

**Mayor Steve Clarke's Address
Economic Development Announcement
September 22, 2015**

When this Council took office last December we made promoting Economic Development in Orillia one of our top priorities. As well, we are committed to keeping the citizens of Orillia informed.

With this in mind, I am very pleased, actually excited, to announce today that in the coming months, the City of Orillia will be exploring a potentially transformative opportunity with Hydro One that could represent between \$200 & \$300-million dollars worth of economic development impact on our City over the next few years.

Hydro One has approached the City about developing what can best be described as an Advanced Technology Hub, which could take up the majority of the 42 acres of city-owned employment lands in the Horne Business Park in West Orillia.

Hydro One has chosen Orillia as a potential site for these facilities because of our strategic location, not only in Ontario, but also in North America.

This unique Advanced Technology Hub could include a number of high-tech, state-of-the-art facilities and could result in a significant number of high quality, knowledge based jobs. It would be an industry-leading hub of facilities housing technology for network monitoring and for coordinating emergency response with multiple organizations across the continent.

Just as significant, because of the high tech nature of the development being explored, the City also anticipates some great potential for attracting new business opportunities to Orillia in the future.

The exact details of the size and scope of the development, and the exact number of jobs, are not known at this point, and are to be determined as the City works through its negotiations. However, City Council is very excited about the potential economic benefits that could result from these negotiations, and we wanted to share that enthusiasm with our community at the earliest opportunity provided to us.

Hydro One has made it clear that this incredible opportunity for economic impact in our community will only be possible if Hydro One acquires the distribution assets of the Orillia Power Corporation.

As you may know, the City of Orillia is the sole shareholder of Orillia Power, which has a long and storied history in the community of generating and distributing electric power. Orillia Power is made up of two main components – the Orillia Power Generation Corporation and the Orillia Power Distribution Corporation.

The distribution side of Orillia Power is the lines and wires portion of the business, which is responsible for the delivery of electricity in Orillia.

The generation side of Orillia Power includes three hydroelectric generating stations that create power, which is sold on the open market. This is the jewel of Orillia Power, rich in heritage and innovation. It is also the generation side of Orillia Power from which the City derives most of the financial benefit.

Our forefathers had the foresight to embark upon the generation of local power more than a century ago, and that foresight has paid off handsomely for Orillians. I want to make it perfectly clear that the City has no intention whatsoever of parting with the generation side of Orillia Power. In fact, Orillia Power has some very ambitious plans to expand their capabilities on the generation side, so the future of the Orillia Power Generation Corporation and its benefits to Orillians looks very bright indeed!

I'd like to stress a couple of other points;

- There is NO deal with Hydro One at this time.
- The City would not even be considering the sale of the distribution assets of Orillia Power if it were not for the extraordinary potential economic benefits that may come from entering into negotiations.
- Council feels strongly that exploring this potential opportunity is the responsible thing to do on behalf of our City, and that is all that is happening at this time.

As we head into the negotiations, City Council will be committed to some key principles. We will only agree to a deal that:

- Provides real, short and long-term economic development benefits for the community through significant investment, including the creation of new, high-quality, knowledge-based jobs and the potential spin-off benefits;
- Sees Hydro One working with the city to protect OPDC jobs;
- A deal that ensures that the City of Orillia will retain ownership of the generation assets of Orillia Power, including the annual dividend;
- A deal that protects the interests of Orillia Power customers and the Orillia community;
- A deal that provides a multi-year window of price stability on the cost of power distribution for our residents and businesses;
- A deal that recognizes the full value of the Orillia Power distribution system, which will be independently valued by a qualified and third party;
- A deal that sustains the level of philanthropic support currently provided by Orillia Power Distribution to the community; and
- A deal that Provides significant value and ongoing financial returns for the City.

Council expects the negotiations will be carried out between now and the end of 2015, with the potential of a deal to be presented to Council for consideration early in the New Year.

No doubt, there will be lots of questions among the citizens of Orillia. And we look

forward to asking and answering those questions on behalf of our residents as we move through this process.

In 1969 Georgian College Orillia opened its doors. In 1995 the Ontario Provincial Police celebrated their grand opening in Orillia. In 2008, as we are all aware, we celebrated with Lakehead University as their first students began to arrive in our community. Each of these wonderful events have had a major impact on our City in creating quality jobs and driving our economy; transformative opportunities such as these, that can have such a positive effect on our community, are few and far between.

It is our responsibility to ensure that our past is honoured, that we improve our present situation and we put things in place to ensure a prosperous future. This project has the potential to do all three.

We look forward to exploring this opportunity with the best interests of our community and our residents foremost in our minds.

Thank you.