

New Economic Growth Investment Directions

Presentation to the Infrastructure Renewal and Public Works (IRPW) Committee, December 9, 2013

The mandate of the Winnipeg Chamber of Commerce Trade & Transportation Committee (WCC T&T Committee) is to identify and champion sustained and strategic investment in trade related infrastructure assets, including legislative and regulatory improvements, which serve to enable new and enhance existing areas of economic activity.

The WCC T&T Committee is mindful of announcements made recently by the provincial government in its November 12, 2103 Speech from the Throne and those that followed. In particular the province committed as follows:

"Every dollar raised from the new point of PST will be fully dedicated to new investments in core infrastructure -- over and above existing spending levels.

These strategic investments will help power our economy. They will be made up of:

- highways, bridges and strategic transportation infrastructure;
- flood protection; and
- municipal infrastructure, including roads, water and sewer.

Over five years, investments in these key areas are expected to reach a record \$5.5 billion."

A number of follow up economic growth investment announcements were made by Manitoba, including:

* flood proofing PTH 75 to interstate standards so it remains open during severe Red River floods, protecting Manitoba's trade with all of North America;

* rebuilding the southwest Perimeter Highway with interstate standard interchanges to create a high-speed, free-flowing roadway to accommodate the increasing economic activity and truck traffic that comes with the opening of CentrePort Canada Way;

* upgrades to PTH 6 to meet new, wider national highway standards, along with bridge replacements, intersection improvements, curve realignments and passing lanes to make trade from Winnipeg through the Interlake to Thompson safer and faster;

* improvements to PTH 10, bolstering western Manitoba's main trade route to the United States and linking to other east-west trade routes including the Trans-Canada Highway.

The above follows upon the heels of CentrePort Canada Way -- a \$215 million four lane divided expressway -- having been opened by the Prime Minister and Premier on November 22, 2013.

In addition, the Province is creating the Churchill Arctic Port Authority, whose mandate will be to harness, shape and lead the creation of a northern Canada trade gateway and corridor which ultimately benefits not just the north, not just the province, but western Canada and our country as a whole.

The above are investments which enhance connecting Winnipeg, the capital region and our province to the world through sustained and strategic transportation investments.

They reflect an appreciation that trade sustains roughly 200,000 jobs in Manitoba -- most based in Winnipeg -- and that trade accounts for roughly 58% of the provincial GDP. They mark good steps forward in reflecting the imperatives of new economic growth investment directions.

Cumulatively the above recognize the importance of ensuring a mature, well maintained, seamless multi-modal transportation system which not only supports existing areas of economic activity, but trade growth through emerging opportunities.

The City of Winnipeg is as well to be commended for recent budget and organizational decisions.

In 2013 Winnipeg City Council moved forward with the establishment of a new Local Street Renewal Reserve. It included key forward thinking elements such as:

- announced dedicated realty tax and frontage levy increases commencing 2013-2034;
- protect dedication by requiring 2/3 vote of Council in order to use funds for other purposes; and
- establishing an asset management based 25 year cycle of local streets renewal.

The above is not only laudable, it places the City in a leadership role.

Most recently, Mayor Katz, in structuring Executive Policy Committee (EPC), appointed a new Secretary of Economic Development, a responsibility of the Chair of its Finance Committee. The main responsibility of this appointment will be to ensure that the City of Winnipeg takes a city-wide approach to economic development, with a fully integrated economic development strategy.

Winnipeg and all cities need to reorient 'fiscal' thinking from 'raising money' to growing the municipal economy and assessment base as a first priority. Economic growth is a prerequisite to government revenues with which social programs can be funded.

Concurrently, provincial governments should both encourage such a priority focus and 'reward' it with a greater share of existing growth taxes. Access to growth taxes allows for reduced pressure on realty tax base and provides for greater municipal fiscal flexibility¹.

On December 4, 2013 the City of Winnipeg announced a service sharing agreement with the R.M. of Rosser that will allow wastewater from the Rural Municipality to be treated at the City's North End sewage treatment plant.

