Agenda - Executive Policy Committee - October 15, 2008

REPORTS

Item No. 2 Implementation of the Mayor's Trade Council Recommendations
File GG

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Winnipeg Public Service be requested to proceed with the Implementation Plan (Appendix "A") to implement the recommendations of the Mayor's Trade Council (Appendix "B"), and to report annually on progress with respect to implementation of the MTC's recommendations.

2. That the City of Winnipeg encourage the Province of Manitoba to establish a special coordinating committee of senior Provincial and City of Winnipeg officials, to expedite implementation of the Mayor's Trade Council recommendations, and to report regularly on the status of these recommendations. (see Appendix "B", recommendation II.4)

3. That the City of Winnipeg encourage the Province of Manitoba to utilize tools such as economic trade zones to lever investment in Airport Area lands, and in Winnipeg's industrial parks. (see Appendix "B", recommendations II.4, III.6, and III.7)

4. That the City of Winnipeg encourage the Province of Manitoba to work with the City to improve all major trade entry points of access to the City of Winnipeg. (see Appendix "B", recommendation II.4)

5. That the City of Winnipeg encourage the Province of Manitoba to review its tax increment financing (TIF) for the Inland Port ("CentrePort"), giving consideration to its replacement with an enterprise zone of the kind recommended by the Mayor's Trade Council, under which the tax would be deferred, rather than foregone. (see Appendix "B", recommendations III.6, and III.7)

6. That the City of Winnipeg encourage the Province of Manitoba to review proposed arrangements for CentrePort with respect to municipal boundaries, and servicing of CentrePort, giving consideration to a single-jurisdiction solution, in which the City of Winnipeg would receive the tax revenues required to service CentrePort. (see Appendix "B", recommendation III.6)

7. That the Proper Officers of the City be authorized do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 9, 2008, the Executive Policy Committee laid the matter over 60 days.

COUNCIL DECISION:

On March 19, 2008, Council adopted the recommendation of the Executive Policy Committee, namely:

1. That the recommendations contained in the Mayor's Trade Council Final Report be endorsed in principle.

2. That the Winnipeg Public Service be directed to review the Mayor's Trade Council Final Report and report back to the Executive Policy Committee in 120 days with an implementation plan.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

RE: Implementation of the Mayor's Trade Council Recommendations

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Chief Administrative Officer

REPORT DATE: October 10, 2008

RECOMMENDATIONS:

1. That the Winnipeg Public Service be requested to proceed with the Implementation Plan (Appendix "A") to implement the recommendations of the Mayor's Trade Council (Appendix "B"), and to report annually on progress with respect to implementation of the MTC's recommendations.

2. That City of Winnipeg encourage the Province of Manitoba to establish a special coordinating committee of senior Provincial and City of Winnipeg officials, to expedite implementation of the Mayor's Trade Council recommendations, and to report regularly on the status of these recommendations. (see Appendix "B", recommendation II.4)

3. That City of Winnipeg encourage the Province of Manitoba to utilize tools such as economic trade zones to lever investment in Airport Area lands, and in Winnipeg's industrial parks. (see Appendix "B", recommendations II.4, III.6, and III.7)

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5. That City of Winnipeg encourage the Province of Manitoba to review its tax increment financing (TIF) for the Inland Port ("CentrePort"), giving consideration to its replacement with an enterprise zone of the kind recommended by the Mayor's Trade Council, under which the tax would be deferred, rather than foregone. (see Appendix "B", recommendations III.6, and III.7)

6. That City of Winnipeg encourage the Province of Manitoba to review proposed arrangements for CentrePort with respect to municipal boundaries, and servicing of CentrePort, giving consideration to a single-jurisdiction solution, in which the City of Winnipeg would receive the tax revenues required to service CentrePort. (see Appendix "B", recommendation III.6)

7. That the Proper Officers of the City be authorized do all things necessary to implement the intent of the foregoing.

Report Summary

Key Issues:

- In January, 2007, Mayor Sam Katz announced the formation of the Mayor's Trade Council (MTC), whose role was to formulate recommendations related to trade facilitation that would support or augment the Manitoba International Gateway Strategy (MIGS) and related federal policies, including the National Policy Framework for Strategic Gateways and Trade Corridors.
- The MTC's final report and detailed recommendations were presented to Winnipeg City Council on March 19, 2008; Council endorsed the MTC's recommendations in principle, directing the Winnipeg Public Service to review the MTC report, and to report back to the Executive Policy Committee with an implementation plan.
- The Public Service concurs with the MTC's recommendations, and will be proceeding with their implementation should Council so approve.
- With the October 9, 2008 Royal Assent to Bill 47, *The CentrePort Canada Act,* implementation issues with respect to CentrePort have come to the forefront.
- In particular, a number of issues with respect to boundaries, servicing, taxation, governance, and private sector concerns are so far unaddressed.

