



**CHAMBRE DE COMMERCE
DU MONTRÉAL MÉTROPOLITAIN**
BOARD OF TRADE OF METROPOLITAN MONTREAL

Brief of the Board of Trade of Metropolitan Montreal as part of public consultations on the draft Montréal Development Plan



August 2013

Preamble

The Board of Trade of Metropolitan Montreal is made up of some 7,000 members. Its mission is to represent the interests of the business community of Greater Montréal and to provide individuals, merchants and businesses of all sizes with a range of specialized services to help them achieve their full potential in terms of innovation, productivity and competitiveness. The Board of Trade is Quebec's leading private economic development organization.

Background

The Ville de Montréal has created a draft development plan as provided for in section 91 of its Charter. This section stipulates that the plan must present the Ville de Montréal's objectives in terms of community, cultural, economic and social development, the environment and transportation. The plan sets out a vision and development issues over a 20-year horizon and must be reviewed every five years.

The draft Montréal Development Plan (MDP), *Montréal for Tomorrow*, was presented for discussion as part of consultations conducted in summer 2013 by the Office de consultation publique de Montréal. This office is soliciting the opinions of different actors in Montréal just weeks before an election that is crucial for the future of the city and during which new candidates will be running for office. We can expect that the future mayor and the new city administration will develop and adopt a new development plan that reflects their electoral promises and their vision as proposed to voters, which provides some perspective on the significance of the draft MDP.

That being the case, the Board of Trade of Metropolitan Montreal nevertheless studied the plan proposed by the current administration. This brief, as submitted to the Office de consultation publique de Montréal by its President and CEO, presents the Board of Trade's recommendations.

Introduction

The development of Greater Montréal depends on the development of its central city. On its own, the agglomeration of Montréal¹ represents 43% of the population, 63% of jobs and 65% of the economic activity of the metropolitan area.² It is the economic, cultural and social heart of Greater Montréal. The central city is also where the business community, universities, cultural events and major metropolitan, provincial and federal infrastructures are concentrated.

While the city has made a name for itself for its resilient economy, diverse industrial fabric and creativity, its economic performance is below the Canadian average. This is an even greater source of concern for the agglomeration of Montréal, where the unemployment rate is higher than that of the metropolitan area and in fact is among the highest in the province. The Greater Montréal business community believes it is important to improve the central city's performance. This is why an integrated development plan for Montréal can be a cornerstone for the city's development and allow it to effectively play its role as an economic driver of Quebec.

As indicated in the Background section of this document, the Board of Trade has considered the draft Montréal Development Plan (MDP). Overall:

- The Board of Trade recognizes that it is important to create a development plan that establishes a vision and identifies development issues over a 20-year horizon. This exercise is also necessary for ensuring as much consistency as possible between the MDP and other regional policies and plans, including the urban development plan, the Plan métropolitain d'aménagement et de développement (PMAD). It is essential for avoiding overlaps between programs and the scattering of resources, and for proposing a global, integrated development strategy that helps position the city competitively among the world's major centres.
- The Board of Trade believes that the greatest challenge Montréal and the entire metropolitan area face is increasing collective and individual wealth. Montréal and its residents are lagging major North American cities on all wealth indicators. This in part explains the difficulty we have had sustaining the rate of investment required to maintain infrastructure and deploy new assets, particularly in public transit. Consequently, the Board of Trade expects the MDP to pay particular attention to efforts to strengthen the city's economic base. This is how Montréal will be able to offer greater quality of life, attract more talent and families and foster the development and retention of businesses.

¹ In this brief, we use statistical data for the agglomeration of Montréal to explain the city's performance.

² Sources: Institut de la statistique du Québec and Ville de Montréal.

