



Thunder Bay
Ventures

Community Futures Development Corporation

2006 Thunder Bay Small
Business Opinion Survey

June 2006

9th Annual Report
presented by Thunder Bay Ventures

to examine the attitudes of the business community towards specific
issues and developments in the local community.



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Executive Summary

In its 9th year, the Thunder Bay Business Opinion Survey focuses on gauging the behaviours and perspectives of small business owners, and continues to provide notable results. This report examines the current and future business environment in Thunder Bay along with new and existing regional developments and institutions. Both quantitative and qualitative findings of the survey are provided in an effort to identify patterns and trends in small business activity. Statistical methodology and practice, primarily with the use of frequencies and descriptives, are used in the study. All efforts were made to eliminate bias that may provide misleading results. With 119 usable responses, about seven percent of the targeted population is represented. The presentation format of this report is similar to previous years. Questionnaire reliability and validity were examined and found to be consistent with generally accepted statistical techniques.

The survey offered notable findings in several key areas:

- (1) 85 percent of respondents expect zero or negative growth in the Thunder Bay economy over the next 12 months, slightly better than the 90 percent finding last year, but still well higher than the 77 percent in 2004, indicating continued economic pessimism.
- (2) 90 percent of small business owners believe the Charity Casino has a negative impact on the economy, up 5 more percent from last year, 20 percent from 2004 and 27 percent from 2003, continuing the strong negative trend.
- (3) Respondents continue to find the Higher Education and Healthcare industry sectors as having the most optimistic growth potential in Thunder Bay, while a substantial decline in core manufacturing sectors continues. Furthermore, 89 percent believe that future economic development in the region should use a focused industry sector approach.
- (4) Indications suggest that small businesses will be investing substantially less in traditional business activities in FY2006/7. All traditional investment categories had a decrease compared with last year's results. This suggests a conservative approach to future business activity and is reflective of difficult economic times.
- (5) 32 percent of small businesses were not secure about the sustainability of their business over the next three years, a bit better than last year. However, 13 percent expect to layoff employees over the next 12 months, up from 5 percent last year.

Small business owners in Thunder Bay remain pessimistic about the regional economy. Their conservative expectations of investment spending and employment levels are reflective of this. However, as in years past, small business owners are generally optimistic about the levels of their own sales. About two thirds of respondents expect sales to increase in the next fiscal year. Responses indicate that small business owners believe focusing on a particular industry sector would be more beneficial to Thunder Bay, rather than simply searching for anyone who will relocate here. Indications are that these sectors should be in higher education, healthcare and technology. Lastly, the small business owners' views regarding the impact of the Charity Casino have become increasingly negative. While an overwhelming 90 percent believe the casino has a negative impact on the community, only 55 percent believe it should be closed. There is a sense that some potential in the casino may exist, but not with its current operating state and revenue sharing.

Research Objective

In its 9th year, the annual Thunder Bay Business Opinion Survey continues to provide both provocative and robust results. In keeping with previous years, the objective of the study is to examine the attitudes and behaviours of small business organizations in the Thunder Bay Census Metropolitan Area (CMA). The three specific areas of concentration are in: (1) gauging both the attitudes and trends of the small business community with regard to the current and future business climate in Thunder Bay; (2) identifying factors most critical to the development of the City's economy beyond the year 2006, and (3) examining the attitudes of the business community toward specific issues and developments in the local community. The survey also provides respondents with the opportunity to openly comment on any issue they choose. This approach has led to the development of new questions within subsequent surveys and continues to provide valuable and candid feedback of small business owner thinking.

The principal organization driving this survey is Thunder Bay Ventures; an organization funded by Industry Canada through FedNor, as part of the federal government's Community Futures Development Program. Thunder Bay Ventures has a mandate to conduct research on issues relevant to community economic development, in addition to providing financing and support to small business. The 2006 annual survey was conducted in May and June of this year.

Methodology and Response

The population of study for this research is firms with less than 35 full-time employees, regardless of revenues or type of business activity. This population is also located in the Thunder Bay CMA and has no affiliation with a particular industry sector. Included with the questionnaire was a letter of introduction explaining the purpose of the survey and details of a response incentive. During a three-week data collection period, 700 surveys were delivered with 122 surveys returned (17.4%), slightly down for the second year in a row, however quite acceptable given the population size. Also, the return rate is well within the range provided over the last eight years. Of the 122 responses, 3 were considered unusable providing a net response of 119.

The survey uses a systematic random sample approach and is delivered through Canada Post. Each survey is addressed to the identified owner of the business. The questionnaire uses a Likert scale (1 to 5) response format as well as categorical response options for assessing frequency and descriptive data (see Appendix A). The questionnaire is 7 pages and has approximately 145 questions. The time estimated to complete the survey was between 10 to 15 minutes.

Respondents are also offered the opportunity to openly express comments regarding Thunder Bay's economy or any issue they feel strongly about. Eighty percent of respondents did provide additional feedback on one or more of the open-ended questions, similar to last year. These responses are simply opinionated comments and do not indicate any statistical significance or trend.

In keeping with accepted statistical practice, an examination of the questionnaire's reliability and numerous validity measures were performed. The inter-item reliability alpha was calculated and

found to be inline with acceptable consistency and accuracy thresholds. The research instrument also demonstrates strong internal and external validity. Results provided in this year’s survey both typify and reinforce results from previous surveys.

Respondent Profile

This section provides some general demographic results for the 2006 survey respondents. Percentage results provided are from those individuals responding to the specific questions. Every respondent did not answer every question, in every case. Respondent characteristics appear to reflect the small business population and are consistent with characteristics exhibited in previous years. Respondent firms from this year’s survey are smaller than last year, based on employee size, however years in business, business type, gender and respondent age are consistent with previous results.

Some of the notable items from this section are identified as follows. First, 87 percent of employment levels for the sampled firms either remained the same or increased, and this is inline with the 2005 survey results which found that 95 percent of sampled firms planned to hire new employees or keep levels the same. These numbers are close and provide confidence in the expectation results of small business owner responses. Second, 13 percent of the firms employment levels decreased, although similar to last year at 15 percent. Third, 69.3 percent of firms sampled had an increase in sales revenues from the previous year; this is up 4.3 percent from last year, and better than expectations.

