton Lakes townships are provided in Table 5.4. Assessed property values in these communities are generally lower than those for communities along the TSW corridor.

Table 5.4: Assessed Property Values in Haliburton Lakes Townships

Municipality	Single Detached Not on Water	Single Detached On Water	Seasonal: First Tier on Water	Seasonal: Second Tier to Water
Dysart et al. Twp.	\$143,686	\$281,467	\$261,288	\$83,710
Stanhope (former twp)	\$133,947	\$261,110	\$216,268	\$56,643

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Minden Hills	\$128,947	\$263,078	\$235,669	\$74,835
Highlands East	\$89,457	\$208,798	\$169,043	\$57,056
Faraday Twp	\$94,426	\$204,048	\$146,991	\$52,960
Wollaston Twp	\$82,934	\$202,617	\$140,832	\$60,786
Limerick Twp	\$84,338	\$175,146	\$135,364	\$58,438
Cashel (former twp)	\$65,076	\$173,923	\$114,174	-
Galway and Cavendish (former twp)	\$140,149	\$278,946	\$223,973	\$72,683
North Kawatha Twp	\$123,311	\$309,375	\$261,990	\$76,587

Source: Ontario Municipal Property Assessment Corporation

Using the same high level approach outlined above for TSW corridor communities, the property taxes of waterfront residential dwellings in the Haliburton Highlands is estimated to be in excess of \$61 million, as shown in Table 5.5.

Table 5.5: Estimated Property Taxes for Waterfront Properties in the Haliburtons

Property Code Description	Properties	Avg 2005 CVA	Property Taxes
Boathouse with residence above	5	\$134,600	\$9,422
Single family detached on water	2,808	\$259,830	\$10,214,470
Seasonal dwelling - first tier on water	16,186	\$224,737	\$50,926,362
Seasonal dwelling – second tier to water	343	\$71,400	\$342,866
Estimated total	19,342		\$61,493,120

6.0 Parks Canada Impacts

6.1 Economic Impact of Parks Canada Expenditures

In the same way that tourist expenditures in the area create economic benefit through the re-circulation of dollars locally (the ‘multiplier effect’) so also do Parks Canada’s own expenditures. For example Parks Canada employs labour, and purchases goods and services from other businesses in the study region, which help feed the local economy and create sustainable benefit. If the Waterway did not exist, then Parks Canada would not make these local and regional expenditures, and the total economic benefit would be lost.

The aforementioned *TSW Economic Impact Study Final Report* identified the following dimensions relating to the nature of the of the economic impact resulting from Parks Canada’s own expenditures in 1997:

- *“Parks Canada capital and operating budget for the Trent-Severn waterway during the fiscal year 1997-1998 (from April 1 1997 to March 31 1998) was nearly \$10.9 million. With the exception of approximately \$100,000, all of this spending was in Ontario to companies and employees in the province. Approximately 2/3 (\$7.2 million) of the total Trent-Severn waterway management expenditures were paid to local businesses and residents of the Trent-Severn Waterway.”* (p. 25)
- approximately half of this capital and operating amount (\$5.494 million) was wages and salaries
- approximately 21% was capital / construction costs
- the *TSW Economic Impact Study Final Report* identified that this expenditure generated \$21.2 million of economic activity in Ontario; \$10.4 m. of which was in the Trent-Severn region
- this expenditure was associated with 392 full-time jobs, 278 of which were in the Trent-Severn region

The following are some caveats with regard to the estimates of the economic impacts of Parks Canada expenditures:

- As with the economic impacts of boater and land-based tourist expenditure, the present study did not envisage undertaking a separate economic impact assessment for the TSW to measure the impact of Parks Canada expenditures (as this is a very expensive undertaking involving considerable primary data collection and the study budget did not allow for this).

- For the above reason, the recommended methodology is based on an update of the previous economic impact study. This, in turn, assumes the structure of the economy in the Trent-Severn region has not changed significantly (which could be expected to then change the parameters governing the nature and impact shown in the economic impact model)
- the TEAM economic impact model used in the 1997 study was built using the economic interrelationships extant at the time in the Trent-Severn area – since then, the economies of the communities in this regions have grown and developed – this likely implies that the local economies have become more intertwined, meaning that the multipliers (which measure the extent to which businesses in the area purchase goods and services from one another) have become larger, which would result in a greater overall impact. The results shown are therefore conservative.

The methodology recommended therefore is based on an update of the previous economic impact estimates through the following procedure:

- a) the updated expenditure profile for Parks Canada on maintenance for the Trent-Severn Waterway will be obtained by detailed category, for the most recent fiscal year (data has been obtained for the 2007-2008 operating year)
- b) the next and final step is to run the estimates of total boater expenditure through the Conference Board of Canada’s TEAM economic impact model, emulating the results of the 1997 study:

	1997 Original Study	Updated 2007-08 Estimate
Total Parks Canada Expenditure	\$10,854,755	\$16,009,000 ⁸
Total Economic Activity in Ontario (\$millions)	\$21.2 million	\$37.1
Total Economic activity in Trent-Severn Corridor (\$millions)	\$10.4 million	\$18.2
Total Job Creation in Ontario	392	686
Total Job Creation in Trent-Severn Corridor	278	487

⁸ Comprised of \$11.115 million in salaries and \$4.894 in G&S. Note that this does not include \$12.3 million in special purpose funds that has been allocated to conserve heritage resources in the Trent-Severn Waterway. Relative to ‘normal’ years, this is an extraordinary expenditure.

