



**Written Submission for the Pre-Budget Consultations in Advance of the Upcoming  
2021 Federal Budget**

By: Residential and Civil Construction Alliance of Ontario



**Recommendation 1:** To provide more immediate stimulus, that the government provide enhanced funding to maintain municipal assets in a state of good repair.

**Recommendation 2:** That the government commit to investing in infrastructure at the level that was planned prior to the COVID-19 crisis and consider maximizing any investments given the current pandemic.

**Recommendation 3:** That the government collaborate with provincial governments on innovative methods to facilitate and streamline infrastructure and other projects, such as advancing electronic permitting and approvals; using energy-efficient materials in buildings; and supporting new mobility/parking standards.



July 22, 2020

Hon. Wayne Easter  
Chair, Standing Committee on Finance  
Six Floor, 131 Queen Street  
House of Commons  
Ottawa, ON K1A 0A6

*Submitted electronically*

**Dear Chair Easter:**

The Residential and Civil Construction Alliance of Ontario (RCCAO) is pleased to provide you and the rest of the Committee with our 2021 Federal Pre-Budget Submission.

RCCAO is an alliance of key labour and management stakeholders derived from the residential and civil construction sectors. The Alliance was formed to address the challenges affecting the delivery of projects, such as procurement and approvals processes. We work together with government and industry experts to offer realistic solutions to problems in the areas of infrastructure delivery, growth planning, regulatory reform and skilled labour.

A primary RCCAO focus since our inception has been the importance of investing in public works – from transit and water systems to roads and bridges – and doing so smartly and efficiently for taxpayers and daily users of infrastructure. Infrastructure lays the foundation for building a prosperous and inclusive nation and provides significant opportunity for economic growth, competitiveness and fostering strong Canadian communities. The role of infrastructure has never been more important than it is now – and as Canada seeks to recover from the effects of COVID-19, investment in infrastructure provides one of the clearest avenues to that end.

RCCAO applauds the federal government for the cooperative approach it has taken with provincial, territorial and municipal governments since the beginning of the pandemic and for the recent \$19B assistance through the Safe Restart Agreement. We believe that this funding is a promising start to ensure that municipalities across Canada have the financial support necessary to not only weather the devastating impacts of the pandemic, but also to continue focusing on critical investments that are key to recovery in many local jurisdictions.

As you will see by our recommendations, the federal government must continue to focus on infrastructure investments as a path to Canada's economic recovery. Failing to do so will have devastating and long-term social, economic and environmental consequences for our country. Beyond the immediate financial focus of our recommendations, we also stress the importance of streamlining processes to fast track the approvals to build desperately needed



Canadian infrastructure. In Australia, this type of COVID program has been referred to as “green tape.”

We know these are difficult times, however we are proud of the way that Canadians have risen to the occasion and have shown unity and care for the collective wellbeing of all. While these three major recommendations are straightforward in nature, a strong commitment and long-term resolve will be required to achieve the positive outcomes. If you wish to discuss further, we would be pleased to outline in greater detail the roadmap which we believe is crucial to ensuring that Canada, its economy and social welfare bounce back from the pandemic stronger than ever before. We appreciate your time in reviewing our submission.

Regards,

Andy Manahan  
Executive Director

Nadia Todorova  
Senior Director, Government Relations



**RECOMMENDATION 1: *To provide more immediate stimulus, that the government provide enhanced funding to maintain municipal assets in a state of good repair.***

Crumbling infrastructure is not a recipe for competitive economic growth. Strategic infrastructure investment should be viewed as a way to rebuild regional economies and get the country working again.

RCCAO's latest commissioned report by the Canadian Centre for Economic Analysis (CANCEA), [“Navigating the COVID-19 Socio-economic Shock: How infrastructure investments will facilitate future growth in Ontario.”](#) found that smart infrastructure investments are only fully realized over the long-term. For this reason, investing in new infrastructure should not be a reflex stimulus response but rather a consistent, ongoing journey along a path to ensuring conditions are in place for long-term economic recovery and growth.

Funding directed at maintaining physical assets in a state of good repair can be considered a stimulus measure since it tends to be more labour intensive and its economic impacts are more immediate. Not only does this create construction jobs, but it also results in many positive social multiplier effects. Over time, consistent and predictable investments in infrastructure, including proper asset management, are required to safeguard the value of past investments and ensure revenues continue to flow from the use of those assets.

