Supporting British Columbia’s Economic Recovery Through Shared Investments in Infrastructure

Submission to the Select Standing Committee on Finance and Government Services in Advance of the 2021 Provincial Budget

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Prepared and submitted by: Metro Vancouver
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from the Chair</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>5</td>
</tr>
<tr>
<td>Metro Vancouver Regional District</td>
<td>6</td>
</tr>
<tr>
<td>Planning for Healthy, Sustainable and More Affordable Communities</td>
<td>7</td>
</tr>
<tr>
<td>Metro Vancouver Capital Plan</td>
<td>8</td>
</tr>
<tr>
<td>Recommendations</td>
<td>8</td>
</tr>
<tr>
<td>Priorities for Investment</td>
<td>9</td>
</tr>
<tr>
<td>Wastewater Treatment</td>
<td>9</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>9</td>
</tr>
<tr>
<td>District Energy</td>
<td>9</td>
</tr>
<tr>
<td>Municipal Fiscal Sustainability</td>
<td>10</td>
</tr>
<tr>
<td>Regional Transportation</td>
<td>10</td>
</tr>
<tr>
<td>Projects At-A-Glance</td>
<td>11</td>
</tr>
</tbody>
</table>
Letter from the Chair

Metro Vancouver is pleased to provide this submission to the Select Standing Committee on Finance and Government Services, sharing our recommendations as provincial budget and spending priorities are formed.

The Metro Vancouver region is critical to the economic performance and social fabric of the province and Canada. Our regional economy sustains the largest and most diverse share of provincial employment and economic activity, and has been a driver of sustained growth, innovation and new enterprise over the past decade.

As governments at all levels respond to the unprecedented fallout from the COVID-19 pandemic, the continuing resilience and performance of the Metro Vancouver region will be central to British Columbia’s and Canada’s recovery. Investments into critical infrastructure must be part of our collective, long-term economic recovery strategy, with a focus on creating family-supporting jobs, protecting the environment, mitigating climate change and meeting the demands of population growth. The health of our communities also depends on governments continuing to invest in affordable housing and measures to reduce homelessness.

On behalf of the 23 local jurisdictions who make up Metro Vancouver, I thank the members of the Committee for the opportunity to present our recommendations for Budget 2021. We look forward to continuing the strong partnership between our region and the Government of British Columbia to protect and enhance our region’s prosperity, environment and quality of life.

Sincerely,

Sav Dhaliwal
Chair, Metro Vancouver
Introduction

Like every community and every family, Metro Vancouver has experienced significant challenges in recent months as the economic shock of COVID-19 has threatened public health, strained our public services, and restricted economic activity. The ongoing challenge presented by the global pandemic has merely exacerbated existing needs that must be addressed, including supporting families who are struggling, growing our economy, protecting the environment and fighting climate change.

In this submission, Metro Vancouver presents projects and co-investment opportunities that speak directly to these priorities – priorities that are shared between Metro Vancouver and the Government of British Columbia.

As part of the Capital Plan approved by the Metro Vancouver Board of Directors in 2019, Metro Vancouver anticipates over $6 billion in critical projects over the next five years to build, maintain and upgrade the infrastructure that underlies the prosperity and livability of our region. Our plan also envisions building thousands of new housing units over the next ten years to help address the affordable housing shortage.

Metro Vancouver is making these investments in response to population growth, to protect and enhance biodiversity, meet regulatory requirements and make the region more resilient to climate change. These initiatives will also support economic recovery by creating long-term jobs and making life more affordable for people. Investments from the Provincial and Federal governments, alongside Metro Vancouver, are necessary to make these critically important projects possible.

As the B.C. Government considers spending priorities for Budget 2021 to support British Columbians in the wake of the COVID-19 pandemic, Metro Vancouver urges the Province to consider investments in core infrastructure as an essential component of B.C.’s economic recovery strategy.

The future resiliency and prosperity of our urban communities will depend upon the continued partnership between all orders of government – investing together to protect our quality of life.
Metro Vancouver Regional District

As the regional body responsible for providing critical services to 2.7 million residents – more than half the population of B.C. – Metro Vancouver oversees a combined capital and operating budget of more than $1.7 billion annually to build, maintain and upgrade the infrastructure and services that are key to the prosperity and livability of the region. We provide essential services including drinking water, liquid waste treatment and solid waste management, as well as air quality monitoring, parks, affordable housing and regional planning. Over the next five years, we will oversee $6 billion of investments to upgrade clean water and liquid waste treatment facilities.