6.2 Protection of Fish and Wildlife Habitat

Mechanisms of Impact: The TSW undertakes various measures and programs to protect fish and wildlife along the Waterway. As well as the integral benefit of doing this for its own sake and because it respects a fundamental principle of protecting the environment, it is also Parks Canada's policy and is mandated under the Historic Canal Regulations of the Department of Transportation Act. Through these measures, it also contributes to recreation and tourism related to fish and wildlife and a positive quality of life in the community that attract residents and businesses. The economic benefits of these sets of activities have already been discussed, and to further introduce them here would be double-counting. Accordingly, the activities of the TSW in protecting fish and wildlife are considered to be supportive of the other impact areas considered here.

6.3 Maintenance of Water Quality

Issues related to the maintenance of water quality are clearly similar to those identified above for 'protection of fish and wildlife habitat' and have been addressed.

6.4 Maintenance of Water Levels in TSW System

Mechanisms of Impact: The TSW maintains and regulates water levels throughout the system, ensuring that specific levels are met at different points throughout the system, as well as smoothing out fluctuations so that peak high flooding and lows are avoided. This has a number of benefits that need to be recognized, including:

- creation of larger, navigable lakes that are attractive for recreation and waterfront development.
- ensuring safe boating activity (the impact of which has already been covered under the earlier discussion on the economic impact of boater expenditures)
- flood prevention – a major benefit that clearly has an economic dimension (in terms of the avoidance of insurance costs, avoidance of major capital outlays to repair flood damage, the cost of lost business, etc.)
- provision of adequate water supply for agricultural activities (for, example, in the Holland Marsh)

Of the benefits discussed above, that of 'ensuring safe boating activity' has already been addressed. The remaining two are more problematic:

- 1) ***flood prevention:*** At this juncture, we are not sure the extent to which this benefit can be specified and measured. One possible approach would be to approach insurance agencies with the question "*if the Waterway were not regulated, how much more would insurance costs be for residents and businesses along the Waterway?*". If the response was in effect that there was an x%

reduction in insurance costs because of the managed nature of the Waterway, then it may be possible to develop an estimate of the total savings to residents and businesses (in insurance costs that they would otherwise have to pay). This tangible benefit could then be attributed to the TSW. Clearly, there are enormous costs associated with flooding that the TSW helps to mitigate.

- 2) **enabling agriculture:** Another benefit to the management of water levels is to ensure an adequate supply of water to agricultural activities. Here the analysis must recognize, however, that even if the Waterway did not exist, agricultural activities would still be present in the Holland Marsh and elsewhere along the Waterway corridor. Accordingly, the management of water levels can only be seen as, at best, an additional support to this industry. It is doubtful as to whether specific, meaningful and defensible estimates could be developed in this area.

6.5 Hydroelectric Power Impacts

The TSW has regulatory responsibility and authority under the Dominion Water Power Act for the 18 hydroelectric generating facilities located along its route. These facilities provide direct revenue to Parks Canada through their tenure on federal lands.

The following material is provided by the Ontario Waterpower Association.

- Eighteen waterpower facilities in Ontario occupy federal lands on the Trent-Severn system (TSW), spanning from the Big Chute facility at Severn Falls to the recently re-developed Sonoco station at Trenton.
- In total, these facilities account for almost 100 MW of installed capacity and annually produce, on average, 500,000 MWh of clean, renewable energy. Applying a conservative estimate with respect to replacement value, this infrastructure represents between \$300 and \$400 million of investment.
- The renewable energy produced, using a proxy value of \$50/MWh based on the Hourly Ontario Energy Price (IESO), equates to an annual value of \$25 Million in production. Importantly, were the existing facilities to be constructed today, that value would more than double, based on the province's policy initiatives to encourage distributed, renewable generation.
- This energy production represents an annual offset of approximately 400,000 tonnes of CO₂ – roughly equivalent to the annual emissions of 100,000 cars. In economic terms, using the government of Canada's proposed valuation of \$15 per tonne, this represents an additional environmental-economic value of \$6 million. This is only expected to increase as policies and programs to address Climate Change mature.

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- Waterpower is unique on the system in that facilities provide direct revenue to the Parks Canada Agency through licenced tenure for the occupation of federal lands. According to TSW, in 2006, water power revenue was to rise to 9%-11% of their overall budget. Revenue from water power was expected to form about 1/3 of their total revenue.
- The OWA has estimated that relatively modest modifications to operational regimes can create substantial opportunities for increased production of renewable energy from existing facilities. It is conservatively estimated that operational efficiencies could result in a 10-20% increase in energy production from existing facilities on the TSW, with the attendant increase in benefits.
- Moreover, there are new developments being actively pursued on the TSW and re-development opportunities across the system. For example, a proposal at locks 22 and 23 has recently completed the environmental assessment. This development alone is expected to add another 30,000 MWh of new renewable energy to the TSW's output. This one proposal has been reported to be valued at more than \$25 Million and over the next 15 years to add about \$45 million to the local and regional economy.
- It is reasonable to expect that, collectively, efficiency improvements, re-developments and new developments could increase renewable energy production by more than 50%, again with the attendant economic and environmental benefits.
- While difficult to quantify, waterpower across the system provides important electricity benefits (e.g. voltage support), including supply security. For example, during the 2003 blackout, electricity was generated from a local waterpower facility to power Peterborough's hospital.

