



Date November 12, 2024

Re: EC16.2 - Sidewalks to Skylines: An Action Plan for Toronto's Economy (2025-2035)

The Toronto & York Region Labour Council is a labour body representing over 200,000 working people in more than 150 locals and unions across the region from every sector of the economy. For over 150 years, the Labour Council has worked tirelessly to represent its members and all working people in the struggle for economic, social, racial, and environmental justice.

During the stakeholder engagement for the new Action Plan for Toronto's Economy, the Labour Council and affiliates provided our expertise for the new 10 year plan's development. Through our roles at workplaces, we and our affiliates have built a base of knowledge by our direct participation in the range of sectors in Toronto's economy. We were pleased to provide a perspective which recognized that aiming for economic outcomes that put working people at the foundation is the best way to build a better economy.

In our October submission about the APTE to the Economic and Community Development Committee, we acknowledged that there were important steps in the draft APTE recognizing that the barriers Toronto's economy faced were the same barriers holding back working people, including those which were addressed in submissions made by the Labour Council, like protecting employment lands. Housing inaffordability, congestion and transit underfunding, and a lack of good jobs are exacerbating inequality and forcing working people out of the City and hampering economic growth.

While we are pleased that there is some acknowledgement in the APTE that what is good for working people is good for the economy, the actions laid out in the plan do not reflect this rhetorical recognition. The current plan ultimately reflects the same trickle-down economic approach which has failed Toronto for the last 30 years - while merely trying to better direct the trickle. A general reorientation, one which views improving the lives of working people not as a secondary benefit, but as a central goal of economic development, would address the serious problems we face and grow our economy at the same time.

While some key contributions from our engagement in the stakeholder process did make it to the final report, most did not make it to the APTE or are reflected only minimally. This includes the following issues, some of which will be covered in more detail below:

- Recognition that unions have a key role in the economy
- Expectation that employers will be good corporate citizens, aiming for living wages for everyone who works for them directly or indirectly
- Need for a good jobs for all economy – this includes making sure there are job pathways for people, whether that includes training or whether it is more informal such as making sure that entry level jobs in larger organizations have ways of moving forward
- Importance of public services and institutions, including public transit, in supporting a vibrant economy
- Need for strong regulation to offset the race to the bottom dynamics in certain sectors

- Opportunity to build a more intentional industrial strategy and develop supply chains for a net zero economy (e.g., heat pumps) and for local resilience (e.g., PPE and vaccines)
- Protect city revenues while keeping an eye on ability to pay
- Planning and housing need to be central components of the APTE

What follows are a few key components we believe deserved to be further expanded upon, added, amended, or removed to improve the APTE and reflect what a broader reorientation to economic development might look like.

First, the report rightly acknowledges that the chief and principal barrier to economic growth of any kind in Toronto is the lack of progressive revenue tools and genuine democratic control over its affairs for the City. Higher orders of government must invest revenues at the municipal level to address the ballooning city deficit which began to grow after the megacity amalgamation and the downloading of the cost of services in the 90s. Further, the provincial government must stop undemocratically interfering in the decision making at a municipal level.

Next, the addition on the IED framework as a key component of the APTE is a bright spot and an exciting addition. The Labour Council and other community organizations have been participating in the development of the IED framework and are happy to hear that it will be a key component of the APTE, something which was underscored by members of the Economic and Community Development Committee during the final discussion of the Action Plan before coming to Council. This is a positive development.

However, we also note that there is little mention of community organizations and non-profits that also contribute to the economy in the plan. The more recognition that is given to this sector, the better, as that allows us to value their contributions and those of their employees more fully and respectfully.

There are also steps the City can itself take to improve the APTE now, and move towards a worker-centred reorientation in the long run:

1. Centre Inclusive Economic Development (IED): Improve Reporting, Build Accountability

- Currently, while the APTE does note the work currently underway to develop the IED framework, interaction/reporting mechanisms with the Plan are vague, and tracking is an afterthought left to post-secondary partners
- To centre inclusive development and ensure more democratic participation in the APTE/IED process:
 - IED reporting should be built directly into the annual reporting on the APTE given to Council
 - Adherence/non-adherence to the IED framework and principle should be a metric APTE actions are measured against
 - Stakeholder groups, like the Labour Council and community organizations, along with the public should have access to democratic accountability/engagement mechanisms to allow them to respond to APTE/IED progress

