

May 19, 2016

Mayor John Tory
Chair, Executive Committee
City Hall, 2nd Floor
100 Queen St. W.
Toronto, ON, M5H 2N2

Dear Mayor Tory and Executive Committee,

RE: ECONOMIC COMPETITIVENESS FOR TORONTO'S BUSINESSES
EX 15.1 The City of Toronto's Long-Term Financial Direction

On behalf of the Toronto Association of Business Improvement Areas (TABIA), we are pleased to see that the City of Toronto is committing to a review of its long-term financial direction in order to best service its people and businesses. As a representative of 35,000 businesses across 83 of our diverse business communities, we have a significant interest in promoting economic competitiveness as a primary factor in any new financial framework to generate growth for the City.

At present, **Toronto businesses face a very uncompetitive tax environment at both the municipal and provincial level.** While the City of Toronto has been slowly reducing its commercial-to-residential tax ratios, our 2016 ratio of 2.94:1 is more than double that of the surrounding 905 municipalities. A quick look at [2016 provincial business education taxes](#) shows that Toronto is paying significantly more than any 905 municipality. In a particularly egregious example, a Toronto commercial property worth \$10 million pays \$31,000 more in provincial tax than it would if it were in nearby Halton Region.

With job-creating small businesses facing unprecedented pressure from online competition, mega retail formats and power centers we cannot afford to continue putting more of the City's tax burden onto the commercial sector.

TABIA's position on behalf of its members is that:

- 1) Any new financial framework must continue reduction of Toronto's commercial-to-residential tax ratio beyond the current target of 2.5:1 by 2020 and be on pace to reach 2.0:1 or lower by 2025.**
- 2) TABIA will not support any new revenue tools that disproportionately burden commercial properties and businesses.**

We thank the City Manager's office and the Executive Committee for addressing Toronto's long-term economic health and we look forward to being a voice for Toronto businesses as part of the process.

Sincerely,

John Kiru
Executive Director

cc: Deputy Mayor Minnan-Wong
Councillor Ainslie
Councillor Ana Bailão
Councillor Crawford
Councillor Di Giorgio
Councillor Holland

Councillor McMahon
Councillor Palacio
Councillor Pasternak
Councillor Robinson
Councillor Shiner
Councillor Thompson

Peter Wallace, City Manager
Jennifer Forkes, Secretariat