



## STAFF REPORT ACTION REQUIRED

### Strengthening Toronto's Urban Wood Industry

<b>Date:</b>	June 4, 2014
<b>To:</b>	Economic Development Committee
<b>From:</b>	General Manager, Economic Development and Culture
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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Toronto and region has a wood-using industry which employs an estimated 25,000 people. Toronto is also one of Canada's design centers for both furniture and interior design. Canada is the world's 4<sup>th</sup> largest exporter of furniture behind Italy, China and Germany. Yet the wood that is used in Toronto by Toronto's wood industry comes, for the most part, from far afield.

Toronto has a small but vibrant cluster of companies which process Toronto trees on private property into products that are in high demand from local homeowners and commercial operations. These firms and products are garnering world-wide attention. There are over 200 firms employing about 1,000 workers in this cluster and they face a number of barriers – one of the most significant being the lack of awareness of their products and services.

Economic Development and Culture (EDC) staff efforts to strengthen the Toronto urban wood industry are focused on developing market awareness, creating networks and supply chains to connect established firms to new markets and to provide assistance in growing these companies.

Using local wood for economic opportunities, just as producing green energy locally and growing food locally, will keep dollars in the local economy and create new job opportunities in Toronto.

This report briefly describes EDC's efforts to strengthen Toronto's urban wood industry.

## **RECOMMENDATIONS**

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**The General Manager, Economic Development and Culture recommends that:**

1. City Council direct the General Manager of Economic Development and Culture to continue to work in partnership with industry, other City divisions and other levels of government to support the growth of the urban wood sector in Toronto.
2. City Council direct the General Manager of Economic Development and Culture to continue to work with private and public sector stakeholders to maximize the economic benefits of utilizing local salvaged wood from privately owned trees in Toronto.

### **Financial Impact**

There are no financial impacts resulting from the adoption of this report. All recommended actions can be accommodated within the 2014 operating budget.

### **DECISION HISTORY**

This report is the first to provide an outline on EDC's initiatives to stimulate economic growth and job creation in the urban wood industry.

### **COMMENTS**

#### **1. Defining Toronto's Wood Industry and the Urban Wood Sector**

Toronto's wood industry is an important industry sector that includes some of Toronto's largest employers and manufacturers, such as Atlantic Packaging and Irving Tissue. The wood industry in the Toronto CMA includes a wide range of activities in the processing and use of wood.

Traditional definitions of the wood industry have been broadened by EDC to include the new "green" sector of firms that work within the urban forestry sector to create value-added wood products.

As of December 2012, there were about 2,100 firms in the wood industry located in the Toronto CMA who employ approximately 25,000 people. According to an Ontario Ministry of Natural Resources report, the Greater Toronto Area is home to about half of Ontario's wood product companies and is a sector with great potential value for clustering in certain specialties. The industry has been negatively impacted since the mid 2000s by low cost imports and the global recession, but is expected to re-establish the positive growth rates which had characterized the industry prior to this downturn.

EDC estimates that there are 200 Toronto firms (with about 1,000 employees) that are at least partially engaged in the processing of local wood for higher economic value products such as interior design, architectural finishing, furniture and home furnishing.

## **2. Toronto's Urban Wood Resource**

Toronto's urban forest consists of over ten million trees. There has been no study done to estimate the number of trees that die of annually in Toronto. EDC has used a 2% mortality rate (200,000 trees deaths per year) to do its preliminary economic analysis. Mortality rates may also be impacted by the arrival of new pests and disease in Toronto, such as the Emerald Ash Borer (EAB), the Asian Long Beetle, the thousand cankers disease, and the butternut canker, and to climate change causing more extreme weather events like the ice storm of December, 2013.

While urban wood has not been considered an economically viable source of lumber in large volumes in the past, there is growing interest to consider opportunities due to the large number of urban trees removed annually. A US study estimated that annual urban tree removals from US municipalities could theoretically supply 30% of all the hardwood lumber produced annually in the US.

## **3. The Cost of Fallen Trees on Private Property**

Toronto's urban forest is comprised of trees on City property (40%) and trees on private property (60%). Toronto's urban wood industry is currently focused on utilizing privately-owned trees for a number of reasons:

- Removal of a tree on private property is costly due to location (often in the backyard) and property owners do not have the large volume of removals which allows them to negotiate volume discounts.
- Private property owners do not have easy access to waste disposal.
- Private property owners pay for the total removal and disposal costs out of single budget. They see the full cost when payment for the tree's removal is made.
- Homeowners often have a special emotional attachment to their trees. This is an intrinsic value but can translate into a willingness to spend more to turn their tree into a family heirloom.

