

**Working Together to Secure Saint John's Future:
Strategic Investments and Fiscal Reforms**

**A City of Saint John position paper for consideration by political parties during the New
Brunswick Provincial election, September 2024**

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1. Background

Saint John is positioned for growth. After deliberate planning and decisive action, the City is on a path to prosperity. In May of 2020, Common Council approved a Sustainability Plan that identified a set of actions and goals to address the structural deficit in time for 2021. It also identified the longer-term transformational reforms required to propel the City and Region's growth over the next decade. Work to action the plan began in early 2020, and the City has seen significant, positive results and experienced remarkable financial improvements over the past four years, driven by strategic financial planning and effective management.

Results

Strategic Planning and Long-Term Vision:

- The City of Saint John Long-Term Financial Plan, adopted by Common Council in December 2019, was a first of its kind for an Atlantic Canadian municipality. The Plan lays out a comprehensive strategy to maintain financial health and ensure the City's ability to provide reliable services and sound infrastructure for the next decade and beyond. The City remains committed to maintaining financial stability and building on the success achieved over the past four years, with plans for continued investment in infrastructure and community programs.
- A Corporate Strategic Plan has been developed and implemented, providing a roadmap for the city's future growth and development.
- The Regional Economic Development Agency, Envision Saint John, was established in 2021 to drive economic growth and attract investment to the region.
- There is ongoing implementation of the City's Population Growth Framework and the Roadmap for Smart Growth, ensuring sustainable and strategic expansion.

- A Housing for All policy and strategy has been developed and is being launched to support the immediate housing needs of all community members, ensuring that everyone has access to safe and affordable housing.

Fiscal Responsibility and Management:

- Saint John has consistently balanced its budgets, with the 2024 General Operating Budget totaling \$187.8 million, a 5.93% increase from the previous year, reflecting prudent financial management and strategic priorities.
- The City has prioritized reducing its overall debt, contributing to long-term financial sustainability.
- The City's structural deficit has been eliminated. The draft 2021 budget marked a historical financial reset with over \$6 million reduced from employee wages and benefits, over \$4 million in reductions to operating costs, and an increase in City-sourced revenue by \$900K.

Economic Growth and Investment:

- Saint John has reduced the property tax rate by 20.5 cents, from \$1.785 to \$1.58 per \$100 of assessed value since 2021. This represents the lowest tax rate in over two decades, exceeding the targets set in the Long-term Financial Plan.
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- Significant investments have been made in infrastructure, including roads, water systems, and public facilities, enhancing the City's appeal to investors and improving the quality of life for residents.

Development Growth:

- The City has seen a surge in both residential and commercial development. New housing projects and commercial spaces have been developed, catering to the growing population and business community.
- Saint John's strategic location and the development of Port Saint John have played a crucial role in attracting businesses and fostering economic growth. The Port's expansion projects have increased its capacity and efficiency, making it a key economic driver for the region.
- Major efforts to revitalize the Uptown, notably the waterfront development, expansion of Harbour Passage, and Charlotte Street reconstruction, will result in a more vibrant and attractive urban centre. New businesses, cultural venues, and public spaces are being developed, enhancing the City's appeal to residents and visitors alike.

Educational and Cultural Development:

- The construction of new schools and community hubs will be a significant milestone for Saint John, addressing the needs of a growing population and providing state-of-the-art educational facilities. The schools will offer advanced learning environments, modern

amenities, and ample space for extracurricular activities, ensuring a bright future for the City's youth.

- The planned relocation and expansion of the New Brunswick Museum is set to become a major cultural landmark in Saint John. This new facility will not only preserve and showcase the province's rich history and heritage but also attract tourists and boost the local economy. The museum's enhanced exhibits, educational programs, and interactive centres will provide valuable learning experiences for all ages.