**RECOMMENDATION 2: *That the government commit to investing in infrastructure at the level that was planned prior to the COVID-19 crisis and consider maximizing any investments given the current pandemic.***

The economic analysis contained within our *Navigating the COVID-19 Socio-economic Shock* report examined different scenarios regarding the most beneficial way to use infrastructure investments to kick-start the Canadian economy.

The report recommends that the Federal and Ontario Governments should commit to investing the same amount in infrastructure as was planned pre-crisis, with the federal government contributing additional funds to Ontario's capital budget to cover a portion of municipal operating deficits – calculated to be 56% – the balance of which would be paid by Ontario, thereby ensuring that municipalities proceed with their capital plans.

This scenario and course of action would, over the next decade, result in a gain of 61,000 jobs on average per year (0.9% more on average), as well as \$9 billion and \$13 billion in federal and provincial government revenue compared to the status quo. These benefits increase substantially after 30 years:



**10- and 30-year outcomes of the Preferred Scenario compared to baseline**

Benefit	After 10 Years	After 30 Years
Average Employment gain per year	+61,000 jobs	+189,000 jobs
Federal Government Revenue increase	+\$9 billion	\$86 billion
Ontario Government Revenue increase	+\$13 billion	\$123 billion

Ensuring that the federal government commits to investing the same amount in infrastructure as was planned pre-crisis will be essential to building more climate resiliency in infrastructure and addressing climate change through appropriate infrastructure measures.

It is well known that municipal governments are facing an unprecedented cash crunch as a result of the pandemic. There is less awareness, however, that the municipal sector is already slowing down and cancelling priority infrastructure projects that were planned for 2020. Surveys conducted by our members indicate that the pipeline of municipal projects for the fall season have dropped off significantly, with some construction firms signalling that the situation for the remainder of the year looks bleak.

Through another recent RCCAO commissioned report, [“Station to Station: Why Subway-building Costs Have Soared.”](#) we examined ways to deliver major transit projects in more cost-effective ways. Key recommendations include minimizing the use of tunnels and keeping tunnels as shallow as possible when there is a need to go underground. Additionally, the report recommends using cut-and-cover tunnelling and, in less-dense suburban areas, at-grade and above-ground corridors. Further, the report recommends creating designs and processes that allow stations and their catchment areas to pay social and financial dividends, and to encourage bidirectional all-day transit demand. These mobility hubs or transit-oriented communities could be enhanced by supporting electric buses for commuters heading to stations.

We would also ask the federal government to continue to empower the Canada Infrastructure Bank to finance necessary infrastructure projects throughout Canada, including broadband-related work. The pandemic has highlighted how crucial access to stable and reliable telecommunication is not only for professional purposes, but also in terms of allowing for personal connections through difficult times. Unfortunately, access to high-speed internet is inconsistent or unavailable to many Canadians. In rural areas, data suggest as few as 40.8 per cent of Canadian households have access to high-speed broadband. This has made working remotely challenging to certain businesses and individuals, having an impact on economic productivity.



**RECOMMENDATION 3: *That the government collaborate with provincial governments on innovative methods to facilitate and streamline infrastructure and other projects, such as advancing electronic permitting and approvals; using energy-efficient materials in buildings; and supporting new mobility/parking standards.***

The federal government has enunciated its support for greater digitalization and there is growing interest in how 5G data networks have the potential to transform Canadian communities. Investment in digital infrastructure will ensure that standard business practices such as submitting documents and applications can be sped up. This is analogous to turning 'red tape' into 'green tape'.

In the development and building sectors, the way permits are issued could be dramatically altered by the provision of online services. Streamlining services would not only speed up construction, but also help to ensure that government funds result in faster stimulus. We should note that on construction sites new apps are being tested to advance health and safety such as those that foster physical distancing protocols.

As digital processes become embedded into business models and operations, it is imperative that all of Canada's companies have the capacity to operate in the new ecosystem. Funding digitization will enable the government to close some of the gaps that exist and keep business operating as well as ensure that infrastructure work is sped up by removing paper-based process barriers.

