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Cities' crumbling infrastructure threatens local economies

Poor planning, dysfunctional government links blamed for worsening situation

By Jen St. Denis

The collapse of the I-5 bridge in Washington and a Montreal boil-water advisory that affected 1.3 million residents are just two examples of how failing infrastructure affects local economies, says the author of several books on municipal government.

Municipal leaders have cautiously applauded the federal government for committing \$53 billion over 10 years for infrastructure projects, an amount that was included in the March budget and was announced again during the recent Federation of Canadian Municipalities (FCM) conference in Vancouver.

Gord Hume, an Ontario-based municipal government adviser, told Business in Vancouver that, considering the huge need for infrastructure upgrades and repairs across the country, the amount is almost laughable.

According to the FCM, municipalities receive 8% of each tax dollar but are responsible for funding 60% of infrastructure.

While the FCM pegs the "infrastructure deficit" at \$200 billion, Hume thinks it's much more.

"My guess is \$1 trillion," said Hume, public speaker and author. "I would broadly agree with the \$200 billion, but the problem is, that's for roads, bridges, sewers ... You [also] have to look at technology: the electricity grid, broadband to rural and northern areas, high-speed [Internet], all the things we need in a modern society."

Hume's number also includes infrastructure that's under federal and provincial responsibility but affects municipal economies, such as harbours, border crossings and major highways.

"\$53 billion is welcome news, but it's not enough," agreed City of North Vancouver mayor Darrell Mussatto.

For over a year now, Mussatto – along with the mayors of West Vancouver and the District of North Vancouver – has been sounding the alarm over the \$400 million price tag to replace the Lions Gate wastewater treatment plant.

The facility must be replaced to meet more stringent rules introduced by the federal government.

The Iona sewage plant in Richmond is also up for replacement; estimated cost: \$1 billion.

The mayors have been pushing for the provincial and federal governments to adopt the one-third formula common for many infrastructure projects, where all three levels of government contribute an equal portion of the cost.

So far, no commitments have been made.

Transit is atop Vancouver councillor Raymond Louie's list. He's hoping that some of the \$53 billion can be used to fund Lower Mainland public transportation projects, such as the Broadway corridor subway proposal (see "Broadway corridor: Beyond the commuter crunch" – BIV issue 1221, March 19-25).

Louie, who is also vice-president of the FCM, said the organization is working on repairing a rocky relationship with the Conservative government. The group wants a seat at the table to help plan how the money will be spent.

"The relationship ... needs to change, so that we're no longer on the outside and just receiving the funds, but rather we help to develop the programs," said Louie.

Hume said federal government spending for municipalities has not been reliable in the past, which makes it difficult to plan.

Municipal asset management plans have also often been ineffective, something he says is now improving.

Funds such as the recent stimulus money announced in 2009 have also tended to be funnelled toward smaller, one-off "shovel-ready" projects.

"In an ideal world ... we'd be looking at key infrastructure projects, such as water and sewer and public transportation being a priority, let's say, over recreation centres," said Mussatto.

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