

EX30.5.8

PROPERTY TAX COALITION FOR GROWTH

Tuesday, January 23, 2018

Mayor John Tory
Office of the Mayor
City Hall, 100 Queen St. W.
Toronto, ON, M5H 2N2



RE: PROPER REVIEW OF TAX FAIRNESS REQUIRED
EX30.5 Tax Policy to Support Businesses

Dear Mayor Tory and members of the Executive Committee,

We are writing to express concern about the lack of transparency and consultation with businesses regarding the expansion of the capping and claw-back program proposed in committee item EX30.5 and the process with which this has evolved since the adoption of item MM35.16 regarding “Toronto’s Small Businesses and Character Streets.”

The Property Tax Coalition for Growth is a group of municipal and regional stakeholders committed to Toronto’s tax competitiveness and affordability. Our members include the Toronto Region Board of Trade, Toronto Association of Business Improvement Areas, Toronto Industry Network, REALPAC, NAIOP Greater Toronto, Retail Council of Canada, BOMA Toronto, International Council of Shopping Centres and the Toronto Financial District BIA.

Our coalition members are certain there will be unintended consequences of special tax classes for “small businesses” or of any strategy that arbitrarily seeks to manage tax shifts through impractical definitions of business activity. We are also opposed to the broad expansion of the capping and claw-back program as a response to problematic, but seemingly isolated value spikes within the commercial tax pool, especially without significant review of the program’s objectives and their impacts on Toronto’s economic competitiveness in the long-term. City Staff indicate in EX30.5 report that the city’s position until this week was to exit the program “as a means of restoring equity and simplicity in taxation.” We also have concerns that Table 1 showing impacted properties has not been reflected in private sector analysis.

While we understand the problems facing businesses that received re-assessments much higher than average, arbitrary solutions will ultimately substitute one problem with another. We believe that any solution must address the foundational problems impacting Toronto’s economic competitiveness related to: 1) a flawed assessment methodology based on highest and best use; and 2) the systemic imbalance of Toronto commercial and industrial tax burdens in relation to the surrounding municipalities, ie. Toronto businesses paying higher tax burdens than all surrounding municipalities, including 33% more than nearby Halton Region in provincial “education” tax for no added benefit.

With this in mind, our request is for an additional motion to have the City of Toronto urgently review those properties impacted by “claw-backs” to ensure no particular properties have drastic tax shifts as a result. We also request a commitment to review the foundational problems mentioned above – flawed assessment methodology and systemic tax burden imbalances facing Toronto businesses.

The Property Tax Coalition for Growth would be pleased to be a part of this review of long-term plans to address the competitive imbalances facing all businesses, small and large, in the City of Toronto. The Coalition supports putting in place tax rates and ratios that will attract investment, jobs and economic activity to the City of Toronto.

Sincerely,

A handwritten signature in black ink, appearing to read "Brooks Barnett". The signature is fluid and cursive, with the first name "Brooks" and last name "Barnett" clearly distinguishable.

Brooks Barnett
Manager, Government Relations and Policy, REALPAC
Lead Coordinator, Property Tax Coalition for Growth

cc: Executive Committee
Property Tax Coalition for Growth