Take advantage of this crisis: The federal government can use the current situation to work with other orders of government to encourage the use of e-permitting in the planning, engineering/design and building approvals functions. A comprehensive e-permitting system would allow for all approval authorities (municipal, regional, provincial and external agencies) to be linked together on a common platform. An e-permitting system with proper capability facilitates prompt and transparent communication between applicants, consultants and approval authorities to achieve better and streamlined outcomes.

Now is also a great time to expand and create new jobs and business opportunities by promoting research and local manufacturing of the building materials needed for the construction industry as it transitions to greater energy efficiency.

Products such as triple-glazed windows, advanced insulation, heat/energy recovery ventilation (HRV/ERV) units, geothermal pumps, ceramic radiant panels, grid-tied battery systems and grid-scale battery backups, photovoltaic innovations, and heavy timber assemblies can all be developed and manufactured here in Canada.

Many of these products are currently imported from abroad, slowing down timelines



and impacting productivity. While this would create new economic opportunities, a Canada that invests for the future would have the additional benefit of building greater resiliency in our communities and infrastructure (e.g., for severe storm events). Providing incentives for energy-efficient projects and encouraging the renovation and rehabilitation of the nation's existing building stock, will result in the reduction of energy costs with positive impacts on long-term operating costs.

RCCAO commissioned a report last year, entitled "[How Parking Regulations Need to Evolve for High-Rise Buildings.](#)" which found that there is a clear mobility shift in many urban areas owing to a wider array of mobility options and ride-sharing apps. While the full impacts of the pandemic are unknown, we suspect that there will be a long-term trend of decreased vehicle ownership and a concurrent diminished need for parking spots in many urban areas.

Given the considerable time that going deep underground for parking consideration adds to the completion of buildings along with the significant cost for parking spots, the report recommended that innovative above-ground parking options be considered to allow structures to be repurposed for other potential uses in the future. Further, we believe that governments should consider implementing more flexible parking standards that assess local land uses, accessibility to public transit and travel behaviour, allowing for a nimble approach to emerging technologies, demographic patterns and environmental impacts.



