



EMAILED

December 9, 2025

Mayor Olivia Chow and Members of the Executive Committee
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Cathrine Regan, Administrator

Dear Mayor Chow and Committee Members:

EX28.9 - 2026 Interim Water and Wastewater Consumption Rates and Service Fees

As you know, the manufacturing community in Toronto and in Ontario is under severe pressure because of the Trump effect and a slowing economy generally. This is in addition to ongoing supply chain difficulties and the challenges of running a business. It is worth noting that October data indicate Toronto's unemployment rate is just under 9 percent.

Manufacturers directly account for about 10% of Toronto's employment plus the many indirect jobs dependent on making products in Toronto. Each manufacturing job supports 3-5 other jobs such as suppliers, direct customers and service providers. Every time manufactured products leave Toronto, wealth is generated for the City.

Our members tell us that for some business has slowed down and investment decisions are being delayed. They are trying to keep their workforce intact. Others have a thriving business. They all say that input costs are a critical factor in the competitiveness of a facility.

The Toronto Industry Network (TIN) respectfully asks that the differential between the Block 1 rate and the Block 2 rate applied to manufacturers using process water be increased by 5 % going forward which would be reflected in a 5% reduction in the Block 2 rate. This will have the effect of helping these companies be better able to compete. It could be done either through a shift between Blocks or an offset to the foregone revenue in Toronto Water's capital program.

The Block 2 rate was established in 2007 as an economic development tool to encourage re-investment and business retention ([Agenda Item History - 2007.EX9.2](#)). It reflected what is a common practice in many municipalities to provide better water rates to large manufacturers that use water in their processes. The rationale for the policy was captured in the staff report [bc07041Cf - Report on Water and Wastewater Service Rate an-](#) (Please see P. 8 & 11).

Earlier this year, the Mayor presented a number of leadership initiatives including property tax relief for industrial properties, enhanced Buy Canadian procurement policies, and the current proposal to expand

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the EDGE Incentive Program – all supported by TIN membership to counteract the tariff threat from the US which continues to have a considerable negative impact on businesses here and in other parts of Canada.

Our members tell us that adjusting the Block 2 rate for 2026 would send a positive and encouraging message and reinforce the Mayor's commitment to helping maintain the global competitiveness of the City's manufacturing community.

We thank you for your attention.

Sincerely,

Craig McLuckie,
President
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