Planning, Zoning and Permitting in Manitoba

Findings

May 28, 2019
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EXECUTIVE SUMMARY
Our “Working Thesis”

• In the course of its consultations, the report of the Red Tape Task Force (May 2018) heard that regulatory systems and processes actively discourage the investment of private capital, and that areas of Manitoba are not “open for business”

• The working thesis of our review was, simplistically, that “a permit delayed has a meaningful impact on the Manitoban economy”. We then set about gathering evidence to test this thesis:

  – What is the relationship between permitting activity and the economy (and tax revenues)?
  – Are developments / investments of private capital being unnecessarily* delayed?

* We stress the word “unnecessarily”. We are not advocating for development that is not subject to plans, by-laws and codes. These have a critical role in ensuring that development is responsible. When we speak of unnecessary delays, we are referring to compliant development proposals that are not advanced to the occupancy stage in a timely manner
Why This Review Matters

• The Manitoban economy cannot flourish without private sector capital being invested in residential, commercial and industrial development:
  – Represents $5.1B of investment a year, or around 7% of GDP
    – This represents over 24,000 jobs in Manitoba
    – Creates the infrastructure to become homes, workplaces and industrial engines for the future

• Private sector construction plays a significant role in creating jobs, building communities and places to work and contributing to our overall economic prosperity

• It also creates a robust and stable tax base, enabling governments to have the financial stability to deliver important front line services
The Costs of Delays

• We worked with the Department of Finance, including the Finance Research Division and the Manitoba Bureau of Statistics, to review a large number of existing and external economic models to develop a predictive approach. The magnitude of the economic costs are significant. For every day we can reduce unnecessary permitting delays

1. Our provincial GDP would grow by $17M
2. Municipal tax base revenues would grow by $400K
3. Provincial tax revenues would grow by $1.7M

... and we know of projects that have been stalled for years (not days), as well as projects that have never come
Primary Findings

- Across Manitoba, development activities are subject to a patchwork of inconsistent, subjective and often arbitrary regulatory authorities
  - Manitoba is an outlier jurisdiction that has not adopted “best practices”
  - Provincial statutes have created inconsistent and overlapping regulatory authorities in the development process, including Manitoba Hydro, the Office of the Fire Commissioner (OFC), the City of Winnipeg, rural planning districts and rural municipalities
  - Our processes are inconsistent within regulatory authorities, and also inconsistent between regulatory authorities
  - The processes at the City of Winnipeg are identified as being dysfunctional, although concerns were also raised with the permitting processes managed by Manitoba Hydro and the OFC

- By failing to adopt best practices, the Province of Manitoba is losing tangible opportunities and better outcomes for Manitoba
Recommended Next Steps

• TBS is prepared to issue a series of recommendations to Government, however we believe it would be best to release our “Findings” externally to allow stakeholders an opportunity to respond
  – We met with ~50 individuals. We believe are highly representative of all stakeholders, and the messages we heard were clear and consistent across nearly every stakeholder. However, we want to ensure that everyone has an opportunity to provide input
  – We have created a mailbox (ManitobaPermitReview@gov.mb.ca) to receive feedback

• After we have provided an opportunity for everyone to provide feedback, we expect to release specific, actionable recommendations
  – Our working conclusion is that these regulatory processes should be more efficient, and specific development projects should no longer be judged as “good or bad” sometimes based on arbitrary and subjective views, but rather “compliant or non-compliant” based on objective and transparent plans, zoning by-laws and codes
  – We expect that our recommendations may be based on that working conclusion, and that many of our recommendations will require a collaborative approach and working groups involving all of the regulatory agencies involved in this review
MANDATE, FRAMEWORK AND METHODOLOGY
Independent Review Function

• Treasury Board Secretariat (TBS) is a central government agency designed to play a “challenge function” within the Government of Manitoba through its program review function
  – We provide unbiased, evidence-based recommendations to government

• This review has been conducted solely by public servants within TBS
  – We would also like to express gratitude of the support received from other public servants across many government departments, notably Manitoba Finance and seven other Deputy Ministers

• TBS is delivering this report directly to Cabinet
  – We can confirm that no earlier drafts of this report have been shared with Treasury Board, and more specifically we did not operate under any instructions from Treasury Board or other elected officials, other than the initial Order in Council 157/2019 to perform this review
Scope of Review

• Following on the initial phase of work conducted by the Red Tape Task Force (May 2018), in Order in Council 157/2019, Cabinet requested an independent program review of the planning, zoning and permitting process in Manitoba through the lens of economic development
  – We followed our standard program review methodology summarized in Appendix A

• Specifically, to the extent that development can occur more efficiently, what would be the economic benefit to Manitoba?

• Our review had a broad, province-wide scope:
  – Includes all of the City of Winnipeg, rural municipalities, municipal planning districts, Manitoba Hydro and the OFC
  – Includes permitting administered at the provincial and municipal levels, including: building, electrical, plumbing, gas, pressure, and occupancy permits
  – Provincial statutes pertaining to permitting
  – Excludes exploration, mining and prospecting permits, amusement, motor vehicle permits, signage and environmental permits*

* All of these permitting activities support critical provincial priorities. However, because we were directly focused on infrastructure-related development, we left these activities out-of-scope. These permitting activities could be a subject of a future review, if desired
The Role of the Province in Planning

• It is the Manitoba Government’s responsibility to ensure that the Province’s regulatory processes operate in an efficient, transparent and consistent manner and achieve the desired outcomes

• All of the regulatory processes examined in the course of this review operate under legislative authorities directly derived from Provincial legislative jurisdiction
  – At no point did our review stray to matters outside of Provincial jurisdiction

• It is important to note that only the Manitoba Government has the legislative authority to structurally fix these problems. The regulatory agencies we reviewed (including Manitoba Hydro, the OFC, municipalities and planning districts) do not have the mechanisms to implement legislative reforms
Stakeholder Consultations - Scope

• As part of this review, TBS invited a number of Manitoba stakeholders representing urban and rural centres to participate in informal interviews to discuss their perspectives and experiences with respect to Manitoba’s zoning and permitting process

• TBS consulted with ~50 individuals over several weeks, representing a variety of private and public sector businesses and organizations including:

- Developers of all sizes, including residential, commercial and infill
- Subject Matter Experts
- Large Corporations
- Construction, Hospitality, Manufacturing, Food Processing and Agribusiness Industries
- Winnipeg Metropolitan Region
- Economic Development Winnipeg
- Engineering Firms
- Trade and Professional Associations
- Construction and Homebuilders Associations
- Cottagers
- Project Management Consultants
- Manitoba Hydro
- Office of the Fire Commissioner
- Current and Former Senior City of Winnipeg Executives
- Public Schools Finance Board
- Manitoba Government public servants
Our Meetings – Scope

• Three weeks of intensive in-person interviews of stakeholders with direct experience of zoning and permitting across all construction segments

• At virtually all meetings, at least two TBS public servants were in attendance

• Stakeholder meetings followed a carefully pre-set agenda that ensured that we solicited comments in respect of all stages of development activities in the Province
  – An example of an agenda used is in Appendix B, although from time to time we varied the agenda if we expected the audience may have a more narrow focus / field of sight into matters under the scope of our review

• TBS would like to express its gratitude to the many people who met with us over the past three-week period
Jurisdictional Scans

• A standard feature in TBS-led program reviews are “jurisdictional scans”

• In our review of planning, permitting and zoning, we conducted an extensive analysis of how other jurisdictions organized their regulatory practices

  – We found that there are other regulatory models that would lead to superior outcomes, and only reproduce high-level summaries of the same in this presentation
  – The summary of our jurisdictional scan is in Appendix C
HOW DOES PLANNING, ZONING AND PERMITTING WORK IN MANITOBA?
Development Plans
Development plans describe general land use requirements on a large scale. For example, identify land for agricultural, industrial, commercial, residential and recreational use.

Zoning
Zoning by-laws describe land use and building use/size/location requirements on an individual property basis. Zoning by-laws could identify “permitted use” or “conditional use”. Conditional use approvals require some form of public hearing prior to approval. Permitted uses do not require further review.

Building Permits
Building permits allow for construction of individual buildings. Buildings would need to meet zoning and building code requirements, or obtain a variance.

Occupancy Permits
Occupancy permits allow for the use of completed buildings that have been constructed according to all permit and building code requirements.

*If a construction project complies with all development requirements, there is no principled basis for it to be delayed*
Planning Overview

1. Development Plan By-law
   - Adopted by: Planning District Board / Municipal Council
   - Approved By: Minister of Municipal Relations

2. Secondary Plan By-law
   - Adopted by: Planning District Board / Municipal Government*
   - *(Municipal Council if not in a Planning District)

3. Zoning By-Law
   - Adopted by: Municipal Council / Planning District Board**

4. Development Permit
   - Application to: Planning District Board / Municipal Council*
   - Administered by: Development Officer***

Considerably more detail is contained in Appendix D

* Municipal Council if the Municipality is not in a Planning District
** Planning District Board in a district-wide by-law
*** As authorized by the Planning District Board/Municipal Council and set out in the zoning by-law
MAJOR FINDINGS
Groupings of Major Findings

• Many of our findings are inter-related
  – As examples, findings of challenges in the Winnipeg Metropolitan Region are often inter-related with challenges at the City of Winnipeg, or the findings in respect of *Inspections and Permits* are directly related to *Lost Opportunities*

• We have organized our findings into the following categories:

  1. Inspections and Permits
  2. Manitoba Building Code
  3. Reliance on Stamps
  4. Manitoba Hydro
  5. The Office of the Fire Commissioner
  6. Provincial Parks
  7. School Construction
  8. The City of Winnipeg
  9. Winnipeg Metropolitan Region
  10. Lost Opportunities
#1 – INSPECTIONS AND PERMITS
What We Heard – Inspection Services

• There is the perception that some inspectors are unqualified, untrained, and given too much discretion to interpret plans and codes without supervision

  – A constant theme is that inspectors are less knowledgeable about the code than the developers

• There is considerable frustration at the lack of consistency among inspectors, both within single municipalities / planning districts, as well as between jurisdictions

• In addition, Inspectors work independently of the Plan Examiners’ approved plans and/or interpretation of the codes

  – Inspectors often interpret the code differently than approved by the permit planning documents. This lack of coordination and arbitrary decision-making requires builders to incur unnecessary expenses to satisfy the inspectors, even though the construction satisfies the approved building plan
What We Heard – “Grey Books”

• We heard speculation that municipalities may have “grey books” that formally document how to interpret aspects of the building code, but the developers are not given access to this important information.

• We have not uncovered any evidence that these exist, however, this begs the question ‘Why we do not have a province-wide “grey book”?’

  – This could provide considerable benefits to both inspectors and developers alike.
What We Heard – Inconsistency

• A constant theme we heard was that plans, zoning and codes were often too vague and therefore subject to too much discretionary interpretation by inspectors. The following are two indicative examples of the improper use of discretion that we heard:

  – Municipalities have the ability to impose a requirement that construction needs to be “similar to the type and quality of the materials used in the neighbourhood”. A developer could drive around the neighbourhood, and could do statistical calculations and determine that most homes are sided with stucco. However, a municipal inspector may prefer the look of siding board, and may subjectively impose that requirement on the developer, even if that imposition is (at best) not clear in the Code – or (at worst) is actually in contradiction to the Code

  – An approved plan required that shrubs be planted in certain locations facing the street, which was done by the developer. The inspector took issue with the type of shrubbery, and insisted that the planted shrubs be torn out and replaced with the types of shrubs the inspector preferred. Even though the inspector had no legal basis to require the change, the developer felt it was futile to fight the inspector – as this would delay occupancy and cost the developer more than acquiescence. The shrubs got torn out and replaced

• We heard repeatedly that plans, zoning and codes need to be more clear
Power of Inspectors / “Designated Employees”

• The City of Winnipeg Charter gives ‘designated employees’ sweeping powers under Section 176 and 180 in regards to inspections and enforcement of by-laws. The comparable section under the Manitoba Planning Act is Part 12

  – The Charter also allows the City to appoint ‘Special Constables’ with powers under The Police Service Act to conduct inspections. The Planning Act has no such provision

• The comparable sections of the legislation are not worded the same, with the City of Winnipeg Charter giving more powers to inspectors than under The Planning Act

• Complaints or appeals relating to inspectors and inspections are made to the Standing Committee (i.e. elected officials), which is not independent

  – In other jurisdictions such as Alberta (Subdivision & Development Appeals Board) and Saskatchewan (Development Appeals Board and the Municipal Board), an affected landowner can appeal the enforcement action of the municipality to independent, impartial tribunals
Building Official / Inspector - Licensing

• Manitoba requires Municipalities (including the City of Winnipeg) that wish to issue permits and perform inspections of large or complex buildings to apply to the OFC and demonstrate that they employ a Building Official with training and qualifications necessary to issue permits and inspect these types of buildings
  – Today, training is provided by Red River College

• Manitoba does not license or maintain a list of licensed Building Officials

• The Manitoba Building Officials Association also provides voluntary training and certification. It has 75 certified members

• In Alberta, Saskatchewan and Ontario, Building Officials are licenced by the provincial government, while British Columbia delegates licensing to its Building Officials Association who certifies building code officials. As referenced in our Jurisdictional Scan, most other jurisdictions reviewed maintain a list or registry of licensed building officials
What We Heard – Themes on Permitting

• Delays / lack of timeliness

• Lack of professionalism and undue subjectivity, with insufficient supervision

• Inability to close off matters or provide binding decisions within a reasonable time frame

• Little value for money in exchange for expensive permits
  – Recent increases in permit fees at the City of Winnipeg were expected to lead to better service levels, but this has not materialized and the situation is perceived as getting worse
  – No co-ordination with planners; inspectors want to re-visit decisions made at planning stage

• A persistent failure to recognize the permit applicant as a “client” and instead treating them as adversaries
#2 – MANITOBA BUILDING CODE
What We Heard – Outdated Building Codes

The National Building Code of Canada (NBC) is designed to provide Canadians with safety, health and sanitation, accessibility, and structural sufficiency of a building

- Manitoba has not kept up with the national code and continues to apply the 2010 NBC with Manitoba-specific amendments
- Manitoba has failed to be transparent with builders as to when the adoption of the 2015 NBC are coming online
- As such, all Manitoba authorities continue to review projects relative to the 2010 NBC with MB amendments (Manitoba Building Code)
- Many architecture firms in Manitoba, and across Canada, are currently using the 2015 National Building Code. Projects that are submitted under the 2015 National Building Code must be submitted along with a third party review relative to the 2015 code
  - This requirement adds red-tape, unnecessary costs, and delays to the process
What We Heard - Building Code Amendments

• Through the *Manitoba Building Code Regulation*, Manitoba has adopted a wide range of exceptions / deviations that are not based on factors unique to Manitoba

• Some *exceptions* to the national code could be viewed as justifiable, but there are a large number of additions / supplements to the national code that would benefit from a careful *de novo* re-examination with the possibility of
  – Reducing Red Tape
  – Improving interprovincial trade
  – Improving the efficiency of the construction industry

• Benefits of adopting the 2015 National Building Code would streamline design, engineering and building processes through standardization

