

Collaborating for Competitiveness

A Strategic Plan for Accelerating Economic Growth and Job Creation in Toronto



January 2013

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SUMMARY OF RECOMMENDATIONS

This strategic plan, *Collaborating for Competitiveness*, presents specific recommendations and actions to advance four key strategies to accelerate economic growth and job creation as summarized below. While there are other overall strategies and specific actions that could be followed, this list is deliberately focussed on a limited set of initiatives to better ensure the likelihood of success.

A. Make Toronto the Most Competitive Big City in North America for Businesses

Recommendation A.1: Accelerate investments in commercial and industrial developments that enhance the City's property tax base and/or create permanent jobs.

Action A.1.1:

Ensure Official Plan policies and Zoning By-law regulations provide flexibility to accelerate investments in commercial and industrial developments that enhance the City's property tax base and/or create permanent jobs.

Action A.1.2:

Reduce the time frames for the review of development applications for employment uses and consider implementation of a Development Permit System for Employment Areas.

Recommendation A.2: Improve cost competitiveness that enhances the City's property tax base and/or creates permanent jobs.

Action A.2.1:

Continue commitment to reduce industrial and commercial property tax ratio to 2.5x residential property tax rate by 2020 or earlier and endorse in principle that all industrial development, and commercial development excluding ground floor and retail components, continue to be exempt from development charges in the upcoming development charges by-law review.

Action A.2.2:

Fully promote the recently renewed and modified Imagination, Manufacturing, Innovation and Technology (IMIT) program.

B. Ensure Adequate Supply and Availability of Business Input Essentials

Recommendation B.1: Ensure sufficient land is available to accommodate commercial and industrial employment growth.

Action B.1.1:

Request the Ontario Minister of Finance, in consultation with MPAC, give consideration to making the necessary regulation that would have commercial and industrial operations in areas of rapid development within the City assessed at their current use rather than highest and best use implied by market value.

Action B.1.2:

Ensure Official Plan policies and Zoning By-law regulations provide flexibility to permit compatible offices within employment areas.

Recommendation B.2: Ensure sufficient infrastructure capacity is available to accommodate commercial and industrial employment growth forecasts.

Action B.2.1:

Assess the City of Toronto's long-term capital investment program in the context of supporting economic growth and job creation with a specific focus on addressing traffic congestion including a review of the city's transportation hubs and ports, comprehensive transit plan and funding strategy, accessibility of major employment areas and a goods movement strategy and recommend adjustments if and as appropriate.

Action B.2.2:

Encourage and support Toronto Hydro initiatives to renew or replace ageing infrastructure to improve the reliability of electricity supply.

Action B.2.3:

Work with Toronto Hydro and Hydro One to initiate a strategic examination of existing and anticipated future power needs, alternative approaches to supply, distribution, conservation and demand reduction, including expanding co-generation and district power solutions.

Recommendation B.3: Facilitate workforce development to ensure equitable opportunities for all residents, an adequate supply of qualified labour to support economic growth and reduce social support service costs to the City.

Action B.3.1:

Integrate and coordinate implementation of the Workforce Development Strategy, Toronto Strong Neighbourhoods Strategy and Collaborating for Competitiveness.

C. Encourage Business Investment and Formation

Recommendation C.1: Help small and medium size enterprises form and prosper.

Action C.1.1:

Work with seasoned entrepreneurs, industry associations, and business organizations to establish wider networks of incubators, accelerators and mentors.

Action C.1.2:

Request the Province of Ontario to amend legislation respecting the Vacant Unit Rebate provision for Commercial and Industrial properties to permit municipal councils to establish graduated vacant unit rebates to induce and incent owners and tenants to meet eligibility criteria that align with the municipalities economic growth and job creation objectives.

Recommendation C.2: Attract companies and investment to Toronto.

Action C.2.1:

Foster effective foreign direct investment attraction (business and capital) through a better co-ordinated sales and marketing approach using Invest Toronto, regional bodies (e.g. GTMA), sector organizations such as the Toronto Financial Services Alliance and Tourism Toronto, the City's partner and friendship cities, provincial and federal agencies.

D. Boost Business Growth

Recommendation D.1: Strengthen and grow high-value sectors particularly those with high economic multipliers.

Action D.1.1:

Increase participation of Toronto-based businesses in existing sector-based export development and market-entry programs by ensuring programs are promoted and delivered in Toronto.

