

City Council**Notice of Motion**

MM3.5	ACTION			Ward: All
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Reviewing Revenue Tool Options for Toronto - by Mayor John Tory, seconded by Councillor Chris Moise

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Mayor John Tory, seconded by Councillor Chris Moise, recommends that:

1. City Council direct the City Manager, the Deputy City Manager, and the Chief Financial Officer and Treasurer, to report in the third quarter of 2023 with an updated assessment of revenue generating options available under the City of Toronto Act, 2006 which must include but not be limited to:
 - a. an assessment of potential revenue generated;
 - b. an assessment of cost of administration;
 - c. an assessment of other municipalities that have implemented similar revenue generating tools;
 - d. alignment with City Council policy objectives; and
 - e. additional considerations such as economic impact, stakeholder impact, and environmental impact.
2. City Council direct the Chief Financial Officer and Treasurer, in consultation with the City Manager and the General Manager, Economic Development and Culture, to include in the above study feasibility of implementing a parking levy including:
 - a. estimates of the current number of commercial, paid and unpaid parking spaces in the City of Toronto, broken down by ward;
 - b. estimates on revenue potential of a parking levy applied to commercial, paid and unpaid parking spaces;
 - c. costs associated with implementing such a levy, including administrative costs;
 - d. implementation considerations including the feasibility of excluding designated

commercial and other parking spaces from the levy, graduated fees based on proximity to transit service, and a downtown levy;

e. a jurisdictional review and summary of other governments that have implemented a similar parking levy, including Vancouver;

f. an analysis of how proceeds may support Toronto Transit Commission capital funding and/or the City's operating budget;

g. a review of how a parking levy may align with other policy objectives established by Council;

h. an analysis of how a commercial parking levy may support or hinder Toronto's Covid-19 economic recovery, impacts on businesses, Toronto's competitiveness compared to neighbouring municipalities, and impacts on low-income residents; and

i. a summary of stakeholders that would be impacted by a commercial parking levy and results of initial market sounding with stakeholders.

3. City Council direct the City Manager to ensure the results of this report are part of any intergovernmental discussions to achieve a new fiscal framework for Toronto.

4. City Council request that the Toronto Parking Authority Board direct the appropriate staff at the Toronto Parking Authority complete a review of rates for on-street and off-street parking.

Summary

It is time for a new fiscal deal for cities.

This discussion which must be had with the Government of Canada and the Government of Ontario has to be informed by up-to-date information on the revenue tools that we have available.

In 2016, I along with Council requested a report be undertaken to study the potential revenue tools available under the City of Toronto Act which acknowledged at the time the unsustainable financing model of Canada's largest city. That report led to a Council decision on expressway tolls, the institution of the hotel tax, and harmonizing of Municipal Land Transfer Act rates along with other minor changes. While expressway tolls were ultimately rejected by the provincial government of the day it did result in additional gas tax revenue from the Province at the time. Since then, we have also instituted a new vacant home tax which is in its first year in 2023.

While the remaining tools we have are limited in addressing the scale of the problem, I am recommending that we complete a revised study of revenue generating options available to the City under the City of Toronto Act and in particular complete an in depth feasibility study of the commercial parking levy. As we move forward it's important to consider all available tools in the context of feasibility, alignment with Council directed policy objectives, and how such tools do or do not address substantial budgetary pressures faced by the City.

While we await the results of this study, I will reiterate that the tools allowed under the City of Toronto Act are not enough alone to resolve the pressing challenges of this City. In the wake of the COVID-19 pandemic it is clear that the countless calls this Council has made on other levels of government for sustainable funding is required now more than ever to continue delivering the services our residents rely on. The best option remains a new model for

municipal financing that allows city revenues to grow alongside the economy, an economy which sees Toronto proudly make the largest contribution to our overall national success. I look to the Council for your support on this item and look forward to future consideration of revenue tool options informed by the results of this study.

Background Information (City Council)

Member Motion MM3.5