

2016 State of the City
Edmonton Mayor Don Iveson
April 25, 2016

I'd like to start off by sharing something with you. This little device is called the iTClamp. It may not look like much from where you're sitting, but it has proven to be a lifesaver.

The iTClamp was invented by Dr. Dennis Filipis, a surgeon with the Canadian Forces who had done three tours in Afghanistan and had seen his fair share of trauma. Dr. Filipis' device seals the area around a wound by quickly clamping the skin together and preventing further hemorrhaging — just like a suture.

I love the iTClamp for two reasons. First, it was invented by an Edmontonian. Dr. Filipis is only one of thousands of entrepreneurs in this city who aren't afraid to chase their ideas, build champions around their passion and do it all in Edmonton. The same DNA that's inside Dr. Filipis is inside many of you, the kind of people who make Edmonton the best place to try something new, to bring an idea to life.

The second reason I love the iTClamp is that it was invented literally in the middle of a battlefield. At the worst possible moment, Dr. Filipis was imagining a way of doing things better.

In some ways, it's rather like the circumstance we find ourselves in today: faced with low commodity prices, watching our unemployment numbers creep higher and being unsure what the next month holds, let alone the next year.

What better time to challenge ourselves to find better ways of doing things? As a city, we've used the challenges of this past year to find opportunities to do things better. And this year, there have certainly been challenges.

In September, with a handful of project-management issues dominating the headlines, Council made the decision to change the leadership of City administration. This move was made to set City staff on a new path to manage the next chapter in our city's growth.

Last month, we welcomed Linda Cochrane as Edmonton's new City Manager and, in her early days as leader, she has enhanced confidence in City administration and brought a fresh perspective to our organization. The work that's been completed so far represents a fundamental shift in how the City does its business.

A new department called Integrated Infrastructure Services brings all City design and construction functions under one umbrella. This move instills rigour, discipline and, perhaps most importantly, consistency in our approach to infrastructure projects — be it the next bridge, recreation centre or roadway project.

In another strategic move, our monolithic transportation department was broken apart. Transportation planners now work alongside city planners. Roadway folks are exchanging ideas and information with the City's other infrastructure experts. Transportation decisions will be tied more than ever to other city-building work. No longer will we have different project-management practices in one area of the city and in another. This change was long overdue.

Now, it's not fair to say that the myriad of issues we saw with the Metro LRT Line over the past few years would have been prevented under this new structure. However, at the root of these challenges was an organization that fostered silos rather than collaboration — which inevitably led to poor project management and a lack of critical communication. Our timely delivery of some projects suffered as a result.

Like all Edmontonians, your Council continues to be troubled by high-profile capital projects that have gone awry. The same conversations you're having are likely the ones I'm having too. Though 83 of our 97 capital projects in 2015 were on time or ahead of schedule — and on or under budget — we know we can still do better. I applaud Ms. Cochrane for tackling this fundamental challenge in how we imagine, plan and build an Edmonton we can be proud of.

By the end of this year, Edmontonians will start crossing the North Saskatchewan River on the new marquee Walterdale Bridge, with its already iconic arches soaring 54 metres high. It will be a postcard entry feature to our downtown and will spur new connections not only to river valley trails but to the river itself. And as we begin to imagine what a renewed Rossdale development

could look like, the new Walterdale Bridge will be a signature connection between our past and future.

Value for Money

As the order of government closest to the people, we deliver many of the programs and services you count on every day. The things you see, touch — and smell. And we do it all with fewer than 10 cents of every tax dollar collected. We work to stretch those dollars as far as possible, because I know that you expect to get value for your money. And so do I.

This is why we've embarked on a citywide program and service review — a deep-dive look at the relevance and effectiveness of every service the City delivers. We are asking if the things we're doing reflect the priorities of Edmontonians. Rather than simply slashing services to save costs in the short term, I expect the review to be one based on strategic considerations, not knee-jerk reactions.

