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**Destination Northern Ontario**

Economic and Tourism Impact Study for the  
Thunder Bay Waterfront Trail Expansion

March 2023



We acknowledge that the City of Thunder Bay has been built on the traditional territory of Fort William First Nation, signatory to the Robinson Superior Treaty of 1850.

We also recognize the contributions made to our community by the Métis people.

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Source: Waterfront Trail Rotary Community Action Team – Photo credit: Michael Hull

# Executive Summary

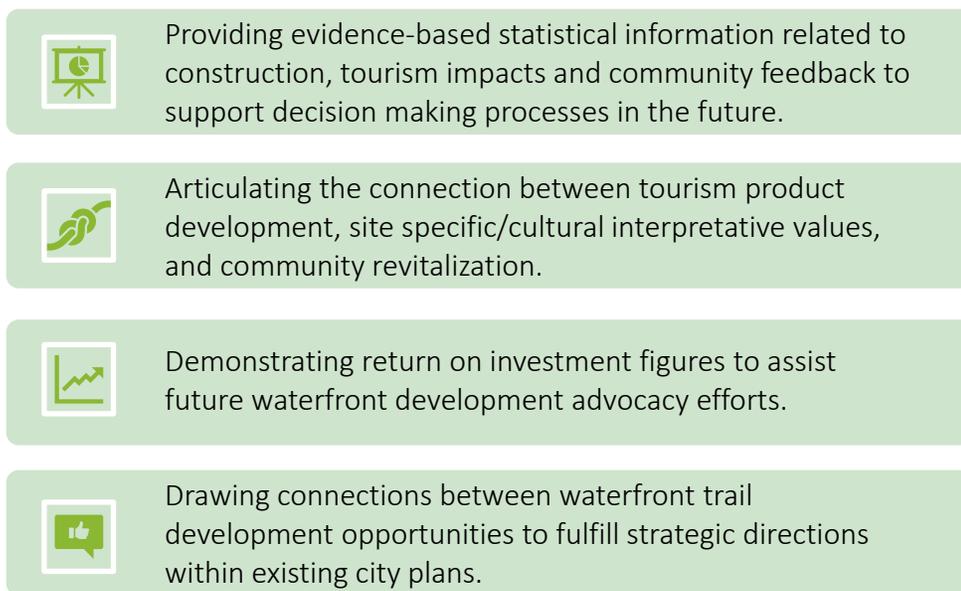
Destination Northern Ontario<sup>1</sup> has undertaken an economic impact assessment to estimate the contributions of the proposed Thunder Bay Waterfront Trail expansion to the Thunder Bay economy. The analysis includes an estimation of the economic benefits during the construction phase, tourism economic effects once the trail expansion is operational, a gauge of community support for the program through resident and stakeholder consultations, an analysis of the Strengths, Opportunities, Aspirations, Risks, and Results (SOARR) of the proposed trail, and recommendations and next steps to maximize the economic impact of the project.

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<sup>1</sup> The project is supported by a partnership of the Waterfront Trail Rotary Community Action Team (WTRCAT), Destination Northern Ontario (DNO), TransCanada Trail (TCT) and the Thunder Bay Community Economic Development Commission (CEDC), who have come together to fund the Economic and Tourism Impact Study of the Thunder Bay Waterfront Trail. WTRCAT operates as a subcommittee of the Port Arthur Rotary Club.

To assess the impacts of the proposed 13.5 km, multi-use, non-motorized waterfront trail that would link existing trails in Thunder Bay and potential trails from the Fort William First Nation in the south to the Current River parks in the north, the consulting team reviewed reports, strategies, and comparative economic impact assessments to gain current insight into the economic impact and overall value of waterfront trails. This report summarizes the outcomes of the research and evaluates the impact of the proposed project following these objectives:

Figure 1: Analysis Objectives



Thunder Bay is located on Gitchigami, Lake Superior, the world's largest freshwater lake, and Nanibijou, or the Sleeping Giant peninsula in the bay, is an iconic symbol of the city.

Identified benefits of the proposed waterfront trail include diversifying the economy and supporting workforce attraction and retention, spurring waterfront development and opportunities for local business, as well as furthering community wellbeing through active transportation, facilitating residents' waterfront access, a place for family activities, and Indigenous relations,

Through the research completed on the economic and tourism impacts of the proposed waterfront trail, the following positive impacts have been identified. The overall value of the Thunder Bay Waterfront Trail project to Thunder Bay was found to include:

- Increasing tourism visitation and spending, and generating positive impacts on GDP, employment and tax revenue
- Providing a venue for community, sporting, and tourism events
- Increasing local spending and business opportunities
- Expanding the city's active transportation network and supporting resident attraction and retention
- Engaging visitors and residents by interpreting the cultural, ecological, and historical character of the community
- Advancing reconciliation through a community-appropriate engagement process and Indigenous involvement

- Activating high value waterfront areas in alignment with City planning
- Solidifying Thunder Bay’s tourism brand as **Canada’s premier outdoor city**.

The waterfront trail investment was strongly supported by residents. Thunder Bay residents expressed 90% support for the proposed project when polled in a statistically valid community survey, and 80% saw the project as improving tourism in the city. The phone survey ran from January 4<sup>th</sup> to January 9<sup>th</sup>, 2023, and 154 residents participated. The research suggests other benefits to residents such as increased wellbeing through active transportation and the attractiveness of the community to the current and future workforce.

The 17 interviews completed with a diverse group of stakeholders, including leaders of business, industry, recreation, culture and heritage, and environmental organizations, identified opportunities for the proposed trail to increase the impact of tourism and boost local spending, benefit the community through active transportation, and share the stories of the community and waterfront lands. Participants saw opportunities for a dialogue with Fort William First Nation and regional Indigenous communities, organizations, and people as to how the project might serve to advance the work of reconciliation between Indigenous and non-Indigenous peoples. Areas where attention is needed for project implementation were also identified, including the need to engage property owners, secure appropriate resourcing, and ensure community safety. Establishing a trail typically requires engagement and communications with landowners and other stakeholders and management of uses along a trail corridor, particularly in communities with active industrial sites.

The research review outlines the overall impact of the project and identifies opportunities to increase these impacts, including connections to commercial areas, overall waterfront development, and the encouragement of tourism-oriented events and programming. These strategies build on the success of ongoing public and private waterfront investments, such as Prince Arthur’s Landing, the new Thunder Bay Art Gallery, Science North’s new investment, and increasing cruise ship activity. These are aligned with municipal and regional planning documents, including the Official Plan, which point to the waterfront trail as a priority for the City.

“The trail offers an opportunity to bring athletic competitions to the area and connect future attractions such as the gallery and other cultural spaces in a meaningful way.”

- Stakeholder Interview

## Key Findings

### Estimated Tourism Economic Impacts

The economic impact of the trail includes tourism impacts and construction impacts. Based on the most likely constructed scenario to assess the economic impact of the trail usage, the following factors are estimated to be attributable annually to the Thunder Bay Waterfront Trail.

Figure 2: Estimated Tourism Economic Impacts of Thunder Bay Waterfront Trail Expansion.



The top five industry sectors<sup>2</sup> that would benefit from trail-related spending are estimated to be: Retail Trade; Food and Beverage Services; Arts, Entertainment and Recreation; Other Finance, Insurance, Real Estate; and Renting and Leasing and Owner-occupied Housing<sup>3</sup>.

In deciding the methodology for this impact study, two major models were considered, the Province of Ontario's Tourism Regional Economic Impact Model<sup>4</sup> (TREIM) and the Sport Tourism Canada's Sport Tourism Economic Impact Assessment Model (STEAM)<sup>5</sup>. TREIM was chosen as the most relevant tool and was utilized to estimate six scenarios including total visitor spending and economic impacts. The scenarios were analyzed side by side to determine a realistic spectrum of forecasted tourism impacts based on the number of visitors, and total and gross visitor spending. The STEAM model was not selected as this tool is predominately used to predict the economic impact of hosting a particular sport event, which is not the objective of this study.

<sup>2</sup> Excluding Net Indirect Taxes on Production. The industry follows Statistics Canada's North America Industry Classification System (NAICS) Input-Output small aggregation industry classification.

<sup>3</sup> The economic impact model specifies owner-occupied housing as one of the industry sectors to benefit as additional spending on this industry could have co-relative benefits to overnight tourist lodging rental and investments in properties are believed to bring significant benefits to both the owner of the property and to the neighborhoods in which they sit.

<sup>4</sup> TREIM consists of 108 interregional input-output (IRIO) models plus the province-wide Ontario model. The province-wide Ontario model follows the standard input-output methodology. An IRIO model is used when the simulated spending occurs in one of the Census Divisions, Census Metropolitan Areas or Agglomerations, or Travel Regions included in TREIM. Each of the IRIO models consists of the region in which the simulated spending occurs and a second region that represents the rest of Ontario. The trade between these two regions helps determine the economic impacts that occur both in the simulation region and in the rest of the province.

<sup>5</sup> Sport Tourism Canada, <https://sporttourismcanada.com/economic-impact/>

## Estimated Construction Economic Impacts

Accounting for direct, indirect, and induced economic contributions, capital expenditures on the Thunder Bay Waterfront Trail expansion are estimated to contribute \$18.6 million to Thunder Bay's GDP over the 10-year period, of which approximately \$13.6 million accrues to labour income. It is also estimated that 17 full-time equivalent (FTEs) jobs are created or sustained across Thunder Bay annually over the 10-year construction period. Estimated taxes represent municipal tax benefits.

Figure 3: Estimated Economic Impact of Thunder Bay Waterfront Trail Expansion – Construction



## Increasing Economic Impacts

In addition to direct and indirect economic impacts, the following measures can be taken to increase the economic impact beyond the basic impact of the trail infrastructure. These strategies were sourced from leading research into the economic impact of trails projects.

- **Packaging and theming** the trail experience to improve visitor's experiences by promoting accompanying services from local businesses, such as sporting rentals and water-based tourism experiences, food and accommodations.
- **Developing year-round outdoor events** with recreation and community-based organizations to build on Thunder's Bay unique character and the tourism asset of the waterfront.
- **Highlighting interpretive assets** to increase tourism and resident usage and take advantage of growing tourism trends such as cultural and heritage tourism.
- **Planning for waterfront development** to increase residential, commercial, and tourism attraction-based development, to leverage waterfront access and increase connectivity through trail expansion.

The key to boosting the tourism economic impacts is to increase overnight stays, which dramatically increases visitor spending. The trail infrastructure, combined with existing and future waterfront investments, associated events and programming, marketing, and interpretation that tells the stories of the community and the lake, will maximize the potential economic impacts by increasing the amount and value of trail visitation.

## Resident Survey

The purpose of the 2023 Thunder Bay Waterfront Trail Economic Impact survey was to discern residents' current participation in activities within the City of Thunder Bay, and to gain insight into levels of support for the waterfront trail expansion. The survey ran from January 4<sup>th</sup> to January 9<sup>th</sup>, 2023 and achieved 154 completes.

Using a mix of cell and landline phone numbers in the region, numbers were randomly dialed by live interviewers. Respondents for the phone survey were screened to ensure they currently reside in the City of Thunder Bay.

The survey data has been weighted by age and gender according to the 2021 Canadian Census profile for the City of Thunder Bay to ensure the findings are representative of the population. Representative data was important for this study, to produce an accurate assessment of the perceptions of the population of the City of Thunder Bay about the proposed waterfront trail expansion.

Key findings from the resident survey include the following insights.

- **Participation in local activities:** Most respondents reported visiting local parks and conservation areas (68%), trail walking (64%), and visiting Prince Arthur's Landing (62%).
- **Visitation frequency:** In the last 12 months, many community members reported that they visited the City's waterfront 'some of the time' or 'regularly' (75%), along with the parks or conservation areas (68%), and local trails (63%).
- **Satisfaction with overall availability of trails:** 91% of respondents were satisfied with the overall availability of trails, but the majority were only somewhat satisfied, indicating some room for improvement.
- **Satisfaction with current trail system:** Community members were generally satisfied with a wide range of factors related to the current waterfront system in Thunder Bay. These factors included the overall availability of trails (91% satisfaction), proximity to the waterfront (84%), connections between the different part areas (81%), connection to amenities nearby (80%), and proximity to downtown (76%).
- **Waterfront Trail support:** The phone interviewers described the current proposed expansion of the waterfront trail to respondents. The vast majority agreed with the statements "I would support the development of this new trail" (90%) and "The trail would provide significant benefit to the local community members" (89%).
- **Trail usage:** 48% of respondents expected their overall usage of the trail system would increase if the expanded waterfront trail was constructed. Only 1% of respondents expected that their usage would decrease, and 51% expected their usage to stay the same.
- **Impact on tourism and businesses:** 82% of respondents agreed that the proposed expansion to the Waterfront Trail would attract more tourists to the area. A high proportion of respondents also agreed with the statement "The trail would benefit my local business" (86%).