Metro Vancouver is the second largest affordable housing provider in the province, responsible for more than 3,400 units that house more than 9,400 residents. Over the next ten years, Metro Vancouver plans to build an additional 1,350 units – and that could reach beyond 2,000 with senior government co-investment.

More than one quarter of the land base in the region falls under our stewardship, including 13,000 hectares of regional parks and more than 9,000 hectares classified as sensitive ecosystems. Altogether, that provides a carbon sink for greenhouse gases of over 150,000 tonnes each year.

Our mission as the regional federation of local governments is focused on:

• Delivering resilient infrastructure and utility services;
• Building and operating affordable housing;
• Fighting climate change and helping communities adapt to its impacts;
• Protecting local ecosystems and enhancing biodiversity; and
• Supporting a vibrant and prosperous regional economy.

The Metro Vancouver region is the economic engine of the province, representing 61 percent of British Columbia’s GDP ¹ and 1.29 million jobs, more than half of the province’s 2.4 million total ². The region’s economy is anchored by the activities of major institutions and a network of small and medium enterprises specializing in high-tech, finance, insurance, real estate, film and television, and tourism. Institutional, office, and retail activities have been key to the successful development of Urban Centres across the region. One of Metro Vancouver’s planning services is to prepare projections of future growth for each municipality in the region so that growth can be planned for at the local level in support of local and regional policies.

¹ Source: Conference Board of Canada, January 2019.
Planning for Healthy, Sustainable and More Affordable Communities

In Budget 2020, the BC Government laid out a plan for investing in people, communities and a clean future, in order to build a strong and sustainable economy. Metro Vancouver shares these goals and the specific actions of the Clean BC Plan.

As noted in the Clean BC Plan, local and regional governments are well-positioned to undertake citizen engagement, project planning and execution, and to deliver on local actions and investments that make an immediate and tangible difference in people’s lives. Metro Vancouver is playing a critical role in areas such as the transformation of our built environment, affordable housing, mitigation of many of the environmental impacts of industrial development, adoption of new clean energy sources, and is leading B.C.’s transition to zero waste and a circular economy. Our success in climate action and strategic investments is paving the way for a fundamentally more resilient, energy-efficient, cleaner and more livable region.

As all orders of government chart a path towards economic recovery, we must build upon the foundation of good planning that has shaped the sustainable growth of Metro Vancouver for decades. Through the development of Metro Vancouver’s long-range growth strategies, we act as a convener for our member jurisdictions to engage with communities, other orders of government, First Nations, business and labour organizations across the region. This includes working in partnership with TransLink to ensure land use and transportation plans are integrated and bringing the region’s municipalities together to address critical issues such as homelessness.

Metro Vancouver 2040: Shaping our Future, the current regional growth strategy, was unanimously adopted in 2011 by 21 municipalities, TransLink and adjacent regional districts. It contains strategies to advance five goals related to urban development, the regional economy, the environment and climate change, housing and community amenities, and integrating land use and transportation.

Since its adoption in 2011, Metro Vancouver 2040 has been a strong and effective tool representing the region’s collective vision for managing growth, including:

- Containing growth within a defined area and channeling it into vibrant, livable urban centres;
- Supporting the region’s economy, by protecting industrial and agricultural lands and ensuring their efficient use;
- Protecting the region’s valuable natural environment, addressing climate change, promoting ecological health, and supporting land use and transportation patterns that improve the region’s ability to adapt to climate change;
- Building complete communities with affordable and diverse housing close to employment and amenities, with good transportation choices; and
- Integrating land use and transportation planning to help get people out of their cars, support the safe and efficient movement of goods and people, and reduce greenhouse gas emissions.
An update to *Metro 2040 – Metro 2050* – is currently underway extending the regional growth strategy to the year 2050. *Metro 2050* will consider significant drivers of change and policy improvements and integrate with *Transport 2050* (TransLink’s new Regional Transportation Strategy).

