

SECTION 1

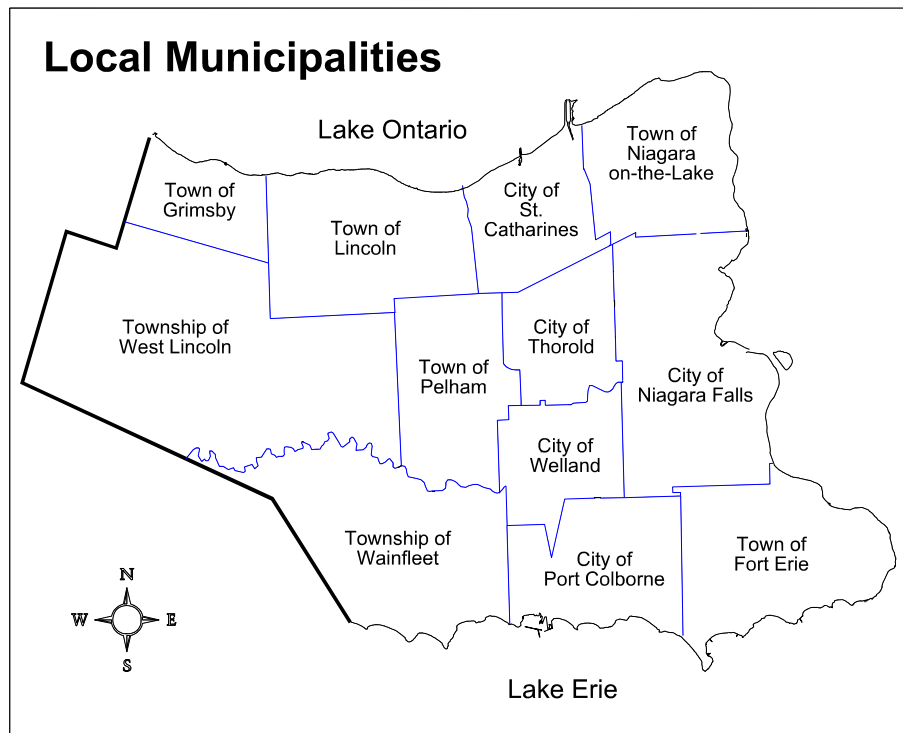
Physical and Economic Background

1. Physical and Economic Background

The Regional Municipality of Niagara is located in Southern Ontario between Lake Erie and Lake Ontario. It corresponds approximately to the area commonly referred to as the "Niagara Peninsula" and will be referred to here as simply "the Region". It is bounded on the east by the Niagara River and the State of New York, and on the west by the City of Hamilton and Haldimand County. The Region is at one end of the band of urban development around the western end of Lake Ontario.



The Region was formed in 1970 and includes all of the areas within the boundaries of the former Counties of Lincoln and Welland. There are twelve local municipalities within the Region; these were formed by the rearrangement and amalgamation of the twenty-six municipalities which existed before 1970.



The Queen Elizabeth Way and other provincial highways place most of the Region within ninety minutes' travel time of Toronto. Hamilton-Wentworth, with a population of over 400,000, is about thirty minutes away from the centre of the Region. Four road and two rail bridges connect the Region to the western part of New York State. About 2,500,000 people live along the United States' side of the Niagara River. The developing industrial complex at Nanticoke, on the shore of Lake Erie to the southwest, is about an hour's travel time from the centre of the Region.

Physical Characteristics

The "Niagara Peninsula" area is not a true peninsula but is a narrow neck of land stretching between Lakes Erie and Ontario. The Niagara Escarpment, running east-west through the northern part of the Region, is roughly 100 metres (300 feet) high and is the dominant physical feature of the Region. A second Escarpment, the Onondaga, parallels Lake Erie in the southern part of the Region. It is a much less prominent physical feature.