Gender		
	Male	59%
	Female	41%
Age of Respondent (average)		48 years
Years in Business (average)		21 years
Business Type		
	Retail	36%
	Wholesale	1%
	Manufacturing	3%
	Professional services	33%
	Personal services	7%
	Other	20%
Legal Status of Business		
	Sole proprietor	33.1%
	Partnership	12.7%
	Corporation	54.2%

Number of Employees		
	Full-time (avg)	5.1
	Part-time (avg)	4.3
Change in Total Employment (2005)		
	Increased	23.5%
	Remained the same	63.5%
	Decreased	13.0%
Actual Sales (FY2005)		
	Less than \$25,000	12.0%
	\$25,000 - \$49,000	10.3%
	\$50,000 - \$99,999	7.7%
	\$100,000 - \$249,999	18.8%
	\$250,000 - \$499,999	11.1%
	\$500,000 - \$999,999	14.5%
	\$1 Million - \$5 Million	22.2%
	Greater than \$5 Million	3.4%
Change in Actual Sales (2005 to 2004)		
	Increase	69.3%
	Decrease	30.7%
Industry Canada Ownership Categories (count)		
	Woman	58
	Aboriginal	5
	Francophone	5
	Youth	12

Current Small Business Issues

The “Current Small Business Issues” section is focused on understanding the current posture of small business owners given their previous experiences and future expectations. The mean scores are provided in the following tables. Deviations away from the center (3.00) indicate an area to watch as well as emerging trends in either direction. These results are shaded.

Sales expectations for FY2006 are generally positive as slightly over 61 percent believe they will enjoy an increase in sales compared to the last fiscal year. This is down from 64 percent in 2005 and 65 percent in 2004. Although there is a drop, these numbers offer a sense of confidence among most small businesses. However, 13 percent of sampled firms expect to layoff employees in the next 12 months. This is somewhat more worrisome as last year layoff projections were at 5 percent.

Some of the more pressing problems facing small businesses in the last 12 to 18 months have been energy rates, gasoline and fuel oil rates, insurance rates and the general economic climate in Thunder Bay. Results are consistent across several questions and demonstrate a theme of concern for the small business. Small business owners appear very concerned about increases in expenses over which they have very little control. When addressing the future success of their business, small business owners indicate that these issues will be crucial. In addition, respondents believe advertising and promotion will contribute to their future success. Contrary to these issues, respondent firms have very little concern with union restrictions or municipal building and zoning requirements.

The investment intent of small business owners over the next 12 months is subtly one of the most interesting items in the survey. Of the 10 investment choices listed, responses are notably lower than last year on every choice. This suggests a conservative position among respondents and is in keeping with a worrisome economic climate. Decisions to invest become increasingly problematic and risky, so business owners will take a hold and save approach until they are more confident of a potential healthier return.

Several developments and institutions are expected to impact small business in Thunder Bay. First and foremost, the Charity Casino continues to worry small business owners and continues to trend negatively, falling to its lowest point in five years. Respondents also believe the Charity Casino will have a notable negative impact on their business and the Thunder Bay economy. Second, the pulp and paper industry is also expected to have a negative impact on small businesses, and it also continues its downward trend. Third and closely related is local sawmill production. It too is expected to have a negative impact and has been trending downward over the last three years.

The higher education sector continues to enjoy favour from the small business owners as Lakehead University and Confederation College are expected to have a positive impact on the Thunder Bay economy. Both are trending slightly upward, with the University having the highest response numbers. One final note, small business owners find that sales and marketing skills are most lacking in their organization. This is consistent with most of the previous years.

(1) Respondent Expectations

Expect Annual Sales Increase (2006)		
	Yes	61.2%
	No	38.8%
Hiring Expectations for Next 12 Months		
	Planning to hire additional employees	41.2%
	Planning not to hire additional employees	63.5%
	Planning to layoff employees	13.0%



(2) Below is a list of problems often encountered by businesses, please indicate the extent to which the following issues have been a problem for your business in the past 12 months.

Not a Problem (1) – Significant Problem (5)

	2006
Increasing wage rates	2.48
Declining sales	2.74
Availability of skilled labour	2.72
Weather conditions	2.11
Raising capital/securing business loans	2.20
Increased competition	2.79
Access to market research	2.23
Government paperwork requirements	2.81
Municipal zoning/building requirements	1.88
Access to advice	2.11
Union restrictions	1.28
Electricity rates	3.16
Gasoline and fuel oil rates	3.41
CDN.-U.S. exchange rate	2.27

(3) How important were the following factors to your sales performance in the 2005 fiscal year?

Not Important (1) – Very Important (5)

	2006
Inventory price increases	2.52
Advertising/promotion	3.20
General economic climate	3.79
Change in product/service offering	2.70
Staff related issues	2.59
Change in competitive environment	2.92
Weather	2.14
New markets	1.79
Canadian – U.S. exchange rate	2.21
Fuel/energy costs	3.28
Insurance rates	3.31
U.S. border restrictions	2.14
Gasoline and fuel oil rates	3.27
Electricity rates	3.19

(4) How important do you expect each of the following factors to be for the future success of your business?

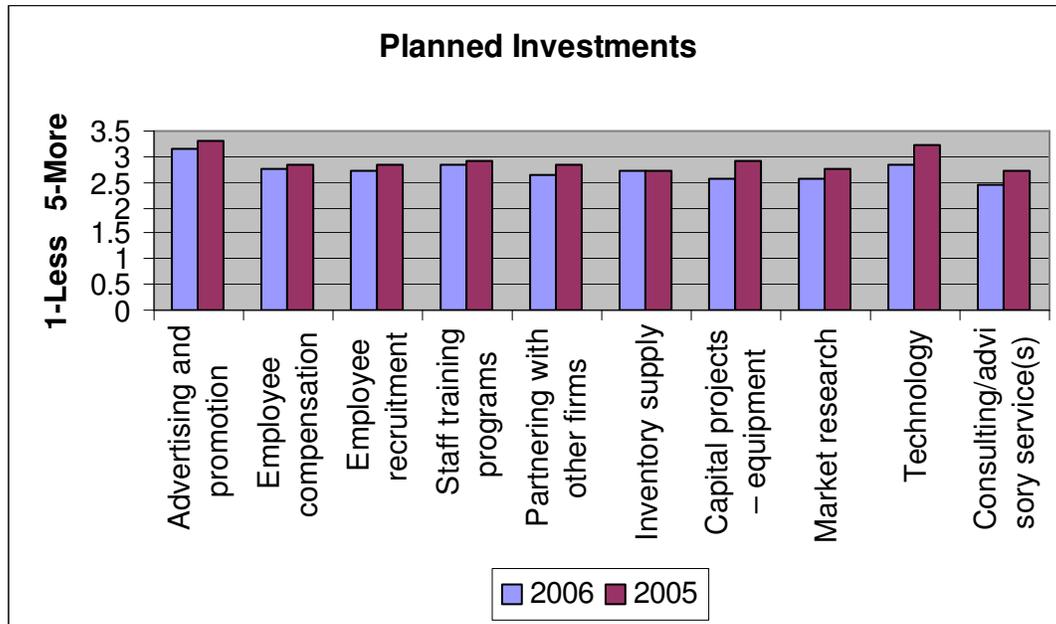
Not Important (1) – Very Important (5)

	2006
Inventory price increases	2.90
Advertising/promotion	3.63
General economic climate	4.21
Change in product/service offering	3.03
Staff related issues	2.82
Change in competitive environment	3.18
Weather	2.28
New markets	2.38
Canadian – U.S. exchange rate	2.67
Fuel/energy costs	3.47
Insurance rates	3.46
U.S. border regulations	2.54

(5) Is your company planning to invest more or less in the following activities over the next 12 months than in the previous year?

