Agenda - Council - September 29, 2004

Report - Executive Policy Committee - September 22, 2004

Item No. 5 Rapid Transit
File TT-5.1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 22, 2004, the Executive Policy Committee submitted the following to Council:

1. That the re-allocation of $43 million from the Funding Agreement be approved, in principle, toward community recreation and leisure facility projects that are eligible under Canada Strategic Infrastructure Program, in accordance with the process for fund allocation to be informed by the current Public Use Facility Study process, and direct the Chief Administrative Officer and the Executive Policy Committee Secretariat to report to Council through the Executive Policy Committee with a plan for the allocation of the funds.

2. That the allocation of $7.5 million from the Funding Agreement be approved toward transit modernization initiatives, and that the Transit Department submit these proposed improvements to Council and also pursue funding for transit modernization from other sources, including the Green Municipal Funds Program and Transport Canada.

3. That Executive Policy Committee Secretariat be directed to pursue a funding agreement with the Federal and Provincial governments to formally identify eligible projects and funding particulars for Council approval.

4. That the establishment of a Rapid Transit Task Force ("Task Force") be endorsed, consisting of members of Council to be appointed by the Mayor, to report to the Executive Policy Committee by no later than June 2005 on various rapid transit options for Winnipeg ("the study"), with analysis of relative costs and benefits, to consult with the public and to develop and recommend a long-term funding plan to support the full implementation of a rapid transit system which plan should include strategies for obtaining combined financial contributions from other governments and/or private partners of no less than 67% of the total system cost over a period of years.

5. That the Task Force return to the Executive Policy Committee for direction with respect to budgetary requirements and contracting procedures in connection with the study, and that monies for the study be found from the approved unexpended capital budget for rapid transit.

6. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including execution of any documents related thereto.

Report - Executive Policy Committee - September 22, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 22, 2004, the Executive Policy Committee passed the following motion:

WHEREAS community sports, recreation and meeting facilities are important meeting places for many Winnipeg citizens, and provide venues for recreation that contribute to seniors' well-being, childhood development and healthy living;

AND WHEREAS the Public Use Facilities Study ("PUFS") dated July 5, 2004 describes the serious deterioration of community recreation and leisure facilities in Winnipeg, and recommends strategies – including closures, amalgamations, consolidation and new construction - to arrest this deterioration and develop a modern and sustainable system of facilities throughout the City;

AND WHEREAS there is now significant uncertainty in many Winnipeg communities as to the future of their current community facilities, which uncertainty should be alleviated as quickly as possible;

AND WHEREAS the modernization of Winnipeg's recreation and leisure facilities requires, according to PUFS, a financial investment of approximately $213 million over a period of 10 years;

AND WHEREAS the City has identified an overall infrastructure deficit of approximately $1.8 Billion, which includes roads, bridges, public buildings and community facilities, which infrastructure deficit will climb rapidly in the short term if immediate steps are not taken to make added investments in basic infrastructure;

AND WHEREAS Council has supported the implementation of Rapid Transit initiatives and the Council Capital budgets adopted on March 28, 2003 and December 16, 2003, proposed funding for Rapid Transit totalling $1.7 million in 2003 followed by $5 million annually from 2004 to 2009, with the expectation of additional federal and provincial cost contributions;

AND WHEREAS due to limited municipal revenues existing rapid transit systems in other Cities have, without exception, been substantially funded by other levels of government;

AND WHEREAS the cost of the initial phases of a basic bus rapid transit system ("BRT") has been estimated by Winnipeg Transit to be a minimum of $400 million;

Report - Executive Policy Committee - September 22, 2004

DECISION MAKING HISTORY (continued):

AND WHEREAS the former Mayor of Winnipeg, together with the Premier of Manitoba and the Senior Federal Minister for Manitoba announced, on March 19, 2004 a funding agreement-in-principle (the "Funding Agreement") under the Canada Strategic Infrastructure Program ("CSIP") totalling $165 million, of which the combined federal and provincial contribution toward BRT was only $34 million over 4 years, representing less than 9% of the minimum cost of a basic BRT system for Winnipeg;

AND WHEREAS to date the City has not identified significant funding sources and financing options for a major rapid transit project, including greater federal and provincial contributions;

AND WHEREAS the City of Winnipeg currently does not have sufficient financial resources, or projected financial resources, to address all of the infrastructure needs identified herein;

AND WHEREAS Mayor Katz, together with other Hub City Mayors, issued a Communiqué dated September 18, 2004 calling on the federal government to share 2.5 cents per litre of fuel tax revenue in 2005, rising to 5 cents per litre by 2007, to be invested in urban infrastructure. AND if the federal government agrees to such sharing, this would represent an added revenue stream of approximately $27.5 million in 2005, rising to $55 million annually by 2007, which amount only partially addresses Winnipeg's total annual infrastructure deficit which deficit is currently estimated at approximately $180 million;

AND WHEREAS Mayor Katz has indicated his commitment to obtaining a new financial arrangement with other levels of government to address Winnipeg's infrastructure deficit and to begin to address the need for a modern rapid transit system for Winnipeg

AND WHEREAS it would be prudent, prior to expending significant public funds on a bus rapid transit project, to conduct a full and independent study as to the relative costs and benefits of the full range of rapid transit models - including light rail, bus rapid transit and improvements to current on-street transit - and to account fully for capital costs and operating costs, which costs could significantly impact City taxpayers in future years, with a view to developing a rapid transit model tailor-made to the unique needs of Winnipeg;

AND WHEREAS the Premier of Manitoba and the Senior Federal Minister for Manitoba have communicated approval-in-principle for the re-direction of the $50.5 million portion of the Funding Agreement toward community recreation and leisure facilities ($43 million), subject to compliance with the guidelines established under the CSIP, thereby addressing an identified and urgent community need, and toward transit modernization ($7.5 million) in order to improve transit services.

Report - Executive Policy Committee - September 22, 2004

DECISION MAKING HISTORY (continued):

NOW THEREFORE BE IT RESOLVED THAT:

1. Council approve in principle the re-allocation of $43 million from the Funding Agreement toward community recreation and leisure facility projects that are eligible under CSIP, in accordance with the process for fund allocation to be informed by the current PUFS process, and direct the CAO and the EPC Secretariat to report to Council through EPC with a plan for the allocation of the funds;

2. Council approve the allocation of $7.5 million from the Funding Agreement toward transit modernization initiatives, and that the Transit Department submit these proposed improvements to Council and also pursue funding for transit modernization from other sources, including the Green Municipal Funds Program and Transport Canada;

3. EPC Secretariat be directed to pursue a funding agreement with the Federal and Provincial governments to formally identify eligible projects and funding particulars for Council approval;

4. Council endorse the establishment of a Rapid Transit Task Force ("Task Force"), consisting of members of Council to be appointed by the Mayor, to report to EPC by no later than June 2005 on various rapid transit options for Winnipeg ("the study"), with analysis of relative costs and benefits, to consult with the public and to develop and recommend a long-term funding plan to support the full implementation of a rapid transit system which plan should include strategies for obtaining combined financial contributions from other governments and/or private partners of no less than 67% of the total system cost over a period of years;

5. That the Task Force return to EPC for direction with respect to budgetary requirements and contracting procedures in connection with the study, and that monies for the study be found from the approved unexpended capital budget for rapid transit;

6. The Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including execution of any documents related thereto.

and submitted the matter to Council.