



Brief for the 2019 Budget

City of Montreal

Recommendations

- 1. Focus on secure and sustainable mobility as a driver of economic development.**
- 2. Develop the full potential of all Montrealers by guaranteeing a supply of accessible, affordable and appropriate housing, through the swift conclusion of a federal-provincial agreement on housing, including parameters to ensure that Montreal's priorities are met, particularly for the issue of homelessness.**
- 3. Develop effective, resilient, green infrastructure by earmarking funds for rehabilitating land with great economic development potential in Montreal, for creating a national urban park in the Pierrefonds-West area, and for making winter activities possible on the Lachine-Canal historic site.**
- 4. Ensure the growth of 5G innovation in Montreal, and create a tax framework that is fair and standardized.**
- 5. Make it possible to establish a First Nations tourism and cultural centre (project DestiNations).**

With a population of over 2 million, Greater Montreal is the second largest city in Canada, and its economic strength is undeniable. The Conference Board of Canada estimates that the rate of growth of Montreal's economy rose to 3.5% in 2017, putting its gross domestic product (GDP) at close to \$131 billion that year. Greater Montreal's economic weight also increased in the last five years. In 2017, Montreal generated 35.5% of Quebec's economic activity, a percentage much higher than its demographic weight of 24%¹. In 2018, capital expenditures for both the public and private sectors were estimated at close to \$12.7 billion², up 8.5%³ from 2017. As such, Montreal receives 33.6% of all investments made in Quebec.

There are many reasons for Montreal's enviable economic position. For example, the majority of its residents can carry on a conversation in both English and French. Also, 43% of Montrealers aged 25 to 64 have a university degree. More than half (54%) of the immigrant population are economic immigrants.

The City of Montreal clearly wishes to build on this success, and to keep fuelling Canada's economic growth by pursuing its role as an economic engine. Federal investments, both expected and needed, have given municipalities a new recognition of the crucial role they play in developing the economies of Canadian communities. These investments have also brought about a major shift in terms of maintaining and developing essential public infrastructure.

In order to fully meet their economic growth objectives, these investments must be used to consolidate networks and to improve network performance. The following sections include proposals that will give Montreal the opportunity to maximize its contribution to the Canadian economy.

¹http://ville.montreal.qc.ca/pls/portal/docs/PAGE/MTL_STATS_FR/MEDIA/DOCUMENTS/BILANECONOMI.Q

² http://ville.montreal.qc.ca/portal/page?_pageid=6897.67885762&_dad=portal&_schema=PORTAL.

³ http://www.stat.gouv.qc.ca/statistiques/profils/region_00/region_00_an.htm.

1. Focus on secure and sustainable mobility as a driver of economic development.

Not only do traffic congestion and crowded public transportation systems create greenhouse gas emissions and lower quality of life, but they also hinder the economic performance of Greater Montreal. The Quebec Department of Transport estimates that, in 2008, traffic congestion led to a loss of \$1.85 billion⁴ in the region. Using alternatives to single-occupant cars, particularly public transportation and active transportation, alleviates this congestion. Furthermore, it also considerably facilitates the flow of goods, supports greater productivity, and boosts the performance of the city's labour market.

The City of Montreal strongly supports the federal government's desire to invest heavily in active transportation and in the development of major public transit projects. The City wishes to continue in this direction and expects to play an active role in defining the parameters of the programs associated with the Investing in Canada Plan. The City has identified its top-priority projects, which should not be constrained or excluded due to standards lacking flexibility or long-term vision. The City is reiterating its request for a commitment that will allow it to extend the metro's blue line, expand the Pie-IX BRT, implement transportation electrification projects, as well as further develop its universal accessibility program and its program to maintain all its equipment assets. Funds must also be earmarked to address Montreal's metro congestion, in the form of a clear commitment in favour of building the pink line.

Montreal is a hub for transporting goods. Needless to say, the city expects major investments to facilitate access to its port, railway stations and transportation corridors. Although projects to improve access to the Port of Montreal are under way, many other intelligent transportation systems projects also deserve support under the National Trade Corridors Fund, which will have to be expanded quickly.

Furthermore, we are hoping for more pilot projects involving the Mobile Eye system to be implemented more quickly in collaboration with Transport Canada. This camera system is capable of warning drivers of any pedestrians and cyclists it detects. We must implement all the necessary measures that complement interventions by the municipal administration in the public realm. Only then can we reach our vision zero objectives.

⁴ Ministère des Transports du Québec, 2014, <http://www.bv.transports.gouv.qc.ca/mono/1165444.pdf>.