Implications of the Recommendation(s):

General Implications

( ) None

(x) For the organization overall and/or for other departments

(x) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

Policy Implications

( ) No

(x) Yes

Comment(s):
The recommendations will have direct impact on *Plan Winnipeg* and on Capital Budget decisions.

Regulatory Implications

( ) None

(x) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):
Full implementation of the MTC's recommendations would provide for some mitigation of regulatory conflicts, particularly along designated trade routes.

Environmental Implications

(x) No

( ) Yes

Comment(s):

Human Resources Implications

(x) No

( ) Yes

Comment(s):

Financial Implications

( ) Within approved current and/or capital budget

(x) Current and/or capital budget adjustment required

Comment(s):
Full implementation of the MTC's recommendations would result in the consideration of new capital/infrastructure investment, in the context of the Capital Budget process.

Report

REASON FOR THE REPORT:

On March 19, 2008, Council adopted the recommendations of the Mayor's Trade Council Final Report in principle, and directed the Winnipeg Public Service to review the Report and report back to the Executive Policy Committee in 120 days with an implementation plan. (On July 9, 2008, the Executive Policy Committee laid the matter over 60 days.)

HISTORY:

In January, 2007, Mayor Sam Katz announced the formation of the Mayor's Trade Council (MTC). The Council's mandate was to review the City of Winnipeg's role in facilitating regional, national, and international trade, and to formulate recommendations about how the City might expand and strengthen that role, in ways that would support or augment the Manitoba International Gateway Strategy (MIGS) and related federal policies, including the National Policy Framework for Strategic Gateways and Trade Corridors. The MTC was given eight months to fulfill its mandate; its first official meeting took place on June 28th, 2007.

The MTC held extensive discussions and meetings with stakeholders; met with Transport Canada officials to discuss federal trade and transportation policies, including the National Policy Framework for Strategic Gateways an Trade Corridors; studied provincial trade and transportation policies, including the MIGS; and held meetings with industry representatives to identify their concerns with respect to impediments to trade, and their ideas about new trade-related opportunities.

At the conclusion of these investigative and consultative processes, the MTC prepared a report offering a series of recommendations regarding the facilitation of Winnipeg's role as a trade centre, grouped under the following themes:

- prioritizing necessary infrastructure;
- seeking out innovative financing approaches to fund this infrastructure;
- identifying opportunities to gain efficiencies in the trade and transport systems centred in, or being developed in, Winnipeg;
- developing strategic projects, such as a Winnipeg Inland Port; and,
- identifying and advancing trade-related priorities through a coordinating body of key stakeholders, including representatives of the City and the Province.

The MTC's report and detailed recommendations were presented to City Council on March 19, 2008; Council endorsed the MTC's recommendations in principle, and directed the Winnipeg Public Service to review the MTC report, and report back to the Executive Policy Committee with an implementation plan.

One of the MTC's key recommendations relates to the establishment of a Winnipeg Inland Port (see Appendix "B", recommendation III.6) From July, 2008, to the present, Winnipeg's Public Service has been involved in discussions with Provincial officials regarding this matter, meeting on ten occasions to date.

On October 9, 2008, Royal Assent was granted to Bill 47, *The CentrePort Canada Act*, with respect to establishment of an Inland Port, designation of lands for the Port, the development of a business plan, and establishment of the Port's governance structure.

DISCUSSION:

The possibility of a Winnipeg Inland Port has been under consideration, in varying forms, for at least a decade. However, the MTC's recommendations are broader in scope. They envision an Inland Port not only as the nexus of a pre-existing transportation web, but also as the staging ground for new productive processes. As such, it would represent the intersection of three discrete kinds of activity which confer value: intermodal trans-shipping, modular assembly, and the provision of support services (including professional and financial services) to all who use the Port.

The Public Service concurs with the MTC's suggestion that making the most of this intersection of productive activity requires the prioritization of necessary infrastructure, the identification of efficiencies, and the coordination of key stakeholders. The Public Service agrees with the MTC's complete list of recommendations, and will begin to implement each of them, in keeping with Council's direction and priorities. The Public Service will report annually to the Mayor and Council on progress in this regard.

