



St. Catharines Municipal Budget Submission 2008

Presentation to the St. Catharines Budget Committee

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Introduction

Municipal budgets are more than just about road repairs and snow removal. In a city the size of St. Catharines, the budget is an intricate process that must balance core services with that of future growth requirements needed in order for the city to be competitive, vibrant and prosperous. It's never easy – and there are no easy answers.

As the voice of business the St. Catharines – Thorold Chamber of Commerce is committed to ensuring that there is a vibrant business and investment environment in Niagara. It is our belief that the management of city finances can assist in fostering an environment that nurtures and attracts business to the community. From this perspective, the Chamber is committed to working with municipal staff and elected officials to develop the means in which to provide the optimum environment for businesses to grow and prosper in the city.

The Chamber's budget presentation is built upon past budget recommendations in which the Chamber supported initiatives that fostered business development. Last year, the Chamber advocated for the continued conversion of St. Paul St. and King St. in downtown St. Catharines as a means to attract the wine route. We also requested the continued support of the Community Improvement Plan (CIP) as a means to attract investment into areas of the city, which require incentives for redevelopment. As well, we pressed the city to adopt a full service review of all municipal services to ensure efficiencies in the core services offered by the city. In addition to the services review, the Chamber advocated for the creation and implementation of a strategic plan that is action oriented and measurable as a means to guide council and staff moving forward.

In the areas of traffic conversion and CIP, the Chamber applauds the council for continuing to support these investments as a means to generate business investment and opportunities. In terms of the request for the services review, the city indicated that the Economic Development and Tourism Services would be the first department to undergo a review, but there has been little action beyond that. In the area of land development services, there is a real belief that land development processes are too long and cumbersome. A full services review needs to be conducted as a means to seek efficiencies in areas such as land development processes, as the city cannot afford to lose critical investments and developments. It is critical for council to move forward with an accelerated services review as a means to properly examine and seek efficiencies in all areas of municipal services. Processes need to be streamlined and RED TAPE dramatically reduced.

Lastly, there has been minimal long-term strategic planning by the city. With the lack of a CAO, the city stalled in the creation of a strategic plan, but now the city is in a position to develop a comprehensive strategic plan, with implementation guidelines, that will guide the council and staff for the next 10 – 20 years, not just the next few years. The CAO's office and council must actively pursue a Strategic Plan that links the city's Official Plan, Downtown Masterplan, long term infrastructure renewal and the 2006 Community Vision Report.

Chamber's Municipal Budget Submission Guiding Principles

In building the tenants of the Chamber's municipal budget submission, the following priorities were taken into consideration.

1. Economic Growth and Diversification

The St. Catharines – Thorold Chamber of Commerce believes that future economic growth depends on developing diverse economic models that attract higher wealth creation positions.

2. Downtown Revitalization

The St. Catharines – Thorold Chamber of Commerce supports the revitalization of downtown cores – and recognizes St. Catharines downtown as an area of much needed improvement to create a liveable, safe community that is a centre of economic activity.

3. Efficiencies in Government

The St. Catharines – Thorold Chamber of Commerce believes that there is need for constant examination and assessment of municipal services to ensure core services are delivered efficiently and effectively. The Chamber strongly urges adherence to business plans and strategic planning documents to guide regional and municipal governments. In addition we advocate that local governments working with municipalities in close proximity to achieve synergies wherever possible.

4. Tourism

The Chamber's position is that St. Catharines has potential to be a tourist destination. With the surrounding wine industry and other supporting tourism attractors, there are strong economic benefits with a developed tourism industry in the city.

Creating A Civic Project Fund & Policy

St. Catharines is at a cross road on a number of important initiatives including the building of a new swimming pool, a multi-use spectator complex and a performing arts centre – just to list a few of the major projects that will come to define the kind of city St. Catharines will be in the years ahead. Other communities such as Kingston, London, Guelph, Kitchener and Sarnia have amenities such as a multi-use spectator complexes and/or performing arts centres that have become economic drivers for the cities – and as businesses look to locate to communities, these amenities are playing an increasingly important role in retaining and attracting business. In order for St. Catharines to compete in the increasingly competitive business environment, the city needs to find creative ways to finance and build civic projects that will position the city as a 21st century modern urban community.

