

**Montreal**

**Brief for Budget 2021**

**City of Montreal**

## **Recommendations**

- 1. Focus on mobility to spark an economic recovery and green transition.**
- 2. Support Montreal's economic recovery plan.**
- 3. Promote Montreal internationally and support the tourism industry.**
- 4. Make the city an engine of the green transition.**
- 5. Support large Canadian cities' digital technology needs.**

## **Background**

Before the economic crisis caused by the COVID-19 pandemic, the Montreal metropolitan area was enjoying an unprecedented economic boom. The city's nominal GDP grew by 4.4% in 2019, faster than the provincial figure. Montreal's labour market was also in excellent shape: a record 1,117,100 Montrealers were employed, and the unemployment rate stood at 7.0% in February 2020.

The health crisis sparked by the pandemic had a devastating impact on Montreal's economy. Nearly half of all COVID-19 cases were recorded in the Montreal metropolitan area, making it the epicentre of the crisis. As a result, the economy has restarted more slowly and gradually in Montreal than in the rest of Canada. These facts have made the city less attractive to tourists. While many people have gone back to work since the historic lows of March and April, the city remains a long way from the halcyon days of early in the year.

Concerted action from all levels of government is needed to help Montreal recover. In addition, the challenge of a green transition remains a priority: governments have a collective responsibility to ensure the recovery supports sustainable green initiatives that will reduce greenhouse gases and social inequality and therefore make Montreal an even more inclusive and resilient city.

## 1. Focus on mobility to spark an economic recovery and green transition.

In addition to generating greenhouse gas (GHG) emissions and reducing people's quality of life, traffic congestion and overloaded public transit systems hurt Greater Montreal's economic performance. The Quebec Department of Transport estimated that, in 2008, traffic congestion cost the region \$1.85 billion.<sup>1</sup> Using alternatives to the single-occupancy vehicle, such as public transit and active transportation, can reduce this congestion. In addition, this would improve the flow of goods, increase productivity and make the city's labour market more efficient.

In the COVID-19 context, the City of Montreal believes that investments in mobility will have a far-reaching impact on the city's recovery while supporting the green transition objectives of both the city and the federal government.

The health measures implemented to control the virus's spread had a direct impact on public transit ridership, which caused the Montreal transit system's fare revenues to plunge. The City expects fare revenues this fall to be at half of pre-pandemic levels. To make up the difference, **the City is calling on the government to help municipalities fund sustainable transportation, including by providing funding for transit system operating expenses**, as advocated by the Federation of Canadian Municipalities (FCM).

**The City of Montreal applauds the current government's commitment to support the completion of the Montreal metro system's Pink Line.** The City has reiterated the importance of this project on many occasions: it will help relieve the Orange Line and boost Montreal's economy. The project is especially important in the pandemic context, when public investments are needed to stimulate the country's economy and produce benefits going forward.

Quebec is uniquely positioned to become a leader in electrifying transportation, particularly because it has an abundant supply of clean hydroelectricity. **To promote the green transition and the economic recovery, the City calls on the government to fast-track transportation electrification initiatives, including by accelerating purchases of zero-emission public transit vehicles and funding of related infrastructure, such as garages.** Road traffic emissions account for 31% of Montreal's GHG emissions, so electrification is an important way of reducing this impact while boosting Quebec's energy sector.

## 2. Support Montreal's economic recovery plan.

Montreal was hit hard by COVID-19, which decimated the city's economic indicators. As a result, in June the City unveiled a short-term economic recovery plan called "A Boost for the City: Acting Now."

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<sup>1</sup> Quebec Department of Transport, 2014, <http://www.bv.transports.gouv.qc.ca/mono/1165444.pdf> [in French only].

This recovery plan sets out programs and initiatives to support Montreal's hardest-hit sectors. **The City is calling on the government to support completion of the "Grand Harbour" project to revitalize the riverfront between the Jacques Cartier and Champlain bridges. The priority for a federal contribution to this project would be the restoration of the buildings making up Silo No. 5.** More generally, the City needs the federal government's cooperation to coordinate the area's development.