7. Summary Comparison with Other Canal Systems

7.1 Key Findings - Review of Canal Systems Elsewhere

An internet search was undertaken for information on the following canals: New York State Canals; Ohio & Erie Canal; Blackstone Canal; and British Waterways, focusing on:

- Economic role, with an emphasis on the lifestyle economy;
- Range and types of economic benefits that the waterways generate;
- Attributes that make them attractive for economic investment;
- Studies that have documented their economic impact, and available background data on visitation, spending and increases in investment in local communities that may be attributed to the presence of the waterway;
- Roles of governments, organizations and the private sector in stimulating and supporting sustainable economic development along waterways;
- Funding mechanisms and sources;
- Factors that make the waterways relevant to, or distinguish them, from the TSW.

Information collected through this task was used to supplement the analysis of economic impacts of the TSW from a qualitative perspective. The findings of the review are provided in *Appendix D: Profiles of Canal/Waterway Systems Elsewhere*.

A summary of key findings of this review is provided in this section. More detailed information is provided in Appendix D.

Investment in Canalway Communities

A substantial amount of government funding has provided the seed money for quality of life investments which have spurred significant further public and private sector investment along canalway corridors. Where investment has occurred, canals and canalway corridors have become a significant part of the recreation and lifestyle amenities of corridor communities, particularly where the canal corridors include navigable waters. For example, various federal government programs have been used to assist upper New York State communities along the canalway to upgrade the canal corridor to make it more attractive for boating, cycling, and for heritage and cultural tourism. These programs have provided funding for such initiatives as Canal harbours, service ports, neighbourhood development, and canal business projects. Investment by other levels of government and the private sector have included new marinas and other recreation-related businesses; adaptive reuse of historic canal-related structures and vessels; and redevelopment of entire urban waterfronts in Buffalo, Rochester, Syracuse, and many smaller communities. These “quality of life” investments have had the effect of attracting new residents, businesses, and tourists back to waterways and downtowns of canal communities in upper New York State.

Some canals are an integral part of everyday life, such as canals in Britain. It is estimated that around 300 million individual visits occur along waterways in Britain per year, with many of these being functional – i.e. walking along the waterway to and from work. British Waterways has been the catalyst for over \$2.9 billion (\$Cdn) of waterside urban and rural regeneration. This has included transforming old canal basins and waterfronts into mixed use developments. It is reported that waterside regeneration which British Waterways spearheaded has resulted in the creation of more than 20,000 jobs over the last decade.

Canalway corridors such as the Ohio and Erie Canal have become a focal point for cyclists, hikers and environmentalists. Linkages are provided to communities, parks and land corridors along the Canalway and these are promoted from an historical, cultural and recreational perspective. While the Ohio and Erie Canal corridor is very important to local communities from a recreation perspective, the lifestyle economy benefits are not yet as evident as in the case of the New York Canals, however, economic benefits are expected to be substantial once the multipurpose trail is completed and the Heritage Corridor Management Plan is implemented. The estimated cost to implement the plan is approximately \$150.2 million. About \$77.6 million will be needed for facility development; and about \$70 million for preservation, economic development, education and interpretation. Funding will be solicited from various public agencies and the private sector.

The Blackstone Canal's role in improving the Blackstone Valley area economy is linked more to heritage tourism than water related tourism and recreation, as only a few watered sections of the Blackstone Canal still exist. The physical remains of the Blackstone Canal and industry provide heritage and cultural resources for interpretation: hundreds of multi-story brick mill buildings, and dozens of small lakes, ponds and dams created to power the historic mills. Since 1986, the Blackstone River Valley National Heritage Corridor Commission has partnered on 365 projects in the Corridor and committed over \$23 million to seed projects resulting in more than \$500 million in further public and private sector investment. Some canal corridor communities along the Blackstone Canal Corridor are in the process of revitalizing sections of the Canal as part of their broader community revitalization and economic development efforts. For example, the City of Worcester is in the planning stage of 'daylighting and rewatering' covered/infilled sections throughout the Canal District neighbourhood at an overall public cost of around \$75 million, focusing initially on the Union Station section. Some private sector redevelopment has taken place and the Bank of America is contemplating a large mixed-use project (in excess of \$100 million) in the Canal District neighbourhood.

Partnerships

Partnerships have been a key element of planning and implementing improvements to canalway areas in the four canals/canalway corridors reviewed. These partnerships have enhanced sustainability, improved areas for local residents and tourists, and have

stimulated private sector investment. Regional approaches and partnerships have also been important in providing a unified vision along canalway corridors.

The most extensive and wide ranging partnerships appear to be those used by the British Waterways. Partnerships include:

- Close liaison with the Department of Economic Development and Transport in Wales;
- The Inland Waterways Amenity Council provides strategic policy advice to the British Waterways;
- Public private partnerships are used to maximize the earning potential of the waterways including: property regeneration, telecommunications, and waterside pub partnerships;
- Public funding partners include the Millennium Commission, Heritage Lottery Fund, local municipalities, and Regional Development Agencies;
- Voluntary sector partners include the Waterways Trust, the Inland Waterways Association, The Wildlife Trusts and local canal, community, environmental and heritage organizations.