• Adoption of the 2015 NBC would align Manitoba to other jurisdictions under the New West Partnership Trade Agreement, who have all adopted the 2015 NBC
#3 – RELIANCE ON STAMPS
Reliance on “Stamps”

• We heard significant concerns about the lack of reliance on professional “stamps”:
  – This practice varies by jurisdiction, but generally jurisdictions outside of the City of Winnipeg are more likely to rely on “stamps”
  – The benefit of reliance on stamps is self-evident – engineers and architects are certified, self-regulating professions with professional societies and insurance requirements
  – Once a document is “stamped”, it is reasonable for municipalities to rely on the “stamp”, and it is reasonable to hold the engineers and architects accountable for the same

• “Stamp on Stamp” reviews are common, driving:
  – Duplication
  – Unnecessary costs
  – Time delays

• A significant concern was also observed whereby the ability of a planner or inspector to second-guess stamps is frequently used as a “wedge” to demand changes to a project based only on the personal “likes and dislikes” of a staff member or politician rather than on existing planning rules
Second-Guessing “Stamps”

• We heard many stories of the frustrations associated with second-guessing stamps, and chose to feature one anecdote shared with us:

  – An individual acquired an electric car and wanted to install a charging station in his Winnipeg home. The charging station was built by the manufacturer, and was federally “CSA” approved for use across Canada, and came with installation instructions
  – The installation team consisted of two electrical engineers with decades of experience. It was their professional opinion that following the manufacturer-approved, CSA-approved installation instructions was safe
  – A City of Winnipeg inspector (who was not an electrical engineer) disagreed, and recommended a different installation process which was, in the professional opinion of the two electrical engineers, less safe and far more costly
  – The engineers expressed their professional opinion that the inspector was misinformed, unqualified and poorly trained and in no way should that individual have had the power to override “stamps”
  – This event exemplifies the problem of not relying on “stamps”

• Several stakeholders expressed similar experiences and, in every case, contractors and developers expressed the futility of challenging inspectors – and often the decision was made to simply acquiesce
#4 – MANITOBA HYDRO
Overview – Manitoba Hydro

• Manitoba Hydro is responsible for providing electrical and natural gas service throughout Manitoba

• For electrical work, Manitoba Hydro issues permits and conducts inspections for all areas of Manitoba, except within Winnipeg where the City of Winnipeg is the inspection authority

• For natural gas work, Manitoba Hydro conducts inspections for all areas of Manitoba. The OFC also conducts inspections of certain installations – and we found considerable overlap between the work of Manitoba Hydro and the OFC

• Further details on Manitoba Hydro permitting are contained in Appendix E
What We Heard - Manitoba Hydro

• Perception that Manitoba Hydro has little interest in obtaining new customers, particularly with specialized power requirements:
  – Challenges for new industries looking to set up
  – Challenges in adapting to the unique requirements of electrified vehicles

• We have heard the belief that, historically Manitoba Hydro had a closer working relationship with developers than is enjoyed today

• There is considerable room to improve this relationship, and for Manitoba Hydro to improve the recruitment and retention of new customers. There is an opportunity to move the culture to be more customer-centric
  – Degree of “customer care” is reported to be very dependent on the individuals serving you, which is unnecessarily subjective and “random”
What We Heard - Manitoba Hydro cont’d

• Permitting activities are slow, and easement process needs to be simplified

• Delays in permits materially delay occupancy dates and economic activity (e.g. workplaces can’t be opened to start employing people, homeowners can’t move in, etc.)

• Centra Gas’ operations were generally perceived to be timely and professional
Challenges with Regulatory Model

• Manitoba Hydro legislation and the associated PUB model creates challenges for Manitoba Hydro to align with provincial economic development aspirations

• Despite significant investments in new dams and transmission lines, there is little “excess” power capacity available in the City of Winnipeg

  – This is partially due to historic “Winnipeg Hydro” engineering, and also partially due to challenges Manitoba Hydro has to recover costs of strategic infrastructure investments incurred for anticipated future customer demand
#5 – THE OFFICE OF THE FIRE COMMISSIONER
Overview – OFC

• The Office of the Fire Commissioner (OFC) is responsible for fire prevention and management. The OFC is responsible for ensuring that buildings are constructed with public safety taken into account.

• OFC has two specific units that oversee permitting: Inspection and Technical Services Manitoba (ITSM) and the Building and Fire Safety Unit. Appendix F has further details of the OFC structure and activities.
What We Heard - OFC

• The OFC mandate is too large, and is being asked to do too many things:
  – Fire-related inspections
  – Permitting / inspections in rural Manitoba (where not assumed by a municipality)
  – Boiler inspections
  – Building codes
  – Certifications

• The OFC lacks the expertise and capacity to manage these disparate regulatory processes

• We also heard of inconsistency between different inspectors, who were second-guessing “stamped” designs that had already been approved just in an immediately adjacent area

• Although not managed by the OFC, we also heard considerable frustration with the backlog of elevator permits. Elevator permits are managed by the Department of Growth, Enterprise and Trade, the same Department with oversight over the OFC
#6 – PROVINCIAL PARKS
What We Heard – Park Developments

• Development in Provincial Parks are subject to unique requirements

• Both the Department of Sustainable Development (SD) and the OFC must review building plans

• Also, the site planning permit and the building permit are done by two different areas (SD & OFC)
  – More details of this complex process are contained in Appendix G

• We heard from many frustrated business and cottage owners in our Provincial Parks – permits are subject to considerable delays, and officials often act arbitrarily and inconsistently
#7 – SCHOOL CONSTRUCTION
School Construction

• Across Manitoba, the construction of public schools is co-ordinated through the Public Schools Finance Board (PSFB)

• The PSFB reports it has had considerable challenges dealing with many of the regulatory authorities across Manitoba and noted the arbitrary nature of this interference
  
  – The PSFB reports that its challenges have been disproportionately problematic with the City of Winnipeg

• The PSFB raised some examples of the arbitrary requirements imposed on its projects for school renovations / expansions that were unrelated to the expansion being undertaken:
  
  – Exterior cladding to be replaced to “match” better (in an area not near or related to the expansion)
  – Increase the number of parking spaces to a number well in excess of the applicable zoning by-laws
  – Enclose garbage bins that are not near the renovation area
School Construction

• In some instances, projects simply did not proceed because of either local government interference or additions arbitrarily requested by municipal employees. The experience of the PSFB has been – in virtually every respect – the same narrative as heard from private sector developers

• As a result, the provincial government has been forced to abandon school renovations, expansions and the creation of new day care spots

  – This has also driven millions of dollars of incremental provincial expenses, delayed important projects and diverted money away from front line education services
#8 – THE CITY OF WINNIPEG
Overview - City of Winnipeg

- The legislative and approval authority for development within the City of Winnipeg begins with the City of Winnipeg Charter
- Appendix H contains further details of Winnipeg’s structure and activities

| City of Winnipeg Charter | Development Plan: Our Winnipeg | Directional Strategies, ex. Complete Connections | Local Area Plans | Zoning By-laws |

- Provincial Act requiring City of Winnipeg to establish a Development Plan
- 25 year vision for growth with 3 focus areas:
  - A city that works
  - A sustainable city
  - Quality of life
- Provide details on how to achieve “Our Winnipeg” vision
- Guides land use and development in Winnipeg
- Specific land use concepts and vision for development in defined areas
- Formed based on general policy direction of directional strategies
- Indicate acceptable buildings and land use at an individual property level
City of Winnipeg Permits and Inspections

- Following the approval of a development agreement, select permits are required prior to construction, and inspections are required during construction and prior to occupancy.
- A detailed process map for these activities are included in Appendix H.

**Development Approval**
- 30 types of development applications
- Agreements: Development, Service Zoning, Subdivision Easement, etc.

**Construction Permits**
- Permits: Building, Electrical, Plumbing, etc.
- Target process times have been established and are tracked.

**Inspections**
- Permits indicate inspection requirements
- Commercial and Residential inspectors
- Structural, electrical, plumbing, mechanical, fire safety, accessibility, building envelope, etc.

**Occupancy**
- Approval to occupy building for intended purpose
- Identify fire protection and egress requirements
What We Heard - City of Winnipeg

• There is a general perception that the City of Winnipeg has a broken culture, and system, which has resulted in significant anger and frustration

  – In a high percentage of our meetings, the interviewees insisted on focusing a disproportionately large amount of the time discussing concerns in respect of the City of Winnipeg

• Years of regulatory delays and perceived mistreatment

• To provide a sense of the tone of the meetings, some of the things we heard in our meetings are provided in Appendix I

  – We did not select these quotations based on biases to make a skewed point – but rather as indicative. We did not exclude favourable quotations because – to be blunt – we did not hear very many favourable things in our meetings with ~50 individuals

• While these quotations represent anecdotes rather than “real evidence”, they reflect how negatively potential investors view the current development environment within Winnipeg
What We Heard – “Us and Them”

• We heard many individuals mention that the City of Winnipeg fails to view development through the lens of mutual benefit
  – Failure to recognize that when developers are successful, the City is successful at the same time
  – No interest in increasing its tax base to enhance core municipal services, but rather behaviours aimed at raising revenues through “churning” permits
  – Many developers were quite amazed at this behaviour, believing that the City would actually be able to raise more revenue if it focused on allowing assessed values to increase
What We Heard – Administrative Barriers

• The main administrative barriers identified are as follows:

  – Paperwork goes before too many “desks”

  – Lack of integration between the planning side and the inspection sides – inspection side will often re-open issues already resolved during planning, or impose after-the-fact amendments imposing what are more properly planning considerations

  – Lack of independent appeals has empowered a culture that lacks accountability

  – Planners’ priorities are not aligned with what the market is asking for from developers

  – Historic delays have led to a “learned behaviour” where partially completed and deficient plans are being submitted to the City, simply to “start the clock”, or “get in the queue”

    ▪ This is highly inefficient and compounds the challenges of responding to applications on a timely basis
    ▪ Recent steps to return premature/incomplete applications has occurred
Limited Recent Process Improvements

• Despite the limited uptake to date, the Optional Professional Certificate Program (OPCP) and its reliance on professional stamps was identified as a positive development with potential to reduce permit turnaround times
  – It should be noted that this approach to “fast tracking” projects has not been as successful as anticipated, primarily as the OPCP does not allow for a phased / stepped construction process
  – In 2018, of the ~1,100 eligible developments, only 26 permit applicants elected to use the OPCP

• The new practice of pre-application meetings where owners and developers can meet with City staff to identify areas of potential concern prior to submitting an application is looked upon as a positive collaborative effort to support development
  – It was noted, however, that inspection services does not participate in these meetings further contributing to the disconnect between permitting and inspection staff

• The on-line permit tracking system, and in particular the recent addition of owners to the system, is useful in identifying and addressing points of delay in the permit process
What We Heard - Transparency Concerns

- Several developers and former municipal employees expressed concerns regarding a lack of transparency, where it is unclear whether delays / rejections are occurring in closed-door Informal Executive Policy Committee (IEPC) meetings, or at the staff level, or both (or through entirely other channels).

- This has compounded the degree of frustration when developers cannot learn where the impediments are originating.
What We Heard – City of Winnipeg Fees

• The City of Winnipeg has been increasing fees related to development & building applications and permits. In 2016, the City increased some fees by 650% to 850%, and created several new fees. As examples:
  – A short-form subdivision to create a single lot (dividing one piece of land into 2 lots) went from $565 to $3,450, plus a per acre fee of $400 (base fee) to a maximum of $15,000
  – In 2011, a development application such as a “DAZ” included a fee of $1,395. In May 2019, the same type of DAZ now includes a fee of $12,327 plus $418 per acre

• At the same time, we have heard from industry that there has not been a corresponding increase in service (and indeed there may have been a decrease in service)

• This is borne out by evidence – in the City’s 2018 budget, revenues for approvals, permits and inspections are over $29M, but the associated operating expenses were under $20M, allowing the City to make a “profit” of ~$10M on fees, without re-investing such fees into service improvements
  – In addition, we are advised that the City’s “Permits Reserve Fund” has been used to support general municipal revenues and other spending decisions not related to permitting

• Developers reported that the wait times and delays have become worse and that they do not believe that the higher municipal fees have been spent on improving service standards
Consistent Narrative

• Many of the issues we heard in respect of the City are not new. A September 2009 report by the City’s Auditor noted:

  – The Division needs to adjust its service delivery strategies and business processes to more efficiently and effectively deliver its services and manage its key risks

  – The Division needs to increase its reliance on certified building professionals work and risk-based audits and focus its limited resources on the building activities that pose the most risk to the public and the property owner

  – The Division does not have adequate processes in place to measure, monitor and report on service performance

  – The Division does not have sufficient staff to successfully carry out its current service delivery strategy and desired level of service. The Division needs to improve its analysis of staff productivity and establish service standards before an optimal balance can be determined
What We Heard – Winnipeg Water & Waste

• The role of the City of Winnipeg Water & Waste (WW&W) is critical to any development within the city boundaries – development, whether greenfield, infill, or brownfield, needs connection to water and sewers

• It can be costly to expand the WW&W footprint or to expand the size of the pipes servicing various geographic areas
  – While some Manitobans or developers may have the expectation that “pipes are pipes” and that any property can be readily serviced, this is not true
  – Limited water and sewer capacity is a *bona fide* impediment to new economic development

• It is a common belief in the development community that WW&W is operationally reluctant to expand its footprint
  – WW&W is focused on maximizing its return on existing asset base
Water Utility Regulation in Manitoba

• Every single municipal utility in Manitoba, including WW&W, operates under the oversight of the Public Utilities Board (PUB)

• However, for historical reasons, the WW&W is the only municipal utility in all of Manitoba that is not subject to PUB oversight on fees
  – The City of Winnipeg regularly pays itself large dividends from the utility, which is not consistent with how other municipal utilities operate
  – Similarly, in Saskatchewan and Alberta, the funds raised by the utilities need to stay in the utilities and are not paid as dividends

• The PUB looked at the City of Winnipeg utilities at a hearing in 2012, reflected in Order 56/12, which stated:
  “The money currently being transferred to the City’s general revenue fund by explicit dividends and implicit subsidies, together with annual operating surpluses, could be used to significantly accelerate the removal of existing infrastructure deficits”

• This is similar to the conclusion of the Toronto-based think tank, the Ecofiscal Commission, which released a report in 2017 criticising the city for diverting $180M since 2011 away from re-investment in the utility
## History of WW&W Payments to City

### Summary Statement (in $000s)

<table>
<thead>
<tr>
<th></th>
<th>2017 Budget</th>
<th>2017 Actual</th>
<th>2016 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>128,502</td>
<td>127,896</td>
<td>110,449</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
<td>81,863</td>
<td>74,021</td>
<td>71,709</td>
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<tr>
<td><strong>Surplus from Operations</strong></td>
<td>46,639</td>
<td>53,875</td>
<td>38,740</td>
</tr>
<tr>
<td><strong>Transfer (see note)</strong></td>
<td>31,443</td>
<td>31,443</td>
<td>29,705</td>
</tr>
<tr>
<td><strong>Net Surplus</strong></td>
<td>15,196</td>
<td>22,432</td>
<td>9,035</td>
</tr>
</tbody>
</table>

**Note:**
- City Council approved The Utility Dividend Policy on March 22, 2011
- The policy stated the utility will pay an annual dividend to the City of Winnipeg based on 8% of budgeted gross sales for the current year. The dividend policy is to be reviewed every four years within three months of each new term of City Council
- On March 3, 2015, as part of the 2015 budget adoption process, Council amended the rate from 8% to 12% of budgeted gross water sales. The Waterworks System utility dividend was $14.9M in 2017 (2016 - $13.2M)

### Details of Transfers

The Waterworks System transfers to other funds are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to Water Main Renewal Reserve</td>
<td>$16,500</td>
<td>$16,500</td>
</tr>
<tr>
<td>Utility dividend transfer to General Revenue</td>
<td>14,943</td>
<td>13,205</td>
</tr>
<tr>
<td><strong>Total Transfer</strong></td>
<td><strong>$31,443</strong></td>
<td><strong>$29,705</strong></td>
</tr>
</tbody>
</table>
Relieving WW&W of Dividends

• If WW&W were relieved from its obligations to pay dividends to the City of Winnipeg and were no longer operated on a for-profit basis, it could re-invest more of its proceeds from operations into responsible expansion of capacity.

