What's Next for Foronto's Economy?

Toward a more competitive, inclusive, and sustainable city



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We believe urbanism is for everyone.



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CUI is Canada's Urban Institute. We are a national platform where policy makers, urban professionals, civic and business leaders, community activists, and academics can learn, share, and collaborate with one another from coast to coast to coast. Our mission is to support vibrant, equitable, livable, and resilient cities in Canada through research, engagement, and storytelling.

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Land Acknowledgement

The head office of the Canadian Urban Institute is located in Toronto, the traditional territory of many nations, including the Mississauga's of the Credit, the Anishinaabe, the Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples from across Turtle Island. Toronto is covered by Treaty 13, signed with the Mississauga's of the Credit, and the Williams Treaty, signed with multiple Anishinaabe Nations.

This place continues to be home to many Indigenous peoples from across Turtle Island and we are grateful to have the opportunity to work on this land.

Further, CUI is cognizant that many urban planning practices reinforced racist and exclusionary practices of colonialism.

The work of city-building today must include confronting the legacies of the past and search for new approaches that centre around equity and inclusion, making cities for and with everyone.

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Extend-A Family

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Scadding Court Community Centre

Let's Get Together

UrbanArts Toronto

Glad Tidings Tabernacle

East Scarborough Storefront

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"In ten years, if we can show a demonstrable change between the income gap and the cost of living, that's a very clear marker that we are doing well in our economy."

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Nation Cheong
Vice President, United Way Greater
Toronto

Executive Summary

The Canadian Urban Institute (CUI) was tasked by the City of Toronto with leading an extensive consultation with diverse sectors and communities to inform its new Action Plan for Toronto's Economy. We conducted one City*Talk* kick-off session, 14 focus group sessions with a cross-section of sectors and communities, 34 interviews, and a survey that has received more than 200 responses. In total CUI engaged with more than 470 individuals in the creation of this report. We combed through Economic Development & Culture's (EDC) existing reports and plans to provide additional inputs for City consideration. In this report, CUI summarizes what we heard, the most current thinking and research on urban economic development, and presents opportunities for consideration.

It is clear that Torontonians have tremendous expectations of their municipal government to support economic development. From the lone creator working from their home studio to leaders of business associations, non-profits, and global companies, everyone we consulted was brimming with ideas for the City to consider.

The opportunities highlighted in this report are based off of what we heard, leading research on urban economic development, and CUI's own research. Through this work, CUI has identified four key characteristics that cities foster in delivering an ambitious economic development plan (Section 2) and six opportunities to generate outcomes needed to continue Toronto on a path to being competitive and inclusive (Section 4). Based on what we heard and learned, taking advantage of the opportunities highlighted in this report will support Toronto in delivering an economic development strategy that is ambitious, flexible, and future-ready.

Over the last 20 years, Toronto has seen substantial economic and employment growth adding more than 170,000 jobs in the last ten years alone.¹ The city's ability to attract talent, draw investment, and create a desirable quality of life has played an important role in its success. However, not all members of our communities have shared in the benefits of growth and development, as it has been unevenly distributed among sectors, communities, and geographies. The arrival of the COVID-19 pandemic made the imbalance – and the city's challenges – even more apparent. While Toronto as a whole has shown remarkable signs of resilience, many

1 <u>Toronto Employment Survey, 2023</u>. City of Toronto.



sectors and residents are still struggling. We heard repeatedly that the evident decline in the city's quality of life - housing affordability, mobility, and safety - poses a very real risk to its on-going prosperity and sustaining the well-being of its residents.

Despite many challenges, Toronto continues to be Canada's largest local economy – generating more than \$180 billion in gross domestic product (GDP) as part of a region that generates \$358 billion, comprising 50 percent of Ontario's and 20 percent of Canada's economic output.² Our many competitive advantages include our diverse and skilled population, strong knowledge clusters and service economy, cultural vibrancy, and robust visitor (business and leisure) economy. Toronto remains a global gateway for talent and investment.

Now is the time to be proactive in bolstering and building on our strengths. We are a city full of workers, creators, and leaders that are ready, willing, and able to build on the city's economic advantages and tackle the challenges to create a growing, inclusive, and resilient economy.

This report provides six opportunities and four characteristics that if realized will lead Toronto toward a more competitive, inclusive, and sustainable economy.

Opportunities & characteristics for a competitive, inclusive, and sustainable Toronto				
Ø=	Opportunities		Characteristics	
	Championing quality of life		Leadership	
	as a competitive advantage		Partnership	
	Reimagine our city centres		Responsiveness	
	Champion an inclusive economy		Organizational innovation	
	Strengthen growth sectors		innovation	
	Lead as a region			
	Create an increasingly streamlined business environment			

2 Office of Recovery and Rebuild, <u>Towards Recovery and Rebuilding a Renewed Toronto</u>. City of Toronto.



Introduction

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Introduction

The City of Toronto tasked the Canadian Urban Institute (CUI) with leading an extensive research and consultation process with numerous sectors and communities to inform a new 10-Year Action Plan for Toronto's Economy. Through January and February 2024, CUI met with sector- and community-specific representatives from various geographies, populations, and sectors across the city.

In total, we conducted one City*Talk* kick-off session, 14 focus group sessions, 34 interviews, and an online survey that received 222 responses. In total CUI engaged with more than 470 individuals and organizations in the creation of this report.

The city's businesses, local associations, and community representatives seized the opportunity to share their views. Dialogue focused on how the City can build on its strengths to become more competitive, foster inclusive economic development, and encourage sustainable practices to mitigate the impacts of climate change. We asked what's working well, what's not working, and what needs to happen next – not only to recover from the impacts of the pandemic and other challenges, but to thrive over the next decade.

In preparing this report, an initial literature review of various reports and plans commissioned by the City over the last decade was completed, as well as identifying the most current thinking and research on urban economic development in other jurisdictions.

Torontonians communicated their pride in the city, aspirations for the city's economy, and strong desire to make it work for everyone. They made it clear that they are looking to the City to provide on-the-ground guidance and proactive leadership to build a shared path forward, and to most importantly address quality of life issues in Toronto.





This report identifies four key characteristics that help cities deliver an ambitious economic development plan (Section 2) and six opportunities to generate outcomes needed to continue Toronto on a path to being competitive and inclusive (Section 4). Together these key characteristics and opportunities will enable the City to be ambitious, flexible, and future-ready.

> Quality of life is a crosscutting, all-encompassing matter that impacts Toronto's ability to attract and retain talent, investment, and create an inclusive city that can compete with other metropolitan areas.

While these characteristics and opportunities are mutually reinforcing, quality of life is a cross-cutting, allencompassing matter that impacts Toronto's ability to attract and retain talent, investment, and create an inclusive city that can compete with other metropolitan areas. Accordingly, there is a substantial need for Toronto to champion quality of life matters including housing, mobility, safety, and investment in community assets.



Purpose and Objectives

This report was prepared to inform the development of Toronto's new 10-Year Economic Action Plan.

The objectives of our consultation and engagement initiatives, and jurisdictional scan were to:

- Generate actionable insights to foster employment and investment opportunities in the city;
- Solicit feedback on actions the City can take, and understand how industry could support key measures to address economic and cultural disparities across Toronto; and
- Engage, inform, and be informed by critical sectors and local businesses across Toronto.

Together, this report provides insights for the City of Toronto to develop a strategy that:

- Ensures Toronto's competitiveness, within the Greater Toronto region and internationally;
- Moves toward a more inclusive economy; and
- Enables Toronto to thrive as a leader in sustainable economic development.

Our Approach to Consultation and Engagement

CUI is committed to taking an equity approach to consultation and engagement. We recognize that many groups have difficulty accessing opportunities to influence change in Toronto, and as a result took proactive steps to include the views and experiences of a diverse cross-section of Torontonians. In particular, we designed our process to intentionally seek out measures that address economic and cultural disparities for equity-deserving communities and under-served areas of the city.

We focused the dialogue on how the City can be more competitive, inclusive, and sustainable by asking three key questions: what's working, what's not, and what's needed?



Our Method

First, we leveraged our City*Talk* virtual format to generate excitement and introduce the objectives of our consultation and engagement process. We held a <u>CUI</u> <u>City*Talk*</u> on December 21, 2023 as a public project kick-off attended by nearly 100 participants (see Appendix A).

We then hosted 14 sector- and community-specific sessions through January and February 2024. We worked with five convening partners with support from many others to ensure that each session included a broad cross-section of the sector or region, including representatives of small business, large global firms, Business Improvement Associations, institutions, community coalitions, and thought leaders.

This report also includes a summary report led by Mokwateh, an Indigenousled consultancy committed to taking on complex challenges and rebuilding them toward shared prosperity, on Indigenous economic participation and reconciliation (Appendix D).

Sector-Specific Sessions

- Building and Construction
- Financial Services
- Innovation and Tech
- Life Sciences and Biomedical
- Manufacturing
- Media and Entertainment
- Tourism

Community-Specific Sessions (Small Businesses and Main Streets)

- Etobicoke
- North York
- Scarborough
- Toronto-East York
- Central Business Districts and the Future of Work
- Cultural and Newcomer Non-Profit Clusters (x2)



At the same time, we conducted one-on-one interviews with a diversity of community-based organizations, selected for their unique expertise. Interviewees represented community-based non-profits, business leaders and founders, and cultural business associations. In total, we conducted 34 interviews.

We also prepared and posted an online survey on the City's website for 6 weeks through January and February 2024. In total we received 222 responses.

Finally, we conducted a review of prior economic development plans and strategies (*Collaborating for Competitiveness, Interim Strategic Directions, 2018 Divisional Strategy*), insights from the City's *Economic Advisory Panel*, and research from other jurisdictions.



Economic Development is Everyone's Business

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Economic Development is Everyone's Business

Toronto is a city with strong forward momentum, adding more than 170,000 jobs in the last ten years alone and benefitting from nearly 20 years of uninterrupted growth. In focus groups and interviews conducted for this report residents, employers, and experts noted the significant progress made since the previous economic development strategy and the need for a strong economy to deliver on the City of Toronto's goals.

Businesses, founders, and community leaders are looking to the City to take the lead in ensuring Toronto's economy remains competitive, becomes more inclusive, and addresses the tension between economic growth and tackling climate change.

Torontonians want the City government (from hereon "City") to be proactive, open, vocal and visible, and efficient in working across City divisions, as well as external partners. They want to know what the City's vision and plans are for their sectors and communities, and for the city as a whole. Participants made it clear that they expect the City to provide proactive leadership and vision, provide on-the-ground guidance to communities and businesses, and to chart a clear and shared path forward.

These perspectives are consistent with global best practices. Effective economic development requires leadership by the City to articulate a vision of the direction of the economy and stewardship of that vision. Delivering on the vision requires ownership from across City divisions and in partnership with the private and non-profit sectors. Economic development is not just a practice, but a city-wide goal with broad benefits that enhances opportunity across the city. In short, it's everyone's business.



An example of a city that successfully transformed its approach to economic development is San Jose, California (which was then the 10th biggest City in the United States). While Toronto is on stronger footing than San Jose, their response to economic headwinds illustrates the importance of effectively planning and delivering economic development strategies. In 2003, the city was struggling following the burst of the dot-com bubble which resulted in a loss of nearly 1 in 5 jobs countrywide between 2000 and 2003. Although San Jose dubbed itself the "Capital of Silicon Valley", many of the leading firms and a majority of the employment in the "tech" industry was located in other cities in Santa Clara County. Over the next 5 years they would strengthen their downtown as a city centre, reshape outer districts as transit-oriented urban employment districts, and elevate the fiscal importance of employment lands by preserving employment lands for job and economic uses creating an additional 56,000 jobs.

Following another economic recession in 2009 that effectively eliminated their gains, San Jose was forced to rebuild again but they were in a stronger position to do so. Taking their learnings from successfully implementing their 2003 economic development strategy enabled them to respond more effectively to the economic and fiscal shock of the Great Recession.³ A number of lessons can be taken from San Jose and other cities in their ability to adapt and successfully deliver on economic development strategies.