Local governments have been essential partners to the Province in promoting healthy communities and resilient regional economies. Now more than ever, intergovernmental partnerships will be key to supporting British Columbians through unprecedented challenges. By investing together – in infrastructure, housing, clean energy, climate action and habitat restoration – we can create new jobs and opportunities for local businesses while improving our resiliency and future prosperity.

“Metro Vancouver is uniquely positioned to partner with the Provincial and Federal governments to play a leadership role in supporting Canada’s economic recovery through strategic co-investments into infrastructure projects that will create long-term jobs, mitigate climate change and protect the environment.”

**Metro Vancouver Capital Plan**

As part of the Capital Plan approved by the Metro Vancouver Board of Directors in 2019, Metro Vancouver anticipates over $6 billion in critical projects over the next five years to build, maintain and upgrade the infrastructure that underlies the prosperity and livability of the region. Our plan also envisions building thousands of new housing units over the next ten years to help address the affordable housing shortage.

Investing in Metro Vancouver infrastructure projects will provide the stimulus necessary to secure the lasting prosperity and resilience of the region, and the vital role the region plays in the British Columbian and Canadian economy.

**Recommendations**

Metro Vancouver is pleased to present recommendations to the Committee and to offer a range of strategic co-investments in shovel-worthy and shovel-ready projects that will assist with economic recovery through creating long-term jobs, making life more affordable for people, and protecting the environment. These projects will address population growth, protect and enhance biodiversity, meet regulatory requirements and make the region more resilient to climate change.

As the B.C. Government considers spending priorities for Budget 2021 to support British Columbians in the wake of the COVID-19 pandemic, Metro Vancouver urges the Province to consider investments in core infrastructure as an essential component of B.C.’s economic recovery strategy. The future resiliency and prosperity of our urban communities will depend upon the continued partnership between local and provincial governments – investing together to protect our quality of life.
Priorities for Investment

Wastewater Treatment
The Iona Island Wastewater Treatment Plant currently treats over 200 billion litres of wastewater every year, serving 770,500 residents in Vancouver, Burnaby, Richmond, University of BC, the University Endowment Lands, the Squamish Nation and the Musqueam Indian Band. To meet federal regulatory requirements, a new plant with enhanced treatment technology must be completed by the end of 2030. The upgrade, which will support 36,000 jobs and 2.4 per cent of regional GDP, enhances seismic and climate resiliency, maximizes energy and resource recovery, reduces greenhouse gas emissions, integrates into the community to enhance biodiversity, and is being designed in cooperation with local First Nations, in particular the Musqueam Indian Band. The project will also restore one of the world’s most important rearing habitats for juvenile salmon at the mouth of the Fraser River. Phase one, including habit restoration, seismic upgrades, and design work, is to be completed over five years beginning in 2021. Metro Vancouver is seeking Provincial and Federal co-investment to ensure this critical project is started without delay.

Affordable Housing
Ongoing development of affordable housing – now more critical than ever as B.C.’s economy recovers from staggering pandemic-related job losses – remains a key priority. Working with the Provincial and Federal government, Metro Vancouver’s investments in housing also serve to support the diversity of the region, ensuring families from communities that face systemic discrimination and barriers to employment have safe and affordable homes. Metro Vancouver’s planned $190 million investment to renew and expand 1,350 units over the next 10 years is not sufficient, which is why we aim to partner with B.C. Housing and CMHC to double or triple that number.

District Energy
Metro Vancouver’s Waste-to-Energy facility currently provides environmentally responsible disposal for more than 25 per cent of the region’s solid waste, and produces enough energy to power approximately 16,000 homes. As part of Metro Vancouver’s plan to become carbon neutral by 2050, we are planning to further recover energy from the facility for use at nearby residential, commercial, industrial and municipal developments. This five-year project, slated to begin in 2021, will support 540 jobs, reduce GHG emissions by up to 70,000 tonnes per year, more than triple the energy recovery from the facility, and produce heat and hot water for 50,000 housing units. The project, expected to cost approximately $30 million, has been submitted for consideration under the Green Infrastructure Fund.
Municipal Fiscal Sustainability

For Canada and British Columbia to fully recover from the economic losses attributable to the COVID-19 pandemic, municipalities must be at the centre of recovery efforts. Services provided by municipalities and infrastructure developed at the local level support families on a daily basis as they go about their lives. The Federal government has announced funding for municipalities to address budgetary shortfalls and additional expenses related to COVID-19, as well as funding for provinces and territories to ensure Canadians are supported as economies restart, which is in part intended for municipalities. Metro Vancouver supports the Federation of Canadian Municipalities’ call for emergency relief funding for municipalities and encourages the Province to build on its initial financial actions announced in mid-April.

