

A look at
**“The Case for Increased
Infrastructure Investment in the
Region of Niagara – 5 Years Later”**

**Regional Planning and Public Works
Committee Meeting – November 1, 2006**

Presentation Content

- The History
- The Original Case
- The Scorecard – What is Measured?
- The Findings
- The Scores for Three Years
- The Wrap Up

The History

- February, 2000 – Phase I, HCARN commissioned the Original Study “The Case for Increased Infrastructure within the Niagara Region.
- January, 2001 – Study released.
- March, 2001 – Phase II, Political and Public Awareness Phase commenced, 7 municipal presentations done, infrastructure survey results gathered from website and in person interviews at regional shopping malls.
- September, 2002 – Phase III, Municipal Accountability Phase commenced
- April, 2004 – Municipal Infrastructure Scorecard Report issued to HCARN members and Municipalities.
- October, 2004 – Phase IV, Municipal Accountability continued
- March, 2006 – 2nd Municipal Infrastructure Scorecard Report issued
- April, 2006 – Phase V, Municipal Accountability continued
- July, 2006 – 3rd Municipal Infrastructure Scorecard Report issued

The Original Case - 2001

What We Found

- Economic impact (jobs, spending, productivity, etc.) of Infrastructure Investment is positive and significant
- Contingent liability of \$147.5M for roads (\$47.2M within 1 – 3 years) and \$67.7M to cover underground budget shortfall for 1997 - 2000
- Cost to replace failing infrastructure is far greater than the cost to maintain
- Increased infrastructure investment is a valuable economic development tool for the Region

The Scorecard – What is Measured?

Quantitative

- Actual vs. Budget (within 10%)
- Rolling Averages – 3 and 5 year (increase shown)
- Per Capita (increase shown)
- Asset Replacement Index – Water and Wastewater

Qualitative

- Infrastructure Expenditure Process

The Findings

- Re-statement of certain 2003 actual and 2003 and 2004 budget information for Port Colborne
- These findings are based on 9 of 13 municipal bodies participating
- The findings for the 9 represent majority of Niagara Region (86.48%)

The Findings

Infrastructure General Observations

- Spending has increased from \$64M in 1998 to \$84M in 2001 (year original Study was released) to \$139M in 2004
- 3 year average is \$111.2M (2003 – \$92.5M; 2002 - \$83.5M) vs. 5 year average of \$100.0M (2003 - \$85.4M; 2002 - \$76.0M)
- Past 5 years spending = \$1/2 billion (\$284M by Region)
- Region % contribution spending for the 5 years:
 - Roads 63.9% (2003 - 65.7%)
 - Wastewater 53.1% (2003 – 57.6%)
 - Water 46.9% (2003 – 32.8%)

The Findings

Infrastructure Budget Comparisons

- 50% increase 2002 budget vs. 2001 budget
- 60% increase 2003 budget vs. 2002 budget
- 19% increase 2004 budget vs. 2003 budget
- 1% decrease 2005 budget (\$151M) vs. 2004 budget (\$153M)
 - is this level sustainable?
- Regional share of combined participants’ budgets:
 - 2001 57%
 - 2002 48%
 - 2003 54%
 - 2004 60%
 - 2005 61%

The Findings

Per Capita Infrastructure Spending Comparison

- Per capita spending 2001 to 2003:
 - 2001 \$232.89 (local - \$107.58 + region - \$125.31)
 - 2002 \$238.75 (local - \$127.00 + region - \$111.75)
 - 2003 \$276.95 (local - \$137.43 + region - \$139.52)
 - 2004 \$363.24 (local - \$169.34 + region - \$193.90)
- Since 2001 Study Group population has grown 4.4% while per capita spending increased 56.0%
- Reflection on 2001 Mall Survey result "participants would pay \$60 more per capita for infrastructure investment"

The Findings

Infrastructure Asset Replacement Index

- 3 year average expenditure for the 9 participating municipalities exceeds the annual capital cost benchmark by 116.6% (2003 - 58%)
- If a 50 year Life Cycle then exceeds by 53% (2003 – 12%)

Underground Investment vs. Road Investment

- 2001 - 44.4% (\$37.3M) vs. 55.6% (\$46.8M)
- 2002 – 47.7% (\$41.3M) vs. 52.3% (\$45.3M)
- 2003 – 45.0% (\$48.6M) vs. 55.0% (\$59.5M)
- 2004 – 59.6% (\$82.8M) vs. 40.4% (\$56.1M)

The Findings – In Relation to Original Case

Road Renewal and Re-Construction

- required \$47.2M to be spent over and above current spending for 2001 -2003 or \$15.7M per year
- factoring in 5% increase in construction costs, actual additional expenditure met this target for the 5 years at \$16.1M per year or 2.5% over target

Underground

- required annual expenditure of \$45.8M to off-set budget shortfall
- factoring in 5% increase in construction costs (\$265.8M for the 5 years), actual expenditures totaled \$257.8M which is 3% under target

The Last Scorecard

The Current Report dated July, 2006

Report posted at www.hcarn.com

[Media Release dated August 14, 2006](#)

The Scores (out of 100) “Where are they on the *Investment Curve*”

<i>Total Score (out of possible 100 points)</i>			
	2004	2003	2002
Welland	86	55	54
St. Catharines	85	92	65
Region of Niagara	85	74	66
Thorold	75	60	64
Fort Erie	70	59	58
Niagara-on-the-Lake	67	70	76
Port Colborne	62	63	76
Niagara Falls	57	60	58
Grimsby	48	68	n/a
Average Score	70.6	66.8	64.6

The Ongoing Program

- Timing – Scorecard (2005 Actual/2006 Budget)
 - Municipal data collection and interviews during Sept./Oct., 2006
 - Finalize Scorecards and Report Nov./Dec., 2006
 - Issue Report Dec., 2006
- Public Awareness – Round 2, Oct./Nov.
 - Sewer Overflow, [Incidents Report](#)
 - Cable and [Print Media](#)
 - Candidate Survey

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Thank You

Questions????