

The Canadian Infrastructure Landscape: Trends, Financing and Cross-Border Collaboration

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Pacific Northwest Economic Region Summit
July 23, 2019
Saskatoon, Saskatchewan





Infrastructure Investment The Global Challenge



Infrastructure Investment

- Drives Jobs
- Drives Productivity
- Drives Growth + Prosperity
- Drives Global Competitiveness

But some realities....



Infrastructure Challenge

Infrastructure Deficit

+

Fiscal Reality

+

Faster, Cheaper, Better

=

Innovative Approaches

P3 Facts to Remember

- It's Simply a Procurement Method
- It's Not Privatization
- It's Not a Panacea



Canadian P3 Market



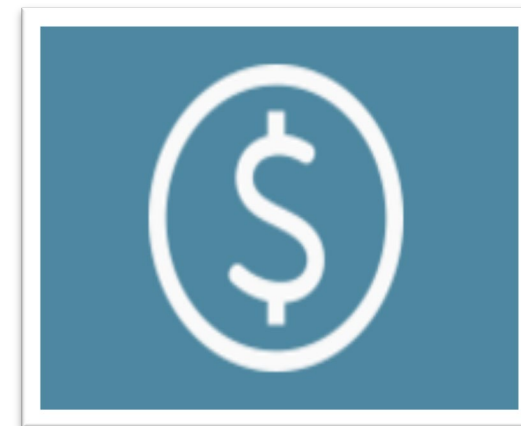
Canadian P3 Overview



27-Year
History



286
Projects



\$138+
Billion

Source: Canadian PPP Project Database

P3 Projects By Location

   Federal: 13





P3 Projects by Sector

Sector	Number	Value (\$B) *
Transportation	80	64.0
Health	101	29.1
Energy	11	26.1
Justice	23	6.7
Education	15	3.2
Accommodations	10	3.0
Water & Wastewater	21	2.0
Recreation & Culture	15	1.4
Government Services	5	1.0
Information Technology	5	0.8
Total	286	138.1+

* Includes only actual cost figures released after financial close.

Source: P3 SPECTRUM



P3 Projects by Jurisdiction

Jurisdiction	Number
Provincial	216
Municipal	56
Federal	13
Indigenous	1
Total	286

Source: P3 SPECTRUM

Canadian PPP Results



- On Time (**13% Faster**)
- On Budget (Up to **\$27B in savings**)
- PPPs deliver projects **1-Year** on average **quicker**, which adds an **additional \$11B in value**

Every year on average, Canada's **PPP portfolio supports:**

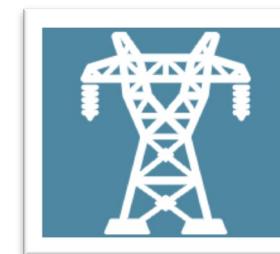
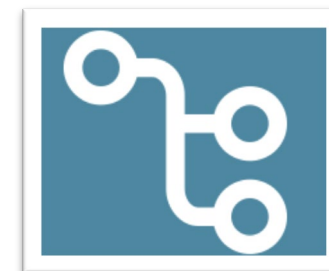
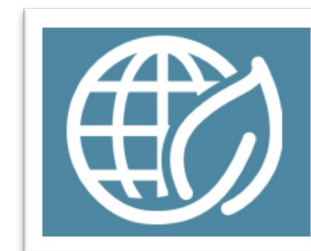
- \$14B in Economic Activity
- 115,000 job years
- \$5B of additional wages
- \$4B of combined federal/provincial tax revenue
- Each dollar spent on Canadian P3 projects = \$3.6 for the surrounding community





Priority Sectors

- Urban Transit
- Water/Wastewater
- Affordable Housing
- Broadband
- Green Energy
- Sustainable/Resilient Infrastructure
- Government Services



New Players

- Newfoundland and Labrador
- Nova Scotia
- Alberta
- Canada's North
- Indigenous Communities



New Initiatives

CANADA

INFRASTRUCTURE BANK

- Four investments made so far:

1. **\$1.28 billion** 15 year loan for the Réseau express métropolitain project (REM) in Montréal



2. **\$2 billion** in debt financing in Ontario's GO Expansion – On Corridor project



3. **\$71.1 million** to establish a Joint Project Team which will explore VIA Rail Canada's proposal for High Frequency Rail in the Quebec City - Toronto Corridor



4. **\$20 million** for the Town of Mapleton's Water/Wastewater project



Smart Cities Challenge

- Goal is to enhance quality of life for Canadians through innovation, use of data and connected technologies
- Open to municipalities, local or regional governments, and Indigenous communities
- Winners announced May 2019
- **\$50M prize** - Montreal
- **\$10M prizes** – Nunavut, Guelph & Wellington County
- **\$5M prize** - Bridgewater





