

ideas THAT MATTER™

For The New Mayor of Toronto

This is a unique and critical time for the future of Toronto. What happens to the city of Toronto and the surrounding region over the next three years is of utmost importance not only to the people who live, work and visit here but also to the country as a whole. Both Canada and Ontario benefit from Toronto's capacity to generate wealth and employment, and to foster innovation in education, arts and culture, social development, as well as the economy.

Over the last decade in particular, the Toronto region has been one of the principal engines of growth for the province of Ontario and the country as a whole. However, increasingly, its ability to provide investment and growth opportunities for future generations is being strangled by a lack of financial resources and by a lack of authority to develop new revenue streams. Toronto may have wealthy people and corporations, but the city itself is becoming poor.

Toronto and the large metropolitan regions of Montreal and Vancouver have been Canada's principal creators of wealth. Wise investors know that you invest where you are most likely to get the highest return, and you don't let productive assets wither. Toronto generates billions of dollars annually through taxation of various kinds which accrue to the provincial and federal governments. Only a portion of this amount is returned back to the city in the form of public goods and services, leaving an estimated balance of \$17 billion to be transferred across the country. However, Toronto now needs a more signifi-

cant portion of that sum to be reinvested here, in order to continue to generate these significant wealth benefits. So far, Canada has avoided the drastic decline of infrastructure and social fabric experienced by American cities in the 1960s and 70s, which was reversed only by massive federal and state investment in the last two decades.

There is a huge disconnection between the responsibilities Toronto has to deliver goods and services and the administrative and financial capacity it possesses to do so. The transferring of various responsibilities from the province, commonly known as 'downloading', is actually a sound idea because the level of government closest to the people should set policy and deliver as many services as it can. Education, social services, settlement of immigrants, affordable housing, recreation, public health, transportation and transit: city government is best equipped to set up and administer all of these functions.

However, with rising debt and added responsibilities, Toronto lacks the authority to develop new revenue streams to pay for these services. Everyone acknowledges that the property tax base is insufficient. Toronto needs adequate, appropriate and secure sources of new revenue: a hotel tax, a portion of the gasoline tax, a share of the provincial liquor tax, or a portion of the income tax have all been advocated. But as a constitutional creature of the province, Toronto is legally unable to design and implement any of these solutions.

There has been a wealth of research by civic leaders, business and community organizations, academics and planners to catalogue Toronto's difficulties and envision exciting initiatives. For example,

- The Golden Report developed an action plan to address the urgent issues of affordable housing and homelessness;
- The Fung Report and subsequent award-winning city planning initiatives presented a vision of a revitalized waterfront area;
- The Toronto Board of Trade has pushed for the establishment of a regional authority to coordinate transportation and urban sprawl issues which threaten to overwhelm the region;
- The United Way's Task Force on Access to Space developed bold initiatives to strengthen community infrastructure and provide vibrancy to neighbourhoods;
- The Rozanski Commission recommended changes to the provincial funding formula to enable the city to provide appropriate educational resources and facilities for a diverse population;
- The Toronto City Summit Alliance has been the catalyst for a new partnership to strengthen access to employment for the region's large immigrant population.

There's no shortage of ideas. And there are solutions. What is needed over the next three years is a Mayor who will be a forceful and relentless advocate of the region's interests, a Mayor who is prepared to harness these ideas with strong leadership and a Mayor who is prepared to be political with other levels of government to shake their complacency. Specifically, the Mayor needs to:

Embrace an agenda of greater autonomy for the Toronto region.

This means more powers, more secure sources of revenue and more direct accountability. Toronto should be at the decision-making table when Canada is determining the number of immigrants and refugees that will be settled here. Toronto should tailor its own educational policies and programs to satisfy the unique needs of our diverse communities. Toronto, along with its regional neighbours, should