Council has also taken a prudent approach to City finances, most notably in our 2016 budget. Through innovation and increased efficiencies in City operations, Council's two-per-cent initiative has allowed us to reallocate millions of dollars to critical initiatives such as gender-based violence prevention, improving our sports fields and implementing the early stages of our energy transition strategy. In fact, all new initiatives in the 2016 budget were funded this way.

Last fall, Council sent a clear signal that we expect other orders of government to take responsibility — full responsibility — for issues within their jurisdiction. At the same time, we know that, as a city, we have an important role to play in addressing complex social issues.—This was a point my Council colleagues and I repeatedly made on the issue of affordable housing. And earlier this month, the provincial government listened carefully to our case and made a significant investment in affordable housing.

Ottawa, too, heard the collective call of Canadian municipalities to invest in long-neglected social infrastructure. From coast to coast to coast in last fall's federal election campaign, cities and towns were resolute in their advocacy for investment in Canada's housing.

It will be critical for Ottawa to develop a more comprehensive, long-term commitment to housing — or we will find ourselves falling behind again.

As chair of the national Big City Mayors' Caucus, I am working to ensure we don't let the federal government off the hook. While I believe we are well on our way to re-imagining a new, more sustainable approach to affordable housing in this province, and in this country, I also think we are turning a corner on the complicated issue of harm reduction.

Locally, we've seen the success of this approach at Ambrose Place, a culturally sensitive facility that provides housing and wrap-around services to chronic alcohol and drug users. Its under-reported work has drastically reduced residents' interaction with hospitals and the justice system. In fact, their visits to emergency rooms were cut in half.

In a similar vein, next month, Council will discuss a new community wellness-based approach that coordinates the work of social service agencies, the library, the police and the province to better serve the most vulnerable Edmontonians. Public discussion around a potential safe injection site in Edmonton is also getting attention. And although this is ultimately Ottawa's decision, I'm supportive of any approach that reduces the harm created when people inject in bathrooms or back alleys. We urgently need more programs like these to improve inner city health and wellness outcomes — instead of trying to outspend the problem.

Regional Call to Action

Just as our city is the social service hub for the Edmonton Metro Region and beyond, we are undeniably the engine that fuels its economic might. A year ago in this very room, I made the call for stronger regional cooperation on attracting jobs and investment.

Last month, after much deliberation, Capital Region Board members reached a landmark decision to form a regional entity to solidify our region's brand, attract investment and grow export opportunities. In parallel, nine mayors convened last year and tasked an independent panel to answer the question of what's needed to make our region more globally competitive. The panel's mandate was unequivocal; no subject would be out of bounds. Its findings later this spring will give further guidance to mayors on how to build prosperity — as one.

But let's give credit for collaboration where we're already seeing results, like Alberta's Industrial Heartland. As a member, Edmonton has promoted the Heartland as the most attractive destination for petrochemical, and oil and gas investment. In January, while overseas, I pitched the Heartland to the billion-dollar Can-China Global Resource Fund. Just a few weeks ago, Councillor Ed Gibbons, as the Heartland's Chair, inked a memorandum of understanding with the fund that sets the stage for further investment. We have construction capacity available, cheaper feedstocks, and a favourable exchange rate — which means now is the time to pursue growth in the petrochemical industry. The Alberta government's Petrochemical Diversification Program provides a timely incentive to attract new investment. All this bodes well for the Industrial Heartland.

This collaboration is important, but there remains a fundamental problem to be addressed. Right now, our regional economic model places the burden of growth on residential-heavy communities, while those with a large industrial base enjoy the financial benefits. This is a problem that needs to be tackled from two sides.

First, we need to ensure that our regional growth is responsible, which means higher densities, more efficient use of infrastructure in new areas, and infill in our existing communities. We also need to ensure we appropriately deal with the real costs of residential growth — a \$1.4 billion shortfall that Council has begun to address in collaboration with the home-building and development industry.