Action D.1.2:

Lever the City's relationship with our international alliance partners and friendship cities as well as with bi-lateral business associations to establish cross-border business oriented partnerships, develop new markets and trade alliances, and act as a catalyst for new investment, as well as business, educational and cultural exchanges.

Action D.1.3:

Lever major events, such as the Pan/Para Pan American Games, to stimulate business alliances (including cultural relationships), develop and expand markets and attract investment.

Recommendation D.2 Strengthen support for retaining and expanding manufacturing.

Action D.2.1:

Proactively outreach to identify and assist Toronto-based manufacturers seeking global product mandates including accelerating necessary municipal approvals and advocating to/with other orders of government.

Action D.2.2:

Provide an annual report on the state of Manufacturing in Toronto to keep a special focus on this group of high-value sectors.

1. INTRODUCTION

The guiding vision for this strategic plan is to foster the creation of a virtuous cycle of sustainable economic growth and job creation in order to improve the quality of life for all residents. Its goal is to advance the city's prosperity, opportunity and liveability by:

- working with businesses, residents, and a broad set of stakeholders to foster employment and investment growth;
- improving the City's finances by increasing assessment and generating new employment, thereby decreasing the need for social support payments and services; and
- ensuring that City policies, programs and activities create an attractive climate for business investment and job creation.

These results can only be achieved through a collaborative process in which City Divisions, Agencies, Board, Commissions and Corporations unite around common goals, objectives and targets and work with all stakeholders to implement the necessary actions.

In today's global market economy the quality of life we enjoy, our social, environmental and economic well-being are inextricably linked. Economic activity generates the private and public income – wages, profits, taxes - that residents, businesses, communities, and governments, use to pay for food, clothing, housing, public transportation, education, health care, parks, libraries, community recreational centres, cultural amenities, other services and programs and invest in expansion and innovation. The availability and accessibility of these amenities are major determinants of the quality of life residents enjoy. A good job is thus one of the main determinants of good health.

On a global scale, Toronto has been a relatively successful city. However, it is clear that the future will not be a continuation of the past. The McKinsey Global Institute (MGI) in its 2011 report, *Urban world: Mapping the economic power of cities*, noted that about 20% of the world population located in 600 urban centres generate 60% of total global GDP. They project that by 2025, 600 cities will continue to generate 60% of global GDP, but they will be different cities. The MGI report states that *"Over the next 15 years, the makeup of the group of top 600 cities will change as the centre of gravity of the urban world moves south and, even more decisively east"*.

The future economic growth and continued prosperity of cities will depend on the way challenges are managed and opportunities seized. Some countries, regions and cities will emerge more successful than previously, others will falter, and a few may fall dramatically. Successful cities will be those that can work more collaboratively to develop new approaches that will create an environment that will assist its firms and citizens to adapt and thrive in constantly changing economic realities.

Toronto is at a critical juncture. Success will require not only changes to the way we do business, but changes to the way we view and intersect with the world around us. Navigating these changes will require a focused and deliberate plan for the city.

The importance of local economic plans increases with the degree of uncertainty in the prevailing economic climate. Today's uncertainties are driven by a weak recovery from the 'Great Reset' of 2008/09, an eastward shift of global economic growth, loss of traditional economic strengths such as manufacturing and slow economic growth in the U.S., as well as the evolving E.U. debt crisis. Focused, concrete and actionable municipal economic plans are essential.

Fortunately, Toronto was better able to weather the impacts of the economic downturn and recession than most cities around the world. In large part, this was due to the strength of the Canadian financial services sector, headquartered in Toronto, and the diversity of the city's economy. As a consequence, Toronto is well positioned for success. However, it cannot afford to rest on its laurels. To the contrary, now is the time for aggressive action.

This Strategic Plan, ***Collaborating for Competitiveness: A Strategic Plan for Accelerating Economic Growth & Job Creation in Toronto***, has been developed within the context described above. Previous reports and strategies for economic development, planning and growth management, infrastructure, workforce development and strong neighbourhoods and the consultations undertaken for each together with discussions with external stakeholders as well as City and ABCC staff provided a wealth of information for this strategic plan. In particular, this Plan builds on the Toronto Prosperity Initiative Plan (2011) and the Economic Growth Plan Directions Report (March 2012).

This strategic plan presents recommendations and actions that City Council and staff can initiate to create an attractive climate for business growth and investment attraction, foster job creation, and improve the City's finances by increasing assessment and decreasing the need for social support payments and services. The recommendations are focused, concrete and actionable, and include ongoing monitoring of both performance indicators and changing conditions together with mechanisms to ensure continuous improvements.