82% of respondents agreed that the proposed expansion to the Waterfront Trail would attract more tourists to the area.

## Stakeholder Engagement

The following common themes were identified during the interviews with 17 representatives of business, community, and industry perspectives. Participants were identified by Destination Northern Ontario and partner organizations, to capture diverse and varied perspectives on the proposed trail project.

<b>Trail Connectivity</b>	The current trail system gives tourists and residents the possibility to reach certain points, greater connectivity would extend the time residents and tourists can spend on the trails and facilitate commuting
<b>Points of Interest</b>	The trail route contains points of interest, the most highlighted include the grain elevators Prince Arthur's Landing, Fisherman's Park, downtown Fort William, the new Art Gallery, Mission Marsh Conservation Area, the Sleeping Giant and Mount McKay, and the planned Science North Science Center
<b>Business Development</b>	Business opportunities were identified to connect the trail into the downtown areas and increase pedestrian traffic in commercial areas. The trail was seen to open new business opportunities in recreation and waterfront related activities.
<b>Quality of Life</b>	More recreational opportunities, accessibility, making it possible for residents to access the waterfront, more affordable options for outdoor family activities and a healthier and active lifestyle increase community pride and sense of belonging.
<b>Sport Tourism</b>	The extension of the waterfront trail would increase the capacity to host more events and attract larger groups of visitors for sport activities. Stakeholders see potential for a waterfront trail to build on strengths in recreational and competitive biking and become a stronger cycling destination.
<b>Trail Enhancements</b>	Desired trail infrastructure includes signage, water fill stations, maintenance through the year (plowing and repairs), waste management bins, safe crossings, washrooms, lighting, bike racks, viewing platforms and rest spaces.
<b>Project Implementation</b>	Developing the trail infrastructure requires a sustained commitment to financial resources and the engagement of property owners and residents along the proposed trail route.
<b>Accessibility</b>	Residents of the city value being able to access to the lake, and educational opportunities and low-cost activities for families that a waterfront trail can offer are highly desired. There is interest in a connected trail system, with various points of entry to address equity by allowing access to residents without a vehicle.

## Recommended Strategic Directions and Actions

Three strategic directions and action areas are recommended for implementation by the City of Thunder Bay and the project partners, based on the analysis of stakeholder consultation, review of research studies and policy priorities and the projected economic impact of the Waterfront Trail.

### Strategic Directions



### Objectives and Actions

Build a Tourism Destination Trail and Secure Resources	Maximize Economic Impact through Activation and Waterfront Development	Highlight Interpretive Assets and Community Storytelling
<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Confirm core funding and seek out additional funding on an ongoing basis <ul style="list-style-type: none"> <li>- Secure municipal commitment to multiyear funding for trail infrastructure, subject to matching funds, led by City of Thunder Bay</li> <li>- Seek out Federal and Provincial funding for trail infrastructure, led by the City of Thunder Bay with WTRCAT support</li> <li>- Secure funding from foundations and other organizations and build community fundraising coalition, led by WTRCAT</li> </ul> </li> <li>2. Identify and invest in trail enhancements <ul style="list-style-type: none"> <li>- Consider tourism destination trail enhancements, aligned with Trans Canada Trail and Waterfront Regeneration Trust best practices to be supported by community-based funding opportunities, led by the City of Thunder Bay and supported by WTRCAT</li> <li>- Plan for further trail expansions to realize the potential of a hub and spoke model, connecting key tourism assets and the City's Active Transportation System.</li> </ul> </li> </ol>	<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Advance overall waterfront development <ul style="list-style-type: none"> <li>- Target community planning to further waterfront development, including consideration for associated residential and commercial development, leveraging the trail route, by City of Thunder Bay</li> <li>- Connect the trail with economic areas and tourism destinations, such as downtowns and create commercial opportunities along the trail, by City of Thunder Bay</li> </ul> </li> <li>2. Partner to activate the trail system <ul style="list-style-type: none"> <li>- Encourage trail-based activities to activate visitation by planning recreational programming, and allowing community-based activities to take place when requested, led by City of Thunder Bay</li> <li>- Develop packaged marketing to promote trail-based activities, led by Tourism Thunder Bay and Destination Northern Ontario</li> </ul> </li> </ol>	<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Create an interpretive plan for the Waterfront Trail <ul style="list-style-type: none"> <li>- Create an interpretive plan as a part of tourism enhancements, led by City of Thunder Bay in partnership with CEDC, Waterfront Development Committee, and WTRCAT</li> </ul> </li> <li>2. Open dialogue on Indigenous involvement <ul style="list-style-type: none"> <li>- Initiate conversations with Indigenous partner organizations to identify opportunities to work together, led by City of Thunder Bay with support from TransCanada Trail and WTRCAT.</li> </ul> </li> </ol>



Source: Waterfront Trail Rotary Community Action Team – Photo credit: Michael Hull

# Economic Impact Analysis

This section provides an assessment of the economic impact anticipated for the construction and use of the Thunder Bay Waterfront trail expansion and its relevance to reach local and regional objectives identified in previous studies.

## Key Findings

- The Waterfront Trail expansion is in alignment with other local and regional strategies that identify Thunder Bay as a strategic destination for tourism and its trail system as an advantage for economic development.
- The trail is expected to generate economic benefits to Thunder Bay and Ontario, including tax benefits, employment, and direct and indirect spending during the construction phase and operation.
- Recommendations to enhance the economic impact of the trail include programming and coordination with local organizations, aligned waterfront planning, and event development.
- The expansion of the waterfront trail offers opportunities to improve the quality of life of residents of Thunder Bay and support talent attraction.
- The expansion of the waterfront trail represents an opportunity for reconciliation and honoring indigenous communities in Thunder Bay.

## Background Review

The following section reviews relevant work previously undertaken in Thunder Bay to provide key background for the Economic and Tourism Impact study for the Thunder Bay Waterfront Trail Expansion. The analysis of previous resources helps to ensure the impacts of the trail are analyzed from relevant perspectives and that recommendations are aligned with the region's objectives and routes of actions previously identified by other organizations. This review determined linkages between active transportation, city infrastructure planning, sustainability initiatives and social infrastructure needed to strengthen quality of life for Thunder Bay residents and encourage increased tourism attraction within the economy.

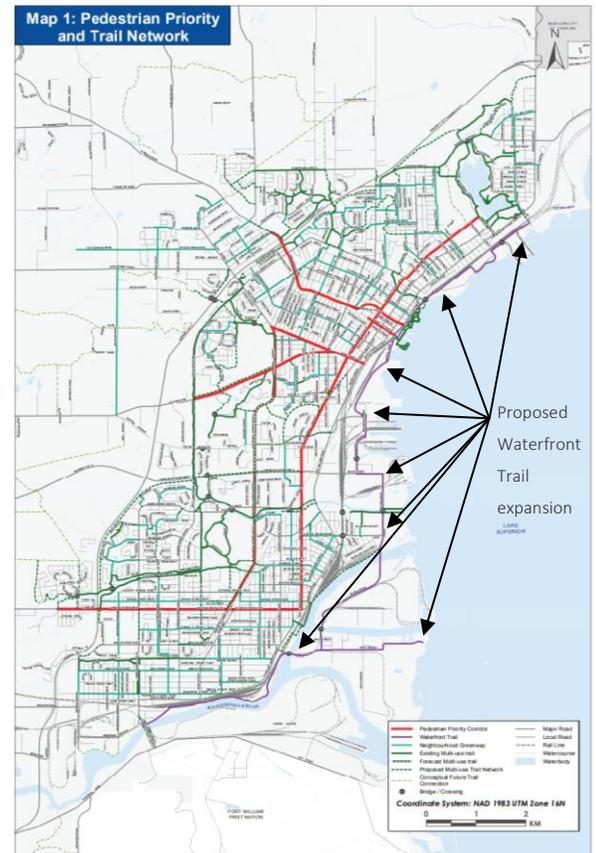
The major themes identified among the studies and documents examined include:

- Economic impact of trails
- Documented areas of trail impact
- High Impact practices to increase economic impact
- Opportunities to increase economic development and quality of life
- Quality of life benefits for talent and workforce attraction

Principles for the continued success and regeneration of waterfront projects, written for communities on Lake Ontario and relevant for the Thunder Bay waterfront trail project, included: Make the waterfront a community priority; Look beyond your boundaries; Set the stage with good planning; Use milestone projects to build momentum; Design with heritage in mind; Add value with connections; Make it happen with creative partnerships; Secure strategic public investment; And, attract private resources.<sup>6</sup>

A full listing of the documents reviewed can be found in the appendix.

Figure 4: Pedestrian Priority and Trail Networks, Thunder Bay



<sup>6</sup> A decade of regeneration, realizing a vision for Lake Ontario's waterfront

## High Impact Practices to Increase Economic Impact

Strategies identified to **enhance economic impact** included:

- Packaging and theming the trail experience to improve visitor's experiences by promoting accompanying services from local businesses, such as sporting rentals and water-based tourism experiences, food and accommodations.
- Developing year-round outdoor events with regional organizations to build on Thunder's Bay unique character.
- Highlighting interpretive assets to increase tourism and resident usage and take advantage of growing tourism trends such as cultural and heritage tourism.
- Land use planning for increased residential, commercial, and tourism development along the path of the trail, to leverage the attractiveness of waterfront access.

Cycling is one of many activities supported by urban trails. Studies described in the Northern Ontario Cycling Tourism Plan such as the Economic Impact of Cycle Tourists in Niagara and the Economic Impact of Waterfront Regeneration Trust's Great Waterfront Trail Adventure in 2015 identified the following economic benefits from established cycling and trails with tourism programming:

- Spending on overnight accommodation
- Retail purchases
- Spending on food and beverages
- Visits to museums and heritage attractions
- Interest to return to the region/route

## Opportunities for Economic Development through Quality of Life

- Investment in recreational and commuter cycling infrastructure benefits residents and tourists and improves quality of life.
- The waterfront trail expansion supports Thunder Bay's active community by building and promoting a 13.5-kilometre-long recreation amenity that can foster integrated, active, and holistic lifestyles.
- Thunder Bay's Waterfront Trail would be a vital component to promote a healthier, walk, bike, run, or rollable community. Relatively few catastrophic weather events combined with low-cost housing, clean air, and abundant fresh water makes the city attractive to potential newcomers
- The use of the Hub and Spoke model could create comprehensive networks of on and off-road trails. The concept seeks to integrate and link exterior routes or "spokes" stemming from a cycling Hub, together with interior routes or "spokes", which represent the inner workings of the Hub<sup>7</sup>.

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<sup>7</sup> The City of Sault Ste. Marie Cycling Master Plan

The consulting team found through the analysis that the Thunder Bay Waterfront Trail Expansion aligns with national practices and local and provincial planning initiatives.

Figure 5: Background Review Alignment with Existing Planning

### Alignment with Local and Provincial Planning, National Practices

- Trails have been catalyst for waterfront development and key in the regeneration of Ontario communities including the Lower Trent River waterfront and Parklands on Cobourg's waterfront
- Improving public access to the waterfront by enhancing connections with the waterfront trail systems are encouraged by the City of Thunder Bay in its Official Plan
- Trails can be regional economic drivers, the "Trail Tourism Integration Model" combines multiple trail experiences that encourage tourists to stay in a region for an extended period. Examples include the Fredericton Trails Network, Vallée Bras-du-Nord and the Great Allegheny Trail Experience
- Thunder Bay is a key entrypoint to the outdoor experience of the region, the Lake Superior Water Trail, Voyageur Trail, Path of the Paddle, National Marine Conservation Area, TransCanada Trail, and many more
- Science North determined the waterfront's Pool 6 site as the preferred location for the development of a permanent facility in Thunder Bay
- A new National Grain Industry Activity Centre at the heart of the Thunder Bay waterfront would be a unique attraction telling the story of the connection between the industry and the growth of Canada

## Tourism Economic Impacts Assessment

A leading objective of the Thunder Bay Waterfront Trail Tourism Impact Analysis was to estimate the *tourism impacts*<sup>8</sup> derived by people using the Thunder Bay Waterfront Trail annually and the financial impact of tourism visitation.

