



ARE WE URBAN?

The Urban Growth Agenda in
the Atlantic Canadian Context

Prepared for:

**The Greater
Halifax Partnership**

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Prepared by:

ShiftCentral Inc.
18 Botsford Street
Moncton, New Brunswick
E1C 4W7
506-855-1501
www.shiftcentral.com

For more information contact:

Fred Morley
Vice President and Chief Economist
Greater Halifax Partnership
1969 Upper Water Street
Purdy's Tower II, Suite 1301
Halifax, Nova Scotia B3J 3R7
Telephone 902.490.6000
Fax: 902.490.6010
fmorley@greaterhalifax.com

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Executive Summary

The national urban agenda has rapidly become one of the dominant public policy issues in Canada in the past two to three years. The September 2002 Speech from the Throne argued that, “*competitive cities and healthy communities are vital to our individual and national well-being, and to Canada’s ability to attract and retain talent and investment.... They require new partnerships, a new urban strategy and a new approach to healthy communities for the 21st century*” (Government of Canada 2002). It seems clear that there is a new realization that Canada’s urban areas need to be ‘competitive’ and ‘healthy’ in order for Canada to have a vibrant and strong economy in the 21st century.

There are three Census Metropolitan Areas (CMA) and 15 Census Agglomeration (CA) areas in Atlantic Canada ranging in size from a population of just under 10,000 to 360,000. The larger urban areas in Atlantic Canada play a vital role in the regional economy acting as hubs for trade, transportation, health care, education, recreation and a host of business and personal services. And they are, for the most part, the economic growth engines for the Atlantic Canadian economy.

There are significant differences in Atlantic Canada’s urban areas ranging from the heavy industry and port-based economy in Saint John to the education and government-dominated economy of Fredericton, and from an industrial Cape Breton in transition to Atlantic Canada’s leading ‘new’ economy in Halifax. Despite these differences in economy and population, Atlantic Canada’s urban areas share many common challenges. All have trouble attracting immigrants. All have lagged behind in the attraction of private-sector investment. All lack an international presence. Most have stagnant population growth or even decline in recent years. Most lag on important economic metrics such as private-sector research and development. Most are an amalgam of discrete municipalities. All are situated in provinces with large rural populations. All are ‘small’ compared to Canada’s largest urban regions.

Another important challenge, or opportunity, facing Atlantic Canada’s urban areas is that they are situated in the provinces with the highest concentration of rural dwellers – some 45% of the regional population compared to only 20% nationally. However, these rural dwellers are located for the most part in close proximity to the urban centres. Some 98% of the Maritime provinces’ population lives within a one-hour drive of an urban centre¹. This close proximity of urban and rural dwellers is unique to the region and any thinking around the urban challenges in this region has to be set in that context.

The biggest challenge facing Atlantic Canada’s urban regions with respect to the national urban agenda is that the issues currently being put forth as elements of the national urban agenda are not aligned with those facing Atlantic Canadian cities in one important way. The current thinking around the national urban agenda relates to the *managing and sustaining* of competitive and healthy cities and not how to *bring cities* into a competitive and healthy position.

The Organization for Economic Co-operation and Development (OECD), in its Territorial Review of Canada, suggested that the federal government needs to support locally based policies and approaches that reflect the differing needs among Canada’s urban areas. For some this might mean investment in physical infrastructure such as bridges, water/sewage, roads and rail systems. For others, this might mean investment in social infrastructure such as affordable housing, immigration programs or beautification projects. Based on the interviews for this report and supporting research, it seems clear that the current approach in Atlantic Canada needs to be focused on bringing its urban areas into a competitive and healthy economic position. The current focus in Atlantic Canada seems to be centred on the challenges facing rural areas.

¹ Based on a 1-hour drive catchment area around the 13 CMAs and CAs in the Maritime provinces (New Brunswick, Nova Scotia and Prince Edward Island). Newfoundland & Labrador has a higher percentage of remote rural dwellers. Refer to Section 1.2 and Table 2 on page 1 of the report for the definition of an urban area and a list of Atlantic Canada’s 18 CMAs and CAs.

Scope of the Urban Agenda and its Implications for Atlantic Canada

- **Canada's population has become highly urbanized.**

In the late 19th century, 80% of the population lived in rural areas. At the beginning of the 21st century, some 80% of the population lives in Canada's urban centres. Examples of the new urban dominance in Canada include: Halifax, which generates some 47% of Nova Scotia's GDP; Greater Montreal, which accounts for 49% of Quebec's GDP; and Winnipeg, which accounts for 67% of Manitoba's GDP according to research published by the Prime Minister's Caucus Task Force on Urban Issues. Atlantic Canada, however, is still the most rural region in Canada with some 45% of its population living in rural areas.
- **Municipal governments have been taking on more responsibilities.**

In recent years, the municipal governments in Canada have been subject to 'downloading' of government service delivery either deliberately or de facto as the provincial or federal government has backed away from certain social programs, for example, leaving the municipalities to find ways to offer the program.
- **Municipal governments do not benefit from economic growth to the extent of provincial and federal governments.**

Research has shown that the return on investment (ROI) in the form of new tax revenues from economic development is limited, if not negative, for municipalities while decidedly positive for provincial and federal governments. This may be one reason why Canadian municipalities seem to place much less focus on economic development compared to their U.S. counterparts. (See the point on economic development focus below).
- **There is a national rural agenda.**

The federal government has had a formal rural development approach for a number of years delivering a variety of programs through Agriculture and Agri-food Canada, Industry Canada and other departments/agencies.
- **There has been very limited research related to the urban areas in Atlantic Canada.**

While there are several organizations conducting research into rural issues in Atlantic Canada, there is no governmental, academic or private institution that targets understanding the role and challenges of urban areas in Atlantic Canada.
- **There is a large urban area bias associated with the national urban agenda.**

The Prime Minister's Caucus Task Force on Urban Issues final report focused mainly on the challenges facing Canada's largest urban areas. The Canada West Foundation has recently stated that the national urban agenda should only focus on Canada's CMAs.
- **Economic development is not on the radar as an urban agenda issue.**

This is not to say that economic development is not a key issue – just that it hasn't been linked by government as a part of the national urban agenda. The vast majority of the thinking on the urban agenda relates to the infrastructure needed to *support growth* (i.e. transportation, immigration support, affordable housing) and not the infrastructure required to *generate growth* (i.e. economic development programs, growth-generating infrastructure).
- **There is not a lot of focus on economic development at the municipal level in Canada.**

The research for this report indicates that local urban areas in the United States are generally more focused on economic development than Canadian urban areas. This is evidenced by the financial resources attributable to economic development at the local level. U.S. municipalities in general spend much more money at the municipal level on direct economic development activities. U.S. municipalities also have more options related to economic development incentives than do Canadian municipalities such as the ability to offer tax breaks and industrial bonds. Further, U.S. municipalities receive more direct benefit from economic development through tax sharing and other mechanisms and therefore have a greater incentive to focus on economic development.

Differing Challenges – the uniqueness of Atlantic Canada’s urban areas

The research for this report revealed that there are significant differences between the challenges of Atlantic Canada’s urban areas and the largest urban areas in Canada. If the overarching objective of the national urban agenda is to foster ‘competitive’ cities as the backbone of Canada’s economic growth, there will have to be considerable rethinking as to how to generate urban growth in a more pervasive fashion across the country. The issues related to keeping Toronto, Vancouver, Montreal and Calgary ‘competitive’ are substantially different than fostering competitiveness within Fredericton, Saint John, Cape Breton and St. John’s.

- **Size versus scope**

After interviewing key urban experts and reviewing current literature, it is clear that most of the thinking on a national urban agenda relates to the largest urban areas in Canada. Urban areas are defined not only by their size but also by their scope or role within regional economies. New York is the major urban area for the Mid-Atlantic States and plays an important regional role. Toronto plays that role in southern Ontario and, in some context, for Canada as a whole. However, one could argue that Charlottetown plays a similar role for Prince Edward Island and Halifax for Nova Scotia and, in a regional sense, for the Maritime provinces.

- **Managing growth versus generating growth**

Canada’s largest urban areas have exhibited strong population growth over the past decade while Atlantic Canada’s urban areas have either stagnated or are in decline. When taking out the influence of the Halifax CMA which has performed comparatively quite well in recent years, the population of Atlantic Canada’s CMAs and CAs actually declined by 1.5% from 1996-2001. In Canada, there is a direct correlation between the size of an urban area and the population growth over time.

- **Better integration of immigrants versus attracting immigrants**

Canada’s largest urban areas are the dominant beneficiaries of immigration. This trend accelerated in the 1990s with more than 73% of all immigrants settling in only three urban areas: Toronto, Vancouver and Montreal. By contrast, Atlantic Canada’s urban areas have almost no immigrant population and the 1990s saw an even further reduction in immigrant population compared to the large urban centres in Canada. 17% of the Toronto’s CMA population in 2001 were immigrants to Canada in the 1990s compared to only 0.5% in the Moncton CA.

- **Need for more public investment versus need for more private investment**

While Canada’s largest urban areas have had success attracting private-sector investment, public-sector investment into infrastructure needed to support growth has declined. This is a pressing need and a key focus of the national urban agenda. Atlantic Canadian urban areas, however, have not been as successful attracting private-sector investment. For example, capital spending in the manufacturing sector from 1991-2003 in Atlantic Canada was 44% lower than Ontario on a per-capita basis. The Atlantic Provinces Economic Council estimates that Foreign Direct Investment (FDI) in Atlantic Canada is well below the national average. There is also some evidence, however, that public investment has also lagged behind in Atlantic Canada. From 1996 – 2001, only New Brunswick had more public spending on capital investment than the national average. Nova Scotia had the lowest public-sector capital investment activity in Canada – 29% below the average.

- **International visibility versus a lack of international visibility**

Canada’s largest urban centers (Toronto, Vancouver, Montreal, etc.) have achieved some status as world cities and benefit from global investment. Atlantic Canada’s urban areas are not known for the most part by the global business community.

- **Enhancing R&D capacity versus the need for more R&D activity**

New Brunswick, PEI and Newfoundland and Labrador are the three provinces in Canada with the lowest spending on research and development. This is due mainly to the lack of private-sector R&D spending.

- One large airport serving a broad region versus multiple airports serving local populations**

A continuing challenge for Atlantic Canadian urban areas is the overcapacity in airport infrastructure with no critical mass (with the exception of the Halifax International Airport). In the Maritime provinces, for example, there are five aggressively competing airports within a 4.5-hour drive of each other (Fredericton, Saint John, Moncton, Charlottetown and Halifax). There is a scheduled services airport (with daily scheduled flights) for every 250,000 citizens in Atlantic Canada - by far the highest ratio in North America – yet there are 30% less air passengers per-capita compared to Canada and 58% less compared to the U.S. This over capacity in airport infrastructure has led to fewer flight options and higher prices which have been disincentives to air travel. Ineffective air transportation links can have a ripple effect on the entire economy influencing business investment decisions, head/regional office decisions, conference/tourism activity, as well as immigration.
- Better urban transit versus better urban fringe/rural transit to/from the urban area**

Canada's largest urban centres are challenged by urban transit issues. Commute times to work are growing, public transit infrastructure is strained. Atlantic Canadian cities, by contrast, are relatively uncongested. Despite relatively easy access, there are significant employment rate differentials between the urban areas and many of the communities that are in close proximity (up to a 30 percentage point difference). The employment rate differential is significantly reduced and in some cases reversed for communities that are connected to the urban area by a four-lane highway. Many of Atlantic Canada's urban areas are highly connected with the rural communities for health-care services, retail shopping infrastructure, etc. People routinely drive 1-1.5 hours to access many of these services. However, it does not seem there is similar mobility related to the job market.
- High urban density versus low urban density**

Atlantic Canadian urban areas are much less densely developed than Canada's large urban areas and that trend has been continuing in recent years. From 1997–2001 employment growth in the urban fringe² areas within Atlantic Canada's CMAs/CAs was 42% compared to only 11.7% in Canada as a whole.
- Enhancing strategic development infrastructure versus creating new development infrastructure**

For the most part, Atlantic Canadian urban areas do not have the critical mass to support large-scale development oriented infrastructure compared to Canada's largest urban areas. Examples of strategic development infrastructure include international airports and recreational and cultural assets found only in large urban areas.
- Co-ordinating large populations in one municipality versus co-ordinating many municipalities with smaller populations**

Atlantic Canada's urban areas have significantly more municipalities located within them compared to Canada's largest urban areas (with the exception of Halifax and Cape Breton). The Moncton CA, for example, has three different municipalities in less than 200 square kilometers, and 12 different municipalities in an area one-third the size of the Halifax Regional Municipality.
- Urban-dominated population versus an urban/rural mix**

Atlantic Canada has a high percentage of rural dwellers, with some 45% of the population living in rural communities in 2001 compared to only 20% nationally. However, in the Maritime provinces, this rural population lives in relatively close proximity to urban areas. Some 98% of the Maritime province's population lives within an hour's drive of a CMA or CA³. In many of Canada's provinces, the rural populations are much more isolated.

² A CMA or CA area has three components: an urban core, an urban fringe and a rural fringe.

³ Refer to Section 1.2 for a list of the 13 CMAs and CAs in Maritime provinces as well as the five in Newfoundland and Labrador.

National Thrusts of the Urban Agenda

After consultation with key stakeholders and reviewing the current literature related to the national urban agenda in Canada, there are three major thrusts that are the focus of the national urban agenda:

- **Aging Infrastructure** (roads, water/sewer, public transportation) - There is consensus that the current municipal government structure is not appropriate to deal with the large scale problems of aging infrastructure as well as new infrastructure required to support continued growth. Overall, the Federation of Canadian Municipalities estimates a \$44-billion shortfall in municipal infrastructure funding across Canada.
- **Social Issues** (affordable housing, immigration support, etc.) - There is increasing pressure on the social infrastructure within Canada's largest cities. This includes affordable housing, better integration of immigrants, safe, accessible public spaces and environmentally sustainable development.
- **The fiscal imbalance between the federal, provincial and local levels of government.** Municipalities incur significant costs associated with development (such as new infrastructure and increased local services). The greater the development the greater the costs incurred by the municipality. At the same time, the revenue derived from property taxes and other sources does not increase proportionally to the required investment in new infrastructure and services. The economic development return on investment (ROI) model for municipalities may be negative while it is decidedly positive for provincial/federal governments.

Unique Atlantic Canadian perspectives on the urban agenda

- **The need for increased co-operation among Atlantic Canada's urban areas.**
One way to overcome the issues associated with lack of critical mass may involve Atlantic Canada's urban areas working together on their key challenges. Examples cited by urban experts included: building economic corridors (or collective action between municipalities within a defined geographic area) and networked communities (those that face common challenges working together).
- **The need for increased co-operation between Atlantic Canada's urban areas and adjacent communities.**
Municipal governments within Atlantic Canada's urban areas need to start thinking in terms of 'City-Regions' as opposed to a patchwork of smaller jurisdictions. This was a common theme expressed by the interviewees for this project. Economic and social activities are not bound by municipal borders but rather economic catchment areas. This need not entail formal municipal amalgamation but would require at least better co-operative mechanisms.
- **The need to foster urban-rural linkages.**
Atlantic Canada's urban centres have a unique advantage in this area as most rural dwellers are located within an hour's drive of an urban centre. Some potential mechanisms to foster better urban/rural linkages include:
 - Working with the business community to establish telework programs between urban and rural communities
 - Upgrading highways and public transit between urban and rural communities
 - Creating business networks between urban and rural communities (extending chambers of commerce, etc.)
 - Fostering an increased 'commute' mentality between the rural and urban communities
 - Promoting both the urban and rural living option to people moving into the region
 - Finding ways to link the industries in rural communities to the economic activity in urban areas

- **The need for specific issues-based governance.**

Another potential opportunity for Atlantic Canada's urban areas is to consider specific issues-based governance for pan-Atlantic Canadian activities. This may be a way, in certain cases, to solve the lack of critical mass and to limit the need for forced amalgamations. There are many local examples of this in Atlantic Canada already including: regional planning commissions, regional economic development agencies, and regional waste facilities.

- **The need to focus on urban immigration.**

Atlantic Canadian urban areas should work together to formulate a co-ordinated approach to urban immigration with agreed objectives over time.

- **The need to focus on urban investment.**

Atlantic Canadian urban areas have not been able to attract significant private-sector investment in recent years compared to Canada's largest urban centres. Urban regions all across North America have been the primary drivers of economic growth for more than a century. Atlantic Canada's urban areas need to be the primary engines of growth in the region. They also need to be a realistic alternative for private-sector investment compared to the major urban centres in Canada. Through the 1990s, the vast majority of private-sector investment went into the top 4-5 urban centres in Canada. In the U.S., by contrast, areas such as Alabama, Georgia, South Carolina and Arizona led the country for investment attraction. This forced the traditional economic hubs such as New York, Michigan and Illinois to reduce red tape and become more supportive of economic development leading to the benefit of the whole country. In the longer term, Canada would also benefit from a broader distribution of private-sector investment and stronger regional economies.

Atlantic Canada's urban areas should work together to raise the region's visibility, tackle access issues, and work with the provincial and federal government to address the issue of economic development incentives. Gaining better access to existing federal programs - for example, Technology Partnerships Canada - is one way to approach this.

Potential Action Steps

- **Clearly define Atlantic Canada's 'acute' urban issues.**

While national urban challenges also apply to Atlantic Canada's urban areas, there are others that deserve consideration:

- Proactive economic development/investment attraction
- Better immigration policy linked to regional growth strategies
- Better co-ordination of urban activity between Atlantic Canadian cities
- The need for more research and development activity
- Inter-city transportation infrastructure

- **Establish formal research related to Atlantic Canada's urban areas.**

The interviewees for this report feel that there is a lack of good research into Atlantic Canada's urban areas, their specific challenges and the unique urban-rural dynamic in the region. There is a significant amount of urban-related research being conducted in other parts of Canada and a similar effort here would provide the context for needed policy making tailored to the region.

- **Develop a common voice.**

Because of the many common challenges facing Atlantic Canadian urban centres, they should work collectively to put forward a common voice related to the national urban agenda.

- **Engender provincial support for the urban agenda.**

Atlantic Canada's provincial governments do not have specific urban agendas that address the needs of the communities drive provincial economies. Governments should define urban agendas in conjunction with its municipal partners. Both Ontario and Quebec have been moving in this direction. A good place to start would be to encourage more urban research in the universities and research institutes.

- **Host an Atlantic Canadian conference on urban issues.**

Most of the interviews for this project outside Atlantic Canada revealed that there is no real understanding of Atlantic Canada's specific urban challenges. In fact, there is some concern that the federal government will establish national urban policies that will either ignore small urban areas, such as those in Atlantic Canada, or try to fit them into schemes designed for the large urban centres. A conference bringing together the key regional and national players highlighting the unique issues and challenges facing Atlantic Canada's urban areas would bring visibility to the issues.

