

Planning, Zoning and Permitting in Manitoba

Preliminary Report

May 22, 2019

Scope of Review

- Following on the initial phase of work conducted by the Red Tape Task Force (May 2018), in Order in Council 157/2019, Cabinet asked Treasury Board Secretariat (TBS) to undertake an independent program review of the planning, zoning and permitting process in Manitoba through the lens of economic development
- Specifically, to the extent that development can occur more efficiently, what would be the economic benefit to Manitoba?
- Our review had a broad, province-wide scope
 - Includes all of the City of Winnipeg, rural municipalities, municipal planning districts, Manitoba Hydro and the OFC
 - Includes permitting administered at the provincial and municipal levels, including: building, electrical, plumbing, gas, pressure, and occupancy permits
 - Provincial statutes pertaining to permitting
 - Excludes exploration, mining and prospecting permits, amusement, motor vehicle permits, signage and environmental permits

Our “Working Thesis”

- In the course of its consultations, the report of the Red Tape Task Force (May 2018) heard that regulatory systems and processes actively discourage the investment of private capital, and that areas of Manitoba are not “open for business”
- The working thesis of our review was, simplistically, that “**a permit delayed has a meaningful impact on the Manitoban economy**”. We then set about gathering evidence to test this thesis:
 - What is the relationship between permitting activity and the economy (and tax revenues)?
 - Are developments / investments of private capital being unnecessarily* delayed?

* We stress the word “unnecessarily”. We are not advocating for development that is not subject to plans, by-laws and codes. These have a critical role in ensuring that development is responsible. When we speak of unnecessary delays, we are referring to *compliant* development proposals that are not advanced to the occupancy stage in a timely manner

Why This Review Matters

- The Manitoban economy cannot flourish without private sector capital being invested in residential, commercial and industrial development:
 - Represents \$5.1B of investment a year, or around 7% of GDP
 - Creates the infrastructure to become homes, workplaces and industrial engines for the future
 - Responsible for over 24,000 jobs
- Private sector construction plays an enormous role in creating jobs, building communities and places to work and contributing to our overall economic prosperity
- It also creates a robust and stable tax base, enabling governments to have the financial stability to deliver important front line services

Independent Review Function

- TBS is a central government agency designed to play a “challenge function” within the Government of Manitoba
 - As such, we are constantly required to act independently when performing financial analysis, making budgetary recommendations, or conducting program reviews
 - We provide unbiased, evidence-based recommendations to government
- This review is being conducted solely by public servants within TBS
 - We would also like to express gratitude of the support being received from other public servants across many government departments, notably Manitoba Finance and seven other Deputy Ministers
- TBS will deliver its report directly to Cabinet without the prior review or direction from elected officials on Treasury Board

The Role of the Province in Planning

- It is the Province's responsibility to ensure that the Province's regulatory processes operate in an efficient, transparent and consistent manner and achieve the desired outcomes
- All of the regulatory processes examined in the course of this review operate under legislative authorities directly derived from Provincial legislative jurisdiction
 - At no point did our review stray to matters outside of Provincial jurisdiction
- It is important to note that *only the Province has the legislative authority to structurally fix these problems*. The regulatory agencies we reviewed (including Manitoba Hydro, the OFC, municipalities and planning districts) do not have the mechanisms to implement legislative reforms – they need provincial legislative support

TBS Program Review Methodology

- The Project Team employed a five-phase process to complete the review.

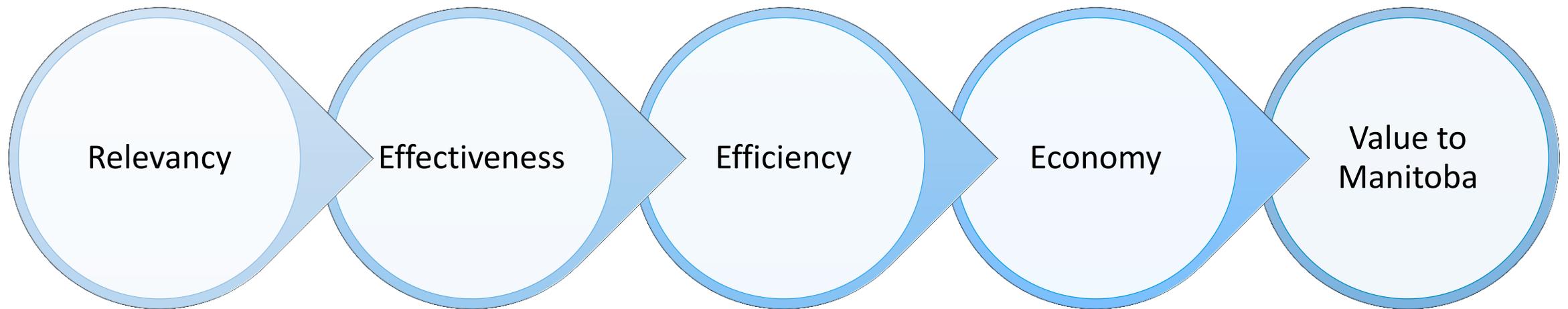


Outputs:

