

State of the City – Mayor Lynn Peterson
January 23, 2008

Building on the New Foundation to Transform Thunder Bay

Good evening, Members of Council and citizens of Thunder Bay.

Tonight, we are continuing a tradition that was started in 2004.

Each year, I report on the State of the City to Council and all interested citizens.

Three years ago, I said we would find a way to turn things around. Now we know the way. As I think back over the past few years, one thought keeps coming back to me. Despite setbacks, and perhaps because of them, this community works as a team. This community does not give up. This community does not back off. We hang together and we keep working until we get the job done. We have made progress and we all recognize there is much more to do.

This year, I delayed the State of the City address to January to time it with the release of the 2007-2010 Strategic Plan and the long-range financial forecast. This allows us to look at the whole picture: how we're doing as a community, what our vision and strategy is for the next few years, and how we're going to pay for it.

Last year we talked about the momentum that is gathering to transform Thunder Bay. I said it was about steady, determined progress and – while I wish it were otherwise – there is no magic wand.

Moving forward for a better future is rarely easy. It requires diligent research and

gut instinct, careful thought and expansive dreams, vigilant planning and flexibility. And sometimes it requires very tough decisions. Most importantly, progress is made through the determined efforts of many to move in the same direction with a shared vision that causes us to stretch for a better tomorrow that is firmly planted in the reality of today.

In our City, the forestry sector continues to struggle. It is a national issue as demonstrated by the mill closures we have seen in forestry-dependant communities across this country. We are painfully aware our unemployment rate is slightly higher than the Provincial average. Sadly, this means many families have at least one person who is underemployed, unemployed, or working elsewhere to make ends meet. Conversely, because of the recent Bombardier TTC contract, the growing service sector, the emerging knowledge economy and the pending Thunder Bay Fine Paper Mill opening, the economy is gradually improving. Our population is holding its own. Housing starts are up for starter homes and high-end homes. Standard & Poor's has reaffirmed the City's A+ stable credit rating. To continue moving forward, we must work to rebuild our primary forest industry, and build on our opportunities including value-added forestry and mining, manufacturing, tourism, and continue to nurture our knowledge-based economy.

Dr. Bob Thayer, when recently interviewed about the new DNA skin test his company has taken to market in over 40 countries, commented on the enormous changes in Thunder Bay over the past five or six years in the area of molecular biology. How much more change is yet to come? “I honestly think,” he said, “that in ten years time you won’t recognize Thunder Bay.”

To remind us of the difference a decade can make, we need look no further than the front page of The Chronicle-Journal of 10 years ago today. The headline? “Loonie’s dive boost for Northwestern Ontario industry.” Forestry companies were riding high on better than expected exports thanks to a 68.8 cent loonie. Parity with the US dollar just wasn’t something we expected until very recently.

Ten years ago, the Thunder Centre was still a bush lot, we still had two hospitals and no Medical school. Today, the Thunder Centre is a busy addition to our retail options, we have a Regional Health Sciences Centre that is world-class in cardiac and cancer care and expanding into new areas of treatment such as angioplasty, and we have a new medical school, the first built in Canada in thirty years.

What will the next ten years bring?

We envision:

- A stronger and more diversified economy with a robust Forest Products sector, value-added forestry and mining, more manufacturing, and tourism that takes even more advantage of our unique location. A place where Knowledge and Nature come together and are celebrated like no place else with a Knowledge Corridor that stretches from the university, hospital and college to an IT Centre on the edge of our waterfront.
- A cleaner, greener, more beautiful and proud Thunder Bay with welcoming gateways, more green power options, revitalized areas, and residents who speak with pride about Thunder Bay.
- A high quality of life with significant progress on many fronts including our Waterfront Development and the linking of our recreational and active transportation trails along the lake and within the city.
- One of the best-run cities in Canada where we are continuously improving to become even more efficient and effective, and where we are known for the accountability and transparency of our government.

Recently, Thunder Bay has been the topic of many reports. We must remember that reports are based on data collected in a single moment of time. This one gives us a poor rating for air quality. Another says we have the best air quality. We must understand and take all these reports into consideration, learn from them what we

can, and use that information to our benefit. We must focus on what we see as most important. We need to chart our own course. We must determine the reality of where we are and where we are going.