EDC has calculated, as a very rough estimate, that the total cost to all private property owners for removing and disposing private trees in Toronto might be in the range of \$100-\$200 million annually. This estimate is based on a number of assumptions and has not been validated by any study done in Toronto.

The societal cost for disposing of fallen privately-owned trees is unknown. Private property owners most often hire private tree services companies to remove trees. The wood generated through this activity is taken away by the company in the majority of cases and these companies have the option of disposing of the wood independently or grinding the wood and then delivering it to Solid Waste transfer stations where, for a fee,

Solid Waste will look after its disposal. How much wood is privately disposed of is not well known. Understanding where all the private sector wood finally ends up is an important part in establishing the overall positive economic impact this initiative has on Toronto's economy.

The environmental cost of removing fallen trees is primarily due to the use of fossil fuels to transport the wood to its final disposal or use locations. If the wood from the private sector is used for low value applications such as mulch, then the carbon locked in the wood re-enters the atmosphere in a few years. This is part of the natural carbon-cycle and is not a contributor to increasing carbon pollution. However urban wood utilization presents a "carbon-locking" opportunity. A cubic meter of wood stores about 1 tonne of CO<sub>2</sub> so, for example, a dining room table made from Toronto wood would store about 75 kg of CO<sub>2</sub> for the life of the table.

#### **4. Toronto's Urban Wood Industry Development Initiative**

EDC's urban wood industry development initiative follows four standard industry development activity areas:

- Education, market awareness and enhancement
- Industry capacity building
- Supportive policies and the removal of barriers
- Industry and product R&D and optimization

Through early 2013, EDC consulted with other municipalities including Chicago, Vancouver and Stockholm who have developed local initiatives to create economic value for their municipal wood resource and identified a number of early actions that could be initiated. These included:

##### 1. IIDEX Woodshop

The IIDEX Woodshop exhibition created 15 design prototypes that used ash wood milled from City of Toronto trees that were killed by Emerald Ash Borer. The display was exhibited at IIDEXCanada in September 2013 and was featured at four other events: Ontario Wood Works Conference, Toronto City Hall, Construct Canada and the International Home and Garden Show. This exhibition resulted in about 30 million media impressions which included 80,000 attendees at the 5 events and 15 articles in local and national media. It is being repeated for 2014.

##### 2. Toronto Directory of Urban Wood Products and Services

The directory, developed by EDC, lists local urban wood firms along with the services they offer and includes helpful suggestions for homeowners.

[www.yourleaf.org/sites/yourleaf.org/files/toronto\\_directory\\_of\\_urban\\_wood\\_products\\_and\\_services\\_complete\\_v2.5\\_16-apr-14.pdf](http://www.yourleaf.org/sites/yourleaf.org/files/toronto_directory_of_urban_wood_products_and_services_complete_v2.5_16-apr-14.pdf)

### 3. Urban Wood Utilization Tours

EDC supports the Toronto based, not-for-profit LEAF organization to run local community tours to educate homeowners on the wood working aspects of local trees and how best to salvage urban wood to produce items of value for their homes (from flooring to dining room tables). The first tour was held in July 2013 and had over 100 participants.

### 4. Urban Wood Utilization Forum

This forum, held in partnership with the Canadian Green Building Council – GTA chapter - was held at City Hall in October 2013 and featured four speakers (including the Chief Forestry of the City of Chicago). It was attended by over 80 people including many Toronto and GTA municipal officials.

[www.cagbctoronto.org/news-events/chapter-meetings/460-neighbourwood](http://www.cagbctoronto.org/news-events/chapter-meetings/460-neighbourwood)

### 5. Homeowner Flyer

This flyer is directed at homeowners who are having a tree removed and provides them with information on alternative uses of the wood. It has been well received by the urban wood industry members who are the primary avenue for distribution (they hand it out to homeowners). Urban Forestry staff distributes the flyers at the permit offices where applications for tree removals are made. A copy of the flyer can be found in the attachments.

### 6. Resource Website

EDC is collaborating with LEAF on a resource website on urban wood utilization issues in Ontario. While there are US websites on urban wood utilization, there is nothing comparable in Canada. The website has individual sections on events, media and promotion, resources and links to other websites.

[www.yourleaf.org/urban-wood-utilization](http://www.yourleaf.org/urban-wood-utilization)

## **5. Toronto Urban Wood Industry Roadmap – Next Steps**

EDC in partnership with LEAF hosted an urban wood industry roundtable in November, 2013 to create a preliminary roadmap to develop the sector. There were 50 Toronto and area professionals from across the urban wood supply chain that participated in the daylong event. This included resource suppliers (owners of trees – parks, school boards, conservations authorities, private property owners), processors (arborists, tree services, sawyers, sawmills, waste disposal) and industry supporters (community groups, academics, non-governmental-organizations, government).