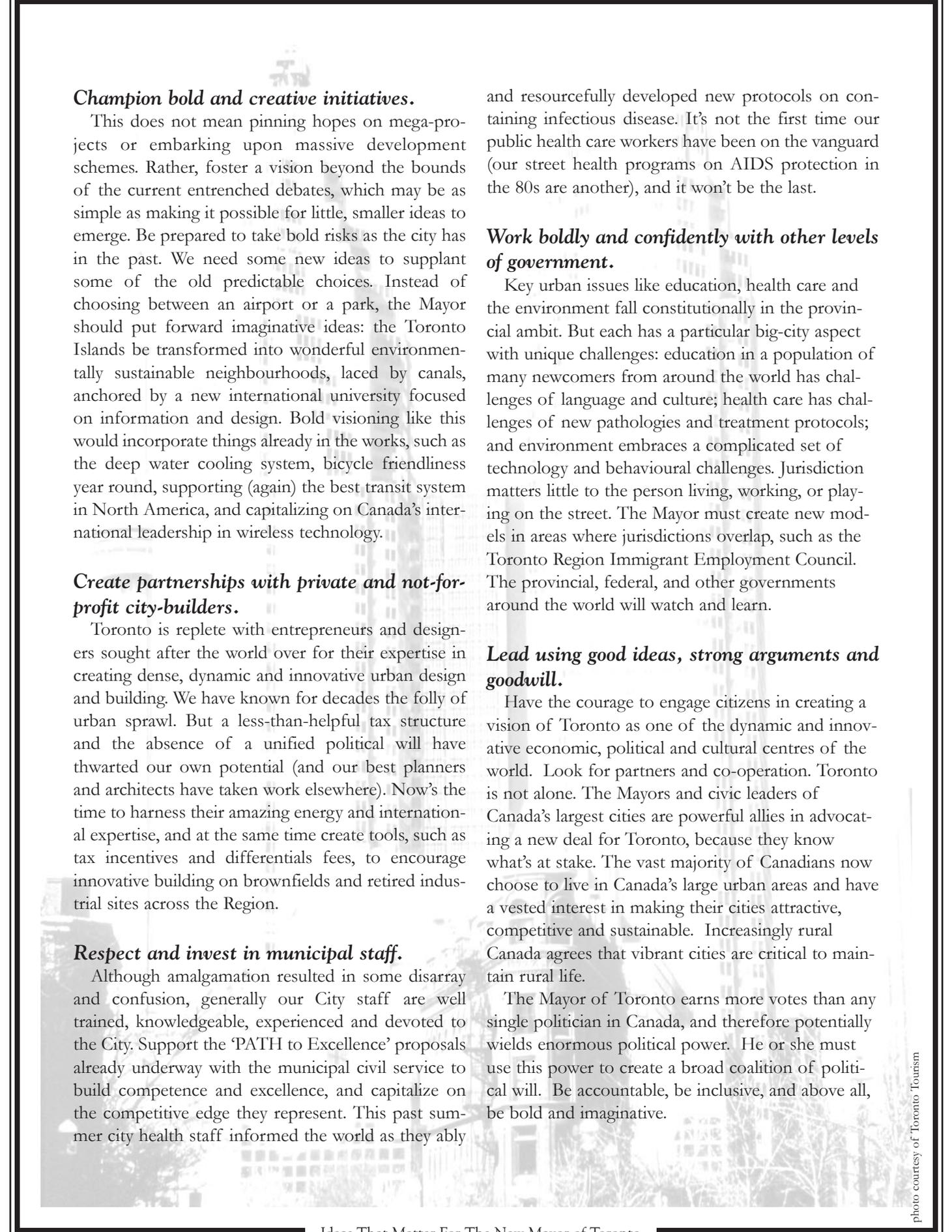
determine its transit and transportation needs. With a population of over 5 million, the city region possesses the competence and sophistication to govern in these and many other areas.

Argue for more financial tools.

With additional responsibilities, more secure sources of revenue are needed. Everyone knows the property tax is a limited and inflexible source of revenue. The city has no access to a tax base that is linked to its ability to create wealth. As Toronto's businesses prosper, federal and provincial tax revenues swell, but the city's revenues remain flat. Past mayors have been forced to lament the lack of largesse flowing from the other levels of government, portraying the city as weak and plaintive. Be proactive. Unite the citizens of Toronto behind a strong call for sustainable revenue sources which reflect the wealth creation of the city and its contribution to the tax revenues of other governments. Negotiate for the power to levy consumption taxes such as a gasoline tax and hotel tax. Toronto should have a share of the income tax, which truly reflects the growing wealth of the region. However these taxes should not be additional to what taxpayers are already paying. As provincial and federal governments abandon the responsibility to pay for services, so should they abandon collecting revenues for them. In the words of the Toronto Dominion Bank report on cities, they should "do less with less".

Think and work as The Toronto Region.

There is an outmoded notion that the City of Toronto and its surrounding municipalities are locked in an acrimonious relationship of competition. There are differences, but much more unites municipalities across the Toronto region than divides them. Strong leadership benefits Toronto as well as Mississauga, Brampton, Markham, Newmarket and Pickering. It has been too easy for provincial governments to play the surrounding regions off against the City. There are excellent mayors and councils across the region and the new mayor must be committed to meeting and working with them. The region needs empowered decision-making bodies that coordinate and plan in areas such as transportation and transit, tourism, settlement, housing, social services, and health care.



Champion bold and creative initiatives.