Two major models were considered for this study, the Sport Tourism Canada's Sport Tourism Economic Impact Assessment Model (STEAM)<sup>9</sup>, which was not selected as it is predominately used to predict the economic impact of hosting a particular sport event; and The Ministry's Tourism Regional Economic Impact Model<sup>10</sup> (TREIM), which was chosen as the most relevant tool among those available<sup>11</sup>. The methodology for this analysis included a review of reports about economic impacts of similar trails in other jurisdictions. Insight, statistics, and formulae were drawn from reports to construct a framework of data inputs.

Deloitte LLP discovered no sources of information to approximate trail usage projections for the Thunder Bay Waterfront Trail, nor recent information on the number of U.S. visitors to Tourism Region 13c. To generate the input numbers needed to estimate economic impacts, data was sourced from the Ontario Ministry of Heritage, Sport,

<sup>8</sup> Tourism impacts are specifically related to non-local users. Estimates do not include the economic impact of users residing in Thunder Bay and area.

<sup>9</sup> Sport Tourism Canada, <https://sporttourismcanada.com/economic-impact/>

<sup>10</sup> TREIM consists of 108 interregional input-output (IRIO) models plus the province-wide Ontario model. The province-wide Ontario model follows the standard input-output methodology. An IRIO model is used when the simulated spending occurs in one of the Census Divisions, Census Metropolitan Areas or Agglomerations, or Travel Regions included in TREIM. Each of the IRIO models consists of the region in which the simulated spending occurs and a second region that represents the rest of Ontario. The trade between these two regions helps determine the economic impacts that occur both in the simulation region and in the rest of the province.

<sup>11</sup> For more information on the choice of economic impact model, see Appendix.

Tourism and Culture<sup>12</sup> and assumptions were used to reduce the calculated visitor data to approximate the share of Region 13c numbers that could be attributed to Thunder Bay Census Metropolitan Area (CMA). Assumptions were verified with Destination Northern Ontario and the project partners. Model data from reports was used to approximate the share of hiking, cycling, and other tourists that could be attributed to the Trail and six scenarios including total visitor numbers, their spending and economic impact were estimated. The scenarios were analyzed side by side to determine a realistic spectrum of forecast tourism impact for number of visitors, total visitor spending, gross domestic product (GDP), labour income, employment, direct taxes, and GDP by industry.<sup>13</sup>

The consulting team reviewed the range of outputs and compared them to economic impact reports prepared for trails in other jurisdictions. The estimates were calculated for the Census Metropolitan Area of Thunder Bay (CMA 595) for 2025, the maximum available forecast year in the TREIM model. It was assumed the proposed trail upgrades were completed and that the trail experience is a core tourism attractor for the city. The model does not consider any events, activations, or animation programs that may be organized on the waterfront trail. The scenario chosen to reflect the most likely current outcome was Scenario A, where the share of Region 13c visitation attributable to Thunder Bay CMA was assumed to be 20%, and the share of Thunder Bay’s total visitors directly attributable to the trail was assumed to be 5%. However, if – after the trail is developed – a variety of new businesses, events and tourism-focused activities spring up along the trail, other scenarios may become realities. Scenarios with larger projected amounts for tourism-related industries (e.g., Accommodation Services, Retail Trade, and Food & Beverage Services) may be attributed to the development of amenities and experiences for visitors.

Figure 6: Estimated Tourism Economic Impact of Thunder Bay Waterfront Trail Expansion.



### Number of Visitors

The estimated number of visitors attributable annually to the Thunder Bay Waterfront Trail is forecast at 7,800 visitors, according to the most likely scenario.

### Total Visitors Spending

Annual visitor spending attributable to the trail is forecast at \$789,000<sup>14</sup>.

<sup>12</sup> Region 13c: Northern Ontario Visitor Statistics, Ontario Ministry of Tourism, Culture and Sport, 2019

<sup>13</sup> For more information on the tourism economic impacts model, see Appendix.

<sup>14</sup> All currency amounts in this report have been converted to Canadian dollars.

## GDP

Annual total GDP<sup>15</sup> (including direct, indirect and induced impact) attributable to the trail is forecast at \$466,500.

## Employment

Annual total employment<sup>16</sup> is forecast at 4 jobs.

## Direct Taxes

Annual direct taxes<sup>17</sup> attributable to the trail is forecast at \$179,000.

## GDP by Industry

The top five industry sectors<sup>18</sup> that would benefit most annually from the trail are estimated to be:

- Retail Trade (\$72,100)
- Food & Beverage Services (\$65,100)
- Arts, Entertainment and Recreation (\$29,000)
- Other Finance, Insurance, Real Estate and Renting and Leasing (\$26,000)
- Owner-occupied Housing (\$16,600)

## Comparators

Deloitte LLP reviewed reports evaluating the economic impact of trails in other jurisdictions. No direct comparators to Thunder Bay were discovered, specifically a similarly sized community geographically positioned at a similar distance from other major urban markets. The closest comparable example was a 14 km rural trail in West Virginia which, when completed, is expected to generate \$1.1 million in visitor expenditures.<sup>19</sup>

## Owner-occupied Housing

The economic impact model specifies owner-occupied housing as one of the industry sectors to benefit. Owner-occupied housing is a dwelling that is owned

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<sup>15</sup> GDP is the value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. GDP is measured at market prices which include net indirect taxes on products. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers. Direct impact refers to the impact generated in businesses or sectors that produce or provide goods and services directly to travelers (e.g. accommodations, restaurants, recreations, travel agents, transportation and retail enterprises). Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues. Indirect impact refers to the impact resulting from the expansion of demand from businesses or sectors directly produce or provide goods and services to travelers, to other businesses or sectors. Induced impact refers to the impact associated with the re-spending of labour income and /or profits earned in the industries that serve travelers directly and indirectly.

<sup>16</sup> Employment refers to number of jobs, it included full-time, part-time, seasonal and temporary employment (based on the share of the year worked), for both employed and self-employed workers.

<sup>17</sup> Federal tax revenues include personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that is collected by the federal government. Provincial tax revenues include personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that is collected by the Ontario provincial government. Municipal tax revenues: include business and personal property and education taxes that are collected by the municipalities. Collection, however, does not follow immediately the consumption or production of goods and services in a municipality by visitors (as is the case with HST or personal income taxes). Rather, these taxes show the percent of the total property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.

<sup>18</sup> Excluding Net Indirect Taxes on Production. The industry follows Statistics Canada's North America Industry Classification. The figures may not add with total GDP due to rounding and other industries not included. System (NAICS) Input-Output small aggregation industry classification.

<sup>19</sup> Economic Potential of the Great American Rail-Trail, Headwaters Economics / Rails-to-Trails Conservancy, 2022.

by the person who lives in it.<sup>20</sup> In the case of Thunder Bay, any additional investment in or spending on owner-occupied housing would have co-relating benefits to attainable housing such as worked accommodation, but also to additional overnight tourist lodging.

Owner-occupied rental properties are believed to bring significant benefits to both the owner of the property and to the neighborhoods in which they sit, according to research.<sup>21</sup> These benefits include more compatible tenants, lower management and maintenance costs,<sup>22</sup> and expense and depreciation write-offs in some jurisdictions.<sup>23</sup>

Homes with owner-occupiers versus renters provide annual estimated benefits to the community in excess of US\$1,300 per property, according to a Penn State University study.<sup>24</sup>

Homeownership also boosts the educational performance of children, induces higher participation in civic and volunteering activity, improves health care outcomes, lowers crime rates and lessens welfare dependency. With the home purchase comes the pride of ownership and the sense of belonging in a community where one has a financial stake in the neighborhood.<sup>25</sup>

## Observations

There are very few studies on the economic impact of nature-based tourism, especially for small rural areas, such as recreational trails, according to industry reports.<sup>26</sup> Proponents of trail improvements should gather the data required as inputs to assess the economic impact. According to the Conference Board of Canada<sup>27</sup> trails generate significant economic, health, and environmental benefits. Economic benefits come from user expenditures on the trail, which help communities, businesses, and the wider economy through supply-chain and income effects. Nature-based and outdoor activities play an important role in reviving tourism in a post-pandemic economy.

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<sup>20</sup> Collins, <https://www.collinsdictionary.com/dictionary/english/owner-occupied-house>

<sup>21</sup> Benefits of Owner-occupied housing, <https://homeguides.sfgate.com/benefits-owneroccupied-rental-properties-37041.html>

<sup>22</sup> Statistics Canada, <https://canadacommons.ca/artifacts/1190434/incomes-from-owner-occupied-housing-for-working-age-and-retirement-age-canadians-1969-to-2006/1743560/>

<sup>23</sup> The Fraser Institute, <https://www.fraserinstitute.org/blogs/homeownership-in-canada-benefits-and-costs>

<sup>24</sup> Journal of Urban Economics, Coulson & Li, Penn State Smeal College of Business, University of Nevada, 2014, <https://www.psu.edu/news/research/story/owner-occupied-homes-pay-quantifiable-benefits-neighborhoods/>

<sup>25</sup> Social Benefits of Homeownership and Stable Housing, National Association of Realtors, 2012, [https://www.nar.realtor/sites/default/files/migration\\_files/social-benefits-of-stable-housing-2012-04.pdf](https://www.nar.realtor/sites/default/files/migration_files/social-benefits-of-stable-housing-2012-04.pdf)

<sup>26</sup> Journal of Eco-Tourism, 2021

<sup>27</sup> Trekking Our Trails: The Benefits and Significance of Canada's Trail System, Conference Board of Canada, 2020.

## Construction Impact Assessment

Using the City of Thunder Bay’s financial forecast and estimates, an input output (I-O) methodology was employed to trace how capital expenditure associated with the Thunder Bay Trail Expansion would ripple through the local and provincial economy due to the direct, indirect and induced economic contributions. The scope of analysis includes the following components:

- Thunder Bay Waterfront Trail Expansion – Capital Expenditure: Capital expenditure associated with the Thunder Bay Waterfront Trail Expansion.
- The scope of analysis evaluates impacts across GDP, employment, labour income, and government revenues.
- The above variables will be assessed at the direct, indirect, and induced level at the provincial level (Ontario), and the local level (Thunder Bay).
- The construction and associated expenditure will take place across a 10-year period.
- The construction impact assessment used the Bank of Canada inflation calculator to estimate the increase to construction costs over time.

The construction impact estimates \$25.8 million will be spent on capital expenditures to complete the Thunder Bay Waterfront Trail expansion, based on City of Thunder Bay trail construction estimates. The public cost estimate is updated to 2022 dollars, and it is used as an input into the model to determine the economic impacts.

Figure 7: Estimated Economic Impact of Thunder Bay Waterfront Trail Expansion – Construction



## Economic contribution of the Thunder Bay Waterfront Trail Expansion to Thunder Bay and Ontario

Accounting for the direct, indirect, and induced economic contribution, the Thunder Bay Waterfront Trail expansion capital expenditure is estimated to contribute \$18.6 million to Thunder Bay’s GDP over the 10-year period (and \$23.2M to Ontario), of which approximately \$13.6 million is contribution to labour income (\$16.3 million to Ontario). It is also estimated that 17 FTEs are created or sustained across Thunder Bay annually over the 10-year construction period (21 to Ontario).

The Trail expansion capital expenditure is also expected to generate \$0.6 million annually in municipal taxes in Thunder Bay and \$2.5 million for the government of Ontario. The estimated taxes include products and production taxes, such as sales tax (GST), payroll taxes, property taxes and excise duties, corporate income taxes, and personal income taxes.



Source: Waterfront Trail Rotary Community Action Team – Photo credit: Michael Hull

# Stakeholder and Resident Engagement

The engagement phase with business and community organizations and residents in Thunder Bay is a key part of the study. Engagement provides an understanding of resident's current utilization of trails and their support for the trail expansion, along with perspectives from business and community organizations. These insights ensure recommendations are aligned with the community's vision and grounded in the local context.

The engagement included a community survey and interviews with 17 stakeholders representing business, industry, government, and community-based organizations.

### Stakeholder Interviews

The following common themes were identified during the interviews with 17 representatives of business, community, and industry perspectives. Participants were identified by Destination Northern Ontario and partner organizations, to capture diverse and varied perspectives on the proposed trail project.