Four priorities were identified by industry stakeholders as key elements in the Toronto Urban Wood Industry Roadmap:

- Sector Capacity Building Initiative
- Neighbourhood Pilot Project

- High Volume Industry Strategy
- Marketing Strategy for Urban Wood

These 4 priorities will help direct EDC's efforts to develop the urban wood industry in 2014 and 2015. The roadmap report and details of each of these priorities can be found on the urban wood resource website hosted by LEAF.

[www.yourleaf.org/sites/yourleaf.org/files/urban\\_wood\\_industry\\_roadmap\\_2014.pdf](http://www.yourleaf.org/sites/yourleaf.org/files/urban_wood_industry_roadmap_2014.pdf)

## **6. Working inside the City**

EDC's efforts are focused on increasing the local economic opportunities for the urban wood industry that works with private property owners. There may also be opportunities inside the City to support the growth of the local wood industry. These internal opportunities which EDC are engage on include:

- Executive Environment Team Working Group on City Wood Utilization. A senior EDC official will be chairing an interdepartmental working group to identify the City's purchases of wood and identify opportunities to use wood from City owned trees. The City of Chicago has undertaken a similar study. Participating divisions will include Parks Forestry and Recreation, Solid Waste Management, and Environment and Energy.
- EDC is collaborating with the Toronto Renewable Energy Office in the Environment and Energy Division to identify opportunities for using high-volume, low-value wood for bio-mass energy from fallen City trees. There may be opportunities to utilize local bio-mass for energy applications similar to what is done in Victoria, Quebec City and other Canadian cities and towns as well as cities and towns in the U.S. and Europe.
- For several years, Urban Forestry has put out Offers to Purchase through Purchasing and Materials Management Division (PMMD) for the wood from its tree maintenance operations with limited uptake. Urban Forestry has also contacted various saw mill operators and producers of veneer to determine if there is an interest in obtaining stem and large limb wood generated by regular operations. EDC is collaborating with Forestry to identify and connect potential firms to Forestry's Offer to Purchase processes (for purchasing wood from fallen City trees).

- The Maple Leaf Forever Tree: By using the salvaged wood of this iconic silver maple, the City is demonstrating to Toronto homeowners who, facing a similar loss of a tree, will now be aware of ways that they too can preserve some element of their fallen tree.

## **CONTACT**

Rob McMonagle  
Sector Development Officer, Business Growth Services  
Economic Development and Culture  
Tel: 416-397-7141  
Fax: 416-392-3374  
Email: [rmcmona@toronto.ca](mailto:rmcmona@toronto.ca)

## **SIGNATURE**

Michael H. Williams, General Manager  
Economic Development and Culture

## **ATTACHMENT**

Attachment No. 1: Homeowner Flyer



**NeighbourWood!**

**Reclaim Trees.  
Reduce Waste.  
Create Beauty.**

Toronto's trees clean the air, provide cooling shade in the summer, reduce heating costs in the winter, reduce erosion and storm water runoff, and increase property values.

Reusing trees that are dead or dying is a green and sustainable practice.

**TORONTO**  
Economic Development & Culture

**Salvage Urban Timber!**

Toronto loses thousands of trees each year from natural deaths, diseases and pests, storms and removals for safety reasons. Wood craftspeople can create wonderful tributes to these beloved downed trees and owners of items made from urban trees have inspiring stories to tell!

Salvaged urban trees can yield:

- Character wood for woodworking
- High quality lumber for furniture making
- Building materials for flooring, stair cases and millwork
- Mulch for landscaping
- Fuel for heat or generating electricity
- And much more!

If you must have a tree removed then consider having something made from its wood.

Looking to be more sustainable? Then consider purchasing urban wood furniture, carvings, and gifts by local artisans. By asking for products made from Toronto's urban wood, you can support local companies, help create local jobs and keep local dollars in our community.

To find local wood workers and furniture makers who can make wood products from urban lumber visit the urban wood industry directory website at: [www.toronto.ca/urbanwooddirectory](http://www.toronto.ca/urbanwooddirectory)

For more information on harvesting urban wood please visit: [www.yourleaf.org/urban-wood-utilization](http://www.yourleaf.org/urban-wood-utilization)

Photo credits: Lija Skobe/LEAF/City of Toronto/Eco-Woodturner