Section 2 of this report provides an overview of the current *Toronto Context* describing the prevailing circumstances in which this strategic plan has been developed. Section 3 outlines the *Approach to Formulating a Strategy*, including the goals, objectives and related targets. The recommendations and associated actions of the strategic plan are contained in Section 4, *The Plan for Accelerating Economic Growth and Job Creation in Toronto*. Section 5, *Implementation of the Collaborating for Competitiveness Plan*, seeks to establish internal and external mechanisms to ensure ongoing collaboration.

2. TORONTO CONTEXT

On a global scale, Toronto has been, and is, a successful city with a demonstrated capacity to adapt to the changing circumstances created by inevitable economic cycles, as well as unanticipated local and global events. With a population of 2.7 million people, Toronto is Canada's largest city and the country's financial and cultural capital, home to 85,000+ businesses, and welcoming 25 million tourists annually including 10 million overnight visitors.

Chart 1: Comparison of Population by City and Region

City	2011 Population (in millions)	2011 Regional Population (in millions)
Mexico City	8.8	21.2
New York	8.0	18.9
Los Angeles	3.7	12.8
Toronto	2.7	5.8
Chicago	2.7	9.5
Houston	2.1	5.9
Montreal	2.0	3.9
Philadelphia	1.5	6.0
Phoenix	1.4	4.2
San Antonio	1.3	2.1
San Diego	1.3	3.1
Dallas	1.2	6.4
San Jose	0.9	1.8

Source: Statistics Canada, Annual Population Estimates; City Major Statistics; US Bureau of Census, American Community Survey

Toronto is also the 4th largest city in North America and the core city of a region of 5.8 million residents that accounts for just under 20% of the total population of Canada. The gross domestic product of the Toronto Census Metropolitan Area (CMA), estimated to be almost \$250 billion (CDN\$2002), is larger than the GDP of most provinces in Canada, and is equivalent as a percentage of national GDP to that of New York, Chicago, Boston and San Francisco combined in the United States.

Chart 2: Toronto Scores Well In International Rankings

Report Author	Title	Toronto Ranking 2012	Description
PriceWaterhouseCoopers	Cities of Opportunities	3 rd	The report looks at the city life of 27 world capitals of finance, commerce and culture in 10 broad categories.
Economist Intelligence Unit	Most Liveable Cities	4 th	EIU examines 140 world cities. Cities are ranked on political and social stabilities, healthcare, culture and environment, education and infrastructure.
Z/Yen Group	Global Financial Centres Index	10 th	The GFCI evaluates the competitiveness of 75 financial centres worldwide using results of online surveys completed by financial services leaders.
Economist Intelligence Unit	Benchmarking Global Competitiveness	12 th	EIU ranks the competitiveness of 120 of the world's major cities
The Atlantic Cities	Global Economic Power Index	12 th	The 25 most economically powerful cities in the world
Mercer	Worldwide Quality of Living	4 th	Ranking of 420 cities worldwide
Mercer	Worldwide Cost of Living	61 th (lower ranking is better)	Ranking of 214 cities across five continents measuring the comparative cost of over 200 items in each location.
Aon Hewitt	Top Five Lowest Risk Cities in the World for Employers	2 nd	Index, ranks 131 cities worldwide based on the risk that organizations within the cities face with recruitment, employment and relocation.
Modis	Top 12 North American Cities of IT Jobs	2 nd	Listing of Canadian and U.S. cities with highest potential for IT job growth in the coming year.
Startup Genome	World's Top Tech Hubs	8 th	Startup Genome covers 25 cities worldwide
Times Higher Education	University of Toronto	21 th	Ranking of 400 universities worldwide for 2012-2013.

In addition to having one of the largest urban aboriginal populations in Canada, estimated at about 70,000 First Nations, Métis and Innu, Toronto residents have come to our city from over 200 different countries of origin, speak most of the world's languages, and worship virtually every known religion. The diversity of experience, ideas and connections within the city's labour force provides a tremendous advantage for Toronto businesses. It is this openness to different ways of life and a willingness to embrace new ideas that makes Toronto a global centre for creativity and innovation, reflecting the City's official motto: *Diversity Our Strength*.