• As reproduced in Appendix J, there are considerable benefits to have municipal water and waste utilities subject to PUB oversight – most particularly the enhanced ability to make necessary capital investments in infrastructure.

• Although outside of the scope of this review, this regulation would enhance the resilience of WW&W to pay for the large pending costs of the new treatment plants.
#9 – WINNIPEG METROPOLITAN REGION
What We Heard –
Other Municipalities & Municipal Planning Districts

• The feedback we heard in respect to other RMs and planning districts was generally more positive and favourable
  – Some rural planning districts were reported to be more helpful and co-operative than others
  – We also heard some of the same complaints regarding inconsistent inspectors, vague codes, etc., but to a lesser degree. Many of these regions were more likely to rely on professional “stamps”

• We repeatedly heard that investment decisions are being skewed away from Winnipeg and into the capital region, and we have validated this with evidence

• This artificial “skewing” of development leads to a series of problematic outcomes
Winnipeg Share of New Housing Units

1) Total units

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba(1)</td>
<td>5,319</td>
<td>7,501</td>
<td>7,376</td>
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<tr>
<td>Winnipeg proper(2)</td>
<td>4,002</td>
<td>5,046</td>
<td>3,757</td>
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<tr>
<td>Residual</td>
<td>1,317</td>
<td>2,455</td>
<td>3,619</td>
</tr>
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</table>

2) Single-detached units

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba(1)</td>
<td>2,704</td>
<td>3,389</td>
<td>2,966</td>
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<tr>
<td>Winnipeg proper(2)</td>
<td>1,625</td>
<td>1,771</td>
<td>1,430</td>
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<tr>
<td>Residual</td>
<td>1,079</td>
<td>1,618</td>
<td>1,536</td>
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</table>

3) Multiples (total units less single-detached)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba(1)</td>
<td>2,615</td>
<td>4,112</td>
<td>4,410</td>
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<tr>
<td>Winnipeg proper(2)</td>
<td>2,377</td>
<td>3,275</td>
<td>2,327</td>
</tr>
<tr>
<td>Residual</td>
<td>238</td>
<td>837</td>
<td>2,083</td>
</tr>
</tbody>
</table>

Sources:

(1) Statistics Canada table, 34-10-0126
(2) City of Winnipeg

Notes:

Multiples includes the following; Semi-detached; Multiples; Row; Apartment and other unit types
Residual is calculated by subtracting the Winnipeg proper housing starts from the Manitoba housing starts

- Winnipeg is rapidly losing its relative share of new housing units in Manitoba
This slide shows a marginal decrease in the Winnipeg share of building investment vs. the rest of Manitoba.
Lack of Planning Integration

The lack of unified planning across the Metropolitan Region – across nine separate planning districts - has significant adverse consequences:

- Uncoordinated regional development
- Lack of a single view of land, water and resource management
- Valuable agricultural land is *unnecessarily* taken out of production
- Lack of proper road & transportation planning, which can lead to poor transportation outcome and/or billions of unnecessary infrastructure costs
- Overlapping & inconsistent community facilities
- “Skewing” of tax bases
- Uncoordinated emergency, fire and other municipal services
With nine planning districts in the Winnipeg Metropolitan Region, this introduces redundancies and opportunities for “forum shopping” and a fragmented, disorganized approach to planning.
Little Evidence to Support Amalgamation

• A potential “solution” to the problem of un-coordinated municipalities is amalgamation – i.e., the City of Winnipeg could annex adjoining municipalities

• There are external reports that are critical of municipal amalgamation

• In October, 2016 the C.D. Howe Institute released a paper entitled “Thinking Regionally: How to Improve Service Delivery in Canada’s Cities”. One of its primary recommendations is as follows:

  “The antiquated solutions of forced amalgamation and provincial mandates on service sharing have produced few economies of scale and have greatly undermined local autonomy. Provinces need to shift their focus from imposing centralized local government to creating frameworks that promote cooperative and flexible local governance

  By working together in such a framework, municipalities can identify and resolve regional servicing challenges effectively, all while keeping amalgamation at bay and their local autonomy intact”
Winnipeg Metropolitan Region History

• The challenges associated with the lack of centralized planning for the Metropolitan region have long been recognized in Manitoba in a number of reports, including:

    ▪ This report first set out the need for co-ordinated behaviour

    ▪ This legislation allowed for the framework of co-ordinated action, but little has occurred as a result and this legislation is largely “unused”

  – Development Planning in Manitoba’s Capital Region ... a new approach (2013)

    ▪ Sets forth a call for action, largely echoing the recommendations from the Capital Region Review
Expedite Integrated Planning

• The November 2018 Throne Speech included a commitment to “[o]ver the next year... encourage and work with members of the Winnipeg Metropolitan Region to develop and adopt a regional strategy to improve and co-ordinate land use and development in the region. It will promote co-operation between area planning districts and municipalities in the delivery of services, economic development strategies and development of infrastructure in the region”

  – Preliminary work is underway to advance this objective, with the potential to expedite this pre-existing workstream

• There is tremendous economic benefit to be gained through integration of planning in the region

• CentrePort provides a recent example of an attempt to co-ordinate provincial economic development priorities across two separate municipalities

  – Appendix K contains additional details
Theoretical Capital Region Model

WMR Growth Plan
- Population and employment projections;
- Identification of growth areas, land supply, & density of development;
- Corridor planning for recreation, transportation, and mass transit;
- Coordination of infrastructure planning and development;
- New settlement areas and intensification of existing settlement areas;
- Conservation of agricultural lands;
- Watershed planning/Climate and Green Plan Alignment

*WMR Evaluation Framework
- Decision-making matrix to determine conformance to plan
- Developed by WMR board in consultation with the province.

Municipal plans must conform to WMR Growth Plan

Processes at the regional level will save time, money and improve consistency in municipal planning processes.

The WMR will work with the Province to optimize legislation, granting authority to the WMR to set consistent regional planning policy that will reduce red tape and streamline the coordination of development and development processes in the region.

Refer to Appendix L for Pillars of the WMR
Case Study: Edmonton Metropolitan Region Growth Plan

• “Metro Edmonton” faces many of the same challenges as the Winnipeg Metropolitan Region

• In 2016, the planning region identified that if municipalities did not change their current trajectory, 87,700 additional hectares of agricultural land and 50,200 hectares of natural areas could be lost to uncoordinated development over the next 50 years, resulting in taxpayers being responsible for an additional $8.2B to service the larger footprint

• Plans were implemented rapidly in the Edmonton area, showing that an integrated planning process is possible (Re-imagine. Plan. Build. Edmonton Metropolitan Region Growth Plan, 2017)

• The Edmonton example offers significant hope that a better model is available for the Winnipeg Metropolitan Region

• The Ontario “Places to Grow” plan also offers interesting tools and levers to ensure consistent planning objectives
#10 – LOST OPPORTUNITIES
Lost Economic Development Opportunities

• The development that “never comes” represents the greatest lost opportunities, even greater than the lost opportunities from the projects that are delayed.

• Some indicative examples of “lost opportunities” we heard about:
  – Server farms for a leading global Internet company
  – A distribution outlet / warehouse for a leading global online retailer

• We were told that these potential investors sent representatives to Manitoba in the hopes of building large operations that would have brought meaningful employment to Manitoba. They were not seeking “corporate welfare”, but merely wanted permits to build and create jobs. However, their efforts were rebuffed by the regulatory process. They left the province and made their investments elsewhere.
Lost Economic Development Opportunities cont’d

• The developers with whom we spoke were unambiguous: when a jurisdiction has unpredictable processes, untenable delays, and is obstructionist, the developers are more likely to invest their capital elsewhere, resulting in lost economic growth. We received considerable evidence that this is happening in Manitoba:

  – We are also aware of some timely Lost Opportunities discussed in Appendix M that represent “live” development opportunities that did not advance for a range of reasons. Many of these stalled projects suffered from the same problematic root causes identified in this program review.
ECONOMIC ANALYSIS
The Department of Finance Research Division (including the Manitoba Bureau of Statistics) undertook a rigorous economic analysis looking at the economic and fiscal impacts of delays on direct and indirect GDP, jobs, labour income, and government revenues, divided into two parts:

PART 1: Construction and building development phase
PART 2: Ongoing post-construction business activity phase
(i.e., the economic activity that occurs inside the building after occupancy)

Together, these estimate the economic impact of delays (foregone returns) caused by inefficient or unnecessary permitting and related processes.

Tax receipts for the three levels of government are captured for Parts 1 and 2 (i.e., personal income tax, sales tax, land transfer tax and municipal taxes).

We included supplemental economic analysis in Appendix N.
Economic Footprint of Building Construction Residential, Commercial and Industrial

**Value of building permits**
- $3B in 2018
- Annual growth rate 8.7% since 2015
- Driven by private sector annual growth rate of 18.4%

**Value of investment in building construction**
- $5.1B in 2018 or 7% of GDP
  - Residential: $3.6B
  - Non-residential: $1.5B
- Annual growth rate of 4.1% since 2015
- Excludes Hydro, roads, bridges

Source: Statistics Canada

Building Permits
January 2017 - March 2019
12-Month Total ($M)
PART 1: Impact of one day delay in all residential, commercial and industrial building projects (Construction Phase)

- In 2018, $5.1B spent on residential and non-residential building projects generated an estimated $2.9B in additional GDP.
- Delaying this activity by a single day would result in a deferred GDP growth of around $11M.

<table>
<thead>
<tr>
<th>TOTAL DIRECT &amp; INDIRECT IMPACTS OF ALL RESIDENTIAL, COMMERCIAL AND INDUSTRIAL BUILDING PROJECTS</th>
<th>IMPACT PER DAY OF PROJECT DELAY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry Investment of $5.1B</strong></td>
<td></td>
</tr>
<tr>
<td>GDP at Market Prices</td>
<td>$2.9B</td>
</tr>
<tr>
<td>Labour Income</td>
<td>$2.1B</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>23,985</td>
</tr>
<tr>
<td>Indirect Employment</td>
<td>12,270</td>
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<tr>
<td>Total Person-Years</td>
<td>36,255</td>
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<tr>
<td>Provincial Tax Estimate</td>
<td>$435M</td>
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<tr>
<td>Municipal Taxes</td>
<td>$113M</td>
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<tr>
<td>Federal Taxes</td>
<td>$463M</td>
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</tbody>
</table>

Assumptions: assume project is completed in one year. Daily impact is deferred as opposed to lost. If the project doesn’t happen at all, then it is the full value of the lost GDP, jobs, labour income, and government revenue.
PART 2: Impact on post-construction business activity

- This table shows the **daily** economic output of various industries for every $1M in annual output.
- Using the retail industry as the example, a one day delay of output can be estimated to reduce GDP by around $3K and reduce local/municipal tax revenue by $140 per day (see red boxes)

<table>
<thead>
<tr>
<th></th>
<th>DAILY Food Mfg.</th>
<th>Wholesale Operations</th>
<th>Retail Operations</th>
<th>Hotel Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value of Direct Output ($)</strong></td>
<td>$3,831</td>
<td>$3,831</td>
<td>$3,831</td>
<td>$3,831</td>
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<tr>
<td>GDP at Market Price ($)</td>
<td>$1,841</td>
<td>$3,012</td>
<td>$3,159</td>
<td>$2,578</td>
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<tr>
<td>Labour Income ($)</td>
<td>$954</td>
<td>$1,719</td>
<td>$2,027</td>
<td>$1,618</td>
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<td><strong>Employment (FTE)</strong></td>
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<td></td>
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<tr>
<td>Direct</td>
<td>0.01</td>
<td>0.02</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Indirect</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
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<tr>
<td>Total</td>
<td>0.02</td>
<td>0.03</td>
<td>0.05</td>
<td>0.05</td>
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<tr>
<td><strong>Tax Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Provincial ($)</td>
<td>$177</td>
<td>$308</td>
<td>$370</td>
<td>$440</td>
</tr>
<tr>
<td>Local ($)</td>
<td>$58</td>
<td>$100</td>
<td>$140</td>
<td>$124</td>
</tr>
<tr>
<td>Federal ($)</td>
<td>$196</td>
<td>$355</td>
<td>$423</td>
<td>$334</td>
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<tr>
<td>Total ($)</td>
<td>$431</td>
<td>$764</td>
<td>$932</td>
<td>$898</td>
</tr>
</tbody>
</table>

**Daily municipal tax base impact**

**Daily GDP Impact of Construction Phase**
PART 2: Impact on all post-construction business activity

• The impact on all post-construction business activity in non-residential buildings can be roughly estimated using GDP per hour of work.

• Given total Part 1 construction activity of $1.5B, it can be estimated that post-construction, there will be 16,000 FTEs working 27.2M hours per year (avg. of 1,700 hours per FTE per year). The average GDP per hour worked in Manitoba across all industries is $54 per hour.

• Given total hours of 27.2M times the GDP productivity of $54 per hour, the potential GDP is $1.47B.