Civic projects are not cheap – and the city has finite means in which to finance these types of projects. Therefore, the city must adopt a more creative approach to building civic projects beyond roads and sidewalks. It is the opinion of the Chamber that the city can build a multi-use aquatics centre, spectator sports complex and performing arts centre without crippling the city's finances, and that of the taxpayer.

Review of Key Assets Owned by the City

As part of the services review, and overall strategic plan, the city must review all of its services and land assets as part of an assessment inventory to determine financial impacts on current, and future city finances. It is the Chamber's opinion that there are opportunities to monetize city assets, and privatize certain city services as a means to provide the financing for civic projects. The Chamber has provided the following examples as a means to demonstrate existing opportunities for consideration.

The Burden of Parking Garages

Municipally owned parking garages cost money to build and maintain. This is a fact. A review of the parking budget demonstrates that the city makes considerable revenue with on street and surface lot metered parking at minimal maintenance costs. Yet, maintenance for its multi-level parking garages effectively negates the revenue gains reducing the city's potential to re-invest the revenue from parking into the city.

In order to assess the performance of the existing and future parking system within the downtown, it is important to be cognizant of the existing parking supply. There are currently 11,000 parking spaces in the downtown, which includes both publicly and privately owned parking spaces. Approximately 9,200 are available for non-residential use of which are 2,700 are owned by the city, while the remaining 6,500 are owned by the private business. The city controls approximately 30 per cent of commercial downtown parking, which is comprised of 600 metered on street surfaces and 2,100 surface parking spaces spread out over 10 surface parking lots.¹ Currently, based on available parking space and peak time usage, on average the downtown parking system operates at approximately 70 per cent demand for parking facilities.²

There have been a number of reports and recommendations focused on parking in the downtown over the years. The ultimate goal has been to develop strategies to address the immediate short term and long term parking needs of the city's urban core. Currently, there is a parking strategy in place - released in 2006 – but with the upcoming release of the Downtown Master Plan, the city will be required to revisit and update the parking strategy. As part of the update, the city needs to analyze the benefits versus the long-term costs for the maintenance of one or both of the structural parking facilities in the downtown - Carlisle Street Parking Garage and Ontario Street Parking Garage. Given the need for regular updating and major replacements needed for these two parking lots, 2006 budget estimates placed the cost to maintain these two parking lots in excess of \$300,000.³

A cost analysis estimates that the demolition and reconstruction of the Carlisle Street parking garage will cost a minimum of \$15 million for a utilitarian structure and up to \$20 million for a structure that is aesthetically pleasing and incorporates commercial

¹ Transportation and Environmental Services Department “*Downtown Parking Study*” General Agenda of St. Catharines City Council April 3 2006, Pg 10

² Transportation and Environmental Services Department “*Downtown Parking Study*” General Agenda of St. Catharines City Council April 3 2006, Pg 11

³ Transportation and Environmental Services Department “*Downtown Parking Study*” General Agenda of St. Catharines City Council April 3 2006, Schedule No. P3

uses and retail space.⁴ Under all current operational scenarios - even with a 5 per cent and 10 per cent increase in fees each year over a 20-year period, a rebuilt Carlisle Street parking garage will continue to provide a deficit return.⁵

In reviewing the need for municipally-owned and operated multi-level parking garages, the city must review the cost/benefit analysis of owning and maintaining parking garages. In the late '70s and early '80s when cities began expanding its municipal infrastructure mandates to include multi-level parking garages, the concept focused on creating additional parking spaces and generating a return on the revenue from the parking garages – and yet in 2008 – this return on municipal infrastructure investment has yet to provide the designed return on investment.

Clearly, in terms of financial impacts, the rebuilding and maintenance of the parking garages will cost the city a considerable amount of money – and value capital resource dollars. As part of the services review, the city must consider its role in development and support of parking garages. With two parking garages in the downtown core, the city has an opportunity to explore its options, and consider the possible sale of the facilities and land to private interests.

Does the City Need Two Municipally Owned Golf Courses?

Another example of an opportunity for the city to gain resources to support the building of civic projects is a review of all land holding assets as a means to determine if the city has lands that can be categorized as excess. For example, the Fairview Golf Course is an underutilized recreation property operated by the city's parks and recreation department. This facility has great potential to provide a much higher rate of return than it currently does as a golf course. The course is located close to various transit facilities, a variety of retail operations, and has an expansive, attractive acreage that could yield high value tax dollars as a residential property.

