

Wednesday, June 3, 2020

The Honourable Justin Trudeau
Prime Minister of Canada
80 Wellington Street
Ottawa, ON K1A 0A2
pm@pm.gc.ca

Re: Support for Canada's Municipalities facing severe financial impact of COVID-19

Dear Prime Minister:

During this critical transition period for the Canadian economy, the Canadian Global Cities Council (CGCC) and the Business Council of Canada (BCC) have collaborated to provide a national viewpoint on the immediate crisis faced by our cities and the businesses that operate in them.

Founded in 2015, the Canadian Global Cities Council (CGCC) is a coalition of CEOs of nine of Canada's largest urban Chambers of Commerce and Boards of Trade coast-to-coast: Vancouver, Calgary, Edmonton, Winnipeg, Brampton, Toronto, Ottawa, Montreal, and Halifax. Representing half of Canada's GDP and population, the CGCC is a strong voice for national policies that build competitive and sustainable urban economies.

Founded in 1976, the Business Council of Canada is a not-for-profit, non-partisan organization representing business leaders in every region and sector of the country. The Council's member companies employ 1.7 million Canadians, contribute the largest share of federal corporate taxes, and are responsible for most of Canada's exports, corporate philanthropy, and private sector investments in research and development. Through supply chain partnerships, service contracts and mentoring programs, Business Council members support many hundreds of thousands of small businesses and entrepreneurs in communities of all sizes, in every part of Canada.

We appreciate your announcement on June 1st, accelerating this year's federal funding to cities. It clearly recognizes the crisis currently facing municipalities across the country. While this money will help with short term liquidity issues, it is not new money and does not address operating costs and the crisis of non-recoverable losses being faced by municipalities of all sizes.

As cities and businesses begin re-opening across Canada, it is our joint view that a national approach would be beneficial. We would ask that your government consider these principles as you look to build additional programs that directly aid in the broader recovery effort of our cities, our municipalities and our businesses.

- **Cities are economic engines for Canada.** Local governments own and operate nearly two thirds of core infrastructure, alongside vital services. That includes the transit systems and roadways that connect workers to jobs, and consumers to businesses. From parks and recreation to housing, they promote the quality of life that makes our urban regions so competitive.
- **The pandemic has cities facing a financial crisis.** They are working hard to support residents and businesses through the pandemic—and that means unanticipated costs. At the same time, revenues from user fees and property taxes are bottoming out. Municipalities with public transit systems face significant revenue losses at the fare box, estimated at \$400 million per month nationwide and approximately 30 to 50 per cent of monthly net losses for these municipalities. This has them facing unprecedented, non-recoverable financial losses (\$10B-15B).



- **Emergency support and new tools available for municipalities is now critical**—not only to keep frontline services running, but also to protect the economic recovery Canadians will soon be counting on cities and businesses to lead together. One option put forward by the Federation of Canadian Municipalities is for federal and provincial governments to provide \$10 billion in emergency operating funding from.
- **Cities are out of other options.** Cities need financial tools and support to ensure that essential and front-line services can be maintained. Without support or additional tools, the options left to cities are unacceptable to Canadians and the business community. This is no time to cut back frontline municipal services. Shelving economically enhancing capital projects would directly undermine the economic stimulus our regions will soon require. Massive property tax levies next year would throttle businesses and consumers in the earliest days of recovery.
- **Governments need to work together now.** Canada’s business community and local leaders need all governments working together on this right now—so that, together, we can be ready to drive the strong and confident recovery Canadians deserve.
- **In recovery, we need a National Urban Strategy for Canada** – this would shift from the current *ad hoc* project-based approach to federal infrastructure investments in Canada’s major metros to one that aligns investments with regional priorities to accommodate growth and competitiveness.

While we appreciate the early efforts of the Federal Government to support businesses and the municipal infrastructure that allows them to operate, we hope, as advocate organizations for businesses of all sizes across Canada, that your government considers taking a broader, more collaborative view as outlined in the principles brought forward here. Never have businesses and local governments needed to collaborate as they do now, and never has the economy needed these groups to jointly thrive, enabling the Canadian economy to return to a position of growth and stability.

Please do not hesitate to reach out if you wish to discuss further.

Sincerely,

Canadian Global Cities Council



Business Council of Canada

Patrick Sullivan
Chair, Canadian Global Cities Council

Goldy Hyder
President and CEO, Business Council of Canada

The Canadian Global Cities Council
[SIGNATURE PAGE FOLLOWS]



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About the CGCC

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