



# WINNIPEG CHAMBER OF COMMERCE

Submission to the City of Winnipeg on the OurWinnipeg Review

Approved by the Board of Directors: September 27, 2018

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## ABOUT THE WINNIPEG CHAMBER

Founded in 1873, The Chamber is Winnipeg's largest business organization, dedicated to fostering an environment in which business, and all Manitobans, can prosper. The Chamber's vision is for Winnipeg to be a competitive, technologically innovative city with a skilled labour force and modern infrastructure to support existing and emerging industries, and a city with a bright future

Through its membership, The Chamber feels it can identify and provide valuable insight into currently held perceptions and concerns for Manitoba's future, as well as potential solutions. We are therefore pleased to present this submission on behalf of our 2,100 member companies that employ over 90,000 men and women in the City of Winnipeg.

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## INTRODUCTION

As Winnipeg's long-term development plan, *OurWinnipeg* can impact nearly every decision the City makes with respect to land use planning, development and zoning approvals, transportation networks, operating and capital budgets, and taxes and fees.

*OurWinnipeg* is built on three overarching principles: economic prosperity, sustainable development and social equity. While all three are important to the development of a healthy, growing community, the Winnipeg Chamber of Commerce feels economic prosperity must take the lead.

Without a lead priority, planning efforts are unfocused, and conflict between the three principles could result in City Council or the civic administration having difficulty making time-sensitive decisions.

A thriving economy produces the revenues needed to invest in road infrastructure, recreation, water and wastewater treatment, solid waste and recycling collection, emergency services, and green retrofits of city facilities.

Economic prosperity results in higher levels of employment, personal income growth and more opportunities to launch new businesses. It also attracts new residents to Winnipeg through interprovincial or international migration.

Many of the policies in *OurWinnipeg* are focused on the City's goal of growing to one million people by the year 2035. Put simply, that growth will only occur if there are more businesses, more jobs and more housing in Winnipeg.

Toward that goal, the Chamber has focused our comments on five topic clusters:

1. Growing Smart and Planning Ahead
2. Growing and Moving – Mobility & Connectivity
3. Growing With The Capital Region
4. Growing Strategically In Special Economic Zones
5. Growing With Purpose – Governance & Tools

## 1. GROWING SMART AND PLANNING AHEAD

The Chamber supports *OurWinnipeg's* current emphasis on developing complete communities, increasing density in transformative areas and new communities, and intensifying land use in the downtown.

Compact, efficient urban form is a base ingredient of any smart city. Considering the majority of Winnipeg's annual budget consists of infrastructure or services with a direct correlation between spending requirements and the physical distance between points (e.g. kilometres of roadway, metres of sewage pipe, catchment for community clubs, service area for waste collection or emergency services, etc.), it's only logical that a more compact city would yield efficiencies and long-term savings.

Winnipeg is growing, mainly driven by continued international immigration with a projected growth of about 8,000 people a year over the next 25 years. This means Winnipeg's population could increase by about 200,000 people by 2043. And with at an average of 2.5 persons per household, Winnipeg would need about 80,000 new units of housing over that time.

We have a choice between allowing all that development to take place within greenfield spaces that stretch the City's service boundaries further, or enabling it to happen in established neighbourhoods and nearby existing transportation routes, community clubs and fire and police stations. This is key to maximizing the tax base per square kilometre, which is a metric we feel the City should be tracking.

The vast majority of Winnipeg's housing stock is built by the private sector, so any meaningful change to the current growth pattern requires market-responsive policies, clarity in the approvals process, and sufficient incentive programs to encourage infill development. Development of a robust communication plan around the benefits of density in existing neighbourhoods, and in particular, to avoid neighbourhood battles over building proposals (i.e. "NIMBYism") should also form a part of an overall strategy to implement smart growth.

### Develop a robust infill strategy

Infill developments are desirable for the City because they makes efficient use of existing services. Established neighbourhoods already have infrastructure in place and are typically well-served by multiple transportation options. New residents or new businesses can renew older areas of Winnipeg and help create more dynamic communities.