### Key Findings from Interviews

<b>Trail Connectivity</b>	The current trail system gives tourists and residents the possibility to reach certain points, greater connectivity would extend the time residents and tourists can spend on the trails and facilitate commuting
<b>Points of Interest</b>	The trail route contains points of interest, the most highlighted include the grain elevators Prince Arthur’s Landing, Fisherman’s Park, downtown Fort William, the new Art Gallery, Mission Marsh Conservation Area, the Sleeping Giant and Mount McKay, and the planned Science North Science Center
<b>Business Development</b>	Business opportunities were identified to connect the trail into the downtown areas and increase pedestrian traffic in commercial areas. The trail was seen to open new business opportunities in recreation and waterfront related activities.
<b>Quality of Life</b>	More recreational opportunities, accessibility, making it possible for residents to access the waterfront, more affordable options for outdoor family activities and a healthier and active lifestyle increase community pride and sense of belonging.
<b>Sport Tourism</b>	The extension of the waterfront trail would increase the capacity to host more events and attract larger groups of visitors for sport activities. Stakeholders see potential for a waterfront trail to build on strengths in recreational and competitive biking and become a stronger cycling destination.
<b>Trail Enhancements</b>	Desired trail infrastructure includes signage, water fill stations, maintenance through the year (plowing and repairs), waste management bins, safe crossings, washrooms, lighting, bike racks, viewing platforms and rest spaces.
<b>Project Implementation</b>	Developing the trail infrastructure requires a sustained commitment to financial resources and the engagement of property owners and residents along the proposed trail route.
<b>Accessibility</b>	Residents of the city value being able to access to the lake, and educational opportunities and low-cost activities for families that a waterfront trail can offer are highly desired. There is interest in a connected trail system, with various points of entry to address equity by allowing access to residents without a vehicle.

Stakeholders also expressed high interest to have interpretative signage along the trail as learning opportunities for residents and visitors on historical points of interest, biodiversity along the trail, remediation and rehabilitation work that has been completed, ethical wildlife and nature viewing, geological history of Thunder Bay, present expressions of Indigenous culture and worldviews, and more.

## Community Survey

The purpose of the 2023 Thunder Bay Waterfront Trails Economic Impact survey was to discern residents' current participation in activities within the City of Thunder Bay, and to gain insight into levels of support for the waterfront trail expansion. The survey ran from January 4<sup>th</sup> to January 9<sup>th</sup>, 2023 and achieved 154 completes.

Using a mix of cell and landline phone numbers in the region, numbers were randomly dialed by live interviewers. Respondents for the phone survey were screened to ensure they currently reside in the City of Thunder Bay.

The survey data has been weighted by age and gender according to the 2021 Canadian Census profile for the City of Thunder Bay to ensure the findings are representative of the population. Representative data was important for this study, to produce an accurate assessment of the perceptions of the population of the City of Thunder Bay about the proposed waterfront trail expansion.

82% of respondents agreed that the proposed expansion to the Waterfront Trail would attract more tourists to the area.

## Key Findings from Community Survey



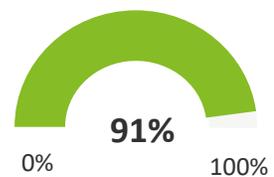
### Participation in local activities:

Most respondents reported visiting local parks and conservation areas (68%), trail walking (64%), and visiting Prince Arthur's Landing (62%).



### Satisfaction with availability of trails:

91% of respondents were satisfied with the overall availability of trails, but the majority were only somewhat satisfied, indicating some room for improvement.



### Visitation frequency:

In the last 12 months, many community members reported that they visited the City's waterfront 'some of the time' or 'regularly' (75%), along with the parks or conservation areas (68%), and local trails (63%).



### Satisfaction with current trail system:

Community members were generally satisfied with a wide range of factors related to the current waterfront system in Thunder Bay. These factors included the overall availability of trails (91% satisfaction), proximity to the waterfront (84%), connections between the different part areas (81%), connection to amenities nearby (80%), and proximity to downtown (76%).



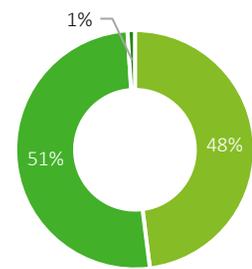
**Waterfront Trail support:**

The phone interviewers described the current proposed expansion of the waterfront trail to respondents. The vast majority agreed with the statements “I would support the development of this new trail” (90%) and “The trail would provide significant benefit to the local community members” (89%).



**Trail usage:**

48% of respondents expected their overall usage of the trail system would increase if the expanded waterfront trail was constructed. Only 1% of respondents expected that their usage would decrease, and 51% expected their usage to remain the same.

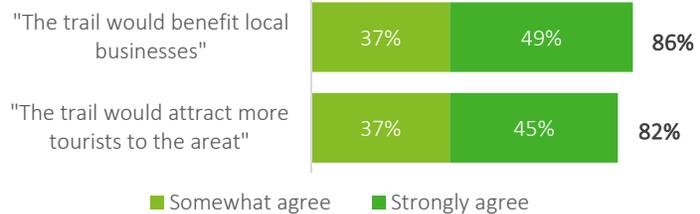


■ Increase ■ Remain the same ■ Decrease



**Impact on tourism and businesses:**

82% of respondents agreed that the proposed expansion to the Waterfront Trail would attract more tourists to the area. A high proportion of respondents also agreed with the statement “The trail would benefit my local business” (86%).



■ Somewhat agree ■ Strongly agree

**Interpretative Values Criteria**

The interpretive values identified for the Thunder Bay waterfront trail include both assets located on the trail and landmarks visible from the trail. The following types of interpretive assets were noted in interviews and in the resident survey.

- Cultural sites and land-based features
- Ecological sites
- Tourism sites
- Historical sites, both urban and land-based
- Geological formations
- Public art

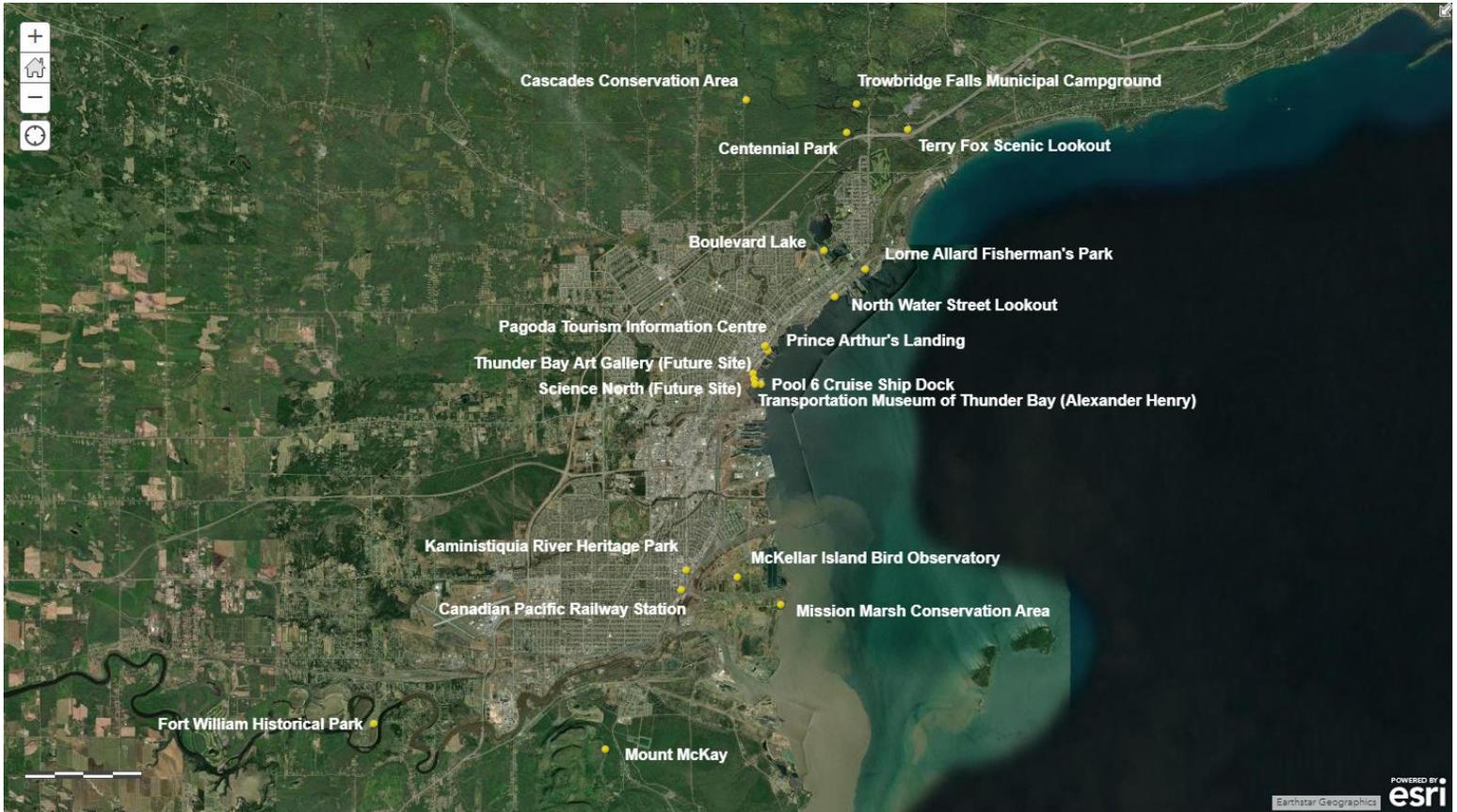
Interpretive opportunities can be large or small, a view of the Sleeping Giant, a historical building, an active street, or an eagle’s nest, they can be developed along the trail route to tell a story or facilitate learning, like a medicine garden or gathering space.

The interpretation of an asset is a story or information shared about a site or feature, and interpretative value can be conveyed by signage, digital guides, or by experience, like a guided historical walk or observing a scene. Interpretation shares the story about a place in some way.

## Interpretative Assets and Interpretative Value List

Stakeholder and resident engagement identified the assets below, as well as the potential for many other places of historical, cultural and environmental interest to be developed and identified.

Figure 8: Major Assets Along the Waterfront



Source: Deloitte

### Tourism assets identified as places of interest

#### Assets Located on the trail route:

1. Prince Arthur's Landing
2. Lorne Allard Fisherman's Park
3. Pool 6 Cruise Ship Dock
4. Thunder Bay Art Gallery (Future site)
5. Science North (Future Site)
6. Transportation Museum of Thunder Bay (Alexander Henry)
7. Mission Marsh Conservation Area
8. McKellar Island Bird Observatory
9. North Water Street Lookout

