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December 8, 2016

Mr. Cecil Clarke
Mayor
Cape Breton Regional Municipality
320 Esplanade
Sydney, NS B1P 7B9

Dear Mayor Clarke:

I am writing as a follow up to Deputy Dean's letter of October 7, 2016 to Michael Merritt where we committed \$225,000 to support CBRM in conducting an innovative, community-led, viability exercise. Subsequently, on November 30, 2016, the Department received a request for \$225,000 from John Phalen, Manager Economic Development/Major projects for a pilot revitalization project for Glace Bay.

Our original offer of financial assistance was in response to Recommendation 17 of the Fiscal Review and your call for economic development support from the Department outside of the REN program. We envisioned an innovative approach to looking at the viability of the entire municipality, following a successful model that has been used in other urban areas with population decline.

Therefore, for clarification, the original offer of \$225,000 is no longer applicable and we will instead fund the \$225,000 Glace Bay revitalization project. Department staff will work with CBRM staff to ensure that the terms of reference and reporting requirements are clear.

We look forward to working with you.

Sincerely,

Zach Churchill Minister

c John Phalen, CBRM <u>ifphalen@cbrm.ns.ca</u>
Michael Merritt, CAO, CBRM
Donna Jones, Senior Financial Analyst, Department of Municipal Affairs