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1. Project Overview

ShiftCentral was retained by the Greater Halifax Partnership to review the scope of the emerging national urban agenda in Canada and develop implications for Atlantic Canada's urban areas. The mandate also included identifying potential action steps for Atlantic Canadian urban areas to bring their unique challenges to the national urban debate. Funding for this project was provided by the Atlantic Canada Opportunities Agency. Table 1 outlines the major goals and objectives of the research.

Table 1: Goal/Objectives of the Research

- Clearly describe the scope of the urban growth agenda and its implications for Atlantic Canada.
- Identify national thrusts on the urban growth agenda.
- Identify the unique Atlantic Canadian perspectives on the urban growth agenda.
- Identify potential action steps Atlantic Canadian communities can take to effectively engage in this debate.

1.1 Research Methodology

ShiftCentral interviewed experts on urban issues in Canada and Atlantic Canada during the preparation of this report. These included key stakeholders such as City Managers and politicians. Sixteen interviews were conducted during May-June 2003. In addition, ShiftCentral reviewed more than 50 recent reports, white papers, books and articles related to the urban agenda including the federal/municipal relationship, new urban development models, the urban/rural debate and the overall role of urban municipalities in the 21st Century. In addition, the latest municipal plans and strategies related to urban growth were reviewed for cities such as Toronto, Vancouver, Calgary and Winnipeg.

1.2 Urban Area Definition

There are three Census Metropolitan Areas (CMA) and 15 Census Agglomeration (CA) areas in Atlantic Canada as defined by Statistics Canada (Table 2). A CMA must have an urban core population of at least 100,000 (as of the 2001 Census) and a Census Agglomeration must have an urban core of at least 10,000. The urban core must have a population density of at least 400 persons per square kilometre. There are also urban fringe and rural areas within the CMA or CA areas.

See Appendix B for a detailed definition of CMA, CA, urban and rural areas as defined by Statistics Canada as well as a full list of Canada's CMA and CA areas. This report will focus mainly on the top seven CMA/CAs in Atlantic Canada (shown in bold face in Table 2).

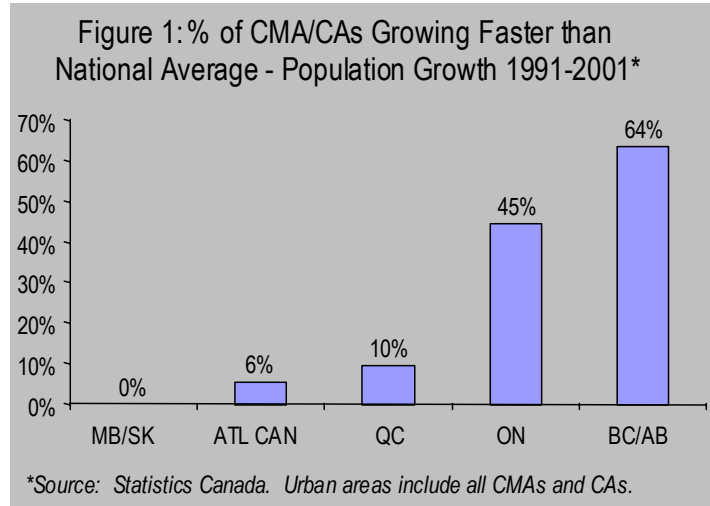
Table 2: Atlantic Canada's CMA/CA Areas

<u>Name:</u>	<u>Type:</u>	<u>Population:</u>
Halifax (NS)	CMA	359,183
St John's (NL)	CMA	172,918
Saint John (NB)	CMA	122,678
Moncton (NB)	CA	117,727
Cape Breton (NS)	CA	109,330
Fredericton (NB)	CA	81,346
Charlottetown (PEI)	CA	58,358
Truro (NS)	CA	44,276
New Glasgow (NS)	CA	36,735
Corner Brook (NL)	CA	25,747
Kentville (NS)	CA	25,172
Bathurst (NB)	CA	23,935
Edmundston (NB)	CA	22,173
Grand Falls-Windsor (NL)	CA	18,981
Campbellton (NB)	CA	16,265
Summerside (PEI)	CA	16,200
Gander (NL)	CA	11,254
Labrador City (NL)	CA	9,638

1.3 The Urban ‘Growth’ Agenda

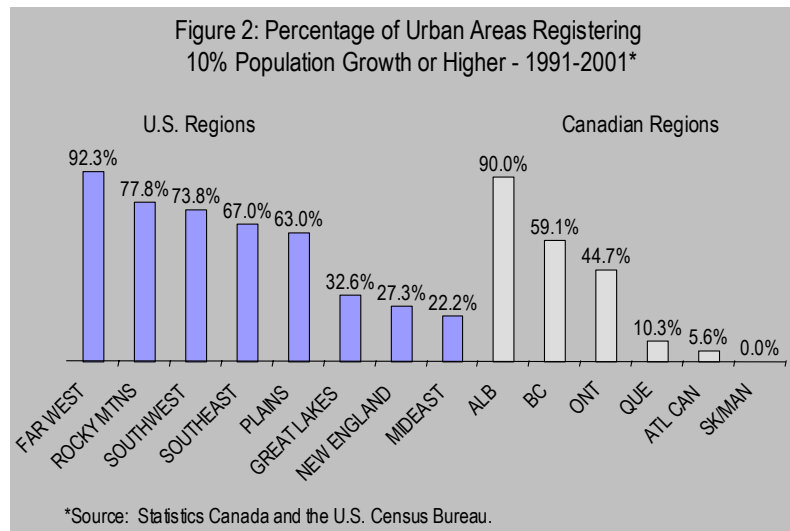
An interesting finding of the research is that the term ‘growth’ has not been widely used when describing the national urban agenda in Canada. It seems that the ‘growth’ associated with urban areas is considered to be a *constant* or a ‘given’ and that the real issue is the capacity of urban areas to *support* ongoing growth.

This view of the national urban agenda is consistent when looking at the top urban areas in the country (Vancouver, Toronto, Montreal, Ottawa-Hull, Calgary, etc.) which have exhibited sustained population growth for the past three decades or more. However, when evaluating the rest of Canada’s urban areas, the growth rates have been more modest. Of the 132 Census Metropolitan Area (CMA) and Census Agglomeration (CA) areas in Canada, only 32% had population growth faster than the national average from 1991 to 2001. Further, when Greater Toronto, the Calgary-Edmonton Corridor and the Greater Vancouver CMA areas are removed, there are only four above average population growth communities in Canada. In Atlantic Canada, only one urban area out of 18 grew faster than the national average over the decade (Halifax). The picture is not much better in the rest of Canada outside the big three growth areas. Only three of Quebec’s 31 CMA/CA areas grew faster than the national average while there were none in Northern Ontario, Manitoba and Saskatchewan. Figure 1 summarizes recent population growth by major region in Canada.



1.3.2 Canadian versus U.S. urban growth

There are two interesting trends when comparing U.S. and Canadian urban area growth. The first is all eight U.S. economic regions⁴ had multiple urban areas registering fast population growth. No U.S. region had fewer than 22% of its urban areas that grew by less than 10% from 1991 – 2001 (Figure 2). In Canada, by contrast, there were only a handful of urban areas located outside Greater Vancouver, the Calgary/Edmonton Corridor and the Greater Toronto region that grew by more than 10%. There were only four urban areas registering growth of more than 10% in all of Atlantic Canada, Quebec, Saskatchewan and Manitoba combined.



The second trend is where population growth occurred in the 1990s. In the U.S., relatively smaller regional markets such as the Rocky Mountain States and the Southeast U.S. grew strongly while in Canada, the smaller regional markets grew more slowly than the national average. In general, U.S. population growth for the past few decades has been fairly widespread among the eight economic regions while population growth in Canada has concentrated in four relatively small geographic areas since the early 1970s.

⁴ As defined by the U.S. Bureau of Economic Analysis.

1.3.1 The OECD perspective

The Organization for Economic Co-operation and Development (OECD) publishes a Territorial Review on each of its member countries which includes an assessment of the country's socio-economic situation; an assessment of government policies related to economic development; an analysis of the governance framework and recommendations for policy reforms. The most recent Territorial Review for Canada published in 2002 included considerations and recommendations that are important when considering urban growth in the Atlantic Canadian context.

- **Attracting investment.** The OECD was clear that investment attraction should be a key component of local development strategies. The document cites Montreal International and the Greater Toronto Marketing Alliance as organizations mandated to attract investment to their respective urban areas. It also stated the need for aftercare and retention strategies to ensure full integration of investing companies into the local community.
- **Developing local economic development strategy.** Urban areas need to have defined economic development strategies for their communities. The OECD differentiated between urban, provincial and national strategies.
- **Rethinking federal urban policy.** The OECD calls for a renewed role for the federal government in Canada's urban regions. The Territorial Review suggests that the federal government:
 - Work with provincial governments to develop a new legislative framework for urban areas that would include new funding mechanisms.
 - Support locally based policies that respect the differing needs among Canada's urban areas.
 - Support the economic competitiveness of cities. The document suggests that direct federal government support of urban economic development "all but disappeared in the 1990s."
 - Support the development of detailed data on Canada's urban areas including measurements for social, economic and environmental progress. According to the OECD, this data will require "constant updating."

1.4 A Brief Profile of Atlantic Canada's Major Urban Areas

There are 18 CMAs and CAs in Atlantic Canada (see Table 2 above) ranging in size from a population of just under 10,000 to nearly 360,000. The size, scope and influence of the region's urban areas vary significantly from province to province. In New Brunswick, there is no single concentration of urban population. The Saint John CMA has the largest population in the province, representing 16.2% of the total. The six urban areas (CMA/CAs) combined in New Brunswick only represent 51% of the total provincial population. On PEI, the Charlottetown CA represents 42% of the provincial population which is the highest rate of provincial population concentration in one CMA or CA in Canada. However, 54% of the total population on PEI lives in rural communities – the highest rate in Canada. Nova Scotia has a high concentration of population in the Halifax CMA with more than 38% of the population living in that region. The St. John's CMA represents some 32% of Newfoundland and Labrador's population. The following is an overview of the top seven CMAs/CAs in Atlantic Canada.

Urban Area:	Halifax	Summary:
Type:	CMA	The Halifax Census Metropolitan Area includes: the Halifax Regional Municipality, Cole Harbour 30 Indian Reserve, Sheet Harbour 36 Indian Reserve and the Shubenacadie 13 Indian Reserve. The Halifax CMA has been the fastest growing urban area in Atlantic Canada for the past several decades. It has twice as many residents as St. John's, the second largest urban area. The Halifax CMA is also one of the largest CMAs in Canada by geographic size. The region's population is highly concentrated with some 77% located in the urban core. The Halifax labour market is mostly white collar. Only 2.2% of workers are employed in manufacturing-related or primary industry occupations (2001 Census). Halifax's urban influence in Nova Scotia and the Maritime provinces is significant. It is home to the regional airport, universities, specialized health care facilities and government services. It is also a regional financial centre as well as a shopping and tourism destination for Nova Scotians and other Atlantic Canadians.
Municipal Components	4	
Sq. Km.	5,495.5	
Population (2001):	359,183	
Population Growth Rate (1996-2001)	4.7%	
Pop. Per Sq. Km.	65.4	
% Urban Core	76.9%	
% Urban Fringe	2.0%	
% Rural Fringe	21.1%	
Unemployment Rate (2001)	7.2%	
Participation Rate (2001)	67.8%	

Urban Area:	Cape Breton	Summary:
Type:	CA	The Cape Breton CA includes: the Cape Breton Regional Municipality and the Eskasoni 3 and Membertou 28B Indian Reserves. It has the third-lowest percentage of urban core dwellers among the 140 CMA and CA areas in Canada. The Cape Breton CA also suffered steep population decline in the 1990s compared to other Canadian CMAs and CAs. Its unemployment rate is the highest among the seven compared and its labour market participation rate is the lowest. The region's labour market has a high percentage of blue-collar employment relative to the other communities. It also has the highest percentage of health-related occupations compared to other Atlantic Canadian urban areas. The urban influence of the Cape Breton CA is primarily confined to Cape Breton Island.
Municipal Components	3	
Sq. Km.	2,470.6	
Population (2001):	109,330	
Population Growth Rate (1996-2001)	-7.2%	
Pop. Per Sq. Km.	44.3	
% Urban Core	31.0%	
% Urban Fringe	44.4%	
% Rural Fringe	24.6%	
Unemployment Rate (2001)	19.7%	
Participation Rate (2001)	50.6%	

Urban Area:	St. John's	Summary:
Type:	CMA	The St. John's CMA includes: the cities of St. John's and Mount Pearl, as well as the towns of Bauline, Bay Bulls, Conception Bay South, Flatrock, Logy Bay-Middle Cove-Outer Cove, Paradise, Petty Harbour-Maddox Cove, Portugal Cove-St. Philip's, Pouch Cove, Torbay and Witless Bay. It has the highest concentration of population in its urban core of any Atlantic Canadian urban area. The St. John's CMA is the dominant urban centre in Newfoundland and Labrador representing 32% of the population. It also is home to the province's major airport, port, university and most commercial infrastructure. The labour market composition reflects this with a high percentage of government, education and social services employment as well as health-related occupations. The St. John's CMA also has above the Canadian average employment in natural and applied sciences related employment.
Municipal Components	13	
Sq. Km.	804.6	
Population (2001):	172,918	
Population Growth Rate (1996-2001)	-0.7%	
Pop. Per Sq. Km.	214.9	
% Urban Core	81.3%	
% Urban Fringe	4.5%	
% Rural Fringe	14.2%	
Unemployment Rate (2001)	11.3%	
Participation Rate (2001)	64.3%	

Urban Area:	Charlottetown	Summary:
Type:	CA	The Charlottetown CA includes: the city of Charlottetown; the communities of Brackley, Meadowbank, Miltonvale Park, Clyde River, Union Road, Warren Grove, Winsloe South; the towns of Cornwall and Stratford; Township and Royalty Lots 31,33, 34, 35, 36, 48, 49, 65; and Rocky Point 3 as well as Scotchfort 4 Indian Reserves. The Charlottetown CA is unique in many ways. It has the highest concentration of provincial population of any CMA/CA in Canada. It also has the largest number of municipalities within a CMA or CA in Atlantic Canada despite the fact that it has the second smallest geographic size. The Charlottetown CA has the second highest percentage of rural fringe residents among the seven compared and that is reflected in the labour market composition as Charlottetown has by far the largest percentage of people working in primary occupations (mostly agriculture related). The Charlottetown CA is the urban centre for PEI with the Island's Airport, as well as university, government and tourism/shopping infrastructure.
Municipal Components	20	
Sq. Km.	823.4	
Population (2001):	58,358	
Population Growth Rate (1996-2001)	2.0%	
Pop. Per Sq. Km.	70.9	
% Urban Core	65.3%	
% Urban Fringe	3.8%	
% Rural Fringe	30.9%	
Unemployment Rate (2001)	10.1%	
Participation Rate (2001)	69.5%	

Urban Area:	Moncton	Summary:
Type:	CA	The Moncton CA includes: the cities of Moncton and Dieppe; the town of Riverview; the parishes of Coverdale, Dorchester, Elgin, Hillsborough, the villages of Dorchester, Hillsborough, Memramcook, Salisbury; and the Fort Folly 1 Indian Reserve. The Moncton CA has been the second-fastest growing urban area in Atlantic Canada for the past decade. Its unemployment rate is the second lowest and its participation rate is the second highest in the region. As a result of a change in CMA definition, the Moncton CA will become a CMA as of the 2006 Census. The Moncton CA labour market has the highest percentage of business, finance and administration occupations among the seven urban areas in Atlantic Canada reflecting the growth of the call centre industry in recent years. Moncton's urban influence is significant because of its location and its Anglophone and Francophone population. It draws people from Northwestern Nova Scotia, PEI and Northern New Brunswick for retail and business services as well as recreation and tourism. It also has a major French-language university which draws students from all over the Maritimes as well as internationally. Moncton has some limited federal government presence but that has reduced somewhat in recent years.
Municipal Components	12	
Sq. Km.	2,177.2	
Population (2001):	117,727	
Population Growth Rate (1996-2001)	3.7%	
Pop. Per Sq. Km.	54.1	
% Urban Core	76.8%	
% Urban Fringe	2.7%	
% Rural Fringe	20.5%	
Unemployment Rate (2001)	8.1%	
Participation Rate (2001)	68.0%	

Urban Area:	Saint John	Summary:
Type:	CMA	The Saint John CMA includes: the city of Saint John, the towns of Grand Bay-Westfield, Hampton, Quispamsis, and Rothesay; the parishes of Greenwich, Hampton, Kingston, Lepreau, Musquash, Petersville, Rothesay, Saint Martins, Simonds, Upham, Westfield; and the village of St. Martins. The Saint John CMA has the second highest number of municipalities in its territory among the seven major urban areas in Canada. It also has the second lowest population density. The Saint John CMA has the highest percentage of trades, transport and equipment operators occupations among Atlantic Canadian urban areas reflecting the community's reliance on heavy industry and the Port of Saint John. The Saint John CMA has a number of major urban assets such as an airport, regional health-care facilities, university campus, etc. The Port of Saint John is a major infrastructure asset that has been growing in recent years.
Municipal Components	17	
Sq. Km.	3,359.6	
Population (2001):	122,678	
Population Growth Rate (1996-2001)	-2.4%	
Pop. Per Sq. Km.	36.5	
% Urban Core	74.0%	
% Urban Fringe	2.2%	
% Rural Fringe	23.8%	
Unemployment Rate (2001)	9.2%	
Participation Rate (2001)	62.9%	

Urban Area:	Fredericton	Summary:
Type:	CA	The Fredericton CA includes: the city of Fredericton, the village of New Maryland; the parishes of Bright, Douglas, Kingsclear, Lincoln, Maugerville, New Maryland, Saint Marys; and the St. Mary's 24 Indian Reserve, Devon 30 Indian Reserve, and the Kingsclear 6 Indian Reserve. The Fredericton CA is the least densely populated of the seven urban areas reviewed. It also has the highest percentage of rural fringe reflecting Fredericton's influence on the rural communities around the city. The Fredericton CA is the urban centre for large area of central and western New Brunswick. It has a number of key urban assets such as the largest provincial university, an airport, developed retail and recreational infrastructure. Fredericton is also New Brunswick's capital city and is home to a majority of provincial government employees. Because of the government and educational infrastructure in the Fredericton CA, its labour market has the largest percentage of social sciences, education and government service occupations among the seven urban areas in Atlantic Canada.
Municipal Components	12	
Sq. Km.	4,521.7	
Population (2001):	81,346	
Population Growth Rate (1996-2001)	3.0%	
Pop. Per Sq. Km.	18.0	
% Urban Core	66.5%	
% Urban Fringe	0.0%	
% Rural Fringe	33.5%	
Unemployment Rate (2001)	8.2%	
Participation Rate (2001)	70.2%	

2. Scope of the National Urban Agenda

The national urban agenda has rapidly become one of the dominant public policy issues in Canada over the past 2-3 years. The September 2002 Speech from the Throne argued that, “*competitive cities and healthy communities are vital to our individual and national well-being, and to Canada’s ability to attract and retain talent and investment.... They require new partnerships, a new urban strategy and a new approach to healthy communities for the 21st century*” (Government of Canada 2002).