But a wider set of factors helps explain why Toronto is increasingly the city that the world *aspires* to. The most recent edition (2012) of PricewaterhouseCoopers' (PwC) *Cities of Opportunity* study ranks Toronto 3rd out of 27 global centres, behind only New York City and London. PwC notes "*that each city represents an economic ecosystem in its own right, built around mutually supportive economic and social strengths... Maintaining healthy balance is a cornerstone of urban resilience.*"

Toronto's high ranking in the specific attributes that PwC assessed in their study are well documented. Toronto consistently does very well on international quality of life and liveability rankings. These factors, in turn, contribute to economic growth and thus support the virtuous cycle of prosperity.

Foremost among Toronto's competitive advantages is its labour force. Home to an outstanding community college system alongside world class universities and strengthened by the international education, knowledge and skills that newcomers bring to the city, Toronto residents are diverse, well-educated, and highly skilled. The diversity and education of the city's labour force is reflected in the diversity and strength of the Toronto economy. Today, Toronto is a leading North American centre in a very wide range of sectors including, information technology, film and television, education, biotechnology, health care, design, food and beverage, green/renewable energy, professional services and tourism as well as financial services and manufacturing. No individual industry represents more than 12% of the city's labour force. This economic diversity makes the regional economy more resilient to downturns that occur in any given sector, and gives it the ability to respond to opportunities as new sectors emerge.

The desirability of Toronto as a place to live and work in combination with the strength and skills of its financial services and construction trades sectors are the key forces behind the city's current building boom. The City of Toronto with 184 high-rise buildings under construction continues to lead all North American municipalities well ahead of New York (91) and Mexico City (88) which are a very distant 2nd and 3rd.

Toronto is well positioned for success. If we can successfully implement new policies and tools, we can create a positive cycle of sustained economic growth that will generate new jobs, increase city revenues, and improve the quality of life for residents, business owners and employees within the City.

Appendix I provides a more detailed description of the Toronto context.

3. APPROACH TO FORMULATING A STRATEGY

Sustainable economic growth cannot be achieved by any one order of government, organization or agency acting alone. Building a favourable economic environment can only be achieved through ongoing cooperation among all stakeholders, including external as well as internal organizations. Cities need collaborative and systematic approaches in their efforts to create a virtuous cycle of sustainable economic growth. A properly integrated system will create good jobs and raise incomes, increase sales for local serving businesses, stimulate business growth and new firm formation locally, and attract new wealth into the city through enhanced business relationships and trade regionally, nationally and internationally. These private sector benefits in turn, increase a City's tax base, decrease municipal expenditures for social assistance and subsidy programs and increase the public and private capacity to invest for public good.

This strategic plan provides for a collaborative approach within the City to ensure the alignment and harmonization of interrelated policies, programs and actions. To this end, it has been developed in conjunction with and in consideration of several other strategic policy documents currently under review including the Official Plan, City-wide Zoning By-law, Development Charges By-law, Imagination Manufacturing Innovation & Technology (IMIT) incentive program, Strong Neighbourhoods Strategy and the Workforce Development Strategy. Other significant issues that impact economic growth are being addressed through other studies and initiatives, including the Transit Plan and Affordable Housing initiatives. This Plan does not replicate or compete with those efforts, rather it complements them and provides an economic growth lens with which to view all major initiatives, current and future.

This Plan recognizes that some elements of competitiveness are the responsibility of other orders of government and recommends engaging with them in a collaborative manner to improve outcomes. Achieving these improvements may require new or revised policies and initiatives or better coordination and integration of ongoing activities to increase awareness and accessibility of existing programs.

Although governments play a critical role in creating conditions that support (or inhibit) success, this Plan recognizes that it is the private sector, not governments, that generate economic growth and create jobs. This Plan is intended to inform and reach out to other stakeholders, including residents, businesses, industry associations, labour organizations colleges and universities, community organizations, other governments and all those with an interest in helping to build a better Toronto.

This Plan, therefore, builds on the long history of studies and reports including the stakeholder advice provided through related consultative processes for broad economic strategies and specific issues. As such, some of the recommendations reinforce earlier strategies by recommending that they continue or be amended. In particular, this Plan builds on the Toronto Prosperity Initiative Plan (2011) and the Economic Growth Plan Directions Report (March 2012).