- Furthermore, while the MDP should include objectives for community, cultural, economic and social development, the environment and transportation, the Board of Trade notes that the MDP proposes little in the way of concrete initiatives and directions to support this outlook of integrated development. Economically speaking, Montréal is a complex city, whose fortunes are based on a number of industrial sectors as well as on creativity and knowledge. The close connection between economic development and transportation, for example, is very important, but is too one dimensional. Cultural and social dimensions feature nowhere in the document. The MDP should better reflect this diversity of objectives and their interrelationships.
- Finally, as indicated in the background, we cannot ignore the fact that this exercise is premature. These consultations are taking place against a unique backdrop. First of all, the city has experienced a breakdown in the public's trust in the political process and the municipal administration in light of scandals of recent years. Plus, in less than two months, Montrealers will elect a new mayor and a new administration who will have their own vision of development and will not be bound by the findings of these consultations. For example, the MDP does not propose strategies to make Montréal a smart city. These strategies are an important pillar of the economy of the future. They are among the priority efforts recommended by TechnoMontréal, the information and communication technologies cluster, and one of the major themes of the election campaign.

The Board of Trade of Metropolitan Montreal has nevertheless put together the following comments and recommendations. We believe that the points of view that will be heard during these consultations may at least serve as points of reference for the new administration to develop its own MDP.

1. Reinforce Montréal's leadership

Montréal's influence with other public authorities has diminished over the years, virtually evaporating during the recent crisis. Montréal's development is inevitably hampered by this dwindling influence, because major projects that require the support of other levels of government are slow to materialize.

Therefore, to achieve its objectives, the MDP must not only show a clear, global and unifying vision around the city's key development issues,³ but it must also prompt different parties and levels of government to work together to make that vision a reality. Whether for completing major, supraregional projects, strengthening industrial clusters or putting in place strategies to retain talent, families and businesses, Montréal's priorities must be recognized and adopted by federal and provincial authorities.

1. The Board of Trade believes that the MDP should allow Montréal to assume strong leadership with municipalities in the metropolitan area, Quebec and Ottawa. It should emphasize the need for better cooperation and dialogue with key players to promote integrated development and lead them to a consensus in vision and action for the growth of Montréal and the metropolitan area.

³ In this brief, as is the case for the *Montréal Development Plan*, the term "Montréal" refers to the territory covered by the Ville de Montréal.

2. Strengthen downtown and commercial arteries

Every city needs a dynamic downtown to ensure its growth and influence. Downtown Montréal therefore has an important role to play. It is also distinct in that it has the business centre, cultural and commercial activities and a concentration of a large number of jobs.

However, Montréal's downtown and commercial arteries have been in decline because of the development of dynamic, accessible service centres in the suburbs, not to mention spring 2012 demonstrations and the construction sites that have had a negative impact on local businesses and visitors to downtown. The downtown core is dealing with a more competitive environment, so it needs to be more competitive.

As a result, beyond completing projects downtown – such as the Quartier des spectacles and the Bonaventure project – which will help increase the city centre's vitality, a strategy is needed to consolidate its development.⁴

2. The Board of Trade would like the MDP to reflect the unique nature and new reality of downtown and set out a strategy for improving access to downtown and reinforcing its commercial activities. To do this, the following efforts should be considered:
- Improving access to downtown (including by car, ensuring that parking is competitive with the rest of the metropolitan area)
 - Making sure streets are clean and properly designed for pedestrians
 - Expediting the approval process for projects
 - Striking a better fiscal balance between residential and non-residential properties (for example, by limiting the property tax increase to foster conditions that are favourable to merchants and promote walk-in and neighbourhood trade)

The above factors are crucial for supporting and strengthening commercial activity both within and outside downtown. Furthermore, beyond urban projects outside downtown (such as the Outremont Campus and the Hippodrome), we need to focus on more “traditional” commercial arteries. A healthy city needs service centres and vibrant commercial arteries in its central city.

3. The Board of Trade believes the MDP should pay particular attention to “traditional” commercial arteries. It should develop urban models that better reflect the needs of business owners and consumer expectations.

⁴ The Ville de Montréal's Stratégie de développement économique 2011-2017 includes an action plan for downtown Montréal.

3. Strengthen the economic base and improve quality of life for Montrealers

A coherent, effective development plan for Montréal is necessary to improve the quality of life of Montrealers, but it is not enough. As noted above, we cannot significantly improve quality of life without strengthening the economic base, and in turn promoting wealth creation. These are essential factors for achieving the coherent, balanced development of Montréal and preparing it to tackle the challenges of moving to an economy based more on knowledge and creativity, which have carved out a greater place on the Montréal scene through creative industries.