It seems clear that there is a new realization that Canada’s urban areas need to be “competitive” and “healthy” in order for Canada to have a vibrant and strong economy in the 21st century. However, in terms of the scope of the national urban agenda it seems that the focus is primarily on how to ‘keep’ the large urban areas competitive rather than generating competitiveness.

According to figures published in *Canada’s Urban Strategy: A Blueprint for Action*⁵, Canada’s urban areas are dominant economic engines for the country:

- Halifax accounts for 47% of Nova Scotia's GDP;
- Montreal's Urban Community accounts for 49% of Quebec's GDP;
- Greater Toronto and Ottawa combined account for more than half of Ontario's GDP;
- Winnipeg accounts for 67% of Manitoba's GDP;
- Calgary and Edmonton together account for 64% of Alberta's GDP;
- Vancouver accounts for 53% of British Columbia's GDP.

This section will review the changing role of municipalities in the 21st century and the key issues that are driving the emerging national urban agenda.

2.1 Historical Perspective on Municipalities

In the late 19th century, when the provincial/municipal structures were first formally established, provincial economies were structured completely different than they are today. Population mix at that time was strongly rural with only about 20% of the population living in defined urban areas. Urban areas played a critical role for commerce, services and transportation but the lion’s share of economic activity was generated in rural communities.

In the 21st century, provincial economies across Canada have become highly urbanized (see section 3.12 below for a more detailed review) with more than 80% of the population and the lion’s share of economic activity located in the urban areas. However, there has been no fundamental change to the governance model since its introduction. The City of Toronto, for example (not the CMA), has a population base similar to all of Atlantic Canada. Atlantic Canada remains the most rural region in Canada with more than 40% of its population located in rural communities. The format under which Canadians are governed has not adapted to this shift to urban concentration.

⁵ The Final Report of the Prime Minister’s Caucus Task Force on Urban Issues. November 2002.

2.2 The Changing Role of Municipalities

Although not overly recognized in the general public, municipal governments in Canada provide a wide variety of government services to residents. Table 3 provides a breakdown of municipal government expenditures in Canada by province by major cost area. The data are rather dated, but it does provide an overview of the mix of services provided by municipal governments in Canada.

Table 3: Distribution of Municipal Government Expenditures by Province (% of spending) (1998)

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
General Administration	13.9	13.8	6.9	9.5	11.9	9.0	12.1	13.2	10.9	9.6
Protection	8.7	23.7	16.6	23.6	17.7	14.3	16.5	15.3	13.9	18.3
Transportation	25.5	23.2	16.5	21.3	22.9	17.4	20.6	29.8	28.0	14.5
Health	-	-	0.1	0.2	-	4.6	4.7	1.0	1.6	3.0
Social Services	0.1	-	10.9	-	0.8	25.1	7.6	0.7	1.7	0.2
Education	-	-	15.6	-	0.1	-	-	-	-	-
Resource Conservation	0.5	1.2	0.5	2.2	1.9	1.4	2.1	6.6	3.2	1.2
Environment	21.4	17.0	17.6	22.5	16.1	12.7	14.8	15.7	13.5	22.1
Recreation/Culture	11.5	15.5	7.4	13.8	11.7	8.9	10.6	14.0	14.0	17.5
Housing	0.6	-	0.6	0.1	3.3	1.7	0.4	0.1	0.5	0.7
Regional Planning	1.1	1.4	2.8	1.4	1.8	1.1	1.5	0.9	2.7	1.9
Debt Charges	16.6	4.1	4.4	5.2	11.6	3.2	9.0	2.1	9.9	9.5
Other	-	-	-	-	0.1	0.6	0.1	0.5	-	1.5
Total	100	100	100	100	100	100	100	100	100	100

Source: Prepared by Trent University (1999)

The report also looked at changes in municipal spending patterns from the previous decade and found some interesting trends related to Atlantic Canadian municipalities (from 1988 to 1998):

- Protection-related spending among municipalities was up more than 30% in Nova Scotia, PEI and Newfoundland and Labrador (almost no increase in New Brunswick) as a percentage of total spending. The average increase in the rest of Canada was much lower at just over a 10% increase.
- Environmental spending went up significantly in New Brunswick, PEI and Nova Scotia while only increasing marginally in the rest of Canada.
- Regional planning expenditures were down or remained similar nationally among municipalities except in Nova Scotia where regional planning dollars as a percentage of the total spending went up 75%.
- Debt-servicing charges as a percentage of total budget went down across the board in Canada.

“Downloading”

Research for the Trent University report confirmed that municipalities are taking on more and more responsibilities that used to fall under provincial jurisdiction. Although there is limited hard data on this shift, the report did publish a table of changes in municipal responsibilities in Ontario which is instructive. Table 4 shows municipalities in Ontario are taking on much more service delivery in their communities.

It was a common sentiment among the interviewees for this report that downloading has also occurred in a significant way in Atlantic Canadian urban municipalities (see Appendix A for the interview summaries).

Table 4: Change in Provincial-Municipal Responsibilities in Ontario

Responsibility	<i>Share Provincial/Municipal</i>	
	Previous	Current
General Welfare Assistance:		
Benefits	80-20	80-20
Administration	50-50	50-50
Family Benefits Assistance	provincial	80-20 ben; 50-50 admin.
Child-Care Services	80-20	80-20
Long-Term Care	provincial	provincial
Hostels	80-20	80-20
Homes for Special Care	provincial	provincial
Women's Shelters	95-5	provincial
Social Housing	provincial-municipal	municipal
Child Welfare	80-20	provincial
Municipal Transit	33-67	municipal
GO Transit	provincial	municipal
Ferries	provincial	municipal
Airports	40-60	municipal
Sewer and Water	10-90	municipal
Policing	10-90 in rural areas	municipal
Farm Tax Rebate	provincial	municipal
Property Assessment	provincial	municipal
Public Health	70-30	50-50
Ambulances	90-10	50-50
Roads	provincial-municipal	more municipal
Gross Receipts Tax	municipal	provincial
Provincial Offences	provincial	municipal
Residential Education Taxes	school boards	50% prov; 50% municipal

Source: Prepared by Trent University (1999)

2.3 Federal/Municipal Relationship

Municipalities are creatures of provincial governments and covered by provincial legislation. Direct federal involvement in urban areas has been limited in recent years (except for their own activities and some tripartite infrastructure programs). There was a federal Department of State for Urban Affairs in the 1970s that provided limited functions ranging from policy development support to urban housing programming. However, the context was different then, and many urban areas and provincial governments did not like the 'top down' imposition of a federal role in Canada's urban areas. The Ministry of State for Urban Affairs was disbanded in 1979 in the wake of a declining economy and a refocusing of government attention on other matters. Today the calls for federal involvement are coming from the bottom up, from municipalities themselves.

Because municipalities are entities of provincial governments, the federal government has limited jurisdiction to allow municipalities to add new funding sources, or take on new government service delivery. However, the federal government can provide funding directly to municipalities, and there are some examples of tripartite arrangements between Ottawa, a province and the municipality. Specific recent examples in Winnipeg and Vancouver have involved municipal and federal funding.

2.4 The Call for a National Urban Agenda

Canadian policy research organizations and academics have been discussing a national urban agenda for a decade or more as they have monitored the shift in municipal responsibilities, the decline in urban infrastructure and the increasing strain on municipal finances. The federal government started to examine the issue in 2001 when the Prime Minister created his Caucus Task Force on Urban Issues with a mandate to come up with a plan for federal support of Canada's urban municipalities.

Despite their control over municipalities, provincial governments have by and large not created urban agendas for their provinces. Ontario has become more involved in recent years, developing an increasingly formal approach to urban development. A specific example was the urban forums held in 2002 in the largest urban areas. These forums led to the publication of a new urban strategy in Ontario - *2003 and Beyond : A Smart Approach for Ontario's Urban Centres*. The province has also added urban affairs to the Ministry of Municipal Affairs and Housing to provide greater focus and support to the province's urban areas.

None of the Atlantic provinces have a formal urban affairs strategy and none have developed an urban agenda. This report is an attempt by the Greater Halifax Partnership to develop the framework for such an agenda.

2.5 The National Rural Agenda

The federal government has had a formal rural development approach for a number of years, with resources located in every province and a variety of funding programs to support rural development. In addition, regional development agencies such as ACOA and Western Economic Diversification Canada have focused a majority of their efforts in rural areas. According to the interviewees for this report, it is the belief that rural challenges have been perceived as more urgent than urban ones. Examples of the federal rural agenda include:

- Canadian Adaptation and Rural Development Fund (CARD)
- Canadian Rural Partnership (Agriculture and Agri-Food Canada)
- Secretary of State (Rural Development) (Agriculture and Agri-Food Canada)
- Several fisheries adjustment packages for Atlantic Canada
- Broadband for Rural and Northern Development (Industry Canada)

Provincial governments in Atlantic Canada also have a strong focus on rural development. For example, the new Provincial Nominee Program to attract immigrants to Nova Scotia has an explicit rural bias.

2.6 The Status of the National Urban Agenda

One of the drivers of the national urban agenda is a perceived need for an increased relationship between the federal and municipal governments – particularly in the larger urban centres. This has politicized the process, and has brought it to the forefront of debate in Ottawa. According to the interviewees for this report, however; the federal government still sees the national urban agenda at a pre-policy stage and, barring any political pushing, policies or programs may be several years away.

2.7 The Lack of Urban Research related to Atlantic Canada

A key finding of this research is that there has been limited research done at the governmental, academic or private think tank level specifically related to the role of urban areas in Atlantic Canada. There is a variety of groups studying rural issues, such as the Rural and Small Towns Program at Mount Allison University and Agriculture and Agri-Food Canada's Rural Secretariat, but no organization has studied urban issues. In addition, most of the national organizations such as the Canadian Urban Institute focus their research on the largest urban areas in Canada. Regional organizations such as The Canada West Foundation (western Canada) and The Institute for Competitiveness and Prosperity (Ontario) have a strong urban approach to their research. The lack of urban research in Atlantic Canada was cited by a number of the interviewees for this report as problematic when considering the potential elements of an Atlantic Canadian urban agenda.

2.8 The Large Urban Area Bias

Most of the thinking around the national urban agenda has been related to only Canada's largest cities. Table 5 below summarizes Canada's largest CMAs and CAs by population.

Table 5: Canada's Urban Regions

		Total Population
Tier I (+/- One Million Population)		
Toronto	CMA	4,682,897
Montréal	CMA	3,426,350
Vancouver	CMA	1,986,965
Ottawa–Hull	CMA	1,063,664
Calgary	CMA	951,395
Edmonton	CMA	937,845
Tier II (200,000 - One Million Population)		
Québec	CMA	682,757
Winnipeg	CMA	671,274
Hamilton	CMA	662,401
London	CMA	432,451
Kitchener	CMA	414,284
St. Catharines–Niagara	CMA	377,009
Halifax	CMA	359,183
Victoria	CMA	311,902
Windsor	CMA	307,877
Oshawa	CMA	296,298
Saskatoon	CMA	225,927

Tier III (Under 200,000)

10 CMAs and 105 CAs (including all other Atlantic Canadian CMAs and CAs)

Source: Statistics Canada 2001 Census.

Examples of the large urban area bias:

- The Federation of Canadian Municipalities has a large city committee with 19 municipalities and requires a population base of at least 200,000, although St. John's is on that committee as an exception. This committee is spearheading the FCM's input into the national urban agenda.
- The Canada West Foundation recommends that any national urban agenda should be exclusively focused on Canada's largest cities – with at least 100,000 population in the urban core (the definition of a CMA).
- The Canadian Urban Institute has focused its urban agenda research and analysis on Canada's largest cities.

2.9 Emerging Importance of the 'City-Region'

One of the challenges facing urban centres in Canada is to transcend their status as discrete municipalities. Most urban areas (defined by Statistics Canada using the CMA and CA approach) encompass multiple municipalities. For example, the City of Toronto makes up less than half the population of the Toronto CMA. In most CMAs/CAs, there are multiple municipalities involved (see section 3.11.1 below for a review of Atlantic Canada's CMAs/CAs and the issue of multiple municipalities). Most of the interviewees for this research project indicated that to formulate a national urban agenda, federal, provincial and municipal governments need to begin to start thinking about 'City-Regions' instead of municipal jurisdictions. Urban development isn't restricted by municipal boundaries and even a majority of government service delivery is not based on municipal boundaries. Examples of government services crossing municipal boundaries include:

- Water and sewage, waste management, police and fire services, etc. (many Atlantic Canadian municipalities collaborate to deliver these services on a regional basis)
- Education and health care services

2.10 Economic Development *Per Se* Is not on the Radar

Another finding of the research is that economic development doesn't seem to be on the federal government's radar related to the national urban agenda. There has been limited reference to it in published reports and policy documents. For example, in the final report of the *Prime Minister's Caucus Task Force on Urban Issues* the three priority areas were affordable housing, transportation and sustainable infrastructure. This is not to say that economic development is not a key issue – just that it hasn't been linked by government as a part of the national urban agenda. The vast majority of the thinking on the urban agenda relates to the infrastructure needed to *support growth* (i.e. transportation, immigration support, affordable housing) and not the infrastructure required to *generate growth* (i.e. economic development programs, growth-generating infrastructure). This is most likely a confirmation that most of the thinking has been related to Canada's largest urban areas which have been enjoying strong economic growth for a number of years and finding that the current municipal government model can support those high levels of growth.

2.10.1 The U.S. example

The research for this report indicates that local urban areas in the United States are generally more focused on economic development than Canadian urban areas. This is evidenced by the financial resources spent on economic development at the local level. In a recent study in California, the average municipality spent \$88 (US) per-capita directly on economic development activities⁶. Although economic development spending can fall under many municipal spending categories (planning, tourism, etc.) and therefore an accurate comparison is difficult, it does seem that Canadian municipalities spend much less directly on economic development activities than their U.S. counterparts.

⁶ Meeting the Challenge: Task Force Report on City Efficiencies and Revenues. Prepared for the City of Fresno. January 2003.

For example, at \$88 (US) per-capita the Halifax Regional Municipality would have to spend more than \$40 million (CDN funds) per year on direct economic development expenses and the City of Moncton would have to spend almost \$9 million per year. U.S. municipalities also have more options related to economic development incentives than do Canadian municipalities such as the ability to offer tax breaks and industrial bonds. Further, U.S. municipalities receive more direct benefit from economic development through tax sharing and other mechanisms and therefore have a greater incentive to focus on economic development.

3. Differentiating Atlantic Canada’s Urban Area Attributes

The research for this report revealed that there are differences between the challenges of Atlantic Canada’s urban areas and the largest urban areas in Canada. If the overarching objective of the national urban agenda is to foster competitive cities as the backbone of Canada’s economic growth, there will have to be considerable rethinking as to how to generate urban growth in a more pervasive fashion across the country. The issues related to keeping Toronto, Vancouver, Montreal and Calgary competitive are not the same as fostering competitiveness in Fredericton, Saint John, Cape Breton and St. John’s.

It is important to point out, however; that these differences are not specific to Atlantic Canada alone but to most urban areas that fall outside the four major growth regions that Statistics Canada has identified as exhibiting continued growth since 1971:

- The Greater Vancouver region
- The Calgary/Edmonton corridor
- The extended Golden Horseshoe (Oshawa, Toronto, Hamilton and St. Catharines-Niagara, plus Kitchener, Guelph and Barrie)
- Greater Montreal

In fact, the statistical evidence shows that Atlantic Canada in recent years has performed better than regions such as Northern Ontario and the Gaspé region in Quebec. Table 6 and the following sections summarize some of the key differences facing urban areas in Atlantic Canada compared to Canada’s large urban areas.

Table 6: Differing Challenges for Atlantic Canada’s Urban Areas

Large Urban Areas:	AC Urban Areas:
3.1 Size	vs. Scope
3.2 Managing growth	vs. Generating growth
3.3 Better integration of immigrants	vs. Attracting immigrants
3.4 Need for more public investment	vs. Need for more private investment
3.5 International visibility	vs. A lack of international visibility
3.6 Enhancing R&D capacity	vs. The need for more R&D activity
3.7 One large airport serving a broad region	vs. Multiple airports serving local populations
3.8 Better urban transit	vs. Better urban fringe/rural transit to/from the urban area
3.9 High urban density	vs. Low urban density
3.10 Enhancing strategic development infrastructure	vs. Creating new development infrastructure
3.11 Co-ordinating large populations in one municipality	vs. Co-ordinating many municipalities with smaller populations
3.12 80% urban population with remote rural areas	vs. 40-50% urban population with close proximity to rural areas

3.1 Size Versus Scope

After interviewing key urban experts and reviewing the current literature, it is clear that most of the thinking on a national urban agenda relates to the largest urban areas in Canada. However, simply tying the definition of an urban area to size does not recognize the important role that urban areas play in regional economies – regardless of size. The Toronto CMA pales in size compared to the New York-Northern New Jersey-Long Island Metropolitan area with 21 million residents, or the Los Angeles-Riverside-Orange County metropolitan area with more than 16 million residents⁷. Urban areas are defined not only by their size but also by their scope or role within regional economies. New York is the major urban area for the Mid-Atlantic States and plays an important regional role. Toronto plays that role in Southern Ontario and in some context for Canada as a whole. However, one could argue that Charlottetown plays a similar role for PEI and Halifax for Nova Scotia and, in a regional sense, for Atlantic Canada.

What then defines an urban area? An urban area is a concentration of activity that services a broader region including such functions as airports, post secondary education, business services, retail, specialized health care services, recreational activity, wholesale/retail activity, government services, etc. It is more efficient for a regional economy to organize certain functions in a consolidated location for use by residents of the broader catchment area. When defining urban areas in that context, Atlantic Canada’s urban centres, though comparatively smaller, play a similar role as the largest urban centres in Canada and their success or failure will drive the regional economy in much the same sense as the larger urban centres.

3.2 Managing growth versus generating growth

One of the key differences between the large urban centres in Canada and Atlantic Canada’s urban areas relates to population growth. As mentioned above, Atlantic Canada’s urban population has grown at a much slower pace than the national average for many years. In the latest Census period (1996-2001), Atlantic Canada’s CMAs/CAs grew only 0.2% collectively; excluding Halifax, there was a decline of 1.5% (Table 7).