7.2 Similarities and Differences with the TSW

While all canals reviewed for this study have had significant past roles as transportation corridors for industry, their roles today range from being an integral part of everyday life to mainly recreation corridors. Substantial levels of public and private sector investment have taken place along the other canalway corridors, which is perhaps the key differentiating point from the TSW system. Significant levels of government funding have been available to enhance the role and benefits of these canals for canalway communities.

Some reviewed canalways, such as the British waterway areas, are substantially larger and much more densely populated than the Trent-Severn, while others have small to medium sized communities along their route, although many of these are still larger than most communities along the Trent-Severn.

A key attribute of the TSW is that it is a continuous navigable waterway, and, as such, provides extensive opportunities for water related recreation and tourism. In comparison, only sections of some canal corridors, such as the Blackstone and Ohio / Erie Canals, are still watered.

Regardless of the differences, the reviewed canalways are useful examples of planning and partnerships for stimulating sustainable economic growth along canal corridors. A discussion of the implications for the TSW is provided in Appendix D.

8. Sustainability Framework

There are two aspects to consider in terms of how Parks Canada can contribute to the ongoing economic vitality of communities along its route. These are: (a) by continuing and enhancing its current activities (which have been shown in the previous analysis to contribute substantially to positive economic benefit in the area) and (b) to embrace new roles that could provide enhanced benefits to the communities along the Waterway route. This latter category of potential actions would likely have organizational implications, since they relate to potential new roles, not currently part of the Parks Canada mandate. (A separate Trent-Severn Waterway Development Commission or some such agency would presumably need to be established in order to pursue these directions.) This latter category is based upon precedent elsewhere (as revealed through our research with other canal systems and waterway authorities).

8.1 Continuation and Enhancement of Existing Activities

Here we discuss ways in which the actions of government agencies in maintaining the integrity of the TSW can be sustained and enhanced. As was pointed out earlier in this Report, Parks Canada is currently engaged in a number of activities that contribute to the economic viability of the communities adjacent to the Waterway. These include:

- 1) **maintaining access to the Waterway (i.e. locks)**, which allows tourist boaters access to the Waterway and the areas beyond
- 2) **maintaining visitor facilities at lock stations**, which draws land-based visitors to the locks and the communities in which they are located
- 3) **protection of fish and wildlife habitat**, which sustains sporting activities such as hunting and fishing, as well as species protection which ensures retention of biodiversity
- 4) **maintenance of water quality**, which is essential as none of the other benefits accruing to the Waterway (economic or social/cultural) would pertain if the water resource were not clean and useable
- 5) **regulation of water levels**, which prevents flooding and thus protects the enormous value of the investment made along the Waterway Corridor by government, residents and industry, as well as safeguarding certain industries such as agriculture – however, one aspect that must be taken into consideration is the impact of regulatory activity upon the Haliburton lakes
- 6) **provision of a dependable supply of water for hydroelectric power generation**, which increasingly is a preferred means of generating clean and

‘green’ power, so Parks Canada’s efforts in facilitating this kind of energy generation should be encouraged

- 7) **provision of water to municipalities**, which, while related to the previous point about ensuring safe and clean water supply, also enables certain water utilities along the Waterway to operate

Figure 8.1 below outlines the existing ways in which TSW contributes to the economic and social/cultural viability of communities along the corridor, and suggests ways and means of ensuring the continuation – and indeed the enhancement and augmentation – of these benefits.

Figure 8.1: Contribution of TSW to Sustainability of Waterway Communities

Existing Ways in Which TSW Contributes to the Economic Vitality of Surrounding Communities	How This Contributes to Sustainable Economic Community Benefit	How This Contributes to Sustainable Social/Cultural Community Benefit	Possibilities to Enhance / Increase Benefit: Recommendations
1) Maintaining Access to the Waterway (i.e. Locks)	<ul style="list-style-type: none"> - facilitates water-based tourism development along the Waterway → tourism contributes to economic benefit - enables certain industries and types of businesses to flourish (e.g. marinas) → jobs and positive local economic impact - also, certain businesses in vicinity of lock stations will draw upon visitor market and flourish (e.g. marinas) → jobs and positive local economic impact - contributes to increased quality of life in community → greater residential and business growth that might otherwise be the case 	<ul style="list-style-type: none"> - provision of recreational opportunities for residents 	<ul style="list-style-type: none"> - maintain the Waterway and locks system - consider greater promotion of the Waterway experience (working in partnership with local tourism operators)
2) Maintaining Visitor Facilities at Lock Stations (e.g. picnic sites, interpretive displays)	<ul style="list-style-type: none"> - facilitates land-based tourism development along the Waterway → tourism contributes to economic benefit - certain businesses in vicinity of lock stations will draw upon visitor market and flourish (e.g. marinas) → jobs and positive local economic impact 	<ul style="list-style-type: none"> - provision of recreational opportunities for residents - educates visitors about the history and current importance of the Waterway → greater understanding and appreciation 	<ul style="list-style-type: none"> - consider redevelopment and/or expansion of facilities in areas of greatest traffic - consider greater promotion of the lock sites themselves
3) Protection of Fish and Wildlife Habitat	<ul style="list-style-type: none"> - facilitates sports tourism (hunting and fishing) → 	<ul style="list-style-type: none"> - provision of recreational opportunities for 	<ul style="list-style-type: none"> - this is a critical responsibility that should

