

THE PERFORMANCE PLAYBOOK: 2022 CIVIC ELECTION



 **The Chamber**
The Winnipeg Chamber of Commerce

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The past few years have been difficult for all Winnipeggers as we've struggled with rapidly changing public health restrictions, economic conditions, and work and school routines.

As we finally move past the pandemic, Winnipeggers want a civic government that is united in rebuilding our economy, revitalizing our urban core, and renewing our pride. Achieving those goals will require innovative and thoughtful policy, backed by collaboration and determination.

From the perspective of the business community, it's vital Winnipeg establishes itself as a competitive place to locate and grow a new venture, with a government that's committed to economic and social development and delivering services effectively and efficiently.

In an April 2022 survey of Winnipeg Chamber of Commerce members, only 38% of respondents said they receive good value for the taxes and fees they pay to the City, and only 34% said the City is business-friendly. Clearly, we need to foster a new culture of service and innovation at City Hall.

The 28 recommendations outlined on the following pages draw on the priorities of our members and on research conducted by our organization. Together, they provide a playbook for all council and mayoral candidates to follow toward a vision of Winnipeg as a high-performing city with a bright future.

The Priorities:

1

Make
Winnipeg
the easiest
City to do
business in
Canada

2

Finance the
new urban
reality

3

Reignite
downtown

4

Build faster,
smarter and
denser

5

Invest in
infrastructure
to get
Winnipeg
moving

PRIORITY 1

Make it easy to do business in Winnipeg

The vision:

Make Winnipeg the easiest city in Canada to start and grow a business.

The challenge:

Attracting and supporting new entrepreneurial ventures will be essential to our economic recovery from the pandemic and our growth toward being a city of one million people. But based on the experience of our members, starting or operating a business in Winnipeg is not always easy.

63% of respondents to The Chamber's 2022 Civic Election Survey said starting a new venture in Winnipeg is challenging, and only 34% agreed with the statement that "the City of Winnipeg is business friendly and has a customer/client focus on its interactions with the business community."

Changing this perception will take a system-wide commitment to implementing more efficient processes that get government moving closer to the speed of business.

Our play:

1.1 Conduct a mapping exercise to identify all the steps required to establish a new business in Winnipeg and streamline the process with the goal of becoming the easiest city in Canada to start and grow a business. This will require a collaborative effort with the provincial government, as it is responsible for several functions related to business registration and licensing.



1.2 One of the most consistent issues cited by Chamber members is difficulty navigating civic systems and processes. Entrepreneurs get into business to create new jobs and economic opportunities, not to learn the intricacies of city bylaws or permit applications. This problem could be addressed by expanding the city's Office of Economic Development to include a concierge-style service model. Liaisons for different sectors could connect directly with businesses and assist them in working with the City, such as guiding them through the development and building permit approval process.

1.3 Establish the Red Tape Working Group that was originally approved by Executive Policy Committee in 2021, and make this group a standing sub-committee that reports to the Standing Policy Committee on Innovation and Economic Development. This group should conduct regular reviews of existing processes and by-laws, set a schedule for when by-laws will undergo a major revision process, consider whether proposed new by-laws are required, and make recommendations on which city processes should undergo a mapping exercise.

1.4 Create an online portal for businesses to inform the city of opportunities to streamline or accelerate key processes. Make this portal publicly accessible, so that businesses, media and members of the public can see what suggestions have been made and if any action has been taken in response. This, along with the Working Group, will replace sporadic efforts to identify red tape and will make modernization of regulations an ongoing, iterative process at City Hall.

1.5 Continue the progress that has been made to identify pain points in the permits and inspections process and move more applications online. In the 2022 budget update, the city converted several temporary staff positions in this department to permanent status. While these additional resources will help accelerate approvals, it should also be noted the City still generates a \$10 million annual profit from development approvals and inspections, even though these services are supposed to be delivered on a pure cost-recovery model. More permit revenue should be retained by the department to accommodate additional staffing and technology investments.

59% of respondents to the Chamber's 2022 Civic Election Survey said that speeding up the approval process for building permits and inspections was

the best way the city could support new businesses, and growth/expansion of existing businesses.