A successful economic development strategy requires leadership to champion the vision of the local economy.

First, a successful economic development strategy requires leadership to champion the vision of the local economy. Successful economic development requires a coherent vision with direct buy-in from key players both internal and external to the City administration. To continue stewardship of its vision over many years, San Jose established an organizational framework to support implementation where results are measured and reported. It created opportunities to review progress amongst partners and identify areas for improvement. Securing buy-in toward the plan and having organizational structures in place to review its progress is critical to delivering a long-term strategy.

3 Terplan, Egon. Sharing the Wealth: San Jose's Plan to Capture More Jobs, 2010.



Second, cities that partner are better able to deliver on new and targeted programs. Partnerships are often necessary as developing and maintaining a strong and inclusive economy is not the domain of the city on its own. Partnerships between civic organizations, community groups, business associations, or other key players may be necessary to move an idea from germination to implementation. It also builds buyin and ownership of the vision in the private or non-profit sector. One successful partnership example is San Francisco's "Vacant to Vibrant" program, a recent program to fill vacant downtown retail space that is structured as a partnership between the City and a non-profit group. The project supports



San Francisco's *Vacant to Vibrant* program revitalizes spaces in partnership with a non-profit.

matchmaking, permitting, and funding for businesses, entrepreneurs, or artists that have innovative ideas for filling vacant retail spaces.⁴ Partnering can take the form of both an external organization delivering program needs for a city and/or working with an external organization to create unique solutions for solving pressing problems, such as filling vacant commercial spaces.

Third, cities that are able to be responsive to economic conditions are better positioned to support the needs of businesses and communities in times of uncertainty. In San Jose, this meant not only identifying external forces that would impact the city economy but also undertaking economic analysis to identify strategic priorities and shifting resources toward those priorities including infrastructure upgrades and land use planning changes to create mixed-use transit-oriented centres. In San Francisco, it meant creating an Office of Economic Analysis headed by a Chief Economist to provide impartial assessments of economic conditions or economic impacts of city policies.⁵ Both approaches ensure that a long-term strategy

⁵ See: https://www.sf.gov/information/office-economic-analysis.



⁴ SF New Deal and Office of Economic And Workforce Development (OEWD) launch Vacant To Vibrant to bring pop-ups to Downtown San Francisco | San Francisco, 2023.

can adjust as necessary to respond to prevailing economic conditions, shifting policy environments, and the changing needs of its communities.

Finally, fostering a culture of innovation within and across the entire City government can support cities in implementing process improvements and taking advantage of emerging opportunities. Organizational innovation is both an existing or developed culture and a specific set of processes that continue to reinforce innovation. It can be as simple as encouraging risk taking or a willingness to learn from other places or fostering connections to other cities. In New York City under the Bloomberg administration, this meant rewarding risk taking by city staff so long as they were piloting experimental approaches at a small scale and trying to move toward agreed upon outcomes. For example, the pedestrianizing of major sections of Broadway across Manhattan began as a temporary six-month pilot to close a lane in Times Square (the busiest and hardest place to do so) before continuing in other areas. Experimentation and initial piloting of small-scale interventions was a core part of the innovative culture fostered in New York City at that time, resulting in larger-scale and permanent transformations, such as making a fully pedestrianized Times Square and Madison Square.⁶ In Vienna, Austria it meant creating opportunities for city staff across divisions to pitch innovation projects that can better the city. The winners were selected by a jury and winning projects were awarded dedicated funding to pursue the initiative.7

Organizational innovation can support cities in recognizing their existing talent, drawing in diverse public service talent, and achieving swift outcomes that benefit the public.

Each of these characteristics – **leadership**, **partnership**, **responsiveness**, **and organizational innovation** – are critical to delivering a long-term vision of Toronto's economy. These characteristics were routinely identified in our focus groups and interviews as qualities participants would like to see from their City government. A City that leads, that partners where necessary, that responds to the needs of businesses and communities swiftly, and that consistently innovates to find better ways of delivering services.

Harnessing these characteristics will empower Toronto to lead with vision and take advantage of the many opportunities to come.

⁷ See: Strategy "VIENNA 2030 - Economy and Innovation" (wien.gv.at).



⁶ See: https://urbanland.uli.org/infrastructure-transit/battle-new-times-square

What We Heard



What We Heard

Over two months, CUI undertook consultation sessions, interviews, surveys, and research to inform this report.

We heard from nearly 500 Toronto residents including small businesses, individuals, community organizations, and business leaders. We undertook a parallel interview process with Indigenous businesses and business associations (See Appendix D). We held 14 sector- and community-specific engagement sessions (See Appendix B2) to draw upon deep insights on how businesses engage with the City and what their outlook is. In these sessions we heard directly from small businesses, business associations, and major employers on what they feel is working well and where they see the city going.

Participants in the sector- and community-specific engagements sessions were keen to share their experiences and express their hopes for the future. Participants noted what is working well and what is not. They also addressed the question of what is needed next for Toronto's success and the well-being of residents, identifying solutions from the immediate and simple to those that are long term and complex.

We asked participants to elaborate on what is working, what is not working, and what needs to happen next, and focused our questions on the core elements of the City's economic vision: competitiveness, inclusion, and sustainability. Here is what we heard.

What's Working Well

Participants appreciate the work underway by the City to boost economic activity

For example, several noted CaféTO as a successful, energetic initiative that started during the pandemic. It was viewed as a program that offered lessons for future initiatives. Participants also noted that marketing programs (such as Winterlicious/ Summerlicious), start-up support programs (such as the Small Business Enterprise Centre), and networking events run by the City are often effective and appreciated.





People and Talent

We heard that Toronto is in a fortunate position, even post-pandemic, in terms of its talent pool. Participants noted that Toronto's institutions foster a well educated and well-trained talent, which is a substantial benefit of locating a business in Toronto. In multiple sessions we heard that the city economically benefits from the diversity of the population and its talented workforce.

Built-in Advantages

We heard that the city has retained its international reputation as a place to visit, benefits from the co-location of exceptional public institutions and companies, and has other geographic advantages (e.g., access to global markets). Participants noted that Toronto has high-quality tourism facilities, cultural events, and major assets in the core, and in the former cities surrounding the pre-amalgamation City of Toronto.

Increasing Density Permissions

Participants in the building and construction session noted that there are positive steps underway by the City to increase density. Some were hopeful that following a review of the office conversion policy changes will be made to further support new housing construction.

Co-location of Major Institutions

We heard from participants that Toronto is uniquely situated due to the co-location of our hospitals and universities in the Discovery District, which unlocks major agglomerative benefits. Participants highlighted that the strong health and artificial intelligence (AI) industry, and commercialization channels through U of T in this district are a major asset to Toronto.



Thinking Outside the Box

We heard a number of examples from participants of initiatives that they felt were truly transformative such as Café TO or the King Street Pilot. Participants noted that often the City is great at piloting new initiatives and there is an opportunity to show that this can lead to permanent change by continuing to invest in those piloted initiatives, and do more.

Mixed-use Nature

Toronto's mixed-use downtown is an advantage that draws greater density of jobs and people in the city centres. Participants highlighted Toronto's mixed-use nature as an example of what makes Toronto's downtown dynamic and vibrant.

Film

We heard from the creative industries that the City's efforts to boost film production and post-production in Toronto are working. They highlighted that the City's role has fostered an ecosystem that is rich and supportive making it easier to do business in Toronto.

Startup City

Toronto is home to an accessible startup environment. Participants in our tech session highlighted that Toronto's tech community is highly accessible and supportive, making Toronto an easy place to start a business and pilot tech solutions.

Engagement

A number of participants highlighted areas where the City is a successfully and consistently engaging. For example, in our tourism session we heard that there is strong coordination and engagement with the sector. The Business Improvement Associations (BIAs) feel they are part of the City. They cited our CUI-led sessions as an example of engagement that the City does well. Representatives of community-based organizations also appreciated the City's efforts to prioritize engaging equity-deserving groups, and their efforts in engaging and connecting community-based organizations to each other and to programs.

However, the favourable comments were often countered with a "but."



What's Not Working

Participants in our consultation and engagement sessions emphasized the challenges they see for themselves and for the city's economic future.

Many of the challenges participants raised focused on the perception that the City has limited ability to advocate on their behalf. Participants expect the City to find ways of addressing the challenges that exist now and those that are on the horizon. They expect the City to take on a renewed leadership role, establish better processes that make it easier to grow in Toronto, and involve partners in new ways of doing things. Participants want to know what the plan is for the future of the city, their sectors, and their communities.

Quality of Life

Session participants repeatedly mentioned the perceived change in quality of life in Toronto as a challenge to the economy and the city's future viability. The quality of life issues below comprise critical areas routinely raised by participants which they believe are opportunities to improve Toronto's livability and the ability for businesses to draw and retain new talent, new investment, and tourism.

Mobility

Participants and respondents highlighted the difficulty in getting around the city and connecting critical locations. We heard that traffic congestion is keeping the workforce away, that transit feels unreliable and generally feels unsafe, and that different modes of transport aren't well connected. We also heard that congestion can impact supply chains affecting productivity, and that construction that causes road closures could be improved with greater coordination.

Congestion was highlighted by participants as a factor that is discouraging people who live in the city, and who live in the wider region, from coming into the office and staying for the restaurants, entertainment, and events. Beyond the inconvenience, congestion comes at a cost most recently estimated at \$11 billion of lost productivity in 2022.⁸

8 Global Traffic Scorecard | INRIX Global Traffic Rankings, 2022.



Costs and Availability of Ownership and Rental Housing

We heard from participants that the housing affordability crisis in Toronto is a major challenge to people who can choose to live anywhere or grow their businesses elsewhere. We heard it's having a major impact on the current and future workforce, as talented people and entrepreneurs can't afford to live here. We also heard from participants that there is an opportunity for increased assistance to support vulnerable populations.

Safety

We heard from participants about the perception of safety that is impacting individuals travel patterns to city centres and the way people conduct business

and the way people conduct business generally. Business owners and workers commented that increases in auto-theft and burglary have become disincentives to opening storefronts. We heard from participants that the perceived lack of safety in the downtown is a deterrent to spending more time there.

Community Services

Participants often noted the need for access to civic infrastructure to support participation in the economy, the most common example being childcare. We heard the desire to see greater investment in, advocating for, and co-locating of community services such as in libraries. Community services were routinely noted as important factors in making the return to office and workforce participation easier.

Immigration Policies

We heard that newcomers to Canada need more support with bridging skills, connecting with employers, and on-going training. One participant noted that the federal start-up visa program often leaves newcomer workers with limited supports after their arrival. We heard from some small business owners that the changes to international student policies will have an impact on patronage for local restaurants and street life.





More Observations

The downtown core has changed

While respondents acknowledged there are differing roles between orders of government in addressing these changes, they highlighted that street life (day-to-day foot traffic) is down, the percentage of workers coming back to the office appears to have peaked well below pre-pandemic numbers, and personal safety is an on-going concern noted by many participants. We heard that there is a perception that vacant storefronts are increasing and activity in city centres, particularly the downtown, is generally down. Participants called for innovative approaches to create year-round, 24/7 activations in our city centres.

Other city centres and communities need attention, too

Participants identified that the City could do more to encourage people from other parts of the city and region to visit major centres or key locations across the city, like the Toronto Zoo and the Bluffs. They noted a disparity between City-supported events in the civic centres across the city, compared to those at Nathan Phillips Square, and that the office towers in other centres have also not fully returned which impacts the retail environment.

Navigating government workforce development services and business supports is onerous

Representatives of community-based organizations told us it can be challenging to navigate the range of services or grants available from the City, Province, or Federal government without existing relationships.

Critical infrastructure can be better leveraged and maintained

Participants expressed that the City can do more to maintain public assets and infrastructure, from roads, to public parks, to bike lanes. They often highlighted that there are opportunities to enhance coordination of construction projects and investment in public infrastructure, for example bundling utility work and road work.



