

# 2018 Provincial Pre-Budget Submission

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## City of Mississauga Priorities for the 2018 Provincial Budget

City of Mississauga  
January, 2018



## Executive Summary

The City of Mississauga faces many challenges as the sixth largest city in Canada. In addition to day-to-day pressures, we are faced with new and growing challenges in the areas of climate change, affordable housing and infrastructure maintenance, while ensuring tax rates remain affordable for our residents and businesses.

Our ability to generate revenues to meet these challenges alone is limited. We continue to foster partnerships, seek innovative solutions and pursue assistance from senior levels of government.

The City of Mississauga acknowledges the funding it is currently receiving from the Provincial government, including the Provincial Gas Tax, funding through the Cleanwater and Wastewater Fund (CWWF), and the funding provided to Metrolinx for the Hurontario Light Rail Transit system. We look forward to partnering together on Phase 2 of the Public Transit Infrastructure Fund (PTIF).

Sustainable funding is key for successful long-range planning. One-time incremental funding is appreciated but presents its own challenges, as it requires that projects be “new” or “unplanned.” It can be difficult for higher-priority projects to access new funding because they typically have been planned for some time and the City has already earmarked funding sources.

We are seeking on-going support from the Province in the following areas:

- Strategic Transit Investments
- Sustainable Infrastructure Funding
- Legislative Changes
- City-Building Initiatives
- Affordable Housing and Other Partnerships

We look forward to our continued relationship and future opportunities for collaboration.

## *City of Mississauga Recommendations*

- 1. Funding to assist with the planning, design and construction of the downtown portion of the Mississauga Transitway and Terminal*
- 2. Moving forward with full Regional Express Rail on the Milton GO Corridor including the construction of the "Missing Link"*
- 3. Implementation of Regional Express Rail Service on the Lakeshore West and Kitchener GO Corridors*
- 4. Sustainable funding for infrastructure renewal projects*
- 5. Greater autonomy or new frameworks for revenue tools other than property tax*
- 6. More timely reaction with legislative and regulatory amendments to address changing environments and municipality requirements*
- 7. An increase to the Household Operating Grant for the Mississauga Library*
- 8. Inflationary increases to PILTs, specifically raising the GTAA PILT to \$1.90 per passenger rate*
- 9. Targeted funding for major City-building projects*
- 10. Addressing affordable housing needs for middle-income households*
- 11. Revenue-sharing of cannabis tax proceeds with municipalities*
- 12. Predictable and sustainable funding for emerging priorities such as climate change and culture and heritage infrastructure*