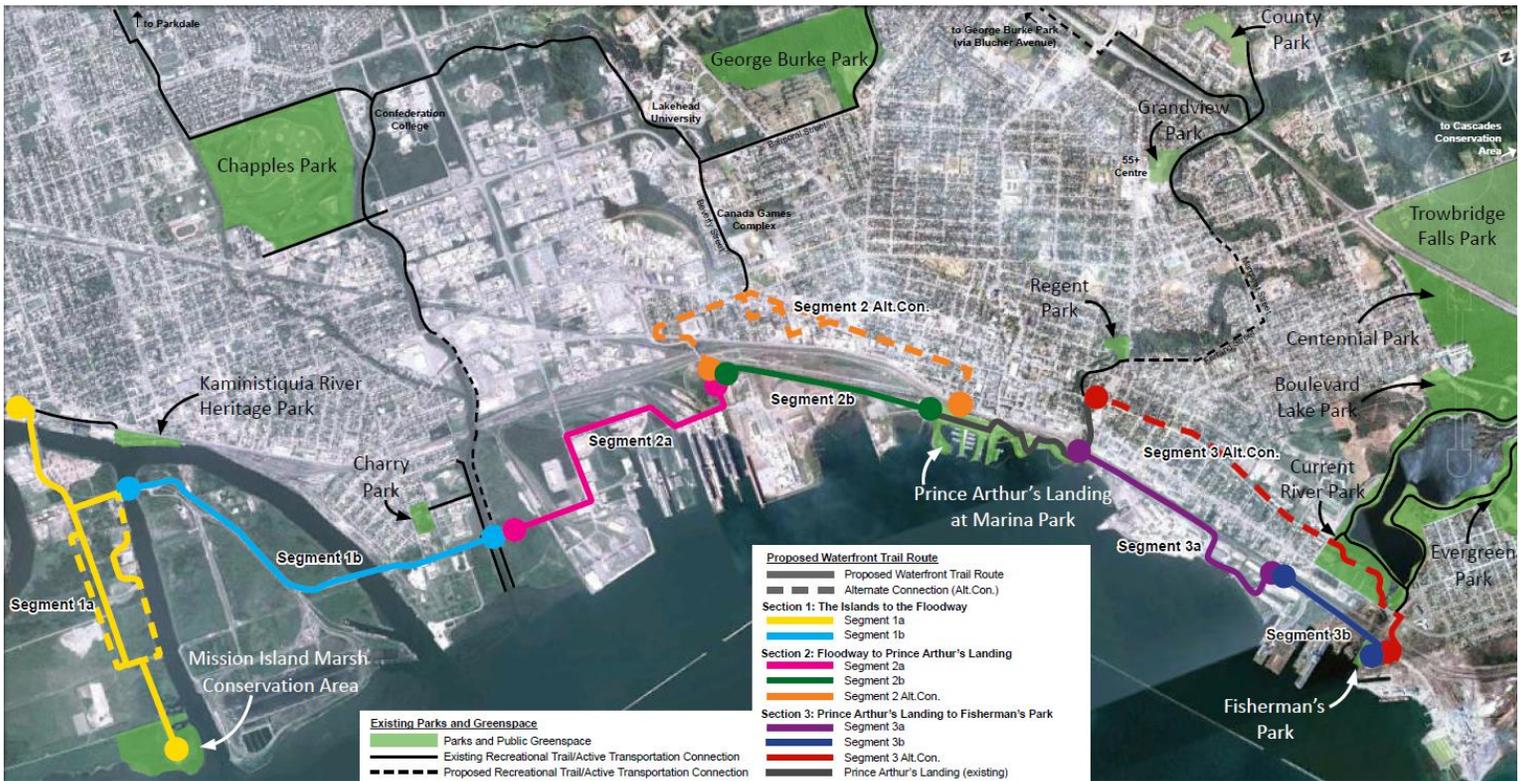
#### Assets located off the trail route:

1. Mount McKay
2. Fort William Historical Park
3. Centennial Park
4. Trowbridge Falls Municipal Campground
5. Cascades Conservation Area
6. Terry Fox Scenic Lookout
7. Boulevard Lake
8. Kaministiquia River Heritage Park
9. Canadian Pacific Railway Station
10. Pagoda Tourist Information

It was noted by stakeholders that while the Terry Fox Scenic Lookout and the Fort William Historical Park are not currently located in the trail or the waterfront, given their reputation and tourism visitation, they could be linked to the trail in future expansions, as in a hub and spoke model, to increase tourism economic impact.

Previous resources provide additional interpretative assets that have been identified by the community and partners along the trail for wildlife habitats<sup>28</sup>, heritage<sup>29</sup>, historical<sup>30</sup> sites, and more.

Figure 9: Proposed Waterfront Trail Expansion



Source: True Grit Consulting - 2014

S

<sup>28</sup> 2022 Habitat Strategy Thunder Bay AOC

<sup>29</sup> Waterfront-related Heritage sites

<sup>30</sup> Harbour Project – Thunder Bay Museum

## Visitor Perception Analysis

This section draws external visitor perceptions from Google Reviews and TripAdvisor<sup>31</sup>. Through these platforms, visitors to the area provide their ratings of local and regional tourism attractions. The perceptions of visitors and the reviews themselves influence potential new visitors. A weighted average is used to sort the reviews, with extra weight given to listings with more reviews. The ranking shows key attractions currently bringing visitors into the area.

The following attractions are currently the main tourism draws to Thunder Bay and efforts should be directed to connect a waterfront trail to these attractions, physically and through aligned marketing. Inviting tourists and residents to extend their stay through waterfront and trail-related activities and events increase tourism impacts.

Figure 10: Visitor Perceptions of Regional Tourism Attractions

Visitor Rank	Asset Name	Google Rating	Google Reviews	Trip Advisor Ratings	Trip Advisor reviews
1	Terry Fox National Historic Person Plaque (Historic Monument)	4.8	892	4.5	1,000
2	Hillcrest Park (Scenic Park and WWII memorial)	4.7	1,225	4.5	202
3	Fort William Historical Park (Historical site)	4.7	753	4.5	569
4	Kakabeka Falls (Falls viewing point)	4.8	191	4.5	661
5	Ouimet Canyon Provincial Park (Forest Hiking, Scenic)	4.8	434	4.5	120
6	International Friendship Garden	4.6	442	4	40
7	Centennial Conservatory (Botanical Arboretum)	4.7	334	4.5	125
8	Marina Park	4.7	278	4.5	155
9	The Courthouse Hotel Thunder Bay (Spa)	4.5	316	4	94
10	Prince Arthur's Landing (Walk)	4.6	341	4.5	29
11	Quetico Provincial Park	4.8	299	4.5	47
12	Sleeping Giant Brewing (Brewery)	4.7	284	4.5	56
13	Cascades Conservation Area (Hiking and Swimming)	4.7	246	4.5	61
14	Mount McKay (Hiking Trails)	4.7	79	4	211
15	Chippewa Park Pavilion (Child Amusement Park)	4.3	232	4	54
16	Vickers Park	4.6	217	4.5	4
17	Loch Lomond Ski Area	4.2	181	4	45
18	Mission Marsh Conservation Area (Hiking trails)	4.6	142	4.5	61
19	Thunder Bay Museum	4.6	151	4.5	46
20	Mount Baldy Ski Area	4.4	175	5	4
21	Wild Goose Beach (Park)	4.6	135	4.5	2
22	Thunder Bay Art Gallery	4.6	100	4.5	28
23	Alexander Henry Museum	4.6	108	4.5	15
24	Sail Superior Lake Adventures (Sailing)	5	21	5	78
25	Kaministiquia River Heritage Park	4	109	3	13
26	Pigeon River Provincial Park	4.9	50	4.5	45
27	Kamview Nordic Centre (Skiing and cross-country)	4.9	73	5	7
28	Mission Island (Scenic walk and deer sighting)	4.5	25	4.5	61

Source: Google Reviews, Trip Advisor 2023

<sup>31</sup> Google and TripAdvisor are sources for the analysis, as both have large user bases and are the primary source of information during a trip (Ipsos Mori study). Those two platforms also do not impede the tool used to prepare the analysis, unlike other social media review applications.

## KEY TAKEAWAYS

- Most Top 10 sites are parks, natural settings, historic points of interest and outdoor-oriented activities.
- Natural attractions are currently a substantial draw for tourists, and expansions of these attractions to include time on a waterfront trail could prolong stays and increase tourism economic impacts.

## Persona Profiles

Identifying a set of persona profiles for waterfront trail users serves to design promotion efforts and the trail itself to make sure the Thunder Bay Waterfront trail experience offers what users are looking for. These personas are based on the previous phases of this study, which identify resident and community partner's aspirations and current and future points of interest related to the trail. From these, Environics Analytics Prizm segmentation system was used to create personas. Prizm classifies Canada's neighbourhoods into lifestyle types by integrating geographic, demographic and psychographic data to outline market segments.



**Savvy Seniors:** Vitality and lifestyle characterize this persona. Savvy Seniors is home to older singles, couples and divorced or widowed individuals found mostly in cities throughout Ontario, British Columbia and Alberta. Many are financially comfortable, enjoying middle-incomes and owning easy-to-maintain singles, rows, apartments and condos. With nearly 40 percent of the individuals over 65 years old, many are empty-nesters; any children at home are typically in their twenties. These residents have the time, money and agility for travel, golf and fitness activities. Fond of cultural activities, residents regularly go to art galleries, the opera, theatre and local exhibits and fairs. And they believe in the value of community involvement, engaging in social issues and political campaigns, and giving to a wide range of charities.



**Family Mode:** Comprising more than a million people, Family Mode is one of the largest segments—and growing. Home to large, suburban families living in recently built houses, this lifestyle is rooted in midsize cities surrounding large metro areas. Its neighbourhoods are filled with individuals between 35 and 54, and children over the age of 5. These middle-aged adults have used their mostly high school and college educations to land a variety of blue-collar jobs. Their upper-middle incomes allow them to purchase single-detached houses and fill their garages with skiing, golfing and hockey equipment plus motorcycles, boats and camping trailers. A vacation means packing up the camper and hitting the road for one of Canada's parks.

Families are a key factor drawing visitors to the area, with 62% of respondents to the resident survey confirming they had family or friends visit who live more than 80kms away; it is crucial to support family-oriented activities and marketing efforts to continue attracting this segment and increasing local spending during visits.



**Country lifestyle:** Located in areas close to cities, country lifestyles include a mix of older singles and empty-nesting couples. Nearly a third are over 65. Most households live in a single detached house. With trades and professional education, they earn incomes that support active lifestyles. In these rugged communities, residents like to go boating, camping and snowmobiling. With a strong self-reliant streak, they enjoy sewing, crafting and doing home improvement projects.

These profiles are aligned with recommendations from previous studies<sup>32</sup>, which have also identified profiles based on activity, Hikers and Walkers, Cyclist, Horseback Riders, Snowmobilers and Cross-Country skiers as recommended trail users for future marketing efforts, trail design and tourism product development.

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<sup>32</sup> 2004 Trans Canada Trail Ontario Economic Impact Projections Study 2004; <https://cdn2.assets-servd.host/material-civet/production/images/documents/TransCanadaEcon.pdf>



Source: Waterfront Trail Rotary Community Action Team – Photo credit: Michael Hull

# SOARR Analysis

A research-based analysis of the strengths and aspirations of the proposed Waterfront Trail, the SOARR identifies opportunities that can be leveraged while understanding possible risks; subsequently, potential actions are designed to respond to the desired results

To help shape the priorities for the Thunder Bay Waterfront Trail expansion, an analysis of the Strengths, Opportunities, Aspirations, Risks and Results (SOARR) was prepared; this is a forward-looking model that takes elements that would traditionally be affiliated with a Strengths Weaknesses Opportunities and Threats (SWOT) analysis and uses insights gained through stakeholder consultations and economic analysis to inform a vision for the future and how to know when aspirations have been met.

The concepts underpinning the SOARR model are outlined in the figure below:

Figure 11: SOARR Model

<b>S</b>	<b>Strengths</b> What are we doing well? What key achievements are we most proud of? What can we build on?
<b>O</b>	<b>Opportunities</b> What our best possible future opportunities? What changes in demand can we expect in the future? What broader trends and policies may affect development and impact our aspirations?
<b>A</b>	<b>Aspirations</b> What are we deeply passionate about and want to achieve? What difference do we hope to make for all?
<b>R</b>	<b>Risks</b> What challenges do we need to be aware of? How will we recognize and mitigate or eliminate potential risks?
<b>R</b>	<b>Results</b> How we know we are succeeding? What are the key goals we would like to accomplish to achieve these results?

Source: Deloitte LLP

# S

## Strengths

What are we doing well? What key achievements are we most proud of? What can we build on?

- Public support has been demonstrated for the project, evidenced by 90% support rating from the public in a representative community phone survey.
- Community leadership actively supports implementation, led by the Waterfront Trail Rotary Community Action Team (WTRCAT). Other organizations are also ready to support the project, including leading environmental, business, recreation, and heritage organizations.
- The expansion of the trail is aligned with the City's tourism brand, and furthers tourism product development, a long-identified need in the city and region.
- The proposed trail extends the impact of existing waterfront investments and positive tourism developments such as the future Thunder Bay Art Gallery and the Science North waterfront facilities as well as the increasing presence of cruise ship visits to Prince Arthur's Landing.
- The current parks and trail sections that anchor the project are heavily used, which supports demand for connection between these areas.
- Stakeholders feel residents have a general interest in staying active and engaging in outdoor activities. Providing outdoor recreational assets was identified as a strategy for talent attraction.
- The business community is interested in increased pedestrian traffic in commercial areas in the north and south of the city, as well as the potential for increased connectivity with the downtowns, and trail-related business opportunities

# O

## Opportunities

What are our best possible future opportunities? What changes in demand can we expect in the future? What broader trends and policies may affect development and impact our aspirations?