Business owners and leaders feel disconnected from the City

A few participants noted their desire for continued connection with the City to help build the city's future together. Participants in small business sessions told us the BIAs are doing a great job but would benefit from some support in new programming. Many small businesses are not covered by a BIA and are therefore left out of City initiatives. They further highlighted that the City could do more to support/create public-private partnerships or match-make the needs of businesses across the City.

Globally competitive sectors need investment and boosting

We heard from participants that there is great potential to build up high growth sectors to make Toronto globally competitive. From the tech sector to life sciences to manufacturing, participants highlighted a number of sectors where Toronto has great expertise but needs support in breaking into a highly competitive global market. Some sector-session participants also expressed uncertainty about the future of the city and their sector's role in Toronto, noting that they want to see what the City's plan is for the future of its economy.

Issues with internal City processes

Participants routinely highlighted the need for more efficient processes, such as with rezoning applications. Participants identified that there is an opportunity to vastly improve coordination between City Divisions to help expedite City processes. Some noted that there may be an opportunity to empower staff to problem solve complex issues or processes that fall between divisions.

Uneven recovery in sectors

We heard that some sectors are recovering, and on course to thriving but struggling to pivot as business travel and work patterns have changed. We heard from the tourism sector that while they are recovering, there has been a substantial drop in international visitors. We heard from the film sector that while productions continue to choose Toronto, there are limitations in space and it can be tough to retain talent. We heard from the tech sector that they have a strong community here in Toronto that is accessible and welcoming. We heard from the manufacturing sector that they continue to benefit from Toronto's talent pool but are challenged in becoming greater exporters.

In Section 4, we present opportunities for the City's consideration that build from what we heard and how other cities have (and are) responding to similar challenges.



What's Needed: Key Opportunities

What's Needed: Key Opportunities

Participants inspired us with their pride in the city, aspirations, and strong desire to foster an economic environment that works for everyone.

In every session, we heard many insightful and creative ideas for the City, other orders of government, business organizations, non-profits, companies, and other invested parties. Participants appreciated the opportunity to share their experiences and advice, and noted that this process is an example of the on-going collaboration and coalition-building they would like to see the City adopt as a best practice.

In addition to what we heard, we drew on insights from urban economic development experts and current research. The research validated what we heard through our consultation and engagement process and presented unique approaches to tackling problems that many cities continue to face.





Champion Quality of Life as a Competitive Advantage

OBJECTIVE ->

Continue work on enhancing quality of life through the availability of housing, reliability of mobility options, addressing safety, and investing in community assets.

Why Now?

We heard from participants that they view housing, mobility, safety, and access to community assets as major challenges to Toronto's long-term economic development. Throughout our sessions it became clear that our quality of life, a key competitive advantage for Toronto, is in question from participants. We heard in all our sessions that the quality of life and affordability are key factors in drawing and retaining talent, and opening opportunities to everyone.

Community services were cited by participants as critical for enabling people to participate in the economy. For example, one quarter of the workforce is engaged in some form of family care. During the pandemic, women experienced the majority of job loss due to care responsibilities.⁹ Participants noted that increased access to critical community services may better facilitate or enable a more seamless return to office and/or workforce participation.

A number of options were proposed that were recurring throughout our sessions. These included creating a more streamlined planning environment, expanding transit options, and enhancing reliability while managing disruption from construction of new projects, coordinating new approaches to safety particularly in our city centres, and leveraging civic infrastructure to ensure residents have the spaces they need to support and care for their families.





Toronto in Context

In many ways, Toronto is taking action on these items, but participants would like to see continued action. Toronto's Housing Action Plan and other major transformational projects aim to both expand housing options and stimulate housing supply directly. The Transit Expansion Office supports the City's objectives in managing transit construction and the City is investing substantially in transit state of good repair, and new programs such as the Toronto Community Crisis Service is a leading interdisciplinary model for managing safety and mental health on our streets.

Housing that is affordable, attainable, and provides a path to wealth creation is a critical asset for any city. Rising housing prices make it more difficult for people to get on the property ladder and cover costs of their shelter. Changes in housing prices, rents, and interest rates can adversely affect how much money people can spend and on what. Housing policies shape where we live, what we do, and how we participate in our economy locally.

Mobility plays a critical role in how people experience the city, where they go, and has a direct impact on productivity. The INRIX Global Traffic Scorecard estimates that congestion comes at an \$11 billion cost in lost productivity to the Toronto region in 2022.¹⁰ Mobility challenges were often cited in our sessions as a disincentive to return to the office. Perceived lack of safety on our transit system was also cited as a deterrent to enjoying the downtown from a resident and visitor perspective. A reliable and safe transportation network, within the city and the region, are essential components of a competitive and inclusive economy.

Safety is important in creating vibrant main streets and fostering an inviting visitor economy. The UN's 2030 Agenda for Sustainable Development highlights making cities safe and inclusive in Goal 11. Safety focuses on achieving inclusive and equitable economic development with the provision and access to community services. Safety in the 2011 World Development Report is cited as a constraining factor for development and economic growth of citizens.¹¹ Participants noted that a perceived lack of safety impacts the ability of small businesses to conduct business or open new storefronts. The perception of safety was also noted as a risk that left unchecked could lead to reputational damage impacting our visitor economy.

¹¹ Governing Safer Cities, 2016. United Nations Office on Drugs and Crime.



¹⁰ Global Traffic Scorecard | INRIX Global Traffic Rankings, 2022.



In order to unlock the potential of a new Action Plan for Toronto's Economy, Toronto must champion quality of life as a competitive advantage with a focus on housing, mobility, safety, and investment in community assets.

The Opportunity

In order to unlock the potential of a new Action Plan for Toronto's Economy, Toronto must **champion quality of life as a competitive advantage with a focus on housing, mobility, safety, and investment in community assets**. There is a necessary requirement for investment and coordination from all orders of government to advance these key areas that enable a high quality of life. Advancing quality of life head on – with support from all orders of government – will be critical to maintain Toronto's competitive position, draw and retain talent, and increase investment in Toronto in the long-term.

Creating a streamlined planning process to enhance housing options in Toronto can make it easier for new housing developments to get built and allow for greater innovation in project delivery. We heard from participants that were supportive of existing initiatives, such as increasing density permissions on major streets. While we heard from the manufacturing sector that there needs to be a balance of housing and employment lands that support critical manufacturing and business employers. Small business owners noted that protecting for space for small businesses in planning regimes is necessary to support local services in downtown and suburban communities, and to foster entrepreneurship. Continuing efforts to create a more permissive and predictable planning process is critical to planning for new residents in Toronto, creating new commercial developments, and stabilizing housing and shelter costs in the long term.



Supporting investments in new transit, investing in reliable transit options, and planning for disruptions will be key in solving mobility challenges in the long-term. We heard from small businesses that are concerned about construction mitigation of transit projects, but also want more investment in transit expansion. We heard in every session the need to invest in reliable multi-modal transportation options to get around the city and the downtown faster, and support return to office efforts. Participants highlighted that over the next ten years, transit construction will add to traffic congestion and present a major challenge in mobility in our downtown and Scarborough in particular. We heard from participants that pursuing new strategies, investing in transit reliability, and expanding on existing initiatives, such as traffic constables, can alleviate traffic congestion and safety as major infrastructure projects are being built.

BIAs and tourism operators noted that the perceived lack of safety is a challenge in Toronto's centres. One small business owner in Scarborough noted that lack of safety is a deterrent to opening a storefront with the threat of expensive equipment being stolen. Coordinating interdisciplinary approaches to increase eyes on the street that includes policing, mental health supports, and addiction supports will be critical for both resident safety and continued vibrancy of Toronto's main streets.

Leveraging existing spaces and investing in new community assets can enhance inclusion and participation in the economy. This could include advocacy strategies that lead to the creation of new childcare facilities, enhancing programming in existing community centres and building new ones, co-locating or enhancing programs in libraries, or incentivizing vacant storefronts for community services to support activation and cohesion in neighbourhoods. CUI's work

CUI's work on libraries found that for every \$1 spent on library programming there was a return of \$6 creating a \$2.1 billion economic impact from Canada's urban libraries.

on libraries, for example, found that for every \$1 spent on library programming there was a return of \$6 creating a \$2.1 billion economic impact from Canada's urban libraries.¹² Community assets are critical to enhancing participation in the economy and while participants noted not all of this falls under municipal jurisdiction, they highlighted the role the City can play in advocating for supports and investment in community spaces.

12 See CUI's Overdue: The Case for Canada's Public Libraries.





Reimagine Our Downtown and City Centres

OBJECTIVE ->

Establish a vision for these essential places and coordinate across the public, private, and non-profit sector to realize it.

Why Now?

We heard from participants that there is an opportunity to reimagine our financial district as travel patterns and business patterns have changed. Participants routinely spoke to the desire for a vibrant downtown, and small business owners in city centres spoke to the changing nature of foot traffic along commercial corridors. Many small businesses noted that the office towers that used to provide substantial business to their establishments can no longer be relied upon. Some participants noted that changes in foot traffic and travel patterns require a new approach to drawing people into city centres such as coordinating events, marketing, or investments in public realm.

Toronto in Context

Toronto's downtown and city centres are a significant driver of economic growth and serve as a major contributor to Toronto's status as a global economic hub. Toronto's downtown is both a local and national economic hub containing more than 600,000 jobs comprising 39.1% of Toronto's employment. The city centres (North York, Yonge and Eglinton, Scarborough, and Etobicoke) collectively contribute 73,750 jobs to Toronto's economy representing 5% of the workforce.¹³ The downtown and city centres are essential economic spaces, and based on what we heard, require focus and attention to maximize their potential.

The COVID-19 pandemic triggered a transformative shift in how people work and how we view our centres. Remote work became prevalent, leading to a re-evaluation of traditional office spaces. Changes in work and travel patterns led to declining foot



13 <u>Toronto Employment Bulletin</u>, 2023.

Downtown Yonge Street in Toronto saw a loss in foot traffic of 24 million annual visits between 2019 and 2022. Retail businesses that relied on 5 days per week to pay rent now must do the same in 3 days. traffic for example Downtown Yonge saw a loss in foot traffic of 24 million annual visits between 2019 and 2022¹⁴; retail businesses that relied on 5 days per week to pay rent now must do the same in 3 days. The need for more housing has led to policies that are more permissive on introducing housing and a re-evaluation of office replacement policies. Meanwhile, combined crises of mental health and addictions, homelessness, and increased concerns of safety make it challenging for the potential of the centres to be fully realized.

In many ways, Toronto has everything it needs to adapt to change in city centres. We have the institutions, community organizations, and know how to reimagine our downtown and city centres. Bringing these groups together to deliver on a renewed vision for these important employment centres and establishing stewardship of these spaces can ensure that the City is responding to the needs of businesses and communities that thrive in our centres.

What Other Cities are Doing

Toronto is not alone in grappling with change in its downtown and city centres. Cities across the globe are adjusting to the impacts of remote and hybrid work patterns, the need for more attainable housing, enhancing overall pedestrian activity in the centres, and managing and coordinating agencies to ensure the safety of its workers and residents.

Other cities are responding to the changing nature of work and travel patterns in their downtowns as well. Cities like Ottawa, Washington DC, Chicago, and Sydney – among many others – are in the midst of crafting strategies to coordinate efforts that ensure the success of the vital downtown spaces. Washington DC, for example, centres their strategy on the need for safety, creating a residential base, mobility, making it easy to open businesses, and delivering on the plan successfully.¹⁵

The public realm also plays an important role in our centres to make them a desirable and vibrant destination. Cities like Philadelphia long benefitted from a single BIA in their city centre, which allows them to better coordinate and enhance

¹⁵ Washington DC's Downtown Action Plan, 2024.



¹⁴ See CUI's Measuring Main Streets, 2024.
shared investments in their public realm. Their "Center City District" comprises 233 blocks and more than 1,600 properties. This coordinated approach has allowed the BIA to not only focus on core activities like clean and safe programs and marketing, but also enabled them to take on major capital projects, including the creation of new parks which resulted in private investments of \$55 million creating four new parks in the downtown area.¹⁶



By coordinating activities in the downtown Philadelphia's *Center City District* unlocked \$55 million of public-private investment towards four new parks.

