

UDI AGM – March 15, 2007
Speaking Notes

Thank you and good afternoon.

Every time I come down to this club, right in the heart of the largest stretch of urban parkland in North America, it's hard not to think about what a gift we have in our river valley.

Past builders of this city had the vision to recognize that this part of Edmonton was distinctive and unique, that the river valley was a resource worth protecting, that this would be an area generations could enjoy in countless ways, and for decades all of our planning decisions have been made in a way that honoured this foresight.

The legacy it left us is simply priceless.

For me, this type of foresight is what we should aspire to as a community.

It's an invitation to aim for greatness and long-term success – instead of accepting mediocrity and compromised results.

Truly, the need for vision and aspiration has never been more important than it is right now – in this time of rapid change.

Our population is booming.

Our economy is exploding.

The scale of growth we're facing is massive – the sheer quantity is mind boggling.

And while this growth offers tremendous opportunity – it also poses a tremendous challenge for us all.

And I want today to talk with you about the regional nature of this challenge.

As a region, we need to ensure that high quantity of growth translates into high quality growth.

But to do this, we need to think about the Edmonton Capital Region as exactly that – a region, a region that has a shared responsibility for a shared future.

But we're not off to a very good start.

We have no mechanism to plan our futures together.

We have 23 different mechanisms.

We don't look to the region as a whole to determine the best way to build and finance the infrastructure and services needed for the coming industrial development and fast growing population.

Instead we create 23 paths to the Province to ask for help to pay for our small pieces of the pile.

We don't work together to build value-added opportunities for our growing energy sector.

Instead we compete for every small piece of the puzzle, mostly against each other.

We each make decisions that will impact our neighbours – sometimes all 22 of our neighbours – without consulting the people we are going to impact.

It's a practice that has never served us well. But now, with the growth conditions we are facing, the impact of our regional dysfunction may grossly limit growth and prevent our entire region from reaching its potential.

A new approach is urgently needed.

So we've been talking a lot about a regional planning framework that recognises and protects the interests of individual communities and jurisdictions, but makes it essential that decisions that affect all of us are planned for, paid for and executed efficiently across boundaries.

Look at the size of the infrastructure that we're going to need: major investments in transportation infrastructure, transit, environmental management, waste and water management.

All are essential pieces of what we need to provide to manage growth and they also are coincidentally good examples of what we need to manage within a regional planning framework.

Shared responsibility could extend beyond this, too, to include such areas as social housing and the growing issue of housing affordability overall.

And let's take a minute to look at this area as an example of what's not working now.

First let's look at the social side.

Consider that Edmonton is home to roughly 70 per cent of the regional population, but almost all of the region's absolute or sheltered homeless population lives in our city.

Close to 98 per cent of the subsidized social housing in the region is in Edmonton.

To a large extent this is just expected. Issues like homelessness are naturally centred more directly around urban cores, where social service agencies are located – frankly where survival is easier.

But where does responsibility lie for the issue?

Right now, the 70% of the region that lives within Edmonton, pays 98% of the municipal costs related to homelessness.

The costs from homelessness on services like policing and ambulance, are all paid for by the citizens of Edmonton.

Now I've heard some regional politicians say that they don't have a homeless problem.

But frankly that's a little bit like me saying that because I've never seen a homeless person in Lessard, where I live, it's not my problem either.

Well it doesn't work like that.

The citizens and businesses of Edmonton share this issue - and pay for this issue - and it's simply not acceptable for any municipality to use its boundaries to shield it from responsibility.

And I have to say that I find it a little frustrating.

Especially, when I hear repeated complaints – lots of which I sympathize with quite frankly - about Edmonton not being competitive enough within this region.

Because these issues, and many like it – hit Edmonton citizens and businesses right in the wallet.

Your wallet.

Let's look at another way our dysfunction is hitting your bottom line.

When we hear that the Edmonton Region will have the fastest growing real estate prices in the nation this year we've got a mixed blessing.

It's great news if you already own a home and are rapidly gaining equity, but it's creating really tough conditions for those who are trying to get into the market. And frankly it's creating a growing challenge that will make it harder to recruit the people we desperately need to recruit to work in this region.

The economics of land are not super complex. Prices are governed by supply and demand.

And municipalities have a huge impact on the marketplace in the way that we facilitate your efforts to bring new supply on stream.

But our current growth conditions are so strong that we're not keeping pace.

Five years ago, a quarter million dollars would buy a family a pretty nice home.

Now a quarter million dollars is what it costs just to buy and service a single lot.

Both land supply and servicing capacity are under strain across the region – I know you see this.