Figure 1: Net Present Value of Revenues from Investment Less Costs

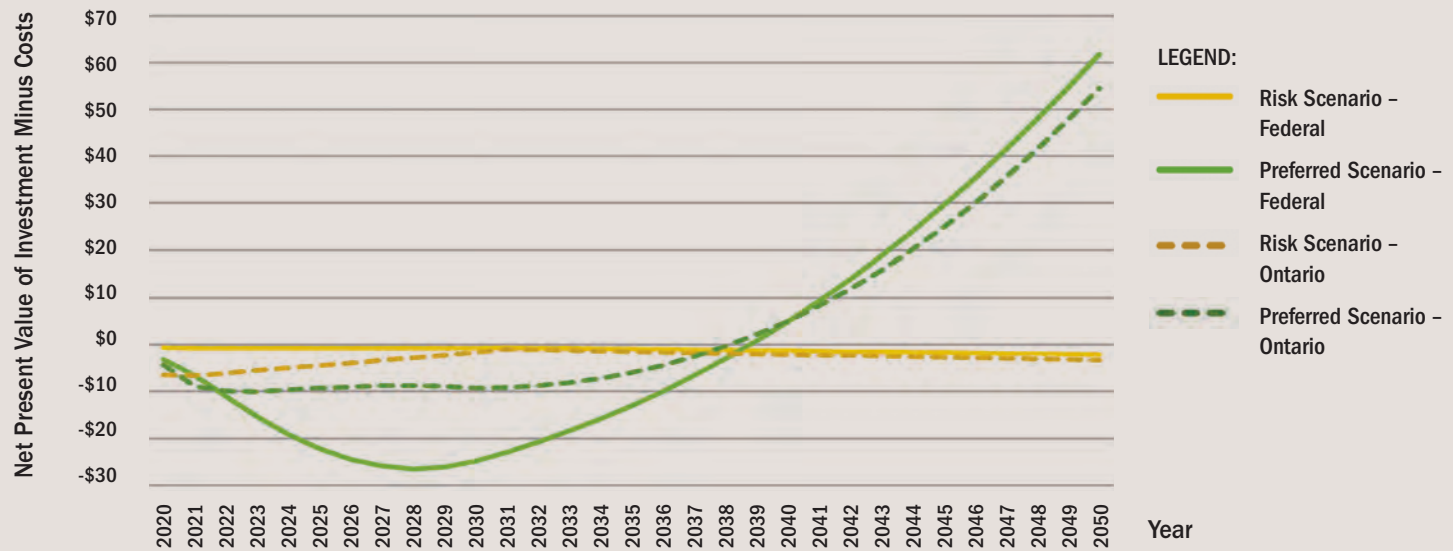
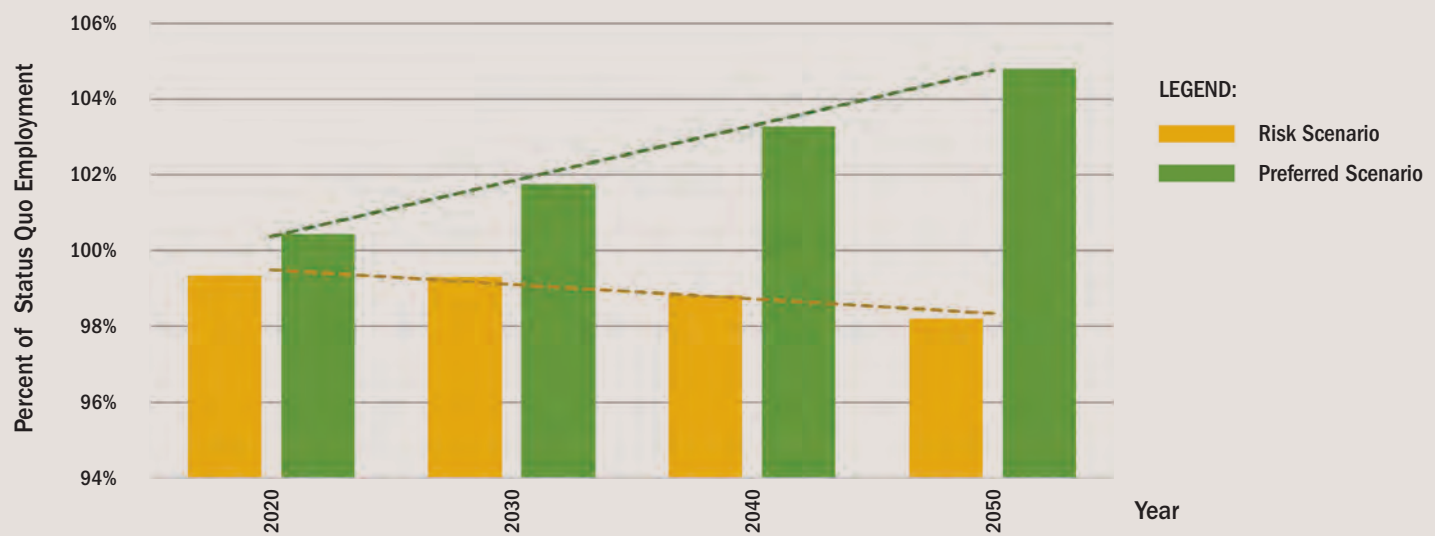


Figure 2: Annual Employment Changes – Comparison to Status Quo



## REPORT WARNS AGAINST PULL-BACK ON INFRASTRUCTURE INVESTMENTS

A new report prepared for the Residential and Civil Construction Alliance of Ontario (RCCAO) indicates that the economic toll on the province will be heavy and job losses staggering unless governments work together to continue making infrastructure investments.

At this critical juncture during the COVID-19 pandemic, the report warns that holding back on infrastructure investments in Ontario could exacerbate the effects of the crisis and hamper the economic recovery of the province.

“The federal and provincial governments need to make strategic infrastructure investments, including funding for state-of-good-repair projects to ensure that municipalities keep building during and after this pandemic,” said RCCAO executive director Andy Manahan. “Any effort to rein in

infrastructure spending would have devastating economic consequences on Ontario citizens and businesses.”

The analysis concludes that the federal, provincial and municipal governments must work collaboratively to ensure investments in infrastructure are in place to facilitate economic recovery and foster long-term growth.

The report, titled *Navigating the COVID-19 Socio-economic Shock: How Infrastructure Investments Will Facilitate Future Growth in Ontario*, looks at two contrasting scenarios for the next 10 and 30 years that are based on different investment levels. The scenarios result in job and federal and provincial tax revenue numbers that are dramatically different.