In Seattle, Waterfront Seattle was created to stimulate a coordinated vision for their waterfront. Similar to Waterfront Toronto, Waterfront Seattle helps coordinate all activities along the waterfront to create a unified and consistent vision for what is a jewel of any city. ¹⁷ In Toronto, Waterfront Toronto is just one of four organizations that have competing and overlapping jurisdictions along the waterfront. Enhancing partnerships to the waterfront and centres can support placemaking, access, programming, investment, and maintenance.

The Opportunity

There is substantial opportunity for Toronto to lead by **creating a "Reimagining City Centres" strategy to define the vision and goals for our city centres, and develop partnerships to coordinate investment in these essential places.**

Toronto's downtown and city centres will continue to grow and change in the next 10 years. In addition, new employment centres are planned for the Port Lands and Downsview. Creating new and coordinated approaches to public realm investment, ground floor retail, housing, and facilitating on-going leadership tables will create a leading model on how cities should build and maintain their centres.

A "Reimagining City Centres" strategy could address a number of the issues raised throughout our engagements: marketing and promotion, event coordination, leveraging and investing in new community assets, coordinating safety, innovative models to activate vacant spaces, and coordinating efforts across government and institutional entities to realize outcomes.

- 16 See: https://centercityphila.org/parks/about-ccd-parks
- 17 See: https://waterfrontseattle.org/





Champion an Inclusive Economy

OBJECTIVES ->

- Engage with communities consistently and identify approaches to realize an inclusive economy.
- Make space for small businesses, share best practices, be an advocate and partner, and lead by example.
- Create a parallel Indigenous economic development process.

Why Now?

We heard in our sessions that there is a broad understanding that previous approaches to economic growth need to be reevaluated, and that as Toronto's economy grows our neighbourhoods across the city should benefit from that growth. We heard from a number of community organizations who are working towards this goal and are willing partners for the City. This feedback was confirmed through Toronto's survey for the Action Plan for Toronto's Economy.

In a June 2022 staff report to the Economic and Community Development Committee, the City of Toronto proposed a new definition for inclusive economic development: "Inclusive economic development occurs when economic opportunities and outcomes improve across Toronto's population and neighbourhoods in parallel to overall growth of the city and economy."

Based on this definition, the survey asked residents about the importance of inclusion in a new 10-year economic development strategy. Of 222 respondents, only 30% felt that Toronto's economy is currently inclusive while 90% of respondents felt that inclusion is either important or very important for the future of Toronto's economy.¹⁸ We also heard the important role that small businesses play in supporting local economies, and the need for the City to protect for spaces that are better suited for small businesses as the city undergoes major changes in the coming years.



18 Action Plan for Toronto Survey, 2024. City of Toronto.

Toronto in Context

Toronto has been leading in creating an inclusive economy for many years. The City's Poverty Reduction Strategy led to the creation of the Fair Pass Transit Discount program, the Social Development and Finance Administration Division administers a number of programs including the <u>AnchorTO</u> social procurement initiative, and there is work underway in the non-profit space to enhance employee-ownership organizations.¹⁹ Toronto is already a leading player in innovating in the realm of inclusive economic development, but there is an opportunity to leverage the resources of the city, its communities, neighbouring municipalities, and other major institutions to do even more. Amongst other cities, its clear that there are a range of partnerships required between orders of government, institutions, and the private sector to truly shepherd Toronto toward a more inclusive economy.

What Other Cities are Doing

Some cities, like Sydney, have incorporated the concept (Community Wealth Building in Australia) as a potential pillar for their economic development strategy. In 2021, Sydney released a discussion paper highlighting the potential principles of a community wealth building initiative: building the generative economy by nurturing diverse owned businesses, progressive procurement leveraging the cities direct spending power, partnering to achieve employment outcomes, leveraging land and property to generate community benefits, and finance interventions to align capital with social goals of the community.²⁰

In Cleveland, Ohio the "Cleveland Model" of community economic development leverages the purchasing power of "anchor institutions" (i.e., major employers like universities and healthcare) to support wealth building through their creation of the Evergreen Co-Operative Initiative. This model



Cleveland's Evergreen Co-Operative Initiative converts small business to employee owned businesses and leverages local procurement initiatives to stimulate inclusive economic development.



¹⁹ See the work of Social Capital Partners.

²⁰ See: https://www.cityofsydney.nsw.gov.au/vision-setting/yoursay-developing-community-wealth-building-policy



was launched in 2008 in partnership between the City of Cleveland, a number of civic foundations, and regional universities.²¹ This co-operative initiative acquires small to medium-sized businesses and converts them to employee-owned businesses. The "anchor institution strategy" leverages the buying power of institutions and large organizations in the region to procure supplies or services from these employee-owned businesses. This model of economic development supports local capacity building, skills training, wealth creation, and fosters a vibrant local economy.

Using institutional and public sector buying power is a major trend in supporting inclusive economic development. Procurement is used in Philadelphia to support entrepreneurs and small businesses in taking on city contracts. Some key actions from their Office of Economic Opportunity includes percent targets to contract from small businesses, streamlined certification processes, adjusting contracts to breakout smaller services that could be delivered locally, and supporting subcontractors in growing to becoming prime contractors.²² In Australia, a regional approach was taken in the state of Victoria to create the GROW G:21 initiative which brought together 110 institutions and local governments in committing to preferencing local procurement.²³ Leveraging not just the City's buying power but also that of the region's and all the institutions therein can play an important role in realizing a more inclusive economy.

- 21 About (evgoh.com)
- 22 See: https://www.phila.gov/departments/office-ofeconomic-opportunity/.
- 23 See: https://www.growvic.com.au/



The Opportunity

There is substantial opportunity for Toronto to **co-develop a shared vision and approach for inclusive economic development in Toronto** by working closely with its communities and bringing in public and institutional partnerships.

Toronto has a number of existing initiatives and programs that could fall under the banner of inclusive economic development. Throughout our interviews with community-based organizations and cultural groups, we heard the desire for proactive and sustained engagement. Working closely with communities can support Toronto in establishing metrics and an inclusive economy dashboard and/ or develop best practices and toolkits that other organizations can use to achieve similar outcomes. Co-developing approaches to inclusive economic development will support Toronto in identifying solutions that work for communities and increase the chances of programmatic success.

In building a shared vision, the City should also undertake sustained engagement with Indigenous organizations and employers, and implement a parallel Indigenous economic development strategy (See Appendix D for additional feedback and opportunities on Indigenous economic development).







Strengthen Growth Sectors

OBJECTIVE ->

Make sector specific strategies for high growth sectors that build on Toronto's existing advantages, be present and a problem solver for the sectors, and invest in critical infrastructure and resources to deliver on the strategies.

Why Now?

We heard from sector specific sessions that there are some common themes that are barriers to growth: space, access to markets, and lack of capital in the Canadian investment environment to name a few. Throughout the sector specific sessions, there was concern that for high growth sectors it can be challenging to navigate the City. We heard that there is an opportunity to coordinate and problem solve the needs of business clients, especially as it relates to land use and planning approval processes. We heard the need for Toronto to prioritize and play strategically to enhance economic outcomes. More importantly, we heard that Toronto has immense talent and potential amongst high growth sectors. Throughout our sessions, it was clear that there is an opportunity for the City to play a role in strengthening the presence of globally competitive sectors, to better enable their ability to bring jobs and investment to Toronto.

Toronto in Context

Toronto is the global gateway for Canadian talent, knowledge, and services. From manufacturing to film to financial services, Toronto is home to a large and diversified economy. The City has often found unique ways to support specific sectors. For example, the City's Film Office was created to provide a concierge style service towards a growing sector in Toronto. The Film Office has since supported the creation of new film studios and has been a strong advocate for the film sector, leading to an industry that provides \$2 billion in annual spend in Toronto.



Similar to film, space is often a critical input for businesses in other sectors to scale up their operations and make a home here in Toronto. For example, Toronto's life science and biotech community presents an immense opportunity for Toronto to benefit from its leading engineers, institutions, and expertise in AI. With the talent and locational benefits of Toronto, the need for wet lab space and facilities to scale operations is a major hurdle to capturing market share of the potential \$5 trillion biotech market globally.²⁴ Providing necessary space or support locally enables industries competing globally to fully achieve their potential and stimulates the creation of good jobs here in Toronto.

Aside from coordinated and sector specific services, the City provides a range of business support services including tax incentives, grants, and resources. This includes grants to rehab commercial space, the creative co-location facilities property tax sub-class, and brownfield remediation tax assistance to support the revitalization of contaminated sites.

What Other Cities are Doing

Other cities have also struggled to balance the tension of supporting specific sectors and alignment with the city's objectives. In New York City, the NYC Economic Development Corporation was created to leverage public assets (land and bonding authority) with a private sector speed to support growth of targeted sectors. This corporation leverages the resources and authorities of other city agencies (such as land authorities) to help businesses access financing for property acquisition, expansion, new equipment, renovation, and working capital. A core goal of this organization is to support the growth of key sectors, such as technology, life sciences, and advanced manufacturing with the goal of diversifying the economy and bringing good paying jobs to New Yorkers.²⁵



New York City's *Economic Development Corporation* moves at the pace of the private sector to support high growth sectors.

24 Emergen Research. 2023

25 See: <u>https://edc.nyc/meet-nycedc</u>.



Other strategies are tailor-made to support emerging or potential sectors such as manufacturing or industrial businesses. Many cities have seen a decline in industrial employment overall and have focused strategies on zoning protections for industrial businesses or procurement of smaller scale industrial businesses. In one notable example - the organization SFMade in San Francisco was able to help support the growth of manufacturing employment in a decidedly post industrial city by focusing on what they referred to as "craft manufacturing".²⁶ The non-profit SFMade became a core partner with the city on an industrial employment sector strategy by focusing on developing talent, holding events, strengthening supply chain linkages between firms and sales channels, and advocating for the manufacturing sector writ large.

The Opportunity

There is substantial opportunity for Toronto to **develop sector specific strategies for high growth sectors** and leverage approaches that have historically worked for Toronto.

Toronto has immense opportunity to benefit from its talent and institutions to support a number of growing sectors including tech, film, manufacturing, and life sciences. Developing strategies and investing in resources necessary to deliver on them, similar to what was done for the film sector, will yield better outcomes and allow the City to more pro-actively address the needs of growth sectors. Strategies for high growth sectors can also support promotion of Toronto as a leader in these sectors to enhance reputational and investment benefits.



CUI finds that there is substantial opportunity for Toronto to develop sector specific strategies for high growth sectors and amplify what has historically worked in the Toronto context.





OBJECTIVE →

Lead with regional players to advocate collectively for the regions needs and solve problems that require municipalities to work together.

Why Now?

We heard participants suggest areas that would benefit from more regional coordination. These include solving regulations around the Pearson Airport Zone, advocating for childcare and community infrastructure, working regionally to attract tourism events, and developing regional sector strategies (i.e. tech or goods movement). Participants highlighted that regional collaboration would support Toronto in realizing its goals and support businesses whose markets exist well beyond Toronto's borders.

Toronto in Context

There are many areas that influence Toronto's economic development and success that could be leveraged through greater coordination and advocacy with other municipalities and the region. Some are within the City's immediate areas of responsibility; others require the City to use its influence with others to achieve results. There are opportunities to create greater connections within municipalities in the Toronto region and explore strategies that are mutually beneficial.

Toronto has the foundations to be a leader regionally and embed a regional lens into intergovernmental affairs. Organizations like Toronto Global were built on the premise of regional collaboration and cooperation in attracting foreign direct investment. Further partnerships, like Toronto Inc., enhance our ability to coordinate our attraction of tourism events or trade conferences





with the goals of our foreign direct investment agency. While this is a step in the right direction, more can be done to create a regionally competitive business environment.