	jobs and positive local economic impact	residents - sense of satisfaction about maintaining biodiversity and natural habitat	be continued - consider additional partnerships with Ontario Parks, OFHA, etc. - more aggressive identification of areas that need environmental remediation, and allocation of resources for improvements
4) Maintenance of Water Quality	- enables all of the benefits above to be realized	- it is clearly a major recreational advantage for tourism businesses and households to be located near a clean, useable body of water	- this is a critical responsibility that should be continued
5) Regulation of Water Levels	- enables all of the benefits above to be realized (permits boating, recreational activities) - in addition, prevents/mitigates flooding → protects residential and business investment along Waterway, facilitates waterfront development, protects agricultural activities along Waterway	- greater safety and peace of mind for businesses and residents	- continue regulation activities - ensure that the needs of the Haliburton Lakes are taken into account in decisions regarding water levels
6) Hydro-Electric Power Generation	- enables operation of several hydro-electric utilities along route → this form of energy generation is 'clean'; leaves no carbon footprint (will become increasingly important in future)	- will contribute to improved environmental quality for Ontarians (over time) - satisfaction/pride of local residents knowing that they are contributing to green power generation	- work with utilities to ensure continuing operation of hydro-electric facilities - work with water utilities to ensure future water needs are able to be met without compromising other aspects of Waterway operations
7) Provision of Water to Municipalities	- enables water utilities to operate	- provision of safe, clean water to residents and industry	- this is a critical responsibility that should be continued - work with water utilities to ensure future water needs are able to be met without compromising other aspects of Waterway operations

8.2 Potential New Roles for a Future Managing Entity

In addition to the various roles currently played by Parks Canada (or whatever existing or new entity is given authority for the operations of the Waterway) through the agency of the Trent-Severn Waterway (e.g. maintenance of the Waterway, historic preservation, interpretation, etc.) there are a number of new roles that it could potentially embrace.

These are listed below, which describes the type of new activities that might be considered, examples of other waterway systems where this type of approach has been employed, the potential implications for TSW, and potential recommendations for the Panel to consider.

The new roles for consideration are:

- 1) **strategic planning and visioning agency for sustainable development:** This potential role relates to the TSW (or whatever transformed organization it becomes) taking on a more active role in strategic planning, working with and possibly coordinating, all development agencies along the Corridor.
- 2) **recreation facility development:** this potential role would see the TSW becoming involved in the planning and development of recreational and tourist-related facilities along the length of the Corridor. (This in some respects would represent an extension of what the agency already does at lock stations.) Some canal systems have been very active in facilitation and developing a trail system along the banks of the waterway itself, as an additional recreational amenity for visitors and residents, as well as a tourist destination in and of itself.
- 3) **economic development:** This potential role relates to the TSW (or whatever transformed organization it becomes) taking on a more active role in economic development, either unilaterally or (more likely) in partnership with other organizations and agencies. The aims of this role would be to stimulate economic development throughout the corridor through acting as a catalyst for development and investment. A related objective would be to facilitate and accelerate the recapitalization of the canals and waterway facilities themselves.
- 4) **inter-municipal partnership facilitation** – This potential role would see the TSW acting as a kind of facilitator and coordinator for initiatives that involved several or all municipalities along the Waterway Corridor.
- 5) **education and interpretation:** Not by any means a new role for Parks Canada, but this mandate could see expanded activity for the agency in educational and interpretive activities along the entire length of the Corridor.
- 6) **tourism promotion:** This role would have the TSW take on in effect the role of a destination marketing agency, working with other tourism agencies throughout the Corridor to develop and promote the TSW ‘brand’ and identity in order to increase tourism and thus positive economic impact.

8.3 Examples from Other Canal and Waterway Systems

New York State Canal System

Planning/Vision for Sustainable Development along Canal Corridor

- The New York State Canal system has an important role for canalway communities as a recreation waterway and heritage and cultural asset. The Canal is considered to be a regional asset for economic development by linking natural, cultural, recreational, and historic resources of canalway communities and driving quality-of-life-based investments.
- It is also reported these “quality of life” investments have had the effect of attracting new residents, businesses, tourists, and events back to waterways and downtowns of Canal communities in upper New York State.
- Excellent planning tools and documents have been developed for the New York State Canals, as a result of efforts and investment by the New York State Canal Corporation. These include the Canal Recreationway Plan, the Erie Canalway National Heritage Corridor Management Plan, local waterfront revitalization plans and management plans of New York State Heritage Areas.

Implication for TSW

- The development of a Trent Severn Corridor Management Plan and Recreationway Plan, with input from local partners and stakeholders, could provide a unified vision and strategic direction for sustainable economic development along the corridor.
- Parks Canada could develop a set of guiding principles for land use and activity along the Trent Severn canalway, promoting natural and cultural resources protection; sustainable economic development; tourism; recreational development and waterfront public access.