As we work to get our house in order on responsible growth, I come back to the second side of the issue, which is a fairer share in the financial upside of growth across boundaries. We cannot continue shouldering so much of the the costs for infrastructure and services that benefit the entire region if we are not willing to share the industrial tax base. For this to work, Edmonton would have to contribute from our successes as well, but it would move us from winner take all to a scenario where we all win.

We can have peace and prosperity among many municipalities so long as we all benefit. Minneapolis-St. Paul, for example, has had regional revenue-sharing for decades, and is stronger for it.

Functioning effectively as a region, to me, is about working together for the greater good and supporting the health of our whole regional economy. This is why I've spent so much of my time working on the regional file: because it is a game-changer — and resolution is decades overdue. Given this economic environment, we no longer have decades to get it right. Because right now, layoffs are increasing in frequency, major investment decisions are being deferred, and cash flow is tightening.

I recently visited a family-owned manufacturer that supplies the energy industry worldwide and I saw first hand how the economy has affected its long-time employees and the company's bottom line. It was another reminder that we cannot simply wait for the price of oil to rebound.

Partnerships with Governments

Our message to the legislature and to Ottawa has consistently been to seize on this downturn's lower input costs to keep Edmontonians working and create new employment. The time is now for the provincial government to match federal infrastructure investments, and contribute to Edmonton's most pressing needs like separated bridges for trains at 50th and 75th Streets and long-overdue improvements to Yellowhead Trail. If not, with every passing year, economic gridlock will worsen, hindering the movement of goods and services, and affecting the productivity of commuters getting to and from their jobs.

Ottawa has signalled its willingness to work with Edmonton on our infrastructure priorities, and federal infrastructure stimulus must flow to cities like Edmonton. The tax dollars that you and I have sent to Ottawa should absolutely come back to help build Edmonton. I believe this was the Prime Minister's intent when he announced \$700 million in economic stimulus for Alberta. Our busy roads need investment because they are critical economic infrastructure.

Pipelines are critical too, and I commend Premier Notley for her work on climate leadership and market access. Alberta's pipeline advocacy is beginning to pay off and the national dialogue is shifting in the right direction. I continue to work with my colleagues across the country to promote the value of this nation-building infrastructure. Enabling our products to reach Canadian refineries and international ports will diversify export markets, create employment, improve energy security and put Canada on an equal playing field with our competitors.

Whether east or west, or ideally both, these projects mean thousands of direct jobs for Edmonton — both in construction and ongoing employment.

But for those who are unemployed today, alongside City Council, regional mayors and our provincial government, I will continue advocating for our region to be included in the expanded employment insurance program. Many workers in our city need these benefits. Not next month, not next year — but today. While the program is honourable, it does not take into account the fluidity of Alberta's economic situation, nor the fact that Edmonton is the provincial home base for so many of the workers impacted by slumping commodity prices. Ottawa needs to review its decision in short order to ensure Albertans who call Edmonton home are not left out.

Economic Development: Health Innovation

At the start of today's address, I spoke about the iTClamp and Dr. Dennis Filips' life-saving work. But what I didn't tell you is that the bulk of his company's operations are now run out of San Antonio. In Texas. There is no doubt that great American cities like Boston and San Francisco are the kinds of places you associate with health care innovation. But Edmonton is an emerging player with global reach.

Right now, there are over 250 Edmonton companies that call the health sector home, and this number is growing every day. Companies like Fedora Pharmaceuticals which recently announced a \$700 million partnership with Roche Pharma, one of the world's biggest pharmaceutical companies. Gilead Sciences, the U.S. biotech giant, continues to expand its northeast Edmonton footprint.

And a local start-up called Exciton has discovered and commercialized an infection-control technology that is well on its way to being sold around the world. But Exciton is in the same place many companies like Dr. Filips' Innovative Trauma Care soon find themselves — unsure if Edmonton is the right place to scale their business.