• Therefore, the total daily GDP loss per day of delay is $5.6M (at 261 working days per year). This is the estimated loss of economic activity that would have been undertaken inside the building constructed under Part 1.
PART 1 + 2 Combined Estimated Impact on GDP

Non-residential ($1.5B in 2018)
Part 1: GDP impact of $3.2M/day
Part 2: GDP impact of $5.6M/day
Maximum potential GDP loss of nearly $9M/day

Residential ($3.6B in 2018)
Part 1: GDP impact of $8.1M/day
Part 2: less material because this would be primarily rental income

Estimated impact of $17M GDP per day
Lost rental income in the residential sector would be additional
The Bottom Line

• The material outputs of our economic assessment estimated that, per day, this is costing Manitobans:
  – $17M of GDP
  – $1.7M of provincial government revenue
  – $400K of municipal tax revenues

• For the province, this represents lost opportunities to reinvest in expanded front line services, or allow more Manitobans to keep more of their money

• For municipalities, this is money that can be spent on better infrastructure or other municipal priorities

• Our learnings through the program review process has reinforced our understanding of the importance of smart planning, good by-laws, and strong building codes that keep communities safe and secure. But once a developer has satisfied all regulatory requirements, we need to get out of their way and let them make their investments and have regulatory processes that are more efficient
NEXT STEPS
Recommended Next Steps

• We met with ~50 individuals that we believe are representative of all stakeholders. The messages we heard were clear and consistent across nearly every stakeholder. However, as we want to ensure that everyone has an opportunity to provide input, we have created a mailbox to receive additional feedback:
  – ManitobaPermitReview@gov.mb.ca

• After we have provided an opportunity for everyone to provide feedback, we expect to release specific, actionable recommendations
  – Our working conclusion is that these regulatory processes should be more efficient, and specific development projects should no longer be judged as “good or bad” sometimes based on arbitrary and subjective views, but rather “compliant or non-compliant” based on objective and transparent plans, zoning by-laws and codes
  – We expect that our recommendations may be based on that working conclusion, and that many of our recommendations will require a collaborative approach and working groups involving all of the regulatory agencies involved in this review
SUBSEQUENT EVENTS
Subsequent Events

• A common theme in many of our meetings was the fear of retribution from the City of Winnipeg

• After the completion of our initial stakeholder consultations, we heard from one of the ~50 individuals who came to speak with Treasury Board Secretariat as part of our review ordered by the Province through an Order-in-Council 157/2019

• We were informed that an individual had been confronted by a senior City of Winnipeg official, who indicated that the City knew they had participated in this provincially-mandated review, and that “things would not end well” for that individual as a result
APPENDICES
APPENDIX A

TBS PROGRAM REVIEW
METHODOLOGY
TBS Program Review Methodology

• The Project Team employed a five-phase process to complete the review

Outputs:
• Confirmed work plan
• Defined scope of the review
• Assembled key resources and contributors
• Developed the Review Framework
• Conducted data collection exercise
• Completed a jurisdictional scan
• Completed stakeholder consultations
• Reviewed and assessed data
• Identified best practices
• Assessed opportunities for improvement
• Developed recommendations
• Draft Report
• Incorporate feedback
• Finalize Report
Review Framework

• We used the same Review Framework adopted by TBS for all the program reviews we undertake:

  - Relevancy
  - Effectiveness
  - Efficiency
  - Economy
  - Value to Manitoba
# Terms of Reference: Permitting in Manitoba

<table>
<thead>
<tr>
<th>Program Review Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabinet has requested that Treasury Board Secretariat (TBS) perform a program review of key planning, zoning and permitting activities across all of Manitoba, with a particular emphasis on how permitting influences investment decisions and the Manitoba economy. Specifically, TBS is to review the permitting activity of Manitoba Hydro, The Office of the Fire Commissioner (OFC), the City of Winnipeg, rural planning districts and rural municipalities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Review Context</th>
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</thead>
<tbody>
<tr>
<td>TBS will seek information from other central public service areas, including:</td>
</tr>
<tr>
<td>• Manitoba Bureau of Statistics (MBS)</td>
</tr>
<tr>
<td>• Finance Research Division (FRD)</td>
</tr>
<tr>
<td>• Provincial public servants in the Departments of Growth, Enterprise and Trade (GET), Crown Services, Municipal Relations, Agriculture, Finance and Sustainable Development</td>
</tr>
<tr>
<td>• The Economic Development Office (EDO)</td>
</tr>
<tr>
<td>• Regulatory Accountability Secretariat (RAS)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Objectives</th>
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</thead>
<tbody>
<tr>
<td>• Review and determine the current state of key planning, zoning and permitting inspections in Manitoba with respect to real-estate development, construction, and business development</td>
</tr>
<tr>
<td>• Identify key performance standards (e.g. decision timelines, cost, complexity)</td>
</tr>
<tr>
<td>• Conduct a jurisdictional scan of best-practices and service delivery models</td>
</tr>
<tr>
<td>• Assess impact of permitting on investment and economic development</td>
</tr>
<tr>
<td>• Develop recommendations to Cabinet</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-Scope</strong></td>
</tr>
<tr>
<td>• Permits, licenses and inspections at the provincial and municipal levels, specifically the City of Winnipeg, including: Electrical, Building, Plumbing, Gas and Pressure Permits</td>
</tr>
<tr>
<td>• Legislative statutes pertaining to P&amp;L</td>
</tr>
<tr>
<td><strong>Out of Scope</strong> – Exploration, Mining and Prospecting Licenses, tobacco, alcohol sales, taxi, signage, and other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• There are opportunities to improve and streamline the permitting process in Manitoba</td>
</tr>
<tr>
<td>• Accountability and service delivery standards can be improved, while maintaining the safety of Manitobans</td>
</tr>
<tr>
<td>• That the Manitoba Government can have a positive influence on intended outcomes</td>
</tr>
<tr>
<td>• That improvements in permitting processes will have a positive impact on economic development, investment, and overall competitiveness</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Risks / Constraints</th>
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<tbody>
<tr>
<td>• Availability of historical data of program’s outcomes and outputs to inform thorough analysis</td>
</tr>
<tr>
<td>• Availability of accurate data</td>
</tr>
<tr>
<td>• Availability of stakeholders for consultations</td>
</tr>
<tr>
<td>• Sensitivity surrounding this review require careful communications</td>
</tr>
</tbody>
</table>
APPENDIX B

STAKEHOLDER MEETING AGENDA
AGENDA

Meeting: Building Permit Processes and Issues

1. Introduction from Secretary to the Treasury Board

2. Round table introductions

3. Perspectives on processes for obtaining building permits
   a. Residential
   b. Commercial

4. Perspectives on permitting organizations
   a. Office of the Fire Commissioner
   b. Manitoba Hydro
   c. City of Winnipeg
   d. Other Municipalities
   e. Municipal Planning Districts

5. Economic impact of permitting

6. Lessons from other jurisdictions

7. Open discussion
APPENDIX C

JURISDICTIONAL SCAN
<table>
<thead>
<tr>
<th>Province</th>
<th>Legislation</th>
<th>Jurisdiction</th>
<th>Standardized Planning By-Laws and Regulation?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td>Planning Act (2005)</td>
<td>All municipalities except the City of Winnipeg</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>The City of Winnipeg Charter (2001)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>The Planning and Development Act (2007)</td>
<td>All municipalities</td>
<td>Yes</td>
</tr>
<tr>
<td>Alberta</td>
<td>The Municipal Government Act (2000)</td>
<td>All municipalities</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Calgary and Edmonton are considering their own Acts</td>
<td></td>
</tr>
<tr>
<td>British Columbia</td>
<td>The Local Government Act (2015)</td>
<td>Provincial policy guidelines and regional growth strategies are legislated to Vancouver through the LGA</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>The Vancouver Charter (1953)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>The Planning and Development Act (1990)</td>
<td>CTA: limited to specific planning and development</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>City of Toronto Act (2006)</td>
<td>PTGA: legislation/performance measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Places to Grow Act (2005)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>Halifax Regional Municipality Charter</td>
<td>All municipalities except Halifax Regional Government</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>The Municipal Government Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Jurisdictional Scan – Planning Commissions

<table>
<thead>
<tr>
<th>City</th>
<th>Description</th>
<th>Third Party Appeal Process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winnipeg</td>
<td>N/A</td>
<td>Limited – Board of Adjustment. Charter directs Municipal Board to hear appeals</td>
</tr>
<tr>
<td>Brandon</td>
<td>5 members appointed by Council. Provides recommendations and holds public hearings. City council has final ruling</td>
<td>Limited appeal to Municipal Board</td>
</tr>
<tr>
<td>Regina</td>
<td>11 members (3 Councillors, 8 Citizens) appointed by Council. Advises on land use, transportation, heritage, rail, development as well as consulting contracts over $500K</td>
<td>Development Appeal Board Saskatchewan Municipal Board</td>
</tr>
<tr>
<td>Saskatoon</td>
<td>13 members (1 Councillor, 1 Public School Board, 1 St. Paul’s School Division, 10 residents that are not employees of the City of Saskatoon, no realtors) appointed by Council. Holds hearings provides recommendations for approval by City Council</td>
<td>Development Appeal Board Saskatchewan Municipal Board</td>
</tr>
<tr>
<td>Edmonton</td>
<td>Council acts as approving authority</td>
<td>Subdivision development appeal authority</td>
</tr>
</tbody>
</table>
## Jurisdictional Scan – Planning Commissions cont’d

<table>
<thead>
<tr>
<th>City</th>
<th>Description</th>
<th>Third Party Appeal Process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>14 members (6 Development Industry, 2 Councillors, 6 Senior Administration). Approving authority on all subdivision and development matters and provides recommendations to Council on land-use planning</td>
<td>Subdivision and Development Appeal Board. Independent from the City of Calgary</td>
</tr>
<tr>
<td>Toronto</td>
<td>Council acts as approving authority</td>
<td>Local Planning Appeal Tribunal</td>
</tr>
<tr>
<td>Vancouver</td>
<td>11 members (9 appointed by Council, 2 appointed by the Commission). Voting members cannot be employees of the City of Vancouver, Park Board or School Board as each group has a non-voting position within the commission. Advises Council, but may report on any proposal deemed to have a significant impact on the future of the city</td>
<td>Board of Variance</td>
</tr>
</tbody>
</table>
## Jurisdictional Scan – Legislated Service Standards

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Legislation</th>
<th>Type of Application</th>
<th>Service Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td>Planning Act</td>
<td>Permit</td>
<td>Requires a decision on permits within 60 days [excludes Winnipeg]</td>
</tr>
<tr>
<td>Ontario</td>
<td>Planning Act</td>
<td>Re-zonings, subdivisions and site plan</td>
<td>Requires a decision on re-zonings within 150 days, Subdivisions within 180 days, Site Plan approval within 30 days otherwise the matter can be appealed to the Local Planning Appeal Tribunal</td>
</tr>
<tr>
<td>Alberta</td>
<td>Municipal Government Act</td>
<td>Permits and re-zonings</td>
<td>Requires a decision on permits within 60 days, and re-zonings within 90 days</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>Planning and Development Act</td>
<td>Development Agreements</td>
<td>Requires a decision on Development Agreements within 90 days, or an appeal can be made to the Municipal Board</td>
</tr>
<tr>
<td>Edmonton</td>
<td>City Zoning By-Law</td>
<td>Development and Subdivision Applications</td>
<td>20 days to issue a written acknowledgment to the applicant advising that the application is complete or that the application is incomplete, listing the documentation and information that is still required</td>
</tr>
<tr>
<td>Minnesota</td>
<td>State Law</td>
<td>Zoning, septic systems, watershed district review, soil and water conservation district review or expansion of the metropolitan urban service area for a permit, license, or other governmental approval of an action</td>
<td>Written notice within 15 business days of receipt of the request telling the requester what information is missing. An agency must approve or deny within 60 days a written request. Failure of an agency to deny a request within 60 days is approval of the request</td>
</tr>
</tbody>
</table>
## Jurisdictional Scan – Appeal Mechanisms

<table>
<thead>
<tr>
<th>Province</th>
<th>Appeal Mechanism</th>
<th>What can be appealed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td>The Municipal Board of Manitoba (limited and excluding City of Winnipeg)</td>
<td>- Objections to a zoning by-law or an appeal of a proposed subdivision in circumstances where sufficient</td>
</tr>
<tr>
<td></td>
<td>In Winnipeg, planning applications are heard by the local Community Committee of</td>
<td>objections (&gt;25 public objections) are received at the Planning District/Municipal level.</td>
</tr>
<tr>
<td></td>
<td>Council. There is no formal right of appeal in The Charter or in by-law</td>
<td>- Objection threshold introduced in 2018 as a single public objection previously would trigger an appeal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>hearing.</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>Development Appeal Board (DAB) is a quasi-judicial board, appointed by council</td>
<td>DAB hears appeals on developments which council approved or rejected.</td>
</tr>
<tr>
<td></td>
<td>and consisting of a minimum of 3 members responsible for hearing appeals and</td>
<td>SMB hears appeals made by councils on subdivisions when the Development Appeals Board overturns a council</td>
</tr>
<tr>
<td></td>
<td>making decisions</td>
<td>decision to refuse the subdivision.</td>
</tr>
<tr>
<td></td>
<td>Saskatchewan Municipal Board (SMB): hears appeals on development charges and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>servicing charges</td>
<td></td>
</tr>
<tr>
<td>Alberta</td>
<td>Subdivision and Development Appeal Boards (SDABs)</td>
<td>Appeals: subdivision, development permit, stop orders, development permit for a permitted use.</td>
</tr>
</tbody>
</table>
## Jurisdictional Scan – Appeal Mechanisms cont’d

<table>
<thead>
<tr>
<th>Province</th>
<th>Appeal Mechanism</th>
<th>What can be appealed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>The Local Planning Appeal Tribunal (2018) is an adjudicative tribunal for municipal planning, financial and land matters</td>
<td>Appeals: zoning by-laws, subdivision plans, consents and minor variances, land compensations, development charges, electoral ward boundaries, municipal finances and aggregate resources</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>Nova Scotia Utility and Review Board (NSUARB)</td>
<td>Appeals: land-use by-law amendments, re-zonings and development agreements, subdivision approvals and heritage properties</td>
</tr>
</tbody>
</table>
# Jurisdictional Scan - Inspector Licensing

<table>
<thead>
<tr>
<th>Province</th>
<th>Licensed by Province</th>
<th>Registry / List of licensed Building Officials</th>
<th>Details</th>
<th>Building Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td>No</td>
<td>No</td>
<td>Manitoba requires that Municipalities (including the City of Winnipeg) that wish to issue permits and perform inspections of Part 3 (large or complex) buildings apply to the OFC and demonstrate that they employ a building official with training and qualifications necessary to issue permits and inspect Part 3 buildings. Courses are offered at Red River College. This regulation is intended to be changed to allow contracting out to third party inspectors that are qualified.</td>
<td>Manitoba Building Officials Association. Provides voluntary training and certification. 75 certified members.</td>
</tr>
<tr>
<td>Alberta</td>
<td>Yes</td>
<td>No</td>
<td>The Safety Codes Council is a statutory corporation responsible for the training and certification of all safety codes officers in the province of Alberta.</td>
<td>Alberta Building Officials Association. Provides voluntary training.</td>
</tr>
<tr>
<td>Ontario</td>
<td>Yes</td>
<td>Yes</td>
<td>The Building Code Act, 1992 requires that individuals and firms responsible for activities regulated under the act be qualified and registered with the ministry of municipal affairs and housing.</td>
<td>Ontario Building Officials Association. Provides voluntary training.</td>
</tr>
</tbody>
</table>
APPENDIX D

PLANNING AND PERMITTING
REGULATORY FRAMEWORK
Planning – Legislative Framework

• The Manitoba Government establishes the legislative framework for land use planning in Manitoba through two statutes:
  - *The Planning Act*
  - *The City of Winnipeg Charter*

• The **Provincial Planning Regulation** sets out the Province's interest in land and resources and provides overarching guidelines for local and provincial authorities in preparing land use plans

• **Planning districts and municipalities** are the local planning authorities responsible for the development of land and resources
Planning Overview

• Planning authorities prepare development plans and pass zoning by-laws that regulate activities identified in the development plan

• Development plans are approved by the Minister of Municipal Relations. Plans are revised every five years

• Municipalities (or Planning Districts) issue development permits to ensure that all development in their area will conform to the regulations in the zoning by-law as well as the vision for the community set out in the development plan and any existing secondary plan

• A development permit is not the same as a building permit
Planning Overview

Development Plan By-Law
Adopted by: Planning District Board / Municipal Council*
Approved by: Minister of Municipal Government

Secondary Plan By-Law
Adopted by: Planning District Board / Municipal Government*

Zoning By-Law
Adopted by: Municipal Council / Planning District Board**

Development Permit
Application to: Planning District Board / Municipal Council*
Administered by: Development Officer***

* Municipal Council if the Municipality is not in a Planning District
** Planning District Board if a district-wide zoning by-law
*** As authorized by the Planning District Board / Municipal Council* and set out in the zoning by-law
Development Plan Adoption Process
General Zoning By-Law Adoption Process
The Variance Process
Subdivision Approval Process
Permitting – Building Code

• The regulation of building construction is a provincial government responsibility

• The Federal Government has no legislative authority over building construction in Canada, however, federal agencies are responsible for issuing the National Building Code, National Plumbing Code, and the National Fire Code

• Manitoba adopts these National Codes and can make Manitoba specific amendments through various regulations (i.e. Manitoba Building Code regulation etc.)