Recreation Facility Development

- The goal of the land-based New York State Canalway Trail program is to establish an end-to-end, multi-use trail along the Canal System that will be 800 kilometers long, making it the longest multi-use trail in the United States. Approximately 400 kilometers of Canalway Trail has been developed to date, located primarily in segments in the Albany, Syracuse and Rochester areas.
- The Canalway Trail program involves linking the existing segments of completed trail and reconstructing deteriorating sections of trail to provide a consistent high-quality trail. Trailhead parking areas with interpretive kiosks, benches and landscaping are included, and biker-hiker-boater campsites are also being installed at 48 kilometer increments.
- Most of the Canalway Trail is being constructed on lands owned by the Canal Corporation and the New York State Office of Parks, Recreation and Historic Preservation. Portions of the trail will also be constructed on municipally owned

public lands through agreements. In a limited number of cases, acquisition of privately owned lands may also be needed to complete the end-to-end trail.

Implication for TSW

- As part of its overall planning for Canalway lands, Parks Canada could work with municipalities, other government agencies and local stakeholders to develop a program towards the establishment of a multi-purpose trail along sections of the Canalway. (It should be recognized, however, that the TSW is unlike the New York State Canal, which was originally developed with adjacent tow paths that were later easily turned into recreational trails.)

Economic Development

- Investment by other levels of government and the private sector have included new marinas and other recreation-related businesses; adaptive reuse of historic canal-related structures and vessels; and redevelopment of entire urban waterfronts in Buffalo, Rochester, Syracuse, and many smaller communities.
- The New York State Canalway Trail provides a foundation for business and economic development in Canal communities. Some communities, such as Pittsford and Fairport in Monroe County, have taken advantage of their proximity to the Canalway Trail by encouraging restaurants, cafes and shops to open and offer support services such as bike rentals near the trail. In other communities along the canalway, initiatives are underway to attract trail-related businesses to downtown areas located adjacent to the recently completed trail.
- Since the New York State Canal Recreationway Plan was approved in 1995, seven proposed Canal harbors and other projects outlined in the plan have been developed through Canal Revitalization programs. These programs resulted in the successful completion of more than 40 Canal service ports and the construction of seven Canal harbor destinations. Additionally, in total the New York Thruway Authority has invested more than \$575 million in the Canal System.
- Various other government programs have been used to assist communities along the canalway to upgrade the canal corridor to make it more attractive for boating, cycling, and for heritage and cultural tourism. Additional investment has occurred in Canal Corridor communities as the attractiveness of such communities as a place to live and work increased as a result of quality of life investments.

Implication for TSW

- Through working with partners and stakeholders to develop a unified vision and strategic directions for sustainable economic development along the corridor, Parks Canada could help facilitate quality of life improvements that will add to the attractiveness of corridor communities.
- Canal corridors could be considered in economic development planning initiatives for communities along its path, building on a unified vision and strategic investment

related to quality of life, which will in turn attract further public and private sector investment.

Partnerships

- Dozens of communities, agencies and organizations have developed partnerships, which established a foundation for an improved and coordinated approach to preserving, promoting and enhancing communities along the New York Canal System.
- The Hudson River Valley Greenway, created in 1991, and the Niagara River Greenway, created in 2004, have resulted in successful models for building partnerships and relationships with local communities. These models established a coordinated effort, ensuring that local communities maximize their collective potential.

Implication for TSW

- Parks Canada could review the successful partnership models used by the New York Canalway to build partnerships with local stakeholders.
- Parks Canada could coordinate canal planning efforts in partnership with local municipalities, non-profit organizations, businesses, recreational organizations, and municipalities and local economic development/business groups.

Education and Interpretation

- Canal interpretive and educational centers have been established or planned along the New York Canalway by the Canalway Corporation working with various Federal, State, and local partners. Sites being considered for education and interpretation include Pier A in Manhattan, Matton's Shipyard in Cohoes, the New London Junction Lock, the Erie Canal Museum in Syracuse, Port Byron, Lock 13 in the Mohawk Valley, Schoharie Crossing and the Inner Harbor Canal Visitor's center planned for Buffalo.

Implication for TSW

- Parks Canada could consider providing technical support or land for the development of smaller scale education and interpretation centres, and work with stakeholder groups to develop education and interpretation centres in strategic locations along the canalway.
- A local example: the Trenval Business Development Centre Quinte is spearheading the proposed Quinte Eco Centre. This would consist of 23 acre property along the Trent River, east of Lock #2. The concept for the centre is related to the importance of the River and Ecology linking the Past (geology, natives, explorers, early settlers, early industry, logging, building of the Canal, fish and wildlife), the Present (recreational activities, drinking water) and Future (continuing benefits). The Centre

is to be developed as a natural and cultural heritage interpretive site to function as a tourist destination attraction and education centre. The education components would include a theatre to introduce the eco cycle; clean energy displays; demo cottage promoting environmentally friendly best practices for cottages and homes, etc. The development would have linkages to Regional tourist attractions. It is proposed that ongoing operations could be funded through power generation.

Marketing and Tourism Promotion

- The following is an overview of Canal marketing programs and initiatives: Tourism Matching Grants Program - The Canal Corporation bi-annually funds a \$25,000 competitive matching grants program open to designated tourism promotion agencies for the development of NYS Canal System promotional materials consistent with regional themes set forth in the Canal Recreationway Plan; Collateral Materials: designed to entice visitors to the Canal and provide information about resources and amenities available. Promotional events: boat and trade shows, travel-tourism conferences and Canal-related conferences. Website: www.canal.state.ny.us, which provides general news and information about the Canal Corporation, the history of the Canal System, the Tug Urger program, boater resource information and a calendar of events along the Canal System. Advertising: advertisements and content for general and specialty magazines, newspapers and various publications. Familiarization Tours: The Canal Corporation has partnered with organizations such as the Greater Rochester Visitors Association and Lakes to Locks Passages to sponsor media familiarization tours on the Canal with national and international travel writers. These tours have been helpful in securing news and feature articles about the Canal System in travel and trade publications. Media Kits: annually develops and distributes media kits, including a recently produced promotional DVD, to local, regional and national media outlets.
- In August 2006, the Canal Corporation sponsored the first-ever Canal Weekend Celebration, that attracted thousands of visitors to more than 85 local events and activities in various canal communities.