What Other Cities are Doing

Regional cooperation on economic development is a challenge that many large urban centres have faced as municipalities compete against one another for new jobs and investment that benefit their residents and tax bases. In Denver, decades of competition between municipalities ended with the emergence of a new model of regional collaboration. The Metro Denver Economic **Development Corporation is a regional** development entity with more than 70 cities, counties, and agencies across Metro Denver and Northern Colorado. The Metro Denver EDC established a code of ethics and expressed through a noncompete agreement between cities in the metro area on business attraction. In their agreement to noncompete, "each of the Metro Denver EDC's economic development partner organizations is committed to the economic vitality of the entire region and is able to communicate the benefits of Metro Denver first-and individual communities second." This entity has successfully fostered investment of transit expansions, a new airport, and created a more diversified economy.²⁷

27 See: <u>https://www.metrodenver.org/about.</u>





Metro Denver's *Economic Development Corporation* is a leading example of regional cooperation enabled by a non-compete agreement and a commitment to the region's economic vitality. In Fresno, a countrywide regional collaboration initiative called Fresno DRIVE (Developing the Region's Inclusive and Vibrant Economy) has been successful in securing state and federal resources through working collaboratively across jurisdictional and sectoral boundaries but also demonstrating a clear vision and making public specific asks. Through these efforts, Fresno secured \$250 million in state funds for downtown revitalization and a competitive federal grant of \$65 million toward food agricultural sector supports as well as additional support from the state for priority initiatives. This example is celebrated both as an example of regional collaboration, partnerships, and inclusive economic development.²⁸

The Opportunity

Recognizing the great potential the Toronto region has and its importance to Canada's economy, there is substantial opportunity to **identify and deliver on shared strategies** that solve problems within the domain of multiple municipalities and unlock investment from the provincial and federal government.

Working collaboratively to address shared challenges can allow Toronto to actively support the rise of new growth industries that may cross municipal boundaries. Manufacturing and logistics hubs that may cross municipal boundaries face a number of challenges as they navigate multiple municipal regulatory environments. Finding harmonized business and permitting solutions around areas such as the Pearson Airport Hub can foster the creation of new businesses and industrial strategies that can support the whole of the Toronto region.

Creating new models for regional problem solving can strengthen Toronto's advocacy to other orders of government and, if successful, unlock new investment in the region. Whether its increased investment in infrastructure, tax code changes to support a more competitive business investment environment, or advocacy on the importance of employment lands, there are a number of shared goals that could be achieved with greater collaboration.

28 See: https://www.fresnodrive.org/economic-development.





OBJECTIVE ->

Problem-solve for businesses looking to work in and with the City, modernize internal processes, and make it easier to try new things with a focus on outcomes.

Why Now?

We heard from businesses that there is a desire to make it easier to both work with the City and in the city. Some participants suggested that there is a timely opportunity for the City to increasingly advocate for the needs of small businesses. We heard a number of ideas from participants including the need to simplify the permit required to open a new business, making permit processes easier to understand, or having an advocate to help problem solve and facilitate addressing businesses issues through City Hall. Participants noted a strong desire to see the city undertake burden reduction initiatives, with some participants recommending a focus on outcomes. Many small businesses raised examples of circumstances where their attempts to address issues or navigate a resolution with the City have fallen through the cracks and cost them time, stress, and often money. Creating a streamlined process for small businesses as they interact with the City and support a flourishing small businesses environment in Toronto.

Toronto in Context

Toronto has a number of initiatives and structures that are already streamlining business processes, including launching online business applications and licences, a BIA office to support coordination and partnership between the City and BIAs, and leading initiatives such as CaféTO that provided dedicated support to restaurants to expand their footprint from spring to fall.



What Other Cities are Doing

One stop shops (often dubbed as "Concierge Services") are generally a popular organizational change that may meaningfully cut down friction between agencies and allow businesses to go to one location to secure information and permits. However, in most cases it applies only to a subset of permits, but any consolidation can be helpful. In Chicago, the Small Business Center is the City's "one stop shop" for business licensing, public way use permitting, and other resources to start and grow a business.²⁹ The office also includes a Small Business Advocacy division composed of three units: Economic Recovery, The



Chicago's *One Stop Shop* supports small businesses by making it easier to do business and advocating for their needs.

Encouraging Diversity, Growth and Equity (EDGE) program, and Neighbourhood Strategy, making clear the important connection an easy to navigate regulatory environment can play in creating a more inclusive city. Through this work, Chicago was able to support more than 60,000 small businesses over the course of the pandemic.³⁰

The Opportunity

There is substantial opportunity for Toronto to create innovative solutions to **explore one-window or burden reduction initiatives** and champion the needs of small businesses.

Small and medium enterprises make up 99.7% of Canada's businesses.³¹ Enhanced efforts to advocate for business clients and working cross-functionally to solve permitting issues, implementing policy solutions that allow for greater flexibility, and greater stewardship of the relationship with small business clients will enhance Toronto's ability to support more businesses in starting here, growing here, and attracting investments to Toronto. Given the amount of existing and new small and medium enterprises, this opportunity is not only timely, but also may have a sizeable impact.

- 30 See: Chicago Recovery Plan Home.
- 31 Innovation, Science and Economic Development Canada, 2023



²⁹ See: https://www.chicago.gov/city/en/depts/bacp/provdrs/small_business_advocacy.html.



Undertaking a review and "right-sizing" of permitting with a focus on which regulations may accelerate modernization and enhance responsiveness to business needs is paramount.

Undertaking a review and "right-sizing" of permitting with a focus on which regulations may accelerate modernization and enhance responsiveness to business needs is paramount. Examples such as public markets that leverage meanwhile uses of parking lots to create low-barrier entry for small business owners and often feature local produce currently exist in a unique grey area in Toronto's permitting requirements. Burden reduction initiatives can support both small business owners in starting here in Toronto and support new initiatives that will add to a vibrant local economy.



Conclusion



Conclusion

This report was prepared based on what we heard from Torontonians from diverse communities and key sectors; comparative research on how other cities lead their local economies; and identifying the possibilities for unique, made-in-Toronto solutions. The City's ability to attract talent, draw investment, and create a desirable quality of life has played an important role in its success. We found that Toronto is well-positioned to realize its vision for a local economy that is competitive, inclusive, and advancing toward net zero emissions in partnership with the private sector, nonprofit organizations, other governments, and residents from every corner of the city.

We identified four key characteristics that will set Toronto up for success in delivering an ambitious, flexible, and future-ready 10-year Action Plan for Toronto's Economy. They are leadership, partnership, responsiveness, and organizational innovation within government.

We also identified six opportunities which are championing quality of life as a competitive advantage; reimagining our downtowns and civic centres; championing an inclusive economy; strengthening critical growth sectors; leading as a region; and enabling an increasingly streamlined business environment.

While we found there are tremendous expectations of the City, we have no doubt that they will find many partners to help deliver the vision of a more competitive, inclusive, and sustainable Toronto.



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"We need to intentionally get out there and find the voices of those people who are often not heard in these circumstances and give them an opportunity to give their really intelligent, lived experience, input into the process and create opportunities for them... Nothing for us without us."

- Rosemarie Powell Toronto Community Benefits Network, Executive Director

Appendices

Appendix A: Project Kick-Off – CityTalk Summary

In response to the indelible impact of the COVID-19 pandemic, many Canadian municipalities are developing new strategies. For the City of Toronto, this includes a new *10-Year Action Plan for Toronto's Economy*.

To kick-start the dialogue with Torontonians on how we should build a dynamic, inclusive, and resilient economy, and what actions the City should focus on, CUI hosted an online <u>City*Talk*</u> discussion (December 21, 2023), moderated by CUI President and CEO Mary Rowe. Panelists included:

David Campbell

Associate Vice-President of Policy and Research, Toronto Board of Trade

Nation Cheong

Vice-President Community Opportunities and Mobilization at United Way Greater Toronto

- Prentiss Dantzler
 Assistant Professor of Sociology and Faculty Advisor within the School of Cities at the University of Toronto
- Rosemarie Powell
 Executive Director at the Toronto Community Benefits Network
- Pat Tobin
 General Manager of Economic Development and Culture, City of Toronto

Discussion Summary

A call for a new, forward-looking economic plan

It's time for a new economic development plan focused on the future and that charts a course for where Toronto's economy can go. The plan should tend to both the macro economic factors driving the city's prosperity, and some of the emerging challenges. A new plan would emphasize the cultural sector, create more inclusive opportunities and project into the long term.



A need for equity-centred planning that protects people

We have enough experience and knowledge to mitigate harm to equity-deserving groups when planning transit expansion projects. We have tools such as community benefits agreements that point to how work and activity is happening at the grassroots level with coalition forming across Canada.

In addition, where are the long-term protection strategies for [business] tenants? What are more progressive tax strategies for different businesses, particularly momand-pop and small businesses? Are there City funds that can alleviate displacement within those spaces?

The economic gap is making Toronto less inclusive and competitive

The gap in the economy is growing wider, creating less inclusive economies. Young people, newcomers, and racialized populations are the most affected.

The intersection of mental health, addictions, and homelessness as a significant and palpable issue affecting Toronto's residents and the city's overall sustainability and inclusivity.

A highlight is Toronto's assets, such as the ability to attract talent, world class university system, and successful integration of newcomers, which contribute to the city's sustainability. Post-secondary institutions could play a crucial role in addressing these challenges and proposes innovative ideas, such as converting commercial towers into dorm-style living to tackle housing issue.

Having a metropolitan mindset: collaboration is key

We should consider Toronto as a region, emphasizing its cultural and economic capital. A "metropolitan mindset" and the necessity of regional governance, and collaboration among government levels for effective planning, is needed. Municipalities need to collaborate and think regionally to address issues like housing costs, acknowledging the broader impact on neighbouring areas.

Resilience and future goals: "Nothing for us without us"

The City needs strong foundation of affordable housing, resilient infrastructure, and living wage jobs for historically marginalized communities.

We need a dynamic, equitable, and resilient city.



Appendix B1: Economic Profiles Prepared for Sector Specific Session

CUI provided participants in the sector- and community-specific sessions with a consultation guide, which included an economic profile (a" snapshot") for each sector or communities short and longer-term potential. Participants were asked to comment on if the depiction of Toronto's economic performance and the sector or community's performance is accurate, and if there emerging trends that are not reflected in the guide.

The snapshots are provided here for your reference.

Overview of the Toronto Economy

Over the past five years, Toronto's GDP has shown consistent growth. According to data from Statistics Canada, Toronto's GDP grew by an average of around 2.5% annually between 2017 and 2021, although that growth has been distributed unevenly by sectors, geographies, and populations. The city's job market has remained robust, witnessing consistent job creation over the last five years. Since 2017, Toronto (CMA) experienced a net increase of approximately 300,000 jobs as reported by Statistics Canada. Notably, the technology sector has been a significant contributor to job growth, with a substantial increase in employment opportunities in fields related to software development, artificial intelligence, and digital innovation.

Over the last five years, the Toronto region has also consistently ranked as one of the top destinations for foreign direct investment (FDI) in North America with a total of \$2.8 billion invested in capital expenditures resulting in 30,000 new jobs, according to Toronto Global.

While economic performance continues to grow, challenges still face Toronto in creating a more sustainable and inclusive economy. The Gini coefficient, a widely used measure of income inequality with a higher value indicating greater inequality, is consistently the highest amongst cities in Canada at.34 in 2021. In addition to growing income inequality, there is a persistent challenge in addressing poverty in Toronto with a poverty rate in Toronto that at 12.6% representing as many as 377,000 individuals.

Toronto's economy is the driving force behind its success story and its growth. Moving forward, strategies that focus on maintaining Toronto's competitiveness and increasing inclusion will improve opportunities and outcomes for all residents.



