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# Building the Global City

Mayor Glen Murray  
November 2001



# Worldwide Declaration of Local Self-government : Four key principles

- The principle of local self-government shall be recognized in the Constitution or in the basic legislation concerning the government structures of the country.
- Local self-government denotes the right and the duty of local authorities to regulate and manage public affairs under their own responsibility and in the interests of the population.
- Public responsibilities shall be exercised by those basic units of local government that are closest to the citizen.
- Local authorities shall have a general right to act on their own initiative with regard to any matter that is not exclusively assigned to any other authority nor specifically excluded from the competence of local government.

*\*The Federation of Canadian Municipalities has adopted this declaration.*

# Urban Regions Are Increasingly Contributing Wealth to Provincial and National Economies

- **Toronto's GDP accounted for 44% of the provincial GDP;**
- **Vancouver's GDP accounted for 53% of B.C.'s GDP;**
- **Montréal's GDP accounted for just under 50% of the provincial GDP;**
- **Winnipeg's GDP accounted for 67% of Manitoba's GDP;**
- **Calgary and Edmonton combined accounted for 64% of Alberta's GDP**

# WHO BENEFITS FROM ECONOMIC GROWTH?

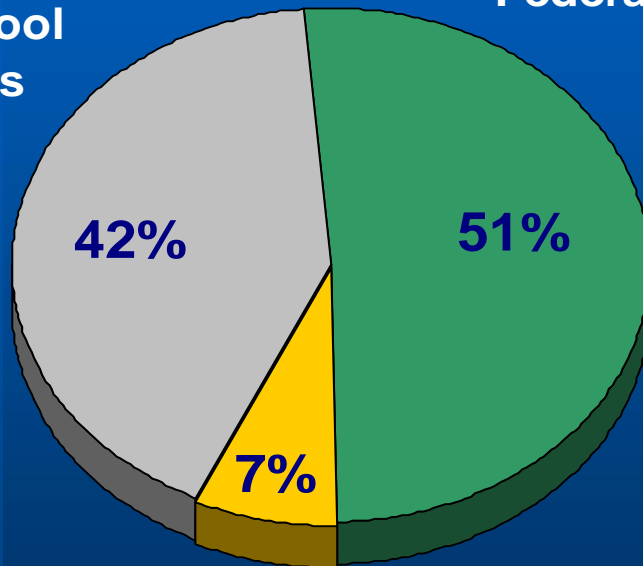
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**“In the five-year period beginning in 1995, total revenues to local government in Canada increased only 6%. During this same period, revenues to the federal government increased by 21% and to provincial governments by 13%. With urban population growth rising by about 6% over this period, Canada’s municipal governments were barely keeping pace.”**