Implication for TSW

- There is a commonly shared belief among interviewed representatives of business and economic development associations that the TSW canalway is an untapped resource that does not have the public awareness it warrants. A unified marketing image and message would help create a greater awareness of the TSW and its value.
- Parks Canada could work with stakeholders to develop a unified brand for tourism and marketing, and promote the canal as a year round tourism destination. A unified brand would create a stronger draw as compared to individual approaches focused on a specific region, location or attraction.
- Parks Canada could consider approaches discussed in the preceding section for canal promotion.

Ohio and Erie Canal System

Planning/Vision for Sustainable Development along Canal Corridor

- The Ohio & Erie Canal National Heritage Corridor Committee was established under this legislation to assist Federal, State and local authorities in the preparation and implementation of an Integrated Corridor Management Plan for the canal corridor, which was approved in 2000. The Plan recommended as phased approach for implementation: Establishment of Identity (2000-2006), Physical Improvements (2007-2012), and, The Long Term: A Self Sustaining Regional Asset (post 2012).
- A multipurpose recreational trail is a key aspect of the Vision for the Canalway.

Implication for TSW

- In addition to relatively large cities such as Cleveland, the Ohio and Erie Canalway includes many small and medium sized communities along its path, and recreation is a key part of the existing usage and vision for the canalway. In these regards, it has some similarities to the TSW.
- There may be some useful lessons learned from development and implementation of the Management Plan for the Ohio and Erie Canalway that could be used for the TSW. A copy of the Management Plan can be accessed at:
www.canalwayohio.com/plans/managementplan/index.htm

Recreation Facility Development

- As of May 2007, 121 kilometers of the Ohio & Erie Canal Towpath Trail had been developed as a multipurpose recreational trail, with over \$53 million of private, local, state and federal resources. Eventually the Towpath Trail will extend from the downtown Cleveland lakefront to south of Canton, extending a distance of around 177 kilometers.

Implication for TSW

- There may be lessons learned from recreation facility development along the Ohio and Erie Canalway that may be instructive for the TSW, and these could potentially be explored by Parks Canada in later planning for partnerships and trail development along the TSW.

Economic Development

- Some investment has occurred in Ohio and Erie Canal corridor communities, and it is expected that there will be substantial economic benefits when the Management Plan for the Corridor has been fully implemented, with completion expected by 2020.

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Some quality of life related investments have taken place in corridor communities; however the level of investment has not been quantified.

Implication for TSW

- A further examination of the type and level of economic development and investment in specific small to medium sized communities along the Ohio and Erie Canalway may provide some insight for what could potentially occur for TSW communities as well as insights on the process and factors in attracting that investment.

Partnerships

- Planning and conservation efforts for the Canalway are led by a regional partnership consisting of the Ohio Canal Corridor, Ohio & Erie Canalway Coalition, Ohio & Erie Canalway Association and the Cuyahoga Valley National Park.
- Funding for implementation of the management plan is being solicited from various public agencies partners and the private sector.

Implication for TSW

- The partnership approach and strategy used for the Ohio and Erie Canalway may provide some useful lessons for the TSW and could be explored further.

Education and Interpretation

- Education through interpretation is a key aspect of the *Interpretation, Identity, Signage and Marketing Plan*.

Implication for TSW

- Same as below.

Marketing and Tourism Promotion

- An *Interpretation, Identity, Signage and Marketing Plan* was prepared for the Ohio and Erie Canal in 2003. This was the result of a 2.5 year process and stakeholder involvement. The Interpretation component, focusing on high quality place-based interpretation, is the foundation for the Plan. It articulates the stories of the Canalway, including those that encompass nature, history, culture, and recreation.

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- A copy of the Ohio and Erie Canal Interpretation, Signage and Marketing Study is available at:
www.canalwayohio.com/interpretation/Canalway%20Interpretive%20Plan.pdf

Implication for TSW

- The *Ohio and Erie Canal Interpretation, Signage and Marketing Study* is a comprehensive study outlining the process and recommended interpretation, identify, signage and marketing approaches for the Ohio and Erie Canal. It may be instructive for Parks Canada and stakeholders along the TSW in developing a process and strategies for marketing and tourism promotion of the Waterway.

Blackstone Canal System

The Blackstone Valley Corridor differs from the TSW in two distinct ways: the remains of the Blackstone Canal are not a continuous navigable waterway, as many sections of the old canal have been in-filled over time, and the Corridor includes physical remains of heritage and cultural resources for interpretation, providing a link to the Blackstone Canal and Valley's role in the birth of the Industrial Revolution. The lessons learned from other reviewed canals, such as the New York State Canals and the Ohio and Erie Canal are more relevant for the TSW. However, an overview of some of the key aspects from the review of the Blackstone Canal, which Parks Canada may want to consider in its planning initiatives for the TSW are noted below.