**This report and more can be found at [rccao.com](http://rccao.com)**



Photo: Stephen Wickens



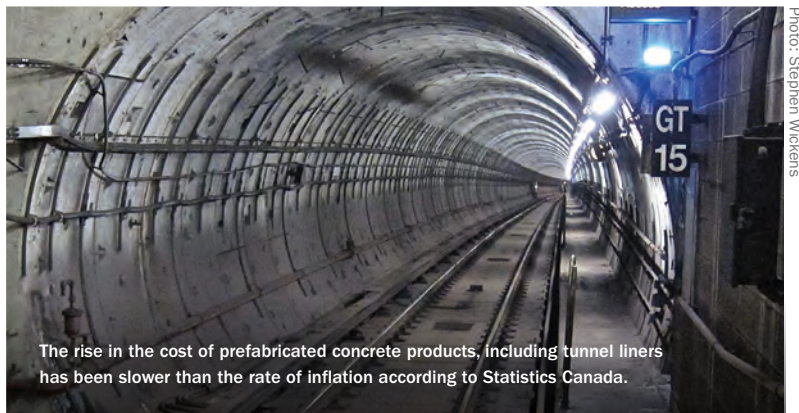
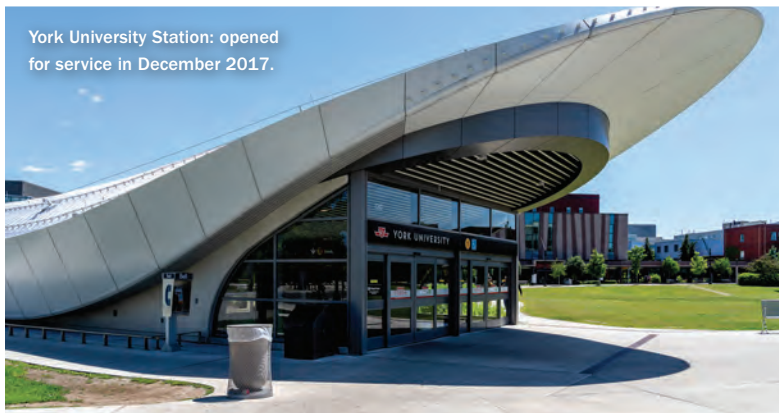
Deep stations are particularly reliant on escalators, which aren't always in service.



Prime Minister Justin Trudeau joins then-Premier of Ontario Kathleen Wynne and Toronto Mayor John Tory, among others, for the ribbon-cutting of the TYSSE.

Photo: Jenna Muirhead

York University Station: opened for service in December 2017.



The rise in the cost of prefabricated concrete products, including tunnel liners has been slower than the rate of inflation according to Statistics Canada.

Photo: Stephen Wickens

# STATION TO STATION

## Why Subway-building Costs Have Soared in the Toronto Region

**Research by Oxford professor Bent Flyvbjerg** has found rail-based transit projects in Western countries tend to experience delays and are chronically over budget. Toronto is not immune to this phenomenon.

A new RCCAO report by transit historian and journalist Stephen Wickens, called “Station to Station: Why Subway-building Costs Have Soared in the Toronto Region,” provides an in-depth evaluation based on reviews of projects here and elsewhere. The Toronto-York-Spadina subway extension, for example, cost nearly four times as much as the average per-kilometre cost of TTC-managed 20th-century subway projects – even after adjusting for inflation.

The report assesses the effectiveness of current project planning and evaluation models as well as the public-private partnership (P3) procurement approach used for the under-construction Eglinton Crosstown LRT.

**Despite the touted advantages of P3s, two planned subway projects in the Toronto region could cost nearly twice as much per kilometre as the Spadina extension.**

Based on an analysis of 11 variables, Wickens concludes

the top-two cost drivers are deep tunnel construction and political interference in the planning process:

**1 Minimize the use of tunnels and keep tunnels as shallow as possible when there is a need to go underground.** Cut-and-cover tunnels and, in less-dense contexts, at-grade or above-ground alignments can reduce overall costs significantly while speeding up project delivery. Surface projects will also reduce long-term operating and maintenance costs.

