



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

there is an alternative.

Oct 20, 2016

Proposed City Development Fee Long Overdue

Winnipeg City Council is currently considering a development fee to ensure that suburban growth in our city pays its fair share of city-wide infrastructure needs.

Such fees are nothing new: municipalities surrounding Winnipeg levy them as do most major Canadian cities.

Winnipeg developers are up in arms and do not want to pay the proposed development fee. In this stance they are being consistent with the historic position of the industry in our city, an industry that has had significant influence over Winnipeg City Hall, especially in promoting costly suburban sprawl.

Manitoba Premier, Brian Pallister, has mused that he's not sure Winnipeg City Council has the authority to levy a development fee. His government says taxes should be cut, not raised, and that City Hall should get its fiscal house in order.

Here, Pallister is being consistent with previous provincial Conservative administrations.

They conveniently forget facts such as the City cannot fund a deficit, and the civic employees' pension fund is fully-funded while the Province has in excess of \$3 billion in unfunded liabilities.

Existing neighbourhoods in Winnipeg have paid a steep price for growing suburban sprawl. The consultant engaged by the City cites a deterioration of existing

infrastructure and a growing city-wide infrastructure deficit, including roads, bridges, tunnels, water and wastewater plants, emergency services, transit and libraries (to name only a few).

Winnipeg's infrastructure deficit is expected to hit \$7.4 billion by 2018, and Henson Consulting Limited states that \$3.6 billion of this amount is related to the need for new development related infrastructure.

One need only drive around Winnipeg to see how we are all subsidizing suburban sprawl. Winnipeg's annual per capita infrastructure spending is about one-third of the average across eight major Canadian cities.

Our city needs properly maintained infrastructure, but absent a development fee those of us who live in existing neighbourhoods are paying in two ways. First, the burden is disproportionately being loaded onto our property tax bills, and second, we have city infrastructure in disrepair and key city-wide services such as Transit are badly under-funded.

In 1911 the Chicago Tribune predicted great things for Winnipeg, saying: "All roads lead to Winnipeg... It is destined to become one of the greatest distributing and commercial centers of the continent".

For a host of well-documented reasons that potential was not realized, and we

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moved from Canada's third largest city to today where we barely hang on in the top ten in terms of population.

We are a city of just over 700,000 within municipal boundaries that could easily accommodate twice the population. The suburban sprawl of recent decades has not paid for itself. It has been subsidized by existing neighbourhoods.

Winnipeg, with Western Canada's oldest housing stock, has seen our bad situation worsen with the federal retreat from funding for social housing, to today's situation where there is no pan-Canadian housing strategy. This is not an issue for suburban dwellers, but has devastating impacts on existing inner city neighbourhoods.

Mayor Bowman's plan to extend the proposed development fee to infill housing in three years cannot be justified. The infrastructure for infill housing already exists and therefore development fees are not needed. A far better option would be for him to call for a new Core Area Initiative Agreement with the federal and provincial governments with a strong housing component. Were he to issue this call to the two senior levels of government, he would gain the support of most Winnipeggers.

We don't need lectures from our Premier or constant obfuscation from self-interested developers. We need to support Mayor Brian Bowman and urge City Council to establish a much needed development fee, resulting in some much-needed tax fairness for Winnipeg.

Paul Moist is past President of the Canadian Union of Public Employees and a CCPA MB Research Associate.