Provincial legislation has had an impact on the ability for St. Catharines to develop. With restricted urban expansion, the city can only grow its tax base by responsibly infilling within its existing boundaries. Therefore, there is a need to strategically identify potential municipally owned lands for redevelopment for the purposes of transforming them into sustainable tax revenue generating properties. The Fairview Golf Course - along other municipally-owned lands - need to be reviewed with relation to current land-use opportunities as a means to identify where the city can grow – and develop capital revenue as a means to finance future civic projects.

⁴ Transportation and Environmental Services Department “*Downtown Parking Study*” General Agenda of St. Catharines City Council April 3 2006, Pg 16

⁵ Transportation and Environmental Services Department “*Downtown Parking Study*” General Agenda of St. Catharines City Council April 3 2006, Pg 16

Developing Civic Project Fund & Policy

The genesis of the above budget considerations stems from the concept of reviewing current municipal land holdings and services as a means to establish a capital project reserve fund largely derived from the sale of excess lands. The city must become more creative if it is to fully realize its potential without placing even more pressure on the average business and residential ratepayer.

Currently, the city has a Community Development Fund created from the sale of St. Catharines Hydro for \$30 million, and is now currently listed at approximately \$23 million. The city allocated \$9 million for the building of the Seymour Hannah Sports Complex. The Chamber urges the city to rename the Hydro Reserve Fund to the St. Catharines Civic Project Fund, and allocate the sale of all excess municipal lands to this fund for future use in developing civic projects. It is the Chamber's opinion that this fund be used exclusively for project funding, and not for the general operating expenses. Based on a Strategic Plan – of which the Chamber has (and continues) to advocate – priorities should be established for the development of civic projects. Major projects like a Performing Arts Centre and a Sports/Entertainment Complex could have valuable long-term impacts on the economic development of the city – and through the proper use of the St. Catharines Civic Project Fund – projects such as those mentioned can be built with a much reduced burden on the taxpayers of St. Catharines.

In addition to the creation of a civic project fund with opportunities for growing the fund, the Chamber urges the city to develop a policy in civic project funding that includes specific financing through the fund, and the identification of private partnerships as a means to reduce the costs to the city.

Creating Graffiti Removal Program

Graffiti is a scourge that has affected communities across North America. Indeed, St. Catharines is not an exception to the urban markings that have become a visual plague. Graffiti is not simply wrongfully applied markings on a building, bus stop or park bench, its impact reaches far beyond the illegal act affecting businesses and residents – and the overall image and economic development of the city.

The St. Catharines Community Vision Committee, which released a strategic report for the city to integrate into its overall Strategic Plan. Within the document, the citizens requested the city “stimulate a vibrant Downtown core.....the heart of our city” with an objective of improving cleanliness. The issue of graffiti in the downtown, and indeed in areas across the city, is central to the image and cleanliness of St. Catharines. The city must invest in programs aimed at the removal and reduction of graffiti and apply the best practices from municipalities both provincial and nationally to eliminate the graffiti problem. This can occur in two ways – a managed graffiti removal program, and an education component.

1. St. Catharines should develop of a graffiti management strategy that would include:

- Key contact lists for reporting graffiti to the appropriate stakeholders
- Publications on tips for preventing graffiti
- Development of performance standards for enforcement and the timely removal of graffiti from both public and private spaces
- Tips and guides for effective graffiti removal, as well as lists of available graffiti removal products and companies
- City graffiti hotline and on-line websites, to report and register graffiti and tagging on public and private property
- Public Education Campaigns
- Developing partnerships with the private sector to find effective cost sharing mechanisms

2. Development of a graffiti removal service and policy that includes private partnerships with companies that specialize in graffiti removal.

Chamber 2008 Budget Recommendations:

The St. Catharines – Thorold Chamber of Commerce urges the city:

- 1. Provide the resources to permit an accelerated services review of all municipal services.**
- 2. Provide the resources for the development of a Strategic Plan including an implementation schedule.**
- 3. To engage in the necessary steps to develop a municipal land asset report that includes current land use and value, and consideration of potential future land use opportunities, including the possible sale of lands to accommodate the city's growth strategies under current land use planning guidelines.**
- 4. To create a Civic Project Fund with a specific policy for deployment of funds for future projects.**
- 5. To provide the resources to develop a graffiti management and removal strategy.**