This Plan is not all encompassing; it focuses on a few key strategic issues impacting economic growth and job creation and on aligning and harmonizing stakeholder actions. The

recommendations have been developed in the context of today's local and global economic environment and are a combination of urgent and doable. The recommendations include establishing mechanisms for ongoing monitoring, collaborative problem solving, and continual improvement. The results of this Plan will be monitored on an ongoing basis with strategic issues and actions reviewed and reassessed biennially as well as through reports to the Economic Development Committee on a regular basis.

Although a sustainable, competitive economy is the result of a myriad of interactions this Plan articulates a few basic principles that provide a framework for creating and maintaining a virtuous cycle of economic prosperity.

3.1 Principles:

The consultations undertaken for this and earlier plans have stressed the need to follow some clear principles in developing the strategies to improve their chance for meaningful impact. These are:

Clarity

The goals and objectives and the rationale for each should be easily understood by Council, staff and all partners including the public.

Actionable

The recommendations must be practical and actionable and at least partially within the City's jurisdiction.

Measurable

There must be clear, measurable targets set for each objective.

Collaboration

Partners must be engaged in the development and implementation of integrated, mutually beneficial solutions.

Accountability

There must be clear lines of accountability for implementing the recommendations and achieving targets.

3.2 Goals, Objectives & Targets:

The goals, objectives and targets of this Plan are also tightly focused on a few key strategic issues impacting economic growth and job creation and on aligning and harmonizing interrelated policies, programs and actions. Appendix II explains the data behind the core measures used for each of the following objectives and targets. The targets will only be achieved through collaborative and coordinated actions among City Divisions and ABCCs in conjunction with external stakeholders, including business, labour, academia and other orders of government.

Goals:

- **Advance the City's prosperity, opportunity and liveability by:**
 - Working with businesses, residents, and a broad set of stakeholders to foster job creation and investment growth
 - Improving the City's finances by increasing assessment and generating new employment, thereby decreasing the need for social support payments and services
 - Ensuring that City policies, programs and activities create an attractive climate for business and investment

Objectives & Targets

A key new element to this economic development strategy is the setting of explicit objectives and targets. The following city-wide objectives and targets have been identified to achieve the above goals in a manner that also builds an integrated and sustainable economic growth and job creation system. Satisfying these objectives and meeting the targets will require a collaborative approach among many stakeholders on an ongoing basis. As part of the implementation plan, City Divisions and ABCCs will be encouraged to develop a systems approach that integrates and links their activities to the economic growth and job creation goals, objectives and targets ultimately adopted by City Council. As a result, all ABCCDs will be contributing to this corporate strategic plan.

i Increase employment

Increasing employment is the best available measure of economic strength and the measure with the closest link to residents' well-being. Achievement of greater job growth in the city will provide more opportunity for residents to live closer to their workplace and reduced commute times as well as drive assessment growth. The average net job increase within employment establishments in Toronto over the past 15 years has been 8,000 jobs per year (Toronto Employment Survey). An increase in jobs means an expanded economy and potentially a lower unemployment rate. The unemployment rate for the City of Toronto, 9.7% at year-end (December 2012) was about 2.5% higher than the regional (7.2%) and national (7.1%) averages.

- **Accelerate Job Creation**
 - 20,000 net new jobs per year as measured by the Toronto Employment Survey
- **Reduce Toronto-Canada Unemployment Gap**
 - Eliminate gap between City and national unemployment rate by end of 2018

ii. Improve job quality

In combination with increased employment, improving job quality will lead to increased incomes and to decreased reliance on social services such as Ontario Works, which in turn reduces the burden on property taxes. Wages are one of the best and least ambiguous indicators of job quality and the median hourly wage is considered to be the most significant job quality indicator.

Another measure of job quality from the point of view of the entire local economy is the number of jobs in high-value (traded sectors) relative to jobs in non-traded sectors. High-value, or traded sectors, produce goods and services that are exported. An increase in employment in traded sectors has a multiplier effect in the local economy, whereas an increase in local population-serving employment may only displace other jobs in the same industry sector. The ratio of traded to non-traded (or population serving) jobs has declined from about 60:40 during the 1980s and 1990s to about 55:45 in 2011.

- ***Job Quality***
 - Year over year median hourly wage rate to increase above CPI (consumer price index)
 - Increase ratio of new jobs in traded sectors to non-traded sectors to 60:40 annually

iii. Add net new commercial office and industrial property assessment within the city

Net new commercial and industrial property tax assessment is calculated as the difference between the assessed value of new and expanded buildings less the assessed value of buildings demolished within the same year, i.e. it does not include the change in assessed value resulting from general property value increases/decreases. Adding net new commercial office and industrial property tax assessment within the city encompasses a number of positive impacts. It indicates a positive economic climate that is attracting private sector investment and provides net additional property tax revenue for increased public sector investment. All else being equal, an increase in assessed value due to a general increase in real estate value would result in a reduction in the municipal tax rate not an increase in tax revenue.