• The Office of the Fire Commissioner is responsible for the adoption of the Codes
Permitting – Manitoba Building Code

• The Manitoba Building Code (MBC) consists of the National Building Code (NBC) (2010) and the identified Manitoba Amendments to the National Building Code

• It is common across Canada for Provinces to issue amendments to the National Building Code, and adopt a corresponding Provincial Building code based on those amendments

• The Manitoba Amendments both:
  – Add building code requirements specific to Manitoba that are not required in other jurisdictions; and
  – Remove building code requirements that are required in other jurisdictions but are not justified in Manitoba
### Permitting – Manitoba Building Code

<table>
<thead>
<tr>
<th>A Sample of Additions to the National Building Code</th>
<th>A Sample of Deleions from the National Building Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBC has extensive requirements related to universal design requirements, barrier free design and building accessibility. For example, requiring handrails on both sides of stairs</td>
<td>The seismic design criteria as identified in the NBC for Manitoba are not required in MB as they are not justified according to the level of earthquake activity</td>
</tr>
<tr>
<td>Clarification on the engineering and architecture sealing requirements by type of building</td>
<td>MB allows for reduced engineering oversight and reporting requirements for routine residential foundations as compared to the NBC</td>
</tr>
<tr>
<td>Requires all carbon monoxide detectors to be interconnected to smoke detectors</td>
<td>MB removes the standard requirement for sulfate resistant concrete and indicates required only if specifically stated by a professional engineer</td>
</tr>
<tr>
<td>Adds fencing, electrical, and plumbing requirements for pools and hot tubs</td>
<td>MB excludes temporary buildings, such as construction camps, from standard NBC requirements</td>
</tr>
<tr>
<td>Additional fire detector requirements</td>
<td>MB allows for lower performance standards for some air conditioners and heating units as related to energy efficiency. (NBC requirements would add $1000 to purchase price to generate $5 annual savings in some cases)</td>
</tr>
</tbody>
</table>
Permitting - Legislative Framework

• Building construction in Manitoba is regulated by a number of statutes and by-laws. Specifically, these are:
  i.  The Buildings and Mobile Homes Act
  ii. The Fires Prevention and Emergency Response Act
  iii. The Planning Act
  iv.  Local municipal by-laws
  v.   Winnipeg Charter Act

• Electrical and Gas:
  i.  The Manitoba Hydro Act
  ii. The Gas and Oil Burner Act

• Boiler, Pressure Vessel and Refrigeration Plant:
  i.  The Steam and Pressure Plants Act
Permitting - Framework

Manitoba

- Building Permits: The Buildings and Mobile Homes Act
- Electrical Permits: The Manitoba Hydro Act
- Gas Permits: The Gas and Oil Burner Act
- Occupancy: As per applicable Act or Municipal By-Laws
Buildings and Mobile Homes Act

Legislation:

• *The Buildings and Mobile Homes Act* applies to the construction, erection, placement, alteration, repair, renovation, demolition, relocation, removal, occupancy or change in occupancy of any building or addition to a building

• **Part 4** of the Act requires municipalities in Manitoba to adopt and enforce the codes and standards established, adopted or enforced under the Act

• The Act contains six regulations:

  • Building Fees Regulation
  • Classes of Buildings Designation Regulation
  • Manitoba Building Code
  • Manitoba Energy Code for Buildings
  • Manitoba Plumbing Code
  • Mobile Homes Standards and Permits Regulation
The Fires Prevention & Emergency Response Act

Legislation:

• The Fires Prevention and Emergency Response Act defines the responsibility for local authorities to enforce the Manitoba Fire Code within its boundaries by inspecting prescribed buildings and ensuring that a record of inspections is maintained.

• The Fire Safety Inspection Regulation defines properties which are required to be inspected on a regular basis by both the local authorities and the OFC. Buildings requiring regular inspections are divided into two general categories:
  
  – Buildings where persons are under the care of others annual inspections
  – Assembly occupancies where persons often gather 3 year inspections
Permitting - Authorities

• In practice, building, plumbing, electrical and occupancy permits are issued by one of three Authorities Having Jurisdiction in Manitoba:
  - Municipality / Planning District
  - Office of the Fire Commissioner (OFC)
  - Manitoba Hydro

• The Authority Having Jurisdiction is determined by:
  - The type of permit being requested
  - The geographic location of the building, and
  - Whether the building must comply with Part 9 (three stories or less) or Part 3 (exceeds three stories or greater than 600sq/m) of the Manitoba Building Code
Permitting – Authorities

• There are 30+ different municipalities and 30+ different planning districts involved in issuing permits.
• OFC has authority in issuing permits in the remaining municipalities.
• Manitoba Hydro issues electrical permits in all jurisdictions, excluding Winnipeg.
• The OFC issues permits for all gas burning equipment in Manitoba.
• Winnipeg Planning, Property & Development issues electrical permits within city boundary.
Permitting – Authorities

- The authority having jurisdiction for permitting Part 9 and Part 3 of the Manitoba Building Code in Manitoba Municipalities is as follows:

<table>
<thead>
<tr>
<th>Manitoba Building Code</th>
<th>Authority Having Jurisdiction for Permitting in Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Municipality</td>
</tr>
<tr>
<td>Part 9</td>
<td>35</td>
</tr>
<tr>
<td>Part 3</td>
<td>6</td>
</tr>
</tbody>
</table>
Permitting – Building Permits

Overview:

• Building Permits are issued to ensure that buildings conform to the Manitoba Building Code. Building Permits help to regulate such things as:
  - Structural design
  - Fire safety
  - Electrical work

• Building Permits are required for:
  - New construction of all buildings; and
  - Building additions, alterations and renovations

• The issuance of Building Permits is shared by Municipalities/Planning Districts, and the Office of the Fire Commissioner
Permitting – Building Permits

- Examples of projects that typically require a Building Permit:
  - Constructing a new building
  - Any addition to an existing building
  - A detached building (garage, gazebos, etc.) with a floor area over 10 m²
  - Decks with a floor height over 600 mm (2 ft.) from ground level
  - Finishing previously unfinished spaces in a home such as attics
  - Plumbing, electrical or air-conditioning systems
  - Structural foundation repairs
  - Pools, spas and hot tubs
  - Installation of a solid fuel burning appliances such as wood stove or fireplace
  - Wheelchair ramps
  - Temporary structures larger than 83.7 m² (901 ft.²) such as special event tents
  - Demolish or remove all or a portion of a building
Permitting – Occupancy Permits

Overview:

• Occupancy Permits are required prior to occupancy of any newly constructed, renovated or repaired building where a building permit has been issued.

• Occupancy permits are not required for the construction, renovation or repair of a one- or two-family dwelling unit.

• Examples of commercial spaces that require a Building Occupancy Permit include:
  - Theatres and restaurants
  - Healthcare facilities
  - Hotels
  - Offices
  - Personal service businesses such as hair salons and dental clinics
  - Retail stores
  - Industrial and manufacturing facilities
Permitting – Electrical and Gas Permits

Overview:

• All electrical work must be inspected by a Manitoba Hydro or City of Winnipeg electrical inspector

• All natural gas:
  
  – Equipment must be installed by a qualified and licensed gas fitter, and natural gas permits must be issued and received from the Office of the Fire Commissioner prior to beginning any work;

  – Connections must be inspected by a Manitoba Hydro natural gas inspector (some commercial/industrial installations also require an inspection by the Office of the Fire Commissioner)
Inspections – Electrical and Gas

- The authority having jurisdiction for electrical and gas inspections in Winnipeg and outside of Winnipeg is as follows:

<table>
<thead>
<tr>
<th>Location of Activity</th>
<th>Authority Having Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manitoba Hydro</td>
</tr>
<tr>
<td><strong>Gas Inspections</strong></td>
<td></td>
</tr>
<tr>
<td>City of Winnipeg</td>
<td>X</td>
</tr>
<tr>
<td>Outside City of Winnipeg</td>
<td>X</td>
</tr>
<tr>
<td><strong>Electrical Inspections</strong></td>
<td></td>
</tr>
<tr>
<td>City of Winnipeg</td>
<td></td>
</tr>
<tr>
<td>Outside City of Winnipeg</td>
<td>X</td>
</tr>
</tbody>
</table>

NOTE: For gas installations over 400,000 BTUs, both OFC and Manitoba Hydro are present for the inspection at the same time.
Inspections – Boiler, Pressure Vessel and Refrigeration Plant

• *The Steam and Pressure Plants Act* currently requires the that the Office of the Fire Commissioner conduct:
  • Regular inspections of boilers and refrigeration equipment every year, and
  • Inspections of pressure vessels every two years

• There is currently a significant backlog in the amount of units due for re-inspection as a result of expired “inspection certificates”
  • As of January 30, 2019, there were 13,139 “active units” in Manitoba with 6,449 expired Certificates of Inspection, resulting in a 49% backlog

• Due to the high backlog OFC inspectors are currently inspecting high risk occupancies such as schools, community centres, rinks, and refrigeration plants
Inspections – Boiler, Pressure Vessel and Refrigeration Plant

• The Red Tape Reduction and Government Efficiency Act (2018), included amendments to the Act to replace the current inspection requirements with a more flexible, risk-based scheme.

• The amendments, which are set to come into force July 1, 2019, will allow the frequency for inspecting units to be established based on the degree of risk posed by each type of equipment.

• The amendments to the Regulation will establish the inspection interval ranges as follows:
  – Boilers – from one year to a maximum of four years,
  – Refrigeration equipment – from one year to a maximum of five years, and
  – Pressure vessels – from two years to a maximum of ten years.
APPENDIX E

MANITOBA HYDRO
FURTHER DETAILS
Overview – Manitoba Hydro
Overview – Hydro - Annual Permit Activity

MB Hydro - Permitting

- Electrical - Residential
- Electrical - Commercial
- Gas - Residential
- Gas - Commercial

2016/17 2017/18 2018/19
## Manitoba Hydro – Permit & Inspection Timelines

### Permit and Inspection Turn Around Times (Days)

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural Gas</th>
<th></th>
<th>Electric</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commercial</td>
<td>Residential</td>
<td>Commercial</td>
<td>Residential</td>
</tr>
<tr>
<td>2016/17</td>
<td>20</td>
<td>30</td>
<td>118</td>
<td>121</td>
</tr>
<tr>
<td>2017/18</td>
<td>20</td>
<td>24</td>
<td>109</td>
<td>102</td>
</tr>
<tr>
<td>2018/19</td>
<td>20</td>
<td>21</td>
<td>85</td>
<td>82</td>
</tr>
<tr>
<td>Average</td>
<td>20</td>
<td>25</td>
<td>104</td>
<td>101</td>
</tr>
</tbody>
</table>

These timelines measure the time from when a permit is created, until final inspection is complete. This timeline includes the duration of the work itself.
Overview – Manitoba Hydro Initiatives

• Permit and Inspection Portal Project over next 18 to 24 months
  – Replacing permit and inspection technology to improve functionality, improve customer experience, and improve efficiency of the overall process
  – Customer friendly portal to improve customer experience
  – Real-time feedback to customers on process and status
  – Business process improvements Reporting and dashboard capabilities
  – Exploring Performance based inspection approach and module

• Review of Permit and Inspection processes across inspection authorities
  – Coordinate with Office of the Fire Commissioner to improve efficiency of permit and inspection processes
APPENDIX F

OFC

FURTHER DETAILS
Overview – OFC- Building and Fire Safety Unit

Building and Fire Safety Unit:

• Administers and enforces the Manitoba construction codes, including the building, plumbing, farm building and fire and energy codes

• Administers the Manitoba Fire Code, the Mobile Homes Standards and Permits Regulation, and the Fire Safety Inspection Regulation

• Also administers the building code on a contract basis to municipalities throughout Manitoba. In exchange for these services, the Agency receives a fee per capita per municipality and a permit fee

• In areas of the province where the local authority has not been delegated with the authority to administer Part 3 of the Manitoba Building Code, the Unit provides this service and permit fees are collected by the Agency
Overview – OFC - ITMS

Inspection and Technical Services Manitoba (ITMS)

• In 2011, the Mechanical and Engineering Branch of the former Department of Labour and Immigration was transferred to the OFC and was renamed Inspection and Technical Services Manitoba

• This amalgamation expanded OFC’s mandate to include administration responsibilities for various technical safety acts, which include:


• The ITSM issues permits, provides inspections of technical safety equipment, and provides examination and licensing of trades people
Overview – OFC - ITMS

The following is an overview of the technical safety services provided by ITSM:

– Electrical equipment inspections
– Boiler and pressure vessel inspections
– Elevators, elevating devices and amusement
– Rides inspections
– Gas and oil burning equipment inspections
– Pressure weld testing and certification
– Pressure vessel and piping registrations
– Quality assurance program review and approvals
– Trades licensing and examinations
– Post-secondary technical training review and approvals
Overview – OFC - Annual Permit Activity

OFC - Permitting (selected permit types)

- Boiler, Pressure Vessel and Refrigeration Plant Inspections
- Gas Permits Issued
- Building Permits Issued
- Plumbing Permits Issued
- Occupancy Permits Issued
## Overview - OFC Performance Measures

Service Standards: Building, Plumbing and Occupancy Permits

<table>
<thead>
<tr>
<th># of Permits Issued within xx days 2018/19</th>
<th>Total</th>
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<tbody>
<tr>
<td>&lt; 14 days</td>
<td>15-30 days</td>
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<tr>
<td>88</td>
<td>1</td>
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<tr>
<td>96</td>
<td>15</td>
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<tr>
<td>184</td>
<td>3</td>
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<tr>
<td>11</td>
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<td>5</td>
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<td>140</td>
<td>10</td>
</tr>
<tr>
<td>63</td>
<td>6</td>
</tr>
<tr>
<td>64</td>
<td>34</td>
</tr>
<tr>
<td>38</td>
<td>2</td>
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<tr>
<td>58</td>
<td>11</td>
</tr>
<tr>
<td>747</td>
<td>88</td>
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<tr>
<td>78%</td>
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## OFC Statistics