Building and Construction Sector Snapshot

Over the last five years, Toronto's building and construction sector has been a vital contributor to the city's economic growth, witnessing robust activity amid fluctuations and challenges. Between 2017 and 2019, the city witnessed a construction boom, with numerous high-rise condominiums, office towers, and infrastructure projects reshaping the skyline. The construction sector alone represents roughly 5% of Toronto's GDP and 5% of its total employment but plays a far more significant role in Toronto's ability to manage growth. On average, over the past 5 years, the building and construction sector has started around 20,000 units in Toronto annually and 40,000 in the Greater Toronto Area annually. In that same time period, 17,000 units were completed on average annually in Toronto and 32,000 annually in the region.³²

The COVID-19 pandemic impacted construction activities, causing temporary disruptions, project delays, and labour shortages in 2020. Despite these challenges, the sector demonstrated resilience, adapting to new health protocols and safety measures to mitigate the pandemic's impact. Additionally, the sector witnessed a shift in focus toward sustainable and innovative construction practices, emphasizing green building initiatives, and the adoption of technology to improve efficiency and reduce environmental impact.

Furthermore, the construction sector in Toronto has grappled with affordability concerns and rising construction costs, impacting both developers and prospective buyers. Escalating material costs, shortage of skilled labour, and land availability constraints contributed to higher construction expenses, influencing housing affordability and project feasibility. Material cost increases alone increased 26.5% in the Toronto region from Q1 2021 to Q2 2022.³³ In response, the City of Toronto is undertaking a number of zoning reforms to allow more density in neighbourhoods including allowing as-of-right permissions for multiplex and multi-tenant homes.

Moving forward, the building and construction sector can play a substantial role in creating a more competitive economy. Strategies aimed at addressing affordability, sustainability, and enhancing workforce development are crucial for sustaining growth and resilience within the construction sector in the years ahead.

³³ StatsCan, Building construction price indexes (statcan.gc.ca), 2022.



³² According to City of Toronto data.

Financial Services Sector Snapshot

Toronto's downtown is a vibrant cultural center, a significant driver of economic growth, and serves as a major contributor to Toronto's status as a global economic hub. Financial services make up a large percentage of the downtown uses. As the largest financial center in Canada, Toronto hosts nearly 210,000 workers, or three-quarters of the region's financial services workforce.³⁴ Toronto is also headquarters to the country's largest financial institutions, and is the banking and stock exchange centre of Canada.

The COVID-19 pandemic triggered a transformative shift in how people work which has knock-on effects to Toronto's office towers. Remote work became prevalent, leading to a re-evaluation of traditional office spaces. In the pre-pandemic era of 2018-2019, the office vacancy rate fluctuated between 3.9% and 4.7%.³⁵ However, in the post-pandemic reality, this rate has surged to 14.9% city-wide and 15.5% in the downtown.³⁶ That being said, 6,470 new businesses were established in 2022 with 19.2% located in downtown.³⁷ There is clearly continued interest and desire to locate in Toronto's downtown, but our new approach to work will significantly impact how our downtown looks, feels, and functions.

The economy has been challenged by the uncertainty around the changing interest rate environment, high inflation, and debt defaults. Furthermore, Toronto, like many Canadian cities, is grappling with the need to build more housing while transitioning to net-zero by 2040. Meeting our climate objectives will require substantial investment from both the public and private sector.

Globally, we have seen the rise of ESG change the business world. Analysis by BlackRock found that in 2020, more than eight out of 10 sustainable investment funds performed better than share portfolios not based on ESG criteria.³⁸ In 2021, global companies took in a record \$859 billion in sustainable investments, including \$481.8 billion in green bonds that raised money for specific environmental projects.³⁹ The level of sustainable finance is only expected to grow to \$53 trillion globally by 2025.⁴⁰ The role that financial services can play in supporting net-zero

⁴⁰ Bloomberg, 2021. Bloomberg Professional Services



³⁴ Financial Services - City of Toronto. (toronto.ca)

³⁵ Cushman & Wakefield, 2023. Economic Dashboard (toronto.ca)

³⁶ CoStar, City-wide Availability, 2024.

³⁷ Toronto Employment Survey, 2022. (toronto.ca)

³⁸ Blackrock, 2022. Larry Fink's Annual 2022 Letter to CEOs | BlackRock

³⁹ Reuters, 2021. Global issuance of sustainable bonds hits record in 2021 | Reuters

targets is critical to the success of our City and our nation's transition towards a more sustainable economy.

How we balance the many competing priorities, find new ways to work together, and answer the challenges today will considerably impact our economy and set the stage for Toronto's continued success as a financial hub.

Innovation and Tech Sector Snapshot

Toronto's tech sector, recognized as the largest tech hub in Canada and the third largest in North America, has experienced remarkable growth in recent years. Toronto's tech ecosystem stands out globally, ranking 12th in the world in 2019 according to Startup Genome.⁴¹ However, a subsequent study in 2023 placed Toronto at the 17th position, emphasizing the sector's fluctuations.

Despite the challenges posed by the COVID-19 pandemic, Toronto's tech scene thrived in 2021 and 2022. 2022 saw \$3.7 billion in investments—more than double the \$1.5 billion in 2019.⁴² The city's success has been attributed to a diverse and expanding talent pool, cutting-edge research and development, and a global urban identity that fosters innovation. Information and communications technology (ICT) dominate the sector, with life sciences, fintech, and cleantech showing promising signs.⁴³

However, the tech sector faced challenges in 2023. The economic slowdown, highinterest rates, and stagnant GDP affected Canada's overall venture capital activity, marking Q3 2023 as a three-year low for deal volume.⁴⁴

Despite these challenges, there's optimism with the emergence of IPOs and increased investor interest in solid, profitable companies. Ontario continued to secure nearly 50% of all Canadian investment dollars in 2023 – Toronto-based companies leading the way by raising \$1.7 billion.⁴⁵ Toronto's tech sector remains a pivotal player in driving regional economic recovery and fostering a resilient and innovative workforce.

Moving forward, strategies that address the continued development of talent, fostering connections to the regional and international tech ecosystem, and enhancing competitiveness against other tech centres internationasustally will be critical to the continued success of Toronto's tech sector.

⁴⁵ YTD Q3 2023 Canadian Venture Capital Market Overview, 2023. (cvca.ca)



⁴¹ The Global Startup Ecosystem Report, 2023. (startupgenome.com)

⁴² Startup Genome, 2023. (startupgenome.com)

⁴³ YTD Q3 2023 Canadian Venture Capital Market Overview, 2023. (cvca.ca)

⁴⁴ YTD Q3 2023 Canadian Venture Capital Market Overview, 2023. (cvca.ca)

Life Sciences and Biomedical Sector Snapshot

Over the last five years, Toronto's life science and biomedical sectors have experienced notable growth and innovation, solidifying the city's position as a prominent hub for cutting-edge research, development, and commercialization within the field. The sector has seen an 18.9% growth in its contribution to Toronto's GDP in the last 5 years. Additionally, the life sciences sector is a growing employer in Toronto with an estimated 22,000 individuals employed in Toronto which amounts to a 43% increase in the last 5 years.⁴⁶

The need for space and talent to support this growth is noted among the highest priorities, with a coalition forming to advocate for more wet lab space in Ontario. Addressing those challenges is critical to the industry's success. Betting on that success, the region has seen a surge in both public and private investments fostering a dynamic ecosystem that supports various facets of the life sciences sector, including \$500 million in venture capital invested in the GTHA in 2021 alone. Provincial and federal governments have made commitments to the sector with \$3 billion made available from the province and a fund of \$2.2 billion available nation-wide through the Government of Canada. While the funds will be made available across the province and the country, alignment from all orders of government creates an opportune moment for growth in the Toronto region.⁴⁷

The life sciences sector has also shown leadership in developing diversity and inclusion strategies. Through work completed by Life Sciences Ontario, 80% of large enterprises are advancing inclusive practices while 54% of small-medium sized practices are waiting until their business reach a more sustainable position.⁴⁸ This suggests that supporting businesses in scaling up can also support more inclusive economic development.

However, challenges such as regulatory complexities, access to capital for early-stage startups, and the need for scalable infrastructure remain. Moving forward, strategies led by the City that address the need for space and talent will be critical to the Life Science's sector's continued success in Toronto.

^{48 &}lt;u>Status of Inclusion, Diversity, Equity and Accessibility (IDEA) in Canada's Life Sciences Sector</u> (inclusivelsc.ca), 2022.



⁴⁶ According to Data from the City of Toronto, 2023.

⁴⁷ The Need for Wet Lab Space in the Toronto Region, Toronto Global, 2023.

Manufacturing Sector Snapshot

Toronto's manufacturing sector has been a vital contributor to Toronto's economic growth, witnessing robust activity amid fluctuations and challenges. The manufacturing sector thrives in 23 employment areas across Toronto, where 89% of manufacturing jobs are located. The sector employs roughly 127,000 people, with 93% of positions being full-time. The sector faced significant challenges during the pandemic as supply chains were disrupted, but it showed resilience throughout the period, rebounding faster than most impacted industries and hiring back nearly 2,000 individuals in 2022 as restrictions eased. Since then, the sector has shown a remarkable resurgence, with manufacturing shipments from Toronto reaching a 5-year high of \$13.5 billion in May of 2023.

The manufacturing sector is in the midst of great changes as new technologies are implemented, and there is a renewed focus on the need for a strong manufacturing sector. The pandemic illustrated that the erosion of Canada's manufacturing sector places the country in a vulnerable position, as governments competed internationally for personal protective equipment. In addition, the connection of manufacturing to transportation networks and logistics is critical for creating a resilient supply chain. Furthermore, the push from local and federal governments to create a net zero economy has brought additional focus to the sector, as clean technologies present an opportunity for job growth and foreign direct investment. Combined, these factors have brought a new focus to the sector, positioning the manufacturing sector as critical to Canada and Toronto's major priorities: economic growth, achieving a net zero economy, and enhancing supply chain resilience.

In Toronto, the sector faces some immediate hurdles. In the Toronto Region Board of Trade's report, The Race for Space, the challenge for space is illustrated as the continued erosion of employment lands poses a major risk. Changes to zoning regulations at the provincial level, combined with the push for expanded housing opportunities in Toronto and persistent low business capital spending, place the industry in a weaker position to tackle the priorities set out by government.

Moving forward, the manufacturing sector can play a substantial role in creating a more competitive, inclusive, and sustainable economy. Strategies aimed at addressing land use, capital investment and introduction of advanced technologies, and enhancing workforce development are crucial for sustaining growth and resilience within the manufacturing sector in the years ahead.



Creative Industries Sector Snapshot

Since 2017, film media and entertainment have significantly grown their direct spend in Toronto by 52% from \$1.7B to \$2.6B at the end of 2022. The sector has shown phenomenal growth with disruption impacting production during COVID-19 and most recently during the writers strike. In total, Toronto is home to roughly 30,000 employees of the film and television production sector.⁴⁹

The sector has shown resilience and has grown in prominence to include a burgeoning production and VFX workforce in Toronto. In fact, post-production makes up a substantial segment of Ontario's film industry netting \$416M in operating revenue in Ontario in 2021. While this shows a decline since 2017, dominant global players have recently invested in Toronto by opening facilities here.⁵⁰ In addition, a growing number of video game developers and independent creatives have made Toronto home further adding to the vibrancy of the sector. Developing talent and leveraging Toronto's strength in the tech sector remain critical for enhancing Toronto's positioning as a hub for VFX, video games, and postproduction film and television work.

Toronto hosts 2.8 million sq. ft. of studio space and is growing. Most recently, the City of Toronto and Pinewood Toronto Studios announced that Amazon MGM will be welcomed to Toronto with exclusive use of their 160,000 sf Port Lands studio. However, each year productions are turned away for lack of studio space. There is a substantial need for additional studio space to support the growing industry and protect the employment lands that often host film studios.

Toronto remains the central hub for the entertainment industry in Canada. It's home to many of the major broadcasters, streamers, and production companies, as well as many wonderful film festivals – TIFF, Hot Docs, ImagineNative, ReelAsian, and many more.

Moving forward, strategies that address strengthening Toronto's talent pool, enhancing studio space, and maintaining incentives that attract the film industry are critical for Toronto's continued success as Canada's leading film and media hub.

⁵⁰ StatsCan, 2021, Film, television and video post-production, summary statistics (statcan.gc.ca).