This does not mean pinning hopes on mega-projects or embarking upon massive development schemes. Rather, foster a vision beyond the bounds of the current entrenched debates, which may be as simple as making it possible for little, smaller ideas to emerge. Be prepared to take bold risks as the city has in the past. We need some new ideas to supplant some of the old predictable choices. Instead of choosing between an airport or a park, the Mayor should put forward imaginative ideas: the Toronto Islands be transformed into wonderful environmentally sustainable neighbourhoods, laced by canals, anchored by a new international university focused on information and design. Bold visioning like this would incorporate things already in the works, such as the deep water cooling system, bicycle friendliness year round, supporting (again) the best transit system in North America, and capitalizing on Canada's international leadership in wireless technology.

Create partnerships with private and not-for-profit city-builders.

Toronto is replete with entrepreneurs and designers sought after the world over for their expertise in creating dense, dynamic and innovative urban design and building. We have known for decades the folly of urban sprawl. But a less-than-helpful tax structure and the absence of a unified political will have thwarted our own potential (and our best planners and architects have taken work elsewhere). Now's the time to harness their amazing energy and international expertise, and at the same time create tools, such as tax incentives and differential fees, to encourage innovative building on brownfields and retired industrial sites across the Region.

Respect and invest in municipal staff.

Although amalgamation resulted in some disarray and confusion, generally our City staff are well trained, knowledgeable, experienced and devoted to the City. Support the 'PATH to Excellence' proposals already underway with the municipal civil service to build competence and excellence, and capitalize on the competitive edge they represent. This past summer city health staff informed the world as they ably

and resourcefully developed new protocols on containing infectious disease. It's not the first time our public health care workers have been on the vanguard (our street health programs on AIDS protection in the 80s are another), and it won't be the last.

Work boldly and confidently with other levels of government.

Key urban issues like education, health care and the environment fall constitutionally in the provincial ambit. But each has a particular big-city aspect with unique challenges: education in a population of many newcomers from around the world has challenges of language and culture; health care has challenges of new pathologies and treatment protocols; and environment embraces a complicated set of technology and behavioural challenges. Jurisdiction matters little to the person living, working, or playing on the street. The Mayor must create new models in areas where jurisdictions overlap, such as the Toronto Region Immigrant Employment Council. The provincial, federal, and other governments around the world will watch and learn.

Lead using good ideas, strong arguments and goodwill.

Have the courage to engage citizens in creating a vision of Toronto as one of the dynamic and innovative economic, political and cultural centres of the world. Look for partners and co-operation. Toronto is not alone. The Mayors and civic leaders of Canada's largest cities are powerful allies in advocating a new deal for Toronto, because they know what's at stake. The vast majority of Canadians now choose to live in Canada's large urban areas and have a vested interest in making their cities attractive, competitive and sustainable. Increasingly rural Canada agrees that vibrant cities are critical to maintain rural life.

The Mayor of Toronto earns more votes than any single politician in Canada, and therefore potentially wields enormous political power. He or she must use this power to create a broad coalition of political will. Be accountable, be inclusive, and above all, be bold and imaginative.

Summary:

- Embrace an agenda of greater autonomy for the Toronto region.
- Argue for more financial tools.
- Think and work as The Toronto Region.
- Champion bold and creative initiatives.
- Create partnerships with private and not-for-profit city-builders.
- Respect and invest in municipal staff.
- Work boldly and confidently with other levels of government.
- Lead using good ideas, strong arguments and goodwill.

To Learn More:

Enough Talk: An Action Plan for the Toronto Region, Toronto City Summit Alliance, April 2003, www.citysummitalliance.ca

The Greater Toronto Area (GTA): Canada's Primary Economic Locomotive In Need of Repairs, TD Economics, Special Report, May 22, 2002, www.td.com/economics

A Choice Between Investing in Canada's Cities or Disinvesting in Canada's Future, TD Economics, Special Report, April 22, 2002, www.td.com/economics

Municipal Finance and the Pattern of Urban Growth, The Urban Papers, Enid Slack, C.D. Howe Institute Commentary, No. 160, February 2002, www.cdhowe.org

Taking Responsibility for Homelessness: An Action Plan for Toronto, A Report of the Mayor's Homelessness Action Task Force, City of Toronto, 1999. www.city.toronto.on.ca/mayor/initiatives.htm, www.canadacities.ca

Toronto: Considering Self-Government, (includes *Towards a Greater Toronto Charter*), Mary Rowe editor, with contributions from Jane Jacobs, Joe Berridge, Alan Broadbent, David Crombie, Meric S. Gertler, Richard Gilbert, Michael Mendelson, David M. Nowlan, John Sewell, and Enid Slack. The Ginger Press, 2000. www.gingerpress.com

In 1999, Avana Capital, through its Ideas that Matter division, initiated a series of discussions on urban autonomy in Canada which resulted in the publishing of *Toronto: Considering Self-government, Towards a Greater Toronto Charter*, and the creation of the C5 (Vancouver, Calgary, Winnipeg, Toronto and Montreal), a city collaboration that includes meetings of Mayors and civil society leaders on a regular basis.

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