



EX20.2.16

Mailing Address:
The Toronto Industry Network
c/o Paul Scrivener and Associates
28 Bannatyne Drive
Toronto, ON M2L 2N9
Phone & Fax: (416) 444-8060
Email: ph_scrivener_associates@allstream.net

The Toronto Industry Network

December 1, 2016

E-MAILED

Mayor John Tory and Members of the Executive Committee,
10th - West Tower, City Hall,
100 Queen Street West,
Toronto, Ontario,
M5H 2N2.

Attention: Ms. Jennifer Forkes

Dear Mayor Tory and Committee Members:

Re: Ex20.2 - City of Toronto's Immediate and Longer-Term Revenue Strategy Direction & EX 2014 New Implementation Approach for the F.G. Gardiner Expressway Revised Strategic Rehabilitation Plan

The Toronto Industry Network (TIN) is pleased to have the opportunity to comment on possible revenue tools to help fund the rehabilitation of the Gardiner Expressway.

Manufacturing in Toronto is very sensitive to cost increases since for the most part, companies cannot pass along these increases in their pricing. Costs are layered so it is difficult to consider them in isolation. Challenging costs faced by manufacturers include: electricity, labour, transportation and the proposed cap and trade/carbon taxes. Manufacturers have three main ways to deal with increased costs: defer maintenance, reduce or eliminate capital expenditures or reduce labour costs. The easiest is often to reduce the number of employees which is counterproductive to the city's goal of retaining employment.

TIN supports the City's efforts to retain and grow Toronto's manufacturing base which is expanding. For example, the City's policy to lower the tax ratio to 2.50 by 2020 will bring Toronto in line with other jurisdictions in the GTA while not having a development charge on new industrial construction encourages plant expansion.

Toronto's Expressway System

It is essential for business in Toronto that the Gardiner and Don Valley expressways be kept intact, linked and maintained in a state of good repair. These are vital arteries for the movement of manufactured goods, materials and of course, the people who work in manufacturing. Last year, the City decided to keep the easterly portion of the Gardiner which TIN endorsed. We do not support re-opening this debate.

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It is with great disappointment that we learned the federal government will not offer to help fund the rehabilitation of the Gardiner. Toronto is the economic engine of Canada and needs funding for roads from other governments to maintain its competitive position in Canada and the world. This further sharpens the debate on achieving economies and developing new revenue streams.

Achieving Internal Economies

Before the City levies new fees and taxes, it should look hard at itself to determine if it is operating in an economic fashion. It is our understanding that while City divisions have responded well to the City Manager's request they trim their 2017 budgets by 2.6%, there has not been the same response from the City's agencies and boards.

We have learned that per the Ontario Labour Relations Act, firms bidding on city construction projects must be unionized and associated with select unions which can mean a 25% premium on project costs. This closed shop policy discourages competition and penalizes Toronto's residents while siphoning off funds that could do real work in projects like the Gardiner rehabilitation. TIN urges Council to re-visit the policy and ask the province to rescind this provision .

Tolling

TIN is not opposed to the concept of applying reasonable tolling charges to vehicles using Toronto's expressway system. This is something many of Toronto's competitors do. However, TIN believes that the revenues raised from tolling, which seems not very cost effective with a 40% overhead, should go directly to the maintenance of all Toronto roads including the Gardiner and the Don Valley expressways. This may make the new toll more palatable and avoid the politics of favouring one capital project over another.

Parking Levy

TIN is glad that the staff report advises against imposing a parking levy of more than \$500/space /annum that would have a serious impact on the City's manufacturers.

We thank you for your attention.

Sincerely,



Andrew Judge
President