- The proposed trail would provide active transportation options for residents and support the City in achieving its environmental goals. It would also improve north to south connectivity for active transportation, recreation and tourism.
- Supporting downtown business development by increasing pedestrian and cyclist activity in and near commercial areas and by adding commercial opportunities along the waterfront.
- Opening dialogue with Indigenous people and organizations.
- The expansion of the trail builds capacity for family-oriented and sporting events without the need for closing streets.
- Become an ecotourism destination for birding, wildlife photography, paddleboarding, kayaking, hiking, camping, fishing and more.
- Leverage cruise ship activity and access to cruise visitors, who are interested in the unique character of the community and spending at local businesses.
- Sharing cases of environmental stewardship and educating visitors on ethical environmental viewing.
- Maximize the spending of regional visitors and visiting friends and relatives by extending stays with a waterfront recreational experience.

# A

## Aspirations

What are we deeply passionate about and want to achieve? What difference do we hope to make for all?

- An integrated trail system that provides residents alternative transportation options for commuting and allows them to have an active lifestyle while providing tourists accessible opportunities for land and water-based recreation and sporting activities.
- A business supportive environment that enables business opportunities and respects adjacent industrial uses through safety measures, signage, and respectful engagement.
- An accessible trail system that promotes equity by facilitating access to the water and provides families and visitors low-cost recreation options without the need for driving or significant spending.
- A community-appropriate engagement process to ensure Indigenous engagement in the trail's development.
- An experience-driven trail that uses interpretative signage and sites to educate residents and tourists about the history of Thunder Bay and Lake Superior, including its industry, culture, ecology, and geology.
- A safe trail system with the appropriate infrastructure and maintenance that enables year-round use while ensuring safety for the different activities and has specific-oriented spaces such as event spaces, picnic locations, parking areas and more.

# R

## Risks

What challenges do we need to be aware of? How will we recognize and mitigate or eliminate potential risks?

- The number and types of land ownership along some sections of the trail require information and in some cases negotiations with separate owners, this represents a risk for the project implementation.
- Lack of tourism visitation data in the region, community and in relation to outdoor recreation and trail infrastructure could limit understanding of usage and opportunities to enhance impact.
- Insufficient marketing efforts of the trail and association with other tourism assets and the outdoor city brand would affect the opportunity to attract visitors and extend tourism impact.
- Stakeholders identified Thunder Bay as a community where cars are often used in conjunction with trails, designing for parking as well as active transportation access will increase usage.
- Securing funding commitments for the completion of the trail to meet community expectations and create a tourism destination experience.
- Safety was identified as a key consideration, and trail design and enhancements are recommended, including lighting, signage, and overall monitoring, with attention to overgrown areas and rail crossings. Encouraging usage of the trail throughout the seasons and overall waterfront development can mitigate safety concerns through long term increased usage and activation.

# R

## Results

How we know we are succeeding? What are the key goals we would like to accomplish to achieve these results?

- Waterfront visitation and trail usage.
- Trail-based events, sports, and recreational experience development.
- The number and length of tourism visits related to outdoor recreation.
- Marketing the usage of the trail, its reach and success.
- A connected trail system, linking recreational sites with commercial opportunities through active transportation.
- Engagement of community partners in interpretive values development, the effective sharing of community stories and the identification and development of interpretive sites.



Source: Waterfront Trail Rotary Community Action Team – Photo credit: Michael Hull

# Strategic Directions and Recommended Actions

Realizing the potential tourism benefits of the waterfront trail requires a focus on action. The strategic directions and associated actions outlined here are designed to maximize the economic benefits of the trail for the community of Thunder Bay and surrounding region of northwestern Ontario.

Figure 12: Strategic Directions



## Recommended Actions

The recommended action areas have been developed to focus on how to better support the development and use of waterfront trail to enhance economic impact and improve quality of life in the community. The actions were developed based on the reflections and insight shared by business, industry, and residents as well as the research findings.

Under timeframes, 'S' represents actions to be implemented in the short term, 'L' represents actions to be implemented in the long term, and 'C' indicates actions to be implemented on a continuous basis.

<b>Strategic Direction #1: Plan for Tourism Asset Development and Secure Resources to Build Trail Infrastructure</b>			
The waterfront trail must be sufficiently resourced to build certainty for additional funding and engage community support.			
<b>Objective #1: Confirm and seek out funding sources</b>			
<b>Action #1</b>	Consider tourism destination trail enhancements, aligned with the Trans Canada Trail and Waterfront Regeneration Trust best practices; Secure municipal commitment to multiyear funding for trail infrastructure, subject to matching funds, led by City of Thunder Bay	<b>Timeframe</b>	
		S	L
<b>Action #2</b>	Seek out Federal and Provincial funding for trail infrastructure, led by the City of Thunder Bay with WTRCAT support	<b>Timeframe</b>	
		S	L
<b>Action #3</b>	Secure funding from foundations and other organizations and build community fundraising coalition, led by WTRCAT	<b>Timeframe</b>	
		S	L
<b>Action #1</b>	Consider tourism destination trail enhancements, aligned with Trans Canada Trail and Waterfront Regeneration Trust best practices to be supported by community-based funding opportunities, led by the City of Thunder Bay and supported by WTRCAT	<b>Timeframe</b>	
		S	L
<b>Action #2</b>	Plan for further trail expansions to realize the potential of a hub and spoke model, connecting key tourism assets and the City's Active Transportation System	<b>Timeframe</b>	
		S	L

<b>Strategic Direction #2: Strengthen Partnerships to Maximize Economic Impact</b>			
Partnerships will not only further the trail’s development, and will inspire the activation, events and programming needed to realize the trail’s potential.			
<b>Objective #1: Lead economic impact through planning</b>			
<b>Action #1</b>	Target community planning to further waterfront development, including consideration for associated residential and commercial development, leveraging the trail route, by City of Thunder Bay	<b>Timeframe</b>	
		S	L
<b>Action #2</b>	Connect the trail with economic areas and tourism destinations, such as downtowns and create commercial opportunities along the trail, by City of Thunder Bay	<b>Timeframe</b>	
		S	L
<b>Objective #2: Partner to activate the trail system</b>			
<b>Action #1</b>	Encourage trail-based activities to activate visitation by planning recreational programming, and allowing community-based activities to take place when requested, led by City of Thunder Bay	<b>Timeframe</b>	
		S	L
<b>Action #2</b>	Develop packaged marketing to promote trail-based activities, led by Tourism Thunder Bay and Destination Northern Ontario	<b>Timeframe</b>	
		S	L

<b>Strategic Direction #3: Explore Interpretative Assets and Community Value</b>			
Working with community partners, prioritize and further identify interpretive assets, which include stories of the history, culture, ecology, industry, and geology visible on and from the trail, and develop an interpretive plan to tell these stories. Engage with Indigenous communities to discover a ‘community-appropriate process’ to explore opportunities for Indigenous involvement in the project design and implementation.			
<b>Objective #1: Create an interpretive plan for the Waterfront Trail</b>			
<b>Action #1</b>	Create an interpretive plan as a part of tourism enhancements, led by City of Thunder Bay in partnership with CEDC, Waterfront Development Committee, and WTRCAT	<b>Timeframe</b>	
		S	L
<b>Objective #2: Open dialogue on Indigenous involvement</b>			
<b>Action #2</b>	Initiate conversations with Indigenous organizations to discover a community-appropriate process to work together, led by City of Thunder Bay with support from Trans Canada Trail and WTRCAT	<b>Timeframe</b>	
		S	L

# Appendix A

## Economic and Tourism Impact Assessment

### Detailed Methodology

In consultation with the client, Deloitte LLP prepared a methodology for this analysis, which included a search for and review of reports about economic impacts of similar trails in other jurisdictions. Insight, statistics, and formulae were drawn from reports to construct a framework of data inputs and the use of an economic impact model.

#### Economic Impact Model

In deciding which economic impact model to use for this project, Deloitte considered the two major models used in Ontario, the Sport Tourism Canada's Sport Tourism Economic Impact Assessment Model (STEAM)<sup>33</sup> and the Government of Ontario's Tourism Regional Economic Impact Model (TREIM).<sup>34</sup> Both models are accepted by the Ministry of Heritage, Sport, Tourism and Culture Industries for grant applications to such programs as the Ontario Sport Hosting Program.<sup>35</sup>

- STEAM is a tool that helps event organizers to predict the economic impact of hosting a **particular sport event** in a specific location in Canada. The model is populated with primary data from sport events.
- TREIM is a regional economic impact model that makes it easier for organizations and individuals working or interested in tourism to determine the economic impact of **tourism-related activities** on the local and provincial economies.<sup>36</sup> TREIM consists of 108 interregional input-output (IRIO) models.

It was important for the selected model to be the most relevant tool for this project. Given that the Thunder Bay Waterfront Trail Expansion is not a sports event, but a non-gated trail that acts as a venue for non-programmed activities by locals and tourists, the TREIM model was utilized to test several scenarios to estimate total visitor spending and economic impact. The scenarios were measured against comparator economic impact analyses and tested with stakeholders to determine a realistic scenario to forecast the tourism impact.

#### Assumptions and Limitations

In consultation with Destination Northern Ontario, WTRCAT and Thunder Bay Tourism, the following assumptions were made for the preparation of the TREIM analysis.

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<sup>33</sup> Sport Tourism Canada, <https://sporttourismcanada.com/economic-impact/>

<sup>34</sup> TREIM, <https://www.ontario.ca/page/tourism-regional-economic-impact-model>

<sup>35</sup> Program Guidelines, [https://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/GetFileAttach/021-52-208E~6/\\$File/52-208E\\_Guide.pdf](https://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/GetFileAttach/021-52-208E~6/$File/52-208E_Guide.pdf)

<sup>36</sup> TREIM 2017: Ontario Tourism Regional Economic Impact Model User Manual, [http://www.mtr-treim.com/UserManual/TREIM\\_Manual\\_2017\\_ENG.pdf](http://www.mtr-treim.com/UserManual/TREIM_Manual_2017_ENG.pdf)

**Geography:** Census Metropolitan Area of Thunder Bay (CMA 595)

**Forecast Year:** 2025 (maximum available in TREIM model)

**TREIM Model Activity Type:** Visitor's Spending, Number of Visitors, Activity: Any Outdoors

**Trail Quality:** In all scenarios, it is assumed the trail upgrades are completed and that the trail experience is a core tourism attractor for the city.

**Visitor Data:** Person Visits to Region 13c, 2019: Total: 1,249,991

- Ontario Origin: 762,800
- Other Canada Origin: 449,522
- U.S.: N/A
- Overseas: 37,669

**Visitor Profile Data:** Activities Participated in Region 13c (Any Outdoor / Sports Activity), 2019: Total: 492,485

- Ontario Origin: 762,800
- Other Canada Origin: 449,522
- U.S.: N/A
- Overseas: 37,669
- Cycling (Total, except U.S.): 5,664
- Hiking (Total, except U.S.): 121,775
- Cross-country Skiing (Total, except U.S.): 8,883

**Specific Assumptions made for Each Scenario:**

**Scenario A (Selected):** The share of Region 13c visitation attributable to Thunder Bay CMA was assumed to be 20%, and the share of Thunder Bay's total visitors directly attributable to the trail was assumed to be 5%, and was also modeled on data gathered in the Greater Allegany Pass Study.

**Scenario B:** the share of regional visitation attributable to Thunder Bay was assumed to be 10%, and the share of city's total visitors directly attributable to the trail was assumed to be 15% and was also modeled on data gathered in the Greater Allegany Pass Study.

**Scenario C:** The share of Region 13c visitation attributable to Thunder Bay CMA was assumed to be 20%, and the share of Thunder Bay's total visitors directly attributable to the trail was assumed to be 5%.

**Scenario D:** Like Scenario C, the share of Region 13c visitation attributable to Thunder Bay CMA was assumed to be 20%, and the share of Thunder Bay's total visitors directly attributable to the trail was assumed to be 5%. However, the share of visitors by origin was attributed entirely to the rest of Ontario, with none attributed to the rest of Canada, the U.S., or overseas.

**Scenario E:** The share of regional visitors attributable to the city was assumed to be 20%, and the share of the city's total visitors directly attributable to the trail was assumed to be 25%. The share of visitors by origin was based on the calculation generated by Scenario A, which modeled on data gathered in the Greater Allegany Pass Study.

**Scenario F:** The share of visitation attributable to Thunder Bay CMA was assumed to be 100%. The share of Thunder Bay’s total visitors directly attributable to the trail was assumed to be 9.7%.

For all scenarios, the forecast number of cruise ship passengers for Thunder Bay was estimated at 6,000 visitors annually.