One way we do this is by talking to the residents of Thunder Bay. Through the 2007 citizen survey we asked citizens, “What are the most important issues facing the city that should receive the greatest attention from City Council?” The overwhelming answer, not surprisingly, was jobs and the economy. We not only listened, we acted and are continuing to act. This Council and the previous Council have been proactive and absolutely relentless in their pursuit of initiatives that will bring jobs to Thunder Bay.

We took the unprecedented step of being the first to invest in the Molecular Medicine Research Centre and were elated this past summer when the last of the funding was announced. We, as a community, will benefit in ways we are only beginning to understand from the expanding economic engines of health, biotechnology, research and innovation. The Molecular Medicine Research Centre is just the tip of the iceberg. This project is expected to create 205 research jobs and 400 to 600 spin-off jobs. Biotechnology is already changing the face of Thunder Bay – with 29 researchers at the Munro Street facility alone and more to come. Our community is learning a lot about Molecular Medicine: it is the

understanding of health and disease at the cellular and molecular level, and the use of this information to design new therapies, vaccines, diagnostic tools and products.

While the forestry sector continues to transition, we were thrilled recently with an announcement that showed, once again, that persistence and a proactive approach works. It was a great day for our community when Thunder Bay Fine Papers Incorporated announced it has started on the redevelopment of the former Cascades Paper mill.

The project represents a total investment of \$42.7 million and is expected to generate 340 jobs in the mill and 160 in the woodlands once the facility is in full production. Paper production is expected to start in the next several weeks.

In December 2005, the City of Thunder Bay provided support in the amount of \$96,250 towards this project by partnering with Thunder Bay Fine Papers and the Provincial government to prepare the business plan required to make the project a reality. Local citizens invested in this company - people who believe in this community.

The City has already recovered the entire amount of the support offered towards this initiative.

And the community recovered one of its mills.

That's how we work. We come together. We don't take no for an answer. We get the job done.

2007 also saw the first full year of operation for the newly created Community Economic Development Commission. Council created this arms-length agency to be project-based; in other words, results based.

The Thunder Bay Oil Sands Consortium is an excellent example of the kind of project the Commission was created to initiate. The Commission formed this innovative partnership with 25 local metal working companies to pursue business opportunities associated with the booming Oil Sands sector in Alberta. It started with a great idea. We can build it here, keep jobs in our local shops, and ship it there.

The three-year long project is led and funded by the private sector, with support from the Ministry of Northern Development & Mines, FedNor, and, of course, the CEDC.

The project became operational in 2007, with the hiring of a Calgary-based sales and marketing firm to directly pursue opportunities in Alberta.

The local Consortium has already successfully secured some \$400,000 in new business for its members, and is making exciting progress pursuing contracts worth millions of dollars.

The Calgary boom is opening doors for Thunder Bay as a manufacturing centre - and also as a potential expansion site. When Superior Propane opened its new Sales and Marketing Office last May, with the potential of up to 100 jobs in the community, President John Gleason said he was “totally impressed” by how quickly we came together and how well we performed to help him expand to Thunder Bay. "We looked across the country," he said, "and Thunder Bay was hands-down the place to be. The City was very open and friendly – from the economic development group to the training provided by Confederation College."

The Commission also recognizes the increasing importance of the mining industry in Northwestern Ontario. There are 1,200 to 1,500 people in Thunder Bay who are currently working directly or indirectly in the mining industry. It is becoming more and more evident that local business activity supporting this industry is growing – and needs to be supported.

The Commission is also working on many other initiatives including the retention and expansion of existing businesses and in early 2008, will be contracting to undertake a detailed Business Retention & Expansion strategy with local businesses to determine issues, business concerns and provide support.

The CEDC is pursuing an exciting plan to create an Information Technology centre to bring more new knowledge-based jobs to Thunder Bay and is actively working with our partners including Lakehead University and Confederation College in creating opportunities to employ talented young graduates in knowledge-based businesses. We expect to attract and retain knowledge workers who will be drawn to the jobs, our exciting new waterfront and our recreational opportunities. More importantly, we expect to create jobs for our kids who are very well-educated, thanks to this community and its excellent education system at all levels.

