

Building a Stronger Local Economy

Without a strong local economy, Winnipeg cannot support the public services we depend on. The Mayor's Office is traditionally a key point of leadership for economic development in major cities across North America. Scott believes City Hall can be more proactive and take economic leadership in several areas of the economy beyond tax policy, including red tape, investment, regulatory fairness and immigration. We must also keep a close eye on housing to ensure there is an adequate pipeline of new housing supply, especially for young families, New Canadians and lower income renters. Without affordable homes, workers won't move here. Without new workers, our businesses and services cannot grow.

CHALLENGES TO FACE

- In June, the CMHC said Manitoba needs a 40% increase in business-as-usual home construction to keep housing affordable, While Scott Gillingham has already supported incentives to get more housing downtown, not enough is being done to open up room for multi-family housing in the broader city.
- While progress has been made on some issues (like the reduction in licenses, where Winnipeg leads the country), the City still struggles with red tape.
- The federal government has the lead on immigration and the province partners with Ottawa on key programs, but it is increasingly clear that immigration policy issues is critical to Winnipeg's social and economic development strategy – especially on labour force and housing issues.
- Thanks to provincial legislation, City Hall's revenue model is designed almost entirely around property taxes, giving city councillors and city staff little political incentive to vote for or support projects that would generate commercial sales unless they would also raise new development and property tax revenues.

Scott Gillingham's Solutions

A "REAL DEAL FOR GROWTH" WITH THE PROVINCIAL GOVERNMENT

- ✓ Successive mayors have tried over and over again to reset Winnipeg's relationship with the Manitoba government to secure a different mix of revenue for the City's budget. Glen Murray even spent a million dollars on advertising in a failed effort to get the province to support his "New Deal."
- ✓ Scott believes the City's current revenue structure acts as a disincentive for officials throughout the municipal government to take economic growth and investment seriously. A project that may grow the City's economy – for example, increased patio dining – looks like a cost when it is put up against municipal tax structures, permit revenues and other features of the municipal system. Yet in the United States, many cities are embracing more outdoor dining because they can clearly justify the step through increased sales tax revenue as restaurants secure higher sales.

- ✓ To try to reset the Winnipeg-Manitoba funding relationship in a new way, Scott will soon propose new discussions called “A Real Deal for Growth.” What’s different about this approach from other mayors’ and candidates’ approaches is that Scott recognizes that a win-win approach is necessary to win real change from the province. “When it comes to the economy, we sink or swim together, and as Mayor I will offer an approach to help deliver on the province’s economic objectives if they can help us build a financial structure that rewards the City for supporting economic growth.”
- ✓ Key issues in this new discussion would include confirmation of a joint strategy on legal and financial issues to phase out or merge out the separate business tax, shared targets on development decision speeds, and linking provincial grants to a growth metric (such as growth in Winnipeg-sourced PST revenue, or Winnipeg-metro GDP growth) to incentivize pro-growth approaches at the City level.

FOCUS MORE OF OUR ECONOMIC-DEVELOPMENT STRATEGY ON OUR STRENGTHS

- ✓ Winnipeg has a great food and restaurant scene, but it’s more casual than in most other cities. Can we sell ourselves as a ‘comfort food capital’? Could we attract more investment in our insurance and commodities sector if we are more aggressive about promoting our strengths as a centre of agricultural finance? So many of our successful businesses are family-owned corporations. Could there be public policy steps we can take to help more family-owned firms grow here? Is it a coincidence, or something more, that Winnipeg’s biggest software sector wins have been concentrated in the management software subsector?
- ✓ Higher-wage, corporate HQ-friendly cities specialize in particular industries. But Winnipeg’s economic development pitch sells our economy as a safe haven, with a little bit of everything to offer to everyone. Scott will work with economic development leaders to tighten our pitch to highlight our strongest industries in our pitch to outside investors and key policymakers, so that Winnipeg’s economic proposition stands out more clearly against other North American competitors.

TARGET UNDERUSED COMMERCIAL SITES FOR NEW HOUSING

- ✓ As Mayor, Scott would allow residential construction as-of-right, with no parking minimums, over existing commercial sites along Pembina Highway and Portage Avenue. Existing C2 and C3 zoning rules already allow for up to four stories of commercial construction on these corridors. New mixed-use zoning rules for these corridors would allow for taller housing construction, as long as these sites maintained a commercial streetfront.
- ✓ Scott will also ask City staff and Council to develop rules permitting residential construction over medium and large retail malls, as-of-right, conditional on setbacks to minimize impacts on nearby residents. These sites already have services, ample parking and transit connectivity, and residential projects are already taking off as a trend in other North American cities.
- ✓ As Mayor, Scott would launch a new tender for affordable housing construction over Portage Place. A recent effort to build more than 500 new homes over Portage Place faltered amid confusion over incentives offered by each government. Scott would work with other governments, the Forks (as the landowner for the site) and Indigenous partners to tender a common aid package to any qualified bidder.
- ✓ Across North America, real estate leaders are exploring office-to-residential conversions as a means to keep downtown buildings vibrant amid the ‘work-from-home’ trend. Scott would ask Council’s

Committee on Property & Development, Heritage and Downtown Development to hold urgent public hearings to review barriers to these conversions.

PATIO CITY!