Business owners, real estate investors and builders have no problem playing by the rules for infill developments, as long as those rules are clear and enforced consistently. Unfortunately, the lack of a robust framework for infill development creates a great deal of uncertainty. Acquiring land, designing building plans and holding open houses represent significant financial risks for developers, but many feel there's no way to confidently predict the outcome of an infill proposal under the current system which is over-politicized.

Another challenge is the unknown cost of some infrastructure improvements related to larger scale infill projects. If *OurWinnipeg* is going to designate specific areas for redevelopment opportunities then the City should be proactive in determining the capacity of existing infrastructure (e.g. water, sewer/drainage, roadway lifespan) BEFORE development proposals come along. If that information was known in advance then it could help attract more interest in infill opportunities and bring projects to completion more quickly.

The Chamber is hopeful the Residential Infill Strategy will address many of these issues, and we urge the City to continue this work with the aim of achieving a balance between the concerns of residents of existing neighbourhoods vs. the need to densify and create a more sustainable city.

In the “Governance and Tools” section of this document we offer a few suggestions for how the infill process could be improved, primarily through the adoption of a planning commission for decision making and the exploration of form-based zoning.

#### Create a growth-based infrastructure plan

As was highlighted during the debate over impact fees, there is a disconnect between the City and the development community with respect to when and where infrastructure investments take place, and who is responsible for paying for them.

The industrial/commercial and residential building sectors have stated a willingness to work with the City on creating a growth-based plan for future infrastructure investment. This plan would create a better alignment between the city’s schedule of infrastructure investments and the development industry’s own timelines for building new neighbourhoods or undertaking significant infill projects.

By encouraging this collaboration between civic government and industry, *OurWinnipeg* could drive economic and residential growth in an orderly, sustainable way and provide real estate investors with confidence Winnipeg is a place they want to do business.

Adopting this strategy would also address the primary criticism of the impact fee regime: that it’s merely a revenue tool instead of a planning tool. That concern will be diminished if the impact fee revenue is used to build the right infrastructure at the right time.

#### Address the shortfall of serviced industrial land

While it’s important to create more mixed use developments, we can’t afford to ignore Winnipeg’s important role as a centre for manufacturing, processing and distribution.

The Phase 1 report identified that Winnipeg is suffering from a significant shortfall of serviced industrial land. While some land does exist within existing industrial parks, and some properties could be candidates for redevelopment, this shortfall is limiting the opportunities Winnipeg can pursue with respect to new business development or expansion.

In some cases, the available land is not located in an area that makes sense for the type of industry (e.g. a firm that needs access to the airport might not want to locate in the St. Boniface Industrial Park). In others, the servicing may exist but not at a sufficient capacity to support an industrial operation (e.g. wastewater service for a food processing facility).

*OurWinnipeg* should be proactive in dealing with this problem so that ample serviced industrial land can be developed in advance, rather than scrambling to accommodate economic development opportunities as they arise.

## 2. KEEPING GROWTH MOVING – MOBILITY & CONNECTIVITY

While much political attention over the past two decades has been focused on the condition of our transportation infrastructure, the Chamber believes mobility will become the defining issue of the next twenty years of our city.

As Winnipeg grows, we must provide reliable and safe options to move people and goods where and when they need to go, and improve connections between key destinations and neighborhoods. Ensuring there is friction-free movement of people and goods will maintain a balance of economic, environmental, social and safety concerns.

### Continue to invest in active transportation

The Chamber supports the City's efforts over the past decade to invest more heavily in active transportation. Not only does this provide healthy, sustainable, and affordable commuting options for current residents, but it's a tool to retain and recruit young talent. Many companies and young workers, especially in the technology sector, place a priority on cities that are considered bike and pedestrian friendly. In fact, the RFP for Amazon's HQ2 specifically identifies the connectivity of sidewalks and bike lanes as an assessment criteria.

### Restructure transit to focus on frequency

The public transit system is clearly an important component of life in Winnipeg. More than 13% of Winnipeggers rely on the transit system daily to take them to work, school, appointments or shopping. By expanding and improving the network, the Chamber believes that an even greater share of Winnipeggers would make the choice to ride transit.

