Growing Wisely: City of Thunder Bay

How we're growing:

- 0.9% growth between 2016 and 2021, significantly lower than the provincial growth rate (5.8%)
- Projected growth of 14.8% between 2021 and 2045, to reach 124,959 residents (high growth scenario)
- Stable population over the last three decades
- Key demographic shifts: aging population, increasing Indigenous and newcomer populations
- Deliberate focus on directing growth towards intensification and infill Heavily promoting growth for long-term sustainment of community and infrastructure
- Abundant infrastructure capacity to support growth; no need for growth boundary expansion

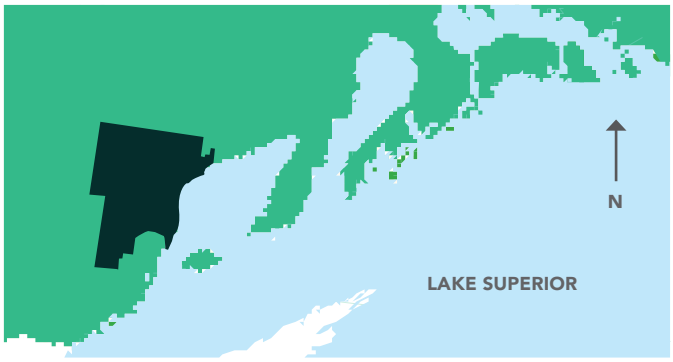
Key Learnings

- Early investment in staff education, communication and collaboration help to drive consistency in priorities and alignment of policy and processes.
- Intensification requires intentional planning, alignment and integration of City policies, and cross-departmental people and process alignment.

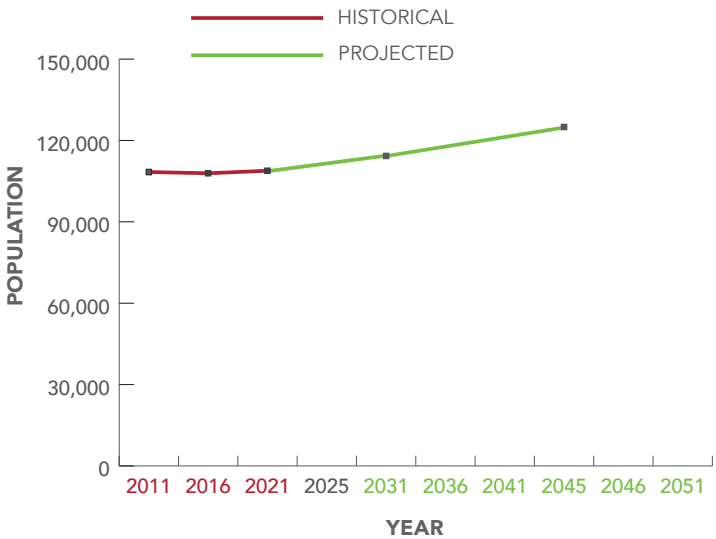
Population projection data sources:

- *Historical population: Government of Canada Census of Population*
- *Growth projections: City of Thunder Bay Housing Needs Assessment 2025, Thunder Bay Housing Land Needs Study & Strategy*

COMMUNITY PROFILE
Population of 108,843 (2021)
Urban municipality
Most populous municipality in Northwestern Ontario
Single-tier municipality
Located within Thunder Bay District
Situated on the traditional lands of the Anishanaabe including the Ojibwe people
Declining forestry and manufacturing industries, with stable education sector and growing knowledge and research industry
Regional services centre
Significant indigenous population (14.1%), visible minority population (7.5%)



THUNDER BAY–POPULATION PROJECTIONS



Association of Municipalities of Ontario

AMONTario ASSET MANAGEMENT ONTARIO

The City of Thunder Bay is focused on building a growth-ready city through three pillars: **Readiness**, **Attraction**, and **Talent**.

Over the last thirty years (since 1996), the City has experienced some population decline and then a relatively stable population since. This stagnation in growth means that tax revenue is significantly falling behind inflation.

Unlike many other municipalities, Thunder Bay already has infrastructure capacity to address growth needs due to prior upsizing and does not want to add assets and lifecycle costs that will add to the existing infrastructure funding gap. Because of this, growth is being directed and incentivized as much as possible to existing servicing and infrastructure. Infill and intensification are being prioritized to avoid sprawl and pressure on existing, aging and underfunded infrastructure systems.