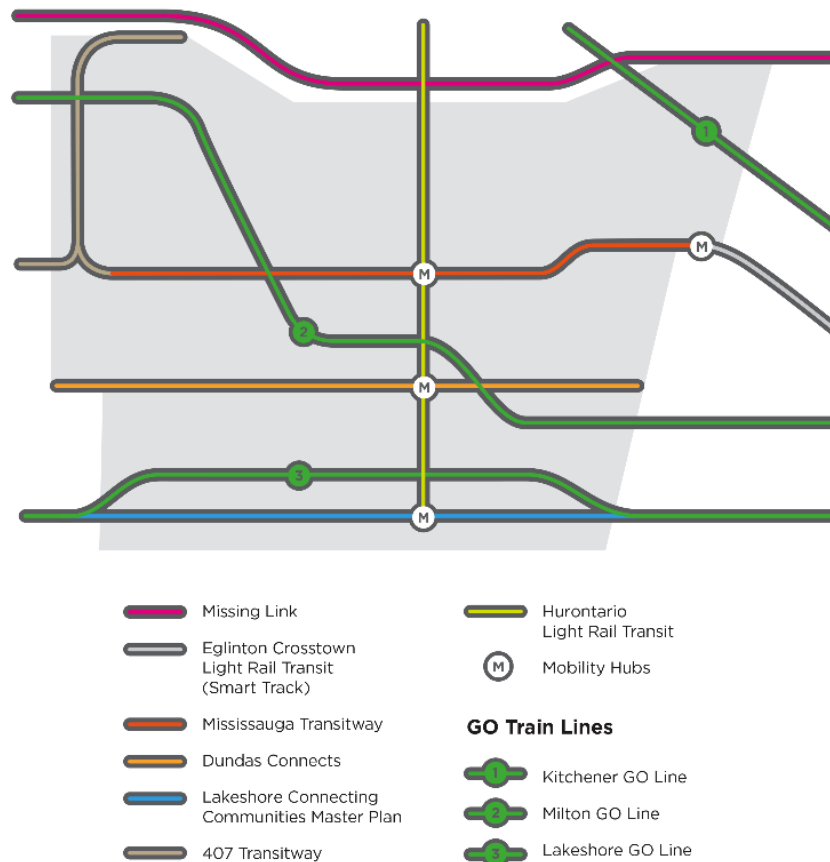
# I. Strategic Transit Investments

## Key Points:

- ✓ *The City of Mississauga desires a safe, reliable, efficient inter-regional transit system*
- ✓ *Our priorities include the Hurontario LRT, Mississauga Transitway Downtown Connection and Regional Express Rail*
- ✓ *Mississauga encourages the establishment of a bypass rail line adjacent to Hwy 407 (the “Missing Link”)*

The City of Mississauga continues to invest in transit, and desires a safe, reliable and efficient inter-regional transit system. The Hurontario LRT Project remains the City of Mississauga’s top priority and we very much appreciate the Province’s commitment of funding for the light rail transit line.

## Building Transit in Mississauga



<http://www.mississauga.ca/portal/residents/building-transportation>

Recognizing that rapid transit needs to play a key role in supporting future growth in Mississauga and within the Greater Toronto and Hamilton Area, we continue to plan and look for opportunities to expand the regional transportation network within Mississauga. In order to ensure that an expanded regional transportation network becomes a reality, on-going, dedicated Provincial funding is required for new projects.

Currently, the City of Mississauga is looking for Provincial investment in the following higher-order transit initiatives:

## Downtown Mississauga Terminal and Transitway Connection

The 18-km Mississauga Transitway became fully operational in 2017, with 12 stations beginning at Winston Churchill Boulevard in the west and ending at Renforth Drive in the east. The Transitway has made it faster and easier for commuters to travel to, from and through Mississauga and across the region.

The west and east portions of the Transitway have access to dedicated lanes, but the Downtown portion experiences delays because it relies on accessing local City streets. The completion of the Downtown segment of the Mississauga Transitway, with a dedicated transit corridor and new bus terminal, would provide for a continuous Transitway that would maximize the benefits and success of previous investments. Optimally, elements of this work would be advanced in conjunction with LRT work to ensure maximum coordination and integration. The new bus terminal will be a combined terminal servicing both Mississauga and GO Transit buses while also providing a seamless connection to the Hurontario LRT. The new terminal will be a critical transit hub servicing Mississauga and the western GTA and providing a vital connection to Pearson International Airport.

Construction of the Mississauga Transitway has been made possible through funding from the Provincial and Federal governments, but the vital link that will be our Downtown Mississauga Terminal and Transitway Connection remains unfunded at this time.

### [MORE INFO ON THE MISSISSAUGA TRANSITWAY](#)

## Regional Express Rail

The City of Mississauga continues to eagerly await the development of Regional Express Rail (RER), which will provide effective, reliable transit through all-day, two-way GO Train service every 15 minutes with reduced travel times. The plan applies to all lines and corridors in the GO Transit network.

Our City has three GO Train rail corridors. The Lakeshore West Line currently has all-day, two-way 30-minute service. The Milton and Kitchener lines operate peak period, single-direction train service only. Providing the Milton and Kitchener Lines with two-way, all-day service will:

- get commuters out of their cars and reduce gridlock
- allow our regional mobility hubs to operate and flourish
- provide connections to major economic centres in all directions - Downtown Toronto, Hamilton, Burlington, Niagara Region, Kitchener-Waterloo Region

Through its agency Metrolinx, the province has secured an agreement-in-principle with CN that will allow GO Regional Express Rail to be built along the Kitchener GO corridor. Furthermore, increased service on the Milton corridor is mentioned in the Draft 2041 Regional Transportation Plan. However, no firm timelines or specifics have been committed to by Metrolinx for either of these projects.