- ✓ To forever transform the painful process of patio approvals for restaurants, Scott supports a change similar to what has been seen in other cities during and after the pandemic: a positive “right to outdoor dining” for restaurants rather than a permission-based process.
- ✓ Under this model, restaurants adjoining a qualifying public or private outdoor space will be entitled to offer patio service on that space, provided basic rules on noise, safety, emergency access, pedestrian access and access for people with disabilities are observed. Spot checks will enforce rules, with warnings for first offences.
- ✓ Provincial liquor and food safety laws will, as always, remain in effect. Cost recovery will be achieved through tax base growth, and tougher fines for bona fide violations. Restaurants must provide proof of insurance coverage upon registration. Other cities have offered standardized patio designs, approved patio kits and sample patio layouts to make compliance even easier, and PATIO CITY will do the same by 2024.

IMMIGRANTS AND REFUGEES ARE CRITICAL TO OUR ECONOMIC STRENGTH

Winnipeg has been defined, strengthened and ennobled by waves of immigration from other countries. However, in the past, owing to different constitutional responsibilities, City Hall has treated immigration as a challenge for other governments. While City Hall cannot afford to replace or supplement most existing federal-provincial programs, Scott believes we do need faster action to support, augment and take advantage of Canada's pro-immigration policies and programs.

Three issues are at the nexus of immigration and municipal policy in Winnipeg:

- ✓ **Labour market challenges.** Canadian cities are in competition for skilled labour for construction, health care, software and other key industries. That means inter-city and interprovincial competition to attract and especially to retain immigrants. Winnipeg needs to do more to integrate economic strategy with immigration policy. This must include specific efforts by City Hall to recruit immigrants and new Canadians for critical City of Winnipeg employment opportunities.
- ✓ **Housing.** Winnipeg could grow faster – and become a richer, more prosperous city – if we can recruit more skilled immigrants and employ more refugees. However, the unique housing challenges faced by newcomers have never seriously informed City Hall's urban planning and housing policies in the 21st Century, either in approving new housing, or building new housing partnerships.
- ✓ **Refugees.** Increasingly, refugees to Winnipeg arrive in waves as international conflicts drive people to seek refuge in Canada. Winnipeg has had experience with this in the recent past, with Vietnamese and Hungarian migrations (among many others) helping to define our city in the second half of the 20th Century. The outstanding welcome our Ukrainian community organized for refugees fleeing the Russian invasion shows our residents understand the challenge – but City Hall's official response could be much stronger if Winnipeg had clearer plans to welcome, house and support groups of refugees in advance in future.

Council recently (2019) adopted a Newcomer Welcome and Inclusion Policy. However, much more action is needed to implement the policy – especially in areas like staffing and management leadership, diverse

hiring strategies, community economic cooperation, and civic education.

As Mayor, Scott will ask each Standing Policy Committee to review the policy and recommend fast action to identify specific steps Winnipeg can take within their area of responsibility, reporting back by September 2023. These reports should include clear numerical metrics to measure progress, instead of general goodwill objectives.

At a minimum, committees participating in the review should recommend action on: designated staff support within the City public service to manage immigration issues, identifying specific opportunities for the City to facilitate and support the development of labour pathways for refugees and immigrants with specialized skills, and specific changes to update planning policies, housing business models or housing programs at any level of Winnipeg government to support new residents in a pro-immigration economy. With assistance from the Mayor's Office, the Governance Committee should develop action items to increase recruitment of qualified new Canadian candidates for Council consideration during the community board and committee appointment process

A FAIRNESS FOR LOCAL BUSINESS BY-LAW

City rules are weighted unfairly against local business owners and operators, and in favor of national or even multinational companies. To help grow Winnipeg's economy and make our regulations fairer, Scott will ask City staff and City Council to develop a new "Fairness for Local Business" By-Law to address these issues as a group if they are not already resolved by January 1, 2023.

- ✓ **Accommodations.** Short-term rentals have two unfair advantages over existing hoteliers: they offer rooms for rent as if they are a hotel despite operating in areas zoned only for residential use, and they have operated with an unfair advantage on accommodations tax. To address these gaps, Scott supports grandfathering up to three locally-owned investor properties, provided they are only offered for rental by the owner, and not sublet for short-term rental use, then requiring that any new short-term rentals operate in a principal residence only through a license model similar to Toronto's. The new by-law will also mandate tax equity between short-term rentals and hotel room rentals.
- ✓ **Vehicles for Hire.** To promote public safety, improve our transportation system and support the strength and capacity of our vehicle-for-hire systems, as Mayor, Scott will harmonize rules to reduce unfair competitive gaps between regulations for rideshare companies and regulations for taxi license holders.
- ✓ **City Tenders.** In other jurisdictions, various programs and structures exist that may provide unfair advantages to bidders competing for work in Winnipeg. Winnipeg and Manitoba are party to several free trade agreements governing internal or external trade - but in the event that likely bidders may not be competing on a level playing field, the Fairness for Local Business By-Law will give the City discretion on certain key bids to include a Local Economic Benefit calculation in the bid process, awarding points to any bidders based on local tax and employment benefits from the project, based on a standardized net present value calculation. This provision will only be available if used transparently at the beginning of any tender process, by explicit resolution of City Council.

RIVERS & ALLEYS

Winnipeg's commercial alleys have character - but most are rarely used as anything but a back door or a garbage dump. In winter, our frozen rivers have great community potential that we are only just starting to realize thanks to years of innovation by the Forks, and thanks to improvised community projects during

the pandemic. Several requests for community docks on our rivers also remain outstanding. As Mayor, Scott will launch two 'Ten Day Task Force' reviews to explore the possibilities of turning our rivers and alleys into signature urban assets that can redefine our City. Issues the task force would consider include (for example) possible changes to City regulations allow more downtown and Exchange District alleys to become destination spaces, with direct access to retail spaces permitted on the alley side.