## Data Limitations

### Lack of trail usage data

Deloitte LLP discovered no documents or sources of information that could approximate trail usage projections for the Thunder Bay Waterfront Trail. To generate the input numbers needed to make the economic impact model work, data was sourced from “Region 13c: Northern Ontario Visitor Statistics, Ontario Ministry of Tourism, Culture and Sport, 2019,” which estimates the number of visitors who participate in outdoor activities, specifically hiking, cycling, and cross-country skiing. Snowmobiling, horseback riding, and ATV riding were not included in the sample. Scenarios were used to reduce the calculated visitor data to approximate the share of Region 13c numbers that could be attributed to Thunder Bay CMA. Scenarios were also used to approximate the share of hiking, cycling, and cross-country skiing users that could be attributed to the Thunder Bay Waterfront Trail specifically.

### Lack of U.S. visitor data for Region 13c

The data source “Region 13c: Northern Ontario Visitor Statistics, Ontario Ministry of Tourism, Culture and Sport, 2019” did not include information on the number of U.S. visitors to Region 13c.

The estimated number of U.S. overnight visitors was calculated by dividing total spending from U.S. pleasure travelers by per-household spending by U.S. travelers -to generate the estimated number of U.S. person visits. Using corresponding data for travelers from provinces of Canada other than Ontario, an approximate equivalent number of travelers was calculated, and the result was reduced to the input numbers needed, using ratios of outdoor activity for Other Canada travelers. Data for the number of overnight stays was based on estimates provided in relevant research reports to create the base economic impact scenarios.

## Detailed Findings

Scenario:	A		B		C	
<b>Number of Visitors (attributable to Trail)</b>						
• Ontario	5,663	72%	10,994	76%	19,851	68%
• Rest of Canada	734	9%	1,102	8%	1,955	7%
• USA	1,314	17%	2,131	15%	7,168	24%
• Overseas	106	1%	160	1%	401	1%
<b>Total</b>	<b>7,817</b>	<b>100%</b>	<b>14,386</b>	<b>100%</b>	<b>29,375</b>	<b>100%</b>
Visitors per Day (Average)	21		39		80	
<b>Total Visitor Spending</b>	<b>\$788,843</b>		<b>\$1,455,172</b>		<b>\$2,555,538</b>	
<b>Gross Domestic Product (GDP)</b>						
Direct	\$340,079		\$625,614		\$1,153,765	
Indirect	\$51,555		\$94,363		\$175,695	
Induced	\$74,855		\$137,075		\$261,096	
<b>Total</b>	<b>\$466,489</b>		<b>\$857,052</b>		<b>\$1,590,556</b>	
<b>Labour Income</b>						
Direct	\$162,267		\$297,059		\$574,294	
Indirect	\$33,368		\$61,037		\$114,012	
Induced	\$44,780		\$82,006		\$156,303	
<b>Total</b>	<b>\$240,415</b>		<b>\$440,102</b>		<b>\$844,609</b>	
<b>Employment (Jobs)</b>						
Direct	4		8		14	
Indirect	-		1		1	
Induced	-		1		2	
<b>Total</b>	<b>4</b>		<b>10</b>		<b>17</b>	
<b>Direct Taxes</b>						
Federal	\$70,256		\$130,368		\$222,701	
Provincial	\$100,451		\$185,279		\$309,406	
Municipal	\$8,634		\$15,747		\$30,737	
<b>Total</b>	<b>\$179,341</b>		<b>\$331,394</b>		<b>\$562,844</b>	
<b>Total Taxes</b>						
Federal	\$94,302		\$174,389		\$306,310	
Provincial	\$117,816		\$217,070		\$369,712	
Municipal	\$16,234		\$29,658		\$57,160	
<b>Total</b>	<b>\$228,352</b>		<b>\$421,117</b>		<b>\$733,182</b>	
<b>Total GDP by Industry</b>						
Net Indirect Taxes on Production	\$145,103	31%	\$268,824	31%	\$434,354	27%
Accommodation Services	\$13,114	3%	\$23,441	3%	\$206,483	13%
Retail Trade	\$72,080	15%	\$134,063	16%	\$205,275	13%
Food & Beverage Services	\$65,094	14%	\$118,217	14%	\$173,137	11%
Other Finance, Insurance, Real Estate, Leasing	\$26,251	6%	\$48,105	6%	\$90,919	6%
Arts, Entertainment and Recreation	\$29,015	6%	\$51,070	6%	\$90,900	6%
Other Services (Except Public Administration)	\$23,983	5%	\$45,499	5%	\$63,115	4%
Owner Occupied Housing	\$16,554	4%	\$30,301	4%	\$57,758	4%

Scenario:	A		B		C	
Manufacturing	\$15,741	3%	\$29,266	3%	\$47,039	3%
Other Transportation and Warehousing	\$6,869	1%	\$12,191	1%	\$29,097	2%
Professional, Scientific and Technical Services	\$8,398	2%	\$15,419	2%	\$28,692	2%
Construction	\$6,380	1%	\$11,681	1%	\$22,836	1%
Government Sector	\$5,717	1%	\$10,270	1%	\$19,173	1%
Non-Profit Institutions Serving Households	\$4,931	1%	\$8,849	1%	\$17,664	1%
Education Services	\$4,167	1%	\$7,602	1%	\$17,343	1%
Health Care and Social Assistance	\$4,415	1%	\$8,039	1%	\$14,957	1%
Other Administrative & Support Services	\$4,061	1%	\$7,454	1%	\$13,805	1%
Wholesale Trade	\$3,768	1%	\$6,955	1%	\$11,971	1%
Utilities	\$3,121	1%	\$5,718	1%	\$11,072	1%
Car Renting and Leasing	\$1,173	0%	\$2,060	0%	\$10,595	1%
Information and Cultural Industries	\$2,414	1%	\$4,415	1%	\$7,959	1%
Ground Passenger Transportation (excl. Rail)	\$1,344	0%	\$2,428	0%	\$7,731	0%
Mining and Oil and Gas Extraction	\$1,399	0%	\$2,605	0%	\$4,136	0%
Crop and Animal Production	\$763	0%	\$1,419	0%	\$2,272	0%
Travel Agencies	\$446	0%	\$817	0%	\$1,711	0%
Forestry, Fishing and Hunting	\$188	0%	\$346	0%	\$562	0%
Operating, Office, Cafeteria & Lab Supplies	\$0	0%	\$0	0%	\$0	0%
Travel, Entertainment, Advertising	\$0	0%	\$0	0%	\$0	0%
Transportation Margins	\$0	0%	\$0	0%	\$0	0%
<b>TOTAL GDP</b>	<b>\$466,489</b>	<b>100%</b>	<b>\$857,054</b>	<b>100%</b>	<b>\$1,590,556</b>	<b>100%</b>

Scenario:	D		E		F	
<b>Number of Visitors (attributable to Trail)</b>						
• Ontario	29,376	100%	28,313	72%	38,412	68%
• Rest of Canada	-	0%	3,672	9%	3,783	7%
• USA	-	0%	6,570	17%	13,871	24%
• Overseas	-	0%	532	1%	776	1%
<b>Total</b>	<b>29,376</b>	<b>100%</b>	<b>39,087</b>	<b>100%</b>	<b>56,842</b>	<b>100%</b>
Visitors per Day (Average)	80		107		156	
<b>Total Visitor Spending</b>	<b>\$2,984,942</b>		<b>\$3,944,354</b>		<b>\$4,945,093</b>	
<b>Gross Domestic Product (GDP)</b>						
Direct	\$1,256,220		\$1,700,467		\$2,232,595	
Indirect	\$181,750		\$257,785		\$339,979	
Induced	\$264,201		\$374,292		\$505,235	
<b>Total</b>	<b>\$1,702,171</b>		<b>\$2,332,544</b>		<b>\$3,077,809</b>	
<b>Labour Income</b>						
Direct	\$571,774		\$811,377		\$1,111,291	
Indirect	\$117,053		\$166,849		\$220,619	
Induced	\$158,047		\$223,908		\$302,455	
<b>Total</b>	<b>\$846,874</b>		<b>\$1,202,134</b>		<b>\$1,634,365</b>	
<b>Employment (Jobs)</b>						
Direct	15		21		27	
Indirect	1		2		3	
Induced	2		2		3	
<b>Total</b>	<b>18</b>		<b>25</b>		<b>33</b>	
<b>Direct Taxes</b>						
Federal	\$278,896		\$351,287		\$430,937	
Provincial	\$386,176		\$502,275		\$598,716	
Municipal	\$29,676		\$43,172		\$59,478	
<b>Total</b>	<b>\$694,748</b>		<b>\$896,734</b>		<b>\$1,089,131</b>	
<b>Total Taxes</b>						
Federal	\$363,671		\$471,523		\$592,725	
Provincial	\$447,417		\$589,103		\$715,412	
Municipal	\$56,474		\$81,173		\$110,608	
<b>Total</b>	<b>\$867,562</b>		<b>\$1,141,799</b>		<b>\$1,418,745</b>	
<b>Total GDP by Industry</b>						
Net Indirect Taxes on Production	\$577,083	34%	\$725,537	31%	\$840,495	27%
Accommodation Services	\$1,001	0%	\$65,574	3%	\$399,562	13%
Retail Trade	\$293,791	17%	\$360,407	15%	\$397,216	13%
Food & Beverage Services	\$229,182	13%	\$325,494	14%	\$335,029	11%
Other Finance, Insurance, Real Estate, Leasing	\$93,185	5%	\$131,259	6%	\$175,933	6%
Arts, Entertainment and Recreation	\$77,882	5%	\$145,097	6%	\$175,899	6%
Other Services (Except Public Administration)	\$112,862	7%	\$119,914	5%	\$122,129	4%
Owner Occupied Housing	\$58,385	3%	\$82,776	4%	\$111,765	4%
Manufacturing	\$63,542	4%	\$78,705	3%	\$91,023	3%
Other Transportation and Warehousing	\$16,192	1%	\$34,348	1%	\$56,304	2%
Professional, Scientific and Technical Services	\$30,326	2%	\$41,990	2%	\$55,521	2%
Construction	\$22,273	1%	\$31,899	1%	\$44,190	1%

Government Sector	\$17,776	1%	\$28,586	1%	\$37,100	1%
Non-Profit Institutions Serving Households	\$14,989	1%	\$24,659	1%	\$34,182	1%
Education Services	\$13,682	1%	\$20,837	1%	\$33,559	1%
Health Care and Social Assistance	\$15,116	1%	\$22,075	1%	\$28,943	1%
Other Administrative & Support Services	\$14,637	1%	\$20,304	1%	\$26,714	1%
Wholesale Trade	\$14,193	1%	\$18,842	1%	\$23,164	1%
Utilities	\$11,013	1%	\$15,607	1%	\$21,424	1%
Car Renting and Leasing	\$2,453	0%	\$5,865	0%	\$20,502	1%
Information and Cultural Industries	\$8,456	0%	\$12,070	1%	\$15,402	1%
Ground Passenger Transportation (excl. Rail)	\$3,138	0%	\$6,721	0%	\$14,959	0%
Mining and Oil and Gas Extraction	\$5,706	0%	\$6,994	0%	\$8,004	0%
Crop and Animal Production	\$3,069	0%	\$3,814	0%	\$4,395	0%
Travel Agencies	\$1,526	0%	\$2,232	0%	\$3,311	0%
Forestry, Fishing and Hunting	\$714	0%	\$938	0%	\$1,087	0%
Operating, Office, Cafeteria & Lab Supplies	\$0	0%	\$0	0%	\$0	0%
Travel, Entertainment, Advertising	\$0	0%	\$0	0%	\$0	0%
Transportation Margins	\$0	0%	\$0	0%	\$0	0%
<b>TOTAL GDP</b>	<b>\$1,702,172</b>	<b>100%</b>	<b>\$2,332,544</b>	<b>100%</b>	<b>\$3,077,812</b>	<b>100%</b>

## Comparators

The following section highlights spending and economic impacts on Canadian dollars using an exchange rate of 1 CDN = 1.36 USD. The Thunder Bay Waterfront Trail is expected to be 14 km in length. Note that in the review of comparative research, reports within a comparable Canadian context were not available.