Population	#	2001	1996	% Change
>500K	9	15,065,548	14,068,156	7.1%
100K-500K	25	5,082,130	4,912,953	3.4%
50K-100K	22	1,572,974	1,547,147	1.7%
<50K	84	2,118,434	2,126,436	-0.4%
AC CMAs/CAs	18	1,271,916	1,269,211	0.2%
Less: Halifax	17	912,733	926,245	-1.5%

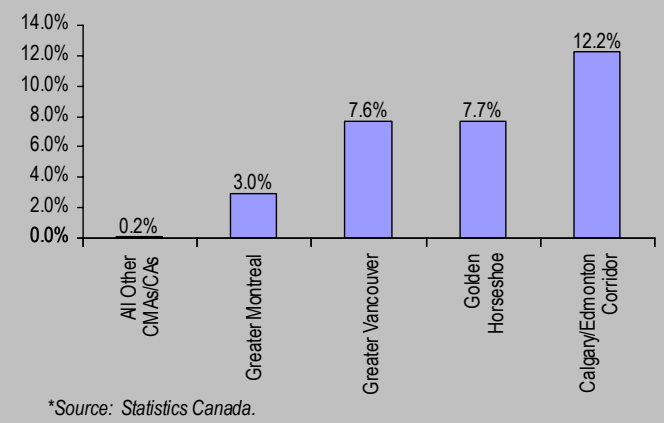
There is a direct correlation between the size of an urban area and its population growth rate over time. Again using the last Census period, there is a significant difference in population growth between large and small urban areas. The largest urban areas grew, on average, more than 7% while the smallest urban areas (less than 50,000 population) actually saw their populations decline (Figure 3).

Therefore with respect to the national urban agenda there are two distinctly different themes. In the largest communities the issue of managing growth is key. Issues such as urban sprawl, congestion, urban transit, affordable housing, integrating immigrants, etc. are all related to the management of growth.

⁷ As defined in the 2000 US Census.

At the same time, the vast majority of Canada's urban areas and indeed regional economies are suffering from limited growth or even population decline and the associated challenges that arise such as a decreasing ability to sustain proper regional infrastructure and the declining ability to raise taxes in the regional economy to pay for public services. In addition, stagnant economies over time face greater challenges related to labour market development, industry development, immigrant attraction, etc.

Figure 3: Regional Population Growth Rates (1996 – 2001)*

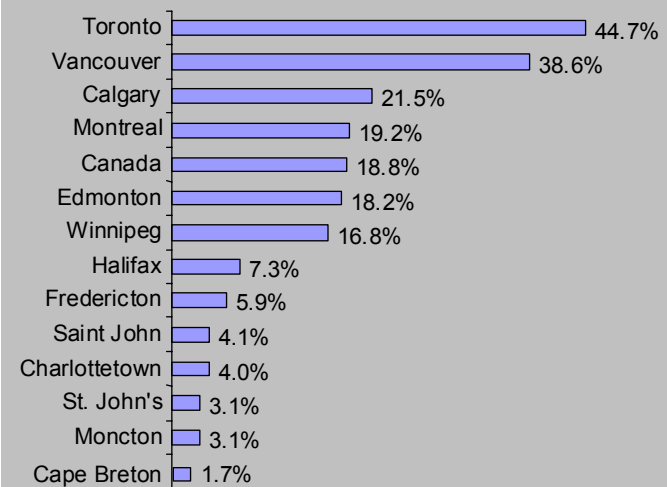


3.3 Better integration of immigrants versus attracting immigrants

Immigration has been identified by most of the stakeholders as a key element of the national urban agenda. Again, however, there are significant differences between the large urban centres and Atlantic Canada's urban centres. In the large CMAs, the issue relates more to the integration of immigrants. For example, the City of Toronto has substantially increased its funding of ESL services (English as a Second Language) in the past decade to support its larger number of immigrants. Other issues related to workforce integration, education and the delivery of community services drive the immigration agenda in Canada's largest urban areas.

Immigration patterns in recent years have resulted in an even greater concentration of immigrants in three the three major cities of Toronto, Vancouver and Montreal (Figure 4). Calgary has also become a popular location for immigrants. Almost half of Toronto's population in 2001 were immigrants or non-permanent residents.

Figure 4: Total Immigrants and Non-Permanent Residents (% of total population – 2001 Census)



By contrast, Atlantic Canadian cities do not have the same issues related to managing immigration; rather attraction and retention⁸ of immigrants is the challenge. As Figure 4 reveals, Atlantic Canadian urban areas have less than a 5% immigrant and non-permanent resident population.

In the 1990s Atlantic Canada did not have much success attracting immigrants. The seven Atlantic urban areas attracted less than 12,500 immigrants (that were resident in those communities as of the 2001 Census). Figure 5 shows the impact of immigration in the 1990s on the population of Canada's urban areas. 16.9% of the Toronto CMA population in 2001 were new immigrants or non-permanent residents having arrived in Canada since 1991.

⁸ There is a difference between the attraction of immigrants and keeping them in the community. A recent study by the Metropolitan Immigrant Settlement Association in Halifax found that some 62% of immigrants to that community eventually move to settle elsewhere in Canada.

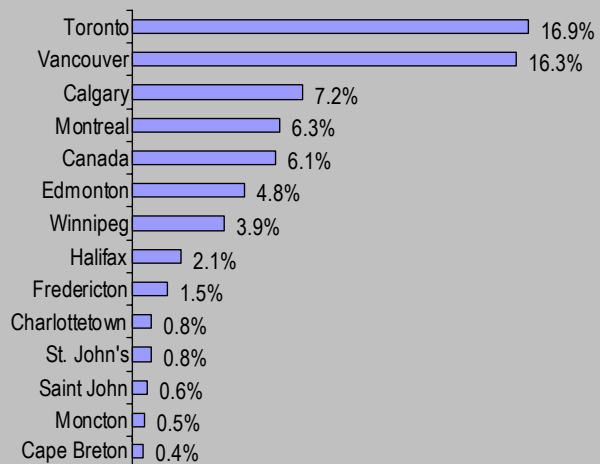
The issues facing Atlantic Canadian urban areas related to the attraction and retention of immigrants revolve around ensuring economic opportunities for immigrants, creating proper support and retention mechanisms, fostering ethnic community development, linking immigration to labour force development strategies, etc. The lack of immigration is not a uniquely Atlantic Canadian challenge, the vast majority of CMAs and CAs across Canada also do not have a good track record when it comes to attracting immigrants.

3.3.1 Interprovincial and Intraprovincial Migration

Another important finding of the research for this report relates to the movement of Canadians within and between provinces in Canada. The mobility of labour is a critical component of a healthy national economy. The willingness of people to move to other locations across Canada has been very beneficial to the Canadian economy as a whole. However, this migration of labour can lead to, and has led to, significant underperformance of regional economies all across Canada from Atlantic Canada to most of Quebec, Northern Ontario and many local economies in Western Canada.

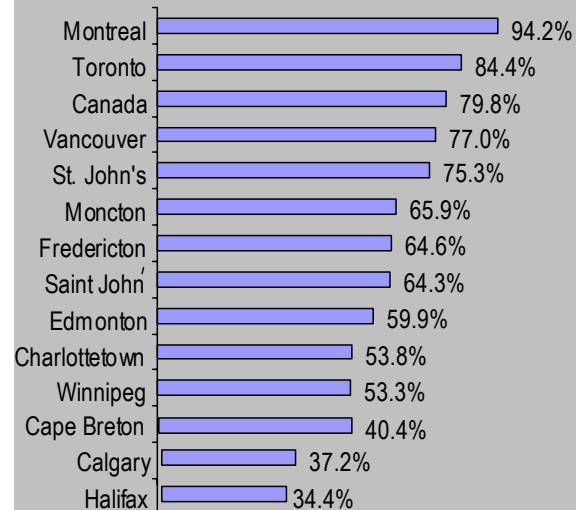
There has been some concern particularly in Atlantic Canada that the urban centres have grown at the expense of rural areas and over time there has been some statistical evidence to support that claim. However, in the most recent Census period, Atlantic Canadian urban areas have received a greater percentage of intraprovincial migrants than most of the larger urban centres in Canada (Figure 6). More than 94% of Toronto's Canadian migrants (not including foreign immigration) came from other Ontario locations from 1996-2001 while only 34.4% of Halifax's migrants came from other Nova Scotia communities⁹.

Figure 5: New Immigrants & non-permanent residents 1991-2001 as a % of total population



*Source: Statistics Canada. 2001 Census.

Figure 6: Intraprovincial Migrants (% of total migrants 1996-2001)



*Does not include foreign immigration.

Source: Statistics Canada. 2001 Census.

⁹ Halifax is a focus for immigrants from all over Atlantic Canada. From 1992-2001, net migration to the Halifax CMA from New Brunswick, Newfoundland and Labrador and Prince Edward Island was more than 7,000 people.

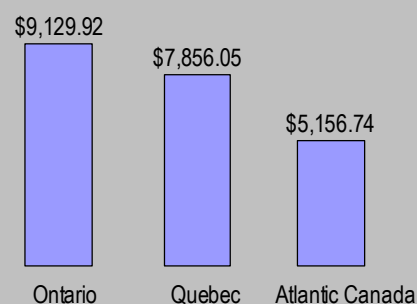
3.4 Need for more public investment versus the need for more private investment

A central theme being put forth by Canada's large urban centres is that while that have benefited from significant private-sector investment in plant, equipment and infrastructure in recent years, public-sector investment to support that growth has lagged behind. In addition, it is argued that the municipal level of government does not have the fiscal capacity to make the required public-sector investments to support the levels of growth in those regions. A key element of the national urban agenda relates to the fiscal capacity of municipalities to fund infrastructure and growth-related activities (see section 5.3 below).

In Atlantic Canada, however, there has been much less private-sector investment in the urban areas that leads to the kind of economic growth that strains public infrastructure and requires significant new public investments. Although a thorough review of private and public-sector investment spending in the CMAs and CAs is beyond the scope of this report, it is worth noting a few examples:

- The Atlantic Provinces Economic Council has estimated that Atlantic Canada's share of Foreign Direct Investment (FDI) is well below the national average and represented approximately 5% of the total for all of Canada in 1994. The lion's share of FDI was in Ontario with 57% of the national total. FDI can be a critical component of reviving underperforming economies. Take the example of Michelin in Nova Scotia. One major foreign direct investment into the Nova Scotia economy has led to 2,500 direct jobs and more than \$6 billion in tire exports (from 1992-2001). In fact, tire exports were the single largest export from Nova Scotia in that time frame. Michelin received significant public-sector assistance to establish their Nova Scotia manufacturing facilities which underscores the positive role that public support can have in generating economic activity.
- The manufacturing sector is a vital part of the Atlantic Canadian economy. However, investments in this sector have lagged significantly behind other manufacturing-intensive provinces in recent years. Since 1991, total per-capita investment in the manufacturing sector in Ontario was 77% higher than in Atlantic Canada (Figure 7).
- Industry Canada published a report looking at the average standard of living in Canadian provinces and U.S. states in 1997 that revealed that the four Atlantic Canadian provinces had the lowest average standard of living of all 60 U.S. states and Canadian provinces¹⁰.
- Newfoundland and Labrador has benefited from one of the strongest GDP growth rates in Canada in recent years due primarily to private and public-sector investments into the offshore oil and gas industry. Nova Scotia has also benefited from the growth of this sector.

Figure 7: Per Capita Capital Expenditures in the Manufacturing Sector (1991-2003 in total)*



*2003 forecasted expenditures. Source: Statistics Canada – NAICS 31-33

¹⁰ This report looked only at economic measurements it did not consider quality of life factors.

3.4.1 Public-sector infrastructure investment

There is also evidence that public-sector capital investment in Atlantic Canada has lagged behind in recent years (Table 8). From 1997-2001, Statistics Canada reports that capital investments by the public-sector (capital and repair expenditures) were lower than the 10 province average in three of the four Atlantic Canadian provinces on a per-capita basis. Public capital investment in Nova Scotia has been particularly low, 29% below the 10-province average.

Public-sector capital and repair expenditures include highways, schools, hospitals and other public infrastructure. It also includes investments in economic development-related infrastructure such as airports, ports and industrial parks.

Table 8: Public-sector Capital Investment Total Spending 1996 – 2001 (Per Capita)

Province:	Per Capita Spending	% of Group Avg.
Saskatchewan	9,022	+25.6%
Manitoba	8,690	+21.0%
British Columbia	8,223	+14.5%
New Brunswick	7,455	+3.8%
Quebec	7,447	+3.7%
Ontario	7,193	+0.2%
<i>10-Province Average</i>	<i>7,180</i>	
Newfoundland and Labrador	6,768	-5.7%
Prince Edward Island	6,007	-16.3%
Alberta	5,909	-17.7%
Nova Scotia	5,090	-29.1%

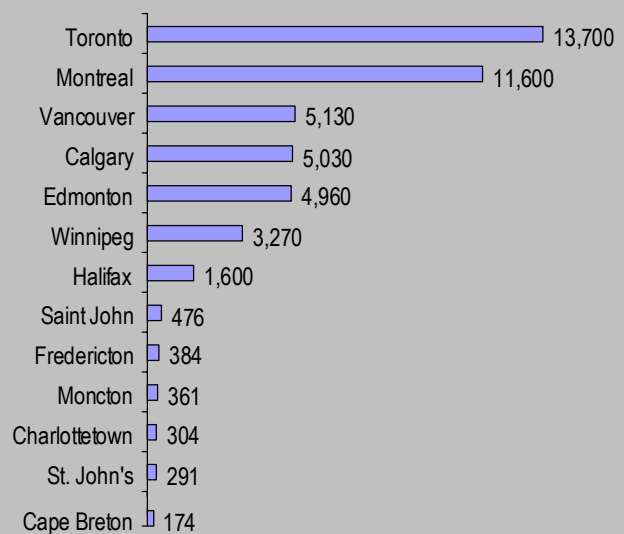
Source: Statistics Canada.

3.5 International visibility versus a lack of international visibility

One of the differences between Canada's large urban areas and Atlantic Canada's small urban areas relates to the issue of international visibility. Most people around the world have heard of Toronto. Montreal has a long reputation as a recognized global city. Calgary and Edmonton are emerging as recognizable international cities. Vancouver, with its recent win of the 2010 Winter Olympic games, will only increase its already well-established international reputation. However, when looking at Atlantic Canada's smaller urban areas, there is very limited international recognition. Indeed, Atlantic Canada as a whole has less name recognition than Canada's large cities.

A recent scan of the international press provides some insight into the international recognition of Canadian cities. Global daily news aggregator Google News¹¹ was searched for references to Canada's cities within the international media (including Canada). The results are shown in the chart and reveal that, in a 30 day period, there were almost 14,000 references to Toronto and only 304 references to Charlottetown (Figure 8).

Figure 8: Comparative City Mentions in the International Media (June 6 – July 4, 2003)



*Source: Google News. July 3, 2003. Filtered to exclude any non-city references (i.e. the Halifax Bank in the U.K.)

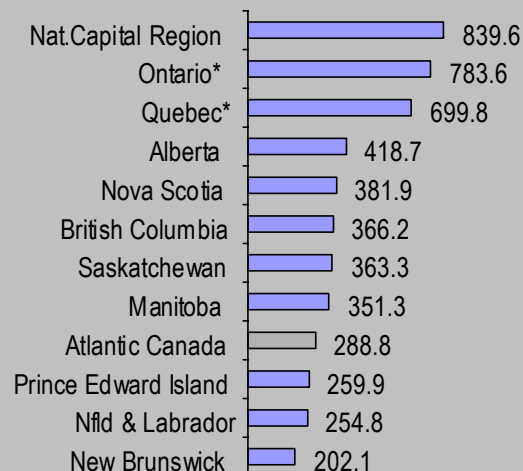
¹¹ Google News aggregates daily news from more than 5,000 global sources in multiple languages. It is primarily focused on newspapers but does include some magazines and trade journals. SARS in Toronto and the Olympic bid in Vancouver may have skewed the numbers somewhat during this timeframe.

3.6 Enhancing R&D capacity vs. the need for more R&D activity

The larger urban centres in Canada tend to have a more developed R&D infrastructure and have historically received significantly higher amounts of both public and private-sector R&D activity. For example, from 1990-2000 more than \$69 billion of R&D activity took place in Ontario (not adjusted for inflation) while during the same period only \$5.9 billion was spent in all of Atlantic Canada (Figure 9). Adjusted for population, this represents more than twice as much R&D spending in Ontario compared to Atlantic Canada. Further, when spending in the National Capital Region¹² is included, R&D spending in Ontario is more than three times higher than in Atlantic Canada. There is no evidence that this is changing. Over the last decade, Atlantic Canada registered a much slower growth rate in R&D spending than all in Canada.

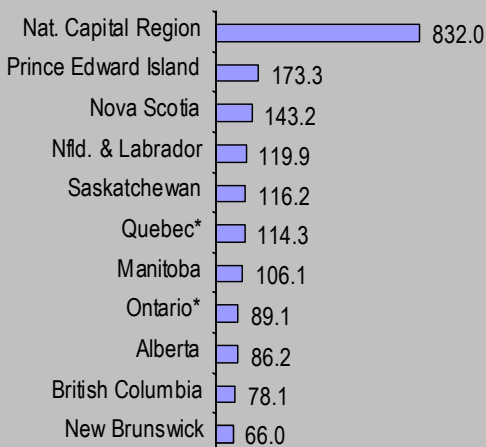
The one exception is Nova Scotia, which has the fourth highest R&D spending per-capita in Canada (2000). However, the growth in Nova Scotia R&D throughout the 1990s was significantly slower than the national average. So the challenge for the large urban centres such as Toronto, Montreal and Calgary is ensuring that the research and development activity in those communities is an effective economic driver increasing new product development, contributing to specific industry clusters growing in those communities, etc.

Figure 9: Total Provincial R&D Spending Per Capita \$ (2000)



*The National Capital Region is the Ottawa-Hull CMA area. It has been extracted by Statistics Canada to show the impact of federal government R&D expenditures in that area. Source: Statistics Canada.

Figure 10: Federal Expenditures Per Capita on R&D \$ (2000)



Source: Statistics Canada.

The challenge for Atlantic Canada's urban areas continues to be the need to increase private-sector R&D spending. Federal government expenditures on research and development activities in Atlantic Canada are comparatively high on a per-capita basis (Figure 10)¹³. Not including the National Capital Region, PEI, Nova Scotia and Newfoundland and Labrador hold down the top three spots. However, New Brunswick lags behind with the lowest amount of federal R&D spending in Canada (adjusted for population).