Well, we are about to take meaningful steps to address this. Today I'm announcing the launch of a new health industry strategy that positions Edmonton as Canada's health innovation city. This initiative will begin to tackle the barriers that prevent our health industry from scaling up by growing an eco-system that attracts, retains and supports talent from across Canada and

beyond. It will find ways of increasing access to capital for local companies and accelerate the commercialization of new technologies and products. And it will market Edmonton as a health innovation city and as the best place to bring new health ideas to life — quickly.

This strategy will build on the incredible work happening at our diverse post-secondary institutions, including the University of Alberta. And it builds on City Council's investment in TEC Edmonton's Health Accelerator — an initiative that, in its first couple years, has already surpassed its goals.

We have the successes. Now we just need the story. And so I've worked with Edmonton Economic Development — which earlier this year convened a working group of champions from TEC Edmonton, the U of A and Telus — to dedicate financial and administrative resources to ensure this strategy is well-supported. And I'm pleased to announce that Bob Westbury from Telus and NorQuest College President Jodi Abbott have agreed to co-chair an industry coalition to set a strategic direction and hold our efforts to account.

In Edmonton, we have nearly everything we need to drive the future of health innovation in Canada right at our fingertips. But to lead, we'll require a platform that builds on our strengths, addresses our vulnerabilities and raises our international profile. The strategy we're launching today will help us transform lives and drive real, sustainable economic growth for our city. In taking the diversification of our economy to the next level, I truly believe that we are at a tipping point: the conditions are right, the right players are at the table and there is the will to make something uniquely Edmonton.

Looking Ahead

With all the challenging economic news that continues to surround us, it's easy to forget how dramatically our city is changing. The new City of Edmonton tower will be topped off next month and open at year's end. The Royal Alberta Museum, NorQuest College's Singhmar Centre for Learning, and MacEwan University's Centre for Arts and Culture all come online soon.

In the heart of our downtown, the new Kelly Ramsey building is blending our history and our future with spectacular results. The J.W. Marriott hotel and Stantec's new headquarters will soar to heights never seen before in our city. Taken together, it means \$5.5 billion of private and

public investments in our core and, at the close of last year, some 22 cranes hovered over downtown.

On top of all this, we've just broken ground on our new Valley LRT Line, the largest infrastructure project in our city's history, and one that will transform communities up and down the entire 13-kilometre route. And this week, Council will begin to determine which part of the system we build next, building further connections to our dynamic core.

Our downtown's renaissance is increasingly the subject of national and international attention and is part of a shifting narrative about our city. The new Rogers Place will be a cornerstone for a revitalized downtown. It is already making headlines and, when the doors open this fall, it will mark a new era in sports entertainment for our city. A night out in Edmonton will forever be changed.

In a few weeks, the Oilers Entertainment Group will unveil an exciting calendar of events leading up to opening day. And I'm pleased to be the first to tell you that, on September 10, Edmontonians will be invited to an open house at Rogers Place so that they can see for themselves what we've built.

It's truly an exciting time to be an Edmontonian. Despite the current economic conditions, we continue to add jobs, attract new talent, and build our ambitions. As proof, I think about the number of times I've heard the phrase "city-building" in this last year alone. It shows that our city is evolving. It shows we care about what we're collectively doing, and where we're headed.

The notion of city-building resonates in different ways for different people. Whether it's our ability to compete around the world, or thoughtful planning and great urban design, or ensuring this is an inclusive place for all who choose to live here — city-building, in fact, is all of this. It's the infinite combination of things that makes Edmonton more liveable, more beautiful and more prosperous each day.

City-building requires the participation of all of us: our families, our businesses — everyone.

When you talk about city-building, you've signed yourself up for the job. With the state of our economy today, we find ourselves in the middle of a different kind of battlefield — but that's no reason to stop inventing or to stop thinking of new ways we can make this city even better.

You are all city builders. And Edmonton will need the best from you in the coming months and years. Edmonton needs your optimism. Your creativity. Your perseverance. And under my leadership, you can expect the same from this City Council.