2. Our Shared Vision – Building a Sustainable Future

The Province of New Brunswick has been an important partner in making the fundamental changes needed to put Saint John on solid financial footing today, and into the future. Through extensive and collaborative work between provincial and city officials, and with a shared vision of growth for Saint John, the Province and City jointly released *Sustaining Saint John – A Three-Part Plan* in July 2019. The document outlines a plan to support short- and longer-term financial self-sustainability for the City; including reductions in the property tax rate. It recognizes that many of the actions identified for transformational reforms require, and will be strengthened by, the engagement of and partnership with regional communities, city employees, labour groups, and other community interests. The City continues to champion the Plan and is working with the provincial government, the Greater Saint John region, and other New Brunswick municipalities to achieve success.

For the Province to grow and prosper, cities must lead the way. Strong cities make for a strong province. There must remain a strong focus on the City's future, and the vision for a strong and thriving Saint John Region.

With a growing population of over 131,000 people living within the Saint John region, the City serves as a vital economic and social connection for all neighbouring communities and the entire province. Saint John welcomes some 18,000 people who commute every day for work.

The Saint John CMA accounts for approximately 20% of the GDP for the province; employs close to 60,500 people; ranks 8th out of 20 urban centres in Atlantic Canada for its population growth rate; is home to a world-class industrial base; has a growing health and medical cluster; boasts some of the most diverse energy assets of any Canadian city; is the largest metropolitan area on the Bay of Fundy; offers an extensive air, water, rail, and road global transportation network; has a growing tourism sector; and enjoys a thriving innovation sector.

Saint John is proud to be the urban centre for the region and the industrial hub for New Brunswick. Saint John's ability to deliver on its historical role as the economic engine for New Brunswick will require continued leadership from the Government of New Brunswick to enable cities with the modern tools needed to maximize economic growth. Ultimately, it is the provincial government that has the power to make the meaningful and lasting reforms necessary to recognize and harness this critical role.

Saint John has demonstrated that costs are under control. This has taken discipline, and choices about how to spend limited resources over an extended period. Through informed financial

planning, decisions are being made based on greatest need, efficiency, and affordability. The City has found ways to deliver quality service within an affordable budget.

3. GNB Policy Considerations

3.1 New Comprehensive Recreation Facility

A new comprehensive recreation facility has been identified by the Common Council as a catalytic infrastructure project for the city. We are seeking a commitment to cost-share this project three ways. Such a facility would not only enhance the quality of life for residents but also serve as a significant draw for new families and businesses considering relocating to Saint John.

3.2 Industrial Park Expansion

Saint John needs to expand and invest in its industrial park to continue its growth and attract new businesses. This is a catalytic infrastructure project that requires a commitment to explore the viability of lands for industrial park development and to transfer the lands from the Regional Development Corporation to the City. This expansion will drive economic growth, create jobs, and increase the tax base.

In 2022, Common Council identified this effort as a Catalytic Infrastructure Project.

3.3 Affordable Housing and Social Mandate

The City faces social issues that affect the daily lives of residents. Many within the City struggle with issues such as addiction, mental health issues, homelessness, and affordable housing. The City has one of the highest child poverty rates in Canada, and generational poverty is very real. While some innovative and strategic programs have been developed to change the narrative and lift residents out of the struggle, an active provincial lead that is outcome-focused and a renewed effort are required to support awareness and investments in areas such as affordable housing, mental health and addiction support, community education centres, and other critical support programs. This has been identified a catalytic priority of Common Council.

To address the growing number of people who need affordable, safe housing, we seek a commitment to eliminate the PST on new builds for a certain period, as has been done in other provinces such as Nova Scotia. Additionally, we **urgently** need more housing of all types including shelter beds and a significant increase in resources/supports within the community to support our unhoused and low-income residents. Affordable housing is critical to ensuring that all residents have access to safe and stable living conditions.

The City fully supports the University of New Brunswick's request to the Province to help finance the construction of a new student residence at the Saint John campus. This initiative is vital for fostering the growth of our student population and will also contribute to increasing the availability of housing for other community members.

3.4 Support for the Corporatization of Saint John Energy

We seek provincial support for the corporatization of Saint John Energy. This move will allow for more efficient and effective service delivery and provide Saint John Energy with the flexibility and autonomy needed to innovate and grow. As a corporatized entity, Saint John Energy will be better positioned to respond to the needs of the community and contribute to the economic development of the region.