Now add to this, that 23 municipalities are making separate plans to deal with this situation.

Instead of trying to get together, gauge market demand across the region, use economies of scale to help address servicing costs, and therefore find a way to keep pace with the marketplace – we're all charting our own course – and making an already strained situation that much more convoluted.

Which means your ability to bring your product to market might actually slow down, right when the market is demanding you speed up.

And it doesn't make sense because it's a regional market.

We just don't act like it.

There are not significantly different market conditions between St. Albert and Devon, anymore than there are between Windemere and Oxford.

We just act like there are.

As politicians, we have to stop thinking of our boundaries as the start and end points of all our responsibilities.

We need to be far-sighted enough that we can virtually erase boundaries and manage the growth that's coming – before growth has become as unmanageable in this region as we've seen it become in others.

And if we do our job right, there's enough for us all to gain that will more than offset any fraction of what we all need to give.

And this brings me back to where I began my remarks this afternoon – to the river valley.

Think again just really briefly about the legacy that smart planning left us here.

Now consider the opportunity we have to create the same benefit with the economic boom that is before us.

As many as 10 upgraders are expected to be built in 5-10 years within this region.

I know some of you heard about some of these projects from my colleague from Sturgeon earlier this morning.

Ten upgraders, bringing thousands of new jobs, pumping billions into the regional economy.

Ten upgraders could have a value of about \$40 billion. So think about it in terms of doubling the entire industrial and commercial assessment base of this region because that's exactly what it will do if we get there.

This is such a good news story for our region.

The development brings untold opportunities, which is why it's so important to create the conditions that will allow ALL of these upgraders to proceed.

But right now, we're failing as a region to create these conditions.

Let's look at the environment for a start.

Where's the plan to manage the environmental pressures these upgraders will bring?

What about emissions they will put into the regional airshed? How will these be sequestered?

What about the water they need?

10 upgraders could demand as much water every day as the entire City of Edmonton, but I don't see the solutions that will ensure we've got the water capacity to manage this need.

We need to look at innovative ways of ensuring upgraders can proceed without putting undue strain on a water system that we need to sustain us all.

There are options, like using wastewater, as we've done with PetroCanada in Strathcona County.

These are the types of solutions we have to find and apply on a regional level, not just for environmental issues but for housing, labour attraction, transportation and transit.

Being able to effectively address all of these issues will ultimately make the difference in whether or not our bold plans for this region succeed.

And all of these issues must be the focus of regional discussion and decision-making..... and Edmonton intends to place itself in a position where we can have our say.

Indeed, we will not accept anything less.

Because we understand very well that if our municipalities are so focused on competing with each other, we'll lose out to the real competition in places like Chicago and Houston.

And because we know the threats that poorly managed growth can present to the viability of projects. In the last week, we've heard Petro Canada talk about slowing its regional projects down, and we've seen the McKenzie Valley pipeline project delayed til 2014 at the earliest as its projected costs have doubled.

And also because realizing all this growth cannot be done at the cost of a diminished quality of life for our citizens – and by offering less in this regard to the potential workers we need to attract.

There's no question we have a huge challenge ahead of us.

Solving it can start by finally moving past municipal squabbles toward a strong regional focus.

And just imagine how well we can all succeed if we can do this.

Imagine the northeast corner of this region as one of the world's leading petrochemical centres – where 10 upgraders create such powerful a powerful business cluster that it leads to additional opportunities.

I'm talking about a vast array of made-in-Alberta products from our spin-off petrochemical-based manufacturing.

I'm talking about an energy industry that finally does not just export its most valued resource outside of our border bit, by, bit by bit-umen.

And imagine the northeast quarter of Edmonton using this incredible industrial opportunity to our full advantage, both as a base from which much of the value-added industrial work could be located, and, as a residential community that could be home for those people the industrial base will require.

Our Northeast can include an incredibly smart residential development, designed to ease the movement of people from industry to home in what could be one of the most advanced green communities, anywhere.

This is what regional thinking can produce.

When it comes to making the most of opportunity, there is a greater good.

And none of us have the right to stand in its way.

The potential risk to our prosperity of poorly managed growth is something that should bring us all together.

If we won't manage growth, it will manage us, and each of us will be out there alone to face each new crisis that comes.

We need to find a balance and we need to move past self-interest into finding real solutions.

We are literally making history here.

We're planning the next big legacy for future generations.

Will history remember us as people who turned opportunity into possibility?

Or will we be the latest generation to let it slip away?

Let's do everything we can today to come up with solutions that will make us appear every bit as smart and far-sighted as those who protected our river valley.

We owe nothing less to our future generations.

Thanks for your time.