

EX32.1.2

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



March 16, 2018

RE: EX32.1 City of Toronto Long-term Financial Plan

Dear Mayor Tory and Executive Committee,

On behalf of the Property Tax Coalition for Growth (“the Coalition”), we are encouraged by the framework presented this week in the Long-term Financial Plan. The plan presents a course to more informed and committed funding over a long-term plan and a disciplined approach to providing value for service priorities. Our coalition evaluates proposals in terms of their impact on long-term economic competitiveness, including transparency and equity. The presentation of future five-year budgeting tied to long-term service priority mandates would provide more clarity for businesses looking to locate or expand in the City of Toronto.

Request for involvement in expert and peer review panel

We support the further development of key initiatives developed from the Long-term Financial Plan, including the development of an expert and peer review panel to ground decisions and strategies on the best available information (Pg. 17). We request that an expert and peer review panel be created of business leaders across the City of Toronto, and that members of the Property Tax Coalition for Growth be included in development of further key initiatives based on the Long-term Financial Plan presented this week.

Request for clarity related to the commercial-to-residential tax ratio reduction program (Point One Plan)

We are also writing to request clarification of the City of Toronto’s commitment to the commercial-to-residential tax ratio reduction program. The Coalition has been advocating for an annual 0.1 reduction in the ratio starting in 2019, with the goal of reaching a ratio of 2-to-1 by 2026. Titled the “[Point One Plan](#),” this proposal would provide Toronto businesses the security of a long-term commitment while ensuring a minimal impact on the City’s budget.

While the Coalition understands the City’s need to slow down its annual ratio reductions in 2017 and 2018, the importance of returning to a more substantial reduction program in 2019 must be emphasized. At the current ratio of 2.8-to-1, Toronto businesses are still facing an uncompetitive tax environment compared to the surrounding GTHA. The imbalance of economic competitiveness is highlighted on Pg. 47 of the Long-term Financial Plan where Toronto’s ratio is significantly higher than Hamilton, Ottawa, Mississauga and Markham.

The Coalition has been engaging with the City of Toronto over the past year in support of our Point One Plan proposal. This outreach has included:

- August 2017 – Submission of the [Point One Plan](#) to the City Manager’s Office.
- August 2017 – Mayor Tory commits to supporting tax fairness for businesses during a TABIA meeting.

- September 2017 – Coalition meets with staff in the City Manager’s Office.
- October 2017 – Coalition meets with Mayor’s Office staff and Economic Development and Culture Staff as part of the department’s strategic review process.
- January 2018 – Budget Committee requests a [briefing note on “Reductions of Non-Residential to Residential Property Tax Ratios,”](#) which is the first mention of the City potentially reaching a 2-to-1 ratio by 2028, two years short of the Point One Plan request.

Following this outreach, the Coalition is seeking clarification on the City’s commitment to continuing the commercial-to-residential tax ratio reduction program. We are interested in whether the 2-to-1 target of 2028, mentioned in Budget Briefing Note #41, is the City’s official target or whether there has been consideration of the Coalition’s 0.1 proposal. This issue could be resolved by adopting a motion affirming continuation of the plan before Council adjourns for the summer.

Who We Are

The Coalition was formed in 2016 to address tax competitiveness issues facing businesses in Toronto. It advocates for tax policies at both the provincial and municipal level that will attract investment, jobs and economic activity to the City. Our members include well respected organizations from across Toronto, including: the Toronto Region Board of Trade, Toronto Association of Business Improvement Areas (TABIA), Toronto Industry Network (TIN), Toronto Financial Services Alliance (TFSA), REALPAC, NAIOP Greater Toronto, Retail Council of Canada (RCC), BOMA Toronto, the International Council of Shopping Centres (ICSC) and the Toronto Financial District BIA.

We look forward to working with you as the City moves forward with its Long-term Financial Plan.

Sincerely,



Brooks Barnett
Manager, Government Relations and Policy, REALPAC
Lead Coordinator, Property Tax Coalition for Growth

CC: Executive Committee
Peter Wallace
Joe Farag
Giuliana Carbone
Josie LaVita