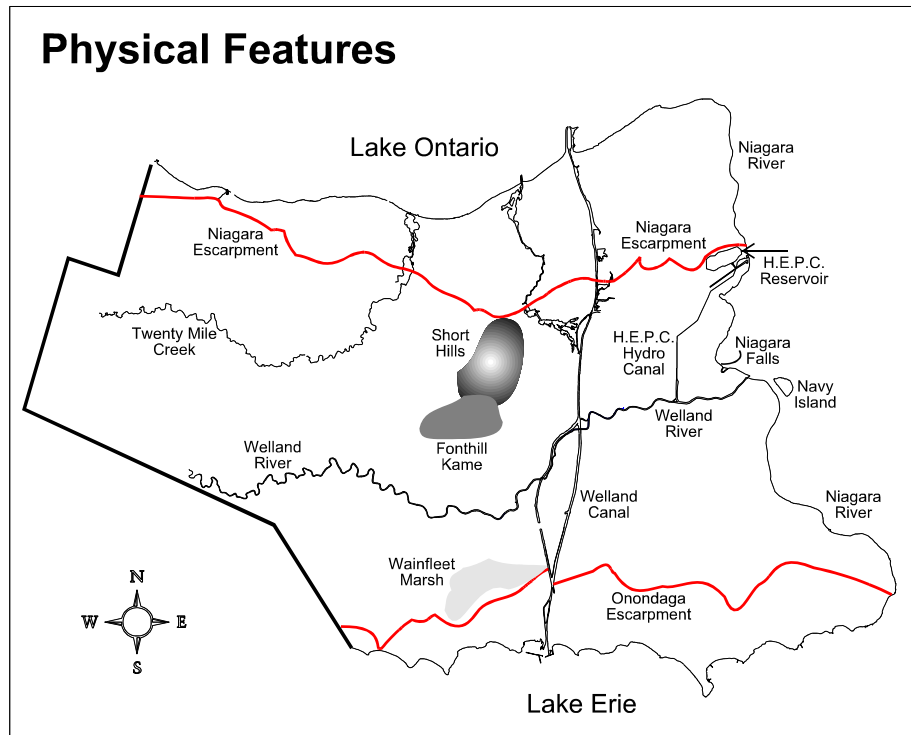
Centrally located in the Region is the Fonthill Kame Moraine, the highest point in the Region. The sand and silt soils on this moraine and along the Lake Ontario Plain are highly suited for the growing of peaches, cherries and grapes. Few other areas in North America have their potential.

Land drainage in the fruit-growing areas is good, but is only moderately good to poor throughout much of the rest of the Region. Large swamps are located in the southern part of the Region.

SECTION ONE PHYSICAL AND ECONOMIC BACKGROUND

The Great Lakes are a moderating influence on climate. Temperatures rarely dip below -18°C , and there are more frost-free days than in most of Ontario. Snowfall is generally lighter than in the rest of the Province.

While climate and soils provide excellent conditions for agriculture along the Lake Ontario Plain, much of the central part of the Region is used for general agriculture. Rock outcroppings along portions of the Lake Erie shore are an obstacle to most types of development.



Industry

The industrial economic base of the Region is mature and stable. Many of the industries were attracted to the area because of good transportation facilities, including the Welland Canal, and the availability of cheap hydro-electric power. These industries have exhibited low rates of employment growth in recent years.

Each of the urban communities has a different industrial base. The St. Catharines-Thorold community finds the majority of its manufacturing employment in the production of automotive parts and paper products. Tourism, the manufacture of finished products, chemicals and abrasives, provides much of the employment in Niagara Falls, while Welland relies on specialty steel and steel pipe production. Port Colborne's major employer is a metal refinery. Aircraft parts are produced in Fort Erie. Many small manufacturing concerns or service industries are located in the urban communities, often providing materials or services for the major employers.

SECTION ONE PHYSICAL AND ECONOMIC BACKGROUND

All urban communities are actively soliciting new industrial and commercial ventures, and sizable industrial parks have been set aside throughout the Region.

Agriculture

Agriculture is an important industry in the Region. Fruit and vegetable crops, poultry, livestock, greenhouse products and general crops are large categories of agricultural production. The fruit-processing industry and the wine industry are two important secondary industries which depend on a viable agricultural industry.

There are approximately 2,700 farms of various sizes and types in the Region. Past trends have been toward larger-scale operations and, as a result, the number of farms has been dropping. Similarly, the total farm population in the Region has been dropping.