Cross Border Opportunities

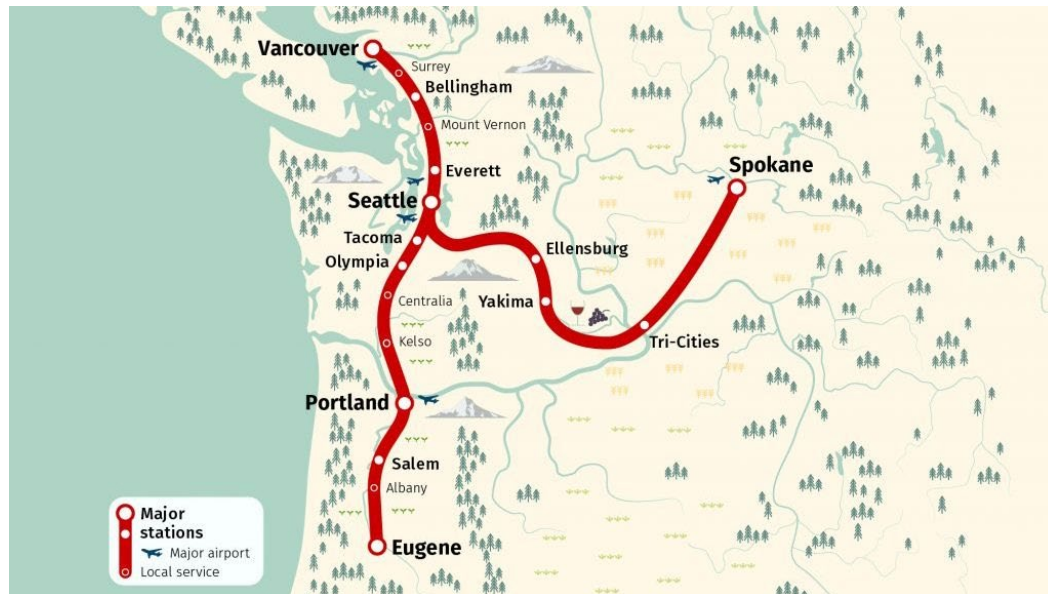


Gordie Howe Bridge

- First Transnational P3 project for Canada currently under construction
- \$5.7 billion DBFOM project that had a VfM savings of \$562 million due to the P3 model risk savings
- The project includes four major infrastructure components: the bridge, Canadian port of entry, U.S. port of entry and a connection to Interstate 75 in Michigan
- Numerous challenges such as 30 delayed U.S and Canadian properties acquisitions and a legal challenges from the American-based owner of the Ambassador Bridge



Vancouver-Seattle-Portland HSR Project



- Washington State leading proponent of a high-speed rail line that links Seattle with Vancouver and Portland
- High speed trains capable of running up to 400 kilometres an hour would reduce travel times for travellers, ease congestion and also benefit businesses in the region which operate on both sides of the border
- January 2019 saw Washington State introduce bill to allocate USD \$3.25 million towards authority that will involve governments of British Columbia, Washington State and Oregon. Investment builds on the USD \$1.2 million the US committed to conduct a 2018 business case analysis
- February 2019 saw British Columbia add \$600,000 in funding for multi-jurisdictional analysis



CCPPP - PNWER Collaboration



Canadian P3 Projects

Edmonton Valley Line LRT Expansion Project

- Location: Edmonton, Alberta
- Model: DBFOM
- Government Level: Municipal
- Status: Under Construction
- Agreement Cost: \$2.2 billion
- Cost Savings: \$575 million
- LRT system will run 13.2 km
- Project will generate 20,000 direct, indirect, and induced jobs; and \$1.3 billion in associated wages and salaries in Alberta
- Project will generate \$131 million in personal income tax revenues for Alberta and \$331 million for the federal government, offsetting capital grants provided to the City of Edmonton




