



June 9, 2020

Infrastructure and Environment Committee
 Nancy Martins
 10th Floor, West Tower, City Hall
 100 Queen Street West
 Toronto, ON M5H 2N2

RE: IE13.5 Yonge-Eglinton Construction Hub: Street Occupation Permit Fee Revisions Motion

The Residential Construction Council of Ontario (RESCON), the Building Industry and Land Development Association (BILD), the Labourers' International Union of North America (LiUNA) Local 183, the Ontario Sewer and Watermain Construction Association (OSWCA), the Heavy Construction Association of Toronto (HCAT), the Toronto and Area Road Builders' Association (TARBA) and the Ontario Road Builders' Associations (ORBA) would like to bring to your attention our collective opposition on the motion to raise the lane occupancy fees in the Yonge-Eglinton Construction Hub, which will be brought forward to the Infrastructure and Environment Committee on June 10th.

Like many others, our industry members have been impacted by the detrimental effects of the COVID-19 pandemic and we continue to work on recovery efforts in partnership with our government agencies, like the City of Toronto. The proposal to arbitrarily increase to street occupation permit fees at this time comes as a disappointing surprise as it undermines these efforts. Therefore, **we request that the Committee not adopt these recommendations and instead focus on allowing our collective industry members to deliver their vital, economic-contributing projects. Given that Yonge-Eglinton Construction Hub Coordination pilot is scheduled to be complete at the end of this year, we are of the position that any additional reporting and next steps related to the pilot come then.**

We believe that this motion will not only be damaging to the construction industry and housing market, but it also goes against the fundamental spirit and goal of Mayor Tory's Economic Support and Recovery Task Force and other streamlining initiatives aimed at facilitating economic growth in the City, including *Concept to Keys* that is being implemented to encourage developers to continue investing in Toronto. In an environment where other municipalities and levels of government are enacting measures to stimulate the construction industry, including providing for WSIB premium deferrals, which reflects an understanding of the importance of the industry to the post COVID-19 economic recovery, it is unfortunate that certain councillors have chosen to take the opposite approach.



Policy directives such as arbitrarily increasing lane occupancy fees in the Yonge and Eglinton area have the real possibility of impacting the viability of development projects in Toronto and thus negatively effecting the City's revenue, service delivery, housing affordability, economic recovery and growth. These types of motions also negatively reflect the way that the City is approaching the COVID-19 recovery and it does not bode well for addressing the significant financial pressures the City is facing.

Industry has been supportive of the implementation of the Yonge and Eglinton Construction Hub and its focus on health and safety. We have worked collectively with Transportation Services staff on the implementation of the hub since its inception and have collaborated on a Driver Safety Awareness campaign along with City staff in the hub. We support the idea that the hub should have dedicated funds but believe that this should be done in a more methodical and predictable way. From the beginning of the hub's creation, it was always emphasized that the pilot was not meant to be financially prohibitive or restrictive in anyway; rather, the emphasis was on public safety. The motion to raise the fees exorbitantly and arbitrarily in the hub area go squarely against the sprit of the construction hub. One option the City may wish to consider in solidifying the hub is to earmark funds from the existing lane occupancy fees that are collected.

Industry is also surprised by the motion's target to increase the street occupation permit fees for staging specifically in the Yonge and Eglinton area. In 2015, Toronto City Council adopted an area-based lane occupancy fee increase, which came into effect in October 2015. The amount of increase over previous values was predicated on the Toronto Parking Authority meter rates for different areas of the city. Therefore, the City already has a robust process in place to determine street occupancy fees. This motion goes directly against this established and methodical process by arbitrarily seeking a retroactive increase to the occupancy fees.

Furthermore, the lane occupancy fees were recently raised in January 2019 leading to occupancy fee increases up to 50% higher than the previous 2015 rates. If this motion is implemented, it would lead to a drastic and unsubstantiated financial impact for construction projects in the Yonge and Eglinton area. For example, a multi-unit residential development project, whether it is a condominium or purpose-built rental, commonly pays anywhere between \$200,000 to more than \$2,000,000 for occupying City rights-of-way, dependent on various project specific factors such as the project duration, size of required staging area, and geographic location of the project. Should the proposed fee increases be implemented as per the motion, rates within the hub area can increase as high as 150% or 2.5X beyond the current stipulated 2019 fee schedule.



Industry is in full support of the Construction Hub and believes in its efficacy and importance to occupational health and safety, which is a top priority for all of us. Given its importance, we are in full support that the Hub should have dedicated funds, but this should be done in a more methodical and justifiable manner, in line with the current COVID-19 economic realities. These realities should be core guiding principles for the City on all future decisions. City services are too important to leave to chance and the City should be working collaboratively with industries that drive economic growth, such as construction. We employ thousands of people and we all need to support construction so we can keep people in Toronto working.

Regards,

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