RESEARCH Infosource Inc. recently published a list of the top 100 Corporate R&D Spenders in Canada for 2003. None of the top 100 R&D spenders were based in Atlantic Canada¹⁴.

A key finding of the interviews for this report was that innovative private-sector companies are vital for strong, competitive cities in the new knowledge-based economy and the fostering of private and public-sector innovation should be a key part of the urban agenda for Atlantic urban areas.

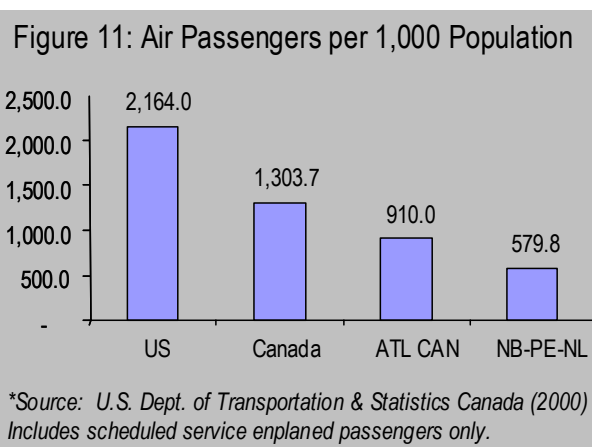
¹² The Ottawa-Hull region receives the vast majority of federal government R&D activity.

¹³ A considerable amount of the R&D spending in Nova Scotia and Newfoundland and Labrador is related to fisheries maintenance.

¹⁴ Some companies such as Pratt & Whitney Canada have operations in Atlantic Canada, but the amount of research activity at these local facilities was not published as part of the survey.

3.7 One large airport serving a broad region versus multiple airports serving local populations

The issue of airports in Atlantic Canada has long been contentious and the recent transfer of airport control and management to local communities has only intensified the competition between the smaller urban areas in the region. In the Maritime provinces, for example, there are five aggressively competing airports within a 4.5-hour drive of each other (Fredericton, Saint John, Moncton, Charlottetown and Halifax). There is a scheduled services airport (with daily scheduled flights) for every 250,000 citizens in Atlantic Canada - by far the highest ratio in North America. Pearson International Airport in Mississauga, by contrast, services a regional market encompassing a 2-3 hour driving commute as well as being a hub for other airport traffic from across Canada.



This over capacity in airport infrastructure has led over time to a much lower utilization of air transportation in the region as shown in Figure 11. American airports service more than three times as many passengers per-capita as those in New Brunswick, Prince Edward Island and Newfoundland and Labrador. The Halifax International Airport does have some critical mass as it services almost the entire province of Nova Scotia by road and is a hub airport for many of the smaller airports in Atlantic Canada. Because of this critical mass, the Halifax International Airport has per-capita passenger statistics in line with the national average. Lack of critical mass leads to limited flight destinations and higher prices which provide a disincentive for air travel.

Poor air access to all communities in Atlantic Canada was identified in the interviews for this report as a major impediment to attracting new business investment, regional/head offices, conference/tourism activity and immigration. Effective air transportation links are also critical build the trade capacity of Atlantic Canada's SMEs.

3.8 Better urban transit versus better urban fringe/rural transit to/from the urban area

Most of the urban research that has been completed in recent years has found that in Canada's large urban areas transit systems have not kept pace with economic growth. In fact, transportation infrastructure has been cited as a key priority by the Prime Minister's Task Force on Urban Issues, the Federation of Canadian Municipalities and the Canadian Urban Institute. This includes road, rail, air and bus systems that provide access into the urban areas.

Atlantic Canadian cities, by contrast, have relatively easy access by car into and out of the urban areas. Despite that relatively easy access, there are significant employment rate differentials between the urban area and many nearby communities. A review of employment rates among Atlantic Canada's major urban areas and nearby communities reveals some surprising differentials. Despite being within a 20-40 minute commute to the urban core, many of these communities have significantly lower employment rates (as much as 10-30 percentage points) than the urban core (Table 9). In addition, a number of industries in the urban core have begun to face labour shortages in sectors such as retail, call centres and other service occupations.

While there are many factors that influence a community's employment rate and labour market participation such as age, skills and education levels, Atlantic Canadian cities need to find ways to encourage more employee mobility within their regions.

3.8.1 The divided highway effect

The quality of the highway infrastructure connecting outlying communities to the urban areas may be a contributing factor to these large employment rate differentials. Communities that are connected to it by a four-lane highway tend to have significantly higher employment rates than those that do not. Oromocto to Fredericton, Moncton to Shediac, Saint John to Hampton and Halifax to East Hants are all examples of communities with marginally differing employment rates - indeed many of these peripheral communities have higher employment rates than the urban core. This would seem to indicate that, over time, the quality of highway connections *may be one factor* influencing labour market mobility between the urban areas and adjacent communities.

Table 9: Employment Rate Differential Urban Area versus Selected Adjacent Communities

	<u>Employment Rate:</u>	<u>Differential:</u>		<u>Employment Rate:</u>	<u>Differential:</u>
Moncton (CA)	62.5%		St. John's (CMA)	57%	
<i>Selected Adjacent Communities</i>			<i>Selected Adjacent Communities</i>		
Memramcook	59.3	-3.2	Bay Bulls	50.6	-6.4
Shediac	54.6	-7.9	Witless Bay	55.3	-1.7
Sussex	53.9	-8.6	Mobile	36.8	-20.2
Sackville	53.5	-9.0	Pouch Cove	50.2	-6.8
Petitcodiac	50.7	-11.8	Lakeview	31.1	-25.9
Hillsborough	50.5	-12.0	Conception Bay South	57.2	0.2
Cap-Pele	48	-14.5	Torbay	66.4	9.4
Bouctouche	47.6	-14.9	Portugal Cove	61.7	4.7
Dorchester	38.2	-24.3			
			Saint John (CMA)	57.1%	
Fredericton (CA)	64.4%		<i>Selected Adjacent Communities</i>		
<i>Selected Adjacent Communities</i>			Hampton	65.6	8.5
Oromocto	71.3	6.9	Quispamsis	65.1	8.0
Kingsclear	69.4	5.0	Rothesay	64.1	7.0
Gagetown	56.0	-8.4	St. Martins	47.9	-9.2
Harvey	55.4	-9.0	Blacks Harbour	47.4	-9.7
Tracy	54.1	-10.3	Norton	47.0	-10.1
Fredericton Junction	50.5	-13.9			
Nackawic	46.9	-17.5	Halifax (CMA)	63%	
Stanley	42.3	-22.1	<i>Selected Adjacent Communities</i>		
Minto	40.8	-23.6	East Hants	59.3	-3.7
			Windsor	54.7	-8.3
Charlottetown (CA)	62.5%		Chester	52.3	-10.7
<i>Selected Adjacent Communities</i>			Mahone Bay	49.4	-13.6
Cornwall	68.8	6.3	Stewiacke	48.4	-14.6
Stratford	66.8	4.3			
Summerside	59.8	-2.7			
Kings County	58.1	-4.4	Cape Breton (CA)*	40.6%	

*The Cape Breton Census Agglomeration is primarily made up of the Cape Breton Regional Municipality and therefore there were no adjacent communities to consider.

3.9 High urban density versus low urban density

Another significant difference between large urban areas in Canada and Atlantic Canada is population density. There has been much written in recent years about the importance of dense urban development versus urban sprawl. Atlantic Canada's urban areas (CMA/CA) have much lower population densities than Canada's large urban centres as well as other similarly sized urban areas in Canada as shown in Table 10:

Table 10: Avg. Population Density Per Sq. KM (2001)

Urban Area Population	
>500K	409
100K-500K	160
50K-100K	206
<50K	187
Alt. Canada CMAs/CAs	61

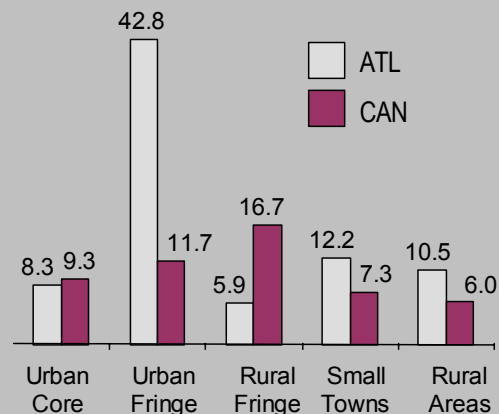
Source: Statistics Canada 2001 Census.

A thorough review of the effect of the low urban density within Atlantic Canada's urban areas is beyond the scope of this report. However; urban sprawl can effect municipalities in a number of ways such as a reduced investment in the inner city, increased cost of municipal infrastructure to extend services into the urban fringe and potentially more traffic congestion as commute distances increase.

Employment in the urban fringe

Another interesting trend related to urban sprawl has been the changing nature of urban employment in Atlantic Canada. A recent Atlantic Provinces Economic Council report found that from 1997 – 2001 employment growth in the urban fringe areas within Atlantic Canada's CMAs/CAs was 42.8% compared to only 11.7% in Canada as a whole (Figure 12). Rural fringe employment, however; was much lower in Atlantic Canada confirming the trend shown in Table 9 above¹⁵. The small towns and rural areas in Atlantic Canada have actually outperformed the national figures for employment growth during that timeframe.

Figure 12: Changing Pattern of Urban Employment
% change in employment 1997 - 2001



Source: APEC 2003

¹⁵ The rural fringe is located within the CMAs or CAs.

3.10 Enhancing strategic development infrastructure versus creating new development infrastructure

One of the advantages of a large concentration of population and economic activity in an urban area is the critical mass of population required to develop large-scale strategic infrastructure, such as major international airports, recreation and tourism infrastructure, professional sports, world-class theatre and ballet, theme parks, concert halls, etc. For the corporate sector, large urban areas are also a concentration for financial sources, human resources and specialized industry support services. The challenge for the large urban centres such as Vancouver, Toronto and Montreal is that they are competing with large urban areas internationally for many of these same strategic assets.

The challenge for smaller urban areas such as those in Atlantic Canada is that they do not have the critical mass to develop these large-scale infrastructure items. However, they can find niche opportunities and develop unique advantages in specific areas. In addition, smaller urban areas can work together to develop specific strategic assets for the region as a whole. Halifax has taken on this role for certain infrastructure such as the regional airport and the regional financial services sector.

3.11 Co-ordinating large populations in one municipality versus co-ordinating many municipalities with small populations

Canada's large urban areas struggle with the logistics of managing a large and diverse population crowded into a relatively small area. The City of Toronto itself (not the CMA) has a population of just under 2.5 million – greater than all of Atlantic Canada's population combined. In addition, there are just under 4,000 residents per square kilometre compared to under 500 in the City of Moncton, for example.

The challenge for the large cities is governing a large population with varying interests, local issues within the municipality, and the complex issues around urban density. In Atlantic Canada, by contrast, there tend to be a large number of discrete municipalities located in relatively close proximity to each other. The Moncton CA, for example, has three different municipalities in under 200 square kilometers, and 12 different municipalities in an area one third the size of the Halifax Regional Municipality.

An interesting feature of the Maritime provinces, specifically, is that they are collectively the most densely populated in Canada¹⁶ (Figure 13). Despite having more people close together, Atlantic Canada as a whole has by far the highest percentage of elected municipal governments in Canada. Table 11 shows there are almost 10 times more municipalities (adjusted for population) in Prince Edward Island compared to Ontario.

Table 11: Elected municipal governments – per 100,000 population

Province:	#
Newfoundland and Labrador	54.3
Prince Edward Island	54.1
New Brunswick	13.6
Nova Scotia	5.8
Ontario	3.8
Alberta	2.6

Source: *Provincial government Web sites.*

¹⁶ Newfoundland and Labrador is not included here as it is the least populated province by size in Canada.

Ontario has been consolidating municipal governments in recent years. As a result of this consolidation, the number of municipalities has been reduced by more than 40% between 1996 and 2003, from 815 to 446. Alberta has also been rationalizing the number of municipalities in that province.

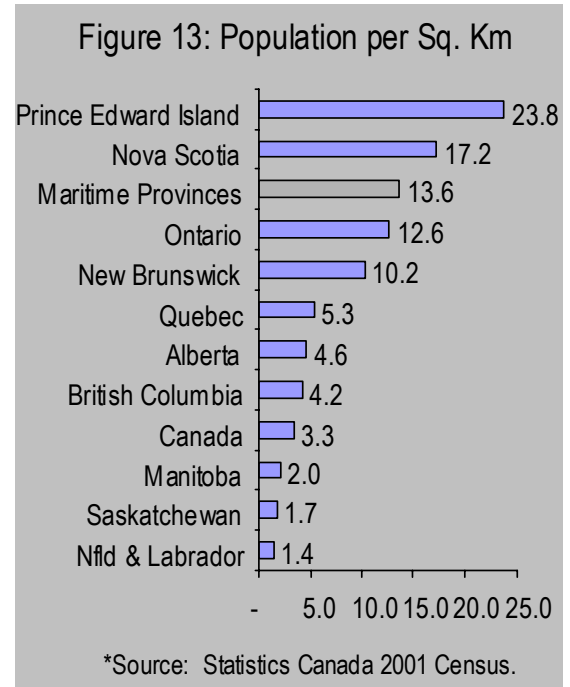
While it is important to have a strong government infrastructure to represent the residents, the large number of discrete municipalities relative to the population poses problems:

- *Difficulty in establishing and achieving regional strategies related to the urban areas.* If there are multiple municipalities operating in one local urban market, it can make co-ordinated efforts more difficult.
- *Difficulty in establishing regional priorities.* Multiple municipalities mean multiple agendas.
- *Difficulty in aligning government activity with other sectors of the economy.* The business community in an urban area is not defined by municipal boundaries. Health care, as well as certain education and other government services are not tied to municipal boundaries.
- *Increased tension between the local municipalities* as residents move freely between them using the services that best suit their needs, while the municipalities that incur the cost of those services may not collect the revenues generated.
- *Increased tension related to economic development.* Each municipality wants their representative share instead of realizing the benefits on a regional basis.

There have been efforts to amalgamate some municipalities in Atlantic Canada. The Greater Halifax and Cape Breton regions were recently amalgamated and the results have been positive (according to the interviewees for this report). Other communities, such as St. John's, have attempted to amalgamate and have not been able to.

A detailed analysis of the implications related to having multiple municipalities in a single urban area is beyond the scope of this report. However, the high concentration of municipalities within a local economic market *can cause* co-ordination problems and inefficiency in the use of public resources. This was confirmed by a number of the interviewees for this report.

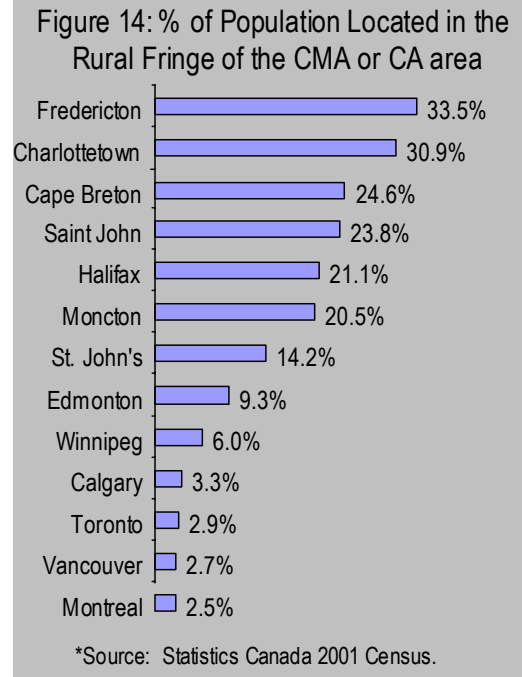
In the opinion of many of the interviewees for this report, Atlantic Canada's municipalities (especially those concentrated in single urban markets) should continue to seek ways to co-operate and act more like a regional government (see section 6.2 below).



3.11.1 Atlantic Canada's Rural Fringe Within CMA/CAs

Another unique challenge facing Atlantic Canada's urban areas is related to rural populations located within the CMAs and CAs. Atlantic Canadian CMAs and CAs have a much higher percentage of rural fringe population than the Canadian average (24.1% versus 7.9% of populations) (Figure 14). This high concentration of rural population underscores the close proximity of urban and rural populations in Atlantic Canada.

As sections 3.6 and 3.9 above point out, employment rates and employment growth in the rural fringe areas in Atlantic Canada CMAs and CAs are much lower than in Canada as a whole, while employment growth in rural areas outside the CMAs and CAs is higher in Atlantic Canada than in the rest of Canada. This emphasizes the need for Atlantic Canada's urban areas to be more integrated with the rural fringe communities in their economic and labour market development strategies.



3.12 Urban-concentrated population versus urban/rural split population

Canada's urban centres make up the majority of the population in most provinces with the exception of Prince Edward Island. However, Atlantic Canada is dominated by a much higher percentage of rural residents with about 46% of people living in rural communities compared to just over 20% in Canada as a whole (Table 12). The high concentration of population in rural areas brings both opportunities and challenges for Atlantic Canada.

Atlantic Canada faces significant logistical and political challenges related to its urban/rural split of population. There is a constant tension at the provincial and federal levels between the support of urban areas versus rural ones. Growth in urban Atlantic Canada is perceived to be at the expense of rural communities and more and more resources are being directed at the rural communities. In fact, as was shown in section 3.9 above, rural areas in Atlantic Canada performed much better than their counterparts in other parts of Canada.

Table 12: Urban/Rural Population Breakdown

	Urban Population, 2001		Rural Population, 2001	
	Total Population	% of Total	Total	% of Total
Canada	30,007,094	79.7	6,098,883	20.3
Nova Scotia	908,007	55.8	400,998	44.2
Newfoundland and Labrador	512,930	57.7	216,734	42.3
Prince Edward Island	135,294	44.8	74,619	55.2
New Brunswick	729,498	50.4	361,596	49.6
Atlantic Canada	2,285,729	53.9	1,053,947	46.1
Quebec	7,237,479	80.4	1,420,330	19.6
Ontario	11,410,046	84.7	1,747,499	15.3
Manitoba	1,119,583	71.9	314,262	28.1
Saskatchewan	978,933	64.3	349,897	35.7
Alberta	2,974,807	80.9	569,647	19.1
British Columbia	3,907,738	84.7	597,885	15.3

Source: Statistics Canada 2001 Census.

Most of the interviewees for this research felt that it is important for governments in Atlantic Canada to rethink the urban/rural issue in a new context that realizes that urban and rural growth do not have to be mutually exclusive – especially in the Maritime provinces where overall population density is higher. Some 98% of the Maritime province's population lives within an hour's drive of one the 18 CMAs/CAs. By comparison, less than 90% of the population in Manitoba lives within a 1-hour's drive of that province's four CMAs/CAs.