While the City has invested in the creation and expansion of the Southwest Transitway, and *OurWinnipeg* includes options for future expansion of the rapid transit system, the Chamber feels a more basic review and redesign of the existing bus network could also drive ridership numbers and better service the growing population.

In 2016, the City of Houston undertook a comprehensive redesign of its transit system with a focus on increasing the number of frequent routes. The city trimmed back on redundant and low-ridership routes, developed a new route map and increased service outside of peak hours. The result was a 7% increase in ridership.

We feel *OurWinnipeg* should not only incorporate options for large-scale rapid transit lines but should also encourage regular review of ridership patterns and encourage decision makers to flow funds to the areas that demonstrate the most potential for growth.

### Prepare for mobility networks

Building on the early success of ridesharing, the City should be encouraging the development of integrated mobility networks where rideshare, carshare, bikeshare, electric scooters, public transit and, eventually, autonomous vehicles can all be accessed on the same platform.

This could include making infrastructure investments (e.g. more bike lanes or bike/scooter parking), reallocating street parking to carsharing vehicles, rewriting parking requirements and standards to consider the reduced footprint required by autonomous vehicles, preparing for existing parking lots to be converted to new uses, and enabling more city transportation data to be accessed by mobility platform service providers.

Federal funding may be available to do some of the research and conduct pilot projects in this area. For example, the City of Vancouver recently received \$386,000 from Transport Canada to explore how self-driving vehicles and connected vehicles can integrate into the future transportation network. It's expected this work will be reflected in Vancouver's 2040 Transportation Plan, which is currently under development.

### Rationalize rail facilities

While the long-term relocation of major rail facilities away from residential and commercial areas (and into a designated trade zone like Centreport) remains a topic of public debate, the City has the ability to work with rail operators, as an initial, cost-friendly step, on the rationalization of existing infrastructure.

By assessing the viability of spur lines and encouraging more shared use between rail companies, the City could potentially remove dozens of underused rail crossings, which would reduce the need for street repair at those locations and eliminate the need for some vehicles (e.g. school buses) to make extra stops. This would also reduce the potential for collisions and contribute to more seamless mobility.

Even small-scale relocation of existing rail facilities, like working with BNSF to find an alternate location for its River Heights yard, could also create opportunities to build dozens or hundreds of infill housing units.

We would also encourage the City to work with the provincial and federal governments and Centreport to explore the possibility of a comprehensive rail facility study which could guide long-term decision making by Winnipeg Metro jurisdictions and private rail companies.

### 3. GROWING TOGETHER WITH THE METRO REGION

While the City of Winnipeg has enjoyed significant growth in recent years, communities just outside the Perimeter have increased their populations and developed areas even further and added new commercial and industrial operations. These are no longer just “bedroom communities” but some are becoming complete communities themselves.

The challenge is managing that growth and learning how to work together to maximize regional opportunities and benefits. *OurWinnipeg*, and the development plans of each rural municipality, need to fit within a broader regional plan that will guide local and provincial/federal infrastructure investments and reveal enhanced opportunities for service sharing between jurisdictions.

The traditional view is that economic development is a zero sum game – if an RM outside the city wins, then the city loses. To move forward we need to reframe the narrative and adopt a regional mindset.

This is something that has been talked about for decades, but only recently have we have seen some significant progress, like the development of Centreport and agreements for Winnipeg to provide wastewater treatment service to some neighbouring municipalities.

The Chamber is also encouraged by the work the Winnipeg Metropolitan Region has done, including its regional growth strategy and the John Q. Public project which seeks to optimize procurement across municipalities. As the largest partner in the Metro region, with the most developed suite of public services, the City of Winnipeg has the opportunity to drive collaboration efforts.

We strongly recommend the City make regional planning efforts a priority, back that priority with demonstrable actions, and proactively seek further opportunities for partnership with other municipalities.

Opportunities could include working with municipalities and ridesharing services to provide “last-mile” connections for metro region residents to the Winnipeg Transit network, or harnessing the capabilities of the City’s Traffic Management Centre to provide real-time monitoring and correcting of traffic flows across the region (perhaps using a network of digital signs to direct those coming into the city away from congested areas).