The City of Montreal and the government are already working together on some of the projects that make up the Grand Harbour vision. For example, like the federal government, the City has since 2019 been part of a joint committee to revitalize and secure the future of the Biosphere in keeping with the common goal of combatting climate change. **To preserve this architectural gem and its environmental purpose, the City calls on the government to confirm that it will keep funding the Biosphere.** This site offers a singular opportunity to showcase the City's and the federal government's leadership on the green transition and to ensure Saint Helen's Island remains a unique tourist destination.

Eastern Montreal has much potential to support the city's vitality, yet its industrial past is weighing it down. A large area is contaminated, limiting current uses and, in turn, the potential to revitalize this part of the city. To overcome this challenge, the City of Montreal worked with the provincial government to create a program to remediate key parcels of land in eastern Montreal. The Quebec government committed \$200 million to the City of Montreal's land remediation program. **To maximize the program's impact and help transform eastern Montreal, the City urges the federal government to match the provincial government's contribution** of \$200 million. This industrial area did a great deal to support the development of Canada as a whole, so the federal government should contribute to its remediation.

The aerospace sector is an economic engine for Montreal and all of Canada. It is also one of the sectors most affected by the pandemic and will struggle to recover. Aerospace is a source of growth and employment for the city, so it is critical that all levels of government make an effort to support it and foster its recovery.

### **3. Promote Montreal internationally and support the tourism industry.**

The accommodations, food services, arts, entertainment and recreation industries—the heart of Montreal's cultural identity—account for 10.5% of the businesses (2018) and 8.5% of the jobs (2016) in Greater Montreal. These industries are among the most vulnerable parts of the economy because it is unclear when they will reopen, large gatherings continue to be forbidden and they depend on the patronage of residents and tourists.

**The City of Montreal believes that supporting a keystone project such as the expansion of the convention centre is key to the tourism industry's recovery.** This project would make Montreal's convention centre one of the largest such facilities in North America. Once travel restrictions are relaxed, it will attract a large number of business tourists to the city.

In Montreal, tourism is vital to the cultural sector's success. The many festivals, concerts and other cultural events attract tourists from around the world. Cultural events are also major employers and part of the city's identity. **Accordingly, the City of Montreal is seeking federal financial support to implement the plan entitled "Montreal, Cultural Metropolis 2020–2030."**

#### **4. Make the city an engine of the green transition.**

The City of Montreal salutes the federal government's commitment to ensuring the economic recovery is consistent with the green transition. The City believes its targets for reducing GHG emissions from the transportation sector are critical, and that is why the City has set out its expectations for the government as regards mobility in this brief.

Besides its sustainable mobility demands, the City of Montreal supports environmentally friendly urban development. It has set an ambitious goal of planting 500,000 trees and will protect its shorelines and preserve its natural spaces. By creating Canada's largest urban park, the Great Western Park, the City has proven its desire to transform itself into a green city. Accordingly, Montreal wants the government to clarify its intentions regarding its promise to plant 2 billion trees and the role cities will play in implementing it. In addition, the City would like to share its urban forestry expertise with federal officials to ensure the program is suitable for urban areas.

#### **5. Support large Canadian cities' digital technology needs.**

The new 5G technology is critical in the era of Big Data and the Internet of Things. In Montreal, this technology will strengthen the innovation ecosystem and help the city's artificial intelligence expertise shine. The City would like the federal government to be a major partner in deploying this technology, including the interoperability aspect.

Given the many skills required in this industry, the City of Montreal believes the deployment of 5G and other digital technologies requires greater stakeholder cooperation. Since the COVID-19 measures have been implemented, a number of issues stemming from the digital divide have been exposed: many Montreal residents have been isolated because they lack access to technological tools. To break this cycle, telecommunications firms, the federal and provincial governments and cities must work together.

### **Conclusion**

Montreal was hit hard by the health crisis, in both social and economic terms. The city is aiming for a green and inclusive recovery that makes it even more resilient. The pandemic has exposed the city's vulnerabilities, but also Montrealers' extraordinary ability to come together and support each other. The federal government must continue laying the foundations for solidarity, creativity and concrete measures that will bring Montreal back to full strength. The City of Montreal is confident that the 2021 federal budget will meet the city's expectations.