



OTTAWA'S RURAL ECONOMY

Purpose of the White Papers

The City of Ottawa's Economic Strategy Update Steering Committee is seeking input from stakeholders and the public to formulate a common economic vision for the City over the next five years. It is also seeking to determine the mission or role of the municipality in leading, encouraging or contributing to the realization of that shared vision.

This is one of a series of White Papers to present discussion topics in a format that will include "Overview," "Current Situation," "Challenges," "Options and Suggestions for Action," and "Questions to Consider" categories. It is hoped that the reader will offer feedback to guide the formation of the shared vision – what "good" would look like in the context of the white paper topic – and creative thoughts and innovative ideas about how to respond to each white paper challenge.

White paper feedback will be considered by the Economic Strategy Refresh team and incorporated into the collective Vision and Guiding Principles/Policies for Ottawa's Economic Development Strategy (2010 to 2015). Reader input will also guide decisions about which economic strategies and initiatives should be undertaken to realize the City's vision.

Overview

Ottawa's rural area covers approximately 2,230 km², approaching half the size of Prince Edward Island. Approximately 40% of the land is occupied by farming. There are also 26 villages, many country lot subdivisions and several industrial areas in the rural area. As of 2009, the rural population was approximately 89,500, representing a 15.7% increase since 2001. Approximately 5% of the population lives on a farm, 42% in a village and 53% in country lot subdivisions and scattered lots.

Ottawa's rural villages vary in size. There are small hamlets like Ashton, Galetta, Dunrobin, Kinburn, Kenmore, Fallowfield and Sarsfield, with fewer than 500 people. There are mid-sized communities such as Vernon, Kars, Vars and Fitzroy Harbour that have between 500 and 1,000 people. There are larger villages with more than 1,000 but fewer than 3,000 people, including Munster Hamlet, Navan, Carp, North Gower, Cumberland, Metcalfe, Osgoode and Constance Bay.

There are three very large villages, two of which (Manotick and Richmond) function as small urban cores, and one (Greely), which is mainly residential with some specialized businesses. These three villages account for 40% of the combined population of all villages.

Current Situation

The most prominent employment groups in rural Ottawa are construction; retail; manufacturing; arts, entertainment and recreation; and transportation and warehousing. There is also an emerging rural high-tech cluster with about 950 jobs. About 60% of total rural employment is located west of the Rideau River. Approximately 21,775 jobs are located in the rural area.

1. Industrial/Construction

There are 16 industrial parks in the rural area totalling close to 1,800 ha. Of this land, 60% is undeveloped. The area west of the Rideau River has a total of 1,123 ha of zoned industrial land, much of which is on or near the Carp Road

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corridor. Of this land, 66% is undeveloped. East of the Rideau River, there are 623 ha of industrial land, most of which is close to either Greely or Vars. Half of that land is undeveloped.

In 2006, approximately 4,500 jobs across 400 companies were in construction. Waste management such as landfills also employed approximately 560 people in the rural area. Other significant manufacturing sectors included custom woodworking and cabinetry and technology manufacturing, which employed almost 800 people in 2006.

2. Agriculture

In 2006, there were 1,267 farms in Ottawa, about 4% fewer than in 2001. The agriculture industry employs approximately 2,500 people. The average age of farm operators in 2006 was 54.7 years and census data indicates that 47% of operators were also employed in an "off farm" job.

Gross annual farm receipts in 2006 were approximately \$165 million, including 22 farms that had gross receipts of more than \$1 million annually. Total farm capital investment totalled \$1.18 billion in Ottawa.

Significant farm types in Ottawa include dairy, beef cattle, corn, soybeans and miscellaneous specialties such as mushrooms.

Capitalizing on recent trends toward "local food," the Savour Ottawa initiative has been established by partners including the City of Ottawa to promote linkages between rural food producers and the City's food service industry.

Agricultural revenue in Ottawa is greater than that of Toronto, Montreal, Vancouver, Edmonton and Calgary combined, and the city is the agricultural capital of Eastern Ontario.

3. Recreation and Tourism

Golf courses are a major rural employer. The 22 golf courses within the boundaries of the city employ approximately 1,300 people. Another large tourist attraction and significant employer is the Rideau-Carleton Raceway and Slots with approximately 600 jobs.

Many other smaller tourism operators exist in rural Ottawa, some of which promote their businesses through "Ottawa's Countryside," an initiative of the Ottawa Rural Tourism Council, supported by the City of Ottawa.

4. Villages

About 5,900 people work in Ottawa's 26 villages. Major employment sectors include construction, retail, education and health care and social services. Two of Ottawa's rural villages, Manotick and Carp, have established Business Improvement Areas.

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A total of 4,800 are employed in home-based businesses (including those found on farms) offering various products, services and professional expertise.

5. Natural Resources/Environment

As of 2006, there were 500 jobs in aggregate extraction, at 18 locations throughout the rural area.

Challenges

1. Industrial/Construction

- Skilled labor
- Availability and reliability of utilities
- Lack of municipal services (sewer and water including fire prevention) hinders industrial growth
- Access to capital/funding
- Expansion of residential areas creates conflicts between industry and residents

2. Agriculture

- Continued residential growth and impact on agriculture
- Sustainability of farming practices (increased energy, fossil fuel, and transportation costs)
- Farmland availability (ability to purchase land is decreasing, less land for sale and it is more expensive)
- Competing interests, farmland being sold to residential developers
- Few younger farmers
- Decreased margins on commodity-based production
- Unfair trade practices (Quebec price floor, etc.).

3. Recreation and Tourism

- Downturn in economy results in decreased tourism
- Challenges with marketing rural tourism to compete with downtown Ottawa
- Large distances between multiple tourist sites in rural area
- Infrastructure limitations, including lack of municipal services (sewer and water)
- Increasing transportation costs
- High energy costs

4. Villages

- Village character threatened by new development
- Impacts of nearby big box retailers on local retailers and vitality of main streets

5. Natural Resources/Environment

- Expansion of communities creates conflicts between aggregate operators and residents
- Balancing preservation of natural resources and economic opportunities
- Permissions and approvals from various levels of government required (Ministry of Environment, City of Ottawa, Ministry of Natural Resources, Conservation Authority, etc.).

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Options and Suggestions for Action

1. *Industrial*

- Take advantage of methane and electricity to save distribution charges
- Opportunities to convert heat into energy
- More recycling conversion
- Service business parks to attract more investors

2. *Agriculture*

- Bio-fuels, direct marketing to consumers, value added and processing
- Urban gardens, cooperatives
- Increasing opportunities
- Determine ways to engage youth in farming (internships, school programs, etc.)
- Using agriculture for non-food and feed

3. *Recreation and Tourism*

- Focus on marketing strategies to promote rural tourism (Internet, etc.)

4. *Villages*

- Opportunities for revitalizing
- Other attractions
- Where logical and feasible, expand services

5. *Natural Resources/Environment*

- Improve financial viability of reusing aggregates

Questions to Consider

1. What does a viable agriculture sector in Ottawa look like? What are the steps needed to ensure that it is maintained?
2. What could the City do to help strengthen the rural economy?
3. What types of activities should we be promoting to help ensure that the rural area continues to experience economic growth?
4. With 10% of the population and only 4% of the City's job share, how should we go about attracting more jobs to the rural area?