1.6 To remain competitive with neighbouring municipalities and other major centres across Canada, the city needs to expand and refine its inventory of serviced employment lands. The first priority should be the servicing of CentrePort South, which the City has already committed \$20 million toward. This project requires matching assistance from the provincial and federal governments.

1.7 With the election of a new leadership comes the opportunity to reset the work culture within City Council and across the civic government as a whole. To effectively serve businesses and residents, the city needs a culture of cooperation, where all components of government – elected officials, senior managers, and front line staff – work together to achieve defined goals. Some of the suggestions in the city's governance review would help move this culture shift forward, notably the recommendation that Council adopt an overarching strategic plan. The Bloomberg Harvard City Leadership Initiative has also recently published The City Leader Guide on Organizational Culture Change, a playbook for Mayors, councillors and senior staff who want to change the way things work in local government.



PRIORITY

2

Modernize revenue models and maintain a competitive tax structure

The vision:

Winnipeg is a competitive place to do business, with a fair and modern revenue model and cost-efficient, high-performance services.

The challenge:

An outdated tax regime, the impact of the pandemic on revenues and expenses, and a large infrastructure deficit have created significant pressure on the city's budget. While the move to a four-year budget cycle brought some short-term stability, the long-term sustainability of the City's finances is at risk.

The city needs to explore new fiscal partnerships with other levels of government, and new forms of raising revenue that are directly linked to policy goals. At the same time, Winnipeg must remain competitive with other cities across Canada as a potential location for business and immigration.

Our play:

2.1 The next four-year budget plan should be developed using a Priority-Based Budgeting (PBB) model. Unlike the traditional incremental approach to government budgeting, where the current year's budget becomes the basis for the next year's spending plan, the PBB process identifies programs that offer the highest value and continues to provide funding for them, while reducing service levels, divesting, or potentially eliminating lower value services. These priorities should be established by the Council-approved strategic plan referenced in recommendation 1.7, and through a detailed update of the Management Reference Model for Government Services.

2.2 Winnipeg is the only major city in Canada with a standalone business tax, which creates a barrier to attracting outside investment to our city. Additionally, the separate tax creates an administrative cost for the City and for businesses. Move to phase out the business tax and blend it with commercial property taxes over several years. Commercial property taxes should then be charged at a fixed ratio to residential rates. This change would require cooperation from the provincial government to adjust corresponding legislation.

52% of respondents to the Chamber's 2022 Civic Election Survey said the business tax should be phased out and blended with the commercial property tax. 32% said it should be eliminated completely.

2.3 Replicate the SAVE (Solutions for Achieving Value and Excellence) program from Calgary which delivered \$26.4 million in base-operating reductions in 2021, and a further \$52.2 million in base operating reductions in 2022. SAVE works by soliciting ideas for savings from front-line employees, who know their departments better than anyone. Those suggestions are assessed and turned into individual business cases by the SAVE project team, working with a contracted accounting firm. If Winnipeg could find similar efficiencies in relation to the size of its budget, a program like this could save around \$20 million annually.

2.4 Under current fiscal arrangements there is little motivation for municipalities to prioritize economic development because they cannot access revenue streams that are directly connected to growth. We need the City and Province to work together to develop a new fiscal framework that gives the City an opportunity to generate revenue not just from property taxes created by new developments, but also from the construction itself and any business activity that takes place inside those developments. One option could be to replace all provincial grant funding to the City with a fixed share of the PST.

2.5 Continue working toward a Social Procurement Policy. The City has the opportunity through the

design of its procurement processes to ensure it not only receives good financial value through its purchases of goods and services, but it also leverages maximum social and environmental benefits for the community. Adopting more social procurement practices will allow the City to use its purchasing power to help address priorities like reconciliation and poverty reduction.

- 2.6 While it waits for a new fiscal framework, the City also needs to explore new sources of revenue beyond the traditional property tax model. Ideally, any new or increased tax would be directly linked to enhancing specific city services so that ratepayers understand clearly what their taxes are paying for. One option to consider might be creating a tax on commercial parking spaces to help fund road



MIKE PETERS

repairs and transit services. Such a tax would help the City achieve three policy goals: 1) it would accelerate road renewal and improve transit service; 2) it would encourage mode-shifting from personal vehicles to transit and active transportation, helping the City achieve its climate change goals; 3) it could encourage the conversion of surface parking lots to more intensive land uses. The municipalities that make up Metro Vancouver currently assess a similar tax to fund Translink services.

