

# EX17.1.31

October 27, 2020

Toronto City Council  
100 Queen St. West  
Toronto ON M5H 2N2

Via Email: [clerk@toronto.ca](mailto:clerk@toronto.ca)

Re: Recommendations listed in the Sept 15<sup>th</sup>, 2020 City of Toronto report  
COVID-19 Impacts and Opportunities

Dear Your Worship Mayor Tory and Members of Council,

The Toronto Region Board of Trade (“the Board”) encourages the City’s efforts to seek opportunities for economic recovery in its strategy to mitigate the spread of COVID-19. The City’s application of a climate, innovation, small business and equity lens to implementing COVID-19 abatement and recovery measures is lauded by The Board for both the ability to advance economic interest and limit spread of the disease.

The Board worked closely with the Toronto Office of Recovery and Rebuild (TORR) over the spring and summer through our [Reimagining Recovery Framework](#): six specialized recovery work tracks, led by a multi-stakeholder leadership cabinet and engaging more than 450 organizations – the largest and most comprehensive engagement exercise of our 175-year history. The comments below describe the Board’s reflections on the City of Toronto’s recently completed report titled *COVID-19: Impacts and Opportunities* (“the report”) and appended report *COVID-19 Impacts and Opportunities Engagement Summary*. The Board looks forward to continuing to partner with the City on pursuing an inclusive, resilient and rapid economic recovery.

Sincerely,

  
Jan De Silva  
President & CEO  
Toronto Region Board of Trade

## The Board's Comments on *COVID-19: Impacts and Opportunities* Public Health

### Challenges

The Board commends the efforts of the City to contain the spread of COVID-19 and recognizes that such efforts, while difficult for business, will ultimately be to the benefit of the economy as a whole. As outlined in the report, COVID-19 containment efforts have varying impacts across industries, with many, such as the service industry, experiencing extreme hardship. As such, the Board will continue to advocate at all three levels of government that supports be maintained for vulnerable businesses to ensure these businesses maintain the necessary capacity to evolve and retain their market viability into the recovery.<sup>1</sup>

### Needed Short-Term Improvement

The Board encourages the City to continue researching and implementing practices that can mitigate the spread of COVID-19 and need for lockdown measures, such as robust rapid testing capacity and strict quarantine regimens, similar to those observed in Taipei. The Board recognizes that such measures come at little economic cost when compared to the economic consequences of extended lockdowns or uncontrolled outbreaks.

### Opportunities for Long-Term Advancement

The Board encourages the City to use the health and economic measures necessitated by COVID-19 to pilot new and innovative practices that may have broader applicability to Public Health once the pandemic is concluded, such as data trusts, data collection methods, sand boxing, and green technology.<sup>2</sup> Further, as described by the Engagement Strategy, the Board also encourages local governments to take this opportunity to further refine practices to gauge the perspective, constraints, and anecdotal experiences of local businesses to better understand the different impacts the pandemic has had on individual industries and businesses.<sup>3</sup>

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## Intergovernmental Coordination

### Challenges

Local governments are restricted in their ability and capacity to establish relationships with the federal government or other local governments. This disconnect has proven distressing as services, information, and investments struggle to be efficiently coordinated amongst cities and tiers of government during the pandemic.

Enhanced intergovernmental coordination facilitates greater breadth of shared information and knowledge, in turn allowing for better evidence-based policy making and more complete

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<sup>1</sup> As outlined in the report's recommendations: 44, 45

<sup>2</sup> As outlined in the report's recommendations: 43, 46, 47, 63, 65, 67, 68

<sup>3</sup> As outlined in the report's recommendations: 2, 5, 6, 7, 18, 39, 53

understanding of performance-based decision-making.<sup>4</sup> The expanding service responsibilities of local government has made them a critical component in the fight against COVID-19, necessitating a more robust relationship structure amongst horizontal and vertical levels of government.