⁴⁹ Toronto's Film Industry: Protecting a Valuable Asset, City of Toronto,

Tourism Sector Snapshot

Over the last five years, Toronto's tourism sector has experienced challenges through the COVID-19 pandemic and astonishing resilience as travel patterns continue to shift. Employment data from 2021 showed a substantial decrease of nearly 52% from the period 5 years earlier, with a GDP reduction of 45% over the same period. However, tourism has historically been a major driver and contributor to Toronto's economic success employing as many as 70,000 individuals in 2019 with an economic impact of \$10.3 Billion based on visitor spending.^{51, 52}

The sector has experienced considerable recovery over the past two years. Data released this week by Destination Toronto show that overall visitation has nearly reached pre-pandemic levels and visitor spending has in fact exceeded 2019. However, the growth has been disproportionately driven by domestic leisure travel and the balance of Toronto's visitor economy – between business and leisure travel, and between domestic and international – is not yet restored. Many key international markets remain well behind in recovery and one in particular – China – may not rebound for years given current diplomatic relations with Canada.

Shifting patterns and behaviours in travel have the potential to suppress demand in some market segments like transient business travel, while expanding other types of travel, such as trips that combine business and leisure. As a national, continental and global business hub, business travel has long been a key driver of travel to Toronto so these shifts can have substantial impacts on volume and nature of visitation.

Future growth could be constrained by infrastructure limitations including convention and event space and right mix of hotel capacity aligned to the needs of major events. At the same time, Toronto's intellectual capital and leadership in key economic sectors including life sciences, finance, tech and creative industries, ensure Toronto is highly competitive in attracting major meetings. Leveraging this position of leadership is at the heart of the Toronto Inc partnership between the Toronto Region Board of Trade, Toronto Global and Destination Toronto, working closely with the City's Economic Development team.

The visitor economy is vital to vibrancy in key areas of the city including (but not limited to) downtown: the return of visitors is essential for the restoration of urban vibrancy and the visitor economy is also dependent on that vibrancy to attract

⁵² Destination Toronto, Visitor Economy Strategic Directions Report 2023-2028 (toronto.ca), 2023.



⁵¹ City of Toronto, 2023.

visitors, as the appeal of an urban destination often lies in the critical mass of activity and experiences in the city core.

Around the world, new approaches to tourism management include a more holistic view of the impact of travel on a destination including ecological and social impacts on the people and places of the destination. Many cities are exploring how tourism can play a greater role in achieving sustainable development goals by balancing cultural, socio-economic, and environmental factors that impact urban tourism.

As tourism begins to normalize, strategies that leverage diverse and inclusive partnerships across Toronto, pursue major business and conference hosting opportunities, and address long-term infrastructure needs will be critical to invigorate a thriving tourism industry in Toronto.



Appendix B2: Session Feedback

For a list of participants, please refer to Appendix C. Please note that not all participating organizations are outlined given that some participating organization did not want to be included in any public communications.

Building & Construction Session

Organizing Partner: BILD

Participants: 15

Date Held: January 17, 2024

- Create a plan for obsolete office spaces, including reviewing the City's replacement policy and eliminating requirements for new housing.
- Consider cohabitation in the office conversion model, which could appeal to a younger demographic.
- Distinguish conversion of offices from land use conversion issues.
- Governments could help shift the housing market toward manufacturing modular housing off-site, with a reliable public sector client. Toronto can be a major part of the northeastern U.S. industry by exporting to other jurisdictions. Would require the support of City and Federal government.
- Planning and economic development need to be brought together, especially on housing, and not work at cross-purposes. Planning and EDC are siloed. Need more collaboration on employment land conversions, as this impacts location of housing.
- Education for City staff could help. For example, the Official Plan applies to all divisions, not just Planning.
- City can update policies that create limitations on building on hours, staging and other barriers that impact construction efficiency; and on urban design, which is making the planning process longer, even for modular construction (e.g., angular planes).
- Streamline processes so that planners can focus on the big projects, with biggest impact, and take small builders out of the process.



- Consider an ombuds-type role in the City, someone who can focus on crossdivisional pain points as projects often cross many divisions and solve them.
- Advocate on issues that address labour shortages (e.g., introduce a rating system that includes trades).
- Hire and train more building inspectors
- City could work with provincial/federal governments to address capacity to do pre-fab construction.
- Consider pegging DC rebates for TGS tier two buildings to inflation.
- Consider "right to remain" policies as used in the U.S. in response to displacement of Black communities with major transit infrastructure builds, like Jane Finch and Little Jamaica.
- Consider allowing more conversions or new uses for class B & C office spaces that is often more greenhouse gas intensive and stranded amidst a flight to quality, such as Calgary has done.

Manufacturing Session

Organizing Partner: Toronto Industry Network

Participants: 9

Date Held: January 18, 2024

- Build on underutilized infrastructure, like the port, and assets like the civic centres for events and activations.
- Shift mentality and acknowledge that investment and effort is required to continue bringing business to Toronto.
- Leverage industries like manufacturing to support an inclusive workforce in Toronto.
- If the City is making a sector a priority, plan and invest accordingly.
- Invest in transportation and mobility to support movement of employees and goods. Consider establishing a vision for the port as a sustainable goods movement asset that can unlock the regions exporting.
- Invest in last mile solutions to enhance goods movement and create more sustainable logistics and supply chains.



- Address encroachment of residential development which challenges sustainable operations.
- Provide certainty on land use to protect continued investment of manufacturers.
- Consider tools like IMIT for expansions or drawing in net new manufacturers.
- Consider developing, maintaining, and investing in infrastructure critical to the supply chain (roads, port, rail etc.).
- Consider a green goods movement strategy focused around revitalizing the port as a more sustainable way to export goods.
- Advocate for better connections for newcomers to training programs that can lead to jobs in manufacturing.
- Work cross-divisionally to solve problems for business clients.
- Consider developing strategies that focus on manufacturing businesses at the scale up stage (as opposed to just the start up stage).
- Advocate for investment in childcare as it can be a barrier to women in joining the workforce.

Central Business Districts & the Future of Work Session

Organizing Partner: Toronto Region Board of Trade

Participants: 17

Date Held: January 22, 2024

- Ensure there are civic spaces for youth, to draw them to the centres, especially downtown.
- Attract and plan for a broad array of social services intermingled with traditional retail in city centres.
- Foster a dynamic retail program, such as by reducing land use planning and zoning burdens to encourage alternative uses.
- Consider reviewing programs such as IMIT to incentivize creative uses of vacant space for retail or stranded office.
- Consider leading conversations on the future of work and champion the value proposition. Have a plan in place for what future growth, development, and change will bring (e.g., how the city will benefit from the short-term pains of construction.)



- Work together with other City divisions on addressing the impacts of the mental health crisis, addictions, homelessness, and public safety.
- Consider assessing the economic impact of transportation, present investments in transportation operations with a link to growth.
- Consider leading collaboration with key stakeholders in the downtown, to learn from each other, share examples, create a collective message about why people should come to the downtown.
- Advocate for a caring economy. Consider investing in and advocating for more investment in amenities like daycares so parents can come downtown and leave kids for a little while to shop. Toronto could be a leader in this, an example of a more caring, inclusive place/economy.
- Develop or revisit congestion strategy.
- Advocate to the Federal government for immigration policy that meets the City's needs.
- Support for more night and weekend capacity.
- Consider investing in downtown and city centres to create permanent activations beyond just events.
- Improve the internal processes for rezoning applications.
- Greater internal coordination among City divisions, such as between EDC and TTC, to ensure there is transit for big events.
- Consider coordinating and planning for a few big events in the downtown, rather than many small ones and package the small that are similar to each other.
- Invest in public realm.

Tourism Session

Organizing Partner: Destination Toronto

Participants: 15

Date Held: January 23, 2024

- Consider multimodal transportation strategy for tourists arriving to Toronto.
 Consider all of the gateways to Toronto as an asset and invest in them.
- Transport links across the City Getting people and visitors out to the suburbs for things like Scarborough restaurant tours.



- Consider revisiting or developing a congestion strategy and bring other governments to help solve the problem.
- Consider expanding traffic constables program.
- Consider a coordinating table on safety in the downtown with Provincial and Federal governments, may require greater advocacy from the City.
- Tell the story of our diversity, of the things you can do here. Cascade the opportunities of events, culinary experiences. Be creative and different. Promote that before people get here. An opportunity we can focus on.
- Advocate to the Province to have their own tourism/visitor strategy.
- Animate in cold months like other cities first quarter can often be a good time to experiment with a new event or type of programming.
- Consider coordinate activities and events in the downtown.
- Consider public-private activations in public spaces and find sponsors to bring life to spaces in city centres.
- Consider a streamlined planning approvals process to support more hotel development.
- Advocate/work with the Federal government to make the airport experience best in class. This is the welcoming to Toronto and should be a smooth introduction to Toronto and Canada.

Toronto-East York: Small Businesses and Main Streets Session

Organizing Partner: N/A

Participants: 9

Date Held: January 29, 2024

- Consider programs or strategies that encourage landowners to fill vacant retail space.
- Consider programs and services that are accessible to businesses outside of BIAs.
- Consider reviewing the BIA office with lens of outcomes and problem solving for businesses.
- Consider creating a more agile funding model for BIAs not just eligible for the big things, but break it out into phases, so BIAs have confidence they'll be funded.



- Find ways to break down silos between City divisions especially as small businesses often interact with many city divisions.
- Consider enhancing small business property tax sub-class to the Provincial maximum for areas impacted by major construction.
- Draw talent to the public service that is business-focused and approaches problems with the understanding of the stakes for a small business owner.
- Find opportunities to be nimble, dynamic, and think outside the box to develop new programs and initiatives.

North York: Small Businesses and Main Streets Session

Organizing Partner: $\rm N/\rm A$

Participants: 11

Date Held: January 23, 2024

- Consider promoting North York uniquely from the perspective of drawing people in north of the City.
- Consider greater investments in public spaces to draw foot traffic as part of development process in housing and mixed-use developments.
- Consider enhancing transit connectivity to other parts of the City, especially Scarborough.
- Consider strategies that can support small businesses through major construction projects.
- Advocate to the province that public works and long-term construction projects such as transit need a % embedded in the budget for annual public programming to mitigate impact.
- Enhance coordination of city-led infrastructure projects as they will impact businesses and change the nature of the neighbourhood upon completion.
- Consider adding a small business lens to major policy changes or construction programs, and how impacts to small businesses can be mitigated.
- Consider strategies that can draw more people to North York's office towers or alternate uses to sustain daily foot traffic.
- Coordinate across divisions.



- Minority-owned service businesses could see more events to connect businesses to procurement in government or other public enterprise.
- Consider additional supports for new business owners similar to Digital Main Street but with a focus on other key aspects of a business. Opportunities to connect with vendors and other business supports that might support a more mature small business.
- Consider creating dynamic infrastructure for Mel Lastman square to support a range of events from large to small that allows for greater access to washrooms, storage, water, and power. Find ways to lower cost of set up for events and draw more events to the square.
- Continue support for An Action Plan for public markets.
- Consider opportunities or strategies to leverage major institutions buying power of small and medium enterprise services.
- Consider reviewing the BIA office and adding a public programming staff coordinator.

Life Sciences Session

Organizing Partner: Ontario Bioscience Innovation Organization

Participants: 14

Date Held: January 30, 2024

- Focus on the places that are big economic drivers, like the Discovery District, in the context of the wider downtown core and the region.
- Champion sectors that would benefit from a greater international presence.
- Market our sectors abroad and go after the investment.
- Consider creating innovation or sector specific offices dedicated to facilitating access to City resources, and transforming City processes to make it easier to do business in, and with, the City.
- Explore opportunities to leverage the sectors that are closely tied to strong public institutions (e.g., universities, hospitals), like those in the Discovery District.
- Continually meet and connect with international urban economic development counterparts to bring the latest thinking in.