Urban growth over time can support suburban and rural growth as the benefits spill over. More than 90% of the smaller urban areas located within a two-hour drive of Toronto grew strongly from 1990-2000 highlighting the importance of having strong economic anchors in a regional economy.

4. Implications for Atlantic Canada

The federal government's stated goal from a national urban agenda is to create competitive cities that enhance Canada's "ability to attract and retain talent and investment"¹⁷. In Toronto, Montreal and Vancouver (as examples) that clearly means providing municipalities with the capacity to support the local infrastructure and services required to continue to support this goal. If the objective of the national urban agenda is to create "competitive cities" clearly there are much different implications for Atlantic Canadian cities.

4.1 Are Atlantic Canadian urban areas competitive?

Using population growth as a proxy for economic growth, Atlantic Canadian urban areas have significantly under-performed compared to the larger urban areas in Canada for many decades. A major reason for this is that Atlantic Canadian cities have not been able to attract foreign direct investment and other private-sector investment at the same level as the larger urban centres in Canada. In addition, the statistics on R&D expenditures on a provincial basis rank PEI, New Brunswick and Newfoundland and Labrador as the three lowest spenders.

The elements that make an urban area "competitive" are complex. While a low cost operating environment can be considered an advantage, recent history suggests that high cost areas have much higher overall growth rates than low-cost areas. While a lower cost of living, shorter commute times and lower crime rates tend to be positive features of a community, there does not seem to be a strong correlation between these factors and long-term economic growth. One new model that has been developed recently that looks at a broad range of factors that are argued to lead to competitiveness is the Creative Cities Index reviewed below.

4.2 The Creative City

Richard Florida has developed the Creative Cities Index for the metropolitan areas in the United States. Florida's research revealed that the successful city tends to be more educated, having a higher percentage of Bohemians (persons employed in creative occupations), a higher percentage of immigrants and a strong high-tech sector. In conjunction with Meric Gertler, the Creative Cities Index was developed for Canadian CMAs. Their conclusions were:

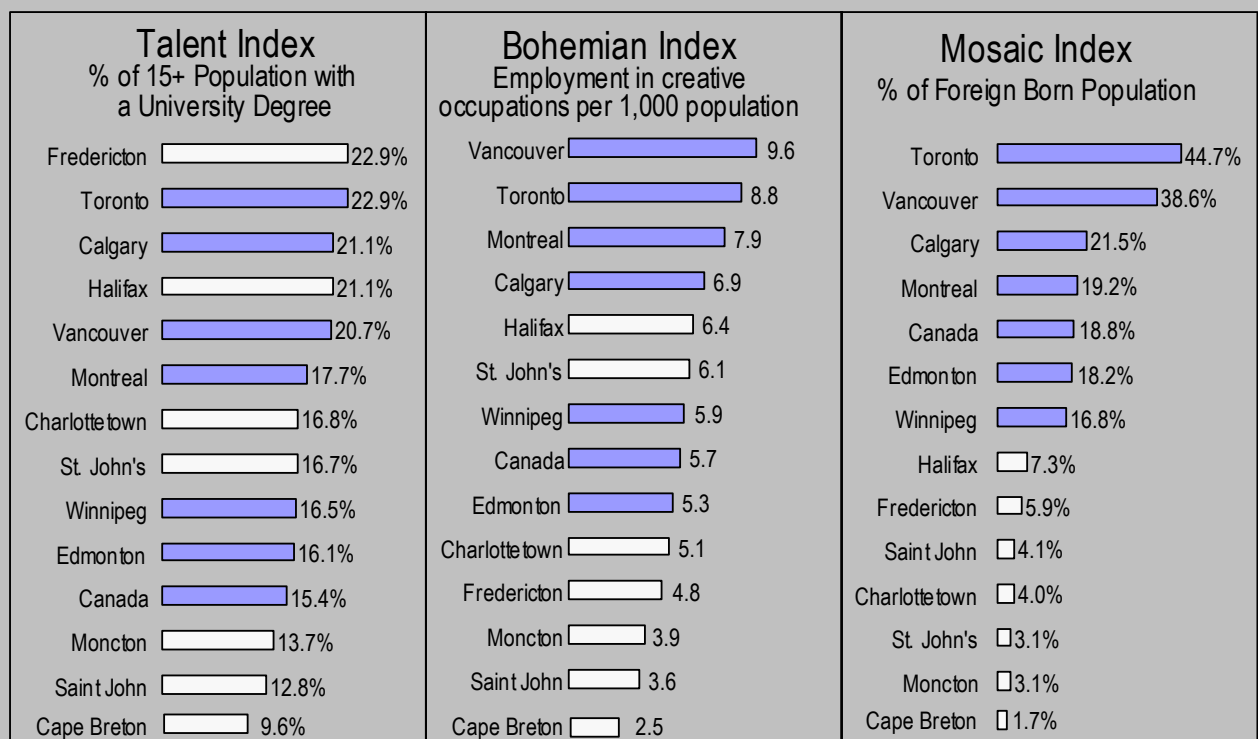
- City-regions in Canada that are leading centres of arts and immigration are also blossoming as centres of technology-based industry -- thus following very closely the growth pattern that has been found in previous socio-economic research in the United States. That research examined why U.S. growth in industries such as computing and biotechnology was clustered in, and is being driven by, certain metropolitan areas: the San Francisco-Silicon Valley area, Austin, Boston, Washington (DC), Seattle and others. These regions did not enjoy traditional economic advantages such as proximity to raw materials or cheap energy. Nor were they cheap places to do business. It turned out that the two most striking features they shared were a thriving arts scene (reflected statistically by high numbers of artists, writers and other "bohemians") and a highly diverse, tolerant social character -- reflected by, among other things, high numbers of immigrants. San Francisco, Austin and the rest were well known as artists' havens and open cities before they became high-tech industry hotbeds.
- The Canadian research indicates that Canada's major city-regions are now exhibiting these dynamics. Many -- such as Toronto, Vancouver, Calgary and Halifax -- stack up well against U.S. regions.

¹⁷ Taken from the September 2002 Speech from the Throne.

- The report, *Competing on Creativity* (written for the Institute for Competitiveness and Prosperity and the Ontario Ministry of Enterprise, Opportunity and Innovation) tried to determine whether the statistical relationships between artistic activity and social diversity on the one hand, and high levels of human capital and technology-intensive business activity on the other, are in fact as strong in Canadian city-regions as they are in the U.S.
- They used the Bohemian Index (a city-region's concentration of artists, writers, performers and the like) and the Mosaic Index (the proportion of the population born outside the country). They also used the Talent Index (percentage of the population with a university degree) and the relative level of employment in technology-based industries.
- They found that the relationships in Canada are, if anything, even stronger than those found in the United States: Here, as there, Florida/Gertler postulate that the links between creativity, diversity, talent and technology are driving the economic growth of Canada's city-regions.

Where do Atlantic Canadian urban areas fit in the Creative City model? For the purposes of discussion, three of the top four metrics were developed for six urban areas in Atlantic Canada. The results are shown in Figure 15:

Figure 15: Atlantic Canada Creative City Scores



Source: Statistics Canada 2001 Census.

Talent Index: On the Talent Index (percentage of adult population with a university degree) Fredericton and Halifax scored very high. Indeed, both communities have among the highest percentage of university graduates among all Canadian CMAs and CAs. Charlottetown and St. John's were above average while Moncton and Saint John were both below the national average. However, using university degree holders as a proxy for 'talent' has some flaws. For example, Moncton and Saint John have much higher rates of community college and trade school graduates – many of these are in new economy disciplines such as graphic design and computer programming. If these educational attainment metrics were included, the overall results would be different.

Bohemian Index: Halifax and St. John's again scored higher on the Bohemian Index (based on NAICS¹⁸ codes F03 Creative and performing artists and F14 Creative designers and craftspersons) than the national average while Charlottetown and Fredericton were slightly below the national average. Moncton and Saint John again were well below the national average.

Melting Pot/Mosaic Index¹⁹: The Mosaic Index is simply the percentage of the population that is foreign-born or first-generation immigrants. All Atlantic Canadian cities were well below the national average for this Index.

Tech Pole Index: This index was not developed for two reasons: 1) Florida and Gertler did not make public which NAICS codes were used as technology-based industries and 2) their methodology included a size bias which would rank smaller urban areas lower.

4.2.1 Interpreting the results

Among the urban experts interviewed for this report, there was skepticism about the value of the Creative City approach as a policy development tool. Florida/Gertler's work is more descriptive than prescriptive in nature. There is a marketing value in portraying an urban area as "creative" and taking steps to foster a strong creative element on all three fronts: talent, bohemian and mosaic. However, there is still no definite research that confirms the causality of these factors i.e. that having talent, bohemians and the cultural mosaic drive the growth and development of communities. Two of the cities that rank the highest in Florida's work are Austin, TX and San Francisco, CA. Florida concludes that the high level of pre-existing strengths related to bohemians and the cultural mosaic were the major influencers of the growth of the high tech sector in those communities. However, there is some speculation that the large-scale business investment and sector growth in those communities created an environment where talent, bohemians and the cultural mosaic will foster which in turn are positive attributes to generate more growth.

In the Atlantic Canadian context, a more basic approach may be warranted such as attracting investment and building economic development infrastructure.

¹⁸ North American Industrial Classification System (NAICS).

¹⁹ Gertler points out that the "Melting Pot" is a uniquely American term. In Canada, the terms ethnic mosaic, multicultural or multiethnic are more commonly used.

5. National Thrusts of the Urban Agenda

After consultation with key stakeholders and reviewing the current literature related to the national urban agenda in Canada, there are three major thrusts that are the focus of the national urban agenda:

- Aging Infrastructure (roads, water/sewer, public transportation)
- Social Issues (affordable housing, immigration support, etc.)
- Governance/Leadership:
 - Who has jurisdiction?
 - Where are services delivered?
 - Fiscal imbalance
 - Tenuous relationship between cities and provinces

5.1 Aging Infrastructure

There is consensus that the current municipal government structure is not appropriate to deal with the large-scale problems of aging infrastructure as well as new infrastructure required to support continued growth. There is also consensus that funding the upgrading of infrastructure will be a significant challenge over the next few years. For example, The Canadian Urban Transit Association (CUTA) estimates that \$13.6 billion is required to meet transit infrastructure needs across the country over the next five years. CUTA also estimates that “current transit budgets can only meet \$6.8 billion of the total needs. Without new and creative funding sources, insufficient capital investment will place pressure on current operating budgets, increase life-cycle costs, limit access to services, and have a negative impact on the environment” (as quoted in *Canada’s Urban Strategy: A Blueprint for Action 2002*). Overall, the Federation of Canadian Municipalities estimates a \$44-billion shortfall in municipal infrastructure funding across Canada²⁰.

The Prime Minister’s Caucus Task Force on Urban Issues recommended that the government create a National Sustainable Infrastructure Program that will include:

- Stable capital investment so that provinces and municipalities can plan for long-term funding over a longer period of time, thus taking into consideration the fiscal capabilities of governments;
- Mechanisms for long-term planning to manage local needs and priorities;
- A focus on long-term strategies, while targeting regions on an “as needed” basis rather than on a per-capita basis;
- Cost-shared funding to support projects that comprise part of a longer-term municipal development plan;
- Public/private partnerships essential to the goals of sustainable communities;
- A strong “green” component in all projects;
- A portion of funding for innovative sustainable communities that are conceived and built according to the principles of integrated sustainable development;
- Criteria to take into account ecological fiscal measures to ensure sustainability;
- Incentives for district energy systems;

²⁰ *Federation of Canadian Municipalities: Early Warning: Will Canadian Cities Compete? 2001.*

- A central inventory of federally owned lands and buildings, their current and future use that could have the potential for strategic urban redevelopment; and
- Removal or reduction of the capital gains tax on the restoration, preservation and adaptive reuse of heritage buildings.

They also recommended that the National Sustainable Infrastructure Program have specific criteria, performance measurements, rigorous evaluation and monitoring of all projects funded under this program. The recommendations are currently under consideration and expected to be part of a formal national urban agenda in the future.

5.2 Social Issues

Another key thrust of the national urban agenda involves the social health of Canadian cities. There is increasing pressure on social infrastructure within Canada's largest cities. Affordable housing, better integration of immigrants, safe, accessible public spaces and environmentally-sustainable development.

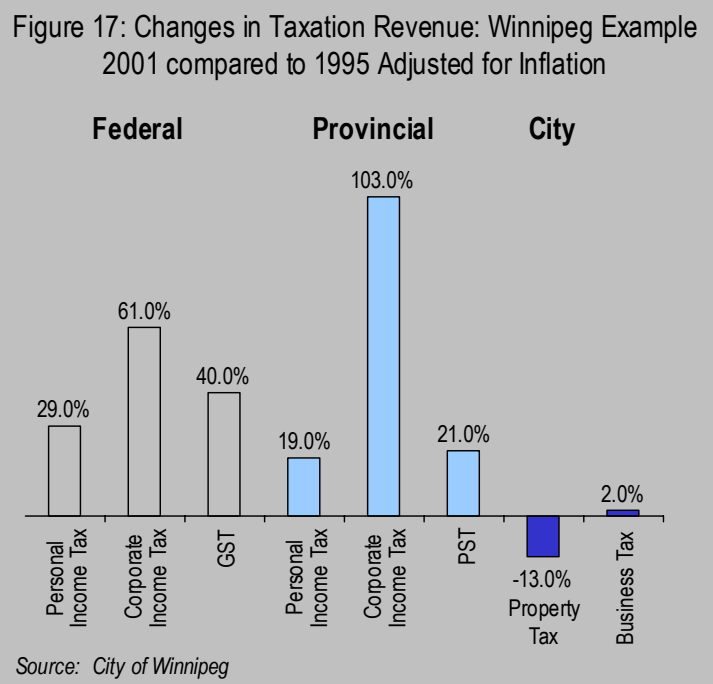
5.3 Governance/Leadership

A key finding of the research relates to the issues of governance and leadership in the large urban areas in Canada. Many of the new challenges facing municipalities are still formally provincial responsibilities (or joint) but the municipalities are funding an increasing share and as they are becoming 'urban' issues (i.e. environmental, housing, etc.) the pressure on the municipal level of government is increasing.

5.3.1 The fiscal imbalance

One of the interesting findings of the research relates to the so-called fiscal imbalance between the federal, provincial and local levels of government. Municipalities incur significant costs associated with development (such as new infrastructure and increased local services). The greater the development the greater the costs incurred by the municipality. At the same time, the revenue derived from property taxes and other sources does not increase proportionately to the required investment in new infrastructure and services.

The City of Winnipeg recently completed an analysis of incremental tax revenue associated with economic growth in the City from 1995 to 2001. This analysis determined that the three main sources of tax revenue for the federal and provincial governments (personal income tax, corporate income tax and sales tax) grew strongly during that time frame while property tax revenue to the City actually declined by 13% (adjusted for inflation) (Figure 13). Winnipeg's conclusion was that without a new tax distribution formula, the city has no incentive to support development in the community.



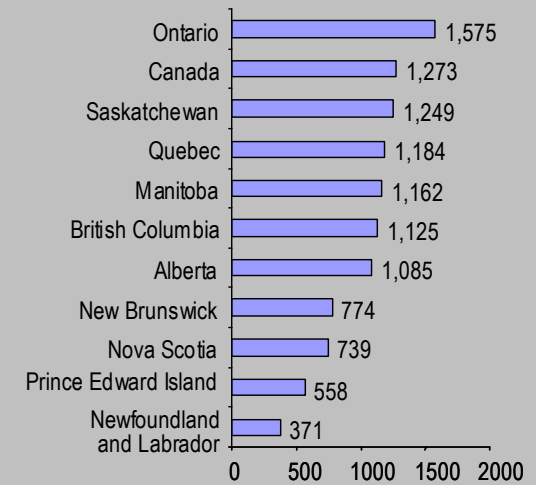
The sentiments of the City of Winnipeg were shared by the City Manager in Moncton and the CEO of the Halifax Regional Municipality, both of whom stated that municipalities receive very little fiscal incentive to support economic development.

Therefore, the economic development return on investment model for municipalities is negative while it is decidedly positive for provincial/federal governments.

The Canada West report *Structuring Federal/Urban Engagement: A Principled Approach* lists several mechanisms that could be used to rectify the fiscal imbalance:

- **Tripartite (federal, provincial and municipal) agreements.** Tripartite agreements between the federal, provincial and municipal government. However, these tend to short-lived and leave the municipality with service requirements and no funding at the end of the agreement. Long term agreements, or agreements tied to specific short-term needs should be considered.
- **Federal-Municipal tax sharing.** This approach is used in a number of federal countries. In the U.S., municipalities share sales, fuel, liquor, gambling and other taxes. This would more closely link municipal revenues to economic growth.
- **Municipal bonds.** The use of tax-free municipal bonds for debt financing of infrastructure projects. This idea has been adopted in Ontario and has been used actively in the United States for decades.
- **Creating tax room for expanded municipal tax tools.** This would involve negotiation with provincial governments and would allow municipalities to levy new taxes on specific activities. The potential challenge is that there is little public interest in new forms of taxation.

Figure 18: Per Capita Property Taxes Collected \$ (1998)



Source: Report prepared by Trent University.

5.3.2 Example: municipal bonds in Canada - Ontario Opportunity Bonds

The Ontario Opportunity Bond program was recently initiated by the provincial government in Ontario as a mechanism to provide an ongoing infrastructure funding mechanism to Ontario municipalities.

Ontario Opportunity Bonds are investments for which *Ontario residents* are exempt from Ontario personal and corporate income tax on the interest income on the bonds. The federal government has decided not to participate in the Ontario Opportunity Bonds program. The Bonds are issued by the Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA) to help raise financing for municipal infrastructure projects.

The government's key objective for Ontario Opportunity Bonds and OMEIFA is to promote healthy and prosperous communities by providing municipalities with more flexibility to invest in much needed capital infrastructure such as water and sewer treatment, roads and bridges, and public transportation.

Ontario Opportunity Bonds are not guaranteed by the Province. The proceeds of Ontario Opportunity Bonds will be used by OMEIFA to make loans to Ontario municipalities who collectively have had an exemplary record of repaying their debt obligations. In addition, the Province has provided a \$1-billion capital contribution, which will act as additional support against any potential loan defaults. There have been no municipal defaults since the 1930s.

5.3.3 Municipal bonds for economic development (the U.S. example)

Municipal bonds are widely used in the United States to fund infrastructure development. Unlike the Ontario Opportunity Bonds, these are also exempt from federal income tax (and local income tax in communities that levy such a tax). However, municipal bonds are also used in the U.S. to directly encourage economic development. Municipalities can issue Private Activity Bonds (PABs), also known as Industrial Development Bonds or Industrial Project Revenue Bonds under which the proceeds of the bond issue are paid to a private company for a specific project. Because the interest on the PABs is exempt from income taxation, the cost of borrowing money for the private enterprise is lower. There are limits to how many such bonds can be issued in each state (to receive the income tax exemption).

