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The Toronto Industry Network

October 21, 2011

SENT ELECTRONICALLY

Mayor Rob Ford and Council,
City of Toronto,
c/o Marilyn Toft, City Clerk
100 Queen Street West, 12th Floor West,
Toronto, Ontario,
M5H 2N2.

Dear Mayor Ford and Council:

Re: EX11.1 –Development Charge (DC) By-law – Amendment to permit conversions without Development Charges of existing industrial buildings to non-industrial uses except residential

The Toronto Industry Network (TIN) is writing to ask respectfully that Council not approve the above amendment at this time for the following reasons:

1) Lack of Consultation

At the direction of Executive Committee, TIN met with Finance and other divisional staff on October 7th and 17th and explored options to the proposal contained in the staff report to the October 4th, 2011 meeting of Executive Committee. However, there was no time to properly assess the implications of any options including this one that were put forward. It became very clear that the other divisions impacted by this proposal had little previous input or clear understanding of the magnitude of what is being proposed.

Good public policy involves thorough public consultation with affected stakeholders in advance of the proposed new policy but does not replace internal consultation. TIN understands that public consultation was limited to a communication with BILD.

Over the past 10 years, TIN consulted with the City on important matters such as the harmonization of Toronto's business tax ratios and the 905s, industrial water rates, the Zoning, the Green Roofs, and the Environmental Reporting and Disclosure By-laws.

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Currently, TIN is meeting at staff's invitation on the Official Plan Review and the final draft Zoning By-law. It is our experience that a better product has been the outcome of our deliberations with the City.

2) Policy Change

This is not a technical amendment of the Development Charge By-law as stated in the staff report to Executive Committee but rather a significant policy reversal. In 2009, the By-law was amended to exempt manufacturing from development charges (DCs) to encourage industrial re-investment and new industrial development as well as to discourage the conversion to industrial properties to other non-industrial uses. This is complementary to the employment policies espoused by the Planning and Economic Development divisions. How does the proposed policy change fit in with the Economic Prosperity Initiative released only in June, 2011 or the Hemson Report (2006) that stated Toronto will need all the employment lands it currently has?

A strong argument can be made that this DC policy needs the input of the Economic Development Committee because of the yet-to-be understood implications it may have on manufacturing. We suggest this matter be referred to this Committee for further study.

3) Synchronization

Planning staff have cast a wide net to encourage public participation in the statutory Official Plan Review process with more than 300 people attending information open houses this fall. TIN, along with other stakeholders are being consulted directly by the OP Review team. This Review is important to TIN since it focuses on major issues facing employment lands such as conversions, retail uses and the negative impact non-industrial uses can have on manufacturers and their industrial neighbourhoods.

The statutory review of the DC By-law is supposed to start next year. Would it not be better to await the results of the OP Review and view the final Zoning By-law changes and undertake some good public consultation before altering the DC By-law?

4) Implications of Changes to the By-law

Staff maintains that changing the DC By-law will have little impact on the rate of industrial conversions since only a few applications have been received for the conversion of industrial buildings. TIN questions this assumption as it is noted that BILD, speaking for Toronto's development industry, has submitted a letter in support of this policy change.

The absence of DC charges will give an incentive to convert industrial properties to non-industrial uses. For example, if one side of the street is zoned mixed use with DCs and the other is zoned industrial with no DCs, then non-industrial development will go to the industrial areas.

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Conversions to non-industrial uses often cause serious problems for their industrial neighbours.

Conclusion

Over the past two terms of Council, the City has recognized the importance that manufacturing (120,000 good paying jobs) plays in providing the diversity of employment opportunities which helps with our City's pressing social issues. Keen in competing on the world stage, the City has instituted business-friendly policies including a harmonized business tax ratio, TEIGs, no DCs for manufacturing and an industrial water rate.

This Council through initiatives such as the OP Review and new Zoning By-law is also working to provide certainty for the manufacturing environment here. In our view, approving the proposed changes to the Development Charges By-law would be inconsistent and counterproductive.

I thank you for your attention.

Yours sincerely,



Andrew Judge
President, Toronto Industry Network