The City does not currently use development charges to fund growth. Affordability and risk of failure and service disruption are top of mind in managing infrastructure for current and future residents. The City's primary focus is a "smart growth" strategy that optimizes investment.

Service Impact Examples

Maintaining levels of service: In most service areas, the City is focused on maintaining current service levels and is requiring an evidence-based approach to any requests for exception to this policy. This helps to stretch existing operational and capital funding and manage risks of deteriorating infrastructure.

Targeted levels of service improvements: Specific improvements are being made in areas of active transportation, stormwater to support climate mitigation and adaptation.

Investing in shared community facilities: The City is strategically consolidating services and service delivery in facilities that can serve multiple purposes, and enhancing shared spaces to increase flexibility, improve accessibility and utilization rates, and ensure improved resiliency to disaster and other risks.

RISKS, OPPORTUNITIES & ISSUES	
Changing demographics and demand/ use of services	**Shifting demographics:** Aging population and growing equity needs drive demand for more inclusive, accessible services. **Revenue barriers:** Large permanent student population and no increase in tax and rate payers limits revenue growth to address the existing infrastructure and additional funds for infrastructure development. **Risk and resiliency of current asset portfolio:** Significant renewal backlog as well as increased operations and maintenance costs of aging systems are contributing to an increasing risk profile and increased vulnerability to failure and service disruption. This vulnerability includes gaps related to climate resiliency and climate risk mitigation / emissions reduction (e.g., active transportation). **Existing infrastructure funding gap:** The existing infrastructure gap is significant due to lack of population growth and increasing costs, threatening long-term sustainability and future affordability. The asset management plan (AMP) reveals an urgent need to optimize lifecycle investment.
Pressure on housing supply and affordability	**Housing and affordability pressures:** There is an identified need to build between 8,000 and 24,000 new units without traditional development charge-based funding mechanisms to support infrastructure requirements. Housing waitlists and costs have increased significantly.
Social and equity impacts within and across communities	**Balancing growth incentives and ability to pay for infrastructure:** There is a need to strike a balance, incentivizing needed growth, while effectively funding it. Development charges are being explored, but no changes are planned until 2030 at the earliest. Other funding models need to be pursued to address the impacts of growth.

What are we working on?

- Smart Growth Action Plan (to be released in fall 2025) that focuses on intensification and disincentivizes greenfield development, with key principles of Readiness, Attraction
- Growth Assessment & Strategy to be released by Thunder Bay Community Economic Development Commission (CEDC)
- Recently released Phase 3 of the Asset Management Plan that directly responds to growth and its impacts by defining a capital funding split between renewal and new infrastructure, mandating a gradual increase to the capital levy, and clarifying the City's "Asset Management Fundamentals" which directly reference the City's approach to growth (see "What's working for us?"
- 2024 Housing Study and Housing Needs Assessment
- Leveraging the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund
- Development Charges Background Study
- Enhanced public engagement in 2024 and 2025 with frequent levels of service surveys to residents to develop LOS
- Consolidation of services and enhancement of shared spaces for increased flexibility of usage, improved resiliency to disaster and other risks, and accessibility
- Capital prioritization matrix that will be implemented to evaluate impacts and support decision making
- Community education on lifecycle costs, levels of service, affordability and smart growth strategies
- Business case process for investments that do not align to the City's "Asset Management Fundamentals" or smart growth principles (see "What's working for us?")
- Investing in climate adaptation needs (stormwater, flood mitigation, emissions reduction) to promote community resiliency and community appeal to new residents

How do we integrate growth and asset management?

- Aligning the growth strategy, financial strategy, asset management plan, and other strategies, policies, plans
- Requiring justification and evidence for decision making outside of asset management policy fundamentals

Reach out!

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What's working for us?

Asset Management Fundamentals:

The City's asset management approach is led with a consistent, universal framework of fundamental principles that drive all growth-related decision-making:

- Data-Driven Levels of Service: Prioritizing maintenance of existing assets over new
- Smart Growth: Fostering sustainable growth
- Asset Lifecycle Optimization: Maximizing value through full lifecycle asset planning
- Risk-Based Decision Making: Reducing risk to provide reliable, resilient services
- Environmental Stewardship and Climate Resilience: Building sustainable, climate-ready infrastructure
- Sustainable Financial Planning: Investing wisely for long-term affordability and impact
- Continuous Improvement and Adaptability: Evolving practices to meet changing needs and priorities.