Planning/Vision for Sustainable Development along Canal Corridor

- The Cultural Heritage and Land Management Plan for the Blackstone Canalway was approved in 1990. Key goals from that document include: *Protecting the Valley's historic, cultural and natural resources in an integrated manner; Educating and interpreting the Corridor's importance to the people of the Valley and its visitors; Fostering specific activities that tap the Valley's unique resources and invite people to enjoy and celebrate them; Stimulating the research necessary to understand the Valley's role in the American Industrial Revolution and the lessons it holds for our times; and; coordinating and encouraging all the partnerships that will be necessary to achieve these goals.*
- The *Cultural Heritage and Land Management Plan* for the Blackstone Canalway is considered to be an early national model for heritage corridor planning and conservation. The plan has been recently updated by the *'The Next Ten Years Plan*, which is a supplement to the Management Plan for the purpose of: addressing the boundary changes, developing a Natural Resource Inventory, and developing a 10-year development plan outlining "resource protection needs and projects critical to maintaining or interpreting the distinctive character of the Corridor"; as well as a work program that reflects the authorized \$5 million and the partnerships necessary to carry out the plan.

Implication for TSW

- Similar to the Management Plans for other reviewed canals, the approach and principles of such plans may be useful background information for the development of an updated management plan for the TSW.

Recreation Facility Development

- *Trails and Greenways: A Vision for the Blackstone River Valley* was completed in February 2003. The potential for additional regional trail/greenway opportunities along the Blackstone canal area of 24 communities was studied, and a series of regional public meetings held to invite citizens to express their interest in, and ideas about, new trail and greenway opportunities. Priorities were identified and recommendations made regarding the development of eighteen proposed trail/greenway opportunities. Overall, the first priority for the National Heritage Corridor is to complete the Blackstone River Bikeway from Worcester to Providence. The second priority is to continue to support the development and extension of the Southern New England Trunkline Trail toward the Franklin State Forest and Willimantic, CT. The remaining trail/greenway opportunities are prioritized by sub-region.

Implication for TSW

- The Trails and Greenways report is a good example of an assessment of the potential for trails and greenway areas along a canal.

Partnerships

- The John H. Chafee Blackstone River Valley National Heritage Corridor is a partnership park, and works with a wide range of public and non-profit partners. One such partner non-profit group which is associated with the Blackstone Corridor is the Blackstone River Valley CorridorKeepers (www.corridorkeepers.org) which has the mandate to enhance and support the capacity of the Blackstone Valley's growing non-profit organizations working to promote healthy communities, environmental revitalization, and historic preservation in the region. Other associated partners are: Blackstone Canal Conservancy, Blackstone River Coalition, Blackstone River Watershed Association, Blackstone River Watershed Council, Blackstone Valley Chamber of Commerce, Blackstone Valley Tourism Council, Cumberland Land Trust, Friends of the Blackstone, Leadership Blackstone Valley, Volunteers in Parks (VIP), etc.

Implication for TSW

There may be some lessons learned and useful insights which could be gained from the partnering and funding approaches undertaken for the Blackstone River Valley National Heritage Corridor.

Marketing and Tourism Promotion

- Since 1986, the Blackstone River Valley National Heritage Corridor Commission has partnered on 365 projects in the Corridor and committed over \$23 million to seed projects resulting in more than \$500 million in further public and private sector development.

British Waterways Canal System

The British Waterways system is considerably larger than the TSW; British Waterways owns 3,540 kilometers of canals and rivers, and parts of the system are densely developed. It is estimated that around 300 million individual visits occur along the British waterways per year, with many of these being functional uses – i.e. walking along the waterway to and from work. The British Waterways differ significantly from the TSW in scale.

Given the significant differences between the British Waterways and the TSW and limited budget for this review, no definitive lessons were ascertained.

Available information on the British Waterways as a corporation points to the importance of a business planning approach and partnerships:

- The Vision of the British Waterways is that “...by 2012, we will have created an expanded, vibrant, largely self-sufficient waterway network used by twice as many people as in 2002. It will be regarded as one of the nation's most important and valued national assets. Visitors will be delighted with the quality of the experience and as a consequence many will become active participants”.
- The British Waterways ‘Plan for the Future 2005-2009’ provides the strategic directions aimed toward fulfilling its Vision: (www.britishwaterways.co.uk/plan). The plan is business oriented with specific targets such as growing the boating volume by 2% per annum. Accountability, targets and measures for evaluating the success of the Plan are outlined.
- British Waterways has worked with numerous partners on projects for improving the quality of life for people and communities close to our waterways. These include a wide range of national and local organizations including Groundwork UK, the Fieldfare Trust, local authorities and charitable bodies. See British Waterways ‘Waterways for People’ from web site for more information on partnership approaches.
- It is reported that British Waterways has been the catalyst for over \$2.9 billion (\$Cdn) of waterside urban and rural regeneration. This has included transforming old canal basins and waterfronts into mixed use developments. The largest waterfront restoration program started in 2002 as part of its *Unlocked and Unlimited* program. It is also reported that waterside urban and rural regeneration which British Waterways has spearheaded has resulted in the creation of more than 20,000 jobs over the last decade.

Implication for TSW

- Numerous documents are available on the British Waterways web site related to sustainability and conservation. Some of this information may be of use or interest to Parks Canada.