Image courtesy of the City of Edmonton/Valley Line LRT Project



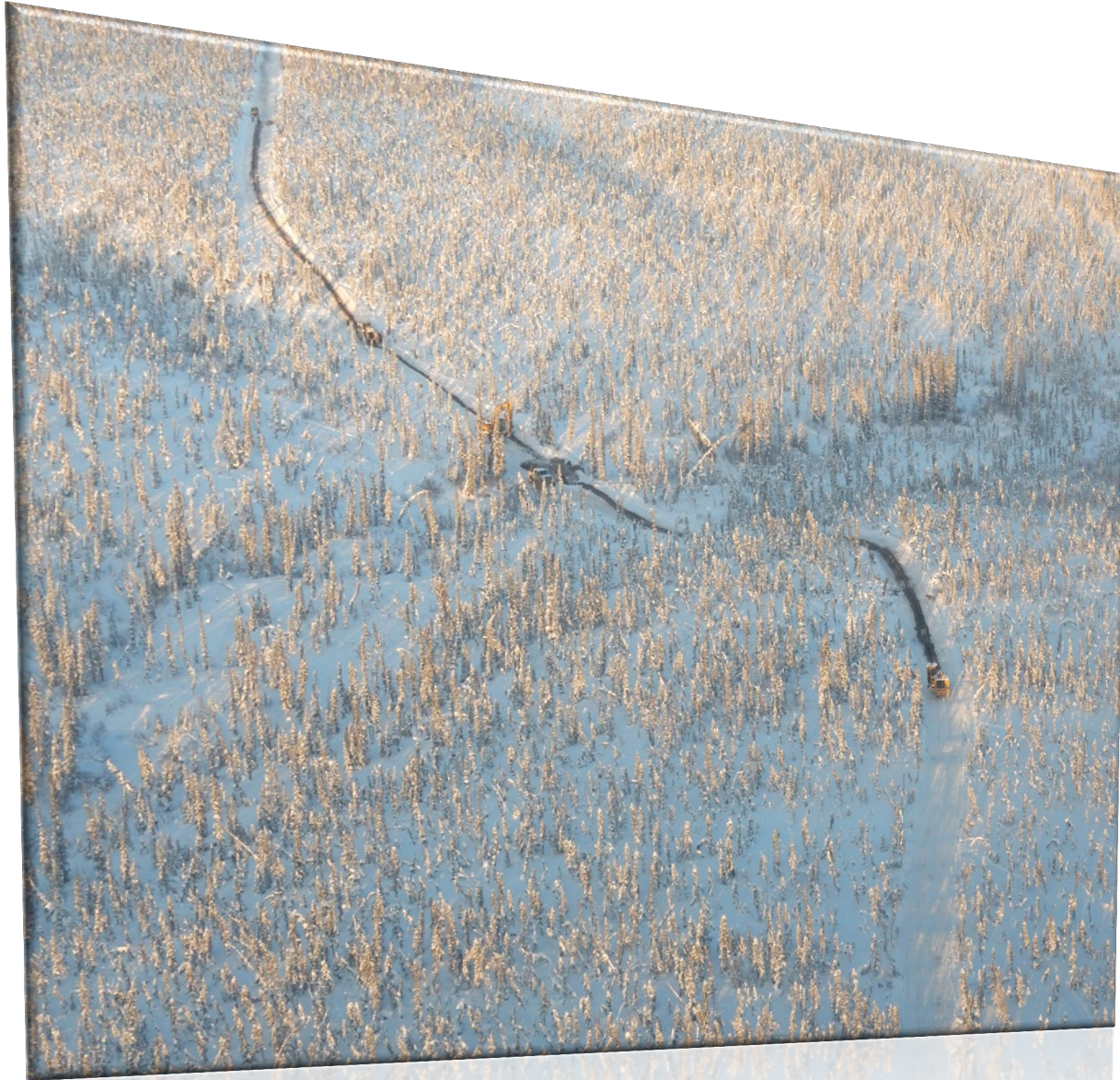
Iqaluit Airport

- Location: Iqaluit, Nunavut
- Model: DBFMO
- Government Level: Provincial/Territorial
- Status: Operational
- Agreement Cost: \$376.2 million
- Cost Savings: \$99.8 million
- A new airport terminal building, expanded aprons for planes to park, a new lighting system, and an upgraded runway
- The Project Agreement has requirements for the involvement of Nunavut Land Claim Agreement beneficiaries, requiring Arctic Infrastructure Partners to provide a diverse range of training opportunities

Mosaic Stadium



- Location: Regina, Saskatchewan
- Model: DBF
- Government Level: Municipal
- Status: Operational
- Agreement Cost: \$278.2M (2013)
- Cost Savings: \$23.8M (2013)
- The new stadium is the largest redevelopment project in Regina's history. It will have a partial roof to cover spectators, sunken bowl design with a capacity of 33,000, expandable to 40,000 for special events. It includes a variety of lounges and suites that can be used year-round



Mackenzie Valley Fibre Link

- Location: Northwest Territories
- Model: DBFOM
- Government Level: Provincial/Territorial
- Status: Operational
- Agreement Cost: \$97.7M (2015)
- Cost Savings: \$18.4M (2015)
- A 1,300km fibre link between McGill lake and the Arctic Ocean that provides high speed internet to communities previously lacking advanced, affordable telecommunications technology



Canada Line

- Location: Vancouver, British Columbia
- Model: DBFOM
- Government Level: Provincial
- Status: Operational
- Capital Cost: \$1.9B (2006)
- Cost Savings: \$92M (2006)
- One year after completion, ridership of the 19.5km rapid transit system significantly exceeded projections, serving 100,000 passengers every day
- The project won several awards including the Project Finance North American Transport Deal of the Year (2005), the CCPPP Gold Award for Infrastructure (2009) and was named one of the 100 most innovative and socially significant infrastructure projects in the world by *Infrastructure Journal* (2010)

27th Annual Conference

The Canadian Council for
Public-Private Partnerships



Le Conseil Canadien pour
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November 18-19, 2019
Sheraton Centre Toronto Hotel
Toronto, Canada

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