- ***Net new commercial and industrial property tax assessment within the city***
 - \$400 million net new commercial and industrial current value assessment per year (this would generate ~\$15 million to \$20 million in additional property tax revenue)

iv. Align and harmonize City and ABCCs policies, programs and activities to create an attractive climate for business and investment.

Business investment decisions are complex and based on many interrelated factors. Creating a positive business climate that stimulates economic growth and job creation therefore requires a coordinated and integrated approach. While each of the City's Agencies, Boards, Commissions, Corporations and Divisions has its own specific functions and responsibilities greater impact can be accomplished with fewer resources by aligning and harmonizing policies, programs and activities. Although it is difficult to assign a target to this type of goal, research into a survey-based approach to assessing alignment should be considered to establish a benchmark and to monitor changes.

- ***Measure of alignment***
 - To be developed in 2013

4. THE PLAN FOR ACCELERATING ECONOMIC GROWTH AND JOB CREATION

After considering previous plans, input from internal and external stakeholders, and initial suggestions made in the Economic Growth Plan, 2012 – 2014, the following four main strategies and associated recommendations are presented as the basis for achieving the goals and targets set out above. Specific actions to advance each strategy have also been developed.

A. Make Toronto the Most Competitive Big City in North America for Businesses

- A.1. Speed to Market – Fast Development Cycle.
- A.2. Improve Cost Competitiveness.

B. Foster Better Business Input Essentials

- B.1. Ensure sufficient land is available to accommodate commercial and industrial employment growth forecasts.
- B.2. Ensure sufficient infrastructure capacity is available to accommodate commercial and industrial employment forecasts.
- B.3. Facilitate workforce development to ensure adequate supply of qualified labour to support economic growth and reduce City social support services costs.

C. Encourage Business Investment and Formation

- C.1. Help Small Businesses establish and prosper.
- C.2. Attract companies and investment to Toronto.

D. Boost Business Growth

- D.1. Strengthen High-value Sectors.
- D.2. Maintain Manufacturing as a Mainstay of the Toronto Economy.

The strategies, recommendations and actions are discussed in more detail below.

A. Make Toronto the Most Competitive Big City in North America for Businesses

All cities are competing for business growth in many situations: multi-national companies looking to expand a business line (or where to consolidate and reduce away from), entrepreneurs looking for the best business environment, inventors looking to commercialize their innovation. Toronto can stand out amongst large complex urban places by having a fast development cycle compared to alternate locations and a cost competitive structure of municipal costs.

Speed to market has always been an important factor in operating a successful business, however, in today's globally competitive environment accelerating decision making and implementation is more important than ever. Today virtually everything happens much faster than in previous generations. Businesses are competing not only against other companies for market share, but often regional plants within the same multi-national corporation are competing against each other to secure global product mandates. A major element of these competitions can

be the ability to expand an existing facility and get a new production line up and running quickly. The ability for local government and business to work cooperatively and collaboratively to secure the necessary approvals in a timely manner while satisfying public policy objectives can often determine where the new jobs go.

While maintaining the principles of good planning, providing more flexibility within zoning regulations to reduce the need for amendments and Committee of Adjustment hearings would serve to expedite development review and approval process and reduce the demand on City staff resources. To the greatest extent possible, within the parameters of Provincial planning legislation and the City's stated objectives to manage growth and competing land uses and to build complete communities, investments that create good quality permanent employment should proceed directly to the building permit stage.

Where municipal approvals are required, consideration should be given to dedicating additional resources to commercial and industrial development and building applications. Bringing new or expanded industrial and commercial developments online more quickly also means generating new jobs and additional tax revenue sooner.

Another approach is to consider implementing a Development Permit System (DPS) for employment areas. Under the Planning Act, the Development Permit System, expedites and facilitate development by combining zoning, site plan and minor variance processes into one application and approval process with faster timelines.

The DPS is an up-front, policy-led process that promotes strategic, integrated and long term planning. It provides an opportunity for the public to have a voice in the vision of their community and gives municipalities the ability to impose a range of conditions on the issuance of a development permit based on prescribed criteria. This approach requires up-front work to clarify goals, objectives and expectations, but provides greater certainty, transparency and accountability for all parties. Advancing this initiative would also require all parties to adopt a collaborative approach.

