BUILDING A GREATER GTA
Building Industry and Land Development Association

EX20.2.2

November 29, 2016

Mayor John Tory
City of Toronto
100 Queen Street West
Toronto, ON
M5H 2N2

Dear Mayor Tory,

RE: BILD Preferred Recommendations for the City of Toronto's Immediate and Longer-term Revenue Strategy Discussion

With more than 1,450 member-companies, BILD is the voice of the land development, home building and professional renovation industry in the Greater Toronto Area. Our industry is essential to Toronto's long-term economic strength and prosperity. In 2015 alone, the residential construction industry in Toronto generated nearly 75,000 on-site and off-site jobs in new home building, renovation and repair – one of the City's largest employers. As a simple rule of thumb, one crane in the sky represents 500 jobs. These jobs paid $4.3 billion in wages and contributed $10.9 billion in investment value to the local economy.

Thank you for opportunity to submit comments regarding the City of Toronto's Immediate and Longer-term Revenue Strategy Discussion. We are pleased to provide you with these comments in advance of the December 1st Executive Committee meeting. In order to provide this information to you, we have discussed this topic with our BILD Executive Committee members and BILD Toronto Chapter members. Our thoughts below are reflective of these discussions.

Please find below a summary of the principles that we assessed the revenue tools against, a short-list of preferred new revenue tools, a short-list of tools that could be studied further and alternatives tools that could assist in the City's budget concerns. We hope that this preliminary position is in keeping with your own thoughts and opinions on the new revenue tools.

BILD Principles of Potential New Revenue Tools:

- Ultimately, we want the City of Toronto to be financially sound from a quality of life and well-being perspective.
- BILD has a long standing position that the most appropriate tax available to municipalities for the delivery of services is property tax.
- We strongly believe that the City should utilize tax measures that promote the continued growth of <u>all</u> economic sectors, without having a punitive impact on any one business sector.
- Any new revenue tools should be:
    - Based on a progressive tax structure
    - Related to the consumption of goods and services
    - Broad-based
    - Seek to change behaviour in a positive way and have regard for the public good from a sustainability, health and environmental perspective
    - Focus on the tools that can be delivered now and would be permissible under the current City of Toronto Act.

Based on these principles, we <u>support</u> the further study of the following recommendations:

- Road Pricing (specifically, tolls on the DVP and Gardiner Expressway)
- Tax Increment Finance

Based on these principles, we do <u>not support</u> the use of the following tools:

- Development Levy
- Parking Levy or Parking Sales Tax
- Municipal Land Transfer Tax

Based on these principles, we are <u>not opposed</u> to the further study of the following recommendations listed in the KPMG Report:

- Alcoholic Beverage Tax, Tobacco Tax
- Entertainment and Amusement Tax
- Motor Vehicle Registration Tax

Consideration of alternative tools to assist the budget concerns:

- We continue to encourage the City to utilize its large residential tax based by increasing Property Taxes. Also, the City could consider a line item on the Property Tax Bill for a new "Infrastructure Tax." This could be earmarked for the new transportation plan, delivery of the network, water and waste water or other critical infrastructure needs.
- Additionally, the City could implement a "Utility Model" which could be achieved by partnering with pension funds and other such institutions (recently promoted by the Federal Government) to fund water and wastewater infrastructure, to alleviate further pressures from the budget.
- We also support the Toronto Board of Trade's recommendation of diverting about $30-million per year from the Toronto Parking Authority (which is currently earmarked for parking expansions). The report argues that that amount, coupled with asset sales and more aggressive development of city lands, could be used to finance about $1 billion in new transit.
- Utilizing municipal bonds to offset budget cash-flow in the 2017 and 2018 budget cycles.

If you have any questions or concerns, please feel free to contact the undersigned.

Sincerely,

Bryan Tuckey
President & CEO

CC: *Vic Gupta, Principal Secretary, Office of the Mayor*
Edward Birnbaum, Senior Advisor, Office of the Mayor