Significantly Less (1) – Significantly More (5)

	2006	2005	2004	2003	2002
Advertising/promotion	3.16	3.32	3.33	3.11	3.18
Employee compensation	2.76	2.83	2.82	2.75	2.78
Employee recruitment	2.71	2.82	2.93	2.64	2.89
Staff training programs	2.82	2.92	3.18	3.00	3.18
Partnering with other firms	2.63	2.85	2.86	2.70	2.65
Inventory supply	2.71	2.74	2.83	2.75	2.61
Capital projects – equipment	2.57	2.90	3.03	2.94	2.72
Market research	2.58	2.76	2.91	2.77	2.50
Technology	2.83	3.23	3.27	3.04	2.99
Consulting/advisory service(s)	2.46	2.74	2.79	2.67	2.47



(6) Business Skills

Business Skills Most Lacking in the Organization			
	2006	2005	2004
Sales and Marketing	39%	32%	50%
Finance and Accounting	20%	11%	14%
Inventory and Process Management	9%	12%	8%
High Technology Implementation	22%	34%	25%
Recruitment and Training	10%	11%	3%

(7) What kind of impact do you believe the following developments/institutions will have upon your business?

Very Negative (1) – Very Positive (5)

	2006	2005	2004	2003
Electricity production	2.84	2.94	-	-
Box store expansion	2.51	2.62	2.63	2.88
Gasoline/fuel prices	2.21	2.20	2.27	-
Cross border security	2.55	2.91	2.69	-
Highway 11/17 – Shabaqua Expressway	2.87	3.10	-	-
Charity casino	2.18	2.21	2.35	2.56
Lakehead University	3.71	3.63	3.62	-
Confederation College	3.64	3.63	3.62	-
Changing tax rates	3.12	2.62	2.56	-
Pulp and paper industry	2.35	2.98	3.19	-
Local sawmill production	2.49	2.95	3.13	-
Electricity rates	2.17	-	-	-
Multiplex arena	3.18	-	-	-
Call centres	3.05	-	-	-

Thunder Bay Business Climate

The “Thunder Bay Business Climate” section of the survey is presented in an effort to gauge small business’ attitudes toward the current and future business climate and economic growth potential for the Thunder Bay CMA. Specific questions regarding new development and institutions and their impact on the Thunder Bay economy, industry sector growth potential, and the City’s ability to meet the needs of small business are discussed.

Similar to last year’s findings, 85 percent of respondents believe Thunder Bay will have negative or no growth over the next year. These results are five percent better than last year, nonetheless discouraging. As the topic of developing a focused or diversified local economy is explored, small business owners are asked whether or not Thunder Bay should attempt to pursue a particular industry sector. In a noteworthy increase of 11 percent over last year, 89 percent believe the answer is yes. Within the survey, an opportunity to offer sector direction is available, however no statistical consistency is identified. Healthcare, higher education and technology were found most often. These findings are further supported by sectors identified as having the most potential for positive impact on the Thunder Bay economy. Respondents also believe that manufacturing at all levels and retailing have the least potential for positive impact on the economy. Each of these sectors has been trending downward over the last four years.

In meeting the needs of small business owners, government representation at all levels is identified as the most deficient along with municipal tax rates. This is consistent with past results. Similarly to insurance and energy rates, small business owners appear particularly

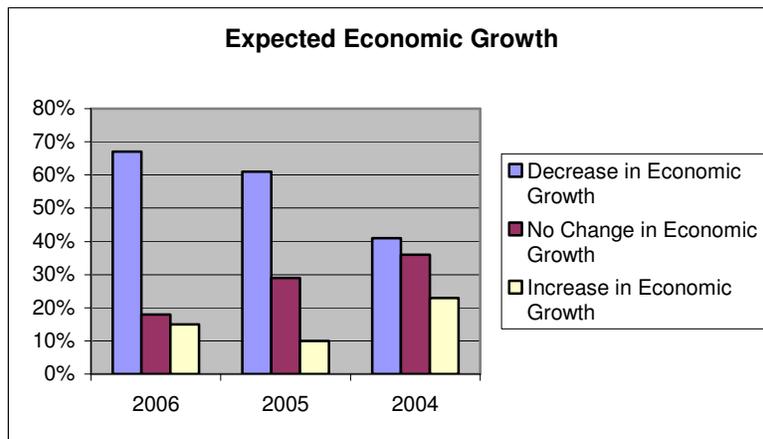
concerned about costs they cannot control. Survey respondents also find that healthcare facilities are the primary enticement for businesses to relocate to the Thunder Bay region, while city government and policies is the greatest impediment for those firms looking to relocate here.

Quality of life is a topic often examined when looking at our region. Responses show that small business believes retirees have the highest quality of life here, while small business owners themselves have the lowest. And comparing our region with others, 53 percent feel it is better than most other comparable regions. The quality of life issue is difficult to measure, as defined constructs are inconsistent and difficult to quantify. Further examination of this topic is warranted.

Lastly, 72 percent of respondents believe that the recent layoffs of regional mill employees have affected their sales, demonstrating a dependency on this sector. This is somewhat problematic as most small businesses have identified this sector as having a low growth potential in the future. Also, respondent owners were asked about the security of their business over the next three years. With marginally better results, 32 percent indicated they were not secure about the sustainability of their business, down from 35 percent a year ago. And, using a new exploratory question, respondents were asked if a stronger effort should be made to involve young people in the future direction of Thunder Bay. As expected, a significant “yes” return of 95 percent was received. Comments at the end of this report further substantiate these findings.

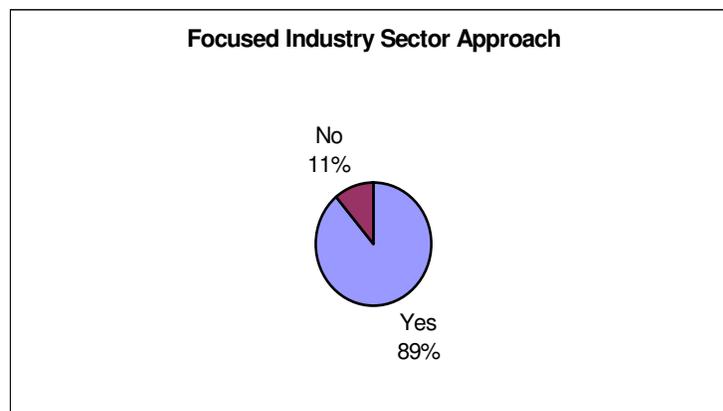
(8) Anticipated Economic Growth for Thunder Bay In the Next 12 Months

	2006	2005	2004
Decrease in Economic Growth	67%	61%	41%
No Change in Economic Growth	18%	29%	36%
Increase in Economic Growth	15%	10%	23%



(9) Do you believe the City of Thunder Bay should pursue the focused development of a particular industry sector?