We must not forget that the metropolitan area is underperforming in terms of per capita wealth, lagging behind major North American cities. More specifically with respect to the agglomeration of Montréal, it continues to lose residents to the suburbs, and its unemployment rate is verging on 10%.⁵

Furthermore, a dynamic city is only improved by the development of its outskirts, provided its centre is not weakened. But some 20,000 people are lost every year to surrounding areas, and the relative share of employment in the suburbs is growing. This reduces downtown's demographic weight and limits its outlook for economic growth. This exodus of families is explained in part by an increase in housing prices and housing that does not meet their needs. Recent decisions to make cars harder to use in certain city neighbourhoods are also likely to make it harder to retain families.

However, the Ville de Montréal's 2014-2017 family retention plan is a step in the right direction. The Board of Trade is waiting for the findings of the Comité de pilotage Montréal = famille (Montréal = family steering committee), put in place by the Government of Quebec, the objective of which is to introduce measures to encourage families with young children to settle and stay on the Island of Montréal. The MDP should clarify the objectives and efforts that will be put in place to reduce the migration of Montréal families to the suburbs. It should also appeal to the Government of Quebec to ensure that its policies are consistent with the city's efforts.

⁵ Source: Ville de Montréal, July 2013.

4. The Board of Trade believes that the MDP should present a series of measures to improve Montréal's business environment and economic base. The Board of Trade therefore recommends the five following series of measures:
- Strengthen the industrial clusters. Our clusters are essential to the economy's diversity and resilience. They are also the backbone of innovation. The MDP should reiterate the Ville de Montréal's intention to strengthen the deployment of industrial clusters on its territory and that of the CMM. It should also set out the Ville de Montréal's intention to promote dialogue and collaboration between key players in economic development.
 - Attract and retain talent for Montréal. Talent is both the city's main challenge and its main advantage. On the one hand, Montréal has the benefit of nine university institutions and a number of research centres, and on the other, it is facing an aging population that will make it more difficult for businesses to find the labour they need. The MDP should outline the Ville de Montréal's role and the measures it advocates to attract and retain students and immigrants.
 - Keep families in Montréal. The MDP should set out objectives and efforts to reduce the migration of Montréal families to the suburbs.
 - Improve taxation for business. Businesses need a competitive tax environment. The MDP should outline the Ville de Montréal's intention for any property tax increases. The Board of Trade recommends that these increases be indexed to the cost of living.
 - Promote Montréal's economic advantages. The MDP should indicate the relative importance of promoting the economic benefits of Montréal as a city that fosters innovation and business development. Through the CMM, the Ville de Montréal supports Montréal International, the mission of which is to promote the city to attract investment, talent and international organizations. The MDP should outline the Ville de Montréal's vision for Montréal's international visibility.

The city has a growing reputation for creativity, and its cultural sector is particularly vital. Montréal also ranks seventh in North America for the concentration of high-tech jobs.⁶ This dual reality means that local businesses, including Cirque du Soleil, Ubisoft, Moment Factory, Sid Lee and the Society for Arts and Technology, and events such as C2-MTL and Montréal's major festivals, are strengthening their brand internationally and are among the city's economic leaders.

Creative industries are increasingly seen as strategic to shaping the character of major cities. They play a growing role in modern economies, particularly knowledge-based ones. They have distinguished themselves for greater growth and job creation than other sectors and are an effective means of gaining international visibility. They generate significant economic and social benefits, and public authorities in a number of countries are developing strategies and programs to maximize their economic contribution.

1. MONTRÉAL INTERNATIONAL (2011). *Attractiveness Indicators 2011-2012*, 53 p.

Montréal, a city of culture and higher learning, has come to recognize its assets in knowledge and creativity and wants to bank more on these to make its mark and ensure its development. The MDP must better reflect this fact and propose appropriate avenues for development.