<table>
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</thead>
<tbody>
<tr>
<td><strong>Building and Fire Safety</strong></td>
<td></td>
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<tr>
<td>Elevator and Handicap Lift Inspections</td>
<td>3125</td>
<td>3385</td>
<td>3314</td>
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<td>Amusement Ride Inspections</td>
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<td>174</td>
<td>166</td>
<td>171</td>
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<td>Rope &amp; Ski Tows &amp; Chair Lift Inspections</td>
<td>14</td>
<td>22</td>
<td>24</td>
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<td>Boiler, Pressure Vessel and Refrigeration Plant Inspections</td>
<td>9038</td>
<td>7900</td>
<td>8967</td>
<td>5,479</td>
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<td>Canadian Registration Number Designs (boilers, pressure vessels, etc.)</td>
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<td>Reviewed and Accepted</td>
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<td>1264</td>
<td>1133</td>
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<td>Gas Permits Issued</td>
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<td>25776</td>
<td>21360</td>
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<td>Special Acceptance approval of Electrical and Gas Equipment</td>
<td>575</td>
<td>381</td>
<td>307</td>
<td>278</td>
<td>249</td>
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<td>Variance Approvals</td>
<td>47</td>
<td>49</td>
<td>40</td>
<td>44</td>
<td>41</td>
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<td>Quality Assurance Manual and Audit Reviews and Approvals</td>
<td>132</td>
<td>143</td>
<td>116</td>
<td>98</td>
<td>112</td>
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<tr>
<td>Trades Licences issued</td>
<td>3699</td>
<td>3359</td>
<td>9831</td>
<td>4,980</td>
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<td>Number of Trade Examinations Administered (Electrical, Gas,</td>
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<td></td>
<td></td>
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<td>Power Engineering &amp; Welding)</td>
<td>1720</td>
<td>1140</td>
<td>2044</td>
<td>1,611</td>
<td>1248</td>
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<tr>
<td>Building Permits Issued</td>
<td>799</td>
<td>655</td>
<td>643</td>
<td>696</td>
<td>645</td>
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<td>Plumbing Permits Issued</td>
<td>237</td>
<td>147</td>
<td>139</td>
<td>184</td>
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<tr>
<td>Occupancy Permits Issued</td>
<td>64</td>
<td>154</td>
<td>163</td>
<td>172</td>
<td>161</td>
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<td>Recreational Vehicle Inspections</td>
<td>427</td>
<td>573</td>
<td>380</td>
<td>70</td>
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<tr>
<td>Mobile Home Inspections</td>
<td>60</td>
<td>40</td>
<td>28</td>
<td>27</td>
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<tr>
<td>Fire Safety Inspections</td>
<td>181</td>
<td>180</td>
<td>241</td>
<td>240</td>
<td>243</td>
</tr>
<tr>
<td>Assistance to Local Authorities</td>
<td>24</td>
<td>8</td>
<td>9</td>
<td>14</td>
<td>4</td>
</tr>
</tbody>
</table>

**Notes:**

- ITMS (Information Technology and Management Services)
- Building and Fire Safety
APPENDIX G

PROVINCIAL PARKS
FURTHER DETAILS
Parks Permitting

Site Plan Permit and Crown Land Permit

• Owners or occupiers of park land submit an application to the Parks Branch if development is desired on their cottage lot or commercial lot and/or on the public reserve

• A Site Plan Permit (cost of $52.50) will be issued once the requested site plans are approved for development. This permit indicates work needs to start within 6 months and the permit expires in one year

• If any requested development is located on the public reserve, a Crown Land permit will also be issued authorizing the use of the structure on the public reserve (annual charge of $10.50)

Building Permit (if required)

• A copy of the approval provided by the Parks Branch along with the second copy of the client’s building plans will be sent to the Office of the Fire Commissioner for their review and issuance of a Building Permit along with any other associated permits such as a plumbing permit and occupancy permit
Parks Permitting cont’d

Provincial Park Permit
• If the client requires work on the land such as excavating, clearing, grubbing, (site preparation) etc., a Provincial Park Permit is required prior to construction.

Parks Controlled General Permit
• Requests for small businesses to operate in a park, or structures being built on park land such as trappers cabins, will be reviewed and upon approval receive a Park Controlled General Permit authorizing the use and location while noting special conditions.
APPENDIX H

CITY OF WINNIPEG
FURTHER DETAILS
City of Winnipeg Approving Entities

Community Committee of Council
• Five committees in Winnipeg, each comprised of three councillors
• Review all other development applications such as subdivisions, zoning amendments, secondary plan amendment and make recommendations on whether to approve or deny the application
• Forward recommendations to Standing Committee on Planning, Property and Development, whose subsequent recommendation is forwarded to Executive Policy Committee, whose subsequent recommendation is forwarded to Council

Board of Adjustment
• A Planning Commission with delegated authority to approval conditional use and variance orders

Appeals
• There is no mechanism to appeal decisions to an independent body
## City of Winnipeg – Performance - Commercial

<table>
<thead>
<tr>
<th>Permit Type / Description</th>
<th>TARGET (days)</th>
<th>YEAR</th>
<th>Average Annual Median Business Days</th>
<th>Average Annual at 75 Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category A:</strong> minor alterations with no building change of use, no professionals required, no impact on life safety, exterior alterations not affecting life safety</td>
<td>5</td>
<td>2017</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Category B:</strong> no building change of use, one or two professionals other than structural, minimal or no impact on base building or other tenants</td>
<td>10</td>
<td>2017</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>-11%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Category C:</strong> change of use in existing tenant space, multiple professionals involved</td>
<td>15</td>
<td>2017</td>
<td>18</td>
<td>21</td>
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<tr>
<td></td>
<td></td>
<td>2018</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Category D:</strong> gutting of existing space, change from single to multi-tenant space, significant impact on base building, property types affected by historic, waterways, flood fringe, downtown, ...</td>
<td>20</td>
<td>2017</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>22</td>
<td>28</td>
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<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>19%</td>
<td>10%</td>
</tr>
<tr>
<td>Permit Type / Description</td>
<td>TARGET (days)</td>
<td>YEAR</td>
<td>Average Annual Median Business Days</td>
<td>Average Annual at 75 Percentile</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>------</td>
<td>-------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td><strong>Category E:</strong> re-purposing of existing building, historic, multiple alternative solutions</td>
<td>30</td>
<td>2017</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Optional Professional Certificate Program:</strong> option for commercial permit applications submitted under professional seals to be issued with no plan examination</td>
<td>5</td>
<td>2017</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Standard additions / new buildings</strong></td>
<td>20</td>
<td>2017</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Staged permits for commercial new/major additions – each stage</strong></td>
<td>15</td>
<td>2017</td>
<td>20</td>
<td>27</td>
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<tr>
<td></td>
<td></td>
<td>2018</td>
<td>17</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>% Improvement</td>
<td>15%</td>
<td>22%</td>
</tr>
</tbody>
</table>
## City of Winnipeg – Performance - Residential

<table>
<thead>
<tr>
<th>Permit Type / Description</th>
<th>TARGET (days)</th>
<th>YEAR</th>
<th>Average Annual Median Business Days</th>
<th>Average Annual at 75 Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>RES 1: Accessory Structure permit of any type NOT requiring zoning or structural review.</td>
<td>1</td>
<td>2017</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>% Improvement</td>
<td>60%</td>
</tr>
<tr>
<td>RES 5: Accessory Structure permit for in-ground or above ground Swimming Pool, or a permit that requires a structural plan and/or Zoning review, or DCA-5 Day or Master-5 Day</td>
<td>5</td>
<td>2017</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>% Improvement</td>
<td>40%</td>
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<td>RES 10: Housing Permit of New Construction, Additions</td>
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<td>2017</td>
<td>11</td>
<td>20</td>
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<td>2018</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>% Improvement</td>
<td>10%</td>
</tr>
<tr>
<td>RES 15: Housing permit for change of use and conversions</td>
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<td>2017</td>
<td>16</td>
<td>19</td>
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<tr>
<td>(adding or subtracting dwelling units, residential care homes, day cares, secondary suites, rooming houses)</td>
<td></td>
<td>2018</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>% Improvement</td>
<td>0%</td>
</tr>
<tr>
<td>RES 20: Row Housing</td>
<td>20</td>
<td>2017</td>
<td>34</td>
<td>41</td>
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<td></td>
<td></td>
<td>2018</td>
<td>22</td>
<td>26</td>
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<tr>
<td></td>
<td></td>
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<td>% Improvement</td>
<td>35%</td>
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<td></td>
<td>37%</td>
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## City of Winnipeg – Residential Statistics

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<th>Building Type</th>
<th>Value in $000</th>
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<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Residential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>374,972</td>
<td>463,444</td>
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<tr>
<td>Semi</td>
<td>47,946</td>
<td>63,944</td>
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<tr>
<td>Row</td>
<td>62,446</td>
<td>104,365</td>
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<tr>
<td>Apartment</td>
<td>268,113</td>
<td>417,452</td>
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<td>Alterations/additions/demos</td>
<td>268,645</td>
<td>143,903</td>
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## City of Winnipeg – Non-Residential Statistics

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<th>Building Type</th>
<th>Value in $000</th>
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<tbody>
<tr>
<td></td>
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<td>2017</td>
</tr>
<tr>
<td>Non-Residential</td>
<td></td>
<td></td>
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<tr>
<td>Commercial</td>
<td>89,760</td>
<td>62,509</td>
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<tr>
<td>Industrial</td>
<td>86,189</td>
<td>33,103</td>
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<tr>
<td>Office</td>
<td>62,725</td>
<td>164,650</td>
</tr>
<tr>
<td>Hotel/motel</td>
<td>79,200</td>
<td>4,700</td>
</tr>
<tr>
<td>Public Bldgs</td>
<td>8,898</td>
<td>33,191</td>
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<tr>
<td>Institutional</td>
<td>11,262</td>
<td>28,150</td>
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<tr>
<td>Alterations/additions/demos</td>
<td>489,687</td>
<td>496,130</td>
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</table>
City of Winnipeg – Development Approval Flow Charts – Multi Step Process
City of Winnipeg – Development Approval
Flow Charts – Multi Step Process
City of Winnipeg – Development Approval
Flow Charts – Multi Step Process
APPENDIX I

THINGS WE HEARD – QUOTATIONS
Fear of Retribution

“There are lot of others who want to come forward, but they are ‘%$#! scared’ to come forward because of the fear of retribution”

“Everyone knows what is going on at the City [of Winnipeg], but people are afraid to speak up out of fear for retribution”

“The more you upset the administration, the more they slam the door on you”

“You try to fight [inspectors], and they are vindictive. Winnipeg is only so big, and you will suffer if you even think of rocking the boat”

“When you challenge inspectors, they go out of their way to find more things wrong. This kind of thing happens frequently”
Broken Culture

“The City is a ‘Venn diagram’ of political interference and incompetence. It is never clear where in the Venn you find yourself – whether the frustration you are suffering is from political interference or just incompetence, or in the area of overlap where it is both interference and incompetence”

“I was told that one of my development projects was being declined because ‘You guys are making too much money.’ That is just wrong. The City [of Winnipeg] should see this as a win-win, not a zero sum game”

“Development is not viewed as a tool of economic development. Development is considered morally and ethically wrong”

“People are judged, not the projects”

“Culturally, planning across North America is moving in favour of densification. Winnipeg is bucking that trend”

“Why are we letting such a small group of people run economic development in this province?”

“The things we have been hearing about in the news – that is just the tip of the iceberg”
Broken Culture cont’d

“Rural municipalities ask ‘What can we do to get you started?’, while the City [of Winnipeg] asks ‘What obstacles can we throw in your way?’”

“The City [of Winnipeg] was flat-out lying to me. I never thought I would have to do this, but I was forced to start recording conversations. I never thought I would have to secretly record dealings with a government because they were lying. This isn’t supposed to happen in countries like Canada”

“We have being trying to doing business with the city for a long time. The economic development-friendliness has ebbed and flowed, but we are at an all time low. This is worse than it was even under Glen Murray”

“The City itself is incredibly dysfunctional, but [Planning Property & Development] is the most dysfunctional part of the City, which is saying a lot. It is an elitist, “screw you” culture that literally doesn’t care about the importance of development. It needs a wholesale culture shift”

“Our regulatory processes are a nightmare. It is a regulatory gong show of nightmarish proportions”

“I feel villainized to be part of the development community”
Lost Development Opportunities

“Developers are saying ‘If we knew what Winnipeg was like, we never would have come here’”

“Our developer partners in Toronto have told us that they no longer include Winnipeg in their Canada-wide development plans”

“Winnipeg is supposed to be growing to a million people, but we are doing our best to avoid that”

“It is common for developers to build in the municipalities surrounding Winnipeg, because they actually want development and are able to appreciate the importance of growing their tax base”
Lost Development Opportunities cont’d

“We are losing a lot of development opportunities to other cities across Canada. People just don’t want to build here anymore”

“The process in Winnipeg, and to a lesser extent in Manitoba, is unlike any other jurisdiction where we operate. We have the options of where to invest money, we do not feel favourable to Manitoba. We don’t think Winnipeg is ready for private sector investment”

“On a national level, it is widely known that the construction industry openly skips over Winnipeg based on the perception that it is not an open, fair process and ‘outsiders’ are excluded”

“City staff are picking colours and materials. Picking smoked glass. That is asinine. Builders are seeing this happen to them in Winnipeg, then just leaving town because the experience is so bad. A small number of people are far too influential”
Failed Outcomes

“Inspectors can’t just come and inspect. They need to find stuff wrong and won’t leave until they do. It has come to the point lately that many builders are leaving large, obvious deficiencies in their work, so that the inspectors will leave them alone on the other things”

“Winnipeg needs to learn it has an important role to play in economic development, but there is no plan to fix what is broken”

“City inspectors are very good at finding arbitrary ways to churn the permits – to delay things out, charge more inspection fees and string along every single development”

“The amount of time to get things done has at least doubled in recent years. Things that used to take six months are now taking over a year. The City [of Winnipeg] does not have an appreciation of the time value of money”
Failed Outcomes cont’d

“We are seeing an increasing amount of ad hoc policy-making, even by junior and front line staff, with no supervision or oversight. The City [of Winnipeg] has lost all of its institutional knowledge”

“Winnipeg uses minor variances as an opportunities to impose personal preferences into plans. The issue isn’t whether to approve or not approve a minor variance, but becomes framed as an opportunity to impose views on things like siding, colours, choice of plants, and things like that”

“We have examples of developers needing to leave people waiting in new constructions for 24 hours a day – even overnight – because they have no idea when the inspectors will show up. This is very inefficient”
General Frustration

“We have challenges with many jurisdictions. Developers will always complain that services levels are not good enough – that comes with the territory of being a developer. But Winnipeg is different and in a class of its own. Winnipeg is the least friendly jurisdiction in the country”

“We are beating our heads against the wall”

“The City has completely lost sight of the fact that it could make far more money [than churning permits and charging development fees] by allowing development to occur and thereby increase its tax base”

“The issue of development needs to be depoliticized. Make the rules, then apply the rules fairly”

“We have created an environment where everyone wants to by-pass the City of Winnipeg. It is hard for me to say this without being perceived as being political, but it isn’t political. These are facts”

“Allowing the City to annex adjacent rural municipalities won’t be the answer, it will just push the problem out further and further from the City centre”
APPENDIX J

PUB ROLE
REGULATING UTILITIES
2.5 The PUB’s Objectives for Water and Sewer Utilities

The PUB’s objectives in regulating water and sewer utilities are to ensure: rates are just and reasonable; the utilities are self sustaining and not receiving or providing cross subsidization to other municipal government expenditures; utilities have the financial strength to supply services in compliance with government regulations; utilities are operating efficiently and: information is open and transparent for the public.

