

PANEL OF EXPERTS



Question 1:

What is the best strategy for funding long term infrastructure projects?

Question 2:

Will the growth of Toronto be able continue at its current pace, or is there a plateau in sight?



Glenn Ackerley
Partner,
WeirFoulds LLP

The key to the development of successful infrastructure projects is stable, predictable, and long-term funding on the part of all levels of government. While alternative approaches to financing public projects through the private sector allows projects to proceed using non-governmental funding, the costs are still ultimately borne by the public. A long range plan and a firm commitment by the public to invest in infrastructure is therefore critical. This allows the construction industry to plan and grow to meet the demand in a strategic way.

The volume of construction in Toronto, particularly in the high-rise condominium sector, has been remarkable. Defying some predictions, the demand for new units appears to remain steady. This pressure will continue to fuel construction activity, including work in supporting infrastructure projects, such as transit. The completion of those transit projects, under construction and planned, will in turn spur future development along new subway lines. Office projects also continue to be proposed. The level of activity does not seem to be slowing down.



Abe Khademi
Senior Associate
& Sustainability
Manager,
The Municipal
Infrastructure
Group

Current funding deficits are the result of short term planning, near term priorities and denial of the true cost of supporting our communities. Stable, dedicated and long term funding sources from senior levels of government, such as the gas tax, would be necessary to support a more holistic planning approach. Planning for a more distant time horizon, with greater care, prioritized fiscal responsibility and consideration for life cycle costs would yield the strategies needed to sustain our communities in perpetuity and with greater resilience to an ever changing future.

Toronto has the advantage of being next door to an abundant source of freshwater, which doubles as a boundless repository for treated waste. So with appropriate infrastructure planning and ignoring fluctuating global, national and local economics, the potential for a radically changing climate or variable governance models, there is no reason why Toronto should not continue to grow sustainably for the foreseeable future.



Sal Bianco
Partner, National
Engineering,
Construction
Leader, Audit and
Assurance Group,
PwC

Funding strategies depend on the type of project as well as the expected risks, costs and returns. For example, the P3 model (a public-private sector partnership) is often used for larger projects like roads, airports, transit, energy and power and enables government to receive assistance from private corporations to bring these developments to life. In other cases, particularly where there is a likelihood of low return on investment, hybrid P3 models are used or projects are fully funded by the public sector.

Urban growth depends on the economy, and the key for a thriving city is to have the systems in place to support the highs and lows and weather the changing patterns of growth while adapting to societal changes. In Toronto's case, despite predictions of a plateau, the city is booming. And, with many projects in place to revitalize the city—from office towers to condos to sporting venues to transit expansion—the future looks bright.

“Take the  by the horns.”

We know wrangling a P3 project, design-build undertaking or RFP process is no simple task. With recognized expertise in planning and structuring infrastructure and construction projects, WeirFoulds is leading the way to get the job done — and all before you start seeing red.