## [MORE INFO ON REGIONAL EXPRESS RAIL](#)

### Building the “Missing Link”

The City of Mississauga – together with Toronto, Milton, Kitchener, Cambridge, and Waterloo – continues to encourage the relocation of heavy rail freight traffic from the Milton and Kitchener GO Rail lines, to a proposed bypass rail line adjacent to Highway 407 (the “missing link”). This proposed bypass rail line would link the CN bypass line at Bramalea with the CP line through-route near the Milton-Mississauga border.



### The Missing Link

The Solution for All-Day, Two-Way GO Train Service in Mississauga

The “missing link” would have far-reaching benefits at the local, national and international levels, with three major benefits:

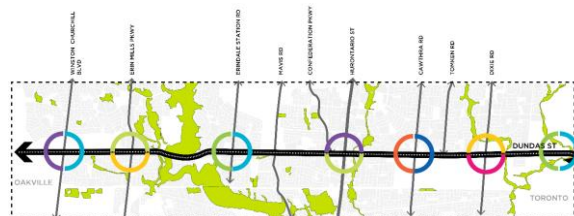
- provide an alternative to the challenge of widening the Milton and Kitchener GO Rail corridors
- remove heavy freight from the Milton and Kitchener GO Rail corridors and
- free up inner parts of the Milton and Kitchener GO rail corridors for RER service

## [MORE INFO ON THE MISSING LINK](#)

### Dundas Connects

*Dundas Connects* is the City's project that has produced a master plan for the Dundas Corridor, a plan that makes recommendations on land-use intensification and rapid transit for Dundas Street. The Master Plan provides for future growth along one of Mississauga's busiest corridors and completes the regional transit network by linking Kipling Station with two GO stations and the LRT.

Specifically, the Master Plan recommends a Bus Rapid Transit (BRT) facility for the entire length of Dundas Street. The next steps in advancing this transit initiative are the completion of an environmental assessment, detailed engineering and design. Provincial funding for this work would ensure that growth and redevelopment along Dundas will follow, and implementation of transit may occur sooner.



## [MORE INFO ON DUNDAS CONNECTS](#)

## *City of Mississauga Recommendations*

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## II. Sustainable Infrastructure Funding

### Key Points

- ✓ *Mississauga owns \$8.9 billion worth of infrastructure assets. Like other Ontario municipalities, we cannot maintain or grow our infrastructure on the local tax bill. Sustainable infrastructure funding remains a top priority.*

Mississauga's infrastructure is currently valued at \$8.9 billion, with an annual estimated replacement cost of \$338 million (excluding stormwater assets). In 2018, we are only able to invest \$78 million for replacement of our infrastructure, leaving an infrastructure gap of \$260 million. This infrastructure gap remains a substantial, persistent challenge.

One-time incremental funding (such as the PTIF and CWWF grant programs) is appreciated, and assists in temporarily reducing the infrastructure gap, but presents its own challenges. These funding models require that projects be “new” or “unplanned,” to ensure funding is not replacing City-generated funds. This is not in keeping with sound City building, and results in unplanned, lower-priority projects moving to the front of the line. Higher-priority projects cannot access the new funding because the City has already earmarked funding sources.

A stable and on-going funding model for infrastructure renewal projects, similar to the Federal gas tax model, would ensure there is sufficient time and resources in place to apply best practices to the management of these projects.

### [MORE INFO ON THE CITY'S INFRASTRUCTURE](#)

### City of Mississauga Recommendations

#### 4. Sustainable funding for infrastructure renewal projects





### III. Legislative Changes

#### Key Points

- ✓ *Property tax alone will not build the cities our residents demand. The City needs greater autonomy to raise revenues from other sources.*
- ✓ *Legislative changes will assist all municipalities at no cost to the Provincial government.*

A number of pieces of provincial legislation and payment formulas impact the City's revenue streams. Through simple changes and with little or no impact on the Province, the Province could greatly assist municipalities with the financial pressures they currently face.

