

Memorandum

TO: Krista Power, Director
Legislative Services & City Clerk

FROM: Kayla Dixon, Commissioner
Infrastructure & Operations

DATE: 03/17/2025

SUBJECT: **Approval and Authorization for Central Avenue Development Lands
Infrastructure Servicing Agreement**

MEETING & DATE: Committee of the Whole – 04/07/2025

The City of Thunder Bay's application for the Housing-Enabling Core Servicing (HECS) has been approved by the Ministry of Infrastructure. The application was for road network expansions and improvements serving the Central Avenue Development Lands, also referred to as the Interocean development area, which is located north and south of Central Avenue, between Balmoral Street and Golf Links Road. To proceed with the execution of the Transfer Payment Agreement (TPA), a resolution of Council authorizing the City to enter this Agreement with the Province must be passed.

The Province is contributing 50% of the total eligible costs, up to a maximum of \$8,640,625 towards the Central Avenue Development Lands project. The City will be responsible for a municipal contribution of \$8,640,625, as well as any additional costs that may rise during the project. This project builds on the successful 2024 application to the Housing-Enabling Water Systems Fund (HEWSF) for the underground servicing of the project, which includes a maximum of \$10,402,500 of Provincial funding and a municipal contribution of \$3,847,500. The overall project to develop the Central Avenue lands will put pressure on the City's linear capital budget over the next several years to fund both this large new infrastructure project and complete asset management renewal of the City's existing infrastructure.

There will be no funding requirements for the 2025 fiscal year for Housing-Enabling Core Servicing with work in 2025 focusing on the underground work funded through the previously awarded Housing-Enabling Water Services Fund. The 2026 and future capital budgets will identify the required municipal contribution which can include the Provincial Building Faster Fund, Ontario Community Infrastructure Fund, and Federal funding as appropriate.

The project involves constructing road network expansions and improvements including asphalt roadways, curb and gutter, sidewalks and multi-use trails, street and trail lighting,

roadside drainage, boulevards and tree planting, intersection improvements and replacing the Central Avenue crossing of the McIntyre River. This includes the construction of approximately 2.3 km of new urban-standard local roads and the upgrade of approximately 2.0 km of existing roads. Additionally, approximately 2.6 km of new pedestrian facilities including sidewalks and multi-use trails will be added along the existing road network. The outcomes of this project will enhance the road and multi-use trail network, promote growth, and enable the development of approximately 1,260 new housing units in Thunder Bay. The project completion deadline is March 31, 2028.

To support the completion of this entire project, which has an anticipated budget of approximately \$31,531,250 and significant scope, a dedicated temporary project manager is required. Therefore, an additional engineer in Infrastructure & Operations will be hired on a temporary basis and will be responsible for design and management of the project. This position will be funded out of the municipal capital contribution towards this project for the duration of the project and will not affect the Operating budget.

WITH RESPECT to the memorandum from Kayla Dixon, Commissioner of Infrastructure & Operations dated March 17th, 2025, we recommend that the execution of the Transfer Payment Agreement (TPA) for the Housing-Enabling Core Servicing (HECS) fund between the Ministry of Infrastructure and the Corporation of The City of Thunder Bay be approved;

AND THAT the Commissioner of Infrastructure & Operations be authorized to execute any necessary agreements;

AND THAT any necessary by-laws be presented to City Council.

cc: ELT
Laurie Fors, Supervisor Budgets & Capital Programs
Matthew Miedema, Director Engineering
Aaron Ward, Manager Engineering