The City is also supporting our economy by developing a long-term tax strategy to make Thunder Bay more competitive in attracting and retaining business.

As well, our lobbying efforts with the Province last year were successful in achieving a substantial reduction in education tax rates for industrial and commercial properties in the North.

Since April 2007, the Economic Development Commission has undertaken 30+ presentations to various community stakeholder groups in Thunder Bay ranging from 25 to 150 participants per session. Preliminary results from the participant surveys demonstrate overwhelming optimism with respect to the economic prospects of Thunder Bay and the region.

In 2007, while the value of building permits issued dipped slightly to \$83.4 million from \$90 million, the number of permits issued rose to 854 from 744. In the residential sector we issued 138 permits for single family dwellings, an increase of 22 over the previous year.

In the not-for-profit sector, a great new facility is being built for children in need in the form of the new \$7.5 million George Jeffrey Centre on East Brock Street.

The public sector was busy. Chapples outdoor soccer area saw a new building for changerooms and showers as well as a significant expansion to the bleachers for additional viewing.

Both the College and University each did about \$1.5 million in construction in 2007: the College revamped its Library and print shop area; LU constructed a one-storey lab building.

School boards were very busy in 2006 and followed the same pattern in 2007 with \$13 million worth of work on their schools.

Victoriaville saw major changes with a facelift to the pedestrian area of the McKellar wing, and St Joseph's Care Group moved in, bringing many more new people into the Mall.

The private sector saw the Thunder Centre move closer to completion with another new building and a huge addition at the West Arthur Street Canadian Tire. As well, a new cover on the Sports Dome at the CLE Grounds provides a much-improved indoor sports facility.

Looking ahead, the demolition of a portion of McKellar Hospital will make way for other commercial development.

These projects demonstrate companies and organizations are investing here. They believe in Thunder Bay – as do the private and public investors who are behind Thunder Bay Fine Papers and other companies that are working and expanding here.

I spoke earlier of tough decisions. There is no better example of this than the difficult decision to return the beds at two of our Homes for the Aged to the Province due to inadequate funding by the government. With the concerted efforts of many, a groundbreaking partnership was announced this past fall. Instead of a simple replacement, we are actually getting more than what we have today. We will get a centre of excellence for senior care with:

- more long-term care beds
- new supportive housing, and
- additional in-home client care

That adds up to a centre of excellence for senior care that will better meet the needs of seniors in our community, allow them to stay in their homes longer and create 107 new jobs. What a win!

Like the new medical school, and the new hospital, this new centre of excellence is another defining moment in the life of this community. This new centre and this leading edge partnership will contribute to a higher quality of life for seniors in our community.

Another project that is transforming our community is Waterfront Development. Who can forget the excitement and electricity when 1,100 residents gathered at the Community Auditorium on March 7th to see the Master Plan for Prince Arthur's Landing. The \$126 million dollar project is now moving forward - to create a spectacular public space and recreational hub for our community and visitors alike. It will be a catalyst for revitalization of the North Core and provide 1,800 construction jobs and 140 permanent jobs.

Our persistence is apparent in another arena. This Council, under the leadership of its Inter-Governmental Liaison Committee, is absolutely relentless in its lobbying efforts with the Provincial and Federal governments.

We continue to lobby for Canadian Content legislation and final assembly requirements to put our manufacturers on equal ground with off-shore companies.

We have been aggressively pursuing a downtown South Core location for the new Consolidated Courthouse. This will be the anchor to our South Core downtown revitalization.

To enhance the safety of our citizens, City Council is lobbying the Ministry of Transportation to install lights along the Thunder Bay Expressway. We will continue to pursue this issue with the Ministry as a matter of need to significantly improve public safety.

Through the Ministry of Research and Innovation, we are lobbying for \$50 million to be allocated for investment in Northern Ontario for research and innovation and the establishment of a Deputy Minister position to be housed in Thunder Bay. The opportunities that exist in this sector are already benefiting our community as a leader in cancer and cardiac research. A position of this magnitude would promote our abilities as a research centre and champion our area for research and innovation.