#### Revenue Tools

Steadily increasing operating costs and higher standards of service expected by our residents contribute to on-going pressures. The City of Mississauga, like all municipalities in Ontario, is heavily reliant on property taxes as a source of revenue.

Municipalities need more diverse and growing revenue sources in order to deliver quality services while keeping property taxes affordable. *Bill 68, Modernizing Ontario's Legislation Act, 2016*, includes welcome changes such as providing municipalities with "prudent investor status," which will increase investment income potential. The City acknowledges the benefits from *Bill 127, Stronger, Healthier Ontario Act (Budget Measures) 2017*, which provided the authority to levy a transient accommodations tax (hotel tax).

The City, like all other municipalities, needs greater autonomy to raise revenues from other sources. In keeping with the Association of Municipalities of Ontario (AMO) "What's Next Ontario" resolution, all municipalities would benefit from additional predictable and sustainable revenues.

#### Construction Lien Act

The newly enacted *Construction Act (Bill 142)* will establish a hybrid system for Ontario that includes prompt payment, mandatory adjudication, change in the lien preservation and perfection periods, mandatory payment of holdback, mandatory bonds, and more. While existing projects will be grandfathered, the changes are significant. Prompt payment may be a good concept; however, the timelines for prompt payment are tight and cause concern. The timing (14 days to pay) does not allow for certification of the work being done before payment has to be made. We must be accountable to the public for the money we spend and this does not allow us to conduct proper due diligence before making payment. Mandatory adjudication will also add an additional financial burden.

## GTAA Payments in Lieu of Taxes (PILT)

The formula for calculating PILTs has not changed since it was set in 2001. More specifically for the Toronto Pearson Airport, no progress has been made on the following three concerns:

- The PILT is based on passenger traffic and does not consider cargo, which impacts municipal services
- The PILT is capped at 5 per cent increase annually, with a lag in reporting time
- The PILT rate has remained the same, while municipal tax rates have increased



We ask the Provincial government to increase the per-passenger rate for the Greater Toronto Airport Authority PILT from \$0.94 to \$1.90 to reflect the increase in the municipal levy since 2001, and to remove the cap on the PILT completely, as has been done for commercial and industrial taxes.

## Public Libraries Act

Public libraries and their municipalities require sustainable operating funding in order to keep pace with the increasing demand for electronic and traditional services and resources. The Household Operating Grant for the Mississauga Library System has been at the same level since 1995, and should be increased.

### *City of Mississauga Recommendations*

5. *Greater autonomy or new frameworks for revenue tools other than property tax*
6. *More timely reaction with legislative and regulatory amendments to address changing environments and municipality requirements*
7. *An increase to the Household Operating Grant for the Mississauga Library*
8. *Inflationary increases to PILTs, specifically raising the GTAA PILT to \$1.90 per passenger rate*

## IV. City-Building Initiatives

### Key Points

- ✓ *Many City-building initiatives are being identified as priorities but cannot be fully funded solely by the City*

### Waterfront Development Projects

The City of Toronto has been able to revitalize much of its 43-km lakefront through its funding partnership arrangement with the Provincial and Federal governments (Waterfront Toronto). Toronto has received over \$1.8 billion from senior levels of governments since 1990, whereas Mississauga has received \$4 million in the same time period. The City of Mississauga is seeking enhanced funding in order to proceed with the development of a sustainable and creative community along its 22-km waterfront. The two projects on the more immediate horizon include the Port Credit Harbour Marina and Inspiration Lakeview.

#### Port Credit Harbour Marina

Protecting the future of this harbour at the confluence of the Credit River and Lake Ontario is an economic, recreational and cultural heritage imperative. Built by the Federal government in the 1950s and home to the Canada Steamship Lines prior to its evolution into a recreational marina in 1974, this marina with its deep-water basin generates jobs, with significant and unique economic spinoffs. The marina supports one of the largest salmon-fishing derbies in Canada, provides an important supply of recreational boat slips for the City and the region, and is a cultural heritage link to the Great Lakes. The “Ridgetown,” one hundred years old and a former Great Lakes freighter, forms one of the integral harbour breakwaters.