- Confirmed work plan
- Defined scope of the review
- Assembled key resources and contributors
- Developed the Review Framework
- Conducted data collection exercise
- Completed a jurisdictional scan
- Completed stakeholder consultations
- Reviewed and assessed data
- Identified best practices
- Assessed opportunities for improvement
- Developed recommendations
- Draft Report
- Incorporate feedback
- Finalize Report

Review Framework

- We used the same Review Framework adopted by TBS for all the program reviews we undertake:



Stakeholder Consultations

- As part of this review, TBS invited a number of Manitoba stakeholders representing urban and rural centres to participate in informal interviews to discuss their perspectives and experiences with respect to Manitoba's zoning and permitting process
- To date, TBS intensively consulted with ~50 individuals over several weeks, representing a variety of private and public sector businesses and organizations including:
 - Developers of all sizes, including residential, commercial and infill
 - Subject Matter Experts
 - Large Corporations
 - Construction, Hospitality, Manufacturing, Food Processing and Agribusiness Industries
 - Winnipeg Metropolitan Region
 - Economic Development Winnipeg
 - Engineering Firms
 - Trade and Professional Associations
 - Construction and Homebuilders Associations
 - Cottagers
 - Project Management Consultants
 - Manitoba Hydro
 - Office of the Fire Commissioner
 - Senior City of Winnipeg Executives, as well Former Employees and Executives
 - Manitoba Government public servants

Other Workstreams

- A standard feature in TBS-led program reviews are “jurisdictional scans”
 - In our review of planning, permitting and zoning, we are conducting an extensive analysis of how other jurisdictions organized their regulatory practices – and look for models of “best practices” that could be used in Manitoba
- We have also worked with the Department of Finance, including the Manitoba Bureau of Statistics, to review a large number of existing and external economic models to develop a predictive approach
 - This modeling work is complete, but still undergoing final quality control tests

Interim Report

- The TBS report is almost complete
 - While still in draft form, our report is now approaching ~200 pages in length
 - We are in our final “quality control” phase, as well as working with many other public servants to validate the findings and recommendations
 - We intend to deliver the final report to Cabinet next week
- We are developing a number recommendations for the Government of Manitoba to consider
 - Some of these recommendations will be specific actions that can be taken by the Government of Manitoba, while others will be recommendations to engage with stakeholders collaboratively to develop better approaches to development in Manitoba
 - Our recommendations will be finalized in the coming weeks
- We wish to express our appreciation for the ~50 individuals that met with TBS staff to share their expertise and perspectives. Their support was invaluable
 - We are hopeful that the strong collaboration we have received from all of the stakeholders in our program review will continue as we work to finalize our work

APPENDIX A

TERMS OF REFERENCE

Terms of Reference: Permitting in Manitoba

Program Review Summary		Review Context	
<p>Cabinet has requested that Treasury Board Secretariat (TBS) perform a program review of key planning, zoning and permitting activities across all of Manitoba, with a particular emphasis on how permitting influences investment decisions and the Manitoba economy.</p> <p>Specifically, TBS is to review the permitting activity of Manitoba Hydro, The Office of the Fire Commissioner (OFC), the City of Winnipeg, rural planning districts and rural municipalities</p>		<p>TBS will seek information from other central public service areas, including:</p> <ul style="list-style-type: none"> • Manitoba Bureau of Statistics (MBS) • Fiscal Research Division (FRD) • Provincial public servants in the Departments of Growth, Enterprise and Trade (GET), Crown Services, Municipal Relations, Agriculture, Finance and Sustainable Development • The Economic Development Office (EDO) • Regulatory Accountability Secretariat (RAS) 	
Objectives	Scope	Assumptions	Risks / Constraints
<ul style="list-style-type: none"> • Review and determine the current state of key planning, zoning and permitting inspections in Manitoba with respect to real-estate development, construction, and business development. • Identify key performance standards (e.g. decision timelines, cost, complexity) • Conduct a jurisdictional scan of best-practices and service delivery models. • Assess impact of permitting on investment and economic development. • Develop recommendations to Cabinet. 	<p><u>In-Scope</u></p> <ul style="list-style-type: none"> • Permits, licenses and inspections at the provincial and municipal levels, specifically the City of Winnipeg, including: Electrical, Building, Plumbing, Gas and Pressure Permits. • Legislative statutes pertaining to P&L. <p><u>Out of Scope</u> – Exploration, Mining and Prospecting Licenses, tobacco, alcohol sales, taxi, signage, and other.</p>	<ul style="list-style-type: none"> • There are opportunities to improve and streamline the permitting process in Manitoba. • Accountability and service delivery standards can be improved, while maintaining the safety of Manitobans. • That the Manitoba Government can have a positive influence on intended outcomes. • That improvements in permitting processes will have a positive impact on economic development, investment, and overall competitiveness. 	<ul style="list-style-type: none"> • Availability of historical data of program’s outcomes and outputs to inform thorough analysis. • Availability of accurate data. • Availability of stakeholders for consultations. • Sensitivity surrounding this review require careful communications.