For inspiration on adopting more a regional mindset, Winnipeg could look to Edmonton which is already engaged in regional transit partnerships and is looking at expanding those services further. Edmonton is also undergoing a review of its master planning document, and is committed to having that document align with the Edmonton Metropolitan Region Growth Plan by 2020.

The Minneapolis – St. Paul area is example of an even more integrated regional model, with a Metropolitan Council taking on responsibility for land planning, public transportation and wastewater services.

## GROWING STRATEGICALLY IN SPECIAL ECONOMIC ZONES

While the Chamber would like to see the implementation of more sustainable developments and complete communities across the city, there are several special economic zones that warrant particular attention. These range from the SHED in downtown to The Forks to Centreport.

### Establish a framework for urban reserves

Of note is the small but growing number of urban reserves. With the recent approval of the new Peguis First Nation development along Portage Avenue, and especially the pending redevelopment of the Kapyong Barracks site, there's a need to have a framework in place on how to deal with these proposals (e.g. service agreements) as they come forward to help ensure certainty for First Nations, developers and the community at large.

### Creative districts

Through the use of planning and tax tools, an opportunity exists for the City to support current and emerging special districts that highlight Winnipeg's existing strength as a centre of culture. While areas such as the Exchange District have historically served as a hub for cultural organizations, increased development and property assessments in this area have started to push creatives to various locations throughout Winnipeg.

Toronto has recently addressed this issue through the implementation of a special property class that provides a 50% tax abatement for designated creative hubs. Winnipeg could explore the use of a similar tool to encourage the synergy that exists from having non-profit arts and cultural organizations located in close proximity to each other and to for-profit creative ventures like film and video game production.

### Music City model

As a complement to creative districts, Winnipeg could also look at how it can tap into the potential of music as a driver of employment and economic growth.

Following the success Austin and Nashville have had in highlighting and enabling their music industries, communities as diverse as Gander, London, Calgary, Vancouver, Columbus, Sydney (Australia), Aarhus (Denmark) and Bogota (Columbia) are looking at how they can become "Music Cities."

From a planning perspective, this could include measures to ensure the sustainability of existing live music venues, and providing more opportunities for public performances in parks and plazas. In Toronto, the civic government has made amendments to the public posting bylaw to benefit live music venues and has created a special "music in the park" permit category.

The Canadian Chamber of Commerce has worked in partnership with Music Canada to develop a resources that cities can follow to help master the Music City concept.

## 4. GROWING WITH PURPOSE – GOVERNANCE AND TOOLS

While we know the Planning, Property & Development department believes strongly in *OurWinnipeg*, it's not always clear that other departments or decision-making bodies share that opinion. The Chamber feels strongly that to be effective, this needs to become a foundational document that drives decision-making at *all* levels and across *all* departments.

Every city employee should consider how their program or their department fits into the vision of *OurWinnipeg*. If it doesn't fit, then how can it change? Achieving a shift in mindset is a significant challenge for any organization, but we think adding some "teeth" to *OurWinnipeg* through the use of the following tools will help ensure the entire administration is working toward a common purpose.

### Performance targets

While *OurWinnipeg* is filled with worthwhile ideas, it's difficult to measure the plan's success without having tangible performance targets in place.

If the goal for growth is to reach a population of one million by 2035, then how many new housing units do we need to add per year to make that happen? Establishing a goal for the modeshare of different transportation options will help guide decision making over a defined period. And saying the City "encourages" infill housing is one thing, but setting a specific number – such as X units of infill added per year, an infill-to-greenfield development ratio, or density targets in existing neighbourhoods – adds some weight to that commitment.

For example, in 2008, Edmonton set a 10-year goal of having 25% of all new homes built each year to be located within existing areas. By 2016, the number was 24%.

We believe the City should set a number of performance targets – ones that have been developed specifically for the Winnipeg market – and report annually on the status of those targets. Perhaps these targets could be used to develop a visual dashboard on [Winnipeg.ca](http://Winnipeg.ca) of the City's progress toward its goals, similar to what the City of Saskatoon has done.