5. The MDP should consolidate Montréal's assets in terms of culture and knowledge and strengthen its creative industries:
 - Develop creative industries. The MDP should leverage the creative industries to promote the city's development. As such, it is important to create a strategy for developing creative industries that is an integral part of the city's current and future development.
 - Continue implementing the *Montréal, Cultural Metropolis* action plan. This is a major effort that has rallied and empowered many private and public partners around the city's cultural development issues.
 - Make public art part of what makes Montréal distinctive. The MDP should set out a vision and efforts to showcase public art and encourage companies and patrons to invest in it.

Finally, as Quebec's largest city and the second largest city in Canada, Montréal enjoys a concentration of provincial and federal assets and infrastructure, such as the Port of Montreal, Montréal-Trudeau Airport, the Olympic Park and research centres, including the Biotechnology Research Institute, the Institut de recherches cliniques de Montréal and university hospital centres. The MDP should set out the Ville de Montréal's vision and intended efforts to increase the economic and social benefits of these assets.

6. The Board of Trade asks that the MDP include a vision and efforts to increase the economic and social benefits of provincial and federal assets within its territory.

4. Invest in and modernize infrastructures strategic to the development of Montréal

a. Focus on developing real estate projects in Montréal

A number of major real estate projects are currently under way, particularly downtown. These projects show the renewed confidence in the city's future among real estate developers and their institutional and individual investors. The Ville de Montréal can play a decisive role in planning and completing these private projects. The Quartier international is an interesting example. A public investment of less than \$100 million to regenerate a neighbourhood has resulted in investments of close to \$2 billion. Private investments in the Quartier des spectacles also demonstrate the spillover effect of public development decisions for urban spaces.

To take full advantage of the opportunities arising from real estate development and urban regeneration, the city must offer an attractive environment for developers and investors. This is why the MDP should set out the Ville de Montréal's vision regarding project management, to expedite development efforts while adhering to the rules of transparency, integrity and equity.

7. The MDP should place high priority on urban regeneration projects that have strong potential to attract new investment:
- Griffintown. This project will increase population density close to downtown. Furthermore, Griffintown's proximity to the Quartier de l'innovation will help create an urban environment that promotes employment and that is also residential and recreational. The Board of Trade encourages the Ville de Montréal to leverage this greater density to attract new investments and diversify the commercial offer in the area.
 - Université de Montréal Outremont Campus. It will create a new neighbourhood around new knowledge economy infrastructures. The recent Plan de développement urbain, économique et social (PDUES) for the Marconi-Alexandra, Atlantic, Beaumont and De Castelnau areas east of the future campus is an example of successfully integrating different development projects along adjacent areas. The Board of Trade encourages the Ville de Montréal to promote this project that is founded on mixed urban development and the creation of a leading-edge research ecosystem.
 - The Hippodrome Project. The former Hippodrome is a unique opportunity for the city to develop an avant-garde neighbourhood with up to 8,000 dwellings. While this project is still a number of years down the road, the Ville de Montréal has to start planning this new area to integrate residential, leisure and work activities. We encourage it to base its thinking on the best examples of neighbourhoods inspired by transit-oriented development.
 - The development and modernization project for Maison Radio-Canada and the surrounding site. This project, worth an estimated \$1.6 billion, includes improving the central tower, building some 2,200 dwelling units of different sorts and a number of commercial and office spaces and creating two public squares. The development of the site will help create a new living environment and strengthen the socioeconomic fabric of the block occupied by Radio-Canada.

b. Concentrate efforts and resources on major structuring road projects

Major public infrastructure projects are strategic to the city's development. In addition to renewing and modernizing our infrastructures, which is urgently needed, they stimulate short-term economic activity and improve the city's productivity and business environment in the longer term. Ultimately, Greater Montréal's economic performance is improved as a result.

Montréal has a pressing need for functional, safe and high-performance infrastructures. The business community understands the importance of the Ville de Montréal's new rules for awarding public contracts, particularly given recent revelations of collusion and corruption. In spite of this, we need to continue and even accelerate major public infrastructure projects that are a priority. As such, the Ville de Montréal needs to substantially increase the completion rate of the infrastructure projects that appear in its three-year capital plan, the Plan triennal d'immobilisation.

The Board of Trade noted the projects set out in the MDP. However, it did not see an explicit, clear prioritization of investment. The Board of Trade believes that the MDP should include a prioritization of infrastructure projects based on three principles: making up the maintenance deficit, completing work under way on budget and on time, and, only then, developing new infrastructure projects.