Ongoing is our work with the Association of Municipalities of Ontario for a solution to the Provincial-Municipal fiscal gap. Municipal taxpayers in Ontario subsidize the provincial treasury by well over \$3 billion a year for provincial health and social service programs. These costs need to be uploaded where they belong - to the Provincial level. The bottom line is clear - municipalities need to be free to use the municipal tax base for municipal services and capital expenditures.

We are also partnering with the Northwestern Ontario Municipal Association to push for a realistic look at the energy needs of Northwestern Ontario. We are lobbying for a comprehensive plan that provides affordable and reliable energy to meet our needs now and into the future.

Another way the City contributes to local economic development is by maintaining and upgrading our infrastructure. The total dollar amount for work last year was \$23 million for pavement, pipes and other infrastructure. We also completed the \$87 million expansion of the Bare Point Water Treatment Plant and distribution system to meet the community's needs for drinking water.

Our new Water Plant and new Secondary Sewage Treatment Plant have made us leaders in the protection of Lake Superior. Whenever I attend meetings of the Great Lakes and St. Lawrence Cities Initiative, which brings together 49 Mayors

on both sides of the Great Lakes, they point to Thunder Bay and the aggressive steps we have taken to protect the water that sustains us. We also partner with EarthWise, which is holding meetings in the next couple of months to continue the development of the Community Environmental Action Plan. With everyone's participation, we will have a plan to better protect the environment we share.

Improved waste diversion is one area where most of us can, and must, do better. As a community, we are only diverting about one-quarter of our waste from the landfill. We must do better. We can reduce by looking for options with less packaging. We can reuse by putting old things to new use. Mr. Green's Guide to Recycling, a popular guide developed in the last year by our Environment Division with EcoSuperior, is full of ideas and contacts for organizations looking to reuse our old goods. We can recycle – glass, metal, paper, cardboard – and we must each commit to doing more.

In 2007, the City of Thunder Bay achieved a remarkable number of wide-reaching accomplishments. Everything from becoming the first fully accessible conventional Transit fleet in Ontario, to major road works at Red River Road and Broadway Avenue to improve safety and provide better access to industry and commercial areas, to the opening of the new Water Treatment Plant and approval of the Master Plan for Prince Arthur's Landing at Marina Park. We published a

summary of these accomplishments in our December newsletter to residents. I encourage you to look at the list if you have not already done so.

Remember that it was people who delivered those accomplishments - our Council, our employees and our many, many community partners.

You may remember that when we asked residents about their services, no one wanted services reduced and most wanted existing services maintained. There were two areas that residents wanted enhanced – physician recruitment and tourism marketing.

Because of the significant interest, let's examine these two areas. The City's recruitment and retention efforts continue to be successful. We assisted with the relocation of 41 health care professionals and physicians to Thunder Bay in 2007. Our leadership role has been essential in the long-term planning and implementation of recruitment and retention efforts. Make no mistake, this issue will be ongoing. It is a community effort with our partners that benefits the whole community.

On the Tourism front, residents and friends around the world rallied in 2007 to let CBC viewers know Thunder Bay has one of the natural wonders of Canada on its doorstep. The Sleeping Giant was voted People's Choice Award and 2008 is

shaping up to be the Year of the Giant. Our Tourism staff has not missed an opportunity to ride the momentum of the Giant as an icon with appeal to tourists near and far. Just recently, we partnered with Ontario Parks to launch the Seven Days with the Giant contest that's open to everyone – even local people who may want an opportunity to see another side of the Giant. In the survey, residents expressed an interest in enhanced Tourism marketing and I'm pleased to report that our Tourism, Economic Development and Communications Divisions are working together on joint marketing to make the most of their efforts and have a greater impact in the market place.

City Council has always been supportive of recreational trails; however, beginning in 2007, an annual trail development reserve fund of ¼ million dollars was established to significantly expand the trail system. The first project - a new trail from Parkdale along the Neebing River to James Street will be completed this summer. In addition, we will see new trails being built around Boulevard Lake / Centennial Park and in the area of George Burke Park and the Regional Health Sciences Centre.