The net positive contribution to municipal revenues made by businesses helps support the many services and programs the City provides to its residents. The long term fiscal sustainability of high quality City services and programs is therefore dependent upon maintaining a strong industrial and commercial property tax base.

Recommendation A.1: Accelerate investments in commercial and industrial developments that enhance the City's property tax base and/or create permanent jobs.

Action A1.1:

Ensure Official Plan policies and Zoning By-law regulations provide flexibility to accelerate investments in commercial and industrial developments that enhance the City's property tax base and/or create permanent jobs.

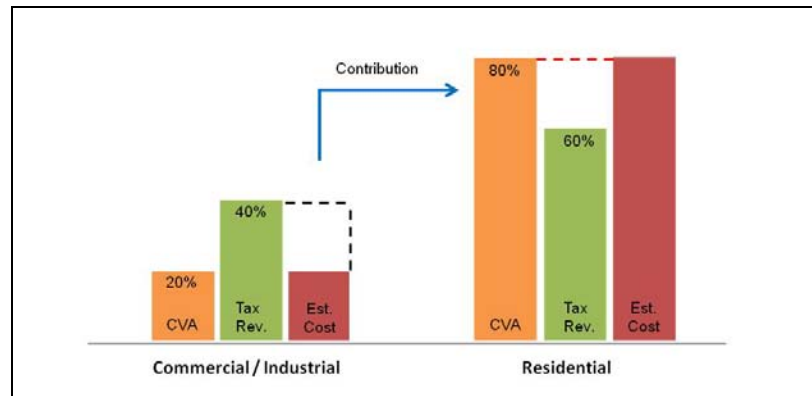
Action A1.2:

Reduce the time frames for the review of development applications for employment uses and consider implementation of a Development Permit System for Employment Areas.

Toronto-based businesses operate within a global market economy. Success requires that potential development be financially viable and cost competitive with other comparable jurisdictions. Having an affordable cost structure will not by itself guarantee sustainable economic growth, but it is a prerequisite for sustainable investment attraction. City Council has the authority to directly set only some of the cost factors: the municipal portion of property taxes; development charges; and, to some degree, local utility costs. Through collaboration and advocacy, City Council and staff can work to influence costs factors established by others. As discussed in *Section B.2 Ensure adequate infrastructure to support economic growth* the cost structure must take into consideration the need to maintain and expand services and infrastructure to support economic growth.

As illustrated below, commercial and industrial properties account for 20% of the total value of all assessed property within the city, but contribute 40% of total municipal property tax revenue. Additionally, the tax revenue received from commercial and industrial properties exceeds the cost to provide municipal services to these developments. This net positive contribution by businesses helps to support many of the services and programs provided by the City to its residents. Maintaining a strong commercial and industrial tax base is thus essential to providing high quality public services and programs without significant increases in residential property tax rates.

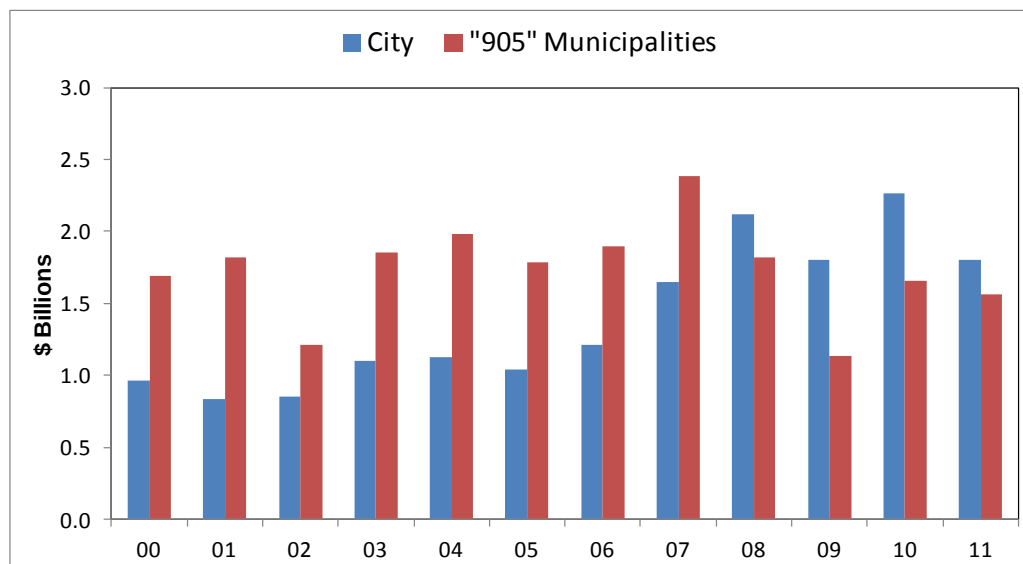
Chart 3: Revenue from Tax Levy vs. Cost to Provide Services



