

July 20, 2018

Our File No.: 181938

Via Email: clerk@toronto.ca

Toronto City Council
City Hall, West Tower, 2nd Floor
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Ulli S. Watkiss, City Clerk and Marilyn Toft, Manager

Dear Mayor Tory and Members of Council:

Re: Item PG31.5 – Proposed Changes to Community Improvement Plan / IMIT Program

We are solicitors for Brookfield Properties (Canada) Inc. and its various subsidiaries and related companies (collectively, “Brookfield”), the owners, developers and/or managers of numerous properties throughout the City of Toronto.

Concerns with the Proposed Community Improvement Plan

Brookfield has reviewed the staff recommendation reports dated January 16, 2018 and June 12, 2018, along with the report from Hemson Consulting Ltd. dated November 15, 2017, which collectively form the basis for the proposed new Community Improvement Plan (“CIP”) by-law (the “Proposed By-law”) and the repeal of the existing CIP By-law Nos. 516-2008, 517-2008 and 518-2008, as amended.

Brookfield has identified a few areas of significant concern with respect to the Proposed By-law to amend the existing Imagination, Manufacturing, Innovation and Technology (“IMIT”) program. Accordingly, we are writing on behalf of Brookfield to express its concerns to City Council in the hope that some of the proposed changes are reconsidered before the Proposed By-law is enacted.

Elimination of Office Eligibility in the Financial District

The proposal to eliminate all eligibility for office space within the expanded Financial District boundaries is unjustified and unfair. It would draw an arbitrary geographic boundary which is not reflective of how the office market actually behaves, and as a consequence it would create a major competitive disadvantage and therefore discriminate against properties within the Financial District as compared to the sites located just outside of the Financial District: If the Proposed By-law is approved, there will be office development projects offering prospective tenants millions of dollars

in tax incentive grants competing with similar projects located across the street or just a few blocks away which are unable to offer any such incentives.

The Proposed By-law and underlying reports use the recent increase in office development activity within the Financial District as a justification for eliminating eligibility going forward. However, this analysis fails to sufficiently account for the fact that much of the recent growth is in fact attributable to the existence and availability of development grants.

One of the stated CIP objectives within the Proposed By-law is to:

“Support the vision of the Official Plan for a City with a strong and competitive economy with a vital downtown that creates and sustains well-paid, stable, safe and fulfilling employment opportunities for all Torontonians.”

By creating an inequitable playing field between sites located within and outside of the expanded Financial District, the Proposed By-law will actually reduce the strength and competitiveness of the economy and hinder the vitality of the downtown, thereby achieving the opposite result.

Proposed Limits on Development Grants

The provision in the Proposed By-law which seeks to limit the total development grants available for any individual project to \$30 million will significantly reduce the scope and effectiveness of the IMIT program. Given that applications for “Transformative Projects” are proposed to be exempt from this cap, there is an inherent recognition that large-scale projects require an incentive level commensurate with the overall project investment.

However, despite the staff recommendations, we note that the Planning and Growth Management Committee (“PGMC”) has recommended that projects with a construction value exceeding \$150 million be exempt from the \$30 million cap. Brookfield supports this proposed amendment.

Eligibility Criteria for Transformative Projects

The analysis put forward in support of previous applications for “Transformative Projects” has demonstrated that the criteria are too vague, subjective and uncertain to warrant the higher order financial assistance that is granted to such applications. While we acknowledge that the criteria are proposed to be amended and the basic eligibility thresholds increased, the criteria remain unclear.


Revisions to Proposed By-law

Given the recommendations arising out of the PGMC meeting, we anticipate that the Proposed By-law will require further modifications before it is enacted by City Council. Brookfield would appreciate an opportunity to work with City staff to attempt to address its concerns and it would be happy to propose alternative by-law language to address the specific issues raised in this letter.

Thank you for considering this submission and please feel free to contact us should you have any questions or concerns.

Yours very truly,

GOODMANS LLP



For:
Ian Andres
IDA/vw

cc: Michael Williams and Rebecca Condon, Economic Development and Culture
Herb Mah and Jonathan Fung, Brookfield Properties

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