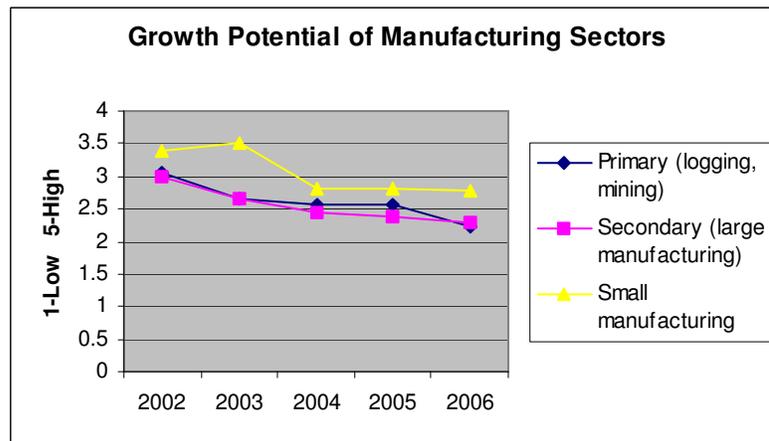
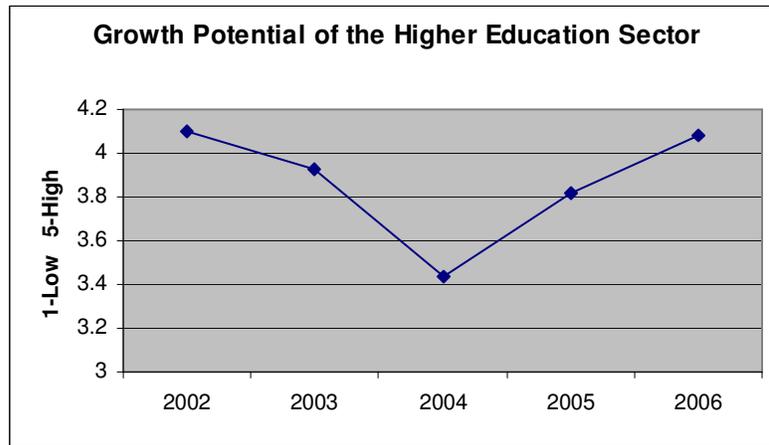
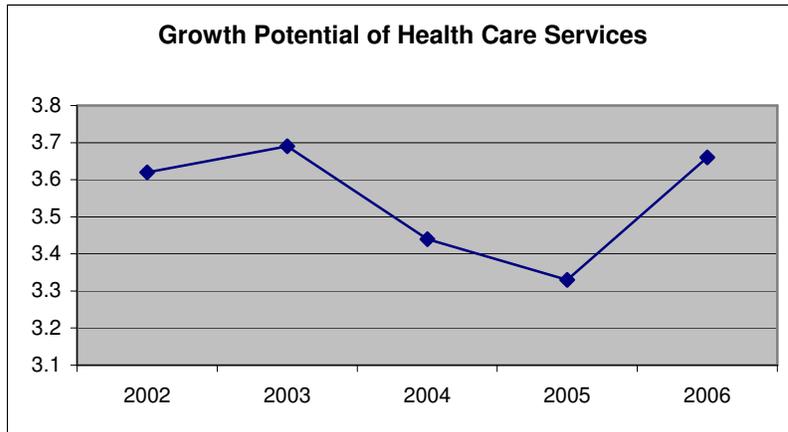
	2006	2005	2004
Yes	89%	78%	78%
No	11%	21%	21%



(10) Evaluate the following Thunder Bay industry sectors in terms of growth potential (e.g., new markets, new products/services).

None (1) – Great (5)

	2006	2005	2004	2003	2002
Primary (logging, mining)	2.24	2.55	2.55	2.65	3.05
Secondary (large manufacturing)	2.29	2.37	2.43	2.65	2.99
Small manufacturing	2.77	2.80	2.80	3.51	3.38
Electricity manufacturing	2.89	2.98	-	-	-
Hospitality and tourism	3.47	3.42	3.36	3.80	3.82
Primary education	2.97	2.70	3.12	3.18	3.74
Healthcare services	3.66	3.33	3.44	3.69	3.62
Retailing	2.83	2.92	2.90	3.09	3.24
Retirement services	3.50	3.52	-	-	-
Financial services	3.03	2.93	3.41	3.07	3.08
Higher education	4.08	3.82	3.44	3.93	4.10
Technology	3.62	3.47	3.38	3.62	3.64
Leisure services	3.38	-	-	-	-
Waterfront	3.57	-	-	4.11	4.10



(11) How well does Thunder Bay meet the needs of your specific business with respect to the following factors?

Not Very Well (1) – Very Well (5)

	2006
Labour pool (education, availability, skill)	2.90
Access to raw materials/natural resources	2.78
Weather response	2.88
City's promotional efforts	2.25
Transportation costs (passenger)	2.61
Other transportation costs (shipping)	2.35
City infrastructure (roads, hydro, gas)	2.24
Municipal tax rates	2.13
City council representation/decisions	2.06
Access to financing/capital	2.65
Provincial representation	2.12
Federal representation	2.09

(12) In general, to what extent do you believe the following characteristics impede or entice businesses to relocate to Thunder Bay and the surrounding region?

Significant Impediment (1) – Significant Enticement (5)

	2006	2005	2004	2003	2002
Awareness or region and its resources	3.07	3.21	3.02	3.39	3.56
Geographic location	2.48	2.44	-	-	-
Weather (perceived or actual)	2.41	2.39	2.62	2.60	2.40
Quality of life	3.76	3.74	3.67	3.52	3.77
Transportation facilities (airport)	3.29	3.18	3.24	3.20	3.45
Healthcare facilities	3.56	3.36	3.38	3.20	2.98
Economic opportunity	2.21	2.23	2.36	2.42	2.11
Input costs (land, labour, capital)	2.45	2.53	-	-	-
Technology infrastructure	2.94	2.92	3.00	3.09	3.14
City government/policies	2.07	2.14	2.27	1.84	1.91

(13) Thunder Bay's Quality of Life

Very Poor (1) – Very Good (5)

	2006
Students (all ages)	3.21
Professionals	3.50
Skilled employees	3.20
Retirees	3.68
Business owners	2.79

(14) In your opinion, as compared to other cities you are familiar with in Canada, how would you describe Thunder Bay's quality of life?

