

Orléans Chamber of Commerce Luncheon

Thursday, June 14, 2005 (noon)

2005 is certainly a milestone year - Ottawa's 150th anniversary. We have seen many reflections on the way things were in the former eras of our region.

On Wednesday August 9, 1871, The Ottawa Times Newspaper headline featured a story on the Markets. Not the TSE, or the Dow, but rather the local agricultural scene. Back then; a Mr. Evans from Gloucester sold a load of oats for 50 cents a bushel. If you wanted eggs, then the price was 10 cents per dozen.

There were stories about the new upstart railway that was named the Bytown and Prescott, there were problems with crime-usually the theft of horses or public drunkenness---and many farms were for sale, many in the township of Gloucester.

So you see, even back then, Bytown had its own unique growth, transit and business market issues.

Fast-forward to 2005 and our community and our city is now dealing with how best to handle our century's version of explosive growth.

It wasn't that long ago - about 35 years - that Gloucester entered regional government with a population of about 16,000 people.

In just the last five years, the population of Ottawa's east end increased by 16 thousand people and there were about 55 hundred new homes or dwellings built.

So the challenges and the solutions of 35 years ago have been fast-forwarded to lightening speed growth, requiring modern solutions - solutions that will keep us ahead of the growth curve.

Preparing for growth makes the expansion of the O-Train critically important for the future of Ottawa.

This O-Train project is poised to become the largest construction project in Ottawa's history.

Many of you will recall the May 2004 announcement in which the federal and provincial governments committed \$400 million in funding for the O-train expansion.

The north-south line now carries up to ten thousand passengers a day along an eight kilometre stretch of track that travels from Bayview to Greenboro, on a route that was expected to carry about 5,000 per day.

The good news is that we're not going to stop with north-south expansion. Just last week, City Council approved the environmental assessment terms of reference for an east-west light rail service that will stretch from Orléans to Kanata. And the consulting contract has already been awarded for the east-west E.A.

We are moving as fast as we can to offer an east-west light rail service. We are in the midst of an environmental assessment and that will enable us to study a range of recommendations for the best logical route and technology for the new service.

Public Open Houses will be held this fall to consult with residents about preferred routes and where train stations should be located.

This first study will look at several options from east of Blackburn Hamlet to the Cumberland Transitway. (This would start south of Innes and go to Trim Road). We will also be examining the area south of Blackburn.

As a special request from Council, we will also start the E.A. to examine the Rideau St. / Montreal Road corridor in 2006. The objective is to examine all possible routes and to consult with the people in this area to determine what works best for the residents of Ottawa East.

And it's not out of the realm of possibility to have O-train service starting in the east end in five or six years from now.

A world-class public transit system is essential for any modern city: It is essential to getting us ahead of the growth curve.

- essential for quality of life
- essential for the environment, and
- essential for a competitive economy.
- businesses just can't afford to have goods and services stuck in traffic.
- that translates to lost productivity and loss of opportunity.

Cities throughout Canada, especially large urban centres, are coping with an infrastructure crisis.

But the Big City Mayors have made remarkable progress in getting the federal and provincial governments to help ease the financial pressure on municipalities through the New Deal for Cities.

The last federal budget delivered more good news for municipalities including Ottawa with an additional share of the federal gas tax, which will likely mean an additional \$15 million into our capital budget on an annual basis.

For the City of Ottawa, the new deal means new revenue streams of \$60 million per year, growing to \$80 million in 2006 from federal and provincial gas tax and GST rebates.

However, that will still leave cities with a funding gap.

It means cities need new creative ways to help finance and build community projects that our residents and businesses demand in order to maintain our high quality of life.

That's what we've done in Ottawa with our Public-private partnership office.

I pushed to establish the idea of a public private partnership office and credit should be given to Ottawa City Council for following through with a commitment to help build things differently in this community.

Those Triple P projects in Ottawa have leveraged an investment of almost \$100 million.

Some of those projects include:

- The new four pad Sensplex and field house in Kanata;
- The new Gary. J Armstrong Long Term Care Health Centre on Porter's Island;
- Expansion of two more ice pads at the Ray Friel Centre in Orléans;
- The construction of a new ice pad facility in West Carleton;
- A new Thunderdome indoor soccer and recreation facility in Orléans;
- An R.F.P. process underway for an East-End Arts Facility;

Our triple "P" office has been described as "a unique in Canada innovation to help build a city with the private sector."

I pushed to establish the idea of a public-private partnership office and credit should be given this City Council for following through with a commitment to help build things differently in this community in partnership with the private sector.

And the City is forging ahead working with business in other ways:

- We have implemented "On Time Review" to help speed up development applications through established timelines. This was established in partnership with the development industry.
- We've implemented a Rural Summit - largely in partnership with rural businesses to deal with unnecessary regulations in the rural areas that will deal with some of the red tape and bylaws that affect small business owners.

"One size doesn't fit all" would be a good slogan for the Rural Summit.

Through my office, we established Team Ottawa to ensure this city isn't left behind in securing title cultural or sporting events and conventions. (Skate Canada will hold its national championship in Ottawa next January).

We've recently been awarded a minimum of 6 games in the world 20 and under world cup soccer with a television audience of about 450 million.

And let's not forget as well, the City of Ottawa supports local business's bottom line.

The City purchases over \$500 million in goods and services from local suppliers every year: and we're taking steps to make more of that available to small business.