63% of respondents to the Chamber's 2022 Civic Election Survey were in favour of exploring the idea of a tax on commercial parking spaces.

PRIORITY 3

Reignite downtown

The vision:

Winnipeg's downtown is a thriving urban centre, constantly evolving as the city grows, offering opportunities for residents and visitors to come together to live, play and work.

The challenge:

Downtown is the heart of our city's commerce, tourism, hospitality, arts, culture and sports sectors. While Winnipeg's downtown had been on an upswing prior to the pandemic, the past two years have been difficult for the area and the neighbouring Exchange District. Downtown office workforces and foot traffic are down significantly from 2020, and several businesses have closed throughout the area.

However, key employers and institutions still exist, and significant new facilities like 333 Main, the Sutton Place Hotel and the new Wawanesa Insurance headquarters are proceeding. Downtown needs a full toolbox approach to regaining its momentum.

This priority is strongly supported by Chamber members, as 75% of respondents to our 2022 Civic Election Survey said downtown revitalization should be a priority for the next council.

Our play:

- 3.1 Invest in the Downtown Recovery Strategy. Developed by downtown stakeholder organizations and City staff, the Downtown Recovery Strategy is a three-year plan that outlines actions and investment priorities to help the downtown area recover from the effects of the pandemic. The City recently committed \$10 million to site improvements and design work, and an additional \$20 million in tax-increment financing (TIF) to

support downtown projects like housing, heritage restoration, the redevelopment of surface parking lots or brownfield sites, and the creation of new or expanded businesses. It is critical that the next council continues forward with this plan.

- 3.2 Develop flexible regulations and permitting processes that can ease the conversion of older and lower-grade office spaces to alternative uses, such as housing, hotels or co-working facilities. This would bring empty spaces back to life, and create more round-the-clock activity in the downtown. Some of these projects could be supported through TIF.
- 3.3 Re-evaluate and adjust the City's own office space requirements, releasing any excess inventory back into the market to be used for other purposes. This will have the added benefit of reducing the City's operating costs.
- 3.4 The availability and pricing of on-street parking has always had a significant impact on customer activity for downtown retail and service businesses. The recent reduction of regular daytime office workers and the corresponding foot traffic and made businesses even more reliant on visits from customers who drive downtown. Reinstating the one-hour of complimentary on-street parking that was offered during the pandemic would be an effective short-term measure to help downtown businesses through their recovery.
- 3.5 As a longer-term solution, the City should invest in new meter technology that allows for dynamic pricing of parking spaces. When on-street parking on a particular block is in low demand, prices would adjust downward. When parking is in high demand, prices would increase. This would also allow for paid parking hours to be extended into the evening on some streets to accommodate large crowds for live events. The Winnipeg Parking Authority would require additional capital funds to purchase new equipment.

51% of respondents to the Chamber's 2022 Civic Election Survey said the city should look at a dynamic pricing model for on-street parking. Only 31% preferred the current model.

- 3.6 Establish a parking benefit district in the Downtown and Exchange District areas where parking revenue (or a significant percentage of it) would be dedicated to improving streetscaping, beautification and general maintenance in the area. This would be similar to how paid parking works at The Forks, where signage clearly indicates to parkers what site improvements their fees are paying for.
- 3.7 Study the conversion of one-way streets in the downtown back to two-way streets. Across North America, cities have converted hundreds of one-ways to two-ways over the past two decades, with the goal of creating more vibrant and pedestrian-friendly streets that appeal to residents, businesses, and visitors. While one-way streets can be efficient in moving large volumes of traffic, they tend to encourage drivers to pass through downtown areas, rather than stopping to enjoy local businesses and attractions. With changes to downtown traffic volumes created by work-from-home/hybrid work arrangements, and the pending shift of transit vehicles away from Graham Avenue, this is an ideal time for the city to study which streets would be suited for conversion to two-way traffic. The City of Hamilton has converted several one-way streets back to two-way operation, including James Street, which became a popular shopping and dining destination after the conversion took place.
- 3.8 Provide more support to the arts and creative sector. While not exclusively a downtown issue, much of Winnipeg's arts community is centred in and around the urban core. Our arts institutions, festivals and public art installations bring life and people to the downtown, making Winnipeg a more attractive and safer place for residents, businesses and tourists. While the City faces budget constraints, it should work with the Winnipeg Arts council to review the arts funding strategy, and look for low-cost ways it can assist arts and cultural organizations, such as expediting festival and parade permits, waiving associated permit fees, and making on-street parking available for other purposes (e.g. temporary licensed patios at arts events).