- A 14 km rural trail in West Virginia, when completed, is expected to generate \$1.1 million in visitor expenditures.<sup>37</sup>
- A study of three rail-trails in California, Florida, and Iowa found the trails generated between \$1.6 and \$2.6 million in economic impact annually into nearby communities.<sup>38</sup>
- A 32 km trail in Maryland created \$2.1 million in total expenditures. Further study of the trail found the state received \$413,000 per year in trail-related tax income while the trail's management and maintenance costs were \$261,000 per year. A 42 km trail in Iowa generated \$1.7 million.<sup>39</sup>
- In Virginia, a 54 km trail has a total economic impact of \$2.1 million, and a 72 km trail generated \$1.9 million in non-local spending.<sup>40</sup>
- A 58 km trail in Pennsylvania generated \$2.3 million in spending meals and accommodation, between April and October.<sup>41</sup>
- Users of 96 km of trails in a region of Pennsylvania created an economic benefit of \$3 million between July and October.<sup>42</sup>
- The Great Allegheny Passage (GAP) is a 211 km trail system connecting towns in Maryland and Pennsylvania. Businesses estimated trail-attributed revenue to be \$32.6 million.<sup>43</sup>

Trails attract local users, visitors from across the country, and international tourists, according to the Conference Board of Canada.<sup>44</sup> Trails generate significant economic, health, and environmental benefits. Economic benefits come from user expenditures on the trail, which help communities, businesses, and the wider economy through supply-chain and income effects. Nature-based activities will play a role in reviving tourism, according to worldwide trends identified by the Conference Board.

Economic impact analysis describes the interrelationship between economic sectors through direct and secondary effects, where the multiplier occurs as a measure of total direct and secondary effects.<sup>45</sup> Multipliers have been developed for trail-based activities. The recreational trail tourism multiplier is 1.35 (output) and ranges from 1.00 to 1.33 (employment), according to an article in *Tourism Economics*.<sup>46</sup> The multiplier for hiking activities is 1.5, according to the West Cork Development Partnership.<sup>47</sup> The ecotourism in protected areas multiplier is 1.79 for employment, according to the *Asia Pacific Journal*

<sup>37</sup> Economic Potential of the Great American Rail-Trail, *Headwaters Economics / Rails-to-Trails Conservancy*, 2022.

<sup>38</sup> *Greenways & Trails*, New York Parks & Conservation Association / The Business Council of New York State, 2001.

<sup>39</sup> *An Economic Impact Analysis of the Proposed Alignment of the Trans Canada Trail in East-Central Alberta*, PriceWaterhouseCoopers, 2000.

<sup>40</sup> Virginia Department of Conservation, 2002.

<sup>41</sup> Ghost Town Trail, *Rails to Trails Conservancy*, 2009.

<sup>42</sup> Oil Region Alliance of Business, Industry & Tourism / Allegheny Valley Trails Association, 2006.

<sup>43</sup> The Great Allegheny Passage Economic Impact Study, 2007.

<sup>44</sup> *Trekking Our Trails: The Benefits and Significance of Canada's Trail System*, Conference Board of Canada, 2020.

<sup>45</sup> *The Economic Impact of Recreational Trails: A Systematic Literature Review*, Lukoseviciute, Pereira & Panagopoulos, Research Centre for Tourism, Sustainability and Wellbeing, *Journal of Ecotourism*, 2022.

<sup>46</sup> Bowker, Bergstrom & Gill, J.. Estimating the economic value and impacts of recreational trails: A case study of the Virginia Creeper rail trail. *Tourism Economics*, 13(2), 241–260, 2007.

<sup>47</sup> Woodfin, B.(2010). Maximising the benefits of walking tourism. Economic impact of walking tourism in West Cork. West Cork Development Partnership.

of Tourism Research.<sup>48</sup> The wildlife viewing multiplier of income ranges from 1.11 to 1.15, according to the Journal of Sustainable Tourism.<sup>49</sup> A Spanish researcher concluded that “every euro invested in hiking trails generates a five-euro value for the community”, according to an article in Journal of Travel and Tourism Marketing.<sup>50</sup>

## Disclaimers

This report has been provided for the purpose of informing and assisting Destination Northern Ontario to develop a tourism impact analysis of the Thunder Bay Waterfront Trail.

Deloitte does not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this report contrary to its intended purpose.

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The analyses are provided as of insert date of final report, and we disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting this analysis, which may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the analyses after the date hereof, we reserve the right to change, modify or withdraw the analysis.

Observations are made on the basis of economic, industrial, competitive and general business conditions prevailing as at the date March 31, 2023, hereof. In the analyses, we may have made assumptions with respect to the industry performance, general business, and economic conditions and other matters, many of which are beyond our control, including government and industry regulation.

No opinion, counsel, or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been, or will be, obtained from the appropriate professional sources.

To the extent that there are legal issues relating to compliance with applicable laws, regulations, and policies, we assume no responsibility.

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<sup>48</sup> Iverson. The economic impact of the Mariana Trench marine national monument. *Asia Pacific Journal of Tourism Research*, 15(3), 319–338, 2010.

<sup>49</sup> Saayman & Saayman. Estimating the economic contribution of visitor spending in the Kruger National Park to the regional economy. *Journal of Sustainable Tourism*, 14(1), 67–81, 2006.

<sup>50</sup> Raya, Martínez-García, & Celma. Economic and social yield of investing in hiking tourism: The case of Berguedà, Spain. *Journal of Travel and Tourism Marketing*, 35(2), 148–161., 2018.

We believe that our analyses must be considered as a whole and that selecting portions of the analysis, or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the issues related to the report.

Amendment of any of the assumptions identified throughout this report could have a material impact on our analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided to us not be factual or correct, our analyses, as expressed in this report, could be significantly different.

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## Background Review

The following documents were reviewed to gather background information for alignment with previous resources and for the Tourism Impact Analysis:

- Wildlife Habitat Strategy for the Thunder Bay Area of Concern (2022)
- Waterfront Trail Rotary Community Action Team – DRAFT (2022)
- Waterfront’s Pool 6 is the preferred Location for Science North’s New Science Centre (2022)
- Trends in the Canadian Hotel Industry – National Market Report (December 2019, December 2020, December 2021, July 2022)
- The Economic Impact of Recreational Trails: A Systematic Literature Review, Lukoseviciute, Pereira & Panagopoulos, Research Centre for Tourism, Sustainability and Wellbeing, Journal of Ecotourism (2022)
- National Market Report, CBRE Hotels (2019, 2020, 2021, 2022)
- Economic Potential of the Great American Rail-Trail, Headwaters Economics / Rails-to-Trails Conservancy (2022)
- Visits to Ontario from U.S. Regions (2000-2019), Ontario Ministry of Tourism / Statistics Canada Visitor Travel Survey (2020)
- Northern Ontario Trail Tourism Strategy, Destination Northern Ontario (2020)
- Trekking Our Trails: The Benefits and Significance of Canada’s Trail System, The Conference Board of Canada (2020)
- City of Thunder Bay Active Transportation Plan (2019)
- Region 13c: Northern Ontario Visitor Statistics, Ontario Ministry of Tourism, Culture & Sport (2019)
- Active Transportation Transforms America: The Case for Increased Public Investment in Walking and Biking Connectivity, Rails-to-Trails Conservancy (2019)

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<sup>51</sup> Source: Tourism Regional Economic Impact Model, Terms and Conditions, mtr-treim.com

- City of Thunder Bay Official Plan (2019)
- Back on the Map: Shuniah Tourism Strategy (2019)
- Economic Impact of Paved Trails, University of Minnesota's Center for Urban and Regional Affairs / Arrowhead Regional Development Commission (2018)
- Great Lakes Cruise Strategy for Ontario's Ports: Town of Midland, Bermello Ajamil & Partners (2018)
- Northern Ontario Cycling Tourism Plan (2017)
- Cook County Comprehensive Trails Plan, Arrowhead Regional Development Commission (2016)
- Economic Impact Study for the Rum Runners Trail, Gardner Pinfold (2016)
- Oregon Non-Motorized Trail Participation and Priorities, Oregon State University (2015)
- Impacts of Central Ohio Trails, University of Minnesota Humphrey School of Public Affairs (2015)
- The Economic Impacts of Active Silent Sports Enthusiasts, University of Wisconsin Department of Urban and Regional Planning (2014)
- Economic Benefits of Trails, Pennsylvania Land Trust Association (2011)
- Jackson Hole Trail Project Economic Impact Study, University of Wyoming (2011)
- Kinghorn Rail-to-Trail Initiative Feasibility Study – Final Report, MacLeod Farley & Associates (2011)
- Trails Inventory and Research in RTO12, Sustainable Trails Ltd. / Georgian Bay Coast Trail Inc. / Park to Park Trail Association / Ontario Trails Council (2011)
- Ghost Town Trail User Survey and Economic Impact Analysis, Rails-to-Trails Conservancy (2009)
- The Great Allegheny Passage Economic Impact Study, Progress Fund's Trail Town Program / Laurel Highlands Visitors Bureau / Allegheny Trail Alliance / Campos Inc. (2009)
- Schuylkill River Trail User Survey and Economic Impact Analysis, Rails-to-Trails Conservancy (2009)
- National Grain Industry Activity Centre (2007)
- Economic Impact Analysis: Trans Canada Trail in Ontario, PWC (2004)
- The Economic Benefits of Trails, American Hiking Society (2002)
- Greenways & Trails: Bringing Economic Benefits to New York, New York Parks & Conservation Association / The Business Council of New York State, Inc. (2001)
- An Economic Impact Analysis of the Proposed Alignment of the Trans Canada Trail in East-Central Alberta, PriceWaterhouseCoopers (2000)
- A Decade of Regeneration, Realizing a vision for Lake Ontario's Waterfront (2000)
- Reacquaint the Waters of History - The Kaministiquia River
- Working in a Good way – Outdoor Recreation Council of BC

## Waterfront-Related Heritage Sites

For the process of identifying historical, cultural, and environmental sites along the trail, the following heritage sites were identified by the City's Heritage Advisory Committee on or near the Waterfront and shared by WTRCAT.

### Heritage Sites Designated by the City under the Ontario Heritage Act (8 of 26 sites)

- Chippewa Carousel Chippewa Park [1918-1920 by C W Parker]
- TB Museum, 425 Donald St E [1912] (formerly Police Station & Court House)
- TB Brodie St Public Library, 216 Brodie St S [1912] (Carnegie Foundation)
- St Andrew's Presbyterian, Church 211 Brodie St S [1909]
- CN Station Sleeping Giant Parkway, Marina Park
- Pagoda, 170 Red River Rd [built 1909] (Tourist Info Centre)
- TB Multicultural Centre, 17 Court St N [1906] (formerly the Central Fire Station)
- Black Bay Bridge, Arundel/Lynn Blvd Boulevard Pk [1911-12] (reinforced concrete design)

### Sites Listed by the Heritage Committee but not Designated (16 of 49)

- Paterson Building [ 1918], Young St
- Canada Car and Foundry National Historic Site, 1001 Montreal St
- Ft William Grain Exchange, Chapples Building, 701 Victoria St E [1913]
- NW Ontario Sports Hall of Fame, 219 May St S [1916]
- Cenotaph Monument McGillivray Square, City Hall, 500 Donald St
- CPR Union Station, 440 Syndicate Ave S [1911] (Grand Trunk Pacific Railway)
- McKellar Lift Bridge CP, Island Dr

- Jackknife Bridge (Kam River Bascule lift Bridge) CP, Old Vicker St [1910-1913] (In 2004 the upper road deck was removed) ((Ft William's 2005 South Core Neighborhood Renewal Plan suggested a recreational trail extend from Kaministiquia Heritage Park to the bridge))
- Lighthouse on the Break Wall, Marina Park [1944]
- Iron Ore Dock, 490 Maureen S [1944?] (rail spur removed 1970?)
- Ukrainian Catholic Church of the Transfiguration, 629 McIntosh St [1918]
- Ukrainian Orthodox Church of the Assumption of the Blessed Virgin Mary, Pacific Ave [1911]
- St Peter's Catholic Church 700 McIntosh St [1908 -1911]
- Prince Arthur Waterfront Hotel, 17 Cumberland St N [1911]
- Thunder Bay Court House, 277 Camelot St (now a hotel) [1944]
- Bank of Montreal building, 27 Cumberland St (currently a restaurant)
- St John Anglican Church, 226 Pearl St
- O'Kelly VC Armory, 317 Park St [1913]
- Waverley Park Heritage Conservation District – 70 properties 500 m on Red River Rd from the Lake

**Deloitte.**