2. Grow Productivity Through Public Investment & Regulation, Not Cuts

- Currently, the APTE seeks to address lagging productivity in the city mainly through a series of tax cuts, other monetary/non-monetary incentives, and changes to regulatory by-laws and process to encourage private sector investment
- While private sector investment will remain a part of productive growth, it is not best suited to grow productivity on its own
- As the report notes, investment in public services and improvements in cost and quality of living in the city are key elements to attract and retain workers
- However, plans in the report, like those for reducing congestion (itself identified as drag on productivity, among other things) and investments in public infrastructure like transit remain a footnote, while punitive actions, like tickets, taxes, and fees, take centre stage. Punitive actions often hurt working people with little choice in the matter, and reinforce behaviour the City is attempting to limit. It would be better to plan positively for reducing congestion and investing in public infrastructure.
- The City could take important regulatory actions immediately to boost productivity and fight against race-to-the-bottom dynamics:
 - Regulation of gig work, a sector increasingly identified as a drag on productivity, through licence capping and minimum wages for all work time would boost productivity, improve the lives of workers in gig jobs, and direct more workers to other more productive sectors of the economy
 - Enforcement and expansion of regulations like the provincial BOSTA and the city's own Fair Wage Policy would work to ensure that construction projects are completed on-time, with fewer call-backs, all while protecting good jobs and reducing health and safety incidents
 - Social procurement policies that support local jobs and decent work
 - While not all of these actions are directly under city control, many are. Increasing funding to work conducted by inspectors at the City would be a good start, and setting up strategic plans to expand the ways the City addresses these issues in the long term should become part of the APTE.

3. Expand Climate Action: Create Jobs Now, Save Money Long Term

- Currently, the APTE acknowledges the threat, both on residents of Toronto and on the economy, which climate change poses. It has some actions which seek to reduce carbon emissions and mitigate further damage to the city.
- More can be done to address these issues and grow Toronto's economy in tandem
- Further, ample evidence suggests that a penny spent on climate mitigation today saves a dollar in the future, on top of the obvious benefits of mitigating climate change in and of itself.
- One concrete step the city could take is investing heavily into a green retrofit program to ensure all buildings, not just new builds, are net-zero (or near net zero) emitters by 2030. The Better Building Partnership from the 1990s reduced greenhouse gases, created countless hours of construction work for the trades thus creating good jobs and addressing the long lay-off list in the construction trades caused by the economic downturn, resulted in savings for the buildings, and stimulated local economic growth
 - The work the City has already committed to will create 18,000 jobs over 30 years and should be acknowledged and even expanded in the Action Plan
- To make this possible, the term "retrofits" should be added to Action 10.

4. Protect City Revenues

- In Action 2, the draft APTE talks about limiting property tax increases for commercial properties.
- Cutting the commercial property tax increase beyond the minimum required by provincial legislation would not only hurt the City's ability to pay for services, it would force working people to shoulder more of the burden.

While the business lobby will tell you commercial property tax cuts are the most effective to grow the economy, this is not the case. Across Canada, GDP growth rates between 2010-2020 for cities were not best indicated by their commercial-residential tax ratio or their overall rate of commercial property taxes levied on business. In fact, the two cities which contributed the most to Canada's GDP outside of Toronto were Montreal and Vancouver, who both saw comparable, above-average percentage GDP growth to Toronto despite also having above average commercial-residential ratios.

Furthermore, of large metropolitan zones in Canada, Montreal, the second greatest contributor to Canadian GDP, had among the highest level of commercial taxes, and Vancouver among the lowest, despite both seeing above average growth. Taken together, what this indicates very clearly is that there is more to growing the economy of a city than cutting commercial taxes. Indeed, as this report notes, they are the very things which city revenues fund, and must be protected.

5. Trim IMIT

- The draft APTE recommends replacing the Imagination, Manufacturing, Innovation & Technology (IMIT) program with an "incentive program to support targeted employment uses, increase high quality jobs, stimulate investment across the city, drive broader city-building goals, and enhance Toronto's competitive edge."
- The Labour Council has been critical of the use of IMIT to develop properties that do not need incentives to be built (e.g., office buildings near the downtown core) and has called for IMIT grants to be targeted to sectors such as film, manufacturing, and green industries that contribute to economic growth, result in creation of good jobs for Torontonians, and could use financial support.
- We recommend the wording be revised somewhat, "a LIMITED incentive program to support HIGH ROAD targeted employment uses, increase high quality jobs AND INCLUDE COMMUNITY BENEFITS AGREEMENTS WITH TARGETS WHEREVER FEASIBLE, stimulate investment across the city, drive broader city-building goals, and enhance Toronto's competitive edge."

The City still has time to make changes to the Action Plan now to both benefit working people, as well as grow the Toronto economy. While not a panacea, we believe that the above changes, would be a positive step in that direction. As always, the Labour Council will continue to advocate for an economy and society that puts working people at the centre, and would be an eager collaborator in this process.

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