The City is currently considering options that would provide additional parkland, develop a sustainable public marina, and address erosion issues related to the breakwater.

#### Inspiration Lakeview



Inspiration Lakeview is the City's vision for its eastern waterfront. This large mixed-use development will support future growth. The water's edge is an important component for the revitalization of the Ontario Power Generation (OPG) site, where businesses will thrive and visitors will enjoy the waterfront.

This site will connect the former OPG lands to the waterfront trail system and will create a new 1,300m waterfront trail adjacent to Lakefront Promenade. The waterfront trail expansion is intended as a public waterfront destination – a place for

people to walk, cycle, interact and celebrate their waterfront.

The land is currently on the market. As per the sale agreement, the purchaser will later transfer a 67 acre portion of waterfront lands to the City for parkland, institutional and cultural uses, consistent with the Inspiration Lakeview Master Plan. The City of Mississauga is engaged, ready, and willing to complete these next steps. Provincial assistance for this renewal project would be welcomed.

### [MORE INFO ON INSPIRATION LAKEVIEW](#)

## Building a City that Supports Walking, Cycling and Transit

Encouraging active transportation has several benefits, including:

- Providing residents with the opportunity to be physically active on a regular basis – this supports Peel Health’s campaign in the reduction of child and adult obesity
- Reducing greenhouse gas emissions and road congestion
- Increasing the use of transit by making cycling and walking a comfortable “first mile, last mile” option



We have several important capital projects that would benefit from Provincial funding:

- Constructing sidewalks and trails to encourage children to walk and cycle to school
- Constructing bike lanes and paths to encourage people to cycle to the Hurontario LRT, the Downtown Mississauga Transitway, and Mississauga GO stations
- Constructing safer sidewalks for people with visual challenges by installing tactile plates at key intersections

Parkland, trails, and sports facilities continue to play an important role in the lives of our residents. We are continuing work to acquire and reclaim lands that protect natural areas, connect the waterfront, complete a continuous trail system and support a growing and diverse population. We are also working to enhance and protect the Urban Forest while maintaining and growing Mississauga’s urban tree canopy. We need to build more great outdoor places in Mississauga, including additional downtown parkland, off-road trail systems, playgrounds, and additional outdoor sports facilities to meet increased demand.

### [MORE INFO ON MISSISSAUGA'S CYCLING PROGRAM](#)

## *City of Mississauga Recommendations*

### *9. Targeted funding for major City-building projects*

## V. Affordable Housing and Other Partnerships

### *Key Points*

- ✓ *All levels of government in the GTA must work together*
- ✓ *New municipal powers and revenue tools are required to support housing that is affordable to middle-income households in Mississauga*

Partnering with all levels of government is necessary to ensure that the City of Mississauga's residents and businesses can be more productive and competitive. Issues such as affordable housing and climate change can only be addressed by working collaboratively with both the Provincial and Federal governments.

### Affordable Middle-Class Housing

There is a housing affordability issue in Mississauga and the wider GTA. One-in-three households are spending more than 30% of their income on housing. The cost of housing is increasing; rental vacancy rates are low; the supply of vacant land is dwindling and rising in price.

In 2017, Mississauga took the lead by developing a made-in-Mississauga plan ("Making Room for the Middle") to address issues of housing affordability in our City. The goal of "Making Room for the Middle" is to ensure 35% of Mississauga's housing stock is affordable for middle-income earners. "Making Room for the Middle" is a bold, innovative and practical plan that includes 4 goals and 40 actions developed with the assistance of a group of experts from all levels of government and the private and non-profit sectors.

In 2017, the Ontario government enacted a Fair Housing Plan, which includes 16 measures to "cool" the housing market and increase affordability, many of which are in line with the City's "Making Room for the Middle" plan.

