



January 22, 2018

Mayor Tory
Members of Executive Committee
10th Floor, West Tower, City Hall
100 Queen Street West
Toronto, ON
M5H 2N2

Dear Mayor Tory and Executive Committee Members,

**RE: EX30.6 – Review of the Imagination, Manufacturing, Innovation and Technology
Property Tax Incentive Program**

On behalf of NAIOP Greater Toronto, I am writing to express our concern with the proposed changes to the eligibility requirements for the Imagination, Manufacturing, Innovation and Technology (IMIT) Program. These changes, particularly with respect to excluding office development in the proposed expanded TOcore Financial District boundaries and the inclusion of the Tier 2 Toronto Green Standard as an eligibility criteria, will unnecessarily restrict Council's discretion on how to support future economic development in the City and likely have an adverse impact on office development.

NAIOP Greater Toronto Chapter represents developers, owners and related professionals in office, industrial, retail and mixed-use real estate. With over 1,100 members from approximately 200 companies in the GTA, we are the prominent voice advising on commercial real estate matters that affect the region. Our members are residents and stakeholders who want to support Toronto's future.

Excluding office development in the *proposed expanded* Financial District from participating in the IMIT program will have unintended negative consequences on future development. While a restriction on applications within the *current* Financial District boundaries may make sense, extending this restriction to the proposed boundaries as outlined in TOcore would exclude a large section of the waterfront and other downtown areas that are underdeveloped and without a strong office presence. These areas have been earmarked by the City's own TOcore review for non-residential growth as a core objective. By excluding them from the program, the City is effectively working against its own economic self-interest and planning objectives as these are the exact locations the City has targeted for new office development.

In addition, we are concerned about the inclusion of a requirement for buildings to meet the Tier 2 Toronto Green Standard. NAIOP Greater Toronto is supportive of all efforts to improve environmental, energy performance and resiliency in commercial buildings. However, by requiring this standard as a condition of eligibility to the IMIT program, the City is substantially increasing the cost of IMIT developments and effectively mandating high lease rates in the very buildings that are supposed to be attracting new businesses from outside of Toronto. This will reduce the City's competitiveness with other GTA municipalities and make it more difficult for to encourage businesses to locate here.

NAIOP Greater Toronto would also like to draw your attention to the number of IMIT applications that have been submitted under the current criteria that have yet to be processed. We request that these applications be grandfathered into the updated IMIT framework to ensure that any changes are not retroactive.

The IMIT Program is Toronto's most effective incentive program to encourage businesses and jobs to locate in Toronto. It has been successfully used by Council to support significant new office buildings in the City and the associated economic development that they entail. We encourage Executive Committee to closely consider the ramifications of these changes to the IMIT program to ensure that it does not eliminate the very non-residential growth that it seeks to encourage.

Sincerely,



Joel Pearlman
President, NAIOP Greater Toronto Chapter