What's working for us?

Asset Management Plan:

An AMP geared toward making strategic choices that favour renewal and upgrades of existing infrastructure over greenfield growth-driven assets. The City's asset management is increasingly being driven by more analysis and evidence.

The AMP defines a capital funding split target of 80% spend on renewal and 20% on new infrastructure, and recommends a gradual increase to the capital levy in 2028 to raise additional revenues to support both renewal and growth-related capital. All decisions on assets are run through the lens of the Asset Management Fundamentals.

Community Education and Engagement

The City has focused on delivering education and facilitating conversations about services, levels of service and lifecycle costs. This program has been several years in the making. It hinges on community involvement to participate in surveys on service options and costs, providing feedback about trade-offs and willingness to pay. It features enhanced public engagement in 2024 and 2025 with frequent surveys to residents to develop levels of service. The same surveys will be revisited for five-year renewal of the AMP.

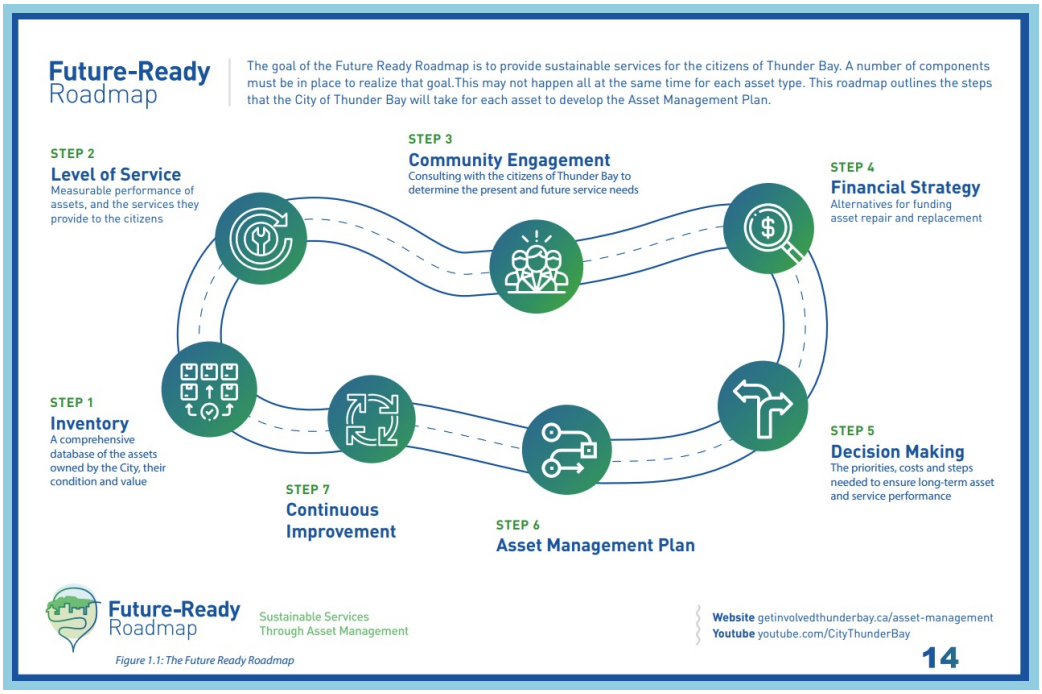

Figure 1.1: The Future Ready Roadmap

City of Thunder Bay's Future-Ready Roadmap, which lays out the steps required to deliver the Asset Management Plan in compliance with O.Reg. 588/17.

Asset Management Education Campaign

"Everyone is an Asset Manager"

This campaign focuses on engagement of staff to share the responsibility for managing capital assets, and building of a more collaborative, accountable culture. It is built on communication strategies including bite size, consumable content to help educate staff, and cross-departmental collaboration including a steering committee with senior leadership support. The program helps to reduce or manage silos between City departments and team members, and get alignment on process, policy and team member choices.

Information Systems Review

The cross-organizational discovery involved in the review has helped shed light on process, governance, and use of information across departments. It aims to improve the data and technology supporting asset management, enabling constant monitoring of KPIs and improved projections of future performance. Staff and Council are focused on strengthening data to support informed decision making.