8. The Board of Trade believes that the MDP should identify priority road projects, including specifically:
- Improving access to the Port of Montréal. This will help with the flow of merchandise and reduce pressure on the surrounding road network. The redesign of strategic access roads, particularly via Highway 25 and L'Assomption Boulevard, should begin as soon as possible.
 - Rebuilding infrastructures along the roadway link between Montréal-Trudeau Airport and downtown, including the Dorval Interchange, the Turcot Interchange and other interchanges along the route. While these infrastructures are the responsibility of Quebec's Ministère des Transports, the Ville de Montréal must actively cooperate, and, insofar as is its prerogative, put continued pressure so that work is completed on time. The Ville de Montréal must ensure that effective measures are put in place to relieve traffic congestion during construction.
 - Building the new Champlain Bridge. Its strategic importance should be reflected in the MDP. This is an opportunity for the Ville de Montréal to show leadership with other levels of government. The completion of the bridge is of major strategic importance for our economic base, and any long-term interruption in traffic could have disastrous consequences for many businesses in the metropolitan area.
 - The eventual reconstruction of the Metropolitan Highway. This critical infrastructure for moving merchandise and people is in an advanced state of deterioration and should undergo major repairs during the 20-year timeframe of this MDP. A large portion may even have to be rebuilt. The MDP must specify the Ville de Montréal's vision and intended efforts so that repairs are done at the right time, with more fluid collaboration than was witnessed for the Turcot Interchange.

c. Develop the public transit system by priority project

The smooth flow of goods and people in the metropolitan area is essential to our prosperity and economic growth. A number of indicators show that the cost of traffic congestion is still very high in the metropolitan area. Heavy traffic is limiting the city's productivity and the attraction and retention of foreign investment.⁷ Our economic competitiveness compared with other major North American cities depends in part on a transportation network that ensures the safety of its users and minimizes the economic costs of traffic congestion in Greater Montréal.

The Board of Trade has noted the projects presented in the MDP and believes, as it does for major infrastructure projects, that the prioritization of transportation projects must be based on sequencing and that priority should be given to the maintenance deficit, followed by the completion of projects that are under way and finally the development of new projects, subject to our ability to pay.

⁷ BOARD OF TRADE OF METROPOLITAN MONTREAL. June 2012. *Competitiveness of the Greater Montréal Business Environment*.

9. The Board of Trade supports the projects prioritized and presented in the MDP's five-year action plan:
- The implementation of bus priority measures. We believe this is one of the most effective and least expensive measures to shift the modal share toward public transit and reduce road traffic.
 - The introduction of the Pie-IX bus rapid transit (BRT) route. While this project is more expensive than priority measures, it will make it possible to move more users faster. However, this project is an example of the dysfunction that affects major public transit projects in the city. It is completely unreasonable that a BRT project announced in 2009 is not already on its way to completion.
 - The extension of the metro's blue line to Anjou. While building a metro is very expensive, the number of passengers carried, regularity of service and speed of travel make it a preferred mode of transportation where justified by user density. After extensions to Longueuil and Laval, it is crucial to extend the blue line to Anjou. The increasing density of this area in recent years will allow for a major shift in the modal share. We encourage the Ville de Montréal to move quickly on this major project to reduce traffic congestion and improve productivity.

d. Ensure adequate financing for priority projects

The completion of priority public transit projects will require new sources of financing. To this end, the Government of Quebec's sustainable mobility policy, expected in 2014, should propose sustainable and recurring solutions. The Board of Trade recommends using three recurring sources: increasing the share of the Land Transportation Network Fund allocated to public transit projects to 30%, increasing by 5¢ over five years the gas tax that applies to the entire metropolitan area and extending the \$45 surcharge on motor vehicle registration fees on the Island of Montréal to the entire metropolitan area.

10. The Board of Trade believes that the MDP should indicate sources of funding for public transit projects. In doing so, the MDP should identify the consequences of the choice of funding for Montrealers and the economic base.