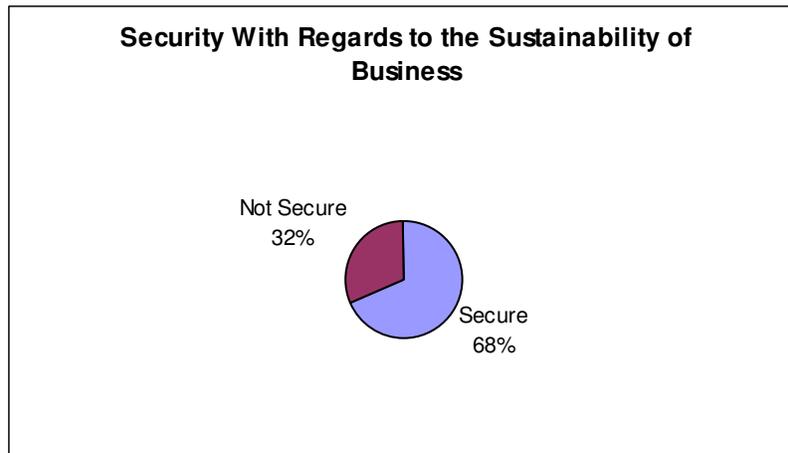
	2006
Better than most	53%
The same as most	33%
Not as good as most	14%

(15) Are the layoffs of primary wage earners from recent mill closures in and around Thunder Bay affecting the sales in your business?

	2006
Yes	72%
No	18%

(16) Do you feel secure about the sustainability of your small business over the next three years?

	2006	2005
Yes	68%	65%
No	32%	35%



Development Projects, Small Business and the Community

The final section of the report addresses the attitudes of small business toward the local and business communities. Specifically, local business stimulus, current local developments and the performance of city council are examined.

When discussing the performance of City Council, 15 percent of respondents acknowledge that they are doing a good job representing their business. This finding is 5 percent lower than last year. However, only 13 percent believe that Thunder Bay is both proactive and aggressive at bringing new businesses to the region. This result may be more problematic as the future performance of local business is tied to future economic stimulation, such as new business activity.

The Charity Casino continues to be a significant and contentious issue with small business owners. Of those responding, 90 percent believe the casino is having a negative impact on the local economy. This percentage is up another 5 percent from last year and 27 percent from 2003. Furthermore, 55 percent believe the Charity Casino should be closed. These numbers are quite robust and indicate a distinct trend of unfavourability toward the casino in Thunder Bay.

Credit unions still enjoy a better image when it comes to lending. Sixty eight percent believe they are focused on the lending needs of local businesses, compared with just 34 percent for banks. Access to capital also remains a concern for small businesses as 35 percent of respondents did not develop new business initiatives because of this limitation. The findings were the same last year and remain troubling as many potential new ideas are forgone based on unavailable capital.

Several new questions were included in this year's survey. First, 71 percent of the responses to considering a new multiplex arena were favourable. Second, with new discussion arising over plans to develop the waterfront, a question was included to gauge the timeframe expectations of small business owners. Of those responding, 62 percent believe that the development of the waterfront will either never happen or is more than five years away. This indicates a sense of pessimism towards the proposed plans. And finally, in an effort to assess the recent re-zoning decision by City Council regarding the construction of a new high school, 66 percent supported the decision.

(17) Do you believe the Thunder Bay City Council is doing a good job representing your business?

Yes	15%
No	85%

(18) Do you believe that Thunder Bay is both proactive and aggressive at bringing new businesses to the region?

Yes	13%
No	87%

(19) Have the administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?

Yes	21%
No	79%

(20) If the population of Thunder Bay continues to decrease, do you believe that the Corporation of the City of Thunder Bay employment levels should be adjusted accordingly?

Yes	90%
No	10%

(21) Are you in support of direct business subsidies by governments to sectors such as forestry?

Yes	63%
No	37%

(22) Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local business?

Yes	34%
No	66%

(23) Do you believe the lending practices of credit unions in Thunder Bay are focused on meeting the needs of local business?

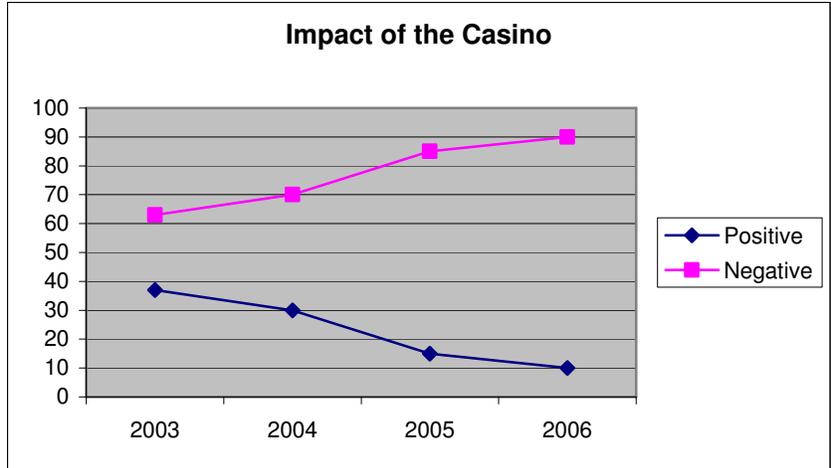
Yes	68%
No	32%

(24) Has an inability to access capital affected your decision to develop new business initiatives?

Yes	35%
No	65%

(25) What impact do you believe the Charity Casino is having on the Thunder Bay economy?

Positive	10%
Negative	90%



(26) Are you familiar with **FAST FORWARD** THUNDER BAY?

Yes 50%
No 50%

(27) Do you believe that the current marginal passenger service to Thunder Bay is affecting economic growth? (i.e. limited air service, no rail or water service)

Yes 73%
No 27%

(28) Do you believe the Thunder Bay Charity Casino should be closed?

Yes 55%
No 45%

(29) Do you believe that Thunder Bay should consider a new multi-purpose complex (sporting events, concerts, exhibitions, trade shows, etc)?

Yes 71%
No 29%

(30) Do you support the decision of City Council to refuse a re-zoning request for the construction of a new high school at the corner of Oliver Road and Golf Links Road?

Yes 66%
No 34%

(31) When do you believe the current City Council’s most recent waterfront development plans will lead to any real results?

This summer	0%	More than 5 years	36%
Between 1 and 5 years	38%	Never	26%

Selected Respondent Comments

NOTE: Following are additional comments from survey respondents. They have been selected using a random process and do not reflect the opinions of Thunder Bay Ventures, its staff or Directors.