The PUB has identified eleven objectives for municipal water and sewer utilities when assessing their application for rate revisions, against which it has also evaluated the City’s water and sewer utilities:

1. Water and sewer services should meet provincial and federal standards and objectives (health, safety, environment & conservation);
2. No subsidy of the municipal government’s General Operating Funds (property taxes) should come from water and sewer utilities’ rate revenues;
3. An understanding as to the utilities’ required capital expenditures, and corresponding funding for those capital expenditures, for the next five years;
4. Public Sector Accounting Board (PSAB) - compliant financial statements;
5. Adequate annual revenue to avoid utility deficits (exception for PUB provision for amortizing grants against amortization expenses related to capital assets);
6. Fair and reasonable rate schedules for all customer categories, including rates that promote conservation;
7. Ratepayers’ awareness of rates and plans of the utility, and the opportunity and ability for ratepayers to express any related concerns to the PUB;
8. Avoidance of rate shocks wherever possible;
9. Efficient operations;
10. Avoidance of excessive regulatory costs; and
11. Full and transparent disclosure of results, plans and circumstance of the utility to the PUB and ratepayers – except in circumstances where the Board is satisfied its Rules of Confidentiality need to be invoked.

In general, the PUB tries to ensure the ratepayer receives fair value for rates paid in the provision of utility services. It is with these objectives in mind that the PUB proceeded with this informational hearing related to the City’s water and sewer utilities.

Although the Board does not have jurisdiction to approve the water and sewer rates charged by the City, the PUB felt it was important to have an understanding of the City water and sewer operations. The Board also felt it was beneficial to test information in a public forum on the overall efficiency and operations of the utilities as the City moves forward on a significant capital investment plan to replace and upgrade infrastructure.

The Board’s findings are set out at the end of each of the topics discussed below.
APPENDIX K

CENTREPORT STRUCTURE
CentrePort

• In 2011, the Province established a Working Group to develop a new planning model for CentrePort that would:

  – Expedite investment and development in the area west and north of Winnipeg Richardson International Airport
  – Streamline reviews and approvals by adopting a consistent development plan, zoning by-law and administrative processes for the CentrePort area
  – Deliver an accountable and transparent planning process to stakeholders and the public

• As a result of the Working Group’s recommendation to create a multi-stakeholder Planning Board to oversee and administer planning in CentrePort Lands, The Planning Act was amended to establish the Rosser CentrePort lands as the “Inland Port Special Planning Area” (IPSPA) (2015)
CentrePort cont’d

• The legislative amendments were supported by two regulations:
  – One that established the multi stakeholder Inland Port Special Planning Authority Board, and,
  – A second that established the secondary plan and zoning by-law for the area

• The IPSPA Board is comprised of:
  – Two representatives of the Rural Municipality of Rosser, at least one of whom must be a member of council
  – A representative of The City of Winnipeg
  – A representative of CentrePort Canada Inc.
  – A representative of Winnipeg Airports Authority Inc.
  – A representative of the Government of Manitoba
CentrePort cont’d

• The IPSPA Board conducts the public hearings for planning and subdivision applications within the IPSPA, and provides recommendations to the Minister on proposed amendments to the development plan and zoning by-law regulation.

• The 2015 legislation also returned subdivision approving authority to the Minister (or delegate). The municipality continues to be responsible for development agreements and building permits.

• The IPSPA Board provides a streamlined approach that ensures that development approvals in the Rosser CentrePort lands are processed efficiently and that development benefits from the significant infrastructure investments made in the area.
APPENDIX L

METRO REGION PILLARS
Pillar 1

COORDINATED REGIONAL DEVELOPMENT

Current Status:
Equitable and coordinated regional planning that integrates land use, transportation, and infrastructure is critical to both strong communities and a strong Winnipeg Metro Region. Decision-making in the absence of good data and the lack of coordination between Municipal Development Plans and levels of government contributes to higher infrastructure costs, duplication, and hinders sustainable regional growth patterns.

Securing Our Future:
Coordinated development provides a wide range of housing choices close to employment, amenities, and services, while recognizing the importance of a healthy Winnipeg core. Planning and infrastructure cross boundaries to connect our communities with efficient transportation networks and services that provide choice, utilize existing infrastructure, increase safety, enhance livability, and promote the wise use of resources.
Pillar 2

STEWARDSHIP OF LAND, WATER AND RESOURCES

Current Status:
The Region’s natural environment provides direct economic, social, and cultural benefits, as well as the essentials of life: food, water, and energy. While we benefit from an abundance of natural resources, good stewardship of these assets is critical to preservation and long-term prosperity, providing a strategic regional advantage to emerging opportunities. Current land use, water resource management, and resource consumption patterns are having a negative impact on the economy and environment by consuming agricultural and natural lands, reducing carbon sequestration opportunities, reducing flood and drought mitigation capacity, and contributing to the degradation of lakes, including Lake Winnipeg and Lake Manitoba.

Securing Our Future:
The Region has a collective and shared responsibility to be good stewards by managing, protecting, preserving and, where possible, restoring natural lands, agricultural lands, air quality, and aquatic ecosystems.
Pillar 3

STRATEGIC TRANSPORTATION NETWORKS

Current Status:
A strong regional transportation network guides the efficient movement of goods and provides community connectivity with access to employment, services, and amenities. The Region’s transportation network is presently uncoordinated and leaves many communities unconnected. It favours single passenger vehicles, significantly contributing to GHG emissions, leading to congestion that affects the movement of goods, and higher transportation costs.

Securing Our Future:
Regional transportation networks integrate the regular use of public transportation, multiple-occupancy vehicles, cycling, and walking. Regional networks promote connectivity between communities and key employment areas. These outcomes reduce energy consumption, reduce GHG emissions, improve air quality, promote active transportation, enhance lifestyles, improve health, and save money.
Capital Region: Regional Growth Strategy

Pillar 4

COORDINATED INFRASTRUCTURE & SERVICE DELIVERY

Current Status:
There is a wide range of regional utility infrastructure and community services that support our economic growth and a high quality of life. Uncoordinated investment in services and infrastructure leads to duplication, higher costs, and an inefficient use of resources – limiting opportunities for new investment.

Securing Our Future:
Moving toward optimal and mutually beneficial transportation systems, wastewater treatment, drainage strategies, solid waste management, utility infrastructure, and community and emergency services delivery can be achieved through regional coordination, shared data, inter-municipal agreements, and Indigenous partnerships. These practices promote value for money, improve competitiveness, and provide a higher quality of life across the province.
Pillar 5

INTEGRATED REGIONAL ECONOMIC DEVELOPMENT

Current Status:
A prosperous regional economy is functionally integrated and globally competitive. Policies, transportation systems, and human capital nurture a healthy and resilient business sector. This includes robust employment and enhanced productivity that fosters prosperity, encourages new investment, supports transition to the green-clean economy, and builds diversity. Despite a high level of interdependence, local economies lack integration and often compete for resources. As individually focused municipalities, the ability to compete nationally and internationally to enhance productivity, provide good jobs, and promote a higher quality of life is constrained.

Securing Our Future:
To support growth and diversity in industrial, commercial, and agricultural sectors, a coordinated integrated regional economic development approach is necessary. Priority lands need to be identified, enhanced, and protected so that commerce flourishes in the region’s hubs, along economic corridors, and in priority agricultural areas. Economic growth opportunities are explored in partnership with Indigenous communities.
Pillar 6

REGIONAL FRAMEWORK FOR GOOD GOVERNANCE

Current Status:
Good governance and decision-making is supported by access to good data and an environment of trust and collaboration across all levels of government. Current governance models and a lack of accessible good data inadvertently lead to barriers that obstruct a broad-based perspective of the region, reducing consistency, accountability, coordination, meaningful engagement, and the efficient use of resources.

Securing Our Future:
Good governance, coordination, and collaboration will be achieved through access to integrated regional data, stakeholder engagement, and education, along with improved inter-municipal/regional tools and consideration of long-term regional benefits and impacts prior to actions. Members recognize that regional progress is supported by inter-municipal working relationships and relationships with Indigenous communities that incorporate the needs of all communities.
APPENDIX M

LOST OPPORTUNITIES
Lost Opportunity – Parker Lands

• The Parker Lands development has been at a standstill for a number of years

• In 2016, the Province commissioned a report that encouraged the process to continue to unfold, but this optimism has not materialized in outcomes:

“... the City of Winnipeg may be able to resolve these issues on its own. As such, it would seem prudent to allow the planning process and the resultant secondary plan to serve to mediate any remaining concerns. This could be revisited within a Phase 2 review if deemed necessary after these planning processes end”
Lost Opportunity – Parker Lands cont’d

• The failure of the Parker Lands project to advance is concerning on a number of fronts:

1. The ~$500M public expenditure on the local Bus Rapid Transit route was premised on the densification of this parcel of land. Without the development of the Parker Lands, the business case for this transit expansion is compromised.

2. To understand the magnitude of the costs of the delay of this project to the provincial GDP, Manitoba Bureau of Statistics’ input-output statistical model shows that a mere two month delay of this project is expected to lead to the loss of $65M of GDP, and 817 person-years of employment.

3. The current matters before the court add a further degree of complication.
Lost Opportunity – Former Stadium Site

• The costs of the construction of the new IGF Field – in excess of $200M - was intended to be supported by the tax increment financing (TIF) of the lands on the former stadium site

  – This TIF meant that all *incremental* property taxes on the former stadium site realized by the City of Winnipeg would be paid directly to support the provincial loan that paid for the construction

  – The Province recently announced it had to take a provision on this loan, largely because the anticipated development of the former stadium site did not materialize as expected

• We have learned that there were concrete proposals to densify the former stadium site, which the City of Winnipeg refused to advance

• Manitoban taxpayers will not have any chance of recovering the money provided for the financing of the new stadium unless and until the former stadium site is properly densified with new development, and therefore this remains an important provincial priority
Airport Vicinity Protection Area (AVPA)

• There are by-law restrictions prohibiting new residential development surrounding the lands of the Winnipeg Airport Authority (WAA). Restrictions of this nature are necessary to:
  – Protect the 24 hour operations of the WAA, which are an important economic driver
  – Ensure safe operations of aircraft and compliance with Transport Canada requirements

• These by-laws have not been re-examined in a long time, and we have heard that they may be unnecessarily restrictive
  – These by-laws were ostensibly the grounds for rejecting the densification of the former stadium site and preventing provincial recovery of funds that could have helped support the $200M loan on the new IGF stadium
Airport Vicinity Protection Area (AVPA) cont’d

• There are other ways to protect the WAA and its operations and to allow the WAA to be a partner in the economic development of areas surrounding the airport, such as a combination of:

  – More sound-proof construction techniques

  – Registering a “caveat” on title whereby owners acknowledge the 24 hour operations of the WAA (which may require simple legislative amendments by the Province)
What We Heard - Nuisance Caveats

• In some jurisdictions, noise and odor implications are handled through nuisance caveats and warning clauses, ensuring all parties interested in the selling, purchasing, or leasing of residential lands in proximity to airports and railway corridors are aware of any potential implications.

• By way of examples:
  – Transport Canada under TP 1247 E (2005) Aviation: Land-use in the Vicinity of Airports, recommends that developers 'inform all prospective tenants or purchasers of residential units' of nearby aircraft noise.
APPENDIX N
SUPPLEMENTAL ECONOMIC ANALYSES
PART 1: Impact of a one day delay in residential building projects (Construction Phase)

- In 2018, $3.6B in residential building projects generated an estimated $2.1B in additional GDP.
- Delaying this activity by a single day would result in a deferred GDP growth of $8.1M.

<table>
<thead>
<tr>
<th>TOTAL DIRECT &amp; INDIRECT IMPACTS OF RESIDENTIAL BUILDING PROJECTS</th>
<th>IMPACT PER DAY OF PROJECT DELAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Investment of $3.6B</td>
<td></td>
</tr>
<tr>
<td>GDP at Market Prices</td>
<td>$2.1B</td>
</tr>
<tr>
<td>Labour Income</td>
<td>$1.5B</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>17,835</td>
</tr>
<tr>
<td>Indirect Employment</td>
<td>8,445</td>
</tr>
<tr>
<td>Total Person-Years</td>
<td>26,280</td>
</tr>
<tr>
<td>Provincial Tax Estimate</td>
<td>$303M</td>
</tr>
<tr>
<td>Municipal Taxes</td>
<td>$81M</td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>$325M</td>
</tr>
<tr>
<td>Daily GDP Impact of Construction Phase</td>
<td></td>
</tr>
<tr>
<td>Daily municipal tax base impact</td>
<td></td>
</tr>
</tbody>
</table>

Assumptions: assume project is completed in one year. Daily impact is deferred as opposed to lost. If the project doesn’t happen at all, then it is the full value of the lost GDP, jobs, labour income, and government revenue.
PART 1: Impact of one day delay in all commercial and industrial building projects (Construction Phase)

- In 2018, $1.5B commercial and industrial building projects generated an estimated $825M in additional GDP.
- Delaying this activity by a single day would result in a deferred GDP growth of around $3M.