Mississauga is doing what it can to remove existing regulatory and administrative barriers to the development of housing for middle-income households. However, six of the 40 recommendations specifically require Provincial support or legislative changes to provide the City with more authority and the ability to achieve our objective of incentivising the building of affordable middle-class housing. Proactive intervention by all levels of government is imperative to ensure that our communities continue to thrive.

[MORE INFO ON MISSISSAUGA'S HOUSING STRATEGY](#)

## Climate Change

Climate change is one of the main emerging issues facing the City. Cities have a large role to play in addressing climate change. Throughout the world, more than 50% of the population now lives in cities, and accordingly contribute approximately 70% of global greenhouse gas emissions. In Canada, cities house more than 80% of the population and own a significant amount of infrastructure, and thus will experience significant impact from future climactic changes.

Predictable and sustainable Federal and Provincial funding is needed for climate change action, and municipalities need to be empowered to make the changes required to become low-carbon, resilient communities.

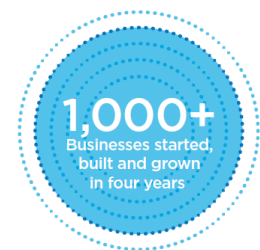
## Cannabis

Under the Federal *Cannabis Act* (Bill C-45), the production, sale and use of cannabis will be legal in Canada as of July 2018. According to the proposed Ontario *Cannabis Act* (Bill 174), recreational cannabis will be sold exclusively through the provincial government.

The Federal government has indicated it plans on imposing a 10 per cent tax on the sale of cannabis, with the revenue from this tax being split between the Federal and Provincial governments. The Premier and Minister of Finance have commented on the need to ensure municipalities, who will shoulder much of the burden of enforcement of this legislation, get a fair share of the tax revenue generated. Development of a cohesive enforcement strategy is also critical. The Province will be receiving 75% of the annual revenue under the two year agreement reached with the Federal government.

## Small Business Enterprise Centre (SBEC)

The SBEC network provides a valuable and dedicated support for small business and entrepreneurs across the Province, providing small business information, consultation, seminars and training programs to a wide demographic profile with ongoing and growing business needs. The City of Mississauga provides SBEC programming through the Mississauga Business Enterprise Centre, and supports enhanced funding for this important program to develop and grow small business, innovation and entrepreneurship in Ontario.



Additional funding for this program would enable SBEC centres to increase service capabilities in areas such as mentoring, creative spaces for entrepreneurs, and business start-up and growth programming, through the expansion of the Summer Company and Starter Company youth programs, and new programming to support older adults and newcomer entrepreneurs. The SBEC centres are a key partner in the Ontario Network of Entrepreneurs (ONE Network) and continued funding and support of SBECs and the ONE Network will build on an innovation eco-system supporting innovation and entrepreneurship in our community.

## Culture and Heritage Infrastructure

The development and maintenance of culture and heritage infrastructure is critical to achieving complete, vibrant and economically successful cities. The Ontario Culture Strategy identifies that the province will “work with the Ministry of Infrastructure and other ministries to inform the development of a long-term infrastructure plan for Ontario to better understand and work toward addressing the needs of the culture sector”. It is imperative that municipalities be included in these discussions and that the province move quickly to articulate a long-term and sustainable funding strategy in support of this goal.

Similarly the Federal government’s Creative Cultural Policy Framework outlines a \$130M-per-year, ten-year commitment to culture infrastructure funding through the Culture Spaces Fund. However, the grant-based, matching funds requirement of this program fails to meet the need for sustainable and reliable cultural infrastructure funding that is imperative to the success of Canadian municipalities like Mississauga. Bill 73 and the restrictions placed on municipalities against imposing additional requirements on development like public art, make the funding challenge for culture more difficult for municipalities.

### *City of Mississauga Recommendations*

- 10. Addressing affordable housing needs for middle-income households*
- 11. Revenue sharing of cannabis tax proceeds with municipalities*
- 12. Predictable and sustainable funding for emerging priorities such as climate change and culture and heritage infrastructure*