The Public Service has been in close communication with Provincial officials, as the Province has gone forward with legislation regarding a Winnipeg Inland Port, or, CentrePort, as it has now been designated. In meetings with the Province, civic staff have consistently advanced the following views:

- The City views a single-jurisdiction, single-agency option as the best option for CentrePort;
- Municipal boundary issues and the costs of service provision to the Port must be fully addressed to ensure its effective functioning;
- Inland Port governance should include appropriate civic participation; and,
- In all matters regarding the development of CentrePort, close consultation between the City, the Province, and the Government of Canada is highly important.

As a number of issues with respect to boundaries, servicing, taxation, governance, and private sector concerns are so far unaddressed, the Public Service recommends that Council encourage further discussion on these matters.

COMMENTS:

There is no financial impact at this time.

As discussions with provincial and federal governments progress, the financial impacts of implementing the various Mayor's Trade Council recommendations will be identified and brought forward for Council's consideration. Council approval of these costs will be sought in upcoming Capital Budgets.

Original Signed
By Michael Ruta, FCA

Chief Financial Officer

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Corporate Finance
Planning, Property and Development
Public Works

External Consultation With:

Mayor's Trade Council Implementation Committee

THIS REPORT SUBMITTED BY:
Chief Administrative Officer

Department
Division
Prepared by:
File No.

APPENDIX "A"

IMPLEMENTATION STRATEGY

1.) The Director of Planning, Property and Development and the Director of Public Works will prepare, by June 1, 2009, an appropriate section for inclusion in the forthcoming version of *Plan Winnipeg,* with respect to prioritizing the development of a "Trade Route System", and this section will include economic growth evaluation criteria mirroring the "Five Lenses" view of the National Policy Framework for Strategic Gateways and Trade Corridors. (see Appendix "B", recommendations I.1 and II.4)

2.) The Chief Financial Officer, in consultation with the Director of Planning, Property and Development, and the Director of Public Works, will develop, by June 1, 2009, guiding principles to ensure that a trade and investment perspective is incorporated in strategic infrastructure decisions, consonant with the National Policy Framework for Strategic Gateways and Trade Corridors. These criteria will be used to determine projects' eligibility for consideration in the context of the annual Capital Budget process. (see Appendix "B", recommendations I.1 and II.4)

3.) The Director of Public Works, in consultation with the Director of Planning, Property and Development, and the Chief Financial Officer, will ensure that the projects identified by the Mayor's Trade Council as priorities under the "Trade Route System" are brought forward for priority consideration in the context of the next Capital Budget. (see Appendix "B", recommendations I.1 and II.4)

4.) The Public Service will continue to provide all necessary information and support with respect to civic representations to the federal and provincial governments regarding funding to address infrastructure deficits. (see Appendix "B", recommendation I.2)

5.) The Public Service will ensure strategic infrastructure investments specifically related to the development of trade routes and Inland Port developments receive priority consideration for their potential as Public Private Partnership arrangements, in keeping with City policy. (see Appendix "B", recommendation I.2)

6.) The Chief Financial Officer, in consultation with the Director of Planning, Property and Development, and the Director of Public Works, will develop review criteria, by June 1, 2009, for the purpose of determining appropriate projects to submit as candidates for federally designated Public Private Partnership funds. (see Appendix "B", recommendation I.2)

7.) The Director of Public Works, in consultation with the Director of Planning, Property, and Development, will review the various areas in which the Mayor's Trade Council has identified the possibility of gaining strategic efficiencies, and prepare a report, by June 1, 2009, offering recommendations to implement or augment the present implementation of each of these, including:

- harmonization of licensing and permitting;
- development and designation of a limited number of trade routes;
- provision of route continuity;
- synchronization of lights, road rules, and speed limits on trade routes;
- upgrading of trade routes to RTAC standards;
- limitation of direct access to private developments from trade routes;
- improved access to information for trucks entering the City;
- controlled construction and closures on truck routes;
- provision of truck routes in support of current and future industrial park development; and,
- support for the Winnipeg James Armstrong Richardson International Airport's 24/7 operating status.