Conclusion

The Board of Trade supports the principle of developing a draft long-term Montréal Development Plan, which identifies directions and efforts to support the rational, integrated development of downtown. However, the document's significance is mitigated by the fact that there will soon be a new administration. Furthermore, the MDP must take a more integrated perspective to better reflect the dimensions set out by the Charter.

However, a rational, integrated development strategy must rely both on urban development and transportation structuring projects and on the city's economic, cultural and social development. As such, the MDP must present clear proposals and initiatives to promote wealth creation. This is an essential condition to improving the quality of life of Montrealers and reinforcing the city's role as an economic driver of Quebec.

SUMMARY OF THE BOARD OF TRADE'S RECOMMENDATIONS TO DEVELOP A MONTRÉAL DEVELOPMENT PLAN

1. The MDP should allow Montréal to assume strong leadership with other municipalities in the metropolitan area, Quebec and Ottawa. It should emphasize the need for better cooperation and dialogue with key players to promote integrated development and lead them to a consensus in vision and action for the growth of Montréal and the metropolitan area.
2. The MDP should reflect the unique nature and new reality of downtown and set out a strategy for improving access to downtown and reinforcing its commercial activities. To do this, the following efforts should be considered:
 - Improving access to downtown (including by car, ensuring that parking is competitive with the rest of the metropolitan area).
 - Making sure that streets are clean and properly designed for pedestrians.
 - Expediting the approval process for projects.
 - Striking a better fiscal balance between residential and non-residential properties (for example, by limiting the property tax increase to foster conditions that are favourable to merchants and promote walk-in and neighbourhood trade).
3. The MDP should pay particular attention to “traditional” commercial arteries. It should develop urban models that better reflect the needs of business owners and consumer expectations.
4. The MDP should present a series of measures to improve Montréal's business environment and economic base:
 - Strengthen the industrial clusters. The MDP should reiterate the Ville de Montréal's intention to strengthen the deployment of industrial clusters on its territory and that of the CMM. It should also set out the Ville de Montréal's intention to promote dialogue and collaboration between key players in economic development.
 - Attract and retain talent for Montréal. The MDP should outline the Ville de Montréal's role and the measures it advocates to attract and retain students and immigrants.
 - Keep families in Montréal. The MDP should set out objectives and efforts to reduce the migration of Montréal families to the suburbs.
 - Improve taxation for business. The MDP should outline the Ville de Montréal's intention for any property tax increases. The Board of Trade recommends that these increases be indexed to the cost of living.
 - Promote Montréal's economic advantages. The MDP should indicate the relative importance of promoting the economic benefits of Montréal as a city that fosters innovation and business development. It should outline the Ville de Montréal's vision for Montréal's international visibility.
5. The MDP should consolidate Montréal's assets in terms of culture and knowledge and strengthen its creative industries:
 - Develop creative industries. The MDP should set out a development strategy for creative industries that is an integral part of the city's current and future development.
 - Continue implementing the *Montréal, Cultural Metropolis* action plan.
 - Make public art part of what makes Montréal distinctive. The MDP should set out a vision and efforts to showcase public art and encourage companies and patrons to invest in it.
6. The MDP should include a vision and efforts to increase the economic and social benefits of provincial and federal assets within its territory.

7. The MDP should place high priority on urban regeneration projects that have strong potential to attract new investment:
 - Griffintown.
 - The Université de Montréal's Outremont Campus.
 - The Hippodrome.
 - The development and modernization of Maison Radio-Canada and the surrounding site.

8. The MDP should identify priority road projects, including specifically:
 - Improving access to the Port of Montréal.
 - Rebuilding infrastructure along the roadway link between Montréal-Trudeau Airport and downtown, including the Dorval Interchange, the Turcot Interchange and other interchanges along the route.
 - Building the new Champlain Bridge.
 - The eventual reconstruction of the Metropolitan Highway.

9. The Board of Trade supports the projects prioritized and presented in the MDP's five-year action plan:
 - The implementation of bus priority measures.
 - The implementation of the Pie-IX BRT.
 - Extending the metro's blue line to Anjou.

10. The MDP should indicate sources of funding for public transit projects. In doing so, the MDP should identify the consequences for Montrealers.