### Impact fees

As the Chamber stated when impact fees were first approved in 2016, we feel strongly they should be used primarily as a planning tool, not simply as a revenue source. Through area-specific pricing, and exemptions for strategic infill opportunities (e.g. downtown, transit-oriented development), impact fees could be used to guide the type and location of new building in the city.

And as mentioned previously, by working closely with the local development industry to develop a growth-based infrastructure plan, the City could plan major transportation, recreation, public safety and water system expenditures (funded by impact fees) to sync more closely with private real estate investments.

## Planning Commission

After years of fights between developers and residents of existing neighbourhoods, it's clear the decision making process for zoning and development approvals is broken in Winnipeg. The role of Community Committees in approving or denying a development application frequently puts area councilors in the difficult political position of having to choose to support new developments or side with area residents who are reluctant to have their neighbourhoods change.

While some positive changes were made to the process following the 2005 Red Tape Commission Report, the frequency and intensity of zoning battles is still alarming. One only needs to look at the furor generated by the building of a small dermatology clinic on Academy Road in 2015 as evidence of how the goals of *OurWinnipeg* can conflict with the wishes of area residents.

One solution to depoliticize the process would be the introduction of a planning commission. This panel of experts and community members would assess each development proposal on its merits and its consistency with *OurWinnipeg*, and wouldn't have to be concerned about political repercussions. While the final ruling on any matter would rest with council, the Chamber feels having an impartial, quasi-judicial body make a recommendation to council will help depoliticize the process.

This commission could also take over the existing responsibilities of the Board of Adjustment with respect to applications for variances and conditional uses.

We note cities such as Calgary, Vancouver, Regina and Brandon follow the planning commission model.

## Form-based code

To help create more diversified communities and avoid political-based decision making, many cities are exploring the use of form-based codes, either on a city-wide or regional basis. This planning tool concentrates on the type of place you're trying to create by specifying appropriate and desirable building placements and street dimensions. This differs from traditional zoning codes, which are more concerned about uses that are prohibited, rather than identifying what is desired by the community.

By adopting a form-based code the City could avoid some of the squabbles that exist currently around new developments. As long as a new development fits the approved layout and character of a neighbourhood, it should be approved without the need for rezoning, variances or conditional uses. Furthermore, *OurWinnipeg* has already detailed the City's preference to create more walkable, "complete" communities where multiple types of residential housing co-exist with retail and other commercial uses.

The revitalization of Calgary's East Village into a dense, mixed use neighbourhood that blends commercial space, cultural institutions, parks, heritage buildings and new residential housing for 9,000 people is being guided by a form-based code. And even a car-centric city like Phoenix is trying to create more pedestrian-scale, transit-oriented communities through the use of its "Walkable Urban Code."

### Mayoral representation on Metro Region Board

While it's outside the scope of *OurWinnipeg*, we still wanted to take this opportunity to recommend the mayor should be the City of Winnipeg representative to the Winnipeg Metropolitan Region Board.

Every other member of the board is a mayor/reeve of a city, town or rural municipality in the metro region. Further, the mayors of other large Canadian cities like Calgary, Edmonton, Vancouver and Victoria also serve on their respective metro boards.

More than just a symbolic gesture of the priority the City places on regional planning, having the mayor serve on the board would allow the City of Winnipeg to take a much stronger leadership role in the organization.

## CONCLUSION

The Winnipeg Chamber of Commerce is the largest business organization in Manitoba. The success of our members is closely linked to the success of our civic government, and our community as a whole. As we grow, so does the city.

However, we recognize the development patterns and infrastructure spending priorities of the past need to change to accommodate that growth, and to do so in a responsible, sustainable manner. Just as our members seek to optimize their own human, capital and financial resources, we know it's important City Hall does the same.

Increasing density and making more efficient use of existing infrastructure and city services is vital to that mission. Not only will it save money (reducing the need for further tax increases), but it will lead to the creation of more dynamic urban neighbourhoods that provide new business opportunities and help attract the young talent we need to grow our economy.

The ideas presented in this document represent the Chamber's collective best advice on how to empower city council, the civic administration and the development community to achieve the vision of *OurWinnipeg*.