Michigan has been an active user of PABs to fund large economic development projects. That state's Industrial Development Revenue Bond (IDRB) program provides funds for the acquisition of land, the construction of facilities and the purchase of equipment. Tax exempt IDRB financing makes the cost of borrowing approximately 80-90% of prime rate and the funds are limited to the purchase of land, buildings, new equipment, engineering costs and infrastructure.

6. Unique Atlantic Canadian Perspectives on the Urban Agenda

It is clear that Atlantic Canadian urban areas have some similar challenges as the large urban centres in Canada but also some clearly different issues if they are to be “competitive” and robust economic drivers in the 21st century. This section outlines some potential elements of an Atlantic Canada agenda that could address the urban challenges outlined in Section 3 above.

6.1 Increased Co-operation Among Regional Urban Centres

One of the key ways that Atlantic Canada’s urban areas can overcome some of their challenges related to size and visibility is by finding better ways to work collectively. Indeed, inter-urban co-operation is an emerging theme in urban development thinking in Canada and elsewhere. There are at least two models for better co-operation:

6.1.1 Economic corridors

Economic corridors include communities that are relatively proximate, have good transportation links and strong economic links. Examples of economic corridors in Canada include the Calgary/Edmonton Corridor, the Toronto/Ottawa Corridor and the Halifax/Moncton Corridor. Each shares the three connection points of proximity, transportation infrastructure, and economic links. Many of these corridors in the past have developed under natural economic influences. However, the new thinking is that by formal co-operative efforts, economic growth may be enhanced. There are a number of new economic corridors emerging connected by formal co-operation between municipal governments and the business community. Canada’s Technology Triangle is a formal co-operative effort between Kitchener, Cambridge and Waterloo, Ontario. Florida’s High Tech Corridor is a partnership of 13 counties and their municipalities.

The Halifax-Moncton Growth Corridor is a new initiative taking hold in Atlantic Canada. Research completed for the Greater Halifax Partnership²¹ reveals that the corridor has a population base of more than 630,000 people, a reasonably integrated economy and collectively possess a greater body of physical and human assets than any of the individual communities in the Corridor.

The Canadian Urban Institute and the Federation of Canadian Municipalities are beginning to look seriously at the concept of economic corridors and their potential to facilitate more pervasive growth among Canada’s under performing regions.

The potential benefits of co-ordinated activity via the economic corridor model include:

- Better co-ordination of economic development resources
- A more integrated approach to regional infrastructure development
- Increased visibility for all of the communities along the corridor through co-ordinated marketing efforts
- A more integrated approach to urban/rural development along the corridor
- A formal mechanism to explore ways to increase economic synergies along the corridor including between urban and rural communities.

²¹ Halifax-Moncton Growth Corridor Asset Mapping: Baseline Research Project. January 2003.

The potential challenges of an economic corridor model include:

- The need for a proper mechanism to co-ordinate multiple stakeholder organizations
- The risk of just another level of bureaucracy
- The potential of “free riders” – communities who don’t support the initiative but reap some of the benefits
- The potential for jurisdictional issues to stifle activity

6.1.2 Networked communities

Another emerging model for urban development is the concept of “networked” communities. These are communities that may or may not have close geographic proximity to each other but share some common history, industry or goals. These networked communities work together to share knowledge, facilitate business links, develop co-operative strategies, raise key issues on an international scale, etc. A good example of this model is the World Energy Cities Partnership.

- **World Energy Cities Partnership**

The World Energy Cities Partnership is a collaboration between 12 “energy cities” around the world. These are Aberdeen, Scotland; Baku, Azerbaijan; Daqing, China; Dongying, China; Halifax, Canada; Houston, USA; Maracaibo, Venezuela; Perth, Australia; Rio de Janeiro, Brazil; Stavanger, Norway; St Johns, Canada and Villahermosa, Mexico. The partnership is bound together by a co-operative agreement signed by the mayors of each city and is directed by an elected president and vice-president, and supported by a secretariat office based in Houston. The Houston Secretariat, and WECP worldwide, are supported by the Institute for Energy, Law & Enterprise at the University of Houston's Law Center. The UH IELE is a multidisciplinary, applied research, education, and outreach program on energy economics and markets, legal and policy issues, and business and government interactions worldwide.

- **Atlantica Growth Network project**

In Atlantic Canada, an initiative such as the emerging Atlantica Growth Network project, could be a good example of a “networked communities” model where the urban areas in the region collaborate on key issues, co-ordinate efforts and speak with a common voice on pan-Atlantic Canada issues.

The stakeholders for this project (17 cities in Atlantic Canada) and the Atlantic Canada Opportunities Agency are jointly evaluating potential next steps for the Atlantica Growth Network. They are currently studying the model and potential areas of activity. In addition, they are looking at what structure would be the most effective.

The Atlantica Growth Network could be a means to link smaller and/or rural communities into the central “corridor” (Halifax, Moncton, Saint John and Fredericton).

6.2 Increased Co-operation Between Urban Areas and Adjacent Communities

Municipal governments within Atlantic Canada's urban areas need to start thinking in terms of "City-Regions" as opposed to discrete municipal boundaries. This was a common theme among the interviewees for this project. Economic and social activities are not bound by municipal borders but rather economic catchment areas. This need not entail formal municipal amalgamation but would require at least better co-operative mechanisms.

In addition, the economic disparity between many of the urban areas and communities in close proximity necessitates the need to foster more commuting in the broader urban areas. Municipal governments should also consider carefully the transportation infrastructure linking the urban and urban proximate communities for ways to facilitate better connectivity. Upgrading highway infrastructure and evaluating creative public transportation options such as extending public transit or ride sharing should be considered to extend the urban labour markets to a broader population.

6.3 Foster Urban-Rural Linkages

Atlantic Canada's urban areas have a unique advantage in that a large majority of rural dwellers live within an hour's drive of an urban centre. By contrast, commuters to downtown Toronto can travel two hours or more to get to and from work. Many of these rural communities are already linked to the urban areas for retail and recreation activities as well as for specialized services (health care, legal, financial, etc.). In addition, many of the rural communities are located along major highway infrastructure connecting urban areas (i.e. the Halifax-Moncton Growth Corridor).

Some potential mechanisms to foster better urban/rural linkages include:

- Working with the business community to establish telework programs between urban and rural communities
- Looking at ways to upgrade highways and public transit between the urban and rural communities
- Creating business networks between urban and rural communities (extending chambers of commerce, etc.)
- Fostering an increased "commute" mentality between the rural and urban communities
- Promoting both the urban and rural living option to people moving into the region
- Finding ways to better link the industries in rural communities to the economic activity in urban areas

6.4 Specific Issues-Based Governance

Another potential opportunity for Atlantic Canada's urban areas is to consider specific issues-based governance for pan-Atlantic Canadian activities. This may be a way, in certain cases, to solve the lack of critical mass and to limit the need for mandated amalgamations. An example of this is in southern California where 40 municipalities joined to form a regional governance structure for transportation needs. There are many local examples of this in Atlantic Canada already including: regional planning commissions, regional economic development agencies, regional waste facilities, etc.

6.5 Focus on Urban Immigration

Attracting and retaining new immigrants was identified by the interviewees for this report as a key stumbling block to Atlantic Canada's growth over time (Figure 19). Atlantic Canadian urban areas should work together to formulate a co-ordinate approach to urban immigration and set hard targets and objectives over time.

Atlantic Canada's universities can play a key role in the attraction of immigrants. The region's universities still attract far fewer international students than other Canadian universities. In addition, there are limited programs to encourage international immigrant student to stay in the community after graduation. There is a pilot project in New Brunswick that allows international students to get work experience after graduation in New Brunswick. There needs to be more programs to encourage immigrant students to study here and stay after graduation.

Atlantic Canada's urban areas do not have the infrastructure, capacity and community support for a significant increase in immigration. There are organizations that could be used to support increased immigration such as the Metropolitan Immigrant Settlement Association (MISA) in Halifax and the Multicultural Association of the Greater Moncton Area (MAGMA) in Moncton.

This infrastructure needs to be deliberately built and supported in the urban areas to allow for greater immigration. In addition, a standardized approach among urban areas would make it easier for immigrants to consider Atlantic Canadian urban areas.

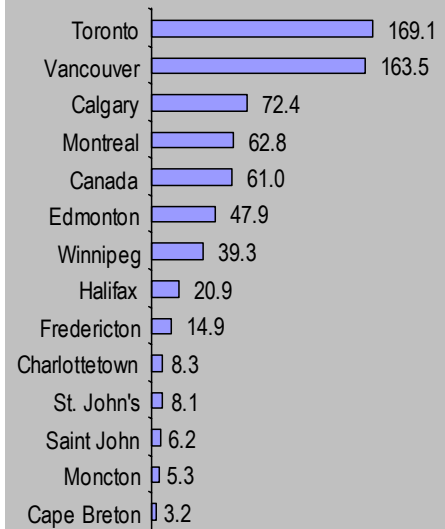
Finally, immigration policy should be linked to labour force requirements over time. For example, Mexican workers are being brought in to support the potato industry in New Brunswick. Filipino workers have been brought into Manitoba to support the textile industry. In addition, the preoccupation on "highly skilled" immigrants should be rethought. The vast majority of immigrants into Canada have not been under the "skilled worker" category (Table 13). The approach should be to determine where the specific needs will be and then target those needs via immigration.

Table 13: Breakdown of Immigrants to Canada (2002)

Skilled Workers	58,000
SW Dependents	78,000
Business Immigrants	4,000
BI Dependents	10,000
Family Immigrants	66,000
Refugees	<u>28,000</u>
Total	244,000

Source: *The Metropolitan Immigrant Settlement Association (Halifax).*

Figure 19: New Immigrants Per 1,000 Population (1991-2001)*



*Based on current residency. Source: 2001 Census.

6.6 Focus on Urban Investment

As was revealed above, Atlantic Canada urban areas have attracted relatively low foreign and domestic investment. Strong private-sector growth from within and from outside is a common theme of any growth economy. The challenges facing Atlantic Canada's urban areas in the area of investment attraction include:

- A lack of critical mass – small urban areas have difficulty attracting large investment projects
- A lack of transportation links – many of Atlantic Canada's urban areas are difficult and costly to access by air or road
- A lack of visibility – most of Atlantic Canada's urban areas are not known to the key influencers of investment decisions
- A lack of financial resources – more than 90% of investment projects in North America receive financial incentives from government. Municipal governments have no mechanisms to provide incentives and provincial government incentive programs are not structured for large scale investment projects

Atlantic Canada's urban areas may be able to overcome some of these challenges by:

- Working together to raise the regions' visibility. ACOA has already launched an aggressive marketing campaign to promote the region as a whole. Atlantic Canada's urban areas should work closely with ACOA to leverage this. The co-operative work between the Greater Halifax Partnership and Enterprise Greater Moncton through the Halifax-Moncton Growth Corridor is another way to raise the visibility of key economic region within Atlantic Canada.
- Work collectively to ensure that all of the region's urban areas are relatively easy to access. This could involve better co-ordination of air flight schedules and joint lobbying for specific airline activity.
- Work together with provincial and federal governments to address the issue of incentives. The federal government has existing funding programs for large scale projects (such as Technology Partnerships Canada) that are almost unused in Atlantic Canada.

7. Potential Action Steps for Atlantic Canadian Cities

Based on interviews and supporting research, there are some potential action steps that Atlantic Canadian cities can take to ensure that their unique challenges are represented in the national urban agenda and in support of urban growth going forward.

7.1 Clearly Define Atlantic Canada's "Acute" Urban Issues

The Prime Minister's Caucus Task Force on Urban Issues and other reports have identified the "acute" issues affecting the large urban areas in Canada. There are almost weekly stories in the national press related to large city infrastructure decay, the lack of affordable housing, and other dominant social issues. While these issues also relate to Atlantic Canada's urban areas in some degree, there are others that are more important such as:

- Proactive economic development/investment attraction
- Better immigration policy linked to regional growth strategies
- Better co-ordination of urban activity between Atlantic Canadian cities
- The need for more research and development activity
- Inter urban area transportation infrastructure

Atlantic Canada's urban areas need to clearly define their "acute" issues and make a strong case for their resolution.

7.1.1 Establish formal research related to Atlantic Canada's urban areas

There was unanimity among the interviewees for this report that there is a lack of good research into Atlantic Canada's urban areas, their specific challenges and the unique urban-rural dynamic in the region. There is a significant amount of urban-related research being conducted in other parts of Canada. Ongoing research related to Atlantic Canada's urban areas will provide the context for policy making within the region.

7.3 Develop a Common Voice

Because of the many common challenges facing Atlantic Canadian urban centres, they should work collectively to put forward a common voice related to the national urban agenda. The proposed Atlantica Growth Network may be a good vehicle to channel a collective strategy to the federal government related to the urban agenda for Atlantic Canada.

7.4 Engender Provincial Support for the Urban Agenda

Atlantic Canada's provincial governments do not have specific urban agendas despite the fact that cities generate the majority of the provincial GDP. Provincial governments need to be encouraged to define an urban agenda in conjunction with municipalities. Ontario has started this effort in recent years and Quebec also has been moving in this direction. A good place to start would be to encourage more urban research in the universities and research institutes.

7.5 Host an Atlantic Canadian Urban Agenda Conference

Most of the interviews conducted with policy stakeholders outside Atlantic Canada revealed that there is no real understanding of Atlantic Canada's specific urban challenges. In fact, there is some concern that the federal government will establish a national urban strategy that will either exclude small urban areas such as in Atlantic Canada or try to fit the small urban centres into programming designed for large urban centres. A conference bringing together the key regional and national players highlighting the unique issues and challenges facing Atlantic Canada's urban areas would bring visibility to the issues.

Appendix A: Interview Summaries

Summary Findings

14 interviews were conducted (in person and on the telephone) during the late May and June time frame. The list was provided by the GHP and ACOA and included a mix of regional experts, municipal leaders, national organizations and politicians. Interviews were conducted with the following contacts and the summary findings are found below by type of interviewee.

- David Bruce, Rural and Small Towns Program - Mount Allison University
- Dr. Hugh Millward, Professor of Geography - Saint Mary's University
- David Cameron, Professor of Political Science - Dalhousie University
- Judith Maxwell, Canadian Policy Research Network
- Judy Sgro, MP for York West (GTA)
- George McLellan, Chief Administrative Officer - Halifax HRM
- David Thorne - ACOA
- Christopher Sharpe, Professor of Urban Geography - Memorial University
- Al Strang, City Manager - City of Moncton
- Glenn Miller - Canadian Urban Institute
- David Cohen and Sue Welke - Federation of Canadian Municipalities
- Geoff Regan – MP for Halifax West
- Yvon LeBlanc Senior Analyst, New Brunswick - Agriculture and Agri-Food Canada
- Elizabeth Lawrence, Director, Economic Development and Tourism - City of St' John's

1. Academic (Atlantic Canadian) Perspective

- There is no real urban agenda in Atlantic Canada.
- There is a lack of cooperation among local municipalities located in and around urban areas.
- Nationally, there is a move toward a 'single municipality' approach to major urban centres (i.e. Toronto and Montreal). Halifax has made this move although there are still challenges such as having 18 different planning strategies within the one municipality. No other large urban centre in Atlantic Canada has made this move.
- We need to find a made in Atlantic Canada solution to the immigration problem. Some potential solutions include targeting a specific labour market need (i.e. Mexican workers for the potato industry in New Brunswick) or by targeting geographic regions that may be more conducive to living in Atlantic Canada (Eastern Europe, Balkans, etc.)
- There seems to be a lack of co-operation within Atlantic Canada on key issues. The Metropolis Project (jointly directed by the U de M, Dal and SMU) cannot seem to get its act together. There has been limited success on joint trade and investment activities.
- The urban-rural issue in Atlantic Canada is distinct because of the relatively close proximity of urban and rural dwellers (mostly in the Maritime provinces). There is disagreement about the relationship between urban and rural dwellers. Are urban communities benefiting from the rural communities (i.e. drawing labour, using the rural areas for recreation, etc.) or are the rural communities benefiting from the urban communities (i.e. through disproportionate government funding, rural use of urban services and amenities, etc.).
- Halifax has a unique place among Atlantic Canadian urban areas because of its size and scope.
- Atlantic Canadian cities lag when compared to other North American cities in the area of innovation (as measured by labour markets, R&D activity, new economy industries). This needs to be a priority if the region is to grow its economy.

1. Academic (Atlantic Canadian) Perspective (continued)

- Economic growth has to be driven by the urban areas in Atlantic Canada.
- There was a sense among these interviewees that the federal government today has more money than responsibilities while municipalities have less money and more responsibilities.
- The fiscal issue facing urban municipalities is a difficult one to fix without significant legislative and maybe even constitutional changes. There is not much optimism among these interviewees about any political change in the near future.

2. Municipal (Atlantic Canadian) Perspective

- Urban growth is not on anyone's agenda in Atlantic Canada. Health care and education (and flashpoint issues such as auto insurance) get all the attention.
- There must be more research and understanding into the role of urban areas in Atlantic Canada and the impact of investing in these areas.
- The provinces continue to be rurally focused.
- There is almost no co-operation between municipalities in Atlantic Canada's urban areas. In recent years co-operation has even been reduced as smaller municipalities 'dig in their heels' and fight for uniqueness within the local urban area (Mount Pearl and Dieppe were cited as examples).
- According to the municipal government interviewees – amalgamation needs to occur to solve many of the structural issues facing urban areas. There is no political will to initiate these amalgamations in three of the four provinces.
- Barring amalgamation, the various municipalities in the urban areas need to co-operate more – not less - to solve key challenges.
- Economic development does not seem to be overly focused at the provincial and local levels. Municipalities need to take more control over their economic destiny but they have very little economic incentive to do so. The economic benefits from economic development and job creation accrue to the provincial and federal governments primarily (through income and sales taxes) and secondarily to municipalities (through property taxes). In fact, there is speculation that the time to achieve payback on municipal investments to support economic development provides a disincentive for them to have economic development as a focus.
- Atlantic Canadian urban areas need to take more of a business approach to development with three year plans, financial targets, etc.
- Municipal governments need to make better use of technology as a way to be more efficient in the running of government.
- Immigration is non-existent in Atlantic Canada's urban areas and there does not seem to be any plan to rectify this. In fact, the new provincial approach to immigration is focused on rural areas.

3. National Perspective

- Transit and other infrastructure issues seem to be more acute in the larger urban centres in Canada. Social issues also tend to be a big city issue.
- The 'City-Region' model needs to be the focus of the urban agenda. What is the role of the 'City-Region' in the growth of provincial and national economies?
- There is a leadership void on urban issues at the federal and provincial level.
- Rural regions receive the lion's share of federal and provincial attention although they represent only a fraction of the economic base.