At this time I am considering closing my store, as sales have been declining badly over the past 3 years and I cannot see that situation turning around. Our entire mall is in BIG trouble. I hate to be negative, but those are the facts. You can't sell to people that

- A. Aren't here and
- B. Don't have money because they are laid off!

Very, very scary! We have an out-migration of our educated, young people because of a lack of jobs. We have an increased population of aboriginals, not contributing to our tax-base, and straining our health services, police services, tax base, etc...Our resource industries such as pulp and paper, Bombardier, and Bowater are on the decline. We are in a sad state of affairs, therefore the local government needs to be more creative in encouraging new business to Thunder Bay with tax incentives such as no tax, and encourage new businesses to open without taxing them to death. I do not mean the opening of BIG BOX retailers, either. I mean industry, manufacturing and professional career jobs, medium to large size businesses.

The economy locally is in shambles as is the management of city hall - the mayor and city council. City council is an expensive group of disorganized people. That's where most of our confusion originates, in my view.

Taxation out of control.
Council spending out of control.

Thank, God! Our elected officials are beginning to understand that our economy is in trouble. We definitely need new energy and creativity on council and in city administration. Our new city planning manager is a breath of fresh air. If we could get a few more like her in key municipal positions we may see real progress being made by a coordinated and cooperative "City-Citizen" effort. Thank you again for the opportunity to express some of my views.

Thunder Bay has a great history to the city. However, Thunder Bay seems to be locked in a time warp. Good paying jobs, not call centres or working at a big box store, professional jobs need to be created here in Thunder Bay. We need to utilize the waterfront, parks, and other natural beautiful resources we have. The city lacks a "down town" or a city centre. Railway service to

Thunder Bay may connect the many small towns that surround Thunder Bay. I see no one that represents the youth views on topics in city council.

This city is slowly going down the drain, there are no incentives for new business, too much government red tape and please get rid of all parking meters. I have visited cities both large and small in Greece, where they have no parking meters and they seem to function quite well.

Thunder Bay council should focus on our streets and roads and things like bike paths – make are city clean and attractive. University students need bike paths and good roads to travel on (biking). The roads and streets are killing my truck, costing me money in repairs. It's a sign of a city going to the dogs.

The city of Thunder Bay is very poorly run. Example - why is the city spending millions on huge buses when they run 95% empty most of the time. We need city staff administrators, managers that know the cost of money and services. Regardless of what a few may want! We need to downsize services such as bus services to keep pace with demand. Small vans can replace many large buses and be much more economical. Reduce city staff where not needed, reduce programs that are not needed. Develop stronger ties with large and small business so that businesses can bring more money into the city. City should just provide minimal support services for business and residence, and not tax them to death!

Unless the city gets proactive in letting the word out (advertise) the good about here, the region is in the sewer. Thunder Bay has a history of saying NO. Ford in the early 20th century, steel in the 70's/power nuclear, Syn fuel plant/power, Alderman in the early 70's said, "We have the paper mills, we have the railroads, we have the grain elevators. We don't need new plants. Tourists are not going to come to Thunder Bay so why would we promote o spend on tourism?" This is our legacy of council's past.

It is in rough shape. Run down buildings, streets, not very attractive for tourists. Big box stores are killing lots of small businesses. Who has the money to go shopping? Call centres are horrendous. Not more than minimum wage income. How can a call centre employee afford even mediocre housing and to feed themselves? We need REAL, decent paying, STIMULATING WORK! This mayor has let us down in a big way. What is she doing to get the economy moving?

Our business, although based in Thunder Bay, generates over 50% of our revenues in Northwestern Ontario (Sioux Lookout, Geraldton, Fort Frances, Etc.). We need the city to offer tax relief incentives for larger businesses to set up in our city. Others are doing it, why not us?

I believe we need to decrease the number of City Councilors that we have in local government. I look at a city like St. Catherines who has approximately 6 or 7 councilors and then look at Thunder Bay, with its decreasing population. We need to abandon the ward system and reduce the number of councilors to 5 or 6 with the mayor. Not only would this help with decision making, it would also allow us to pay more salary to the mayor's and councilors' positions. The mayor is currently responsible for the largest budget in the city and is not being compensated appropriately. If we compensated the mayor's position properly, I am sure we would have a few

more qualified people running for mayor. I believe the largest benefit of reducing the number of seats in local government would be a more streamline decision process that would be able to move a lot quicker and be able to keep pace with city administration and the pace of the real world. We need less focus groups and consultants and more action. We are dying in our own indecision.

Our economy is hurting! Hopefully, the new economic development council will be able to inject some life into the attraction of industry and development of Thunder Bay. The dependence on natural resources, and forestry, and with the government's continuous refusal to negotiate on the hydro electric pricing, makes us vulnerable to growth. We have an inefficient manufacturing sector, too dependent on hydro electricity to spurn new growth! We need to become a "generating sector" for hydro one. Eliminate the debt retirement charge and ship power to the south for them to resell at a profit and use that profit for debt retirement from the north. This will allow up to 10 new mines to locate here, allow the forestry and manufacturing sectors to spend money on re-tooling, and allow new economic development to attract new industry, with reduced power rates, to come to the city. It would be a win-win for all! What is so difficult for the government to see!!!

It's difficult at times to remain positive with what I've experienced in listening to our young people's perspective on Thunder Bay. It really saddens me that they feel there's nothing here for them, and the majority I speak with have plans to leave our city.

The economy in Thunder Bay is on the decline! We have had provincial and federal representation with the party in power and now without the party in power – same results. We need electricity generation here locally to encourage industry growth, i.e. mining, forestry. The local municipal government is grossly ineffective in any endeavour because there are too many councilors representing too many diverse groups. There are too many kingdoms that are fighting for territory and no unified approach to growth!

The forest industry has really hurt all of northwestern Ontario. The population is decreasing dramatically. We need to find another industry. If we develop the waterfront this can help the economy. We also need to support local sports - these events bring in money to the city. The tax base is decreasing with all these businesses (industry's) and people leaving the city - our quality of life will decrease.

Thunder Bay's economy is unstable due to layoffs, mill closures, lack of decent paying jobs for youth and adults now facing job retraining. There is a mass exodus of people leaving the city heading west to seek employment and start over. I believe this can be rectified by addressing health care, infrastructure and esthetics of our city, i.e. road repairs, proper landscaping, revitalization of Simpson street area, city incentives and initiatives to encourage small business to be able to hire employees, upgrade buildings and ease up on archaic zoning bylaws. Invest in small business – so they can, in turn, improve the economic condition of this city – rather than putting all their eggs in one basket, i.e. forestry or Bombardier. Suggestion: the city should not allow eyesores (buildings) to exist – enlist volunteers, offer free pain, etc. and clean these up to make this city more enticing to potential citizens and investors.

Thunder Bay could benefit from a beautification program. The city looks dull and unattractive.