Tourism

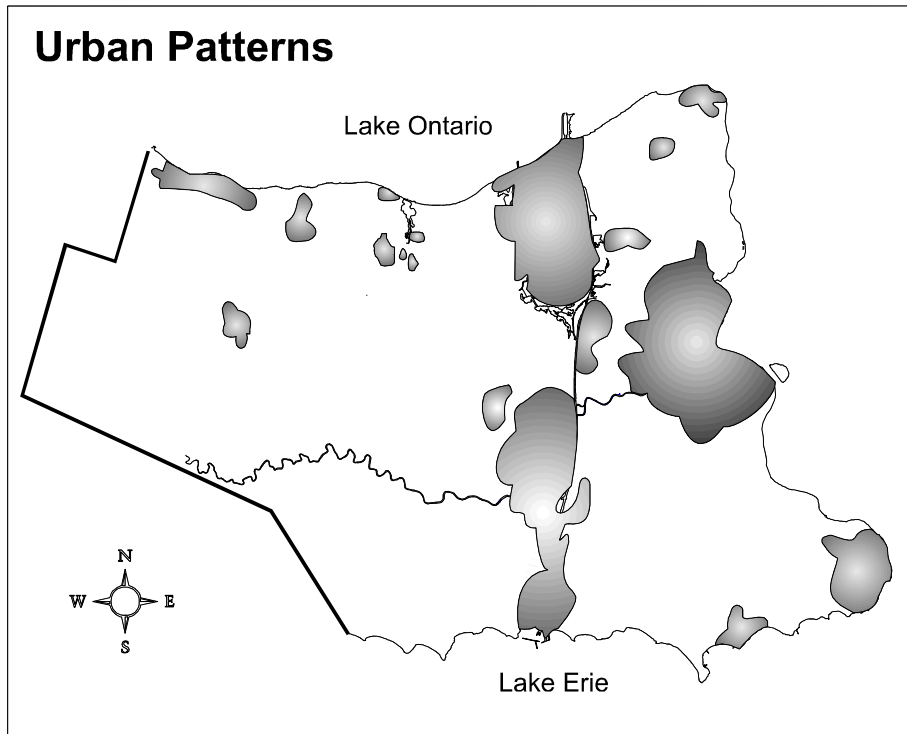
Tourism has long been an important part of the economic base of the Region. The famed Niagara Falls is a major tourist attraction of North America and attracts millions of visitors each year. Many thousands of persons per day visit the excellent beaches, camping facilities and amusement areas along the Lake Erie shoreline. Summer cottages line Lake Erie. The Shaw Festival at Niagara-on-the-Lake, and the historic atmosphere of that Loyalist Town, attract additional thousands of summer vacationers. More attractions are found at historic sites, mostly from the period of the War of 1812. The locks and channel of the Welland Canals are becoming increasingly popular.

Present Urban Pattern

Urban development in the Niagara Region is predominantly characterized by the growth of separate and identifiable urban nodes in a linear pattern along the Q.E.W. and Welland Canal transportation corridors.

There is a considerable range in populations among the individual municipalities. For example, St. Catharines, with a 1996 population of about 130,926, is the largest municipality, while Wainfleet, with a 1996 population of 6,203, is the smallest. The three largest municipalities in the Region, St. Catharines, Niagara Falls and Welland, account for about two-thirds of the total Regional population.

Each of the communities is old by Ontario standards, having been founded at least 150 years ago. Niagara-on-the-Lake and Fort Erie owe their existence to the forts which are located there. St. Catharines started as an inland trading and milling centre. The hydroelectric capacity of the Niagara River, together with the tourist potential of the "Falls", provided the impetus for the growth of the City of Niagara Falls. Welland, Thorold and Port Colborne grew in response to the building of the Canal. Grimsby began as a market town.



As there were individual reasons for the establishment of the urban communities, there has been little inter-municipal activity. Daily newspapers and radio stations are based in each of the three largest cities. Each community developed its own industrial base, and individual retail areas grew within each centre. Some smaller centres have been engulfed by the development of adjacent dominant communities. Much of this took place during major annexations and amalgamations in 1960-61 and again in 1970 with the formation of the Regional Municipality. While the major communities remain separated today by substantial tracts of rural or semi-rural land, growth is bringing them closer together. The St. Catharines community and the urban part of the City of Thorold are geographically attached. Welland is rapidly reaching out toward the urban part of the Town of Pelham.