Build faster, smarter and denser

The vision:

Winnipeg is a city of diverse neighbourhoods that offer a wide variety of affordable housing, shopping, travel and work options all within a short distance.

The challenge:

Like many cities across Canada, Winnipeg has experienced unprecedented growth in housing prices over the last several years, fuelled in part by a growing population, changing household composition, and the pandemic-related real estate rush. While pricing pressures might not be as intense as in cities like Toronto or Vancouver, affordability is a concern for young people, newcomers, and those looking to enter the market. The best way to make housing more affordable is to build more of it.

The City has recently adopted a new central planning document, OurWinnipeg, that sets out a bold vision for creating vibrant “complete communities” with density and varied housing options across Winnipeg. But policy needs to be backed up by political will.

Our play:

4.1 Move more aggressively on infill housing. Infill developments are desirable for the City because they make efficient use of existing services. Established neighbourhoods already have infrastructure in place and are typically well-served by multiple transportation options. New residents or businesses can renew older areas and help create more dynamic communities. The residential infill guidelines adopted by City Council in 2021, combined with provincially-mandated changes to

development approval timelines and procedures should allow infill developers to move forward with more certainty about potential projects. But it is vital that city council follows its own policy and doesn't slow down the growth of infill housing due to NIMBY concerns or local politics.

51% of respondents to the Chamber's 2022 Civic Election Survey said the city should be more aggressive in pursuing infill development. Only 16% said the city was moving too quickly on infill.

4.2 Take full advantage of the new federal Housing Accelerator Fund to invest in new technology and systems to accelerate the residential development permits and approval process, including doing a major update of zoning bylaws to ensure they synchronize with the new OurWinnipeg plan and Complete Communities strategy.

4.3 Eliminate parking minimums. Current zoning laws require most new residential and commercial developments to create a minimum number of new parking spots per unit or per square foot of space. A growing number of North American cities – including Toronto, Edmonton and Calgary (commercial developments only) -- have eliminated these parking minimums and allow developers and/or tenants decide for themselves how many parking spaces they require, if any. For example, a new development located in a densely populated neighbourhood that's close to transit and active transportation options might not have the same parking requirements as a suburban strip mall. Parking minimums drive up the cost of development, increase the price of rental and condominium housing, encourage more use of private automobiles (since tenants are already paying for the spaces), and hamper efforts to densify neighbourhoods. Winnipeg should eliminate parking minimum requirements and let the market decide how many spaces are required.

57% of respondents to the Winnipeg Chamber of Commerce's 2022 Civic Election Survey supported eliminating city-imposed parking minimums for new residential and commercial developments.

- 4.4 Moving rail lines and related facilities to locations outside of the city would unlock significant tracts of land for redevelopment, reduce traffic congestion, eliminate infrastructure expenses related to underpasses and crossings, and create better connections between neighbourhoods. The civic, provincial and federal governments should work together with CentrePort to conduct a comprehensive rail facility study to guide long-term decision making by Winnipeg Metro jurisdictions and private rail companies. In the meantime, the City could work with rail operators 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. This would also reduce the potential for collisions and contribute to more seamless mobility.

PRIORITY

4

Get Winnipeg moving

The vision:

Winnipeg's transportation system offers safe, convenient and sustainable travel options for commercial traffic, drivers, cyclists and pedestrians.

The challenge:

As Winnipeg grows, our transportation systems are struggling to keep pace. Much of our road infrastructure is old, and years of deferred maintenance and freeze-thaw weather cycles have taken their toll.

The problem was so severe this spring that 61% of respondents to The Chamber's 2022 Civic Election Survey said road maintenance should be the City's top spending priority.

However, road maintenance creates additional problems with traffic congestion and restricted access to small businesses in the vicinity of construction projects. Survey respondents identified better management of traffic during construction projects as their top priority (43%) for improvements to Winnipeg's transportation system, ahead of options like reducing traffic congestion (34%) and building more active transportation (29%).

