

City Council

Notice of Motion

MM36.21	ACTION			Ward:All
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Funding Transit and Infrastructure Priorities in Canada's Largest City - by Councillor Josh Matlow, seconded by Councillor Peter Milczyn

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Josh Matlow, seconded by Councillor Peter Milczyn, recommends that:

1. City Council request the City Manager to report to the Executive Committee on the following:
 - a. initiatives and best practices used in other jurisdictions to reduce the cost of servicing municipal debt, including but not limited to:
 - i. tax-free or exempt municipal bonds such as was used with “Ontario Opportunity Bonds”; and
 - ii. direct-pay municipal bonds such as “Build America Bonds” in the United States; and
 - b. recommended actions for City Council to request the federal and provincial governments can take to reduce the cost of servicing municipal debt and increase the City’s capacity to invest in its infrastructure priorities.

Summary

This Motion requests that City Council consider the recommendation above to explore reforms to municipal bonds that would reduce the cost of servicing the City of Toronto's debt and increase our ability to build and maintain City infrastructure.

Governments in other jurisdictions, including the United States, have reduced interest rates and the cost of carrying municipal debt by implementing various tax breaks or rebates. These measures can alleviate the burden on municipalities and make municipal bonds more attractive to private investors.

The City of Toronto will spend \$400 million to service its debt in 2013. Toronto also has a \$2

billion backlog on infrastructure projects including the crumbling Gardiner Expressway, leaky subway stations, and broken refrigeration systems at municipal ice rinks. We also need to build more transit infrastructure, parks, libraries, affordable housing, and other projects to accommodate our rapid growth.

The City of Toronto should study the opportunities for provincial and federal reforms to municipal bonds that would reduce the cost of servicing municipal debt and increase our ability to build and maintain infrastructure, and make recommendations to those governments.

(Submitted to City Council on June 11 and 12, 2013 as MM36.21)

Background Information (City Council)

Member Motion MM36.21