# THE TOTAL TAXATION PIE

Provincial  
Gov't/School  
Divisions

Federal Gov't

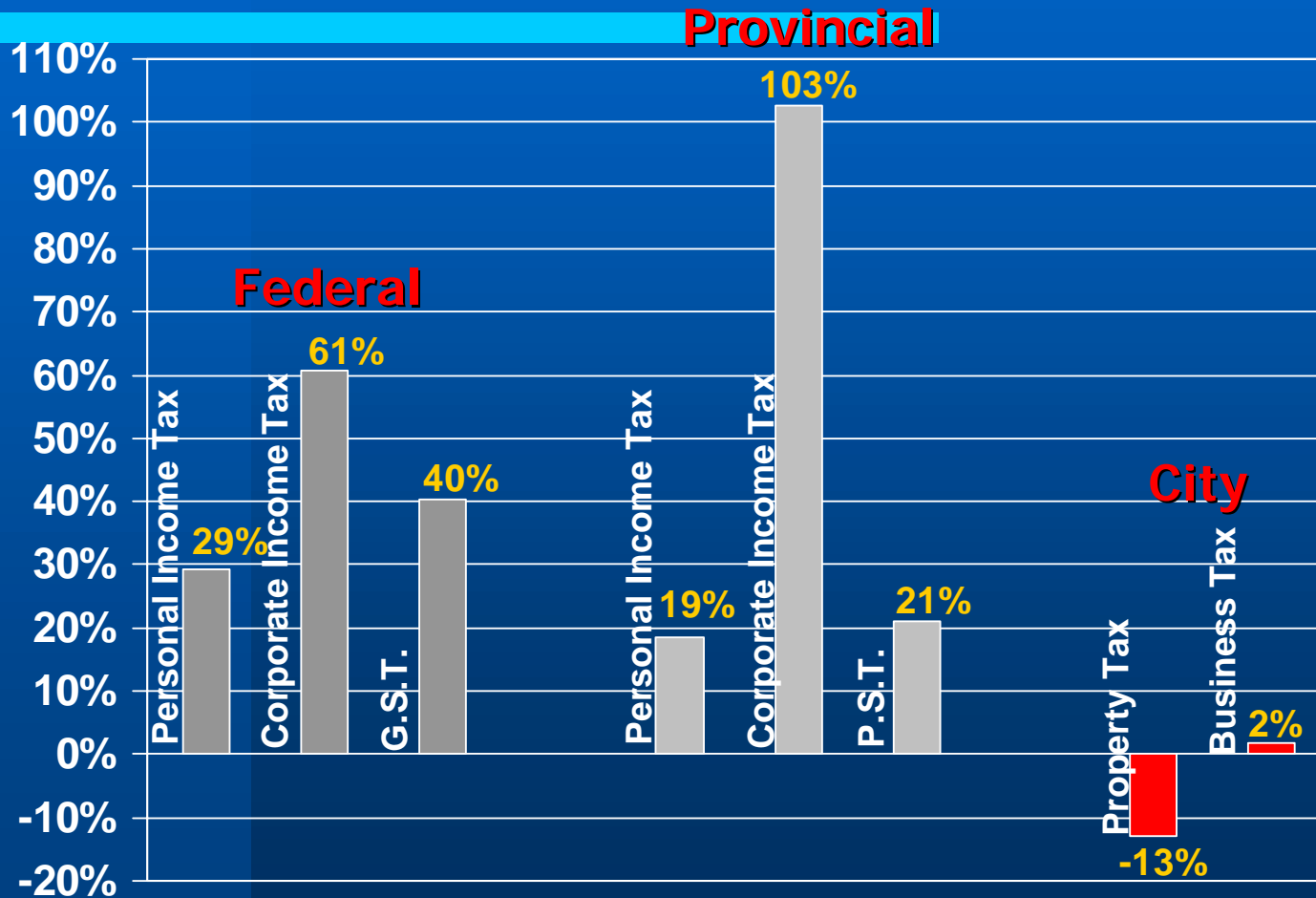


City of  
Winnipeg

- In 1999, the total taxes collected from Winnipeggers was approximately \$6.7 billion.

- 7% went to the City

# CHANGES IN TAXATION REVENUE: The story in Winnipeg



2001 compared with 1995 (adjusted for inflation)

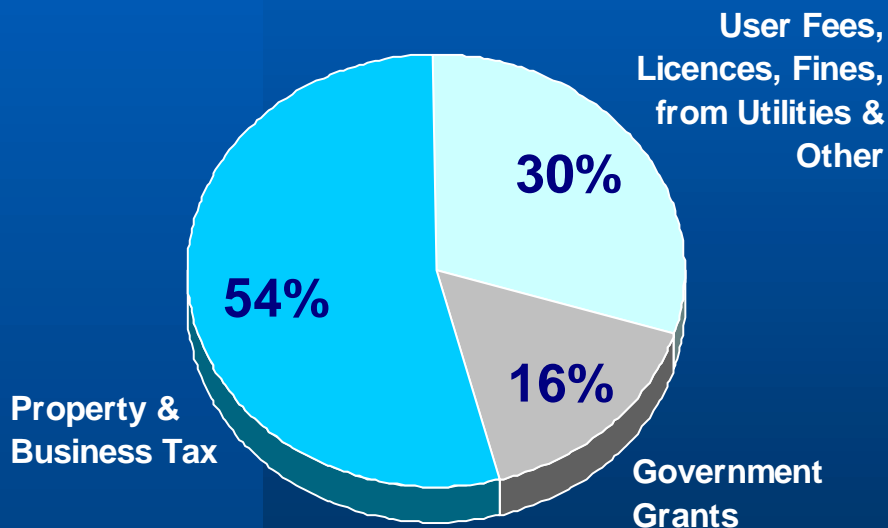
Economic growth benefits Federal and Provincial governments more immediately

