

**MUNICIPALITY OF CHATHAM-KENT**  
**CHIEF ADMINISTRATIVE OFFICE**  
**ECONOMIC DEVELOPMENT SERVICES**  
**INFORMATION REPORT**

**TO:** Mayor and Members of Council

**FROM:** Aileen Murray Ec.D. (F)  
Acting Director, Economic Development Services

**DATE:** August 11, 2008

**SUBJECT:** Southwestern Regional Centre Update

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This report is for the information of Council.

**BACKGROUND**

Council has requested an update on the status of proposed alternate uses of the Southwestern Regional Centre (SWRC) when the facility closes in March 2009.

The SWRC site consists of approximately 330 acres and 612,000 square feet of existing buildings. In 2000 the Ministry of Community and Social Services announced that they would be closing the facility effective March 31, 2009.

The Ministry of Community and Social Services Centre prepared a Preliminary Economic Impact Assessment in October 2004. At that time, the SWRC was serving 265 clients. There were 553 employees with \$27.7 million in annual salaries. The economic impact to the local economy was estimated between \$41.55 million to \$69.25 million based on a conservative multiplier effect of 1.75 to 2.5. In addition, the SWRC purchased approximately \$840,800 in local goods and services in Chatham-Kent and paid \$42,600 in Provincial and Federal taxes. The report also indicated that as a result of the closure of the SWRC, approximately 150 job losses could occur in other businesses in Chatham-Kent.

The Municipality of Chatham-Kent has met with representatives of the Ministry of Public Infrastructure and Renewal and the Ministry of Community and Social Services on several occasions to encourage the province to consider alternate uses that would compensate for the significant loss to the local economy. The site was identified in the Municipality's 2005 Brownfield and Bluefield Strategy as one of four sites where development is desired/expected.

In 2007, the 30 acres south of the Talbot Trail were transferred to the Agricultural Research Institute of Ontario (ARIO). The Ministry of Natural Resources has also used approximately 40 acres of the present site for growing prairie grasses.

The Province issued a letter on November 21, 2007 indicating that the property would be declared surplus. Mayor Hope responded with a letter dated November 29, 2007 indicating that the Municipality of Chatham-Kent would be interested in acquiring the property.

In April 2008, the Municipality received \$240,000 from the Ministry of Economic Development and Trade, Communities in Transition Program to implement recommendations from the updated 2007 Chatham-Kent Economic Development & Tourism Strategy. The Communities in Transition program includes \$24,000 in funding to undertake an assessment of the feasibility of converting the SWRC into a tourist resort.

### **COMMENTS**

The Ministry of Public Infrastructure Renewal (PIR) owns land on behalf of the Province. The Ontario Realty Corporation is an agent to PIR and is responsible for all real estate services including property management and disposition.

In preparation for disposition of the SWRC property, the Ontario Realty Corporation has established an Informal Stakeholder Working Group Land Use Study. The Municipality of Chatham-Kent is participating in the stakeholder group with representatives from Planning Services and Economic Development Services.

The land use study will identify three land use scenarios for the property. The stakeholder group has met on two occasions; May 9, and June 27. The next meeting is scheduled for August 26, 2008.

At the first meeting, the Ontario Realty Corporation representatives indicated that although the SWRC will be closed effective March 31, 2009, the date for the disposal of the property has not been set. The SWRC is presently not in the Ontario Realty Corporation's 2009-2010 disposition plan. In fact, it has not yet been confirmed that the property is surplus to the province's needs. The Ministry of Natural Resources has indicated that it would be interested in the land (not the buildings) for the purpose of planting the entire property with native grasses.

Mayor Hope and the Acting Director of Economic Development Services met with MPP Pat Hoy in June, 2008 to get his support in expediting the disposition process and looking for alternative uses that will contribute to employment and the local economy in Chatham-Kent. Council Herman met with Minister of Natural Resources Donna Canfield with a similar message in July.

Administration has prepared a series of briefings for the Ministries of Natural Resources, Economic Development and Trade, Community and Social Services and Municipal Affairs and Housing for the annual AMO conference in August.

The briefings recommend:

- That the Province identify employment and economic contribution as a high priority criteria in assessing alternative uses for the SWRC site.
- That the Province expedite the disposition process and continue to maintain the SWRC buildings and lands in a state that will encourage investment and employment opportunities.
- That the Province recognize the unique residential history of the site and work with the Municipality of Chatham-Kent to permit new forms of urban development to be considered for the site.

The Land Use Study is expected to be completed in September/October 2008 and will be provided to Council for your information. Upon completion of this study, Economic Development Services will begin the resort feasibility study for the site.

### **CONSULTATION**

Planning Services was consulted and has assisted in the development of this report.

### **FINANCIAL IMPLICATIONS**

In 2004, the SWRC contributed \$41.55 million to \$69.25 million to the local economy annually. This contribution has been gradually diminishing and will be eliminated with the closure of the facility in March 2009.

Prepared by:

Reviewed by:

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Chief Administrative Officer

AM/ddb

G: RTC/2008 Reports/Southwestern Regional Centre

c.c. Planning Services

Attachment: Photo of Southwestern Regional Centre