3.5 Fiscal Tax Reform

The City of Saint John strongly supports the Union of the Municipalities of New Brunswick's position to reallocate heavy industry property tax revenues to the municipalities where they are generated, encompassing approximately 33 municipalities and local service areas across the province. This fiscal reform is essential to ensure that cities, including Saint John, can retain a larger portion of the taxes generated within their jurisdictions, providing the necessary financial resources to support municipal services and infrastructure. Redirecting these funds locally would be an improvement towards enabling Saint John to make critical infrastructure improvements, enhance community safety, and help address housing needs, thereby improving residents' quality of life and promoting economic growth.

Moreover, retaining industrial tax revenues locally aligns with provincial goals of supporting municipalities and promoting regional economic sustainability. The proposal has garnered significant support from local industries, which recognize the benefits of keeping taxes local and are prepared to advocate for this initiative at the provincial level. This approach would transform public perception of industries from being seen as a burden to being viewed as vital community assets. Aligning with practices in other Canadian provinces, this move would strengthen New Brunswick's economic framework by using local property tax revenue as a tool to drive local development and growth. This balanced economic development would better equip municipalities like Saint John to manage and utilize funds to foster local industry and community projects, ultimately ensuring long-term economic stability and sustainable growth.

Further fiscal reforms beyond the heavy industrial property tax are also needed as part of the upcoming process.

3.6 Road Improvements to the Airport Arterial and Simms Corner

The intersection of Loch Lomond Road and the Airport Arterial currently faces significant challenges, with left-turn movements from the Arterial experiencing delays of up to four and a half minutes during peak periods, projected to increase to over six minutes by 2029. This failing level of service contributes to frequent accidents, posing a barrier to the Saint John Airport's

plans for further development, including a local services zone and a logistics and business park. To address this, the City has requested provincial investment to upgrade this intersection which is fully owned by the Province of New Brunswick, prioritizing the construction of a roundabout as identified in the strategic transportation plan, Move SJ. Such improvements are crucial for facilitating economic development and improving traffic flow in the area.

Simms Corner is another critical intersection needing attention, particularly due to the presence of rail tracks and the resulting inefficiencies for industrial traffic. The planned expansions of Irving Pulp & Paper, Lancaster Logistics Park, and the Saint John Port operations are expected to significantly increase truck and rail traffic, exacerbating delays and routing heavy trucks through residential areas. This presents a substantial risk to further industrial development support. While improvements are also part of the City's feedback on DTI's Infrastructure Investment Plan, the timing of this project is contingent on the completion of the Harbour Bridge work and the future of the Reversing Falls Bridge which is also in need of significant investments. Accelerating these intersection improvements is vital to accommodate the City's growing industrial activities and maintain efficient transportation networks.

4. Conclusion

The financial success of the City of Saint John over the past four years is a testament to our strategic planning, responsible management, and collaborative efforts with the province, our community and workforce. We look forward to building on this success and continuing to create a prosperous and vibrant future for all residents.

Support of the Government of New Brunswick through the implementation of the GNB policy considerations highlighted in this paper, and through the empowerment of our cities to do more, will bring tremendous benefits for all. We look forward to understanding the Party platforms during this election campaign and how they will contribute to growth, prosperity, and quality of life in Saint John.

5. Key Reference Documents

Further information about Council's priorities: [Accelerating Growth in Saint John | City of Saint John, New Brunswick](#).

For the City's Long Term Financial Plan: [Long Term Financial Plan | City of Saint John, New Brunswick](#)

To learn more about the Spruce Lake Industrial Park Expansion Project: [Spruce Lake Industrial Park Expansion | Shape Your City Saint John](#)

Fore more on the City's budget planning process and community engagement: [Shape Your Budget | Shape Your City Saint John](#)

[City of Saint John three-part action plan released \(gnb.ca\)](#)

[Housing for All: Homelessness Strategy - Public Safety Committee - Open Session - July 17, 2024 \(escribemeetings.com\)](#)