- Partner with institutions to better commercialize start-ups and scale them up.
- Be the advocate, cheerleader, and champion for emerging and growing industries and businesses.
- Communicate information that helps businesses make decisions (e.g., the future of office parks across the city).
- Tell Toronto's stories: promote the people, businesses, and institutions that are leading the way in the sector.
- Launch and participate in events that have a strong track record and generate energy and excitement (e.g., MaRS' HealthKick)
- Work as a region to compete globally. Consider developing a shared regional strategy to boost the sector and leverage the power of the many institutions that are strong in the region.
- Consider reviewing prior plans to support the sector and mine what has worked, repurpose it.
- Have a presence at key international events like Bio.
- Reinvest and showcase our innovation not just to Canadians but to the world as we did with MaRs health kick.
- Take tangible action on wet lab space, quality of life, and anchor Toronto's success stories.
- Consider ways for more ongoing engagement or even a standing industry table.
- Advocate for provincial/federal policies around access to capital, corporate tax rate to support investing and scaling businesses.

Creative Industries Session

Organizing Partner: N/A

Participants: 14

Date Held: January 30, 2024

- Support ongoing measures but also to bring new talent, more competition, more companies.
- Expand on existing marketing and boost knowledge of what we have talent, locations, training.


- Consider strategies that can attract more studios beyond Triple As.
- Advocate for funding for domestic productions and open locations which can support the industry in downturns such as the pandemic.
- Support talent retention by taking action on quality of life and promote roles in the talent industry as a career, not a gig.
- Attract people downtown, consider holistic plans that remove the friction of coming to the office (i.e. congestion, child care, safety).
- Promote our creators, our original content, especially internationally, to compete globally through something as simple as a monthly or quarterly newsletter.
- Consider expanding the City's scope beyond just film but to include gaming and creative industries more broadly.
- Consider coordinating film campaigns there are lots between different orders of government, it may require a broader alignment of capital and messaging to further boost the sector.

Banking and Financial Services Session

Organizing Partner: N/A

Participants: 11

Date Held: January 31, 2024

Format: Virtual Roundtable

- Toronto should champion financial services like Calgary champions oil and gas.
- Consider strategies to attract/maintain talent in the workplace, keep people downtown and drawn to downtown.
- Advocate for the removal of the Financial Institutions Tax to coincide with the expiration of the Canada Recovery Dividend (CRD) – this could create a more tax competitive environment to do business and invest in Toronto.
- Advocate for more skills training to support new comers and bridging skills for their applicability in the Canadian market.
- Consider coordinating partners and stakeholders, and draw people back into the downtown. City needs to pull levers to address the strain on our dynamic downtown. City could partner with BIAs and big employers to show the value of downtown by activating new places, rethinking some of the uses (office towers).



- Consider communicating more positively as the downtown undergoes an era of disruption as transit gets built.
- Consider programming that can incentivize people to stay downtown after work, and come downtown for multiple reasons.
- Consider coordinate strategies that address safety and homelessness in the downtown to draw people back to the office.
- Invest in new and maintain existing infrastructure that is critical to sustaining the agglomeration benefits of the downtown, focus here on ensuring hard services are available to support businesses.
- Consider reviewing IMIT to rehabilitate or upgrade currently vacant office spaces.
- Consider the City's role in supporting productivity in the local economy and strategies that make it easier to do business, create new jobs, and hire locally.
- Consider the City's role in the changing nature of technology while the private sector may be more susceptible to impacts of AI, the City should consider if there is role for it transferring skills to other industries.
- Consider strategies that address mobility, safety, access to community assets, and housing to draw people back to the downtown.

Innovation & Tech Session

Organizing Partner: N/A

Participants: 9

Date Held: January 31, 2024

Format: Virtual Roundtable

- Consider re-invigorating tech promotion in Toronto, clear connection with the world. Promote our success stories, our people, our up-and-comers.
- Consider using convening power to rally the corporate community to work with the start-up and tech community, like in York Region.
- Consider measures that address quality of life issues to draw and retain talent in Toronto.
- Consider a procurement pilot or simulation that can draw out the pain points in the procurement process that should be modernized to enable Toronto tech to help solve Toronto problems.



- Consider regional tech strategies to:
 - Promote the region as a leading tech sector
 - Advocate for tax or grant policy changes at the Provincial and Federal level that can support greater access to capital in tech
 - Build a plan to help tech businesses stay here beyond the startup stage, help businesses scale here and stay here.
- Consider creating a digital standard for AI and standardizing processes and approaches for emerging tech (like AI) so the City can create a stronger environment for participation with the tech sector.
- Consider piloting a challenge with the tech community to solve a Toronto problem.
- Prioritize and be strategic in the sectors that the City supports, build on strong foundations and develop strategies.
- Advocate to the Federal government for a review and enhanced supports for the startup visa program.

Etobicoke: Small Business & Main Streets Session

Organizing Partner: N/A

Participants: 5

Date Held: February 20, 2024

Format: Virtual Roundtable

- Consider more promotion of small businesses unique to Etobicoke.
- More community-targeted platforms direct demographics toward small businesses via social media and similar campaigns.
- Consider strategies, programs, or direct outreach to landlords to fill vacant spaces.
- Consider resources or supports help business owners with programs to help with signing leases, using pop up spaces.
- Consider more flexible uses in vacant spaces such as Plaza pop ups that bring in business, use flex spaces, encourage foot traffic.
- Consider resources in the business services centre that can help upskill businesses beyond just the initial stages of creating a digital storefront.



Scarborough: Small Business & Main Streets Session

Organizing Partner: N/A

Participants: 9

Date Held: February 20, 2024

Format: Virtual Roundtable

- Consider more cross-functional work between EDC and planning to manage the residential/employment conflicts of new development.
- Consider more events out of the Scarborough Civic Centre.
- Consider campaigns to support Scarborough tourism.
- Consider initiatives that can support capacity building within BIAs and expand BIAs in Scarborough.
- Consider coordinated approaches to managing safety, including break-ins and auto-theft.
- Consider new uses for old infrastructure that could create permanent activation such as the Scarb RT
- Advocate for expansion of transit options including closing the Sheppard loop.
- On inclusion consider the City as a policy leader that defines goals and highlights achievement, but let the private sector take the lead.
- Consider more public-private partnerships to support investment in communities.

Community Organizations Sessions

Organizing Partner: N/A

Date Held: February 20, 2024

Format: Virtual Drop-in Sessions

- Encourage public and private investments in Neighbourhood Improvement Areas and suburban areas to generate high-quality jobs and training opportunities for residents.
- Share information, best practices, and/or data on progress towards inclusive economic development. Recognize leadership and measure how Toronto is doing, in partnership with local organizations.
- Identify underutilized assets (e.g., vacant lots, parking lots, hydro corridors, etc.) that present opportunities for community uses like welcoming newcomers, or temporary/permanent market activations and festival events.



- Make the City's procurement transparent, accessible, and clear to everyone to enhance social procurement.
- Consider supporting community-based organizations in navigating services or grants from all orders of government.
- Continue contributing to creating a caring economy by investing and advocating for investments in affordable housing, childcare, and community recreation facilities.
- Continue to offer training and support for small businesses and entrepreneurs, and find ways to expand reach.
- Share progress with community organizations, and invite regular dialogue to track what is working and where attention can best be directed.
- Consider playing a role in addressing the growing digital divide by providing supports for seniors, and by partnering with banks or other industries to support financial literacy.
- Consider creating opportunities to build capacity in the non-profit sector to liaise between the City and communities, emulating frameworks that have worked previously such as the Community Ambassadors model.
- Protect neighbourhood businesses and residents from the unintended consequences of major infrastructure projects⁵³, such as through "right to remain" policies and community benefits agreements, and community improvement plans.
- Maintain space to accommodate locally-owned, independent, and community serving businesses.
- Support community-based organizations and places of worship to deliver skills training, employment, and entrepreneurship supports for equity-deserving groups.
- Guide the green transition by connecting business with information, incentives, and partnerships.
- Consider pursuing strategies that support buying local and include sustainability criteria in procurement processes.
- Identify adaptation opportunities where there is shared cost with the private sector and prioritize investments towards areas where there are human consequences of climate.
- 53 See CUI's Thorncliffe Park Case Study Report (2023).





Appendix C: Participating Organizations

The Canadian Urban Institute would like to thank the many organizations that took the time to participate in our sector and small business sessions. For additional details on sessions and formats please refer to Appendix B2. Please note that not all participating organizations are outlined given that some participating organization did not want to be included in any public communications.

Central Business District & Future of Work

- Financial District BIA
- Downtown Yonge
- Seneca
- Allied
- Deloitte
- Schulich Brookfield Centre in Real Estate and Infrastructure
- The Intergovernmental Committee for Economic and Labour Force Development (ICE)
- U of T
- PWC
- Oxford
- Rotman
- RBC
- Rogers
- Toronto Region Board of Trade
- Waterfront BIA

Building & Construction

- RealPac
- Dream
- BILD
- Habitat for Humanity
- City of Toronto



- Menkes
- Republic Developments
- Assembly Corp
- Kilmer Group
- CentreCourt
- Toronto Region Board of Trade
- ResCon
- ULI
- Osmington Gerofsky

Life Sciences

- Centre for Commercialization of Regenerative Medicine
- Life Sciences Ontario
- U of T
- Ontario Brain Institute
- Providence Therapeutics
- Sanofi Pasteur Limited
- ProteinQure
- Ontario Bioscience Innovation Organization
- Ontario Bioscience Innovation Organization
- Recursion Pharma
- Paradox Immunotherapeutics
- U of T

Creative Industries

- Directors Guild of Canada
- Stitch Media
- Formosa Group
- XP Summit
- Nabet 700M, Unifor
- TIFF



- Ubisoft
- Cinespace
- Certain Affinity
- VFX
- Jam3
- William F. Whites
- Secret Location
- Sticky Brain

Tourism

- Destination Toronto
- Toronto Zoo
- Exhibition Place & Enercare Centre
- Fairmont Royal York
- ThinkFresh Group
- TABIA
- GTAA
- Nieuport Aviation
- Ports Toronto
- Metro Toronto Convention Centre
- Greater Toronto Hotel Association
- Marriott Hotels
- Ontario Restaurant, Hotel/Motel Association (ORHMA)
- Restaurants Canada
- Highbell Group (Restaurateur)

Tech

- Schulich
- TechTO
- Design Industry Advisory Committee (DIAC)
- KPMG



- Waabi / U of T
- Council of Canadian Innovators

Manufacturing

- Lafarge
- Irving Tissue
- Siltech Corporation
- Shell
- Excellence in Manufacturing Canada
- Toronto Industry Network
- Toronto Region Board of Trade (TRBoT)
- Gay Lea Foods
- Canadian Manufacturers & Exporters

Financial Services

- RBC
- CFA Society of Toronto
- CIBC
- EY
- Deloitte
- KPMG
- PwC
- Deloitte

Small Businesses

- Stackt
- Mirvish BIA
- Broadview Danforth BIA
- Canadian Worker Cooperative Federation
- Scarborough Business Association
- George Brown College
- Fashion Incubator



- Sheppard East Village BIA
- Scadding Court
- Noctua Bakery
- Plaza Pops
- Yonge North York BIA
- Yonge North York BIA
- Bloor Yorkville BIA
- Emery Village
- Waterfront BIA
- The Neighbourhood Organization
- Downtown Yonge BIA
- Duke Heights BIA
- St Lawrence Market BIA
- Market City TO
- Bloor Annex BIA



Appendix D: Indigenous Participation and Reconciliation Summaries

The Canadian Urban Institute is committed to taking an equity approach to consultation and engagement. We recognize that many groups have difficulty accessing opportunities to influence change in Toronto, and as a result took proactive steps to include the views and experiences of a diverse cross-section of Torontonians.

In our commitment to truth and reconciliation the Canadian Urban Institute undertook a parallel process on Indigenous economic development in Toronto consisting of research and interviews led by Mokwateh, an indigenous-led consultancy. The <u>results of interviews and research</u> are to be considered a starting point and the result of initial findings, and is not intended to be reflective of the entire Indigenous community. Further engagement with indigenous communities and businesses will be necessary to inform future Indigenous economic development work.







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