We need to support people with vision and passion to build a world class city. The city needs to look at infrastructure assets that might develop youth skills, events, regional centre of excellence and invest in these and its local people to take on making something out of these cases.

We must do a better job in selling this city.

Thunder Bay's economy has been weakened and will continue to be soft as long as we depend on primary resource-based industries. We must shift gears to establish new service industries in tourism, biomolecular research and medicine.

A true focus and attainable goals are essential to turn things around. Also, a reporting of the good news, in-migration and expansions of business are needed to balance all of the focus on negativity.

As a small business owner, the current state of our economy is very disturbing. We seem to have lost a lot of jobs from the resource base, and we have picked up a lot of lower paying box store/call centre-type jobs. We must aggressively pursue the health care education-type of growth, as well as the waterfront. We must have a proactionary council, not a reactionary one.

I believe that the current state of the Thunder Bay economy is on a decline. Something needs to be done to put the city in the right direction. With many job losses in the city along with lack of new jobs for students many people are leaving our city. We need to work harder at keeping the younger population in Thunder Bay and create more jobs for them. Thunder Bay is a great city - if we do more at attracting growth, the economy can change for the better! That's my opinion and thank you for your time!

We are undergoing a renaissance in our community, paper and lumber to health care and medical research.

I think that the city has potential growth capabilities, it just needs to improve infrastructure and market the city properly. There is too much control by the municipal government and that is preventing growth.

Must fast track and prioritize waterfront development. Must encourage and provide a positive climate to enhance business development with real jobs (technical). Should take leading role to develop alternative energy systems in the region. A multipurpose complex facility is long overdue.

My income has declined the last 3 years due to families leaving – simple as that. I'm at the brink now of deciding to leave myself. It's time for some good news.

Appendix A

2006 Thunder Bay Business Opinion Survey

The following survey will take a few minutes to complete and your willingness to take the time to share your opinions is greatly appreciated. Specifically, the survey captures the attitudes of Thunder Bay small business owners about issues that affect their business and the local economy. To learn more about this survey please contact the representative at 344-9208.

Section A: You and Your Business

1. Gender: Male Female
2. Your age: _____
3. How many years has this firm been in business? _____
4. Your business is... Retail Manufacturing Personal Services
 Wholesale Professional Services Other _____
5. Postal code: _____
6. Legal status of business Sole Proprietor Partnership Corporation
7. Industry Canada targets the following categories for economic development. Please indicate any of the following that apply to the ownership of your business.

Woman
Aboriginal
Francophone
Youth (under 30)
8. How many people are currently employed at your firm? full-time _____ part-time _____
9. What change in the total employment level of your firm occurred during the **2005** fiscal year?
 Increased
 Remained the same
 Decreased
10. What are your current hiring expectations for the next 12 months?
 Planning to hire additional employees
 Planning not to hire any additional employees
 Planning to layoff employees
11. Which of the following best represents your actual sales or billings for the **2005** fiscal year?
 less than \$25,000 \$100,000 - \$249,999 \$1,000,000 - \$5,000,000
 \$25,000 - \$49,999 \$250,000 - \$499,999 greater than \$5,000,000
 \$50,000 - \$99,999 \$500,000 - \$999,999
12. Does this **2005** sales volume represent an increase or decrease over your 2004 sales?
 increase greater than 10%
 increase greater than 0 and less than 10%
 decrease greater than 0 and less than 10%
 decrease greater than 10%

13. Do you anticipate an annual sales increase for the **2006** fiscal year?

- yes
- no

14. Which of the following business skills is most lacking in your organization? (**pick 1only**)

- sales and marketing
- finance and accounting
- inventory and process management
- high technology implementation
- recruitment and training

15. Below is a list of problems often encountered by businesses, please indicate the extent to which the following issues have been a problem for your business in the past 12 months.

	Not A Problem			Significant Problem	
	1	2	3	4	5
a) Increasing wage rates	1	2	3	4	5
b) Declining sales	1	2	3	4	5
c) Availability of skilled employees	1	2	3	4	5
d) Weather conditions	1	2	3	4	5
e) Raising Capital/Securing business loans	1	2	3	4	5
f) Increased competition	1	2	3	4	5
g) Access to market research	1	2	3	4	5
h) Government paperwork requirements	1	2	3	4	5
i) Municipal zoning/building requirements	1	2	3	4	5
j) Access to business advice	1	2	3	4	5
k) Union restrictions	1	2	3	4	5
l) Electricity rates	1	2	3	4	5
m) Gasoline and fuel oil rates	1	2	3	4	5

16. How important were the following factors to your sales performance in the **2005** fiscal year?

	Not Important			Very Important	
	1	2	3	4	5
a) Inventory price increases	1	2	3	4	5
b) Advertising/promotion	1	2	3	4	5
c) General economic climate	1	2	3	4	5
d) Change in product/service offering	1	2	3	4	5
e) Staff-related issues (e.g., training)	1	2	3	4	5
f) Change in competitive environment	1	2	3	4	5
g) Weather	1	2	3	4	5
h) New markets (e.g., exports)	1	2	3	4	5
i) Cdn - U.S. exchange rate	1	2	3	4	5
j) Fuel /Energy costs	1	2	3	4	5
k) Insurance rates	1	2	3	4	5
l) U.S. border restrictions	1	2	3	4	5
m) Gasoline and fuel oil rates	1	2	3	4	5
n) Electricity rates	1	2	3	4	5

17. How important do you expect each of the following factors to be for the future success of your business?

	Not Important			Very Important		
a) Inventory price increases	1	2	3	4	5	
b) Advertising/promotion	1	2	3	4	5	
c) General economic climate	1	2	3	4	5	
d) Change in product/service offering	1	2	3	4	5	
e) Staff-related issues (e.g., training)	1	2	3	4	5	
f) Change in competitive environment	1	2	3	4	5	
g) Weather	1	2	3	4	5	
h) New markets (e.g., exports)	1	2	3	4	5	
i) Cdn - U.S. exchange rate	1	2	3	4	5	
j) Fuel/Energy costs	1	2	3	4	5	
k) Insurance rates	1	2	3	4	5	
j) U.S. border restrictions	1	2	3	4	5	

18. Is your company planning to invest more or less in the following activities over the next 12 months than in the previous year?