This past year, City Council also took the step of establishing a multi-sectoral advisory committee on Active Transportation to assist the Transportation & Works and Community Services Departments in developing an integrated transportation

plan for the City where human-powered transport is considered alongside improvements to our traditional vehicle-centered road planning. This summer, John Street from the Expressway to Algonquin Avenue will be rebuilt with widened curb lanes and other improvements that will make it safer for bicycle commuting. This is the first step in the realization of the commuter bicycle network that was first proposed in the late 1970s.

We are also investing in baseball to support the Thunder Bay Baseball Association's growing adult, junior and youth programs – and to help the Association bring the 2010 World Junior Baseball Championship to Thunder Bay. We will be ready to welcome the world in 2010, to realize the benefits of this international event and to leave a legacy for baseball in Thunder Bay.

To better support Arts & Heritage, we have created a new model for cultural funding that includes sustaining grants for organizations that are integral to the City's identity. This will bring greater predictability to the City's funding of these arts and heritage organizations that provide so much to the life of this community.

As we look forward, we must be realistic and optimistic. We must face our challenges and build on our strengths.

As we move into 2008 and beyond, City Council has set four strategic priorities in its 2007-2010 Strategic Plan. These four priorities represent the issues Council wants to see action on during its term and provides overall direction to Administration.

The four priorities are:

- have a stronger and more diversified economy.
- be cleaner, greener, more beautiful and proud.
- have a high quality of life
- be one of the best-run cities in Canada

To further these Strategic priorities, we have worked with Administration to identify 87 initiatives. We have listened. We are acting.

In fact, work is already underway. Besides the initiatives I have already mentioned, we are also:

- investing in the Protective and Emergency Services Training Facility – the Fire site will be built this year.
- creating an Aboriginal Liaison Office
- building facilities to generate energy from biogas at our Landfill and Water Pollution Control Plant

- using sustainable development principles to make Thunder Bay greener including pilot testing of Greening of the Fleet
- developing a Recreation and Parks master plan to meet the immediate and future needs and priorities of the community
- and planting more trees

How will we know we are successful by 2010?

We will have a stronger, more diversified economy. Every job created will be valued, whether it's in our traditional resource strengths, our emerging knowledge sector or our important service sector. Our existing businesses will be retained and more of them will expand. Prince Arthur's Landing will be well on its way to becoming a centre for Thunder Bay and a catalyst for revitalization.

We will have a cleaner, greener, more beautiful and proud Thunder Bay. Our commitment to the Clean, Green, Beautiful and Proud initiative will put a new face on the City and there will be a greater sense of community pride and civic involvement. We will have cleaner air because we will reduce greenhouse emissions through a variety of initiatives.

We will have an improved quality of life. We will have the recreational facilities that meet the needs of our neighbourhoods and districts. We will have trail

infrastructure that supports healthy, active transportation. We will enhance community safety. We will have achieved accessibility where it's most crucial. We will have established an Aboriginal Liaison Office to work inclusively with Aboriginal people. We will have developed our distinct neighbourhoods as part of a dynamic and cohesive city.

We will be one of the best-run cities in Canada. We will provide value for tax dollars. We will make best use of tax dollars today and plan for the future investments required to maintain and enhance our infrastructure. We will meet or exceed benchmarks for key service indicators. We will use technology to improve service and timeliness.

That's what your city will do.

Now is the time to ask what each of us can do.

We can each make a personal commitment to live Clean, Green, Beautiful and Proud. We can work together to clean up our own neighbourhoods. We can commit to recycling like never before. We can beautify our own yard. We can talk proud about Thunder Bay.

A prouder Thunder Bay starts with each of us.

Here we have deadlines with a difference – and the difference is a quality of life defined by choice and a spectacular natural environment.

We can have a fast life, or a slow life – often both in the same week {I should know}.

We can have an urban experience, or a wilderness adventure – both in the same day {or hour!}.

We can take care of business – and focus on our families.

Life – and business – really is better here.