**2 Approve long-term transit plans based on real evidence.** Politicians should still choose which projects get approved and funded, but only from menus of options prepared by transit specialists freed to exercise professional independence. The Toronto region’s multi-decade descent into a transit crisis is rooted partly in a power structure that encourages “decision-based evidence making.”

It is hoped that this research will jumpstart an urgent debate on how to improve all aspects of delivery for complex transit-infrastructure projects.

**For more information, visit [rccao.com](http://rccao.com)**



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**15 YEARS**  
OF  
INFRASTRUCTURE  
ADVOCACY 2005-2020



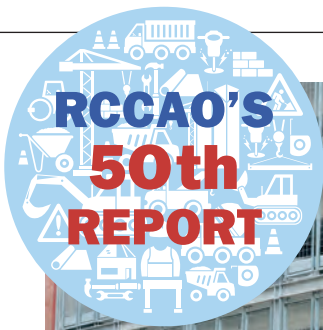


Photo: RCCAO



A parking lot east of Spadina Ave. on Adelaide St. W. in Toronto.

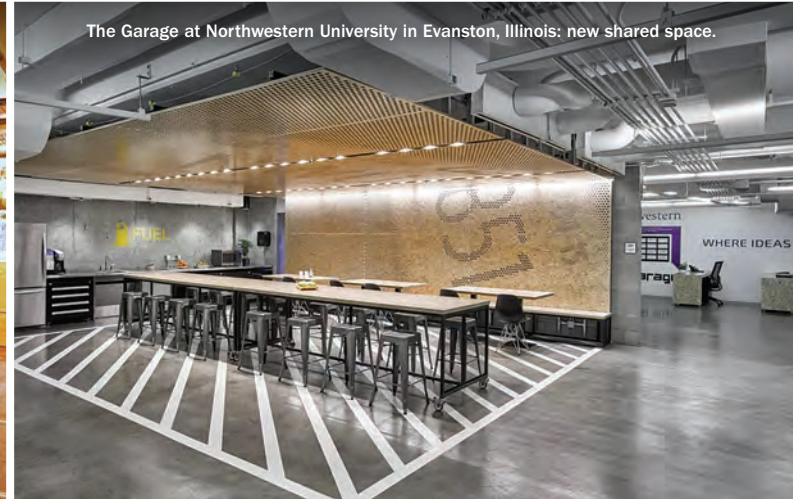


The Cumberland Parkade on Cumberland St. in Toronto's Yorkville community.

Photo: RCCAO



A refurbished parking garage in London, England: Peckham Levels.



The Garage at Northwestern University in Evanston, Illinois: new shared space.

## THE EVOLUTION OF HIGH-RISE PARKING REGULATIONS

**Parking standards** have had an enormous impact on built form, travel behaviour, housing affordability, and stormwater capacity. That's the focus of the 50th independent report commissioned by the Residential and Civil Construction Alliance of Ontario (RCCAO). Authored by the Ryerson Urban Analytics Institute, it is called "How Parking Regulations Need to Evolve for High-Rise Buildings."

The report finds that Toronto's minimum parking standards have not been meaningfully revised in the past three decades. In addition, substantial changes in technology and services have occurred, necessitating a review of fundamental planning concepts and related parking standards. The expected innovations in mobility, such as autonomous vehicles, will also influence commuting patterns and how much parking space will be required in the future.

A case is made for above-ground parking as a practical solution to the challenges that below-grade parking presents: firstly, a high-water table is detrimental when there are severe rainfall events, especially when stormwater

capacity is limited or pipes are aging. Secondly, the cost of constructing below-grade parking has increased rapidly over the past decade, often between \$80,000 and \$100,000 per space in downtown Toronto. Minimum parking requirements thus increase development costs, which has a ripple effect on housing costs and overall affordability.

### RECOMMENDATIONS:

- 1 Undertake a review and overhaul minimum parking standards to reflect the significant changes over the last three decades in travel behaviour, technology, and services.
- 2 Examine and encourage innovative above-ground parking options so that these structures can be repurposed for other potential uses in the future, such as retail and residential.
- 3 Consider implementing more flexible parking standards rather than formula-based rigid parking requirements.

While this report is focused on the City of Toronto, there are applications across many of Canada's urban centres.



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