### Needed Short-Term Improvement

Many services offered by the City, such as public health, are complemented by divisions and components of the provincial and federal governments.<sup>5</sup> The Board agrees with the City's suggestion that greater coordination of services creates a "whole of governments" approach, able to more efficiently deliver value to taxpayers and the economy.<sup>6</sup> More broadly, the Board applauds efforts by the City to enhance relationships with other localities in and out of the Innovation Corridor and provinces throughout Canada to develop a shared pool of understanding that can be iterated and advanced quickly via collective and collaborative effort.<sup>7</sup>

Increase coordination amongst city divisions, and crown agencies and ministries<sup>8</sup> will prove critical in refining mitigation processes, such as decreasing test result turnaround time, and more efficient allocation of testing resources.<sup>9</sup> Such coordination will also be needed to ready and prepare a plan for mass immunization regimens which can be implemented quickly and effectively once a vaccine is ready in sufficient amounts.<sup>10</sup>

### Opportunities for Long-Term Advancement

The Board endorses the City's efforts to leverage the experience and purview of higher and lateral tiers of government.<sup>11</sup> As described by the report, COVID-19 offers government needed impetus to begin a meaningful and outcomes based discussion on the "municipal agenda," that recognizes the valuable role local governments play in economic growth and prosperity.<sup>12</sup>

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## **Fiscal Policy**

### Challenges

The Board recognizes that the fiscal structures local governments have been granted by the province are ill-suited to the expanding array of services tasked to them. This is especially true for more distributed services such as public health, housing, community development, and long-term care, which cities must fund via fiscal tools that are unable to capture value created by each.

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<sup>4</sup> As outlined in the report's recommendations: 82

<sup>5</sup> As outlined in the report's recommendations: 21, 23, 39

<sup>6</sup> As outlined in the report's recommendations: 38, 39

<sup>7</sup> As outlined in the report's recommendations: 48

<sup>8</sup> As outlined in the report's recommendations: 13, 14, 17, 21, 82, 83

<sup>9</sup> As outlined in the report's recommendations: 8, 9, 10, 15

<sup>10</sup> As outlined in the report's recommendations: 19, 21

<sup>11</sup> As outlined in the report's recommendations: 15, 16, 34, 38, 39, 60, 81, 82, 83

<sup>12</sup> As outlined in the report's recommendations: 38

Further, the property tax regimen used by the province and its cities place disproportionate burden on businesses, when compared to residents, with businesses paying more than twice and six times the rate of residential properties in property tax and education tax respectively.<sup>13</sup> Not only does this decrease the competitiveness of the region's businesses in what are becoming increasingly global markets, but has proven an unneeded stress point for businesses during the pandemic.

#### Needed Short-Term Improvement

The Board commends the City and the Province's efforts to temporarily alleviate the tax burden on businesses during the pandemic, along with the bevy of other avenues for financial relief from utilities to rent that have been offered. Such efforts have been truly remarkable and continue to prove their value during the crisis and will undoubtedly prove prudent and productive in the coming economic recovery.

Further, while the board recognizes the need for anti-bonusing restrictions during times of economic normality, the ability of cities to promote the interests of businesses most acutely damaged by physical distancing measures could prove an efficient means of relief. Therefore, in support of businesses throughout the Region Board recommends the province offer improved definition of anti-bonusing restrictions to cities, outlining when and when not, financial assistance may be warranted.

#### Opportunities for Long-Term Advancement

The pandemic has highlighted many of the fiscal inefficiencies of antiquated taxation structures local governments depend on for funding, such as the current property tax structure. The draw that commercial properties exert on city resources exhibits little connection to the value they carry in real estate markets, nor the financial capacity of the business that owns it.

Local businesses pay a disproportionate amount of property tax in comparison to their residential counterparts; this is both unfair considering the limited ability of businesses to participate in the local democratic process, and economically regressive, as the economic burden of such taxes far outweigh the benefit of the services they fund. The Board implores local governments and the province to use the pandemic as an opportunity to evolve such structures into ones more amenable to the unique challenges and dynamics of the 21st century economy. As such, the Board applauds the intention to "reforming the commercial tax system and addressing long-standing property tax challenges for small businesses" as outlined in the report.<sup>14</sup>

In the meantime, recommendations to halt property re-assessments due to the uncertainty of our economic future are welcome.<sup>15</sup> However, such a pause must be fully advantaged to take

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<sup>13</sup> 2019 Property Tax Rates, [City of Toronto](#)

<sup>14</sup> Page 15 of The Report

<sup>15</sup> As outlined in the report's recommendations: 51

Notably, all changes to fiscal policy must be revenue neutral

stock of how taxation structures might better support the nascent economic dynamics of the ‘new normal’.<sup>16</sup>

The Board also commends continued acknowledgement by the Province of the debilitated position its local governments occupy in their struggle to maintain governance viability in the face of insurmountable budget shortfalls. And, while the Board recognizes the value inter-governmental block transfers offer localities in times of such struggle,<sup>17</sup> it implores that such transfers are not understood as a permanent solution to economic crises and that cities must be equipped with more capable, and economically efficient tools if they are to maximize their value to local economic development. Intergovernmental transfers must not be used as band-aid solutions to inefficient municipal fiscal constraints; reliance on intergovernmental transfers can hamper municipal independence and devalue own-source revenue generation. (I would suggest removing this paragraph—see my comment on why.