2. Develop the full potential of all Montrealers by guaranteeing a supply of accessible, affordable and appropriate housing, through the swift conclusion of a federal-provincial agreement on housing, including parameters to ensure that Montreal's priorities are met, particularly for the issue of homelessness.

The indicators presented in the introduction demonstrate the degree to which Montreal's economic performance is influenced by a variety of sociodemographic factors. The City is strongly committed to maintaining a diversified supply of quality housing, and it has set ambitious goals for affordable housing. Montreal's administration has welcomed the federal government's initiatives under the National Housing Strategy, and it urges the federal and provincial governments to quickly reach an agreement so that the funding that was promised can be used promptly for concrete projects.

Canada's economic growth also depends on an inclusive approach to enable all Canadians to develop their full potential, no matter their situation or particular challenges. To that end, the City of Montreal realizes that diverse action is needed to address and prevent homelessness, a complex and multi-causal issue. Montreal is pleased that the new Canada's Homelessness Strategy (CHS) includes such diverse action. However, the indicators and follow-up procedures will have to be adapted at the administrative level. It would be counterproductive to select indicators that are solely limited to measuring chronic homelessness. We must make room for prevention and innovation, which requires evaluations that assess these aspects.

We must also ensure a housing supply for the least fortunate. Although the City of Montreal welcomes the newly created National Housing Co-Investment Fund, it nevertheless wishes to recall how instrumental the Fund's criteria are in completing a variety of projects, specifically for clientele that are excluded from the market, such as large, low-income families. Given the needs related to homelessness, the City of Montreal also believes that the new CHS must retain the ability to fund housing projects, to ensure that the interventions made in connection with these projects are closely tied to real estate funding.

3. Develop effective, resilient, green infrastructure by earmarking funds for rehabilitating land with great economic development potential in Montreal, funds for creating a national urban park in the Pierrefonds-West area, and funds for making winter activities possible on the Lachine-Canal historic site.

The federal investments earmarked for green infrastructure perfectly coincide with the City of Montreal's 2018-2022 Economic Development Strategy. The City wishes to continue on the path toward a circular economy by investing heavily to make its infrastructure resilient to climate hazards.

The City welcomes the provincial and federal governments' intentions to earmark funds for land rehabilitation, a major challenge for Montreal, as the city must both contend with its industrial past and fight urban sprawl. Significant funding must therefore be earmarked so that Montreal can tackle land contamination and rehabilitation. Some of the targeted areas are very strategic, and present great potential for economic development, such as the Technoparc in Pointe-Saint-Charles.

The springtime floods of 2017 showed the degree to which extreme weather events can disrupt people's lives. The City of Montreal wishes to better protect natural areas that provide important regulating services. With that in mind, the City is requesting that the government earmark part of the Nature Fund, announced in the 2018 federal budget, to create a national urban park in the Pierrefonds-West area. Not only will the park serve its fundamental purpose as a natural area, but it will also provide shelter to many animal and plant species, as well as increase the city's attractiveness with a concrete contribution to enhancing Montrealers' quality of life.

Given that the City of Montreal cares about reducing greenhouse gas emissions and its dependence on cars, it has made a firm commitment to best practices, particularly in terms of active transportation. The number of cyclists in Montreal, even winter cyclists, has boomed in recent years. The bicycle path along the Lachine Canal is very popular during the summer, and seemingly during the winter as well. In the interest of fairness and respect for Parks Canada's mission, the City is requesting that the infrastructure of this site remain accessible to the public, particularly cyclists, all year round. Parks Canada should also cover the costs associated with this.

4. Ensure the growth of 5G innovation in Montreal, and create a tax framework that is fair and standardized.

In the era of big data and the Internet of Things (IoT), 5G technology is a must. This technology will help Montreal's innovative ecosystem flourish and will further develop the city's expertise in artificial intelligence. The City wishes to make the federal government a key partner in deploying this new technology, particularly in terms of interoperability.

Given that business realities are evolving, the City urges the federal government to take action in order to ensure fair-for-all standardized tax treatment. Whether they are part of the sharing economy or the traditional economy, companies and businesses working in the same fields must be subject to rules, standards and policies that ensure market fairness.

5. Make it possible to establish a First Nations tourism and cultural centre (project DestiNations).

Like the federal government, the City of Montreal is firmly committed to the path toward reconciliation with Indigenous peoples. The DestiNations project is an opportunity to make First Nations' cultures flourish within a unique Indigenous architectural complex that will be a beacon for Indigenous vitality. This project will not see the light of day without government support. A federal contribution is expected.

Conclusion

Canada's economic growth is closely tied to that of its municipalities. Their needs must be reflected in the next federal budget, because they are at the forefront of adapting communities to climate, technology and population changes. This budget should therefore uphold the vitality of Quebec's metropolis.