### Total Direct & Indirect Impacts of Commercial and Industrial Building Projects

<table>
<thead>
<tr>
<th>Industry Investment of $1.5B</th>
<th>Impact Per Day of Project Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP at Market Prices</td>
<td>$825M</td>
</tr>
<tr>
<td>Labour Income</td>
<td>$620M</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>6,150</td>
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<tr>
<td>Indirect Employment</td>
<td>3,825</td>
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<tr>
<td>Total Person-Years</td>
<td>9,975</td>
</tr>
<tr>
<td>Provincial Tax Estimate</td>
<td>$132M</td>
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<tr>
<td>Municipal Taxes</td>
<td>$32M</td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>$138M</td>
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</table>

Assumptions: assume project is completed in one year. Daily impact is deferred as opposed to lost.
If the project doesn’t happen at all, then it is the full value of the lost GDP, jobs, labour income, and government revenue.
PART 1: Two month delay in residential building projects, by project values of $10M, $50M, and $1B (Construction Phase)

- A $1B project has a value of $89M of GDP and $3.6M of municipal taxes over a two-month period
- A smaller $10M project would have an $880K deferred GDP impact over two months

<table>
<thead>
<tr>
<th>PROJECT VALUE ($)</th>
<th>TOTAL DIRECT &amp; INDIRECT IMPACTS</th>
<th>IMPACT OF A TWO MONTH DELAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP at Market Prices ($)</td>
<td>$5,840,000 $29,200,000 $584,000,000</td>
<td>$880,000 $4,480,000 $89,600,000</td>
</tr>
<tr>
<td>Labour Income ($)</td>
<td>$4,140,000 $20,700,000 $414,400,000</td>
<td>$640,000 $3,160,000 $63,600,000</td>
</tr>
<tr>
<td>Direct Employment (FTE)</td>
<td>49.5 248 4,954</td>
<td>8 36 760</td>
</tr>
<tr>
<td>Indirect Employment (FTE)</td>
<td>23.5 117 2,346</td>
<td>4 16 360</td>
</tr>
<tr>
<td>Total Person-Years (FTE)</td>
<td>73 365 7,300</td>
<td>11 56 1,120</td>
</tr>
<tr>
<td>Provincial Tax Estimate ($)</td>
<td>$842,000 $4,211,000 $84,220,000</td>
<td>$120,000 $640,000 $12,800,000</td>
</tr>
<tr>
<td>Municipal Taxes ($)</td>
<td>$226,000 $1,130,000 $22,600,000</td>
<td>$40,000 $160,000 $3,600,000</td>
</tr>
<tr>
<td>Federal Taxes ($)</td>
<td>$903,000 $4,514,000 $90,280,000</td>
<td>$120,000 $680,000 $14,000,000</td>
</tr>
</tbody>
</table>

Assumes projects would have been completed in one full year.
### PART 1: Two month delay in commercial and industrial building projects, by project values of $10M, $50M, and $1B (Construction Phase)

- A $1B project has an estimated value of $84M of GDP and $63M of labour income over a two-month period.
- A smaller $10M project would have an $840K deferred GDP impact over two months.

<table>
<thead>
<tr>
<th>PROJECT VALUE</th>
<th>$10,000,000</th>
<th>$50,000,000</th>
<th>$1,000,000,000</th>
<th>IMPACT OF A TWO MONTH DELAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Residential Building Projects</td>
<td>GDP at Market Prices</td>
<td>$5,500,000</td>
<td>$27,500,000</td>
<td>$549,800,000</td>
</tr>
<tr>
<td></td>
<td>Labour Income</td>
<td>$4,140,000</td>
<td>$20,700,000</td>
<td>$413,500,000</td>
</tr>
<tr>
<td></td>
<td>Direct Employment (FTE)</td>
<td>41</td>
<td>205</td>
<td>4,100</td>
</tr>
<tr>
<td></td>
<td>Indirect Employment (FTE)</td>
<td>25.5</td>
<td>127</td>
<td>2,550</td>
</tr>
<tr>
<td></td>
<td>Total Person-Years (FTE)</td>
<td>66.5</td>
<td>333</td>
<td>6,650</td>
</tr>
<tr>
<td></td>
<td>Provincial Tax Estimate</td>
<td>$877,000</td>
<td>$4,387,000</td>
<td>$87,730,000</td>
</tr>
<tr>
<td></td>
<td>Municipal Taxes</td>
<td>$212,000</td>
<td>$1,060,000</td>
<td>$21,200,000</td>
</tr>
<tr>
<td></td>
<td>Federal Taxes</td>
<td>$918,000</td>
<td>$4,592,000</td>
<td>$91,830,000</td>
</tr>
</tbody>
</table>

Assumes projects would have been completed in one full year.
This table shows the economic impact of a two-month delay to a retail operation which cost $10M to build and which produces annual $1M in annual output:

- Construction phase impact: $840K of GDP and $40K of municipal taxes.
- Operational phase impact: $126K of GDP and $5K in municipal taxes.

<table>
<thead>
<tr>
<th>Impact of a Two Month Delay</th>
<th>Construction Phase</th>
<th>Post-Construction Business RETAIL OPERATION</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of project</td>
<td>$10,000,000</td>
<td>$1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>GDP at Market Prices ($)</td>
<td>$840,000</td>
<td>$126,360</td>
<td>$966,360</td>
</tr>
<tr>
<td>Labour Income ($)</td>
<td>$640,000</td>
<td>$81,088</td>
<td>$721,088</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>640</td>
<td>1.9</td>
<td>642</td>
</tr>
<tr>
<td>Indirect Employment</td>
<td>400</td>
<td>0.3</td>
<td>400</td>
</tr>
<tr>
<td>Total Person-Years</td>
<td>1,000</td>
<td>2.2</td>
<td>1,002</td>
</tr>
<tr>
<td>Provincial Tax Estimate ($)</td>
<td>$120,000</td>
<td>$14,791</td>
<td>$134,791</td>
</tr>
<tr>
<td>Municipal Taxes ($)</td>
<td>$40,000</td>
<td>$5,602</td>
<td>$45,602</td>
</tr>
<tr>
<td>Federal Taxes ($)</td>
<td>$160,000</td>
<td>$16,902</td>
<td>$176,902</td>
</tr>
</tbody>
</table>

Two month GDP impact

Two month municipal tax base impact
Municipal Property Tax Revenue Implications

• Delays in revenue generation from a new development can affect the ability of municipalities to pay for infrastructure costs associated with new development

  - E.g., a municipality upgrading infrastructure (water, sewer) to support 20 new condominiums only sees 10 built and the revenue is insufficient to support the carrying cost of the infrastructure upgrade

• Delays in approvals, which result in delayed infrastructure, result in reduced supply

  Creating an unfair burden on those that choose to build and grow the city will dampen growth. Without the new, annual assessment revenue that comes with new growth, there will need to be higher property taxes for everyone.

Source: Understanding Development in Winnipeg, An Informational Briefing for City Council and Winnipeg Citizens, MNP, 2016, p.10
Property Tax Revenue Impact Caused by Delays

A = Pre-development tax revenues = $1,542 per year per property
Estimated property and school tax of vacant lot in Winnipeg valued at $125,000:
Municipal taxes: $125,000 x 0.45 x 13.290 / 1,000 = $748
School taxes: $125,000 x 0.45 x 14.115 / 1,000 = $794
Gross tax: 748 + 794 = $1,542

B = Post-development tax revenues = $4,070 per year per property
Estimated property and school tax of a home in Winnipeg valued at $330,000:
Municipal taxes: $330,000 x 0.45 x 13.290 / 1,000 = $1,974
School taxes: $330,000 x 0.45 x 14.115 / 1,000 = $2,096
Gross tax: $1,974 + $2,096 = $4,070

B – A = Municipal & school tax revenue loss = $2,528 per year per property
Municipal tax revenue alone = $1,226 per year per property
The difference in tax between a vacant lot and developed property is $4,070 - $1,542 = $2,528 per year or $211 per month
Implications

- Distorting the investment choices that lead to innovation places a drag on the economy

- It is not necessarily individual permits that are the problem, but the compounding effects of permitting layers and related regulations

- Economic development is dependent on sustainable investment, but regulations have cumulative effects that can dampen long term growth

- A US study found that economic growth has been slowed by 0.8% per year since 1980 from the cumulative effects of regulation:
  - The US economy would have been 25% (or $4 trillion) larger than it was in 2012 than it would have been in the absence of regulatory growth since 1980
  - This is a loss of $13,000 per capita

Based on: https://www.mercatus.org/publication/cumulative-cost-regulations
Economic Impact Assessment - Summary

• Delays cost the economy, directly and indirectly
  – Lower or foregone GDP, employment, and business earnings
  – Up to an estimated $17M per day in GDP, on $5.1B in residential and non-residential construction and post-construction economic activity
  – Reputational implications of perceived inefficient or burdensome processes
Economic Impact Assessment - Summary

- Delays also cost governments
  - Lower tax revenues resulting from delays to development or completely lost projects can affect municipal services and potentially reduce service standards
  - Municipal costs attributable to total residential and non-residential construction are estimated to be $400K per day of delay
  - Additional lost municipal tax revenue can result from increases to property values
  - Provincial tax revenue impact of $1.7M per day
Example: Large Densification Project

- The following table illustrates the economic of a delay of a large densification project, similar to the types of developments we have recently seen delayed in Manitoba.
- A two month delay of a project of this scale of around $700M will result in $154M in lower economic output, $65M in lower GDP growth, and 817 less person years of employment (including both the construction and annual operations impacts).

<table>
<thead>
<tr>
<th>IMPACTS RESULTING FROM 2 MONTH DELAY</th>
<th>TOTAL MANITOBA ECONOMIC IMPACT ESTIMATES ($Millions)</th>
<th>Cost of Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONSTRUCTION IMPACTS</strong></td>
<td><strong>ANNUAL OPERATIONS IMPACTS</strong></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>Spin-Off</td>
<td>Total</td>
</tr>
<tr>
<td>Gross Output</td>
<td>112.3</td>
<td>40.5</td>
</tr>
<tr>
<td>GDP at Market Price</td>
<td>42.6</td>
<td>21.9</td>
</tr>
<tr>
<td>Labour Income</td>
<td>34.2</td>
<td>13.4</td>
</tr>
<tr>
<td>Employment (Person-Years)</td>
<td>546</td>
<td>262</td>
</tr>
<tr>
<td>Provincial Taxes</td>
<td>6.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>1.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>7.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Total Collected in Manitoba</td>
<td>15.9</td>
<td>6.1</td>
</tr>
</tbody>
</table>
Example: Impact of a two-month delay on a Hotel Operation

- This tables shows economic impact of a two-month delay to a hotel operation which cost $10M to build and which produces annual $1M in annual output
  - Construction phase impact $840K of GDP
  - Operational phase impact $103K of GDP

<table>
<thead>
<tr>
<th>Impact of a Two Month Delay</th>
<th>Construction Phase</th>
<th>Post-Construction Business</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of project</td>
<td>$10,000,000</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>Prices ($)</td>
<td>840,000</td>
<td>103,126</td>
<td>943,126</td>
</tr>
<tr>
<td>Labour Income ($)</td>
<td>640,000</td>
<td>64,705</td>
<td>704,705</td>
</tr>
<tr>
<td>Employment</td>
<td>640</td>
<td>1.83</td>
<td>642</td>
</tr>
<tr>
<td>Employment</td>
<td>400</td>
<td>0.31</td>
<td>400</td>
</tr>
<tr>
<td>Total Person-Years</td>
<td>1,000</td>
<td>2.14</td>
<td>1,002</td>
</tr>
<tr>
<td>Estimate ($)</td>
<td>120,000</td>
<td>17,598.72</td>
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<tr>
<td>Municipal Taxes ($)</td>
<td>40,000</td>
<td>4,953.29</td>
<td>44,953</td>
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<tr>
<td>Federal Taxes ($)</td>
<td>160,000</td>
<td>13,358</td>
<td>173,358</td>
</tr>
</tbody>
</table>

Two month GDP impact
Two month municipal tax base impact
Example: Impact of a two-month delay on a **Wholesale Operation**

- This table shows economic impact of a two-month delay to a wholesale merchant operation which cost $10M to build and which produces annual $1M in annual output:
  - Construction phase impact $840K of GDP
  - Operational phase impact $120K of GDP

<table>
<thead>
<tr>
<th>Impact of a Two Month Delay</th>
<th>Construction Phase</th>
<th>Post-Construction Business WHOLESALE OPERATION</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of project</td>
<td>$10,000,000</td>
<td>$1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>GDP at Market Prices ($)</td>
<td>840,000</td>
<td>120,475</td>
<td>960,475</td>
</tr>
<tr>
<td>Labour Income ($)</td>
<td>640,000</td>
<td>68,766</td>
<td>708,766</td>
</tr>
<tr>
<td>Direct Employment</td>
<td>640</td>
<td>1</td>
<td>641</td>
</tr>
<tr>
<td>Indirect Employment</td>
<td>400</td>
<td>0.26</td>
<td>400</td>
</tr>
<tr>
<td>Total Person-Years</td>
<td>1,000</td>
<td>1.15</td>
<td>1,001</td>
</tr>
<tr>
<td>Provincial Tax Estimate ($)</td>
<td>120,000</td>
<td>12,327.72</td>
<td>132,328</td>
</tr>
<tr>
<td>Municipal Taxes ($)</td>
<td>40,000</td>
<td>4,012</td>
<td>44,012</td>
</tr>
<tr>
<td>Federal Taxes ($)</td>
<td>160,000</td>
<td>14,209</td>
<td>174,209</td>
</tr>
</tbody>
</table>
Impact Per Square Foot of Space Created

• Another approach is to estimate the daily economic impact of delaying a square foot of property development, based on the economic output per square foot across all industries

Approach:

• Average cost per square foot of creating a non-residential building in Winnipeg is $252

• An estimated average of 2.7 workers occupy every 1,000 square feet (across all industrial and commercial buildings)

• Assuming $1.5B in total non-residential industrial and commercial building investment in 2018, results in the creation of an estimated 5.95 million square feet of non-residential building area, or 22,800 square feet per day

Note: Canada saw $53B investment in 2018 in non-residential space of a total of 256 million square feet (Manitoba share of <3%) Based on https://www.altusgroup.com/news_insights/construction-cost-guide-2018
Impact Per Square Foot of Space Created

• Adding non-residential 22,800 square feet per day generates provincial tax revenue of $500K per day and $125K of municipal tax revenue

• The estimated daily tax revenue impact of a delay in one square foot of non-residential space is:
  
  • Municipal: $5 per day per square foot ($5 x 261 working days x 22,800 sq.ft = ~$30M per year)
  
  • Provincial: $22 per day per square foot ($22 x 261 working days x 22,800 sq.ft = ~$130M per year)
### PART 2 - Analysis Summary for Non-Residential Impacts

<table>
<thead>
<tr>
<th>Result</th>
<th>Input</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment ($M)</td>
<td>$1,500</td>
<td>Non-residential investment in dollar terms, millions of dollars, unadjusted for inflation</td>
</tr>
</tbody>
</table>

#### Worker/sqft method

<table>
<thead>
<tr>
<th>Input</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment cost per sqft</td>
<td>$252 Cost of investment per square foot, unadjusted for inflation, from Altus</td>
</tr>
<tr>
<td>Sqft per investment</td>
<td>5,952,381 Total square feet associated with dollar value of investment</td>
</tr>
<tr>
<td>Workers per square foot</td>
<td>0.0027 Number of workers associated per square foot of non-residential structures, from Altus</td>
</tr>
<tr>
<td>Number of expected workers post construction</td>
<td>16,071 Total square feet times workers per square foot</td>
</tr>
<tr>
<td>Average number of hours worked per worker per year</td>
<td>1,698 Average number of hours worked per worker per year 2012 - 2017</td>
</tr>
<tr>
<td>Total expected hours worked</td>
<td>27,282,670</td>
</tr>
<tr>
<td>2017 GDP per hour</td>
<td>$54 GDP per hour worked, chained 2012 dollars</td>
</tr>
</tbody>
</table>

| Potential GDP                 | \$1,471 Potential GDP loss, millions of chained 2012 dollars                |
| Potential daily GDP           | \$5.6 Potential GDP loss per day, millions of chained 2012 dollars          |