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## Workforce Development

### Challenges

As outlined in the report, low-wage jobs and vulnerable workers were hit the hardest by COVID-19, precipitating a more than 5% decrease in labour participation in the City.

### Needed Short-Term Improvement

The board recognizes that developing supports that aid faster evolution and development of the work force will be critical to retaining the global economic viability of the region and expedite the economic recovery from COVID-19.<sup>18</sup>

### Opportunities for Long-Term Advancement

Many of those who lost their jobs due to the pandemic represent the most vulnerable parts of the labour force. Supports which enable those unemployed by the pandemic to re-skill and increase their marketability are critical to resolving enduring skills shortages and avoiding the economic dangers of mass unemployment of a precipitous drop in labour participation.

Using the current downtime to allow underemployed individuals to re-skill may present the post-pandemic economy with a more plentiful and skilled labour force able to act on nascent economic opportunities presented in the ‘new normal’. The economic recovery from the pandemic will bear mere similarity to the economic and market dynamics known prior to the pandemic; cultivating a workforce capable of adapting to new global demands will be critical to maintaining the region’s global economic prominence post-pandemic. Efforts by the City to aid and coordinate workforce development efforts at the municipal, provincial and federal levels are therefore encouraged by the region’s business community.<sup>19</sup>

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<sup>16</sup> As outlined in the report’s recommendations: 52

<sup>17</sup> As outlined in the report’s recommendations: 22, 33

<sup>18</sup> As outlined in the report’s recommendations: 39, 49, 50

<sup>19</sup> As outlined in the report’s recommendations: 73

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## Innovation

### Challenges

The City of Toronto is faced with tremendous opportunity to assert itself on the global stage as it leads development of cutting-edge technology and industrial practices, such as AI, data analytics and clean technology. Continued facilitation of investment in these industries through infrastructure supports, efforts to cultivate interest through industry events, and assistance with incubation and financing will prove invaluable in sustaining an environment conducive to innovation through the pandemic.

### Needed Short-Term Improvement

Innovation extends beyond its common application to technology development. It can be found in all facets of the economy, from public policy to innovations in organizational design. The report outlines many ways in which the City can use innovative thinking in its development of public policy, planning, and the application of the services it offers. Cultivation of such an ability to respond to challenges dynamically and transcending the functional fixations inherent to bureaucratic process is of course celebrated by the region's business community. And, as described in the report, such an approach is sorely needed in the alignment of funding and services at the municipal level, and in the enablement of organizational coordination that transcends jurisdictional barriers fundamental to a tiered government system.<sup>20</sup> The Board therefore both applauds, and keenly awaits opportunities to aid in the facilitation of such pursuits.

More directly, efforts to aid transition to hyper-local markets, or development of digital capacity or other modes of business amenable to physical distancing restrictions, are of tremendous value.<sup>21</sup> The City's recognition in the report of the considerable market power it yields through procurement practices could indeed help such development, however these practices must be streamlined and modernized if they are to be used as effective avenues to modernize local infrastructure and support local innovation.<sup>22</sup>

### Opportunities for Long-Term Advancement

In addressing the longer-term opportunities, the region's existing industrial attributes may offer, the current economic situation created by the pandemic presents opportunity to reframe problems into contexts more amenable to innovative thinking. New ideas offer their greatest value in times of distress. Therefore, continued support for innovation, in any form, is again encouraged by the Board for both the solutions to immediate problems it may present, and opportunities they offer in the long term.<sup>23</sup> Efforts by the City to offer up-to-date reporting and

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<sup>20</sup> Pg 8 of the report

<sup>21</sup> As outlined in the report's recommendations: 76

<sup>22</sup> As outlined in the report's recommendations: 77, 79

<sup>23</sup> As outlined in the report's recommendations: 40, 42, 43, 64

analysis of COVID-19 infection rates has proven invaluable to the business community in aiding understanding of disease spread. The Board looks forward to seeing how digitalization of data collection and sharing, such as the COVID-19 dashboard offered by the City, can be applied to other areas of governance and data transparency.<sup>24</sup>

From an organizational perspective, coordination of research within and beyond the capabilities of city governments would likely prove valuable in understanding COVID-19 and associated factors. The Board commends the City's efforts to coordinate research efforts amongst governments, academia, and other institutions via MOU.<sup>25</sup> The Board looks forward to seeing how such process can be applied to other areas of primary research development of value to the government.