Regional Transportation

In addition to the investment opportunities presented in this submission, Metro Vancouver encourages the Province to continue working in partnership with TransLink to develop a multi-year recovery plan to help resolve COVID-19 related financial impacts on TransLink, and to develop a Provincial Rebuilding Strategy for B.C.’s Transit and Transportation Sector in 2021 that will strengthen TransLink’s funding models to support operation and investment in Metro Vancouver’s transportation network over the longer term. The region will continue to rely on the provision of good transit as an alternative mobility option especially for those unable to afford other means, and to reduce congestion and GHG emissions.
**Economic Recovery – Shared Investments in Critical Infrastructure**

Metro Vancouver is uniquely positioned to partner with the Federal and Provincial governments to play a leadership role in supporting Canada’s economic recovery through strategic co-investments into infrastructure projects that will create long-term jobs, mitigate climate change and protect the environment.

Investing in Metro Vancouver infrastructure projects will provide the economic stimulus necessary to secure the lasting prosperity and resilience of Canada’s Asia-Pacific Gateway.

The shovel-ready and investment-worthy projects described in this package will address population growth, protect and enhance biodiversity, meet regulatory requirements and make the region more resilient to climate change. Supporting these projects will benefit the economy and align with core values of fighting climate change, protecting the environment and supporting the economy.

The COVID-19 pandemic has challenged all orders of government across the country. Moving forward, we must continue planning for the future and ensuring that our communities remain resilient, healthy and productive.

The Metro Vancouver region is the economic engine of British Columbia. As the regional body responsible for providing critical services to 2.7 million residents – more than half the population of B.C. – Metro Vancouver anticipates over $6 billion in critical projects over the next five years to build, maintain and upgrade the infrastructure that underlies the prosperity and livability of the region.

**UNPRECEDENTED ALIGNMENT**

- Delivering Resilient Infrastructure
- Leading the Fight Against Climate Change
- Increasing Affordable Housing
- Supporting a Vibrant Regional Economy

By collaborating now on infrastructure investments, we can build a sustainable and prosperous future while achieving our shared goals of mitigating climate impacts, protecting the environment and improving the economy.
# Key Projects and Opportunities

## SHOVEL-WORTHY PROJECTS

### Iona Island Wastewater Treatment Plant

Canada’s most dynamic and transformative urban sustainability project. It will protect the health and well-being of people, wildlife and ecosystems, while creating thousands of jobs.

- **Cost:** Phase 1: $750 million, Phase 2 and 3: TBD
- **Start Date:** 2021
- **Jobs Created:** 36,000 jobs supported
- **Economic Benefits:** 2.4% of regional GDP
- **Environmental Benefits:**
  - Enhances seismic and climate resiliency
  - Increases energy and resource recovery
  - Reduces greenhouse gas emissions

### North Shore Wastewater Treatment Plant – Tertiary Upgrade

To further enhance environmental protection of B.C.’s coastal waters, this new facility is being upgraded to tertiary treatment. It will be equipped to handle sea level rise, storms and other climate change impacts.

- **Cost:** $30 million
- **Start Date:** 2020
- **Jobs Created:** 540 jobs supported
- **Environmental Benefits:**
  - Protects marine environment
  - Anticipates future regulatory changes
  - Enhances energy and resource recovery

### Annacis Water Supply Tunnel

This 2.3-km long tunnel will significantly increase the supply of clean drinking water to areas south of the Fraser River, improve seismic resiliency and protect the water main from riverbed erosion.

- **Cost:** $488 million
- **Start Date:** 2020
- **Jobs Created:** 8,784 jobs supported
- **Economic Benefits:** 0.6% of regional GDP
- **Other Benefits:**
  - Meets growing demand for water
  - Enhances seismic resilience
  - Improves system longevity

### Waste-to-Energy – District Energy

A district energy system will recover and utilize the heat generated at the Waste-to-Energy Facility to support local economic development and reduce GHG emissions by offsetting fossil fuels.

