Developing a National Urban Policy for Canadian Cities.

Issue:

Issue: In our increasingly globalized economy, cities and city-regions are increasingly the most prominent economic drivers of national economies, and they compete internationally. Cities in Canada house over 80% of our population and continue to grow rapidly due to immigration and continued urbanization within Canada. For example, by 2041 the Greater Toronto and Hamilton Area (GTHA) is expected to grow by 3.3 million to over 9.6 million, and Metro Vancouver by 1.1 million to 3.4 million—an increase of nearly 50% in both cases. However Canadian cities are managed locally with sparse fiscal support from other levels of government. Modern infrastructure, notably rapid and predictable public transit and transportation (locally within cities and connecting cities within city-regions), and utilities, are essential to the efficient movement of people (employees) and commercial traffic, and to productivity. Yet Canadian cities and city-regions face a growing infrastructure gap relative to many international competitors, even as their populations continue to increase. In order for Canadian cities and city-regions, and all of Canada to prosper, they need a federally driven fiscal framework that will sustain their pressing infrastructure development / renewal and service needs.

Background: In 2008, the federally-appointed Competition Policy Review Panel noted, "large, dynamic urban centres have a national importance that transcends their significance to a region or a province, in the same way that national railways were recognized in the 1800s as having a national significance."[1] Within North America, metropolitan areas also generate an overwhelming 86 percent of the combined GDP of Canada, Mexico and United States[2]. Increasingly, cities and city-regions prosper in their ability to compete for opportunity with cities and city-regions internationally; having modern infrastructure including transit / transportation and utilities are key determinants of the ability of businesses in cities and city-regions to boost productivity, draw investment and talent, and compete.

Amongst their many responsibilities, Canada's cities are most importantly active in providing services such as public transit, goods movement, affordable housing, economic development and immigration settlement. In many instances, while the federal and the provincial governments have various programs and funding envelopes to support the provision of these services, there has been a chronic lack of stable fiscal support for municipalities. As a result, Canadian cities have large infrastructure and transportation deficits and challenges competing in the global economy. For example, in an annual ranking of Global Cities, major Canadian metropolitan areas like Vancouver, Toronto and Halifax frequently score poorly against their peers in the Transportation Category[3]. The lack of consistent public transit and goods movement infrastructure investment for example in the GTHA region alone costs the economy $6-billion annually, and will rise to $15-billion annually by 2031 without sufficient levels of investment.

To its credit, the Federal Government has begun investing in municipalities over the last two decades, first through the Gas Tax Fund and more recently with the 2015 Federal Budget's Building Canada fund ($14 Billion over the next 10 years). However, the fact remains that these funding envelopes are generally contingent on fiscal policy governed by partisan politics, and even when combined with provincial funding, they remain largely insufficient relative to the infrastructure deficits they are meant to overcome. The uncertainty generated by a lack of long-term transit or infrastructure strategy in Canada is incongruent with urban policy planning systems that are dependent on certainty.

Rather than provide all municipalities with equal per capita shares, this long-term plan needs to have a greater strategic focus on Canada's urban centres. For example, under the 2015 Building Canada funding proposal, all provinces regardless of population determinants get the base amount of $250 million, while the base allocation is supplemented by per capita payments, the overall sum is still uneven per capita across various provinces.

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[1] Competition Policy Review Panel (2008), Compete to Win: Final Report – June 2008 (p73).
[2] Cities and Metros as Hubs of Advanced Industries and Integrated Goods Trade, 2014. Brookings Institute.
[3]Toronto Board of Trade: 2015 Scorecard on Prosperity
https://www.bot.com/Portals/0/unsecure/Advocacy/Scorecard_2015.pdf

The need for federal support extends from coast to coast. An effective policy should work directly with municipalities and the provinces (notably provincial agencies responsible for infrastructure), while also leveraging the support of local chambers of commerce, citizens, associations and private sector partners (including by leveraging the successful P3 models developed in Canada) to develop grassroots solutions to local challenges.

Recommendations:

That the Federal Government in co-operation with the provinces and territories, a long-term National Urban Policy for Canadian Cities and Municipalities that…':

1. A) Creates a consistent and predictable long term public infrastructure funding stream for municipalities
2. B) Prioritizes multi modal goods movement infrastructure funding that enhances the ability of Canadian Municipalities to compete in the Global Supply Chain and Intranationally.
3. C) Recognizes and supports the role played by Municipalities in the settlement of Immigrants
4. D) Supports businesses to compete and collaborate with their counterparts in Global Cities
5. E) Support the development of globally competitive regional economic clusters in municipalities

Submitted by… Hamilton Chamber of Commerce

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