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## Infrastructure

### Challenge

Toronto has a colossal infrastructure backlog, which the pandemic's fiscal challenges have and will continue to exacerbate. Maintaining upkeep of existing infrastructure along with a needed investment schedule in new infrastructure able to keep pace with economic development will be required to maintain the competitiveness of the region within the global economy.

### Needed Short-Term Improvement

Infrastructure development will play a critical role in ferrying the economy into a post-pandemic 'new normal,' creating opportunities and stimulus to sustain economic and workforce development through the pandemic.<sup>26</sup> The economic slump caused COVID-19 presents an optimal time to maximize the economic benefit which can be realized from the construction of infrastructure, effectively stimulating the economy.<sup>27</sup>

The immediacy of the pandemic underscores the need to orient existing infrastructure and assets to focus on mitigation efforts that present opportunities to increase economic value of infrastructure. The Board therefore commends efforts by the City to repurpose spaces and assets to suit immediate needs of COVID-19 detection and containment.<sup>28</sup>

### Opportunities for Long-Term Advancement

As outlined in the report, if governments choose to use infrastructure development as a tool to stimulate the economy, they must seize upon modern understanding of technology and climate change to futureproof infrastructure investments.<sup>29</sup> Coordinating infrastructure investment, especially transit infrastructure, across the region and using more fluid procurement programs

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<sup>24</sup> As outlined in the report's recommendations: 3, 4

<sup>25</sup> As outlined in the report's recommendations: 3, 4, 5, 82, 83

<sup>26</sup> As outlined in the report's recommendations: 44

<sup>27</sup> As outlined in the report's recommendations: 32, 80

<sup>28</sup> As outlined in the report's recommendations: 28, 32, 36, 68, 80

<sup>29</sup> As outlined in the report's recommendations: 56, 57, 58, 59, 62, 65, 68



to leverage smart city infrastructure will be required to maintain an economic competitive edge moving forward.

The Board commends the City's efforts to advocate for infrastructure investment at the provincial and federal level to work towards a more regionally integrated system of infrastructure investment, able to support competitive and equitable market development.<sup>30</sup> As detailed by the report, COVID-19 has hit marginalized communities the hardest due to their increased vulnerability to the disease. Developing infrastructure planning regimens and investments which stand to aid economic advancement for those who are currently struggling could not only open opportunities for economic prosperity but mitigate the spread of COVID-19.<sup>31</sup>

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## Regulation and Service Delivery

### Challenge

Prescriptive regulations have proven challenging for businesses, especially SMEs, to navigate during the pandemic. Overly prescriptive regulations limit the ability of businesses to dynamically adapt to changing economic demands. Regulations must therefore use a principles-based approach that both gives businesses the choice to be innovative in their value proposition and ensures market conduct is fair and sustainably.

### Needed Short-Term Improvement

The Board commends the efforts by the City to swiftly adapt regulations to allow businesses to retain their viability through the pandemic, such as expanded allowances for outdoor dining, mandatory mask-wearing indoors, along with other regulations intended to minimize transmission risk and keep businesses open.<sup>32</sup>

### Opportunities for Long-Term Advancement

As described by the report, the City can look to its own regulatory solutions, along with service delivery innovations, and financing measures to limit the spread of COVID-19 by focusing on "social determinants of health". By addressing issues of inequity, the City can simultaneously aid development of a more efficient economic structure and mitigate social dynamics which expose the City to risks of COVID-19 spread. The Board acknowledges such an approach for its efficacy, especially as it pertains to expediting affordable housing approvals and other regulations which benefit enrichment of the labour pool and expedite economic growth.<sup>33</sup>

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<sup>30</sup> As outlined in the report's recommendations: 68,

<sup>31</sup> As outlined in the report's recommendations: 1, 4, 27, 28, 29, 30, 41, 42, 43, 36, 61, 64, 74

<sup>32</sup> As outlined in the report's recommendations: 46, 78

<sup>33</sup> As outlined in the report's recommendations: 70