- **Cost:** $30 million
- **Start Date:** 2021
- **Jobs Created:** 540
- **Environmental Benefits:**
  - Reduces greenhouse gas emissions by up to 70,000 tonnes per year
  - Produces heat and hot water for up to 50,000 housing units
  - Increases Waste-to-Energy Facility energy recovery by 3.5 times
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<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Cost</th>
<th>Start Date</th>
<th>Jobs Created</th>
<th>Economic Benefits</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coquitlam Intake No. 2</td>
<td>This project will help meet the water supply needs of the region well into the future and make the water system more resilient to climate change.</td>
<td>$2.3 billion</td>
<td>2026</td>
<td>41,400</td>
<td>2.7% of regional GDP</td>
<td>Secures water supply for future generations, Enhances climate change resilience, Improves environment for fish</td>
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<td>Coquitlam Main No. 4</td>
<td>In conjunction with the Coquitlam Intake No. 2 project, this new main will help meet the water demands of Metro Vancouver’s growing communities.</td>
<td>$670 million</td>
<td>2020</td>
<td>12,060</td>
<td>0.8% of Regional GDP</td>
<td>Meeting future demand for water, improving system longevity</td>
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<td>Widgeon Marsh Regional Park</td>
<td>Located on the largest freshwater marsh in southwest B.C., this new park is envisioned as a sanctuary for people while protecting the vast wetlands and native forests that provide habitat to a wide range of wildlife.</td>
<td>$4.5 million; Phase 2: $10.5 million</td>
<td>2020-2023</td>
<td>162</td>
<td>0.2% of Regional GDP</td>
<td>Protects sensitive ecosystems, Enhances diverse wildlife habitats, Provides recreational and educational opportunities</td>
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<td>Metro Vancouver Housing</td>
<td>As one of the largest non-profit housing providers in B.C., Metro Vancouver Housing wants to partner with other orders of government to build thousands of new housing units.</td>
<td>$190 Million</td>
<td>Currently underway</td>
<td></td>
<td>1,350 affordable rental housing units across the region</td>
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<td>Biosolids Dryer</td>
<td>Turning liquid waste residuals into a renewable alternative fuel for the region’s industries, reducing greenhouse gas emissions by replacing the use of coal in cement kilns.</td>
<td>$197 million</td>
<td>2021</td>
<td>3,546</td>
<td>0.2% of Regional GDP</td>
<td>Increased local use of biosolids, Regional greenhouse gas emission reductions, Recovery of energy from wastewater</td>
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</tbody>
</table>
About Metro Vancouver

Metro Vancouver is a federation of 21 municipalities, one Electoral Area and one Treaty First Nation. Our members work collaboratively in planning and providing vital utility and local government services to 2.7 million people. Every day, we deliver wholesale regional utility services like drinking water, liquid waste treatment and solid waste management. We also provide services like air quality regulation and monitoring, regional planning, parks and affordable housing.

Ensuring our infrastructure, ecosystems, and communities are resilient to the impacts of climate change and achieving a carbon neutral region by 2050 underlies Metro Vancouver’s leadership and commitment to addressing climate change.

Planning for the Future

Five central themes guide the development of Metro Vancouver’s long-term plans and budgets:

Regional Growth
The region’s increasing population, projected to grow by about 35,000 per year, will require core utility services and regional services to expand and optimize to respond to new growth.

Environmental Sustainability
Our region is dependent on healthy, functioning ecosystems and requires actions to reduce pollutants, including greenhouse gases, to prevent waste and to conserve our natural ecosystems.

Financial Sustainability
Financial sustainability requires that core utility and regional services are delivered with an adherence to sound fiscal policies that balance the organization’s long-term financial health while maintaining affordability for regional ratepayers.

System Stewardship
Critical regional infrastructure must be maintained or replaced to meet current and future service needs and be resilient to impacts from seismic events, wildfires, power failures and natural disasters.

Regulatory and Legislative Environment
Core utility and regional services must anticipate, respond to and meet changes to legislative or regulatory requirements.