# CHANGES IN GOVERNMENT REVENUES: The story in Toronto



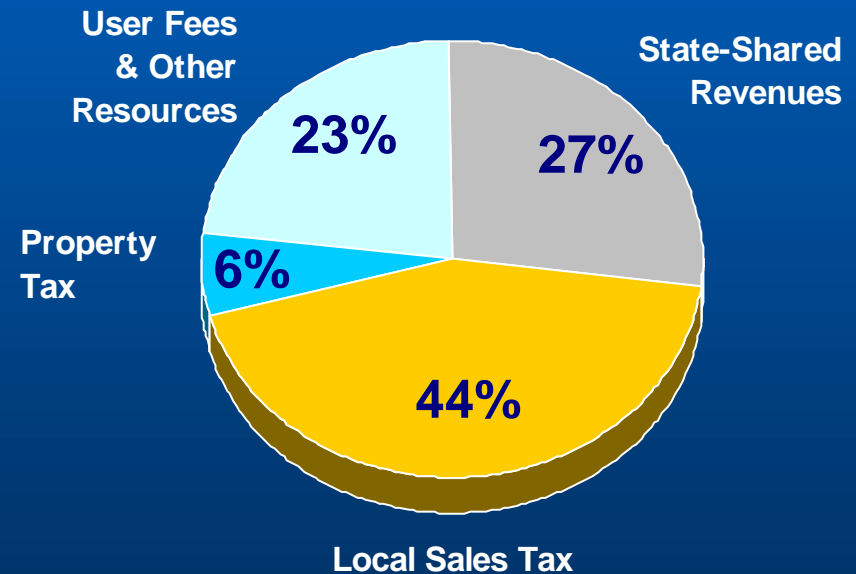
# SOURCES OF MUNICIPAL REVENUES: The Differences are Striking

City of Winnipeg



Source: City of Winnipeg.  
Restated 2001 Budget: \$ 0.75 Billion. Includes transit, solid waste disposal and provincial capital grants.

City of Phoenix



Source: City of Phoenix.  
2000-2001 General Purpose Funds: \$1.07 Billion. Similar set of services but also includes municipal courts (5%).



# MUNICIPAL FISCAL AUTHORITY: U.S. and Canada

	<b>1996</b>	<b>Canada</b>	<b>U.S.</b>
Property taxes as a share of all municipal revenue		49.5%	21%
Other taxes as a share of municipal revenue		1%	13.5%
User fees as a share		20.2%	32.6%

# MUNICIPAL AUTHORITY: U.S. and CANADA

	Canada	U.S.
Property tax	✓	✓
Sales tax		✓
Hotel/motel tax	*	✓
Business tax		✓
Fuel tax	*	✓
License fees	✓	✓
Income tax (individual and corporate)		✓
Development charges	✓	✓
Tax-exempt municipal bonds		✓
Tax incentives		✓
Grants to corporations		✓
Borrow money	✓	✓

\* in rare instances

# FEDERAL INVESTMENT IN LOCAL INFRASTRUCTURE: U.S. and Canada

**“The six-year TEA-21 program, initiatives in 1999, allocated over \$100 billion for urban transportation. By contrast the Government of Canada’s six-year infrastructure program allocates \$2 billion CDN (1.2 b US) for all types of infrastructure – water and wastewater systems, transportation, housing, etc.”**

# **PUBLIC TRANSPORT: Innovative funding is key and it is happening elsewhere**

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**“Significant state and federal funding support for public transportation has enabled U.S. cities to rely less on the fare box. 41% of all operating costs are covered by fares compared to 62% in Canada.”**

*Canadian Urban Transit Association, March 2001*

# **PUBLIC TRANSPORT: Innovative funding is key and it is happening elsewhere**

**“One of the innovative financing techniques in France is the national Transport contribution tax – a special tax which finances the investment and operation of urban public transport in cities with a population of more than 30,000. The tax (called the Versement de Transport) is paid to the local Urban Transport Authority by all employers with more than nine employees and is fixed at 1.75% of wage.”**

# PER CAPITA MUNICIPAL GOVERNMENT EXPENDITURES: U.S. and Canada

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**CANADA**                      **\$ 785 U.S.**

**UNITED STATES**        **\$1, 652 U.S.**

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