(see Appendix "B", recommendation I.3)

8.) The Public Service will provide all necessary information and support to assist the Mayor in reviewing the status of the Mayor's Trade Council's recommendations, at his regular meetings with the Premier, and at meetings with federal officials. (see Appendix "B", recommendation II.4)

9.) The Public Service will continue assisting Council in seeking out potential new city-to-city trade partnerships, and in building trade relationships associated with the Mid-Continent Trade Corridor, the Kansas City-Winnipeg Economic Opportunity Partnership, and the development of a strategic Western Canada Transportation System. (see Appendix "B", recommendation II.5)

10.) The Public Service will continue assisting Council in working with the Province in the development of CentrePort, with the enabling and financial support of the federal government. (see Appendix "B", recommendation II.6)

11.) The Public Service will utilize and adopt the federal "Five National Lenses" in evaluating strategic trade and transportation infrastructure investment, to better assist in the City's efforts to work with the federal and provincial governments in the setting of trade and transportation infrastructure investment priorities. (see Appendix "B", recommendation II.8)

12.) The Public Service will prepare and submit to the Mayor and Council, by October 1st of each year, beginning in 2009, a report regarding the implementation status of the recommendations of the Mayor's Trade Council.



Appendix B

APPENDIX "B"

MAYOR'S TRADE COUNCIL REPORT RECOMMENDATIONS

The recommendations are separated into two distinct groups.

1) Recommendations that can be acted upon by the City on its own; and
2) Recommendations associated with establishing partnerships with other levels of government and industry.

Each of the recommendations reflect the broader position of the City of Winnipeg as well as both federal and provincial policies and programs that have been developed to address the issues of international trade and transportation.

The key policy and program documents of the City, provincial and federal governments include:

- Economic Opportunity Framework for the City of Winnipeg 2006-2015 and Plan Winnipeg;
- The Province's international trade policy contained in the "Reaching Beyond Our Borders" document and the Province's "Manitoba International Gateway Strategy;" and
- The "Federal National Policy Framework for Strategic Gateways and Trade Corridors."

I. AREAS FOR CITY OF WINNIPEG ACTION

1. Prioritizing Infrastructure Investment

Recommendations

- Reprioritization of investment and the rationale for investment in the Winnipeg "street system," specifically, "trade routes" that would be acknowledged as the key trade and commercial arteries fuelling our trade activities. These are identified so that they interface with the provincial trade route system, support provincial trade policy priorities and reflect the financial investment criteria of the federal government's "National Framework for Strategic Gateways and Trade Corridors" and related policies.
- For the purposes of the "Trade Route System," develop economic growth evaluation criteria that mirror the "Five Lenses" view of the federal government's "National Framework for Strategic Gateways and Trade Corridors."[11]
- Adopt a set of guiding principles as part of the annual City of Winnipeg Capital Budget review to ensure a trade and investment perspective is incorporated in strategic infrastructure decisions tied to "Federal National Framework for Strategic Gateways and Trade Corridors."

Priority Areas

- Waverley West connection road from Bishop Grandin Boulevard to the Perimeter Highway.
- Development of road connection from the Perimeter Highway and development of the lands west of the airport.
- Widen Kenaston Boulevard from the Assiniboine River to Taylor Avenue.
- Staged completion of the inner ring road consistent with Plan Winnipeg Policy Plates "B" and "C" (see map).

2. Financing Infrastructure

Recommendation

- First and foremost, the federal, provincial and municipal governments all have a responsibility to fund and finance infrastructure, balancing their fiscal capabilities and the constant pressure for infrastructure investment, maintenance and repair. Substantial federal and provincial



infrastructure funding is needed for trade growth and to address infrastructure deficits across Canada. The national government needs to significantly increase funding for trade and transportation infrastructure.

- In select cases, consider utilizing Public Private Partnership (PPP) arrangements to initiate strategic infrastructure investments specifically related to the development of trade routes and inland port developments.
- Develop criteria to access federally designated PPP funds for infrastructure investment and other trade and transportation related programs.

3. Gaining Efficiencies

Recommendation

- Harmonize or improve compatibility where possible with the Province (e.g., licensing and permitting);
- Develop a limited set of higher order routes (major east-west and north-south routes) within Winnipeg and designate them as trade routes;
- Rationalize and provide route continuity of provincial trade routes with city trade routes;
- Synchronize lights and road rules and in particular speed limits on "trade routes" as a first priority;
- For trucking, upgrade trade routes to carry Road and Transportation Association of Canada (RTAC) route loading where required;
- Limit and rationalize direct access to private developments from trade routes;



- Provide instructions and easy access to truck route maps and structure information for trucks entering and operating through the city;
- Have controlled construction and closures on truck routes;
- Provide well defined and established truck routes in support of current and future industrial park development (as reflected in the Employment Lands Strategy); and
- Support the 24/7 operating status of the Winnipeg James Armstrong Richardson International Airport.