Exacerbating the transportation challenge is that we don't have freeways for easy transportation of goods, our rapid transit system is still at its nascent stage, and there are significant gaps in the active transportation network.

Our play:

- 5.1 Continue to increase investment in infrastructure repair, particularly for regional and residential streets that are in very poor condition after Spring 2022. The work required might warrant an additional property tax increase beyond 2.33%, if the funds were clearly dedicated to infrastructure repair.



5.2 Develop a long-term strategic infrastructure plan that is linked to the city's economic growth strategy and sequenced to support private investment in new (infill, brownfield and greenfield) development. Such an approach is supported by other industry stakeholder organizations like the Manitoba Heavy Construction Association, Urban Development Institute, and Manitoba Home Builders Association.

5.3 Many small businesses, especially those in the hospitality, retail and personal services industries, rely on foot traffic and customers having easy access to their establishments. However, major municipal construction projects (road, sidewalk, water, sewer) can often have a significant negative impact on these businesses by temporarily restricting road and sidewalk access or removing on-street parking. Winnipeg should follow the example of Montreal and offer financial relief for small businesses who can demonstrate revenue losses due to municipal construction projects. Under the Montreal program, funding is calculated based on revenue losses of greater than 5% and can reach up to \$40,000 per year. In its first five years the program paid out roughly \$1.4 million in assistance.

82% of respondents to the Chamber's 2022 Civic Election Survey said the city should provide financial relief to small businesses who are negatively affected by road, sidewalk, water, or sewer construction.

5.4 The provincial government has introduced legislation that would allow for pilot testing of

micromobility devices, such as electric scooters. Scooter-sharing services have proven popular in other jurisdictions, especially in urban core areas. E-scooter and/or e-bike rental services would provide a viable last-mile transportation option for transit riders and could also be used by residents, office workers or tourists to make short trips within the downtown. Victoria, Vancouver, Kelowna, Edmonton, Calgary, Red Deer, Windsor and Ottawa are among Canadian cities who currently allow scooter-sharing services. Winnipeg could learn from these cities and borrow best practices to prepare regulations that ensure concerns about road safety and parking are addressed before a pilot begins.

5.5 City council approved a new Transit Master Plan in April 2021 that includes a significant redesign of the transit network and a shift to higher-frequency service throughout Winnipeg. These initiatives were endorsed in The Winnipeg Chamber's submission to the 2018 OurWinnipeg review. The City should continue with this plan, however, in light of shifting work trends caused by the COVID-19 pandemic, it is critical that route changes and infrastructure investments be reviewed to ensure they are consistent with customer demand.

5.6 Build out the active transportation network, with a particular focus on improving the connectivity of existing recreational trails, commuter pathways, and designated bike routes. Ensure that all major road renewal projects incorporate recommendations made in the city's active transportation strategy, as several recent road projects (e.g. Roblin Blvd, University Crescent, Keewatin Street) have not done so.

5.7 Winnipeg is a trading city, with thriving manufacturing, food processing and logistics industries that employ thousands of people and generate significant economic activity. The under-development Transportation Master Plan must emphasize movement of goods and protection of trucking routes as major components. Recommendations for new or revised trucking routes should be based on actual transportation data and analysis of origin-destination studies.



ABOUT THE WINNIPEG CHAMBER OF COMMERCE




Founded in 1873, The Chamber is Winnipeg's largest business organization, with more than 2,000 member companies employing more than 90,000 people. We are 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—a city with a bright future.

ABOUT THIS DOCUMENT

This playbook was prepared by Chamber staff with input from 350 respondents to our 2022 Civic Election Survey, feedback from 90 members of our policy advisory pools, and approval of our Board of Directors.



100-259 Portage Avenue, Winnipeg MB R3B 2A9
T: (204) 944-8484 F: (204) 944-8492
W: winnipeg-chamber.com
E: info@winnipeg-chamber.com

 facebook.com/WpgChamber
 Twitter: [@TheWpgChamber](https://twitter.com/TheWpgChamber)
 LinkedIn: [The Winnipeg Chamber of Commerce](https://www.linkedin.com/company/the-winnipeg-chamber-of-commerce)