	Significantly Less			Significantly More		
a) advertising/promotion	1	2	3	4	5	
b) employee compensation	1	2	3	4	5	
c) employee recruitment	1	2	3	4	5	
d) staff training programs	1	2	3	4	5	
e) partnering with other firms	1	2	3	4	5	
f) inventory supply	1	2	3	4	5	
g) capital projects (e.g, equipment)	1	2	3	4	5	
h) market research	1	2	3	4	5	
i) technology	1	2	3	4	5	
j) consulting/advisory service(s)	1	2	3	4	5	

19. What kind of impact do you believe the following developments/institutions will have upon your business?

	Very Negative			Very Positive		
a) Electricity Production	1	2	3	4	5	
b) Box Store Expansion	1	2	3	4	5	
c) Gasoline/Fuel prices	1	2	3	4	5	
d) Cross Border Security	1	2	3	4	5	
e) Highway 11/17 –Shabaqua Expressway	1	2	3	4	5	
f) Charity Casino	1	2	3	4	5	
g) Lakehead University	1	2	3	4	5	
h)Confederation College	1	2	3	4	5	
i) Changing Tax Rates	1	2	3	4	5	
j) Pulp/Paper Industry	1	2	3	4	5	
k) Local Sawmill Production	1	2	3	4	5	
l) Electricity rates	1	2	3	4	5	
m) Gasoline and fuel oil rates	1	2	3	4	5	
n) Multiplex Arena	1	2	3	4	5	
o) Call centres	1	2	3	4	5	

Section B: Thunder Bay Business Climate

1. What level of economic growth do you anticipate for Thunder Bay over the next 12 months?

Significant Decrease	Moderate Decrease	No Change	Moderate Increase	Significant Increase
1	2	3	4	5

2. Do you feel secure about the sustainability of your small business over the next three years?

- yes
- no

3. Evaluate the following Thunder Bay industry sectors in terms of growth potential (e.g., new markets, new products/services).

	None			Great	
a) Primary (e.g., logging, mining)	1	2	3	4	5
b) Secondary (e.g., large manufacturing)	1	2	3	4	5
c) Small Manufacturing	1	2	3	4	5
d) Electricity Manufacturing	1	2	3	4	5
e) Hospitality/Tourism	1	2	3	4	5
f) Primary Education	1	2	3	4	5
g) Health Care Services	1	2	3	4	5
h) Retailing	1	2	3	4	5
i) Retirement Services	1	2	3	4	5
j) Financial Services	1	2	3	4	5
k) Higher Education, LU/ConCollege/Med School	1	2	3	4	5
l) Technology	1	2	3	4	5
m) Leisure Services	1	2	3	4	5
n) Waterfront	1	2	3	4	5

4. Do you believe the City of Thunder Bay should pursue the focused development of a particular industry sector? If yes, which one of those mentioned above, or another?

- yes - _____
- no

5. How well does Thunder Bay meet the needs of your specific business with respect to the following factors?

	Not Very Well			Very Well	
a) Labour pool (education, availability, skill)	1	2	3	4	5
b) Access to raw materials/natural resources	1	2	3	4	5
c) Weather response	1	2	3	4	5
d) City's promotional efforts	1	2	3	4	5
e) Transportation costs (passenger)	1	2	3	4	5
f) Other transportation costs (shipping)	1	2	3	4	5
g) City infrastructure (e.g., roads, hydro, gas)	1	2	3	4	5
h) Municipal tax rates	1	2	3	4	5
i) City Council representation/decisions	1	2	3	4	5
j) Access to financing/capital	1	2	3	4	5
k) Provincial representation	1	2	3	4	5
l) Federal representation	1	2	3	4	5

6. In general, to what extent do you believe the following characteristics impede or entice businesses to relocate to Thunder Bay and the surrounding region?

	Significant Impediment			Significant Enticement	
a) Awareness of the region and its resources	1	2	3	4	5
b) Geographic location	1	2	3	4	5
c) Weather (i.e., perceived or actual)	1	2	3	4	5
d) Quality of life	1	2	3	4	5
e) Transportation facilities (e.g., airport)	1	2	3	4	5
f) Health care facilities	1	2	3	4	5
g) Economic opportunity (market size)	1	2	3	4	5
h) Input costs (land, labour , capital)	1	2	3	4	5
i) Technology Infrastructure (e.g., broadband)	1	2	3	4	5
j) City Government/policies	1	2	3	4	5

7. In your opinion, how attractive is Thunder Bay’s “quality of life” for these groups?

	Very Poor			Very Good	
a) students (all ages)	1	2	3	4	5
b) professionals	1	2	3	4	5
c) skilled employees	1	2	3	4	5
d) retirees	1	2	3	4	5
a) business owners	1	2	3	4	5

8. In your opinion, as compared to other cities you are familiar with in Canada, how would you describe Thunder Bay’s quality of life?

- better than most
- the same as most
- not as good as most

9. Should a stronger effort be made to involve young people in the future direction of Thunder Bay?

- yes
- no

10. Are the layoffs of primary wage earners from recent mill closures in and around Thunder Bay affecting the sales in your business?

- yes
- no

11. Is the population level of Thunder Bay important to the success of your business?

- yes
- no

12. When do you believe the current City Council’s most recent waterfront development plans will lead to any real results?

- this summer
- between 1 and 5 years
- more than 5 years
- never

Section C: Development Projects, Your Business and the Community
(Why/Why Not responses are optional in the following questions)

1. Do you believe the Thunder Bay City Council is doing a good job representing your business?
 yes
 no
Why/Why Not? _____

2. Do you believe that Thunder Bay is both proactive and aggressive at bringing new businesses to the region?
 yes
 no
Why/Why Not? _____

3. Have the administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?
 yes
 no
Why/Why Not? _____

4. If the population of Thunder Bay continues to decrease, do you believe that the Corporation of the City of Thunder Bay employment levels should be adjusted accordingly?
 yes
 no
Why/Why Not? _____

5. Are you in support of direct business subsidies by governments to sectors such as the forestry?
 yes
 no
Why/Why Not? _____

6. Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local business?
 yes
 no
Why/Why Not? _____

7. Do you believe the lending practices of credit unions in Thunder Bay are focused on meeting the needs of local business?
 yes
 no
Why/Why Not? _____

8. Has an inability to access capital affected your decision to develop new business initiatives?
 yes
 no
Why/Why Not? _____

9. What impact do you believe the Charity Casino is having on the Thunder Bay economy?

- positive
- negative

Why/Why Not? _____

10. Are you familiar with **FAST FORWARD** ?

- yes
- no

11. Do you believe that the current marginal passenger service to Thunder Bay is affecting economic growth? (i.e. limited air service, no rail or water service)

- yes
- no

Why/Why Not? _____

12. Do you believe the Charity Casino should be closed?

- yes
- no

Why/Why Not? _____

13. Do you believe that Thunder Bay should consider a new multi-purpose complex (sporting events, concerts, shows, exhibitions, trade shows, etc.)?

- yes
- no

Why/Why Not? _____

14. Do you support the decision of City Council to refuse a re-zoning request for the construction of a new high school at the corner of Oliver road and Golf Links road?

- yes
- no

Why/Why Not? _____

In the space provided on the back, please indicate your thoughts on the current state of the Thunder Bay economy. Please use examples if possible.

Thank you for your time, it is greatly appreciated!