¹ Consider recommendations in a May 2011 report -- excerpts attached -- of the Infrastructure Funding Council (IFC) entitled: '*New Relationships: A New Order, A balanced approach to funding municipal infrastructure in Manitoba.*' Also instructive is an editorial -- see attached -- published in the Winnipeg free Press on November 30, 2013 entitled: '*City budget exposes fiscal gap.*'

The agreement will provide significant assistance in the development of CentrePort Canada, Canada's first multi-modal inland port. This agreement will help attract large-scale distribution centres, and new business interest from within the province and beyond. We are grateful for this decision and agreement.

City Council will as well soon consider the merits of establishing a Winnipeg Transportation Authority (WTA) to enable and/or empower a structure mandated and presumably funded and/or with access to funding, to implement and oversee transportation priorities established as the prerogative of the elected branch of government and reflected in the Winnipeg Transportation Master Plan (TMP).

The current budget before you establishes a annual 1% property tax increase until 2022 (raising approximately \$51 million that year)dedicated to a New Regional Street Renewal Reserve to manage and track new revenue. The increased revenue will be dedicated to the renewal of regional streets and sidewalks.

This direction recognizes that within Winnipeg there are nearly 10 million daily vehicle-kilometers of travel, with about 80% of this traffic volume travelling on regional roads – the remaining 20% travel on local streets. The regional system forms the economic backbone to the City's transportation system. At current funding levels barely 30% of what is required (\$20 million vs \$60 million required) is allocated to regional streets. This marks a transitioned, transparent step forward to closing the gap.

In summary, we see an emerging policy recognition by the City of Winnipeg to grow dedicated purpose driven infrastructure investment. This dedication recognizes that sustained and strategic investment in infrastructure fuels economic growth and is a matter of public policy priority, which ultimately enables funding of our quality of life programs.

We applaud these decisions and contemplated directions.

This brings us to the Five Year Capital Program.

We strongly encourage this Committee and City Council to support *new economic growth investment directions* by harnessing not only strategic investment opportunities, but potential opportunities associated with the announced PST increase revenue dedication, and the yet to be finalized priority investments eligible for funding through the Building Canada Fund.

Winnipeg is well positioned to potentially leverage 33 or 50 cent dollars and it should take advantage of timing and partnerships.

City Council has already adopted its Winnipeg Transportation Master Plan (TMP) and through it, its short, medium and long term priorities. We encourage your focus on three adopted short term priorities as you shape your capital program. They are:

1. Extension of Chief Peguis from Main Street to Route 90 \$130 million
2. Widening of Kenaston Boulevard/Route 90 from Ness to Taylor - \$129 million
3. Traffic Signals Management System - \$5 million

The above reflect not only what Council adopted as short term priorities in its TMP but what was similarly recommended by the Mayor's Trade Council and endorsed by City Council in May 2008.

Cumulatively they serve to reflect important principles and economic realities current and projected:

- Winnipeg is a key intermodal and freight hub due to its development history and geographic location
- There are over 40 million goods movement trips made within Winnipeg each year -- these will only grow
- Pressures on the transportation system will only increase with estimates that by 2031 there will be over 100,00 new households and more than 120,000 new cars in the Capital Region
- Integration of transportation investment and long term land use planning is consistent with adopted long term TMP
- These investments support the imperatives of an efficient transportation network which supports the urban structure by mitigating congestion, improving the movement of people and goods, and reducing related goods and services movement costs

We also encourage, once the Capital Region Transportation Master Plan has been tabled, that the City, as a member of the Partnership of the Manitoba Capital Region, initiate in partnership with the Province, a coordinated implementation with the City's TMP. The coordination of transportation planning on a capital region scale is essential to our collective long term economic growth and social well-being.

We recognize that as with any investment plan, balance, affordability, long term planning and foresight are indispensable tools.

Much of that forward looking planning has already been reflected in your Transportation Master Plan.

Now is the time to seize upon the existence of plans, make those investment decision given emerging circumstances and partnership which can either be strengthened or created.

The WCC T&T Committee is quite prepared to assist Council in any way to realize on the above which we would regard and encourage you to accept as being '*New Economic Growth Investment Directions.*'

I thank you for the opportunity of this presentation.

Respectfully submitted,
Winnipeg Chamber of Commerce Trade & Transportation Committee



Chris Lorenc, B.A., LL.B.,
Committee Chair