II. AREAS FOR CITY OF WINNIPEG-PROVINCE OF MANITOBA ACTION

4. Intergovernmental Collaboration

Recommendation

- To confirm priorities, coordinate follow-up and monitor progress related to enhancing the growth of trade-related economic activity, the MTC suggests that the Premier and the Mayor review the status of these recommendations at their regular meetings, and that they assess progress with the senior federal minister for Manitoba on a regular basis.
- The Premier and the Mayor establish a special coordinating committee of senior officials to expedite implementation and support progress



reviews. The coordinating committee would be co-chaired by the Deputy Minister of Trade for the Province and by the Chief Administrative Officer for the City of Winnipeg, with private sector participation. It should focus on rationalization and prioritization of trade and transportation priorities related to investment, trade route priorities, capital plans and respective roles and related responsibilities of the two levels of government.

- The coordinating committee's mandate would be to report regularly to the Premier and Mayor on the status of each of the MTC and the coordinating committee's recommendations and make such other related recommendations as circumstances evolve.

Priority Areas

- Utilize "tools" such as economic trade zones to lever investment in Airport Area Lands, Fort Garry Industrial Park, St. Boniface Industrial Park, Inkster Industrial Park and Transcona Industrial Park.
- Improve all major trade entry points of access and in particular Headingly and St. Norbert.

5. Supporting the Province's Policy Role on Trade

Recommendation

- Review existing city-to-city relationships and explore potential new relationships through a set of criteria that takes into consideration the Province of Manitoba's international trade framework and the City's objective of enhancing economic development partnerships internationally.

Priority Areas

- Mid-Continent Trade Corridor, which links Winnipeg at its northern hub with the United States and Mexico.
- Work with Manitoba and the other western provinces in the development of a strategic Western Canada Transportation System that potentially places Winnipeg as its eastern hub.[12]
- Build on the Kansas City-Winnipeg Economic Opportunity Partnership.

III. AREAS FOR WINNIPEG COLLABORATION WITH THE PROVINCE, FEDERAL GOVERNMENT AND INDUSTRY

6. Inland Port Development

Recommendation

- The City of Winnipeg and the Province of Manitoba must initiate the development of a Winnipeg Inland Port, with enabling and financial support of the federal government. The inland port will promote Winnipeg as a primary or secondary port of entry for Canada for goods received, for added-value, assembly and distribution.

Priority Areas

- The Winnipeg James Armstrong Richardson International Airport and the lands west of the airport offer the most promising business case locations as a starting land asset base for the development of a Winnipeg inland port strategy.



- Use the Kansas City SmartPort structure and the Province of Manitoba-KC SmartPort Agreement as a framework to develop a made-in-Manitoba inland port.[13]

7. Enterprise Zone

Recommendation

- In collaboration with the Government of Canada and the Province of Manitoba, establish a pilot project for a very selective enterprise zone(s) with deferred taxation payment trigger mechanisms and incentives to attract investment from key businesses that support and enhance trade facilitation, e.g., terminals, assembly plants, distribution facilities.[14]

Priority Areas

- The Winnipeg James Armstrong Richardson International Airport, and the lands west of the airport.

8. National Policy Lenses

Recommendation

- The Province of Manitoba and the City of Winnipeg must ensure that they utilize and adopt the federal "five national lenses" in evaluating strategic trade and transportation infrastructure investment.[15]
- In addition, the Province and the City must work in concert with the Government of Canada to clearly establish investment priorities for trade and transportation infrastructure, leveraging federal infrastructure programs for the economic benefit of Canada, Manitoba and Winnipeg.



NEXT STEPS

- For the City of Winnipeg "alone" recommendations, the Mayor and City Council should quickly evaluate and adopt those recommendations that are within their scope of authority and expeditiously ensure their implementation.
- For the recommendations requiring Province-City collaboration, the Premier and Mayor meet on priorities and actions, and immediately establish the joint Coordinating Committee referred to above with the clear instructions that this area reflects Winnipeg-Manitoba political and policy priority.
- The City and the Province initiate action on the development of an Inland Port at the location above noted.
- Engage the business and community leaders, including the Manitoba International Gateway Strategy Council, Business Council of Manitoba, Winnipeg Chamber of Commerce and Destination Winnipeg, to provide support and a unified Winnipeg/Manitoba approach with the Federal Government.