City Council approved the establishment of a Business Advisory Committee that will provide the city with valuable input on issues ranging from the city budget to economic development

I know the Business Advisory Committee will deal with commercial property taxes and assessment.

I've said it before and I'll repeat it today: the property tax system is broken.

It's broken for small business.

It's broken for homeowners.

For all the small business owners in this room, you should remember this sequence of numbers:

62-41-26-15 - and that's a play out of the renegades' playbook.

I'll repeat that again.

62-41-26-15

Let me explain:

62 means 62 per cent of all small or medium sized businesses in Ottawa last year should've received a tax decrease and did not because of this broken system. Under the rules, the tax decrease was clawed back.

41 means 41 million dollars is the amount clawed back from the small and medium sized businesses

26 means 26 million dollars of that was used to lower taxes for 300 office properties in the city.

15 means 15 of the biggest office buildings downtown were the biggest beneficiaries of this claw back. (They take almost \$20 million of that capping away from smaller commercial property owners.)

And just to show you how badly broken is the provincial system of property tax assessment rules, the following are active real life example and there are many more like it.

If a commercial property is assessed at \$620,000 they should be paying approximately \$24,000. Two properties assessed at that value are actually paying, in one case \$38,900, and in the other \$5,500. And a municipality in Ontario has no power to fix this.

So, here is the tally so far of the new property tax system and how it affects small business six years after it was implemented.

More than 5 thousand commercial properties that should have received a tax decrease are getting 92 per cent (almost all of it) clawed back to fund the shortfall.

No wonder small business owners feel overtaxed. Even when they're in line for a tax break, it gets taken away from them.

We need a system that is fair to all classes of taxpayers.

That's the message I left with Finance Minister Greg Sorbora during a meeting at his Queen's Park office a couple of months ago, and repeated again this past weekend when I had the opportunity to speak with him.

In spite of our challenges, our local economy continues to boom - last year we created over 25,000 jobs.

And we have the lowest unemployment rate in 4 years.

We have had 5 consecutive years of record-breaking levels of construction.

And the City's finances are very strong.

The City of Ottawa has been granted a Triple A financial rating from the last Moody's Investors Services report, the highest possible grade.

This exceeds the ratings of Montreal, Toronto and the Province of Ontario, and Hydro One.

The last report stated that Ottawa's rating is "supported by a low debt burden, fiscal discipline and a commitment to long range financial planning..."

As of last January we were able to add 200 million dollars to our long-term reserves by accepting re-payment, at the request of Hydro Ottawa, of a promissory note due to the City.

And thanks to the work of Kent Kirkpatrick and his team the City's administrative costs, as a percent of total budget, have been reduced to 5.9% - that compares by way of example to 12.3% at the former City of Nepean and 12.1% for the former City of Ottawa.

Last year's budget (2004) saw us make 28 million dollars in administrative cuts, and 50 million dollars in program cuts, including cutting 390 jobs.

This year's budget requires 9.5 million dollars of administrative cuts.

And it would appear again this year that of all larger Ontario cities, Ottawa has the lowest tax increase.

We have made great strides under City Manager Kent Kirkpatrick to become more business friendly at City Hall.

It's a work in progress.

But we all share the same goal.

We all want to make Ottawa and Orléans a better place to live.

I know that we can work together through an ongoing positive dialogue to make that happen.

Over the last several years we have made significant progress.

On that point, I want to speak about Petrie Island for a moment. I threw my support behind the development of a beach at Petrie Island more than four years ago.

Today, Petrie Island is considered one of our city's newest jewels as it mixes the protection of our natural environment with recreation and family fun.

The Canada Day Celebrations at Petrie Island will be special this year and the addition of a permanent beach facility and more parking spaces will make the beach a must place to be.

And, last September, we broke ground on the \$13 million expansion of two additional ice pads at the Ray Friel Centre. And our soccer teams in the east end are ecstatic they can now play year round because of the new \$3.5 million state of the art Thunderdome soccer and golf facility on Bearbrook Road.

We are well into the process of creating the East Ottawa Cultural & Arts Facility.

We're close to finishing our 50 million dollars Innes Road expansion project.

We've established Team Ottawa Orléans.

It has forced all the elected representatives from every level of government to focus on how best we can all work together to ensure we secure more jobs and prosperity in the east end.

We are working closely with your M.P.P. Phil McNeely to rectify the traffic clogging 174-417 split as soon as possible.

We have made some important strides on cleaning up St.-Joseph Boulevard; ducts were installed last year for future burial of wires.

Dibblee Construction is starting repaving of significant part this month.

Our East-end Councillors are looking forward to collaborating with the new BIA - and I look forward to working with Peter Stewart.

Il ne devrait y avoir aucun doute dans votre esprit: moi, à titre de Maire, de concert avec les Conseillers des quartiers de l'est, nous nous sommes engagés à promouvoir le développement du secteur est de notre ville et nous pouvons déjà en voir les résultats.

As Mayor, working with your East-end Councillors, we are committed to the improvement and development of Orléans - and I would say, we have made significant progress!!

Time doesn't permit me to speak about many other important issues such as great environmental policies. Although, I would like to mention that the recycling of all plastic tubs and lids will resume on August first.

City Council, the administration and the public all have the same challenge: we are building a city; we are helping to build a world-class capital city.

And while we've laid a solid foundation over the 4 years - my job, your job and our job in building this new city, is far from over...

Thank you!