3. National Perspective (continued)

- The federal government has been a negative influence on urban development.
- There needs to be more co-operation within city-regions (amalgamation or better co-operative efforts) to put forward a common agenda to provincial and federal governments.
- City-Regions, economic corridors and other regionally co-operative efforts at the municipal level are very important to future urban growth. All interviewees agreed on this point.
- Networked cities is a new idea that is being tried primarily in Europe. These networks can be sectoral, infrastructure or education-based (i.e. the World Energy Cities Partnership). These networks share ideas, stimulate investment and trade and innovation.
- The creative/innovative cities will drive economic growth in the future. Atlantic Canadian cities seem to fall behind on these metrics.
- The fiscal imbalance is the key issue facing urban areas across Canada. They are taking on more responsibility and have less funding. This is mostly related to hard infrastructure issues but there is also limited economic development activity at the municipal level.
- Municipal reliance on property taxes is the main reason for the fiscal imbalance. U.S. cities receive a much wider mix of taxation and it is more tied to economic performance.
- Some provinces have made moves to recognize the problems and have enacted new municipalities acts.
- There is a mistrust by the federal government about giving lower levels of government more ability to raise funds.
- There are only a handful of large urban areas in Canada – these need to be the primary focus of any national urban agenda. The critical mass and sophistication of these large urban areas differentiate themselves from the smaller urban areas. Halifax would be the only 'large' urban area in Canada.
- Economic development is not part of the national urban agenda but should be. Economic development is currently the responsibility of provinces (by legislation). This should be changed.
- There needs to be more focus on attracting international investment. Interprovincial investment flows are not overly beneficial to the country as a whole.
- Urban areas are forced to tie their economic development strategies to the provincial or federal initiatives. This can be problematic.
- The lack of access to the smaller urban areas in Canada is a problem. It is much more costly and timely to physically go to an urban area outside of the major cities such as Toronto, Vancouver and Montreal.
- There needs to be more leadership at the local level within urban areas. Waiting for federal leadership will not solve the problems. Clearly defined local plans and strategies are more likely to get provincial and federal buy-in than just complaining about the problems.
- In the absence of legislative or constitutional change, tripartite arrangements are needed between the federal, provincial and municipal governments.

4. Federal Government/MPs Perspective

- The Privy Council Office has been studying the urban agenda concept since 2001.
- The mandate of the Urban Issues Task Force was to enhance the role of cities through a new relationship with the federal government.
- There is no 'urban' contact at the federal government level. All of the key urban issues fall under different departments.
- There needs to be a minister responsible for urban affairs.
- Ensuring that municipalities have the capacity to support growth is the key issue.

4. Federal Government/MPs Perspective (continued)

- The key issues are transportation, environment, social concerns.
- All infrastructure project funding should be tied to sustainable growth.
- Immigration is key to Canada's future growth. We need more focus on this area such as the recognition of foreign credentials and better models for integrating immigrants into Canadian society.
- Innovation is key to urban growth in Canada.
- Cities need to have their funding mechanisms altered – tied more to growth and success.
- The jurisdiction issue (provincial) is a major concern of the federal government when considering its relationship with municipalities.
- The idea of urban co-operation (such as economic corridors) may be an excellent way to work with the federal government in a co-ordinated way.

Appendix B: Urban/Rural Definitions and Canada's CMA/CA Areas

Definitions

Census Metropolitan and Census Agglomeration Areas

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the **urban core is at least 10,000** to form a census agglomeration and at least 50,000 to form a census metropolitan area (the latter definition was just revised downward from 100,000 and will come into effect for the 2006 Census). To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. The urban areas in the CMA or CA that are not contiguous to the urban core are called the urban fringe. Rural areas in the CMA or CA are called the rural fringe. **Urban fringe** includes all small urban areas (with less than 10,000 population) within a CMA or CA that are not contiguous with the urban core of the CMA or CA. **Rural fringe** is all territory within a CMA or CA not classified as an urban core or an urban fringe.

Rural Area

Rural areas include all territory lying outside urban areas. Rural population includes all population living in the rural fringes of census metropolitan areas (CMAs) and census agglomerations (CAs), as well as population living in rural areas outside CMAs and CAs.

Included in rural areas are:

- small towns, villages and other populated places with less than 1,000 population according to the current census;
- rural fringes of census metropolitan areas and census agglomerations that may contain estate lots, as well as agricultural, undeveloped and non-developable lands;
- agricultural lands;
- remote and wilderness areas.

Urban Area

An urban area has a minimum population concentration of 1,000 persons and a population density of at least 400 persons per square kilometre, based on the current census population count. All territory outside urban areas is classified as rural. Taken together, urban and rural areas cover all of Canada. Urban population includes all population living in the urban cores, secondary urban cores and urban fringes of census metropolitan areas (CMAs) and census agglomerations (CAs), as well as the population living in urban areas outside CMAs and CAs. Once an urban area attains a population of 10,000 persons, it is eligible to become the urban core of a census agglomeration. Upon attaining a population of at least 100,000 persons, it is eligible to become the urban core of a census metropolitan area. When an urban area with a population of at least 50,000 persons is also the urban core of a census agglomeration, the census agglomeration is eligible for the census tract program.

Atlantic Canada's CMA/CA Areas (ranked by population size)

Name	Type	Population, 2001				
		Total	Urban Core	Urban Fringe	Rural Fringe	% Population in Urban Core
Halifax (N.S.)	CMA	359,183	276,221	7,116	75,846	77%
St. John's (Nfld.Lab.)	CMA	172,918	140,613	7,790	24,515	81%
Saint John (N.B.)	CMA	122,678	90,762	2,724	29,192	74%
Moncton (N.B.)	CA	117,727	90,359	3,233	24,135	77%
Cape Breton (N.S.)	CA	109,330	33,913	48,511	26,906	31%
Fredericton (N.B.)	CA	81,346	54,068	-	27,278	66%
Charlottetown (P.E.I.)	CA	58,358	38,114	2,209	18,035	65%
Truro (N.S.)	CA	44,276	21,442	-	22,834	48%
New Glasgow (N.S.)	CA	36,735	21,102	-	15,633	57%
Corner Brook (Nfld.Lab.)	CA	25,747	20,009	1,258	4,480	78%
Kentville (N.S.)	CA	25,172	13,121	-	12,051	52%
Bathurst (N.B.)	CA	23,935	16,427	-	7,508	69%
Edmundston (N.B.)	CA	22,173	14,867	-	7,306	67%
Grand Falls-Windsor (Nfld.Lab.)	CA	18,981	12,738	3,221	3,022	67%
Campbellton (N.B.)	CA	16,265	12,463	-	3,802	77%
Summerside (P.E.I.)	CA	16,200	14,654	-	1,546	90%
Gander (Nfld.Lab.)	CA	11,254	9,391	-	1,863	83%
Labrador City (Nfld.Lab.)	CA	9,638	9,638	-	-	100%

Canada's CMA/CA Areas (ranked by population size)

Name	Type	Population, 2001				
		Total	Urban Core	Urban Fringe	Rural Fringe	% Population in Urban Core
Toronto (Ont.)	CMA	4,682,897	4,485,055	62,962	134,880	96%
Montreal (Que.)	CMA	3,426,350	3,312,045	27,691	86,614	97%
Vancouver (B.C.)	CMA	1,986,965	1,829,854	103,498	53,613	92%
Ottawa - Hull (Ont.)	CMA	1,063,664	848,881	101,118	113,665	80%
Calgary (Alta.)	CMA	951,395	899,659	20,159	31,577	95%
Edmonton (Alta.)	CMA	937,845	814,031	36,448	87,366	87%
Québec (Que.)	CMA	682,757	635,184	1,922	45,651	93%
Winnipeg (Man.)	CMA	671,274	626,685	4,143	40,446	93%
Hamilton (Ont.)	CMA	662,401	618,820	2,180	41,401	93%
London (Ont.)	CMA	432,451	385,981	6,561	39,909	89%
Kitchener (Ont.)	CMA	414,284	387,319	13,018	13,947	93%
St. Catharines - Niagara (Ont.)	CMA	377,009	315,038	22,006	39,965	84%
Halifax (N.S.)	CMA	359,183	276,221	7,116	75,846	77%
Victoria (B.C.)	CMA	311,902	288,346	6,118	17,438	92%
Windsor (Ont.)	CMA	307,877	274,053	1,316	32,508	89%
Oshawa (Ont.)	CMA	296,298	234,779	40,011	21,508	79%
Saskatoon (Sask.)	CMA	225,927	196,816	10,601	18,510	87%
Regina (Sask.)	CMA	192,800	178,225	6,610	7,965	92%
St. John's (Nfld.Lab.)	CMA	172,918	140,613	7,790	24,515	81%
Greater Sudbury (Ont.)	CMA	155,601	103,879	33,874	17,848	67%
Chicoutimi - Jonquière (Que.)	CMA	154,938	123,588	2,778	28,572	80%
Sherbrooke (Que.)	CMA	153,811	127,354	-	26,457	83%
Barrie (Ont.)	CA	148,480	129,963	3,625	14,892	88%
Kelowna (B.C.)	CA	147,739	108,330	6,902	32,507	73%
Abbotsford (B.C.)	CMA	147,370	129,475	-	17,895	88%
Kingston (Ont.)	CMA	146,838	108,158	-	38,680	74%
Trois-Rivières (Que.)	CMA	137,507	117,758	3,296	16,453	86%
Saint John (N.B.)	CMA	122,678	90,762	2,724	29,192	74%
Thunder Bay (Ont.)	CMA	121,986	103,215	-	18,771	85%
Moncton (N.B.)	CA	117,727	90,359	3,233	24,135	77%
Guelph (Ont.)	CA	117,344	106,920	2,789	7,635	91%
Cape Breton (N.S.)	CA	109,330	33,913	48,511	26,906	31%
Chatham-Kent (Ont.)	CA	107,709	44,156	28,368	35,185	41%
Peterborough (Ont.)	CA	102,423	73,303	5,013	24,107	72%
Sarnia (Ont.)	CA	88,331	78,577	-	9,754	89%
Belleville (Ont.)	CA	87,395	61,886	2,487	23,022	71%
Kamloops (B.C.)	CA	86,491	67,952	6,524	12,015	79%
Brantford (Ont.)	CA	86,417	86,417	-	-	100%
Nanaimo (B.C.)	CA	85,664	77,845	-	7,819	91%
Prince George (B.C.)	CA	85,035	66,239	-	18,796	78%
Fredericton (N.B.)	CA	81,346	54,068	-	27,278	66%

Name	Type	Population, 2001				
		Total	Urban Core	Urban Fringe	Rural Fringe	% Population in Urban Core
Saint-Jean-sur-Richelieu (Que.)	CA	79,600	70,455	-	9,145	89%
Sault Ste. Marie (Ont.)	CA	78,908	67,385	-	11,523	85%
Chilliwack (B.C.)	CA	69,776	51,713	1,256	16,807	74%
Kawartha Lakes (Ont.)	CA	69,179	17,757	6,047	45,375	26%
Drummondville (Que.)	CA	68,451	58,527	1,258	8,666	86%
Red Deer (Alta.)	CA	67,707	67,707	-	-	100%
Lethbridge (Alta.)	CA	67,374	67,374	-	-	100%
North Bay (Ont.)	CA	63,681	51,895	-	11,786	81%
Medicine Hat (Alta.)	CA	61,735	55,724	-	6,011	90%
Norfolk (Ont.)	CA	60,847	14,175	12,400	34,272	23%
Granby (Que.)	CA	60,264	53,106	1,025	6,133	88%
Charlottetown (P.E.I.)	CA	58,358	38,114	2,209	18,035	65%
Cornwall (Ont.)	CA	57,581	48,287	-	9,294	84%
Shawinigan (Que.)	CA	57,304	48,366	-	8,938	84%
Vernon (B.C.)	CA	51,530	39,995	-	11,535	78%
Saint-Hyacinthe (Que.)	CA	49,536	45,457	-	4,079	92%
Rimouski (Que.)	CA	47,688	35,561	1,260	10,867	75%
Courtenay (B.C.)	CA	47,051	32,648	2,618	11,785	69%
Leamington (Ont.)	CA	46,757	28,807	-	17,950	62%
Brockville (Ont.)	CA	44,741	23,014	-	21,727	51%
Truro (N.S.)	CA	44,276	21,442	-	22,834	48%
Timmins (Ont.)	CA	43,686	31,148	7,196	5,342	71%
Wood Buffalo (Alta.)	CA	42,602	38,667	-	3,935	91%
Penticton (B.C.)	CA	41,574	34,686	-	6,888	83%
Prince Albert (Sask.)	CA	41,460	34,752	-	6,708	84%
Victoriaville (Que.)	CA	41,233	35,855	-	5,378	87%
Brandon (Man.)	CA	41,037	39,716	-	1,321	97%
Sorel-Tracy (Que.)	CA	40,956	36,786	-	4,170	90%
Orillia (Ont.)	CA	40,256	29,121	1,070	10,065	72%
Salaberry-de-Valleyfield (Que.)	CA	39,028	38,037	-	991	97%
Duncan (B.C.)	CA	38,813	22,101	2,706	14,006	57%
Grande Prairie (Alta.)	CA	36,983	36,735	-	248	99%
New Glasgow (N.S.)	CA	36,735	21,102	-	15,633	57%
Rouyn-Noranda (Que.)	CA	36,308	23,635	-	12,673	65%
Joliette (Que.)	CA	35,821	34,210	-	1,611	96%
Campbell River (B.C.)	CA	33,872	31,294	-	2,578	92%
Midland (Ont.)	CA	33,692	29,824	-	3,868	89%
Moose Jaw (Sask.)	CA	33,519	32,631	-	888	97%
Woodstock (Ont.)	CA	33,061	33,061	-	-	100%
Val-d'Or (Que.)	CA	32,423	24,942	-	7,481	77%
Owen Sound (Ont.)	CA	31,583	22,161	-	9,422	70%
Alma (Que.)	CA	30,126	28,125	-	2,001	93%
Stratford (Ont.)	CA	29,676	29,676	-	-	100%

Name	Type	Population, 2001				
		Total	Urban Core	Urban Fringe	Rural Fringe	% Population in Urban Core
Baie-Comeau (Que.)	CA	28,940	12,609	12,234	4,097	44%
Saint-Georges (Que.)	CA	28,127	20,856	-	7,271	74%
Cold Lake (Alta.)	CA	27,935	11,780	5,709	10,446	42%
Sept-Îles (Que.)	CA	26,952	23,636	-	3,316	88%
Thetford Mines (Que.)	CA	26,323	21,651	-	4,672	82%
Corner Brook (Nfld.Lab.)	CA	25,747	20,009	1,258	4,480	78%
Port Alberni (B.C.)	CA	25,396	20,309	-	5,087	80%
Kentville (N.S.)	CA	25,172	13,121	-	12,051	52%
Williams Lake (B.C.)	CA	25,122	12,997	-	12,125	52%
Quesnel (B.C.)	CA	24,426	13,727	-	10,699	56%
Parksville (B.C.)	CA	24,285	21,057	-	3,228	87%
Cranbrook (B.C.)	CA	24,275	18,528	-	5,747	76%
Bathurst (N.B.)	CA	23,935	16,427	-	7,508	69%
Pembroke (Ont.)	CA	23,608	15,019	-	8,589	64%
Magog (Que.)	CA	22,535	17,743	-	4,792	79%
Rivière-du-Loup (Que.)	CA	22,339	14,994	-	7,345	67%
Edmundston (N.B.)	CA	22,173	14,867	-	7,306	67%
Amos (Que.)	CA	21,749	10,266	1,161	10,322	47%
Whitehorse (Y.T.)	CA	21,405	16,843	-	4,562	79%
Lloydminster (Alta.)	CA	20,988	20,988	-	-	100%
Portage la Prairie (Man.)	CA	20,617	13,019	-	7,598	63%
Terrace (B.C.)	CA	19,980	16,795	-	3,185	84%
Grand Falls-Windsor (Nfld.Lab.)	CA	18,981	12,738	3,221	3,022	67%
Powell River (B.C.)	CA	18,269	13,232	-	5,037	72%
Yorkton (Sask.)	CA	17,554	15,222	-	2,332	87%
North Battleford (Sask.)	CA	17,512	17,117	-	395	98%
Dawson Creek (B.C.)	CA	17,444	10,754	-	6,690	62%
Cobourg (Ont.)	CA	17,172	17,172	-	-	100%
Yellowknife (N.W.T.)	CA	16,541	16,055	-	486	97%
Swift Current (Sask.)	CA	16,527	14,821	-	1,706	90%
Campbellton (N.B.)	CA	16,265	12,463	-	3,802	77%
Matane (Que.)	CA	16,249	11,635	-	4,614	72%
Summerside (P.E.I.)	CA	16,200	14,654	-	1,546	90%
Collingwood (Ont.)	CA	16,039	15,605	-	434	97%
Fort St. John (B.C.)	CA	16,034	16,034	-	-	100%
Kenora (Ont.)	CA	15,838	11,806	-	4,032	75%
Port Hope and Hope (Ont.)	CA	15,605	11,718	-	3,887	75%
Prince Rupert (B.C.)	CA	15,302	14,643	-	659	96%
Dolbeau-Mistassini (Que.)	CA	14,879	12,707	-	2,172	85%
Camrose (Alta.)	CA	14,854	14,854	-	-	100%
Squamish (B.C.)	CA	14,435	12,635	-	1,800	88%
Petawawa (Ont.)	CA	14,398	10,656	-	3,742	74%
Tillsonburg (Ont.)	CA	14,052	14,052	-	-	100%

Name	Type	Population, 2001				
		Total	Urban Core	Urban Fringe	Rural Fringe	% Population in Urban Core
Thompson (Man.)	CA	13,256	13,256	-	-	100%
Haileybury (Ont.)	CA	12,867	10,406	-	2,461	81%
La Tuque (Que.)	CA	12,376	10,524	-	1,852	85%
Estevan (Sask.)	CA	12,083	10,242	-	1,841	85%
Cowansville (Que.)	CA	12,032	11,333	-	699	94%
Elliot Lake (Ont.)	CA	11,956	11,842	-	114	99%
Hawkesbury (Ont.)	CA	11,629	11,629	-	-	100%
Lachute (Que.)	CA	11,628	10,300	-	1,328	89%
Brooks (Alta.)	CA	11,604	11,604	-	-	100%
Gander (Nfld.Lab.)	CA	11,254	9,391	-	1,863	83%
Wetaskiwin (Alta.)	CA	11,154	11,154	-	-	100%
Kitimat (B.C.)	CA	10,285	10,233	-	52	99%
Labrador City (Nfld.Lab.)	CA	9,638	9,638	-	-	100%

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