Source: City of Toronto Finance; Real Property Association of Canada

The City has taken steps to improve cost competitiveness. Chart 4 below shows the dramatic increase in the annual value of commercial and industrial building permit issued in 2006 following City Council adoption of the DCM/CFO's report *"Enhancing Toronto's Business Climate: It's Everybody's Business"*.

Chart 4: Value of Commercial & Industrial Building Permits



Source: Statistics Canada

Among other things, *"Enhancing Toronto's Business Climate: It's Everybody's Business"* set out a long-term plan to reduce the relative rates of commercial and industrial property tax and expand the application of tax increment equivalent grants (TIEGs). TIEGs grants, implemented through the Imagination, Manufacturing, Innovation, Technology (IMIT) program, provide incentives to encourage renovation or new construction of buildings for employment uses in targeted sectors as well as the adaptive reuse of existing building stock and brownfield remediation. The 2012 review of the IMIT program recommended that it continue with some

enhancements to further stimulate economic growth. Most office, commercial and industrial developments also continue to be exempted from Development Charges. Projects approved for a grant under the IMIT program are also exempt from Development Charges. A review of the City's development charges bylaw is underway and it is anticipated that a new bylaw will be available for Council consideration in early 2013.

These initiatives were taken to help level the playing field with the surrounding municipalities and rebalance the commercial and industrial municipal property tax rates to 2.5x the residential rate to make Toronto's businesses more competitive globally. By contrast Toronto home owners continue to enjoy the lowest residential property tax rates in the Toronto region. Residential properties within the city make up about 80% of the total assessed value of all property but contribute only 60% of total municipal property tax revenue.

This strategic approach for property taxes has remained in place and City Council has maintained this focus despite requiring significant constraint in formulating City budgets over the past three budget cycles.

Recommendation 2: Improve cost competitiveness that enhances the City's property tax base and/or create permanent jobs.

Action A2.1:

Continue commitment to reduce industrial and commercial property tax ratio to 2.5x residential property tax rate by 2020 or earlier and endorse in principle that all industrial development, and commercial development excluding ground floor and retail components, continue to be exempt from development charges in the upcoming development charges by-law review.

Action 2.2:

Fully promote the recently renewed and modified Imagination, Manufacturing, Innovation and Technology (IMIT) program.

B. Ensure Adequate Supply and Availability of Business Input Essentials

This key strategy focuses on a few essential inputs needed by business to ensure that they can continue to grow and prosper in Toronto: space, transport, utilities and an excellent workforce.

B.1. Ensure that an adequate supply of land is available to grow the City's property tax base and accommodate commercial and industrial employment growth forecasts.

Ensuring a sufficient long-term supply of development-ready land for office and industrial use to allow existing businesses to expand and new businesses to start-up is one of the important roles governments play in facilitating economic growth. Currently, a number of factors, including population growth, municipal property assessment system, municipal property tax rates, development charges, and other market forces in the real estate industry have all contributed to creating conditions that provide higher economic returns and/or lower risk for new residential development in the City relative to commercial and industrial development. These factors have encouraged the conversion of existing employment lands to residential uses. While new residential development provides short-term employment for the development industry and skilled trades and benefits the City in other ways, the loss of viable employment lands to accommodate permanent employment opportunities is a serious concern.

Chart 5: The Geography of Export Based Wealth Creation In Toronto



Source: Malone Given Parsons Ltd., Cushman & Wakefield, Real Estate Search Corp., The Centre For Spatial Economics

The City is currently in the process of undertaking its Five Year Review and a Municipal Comprehensive Review of its Official Plan. Strengthening policies to better ensure an adequate supply of employment lands within the city is a key element of the review. The emerging

policies are, among other things, intended to preserve designated employment areas for employment uses; and, stimulate the growth of new office space in the Downtown, Centres and in proximity to rapid transit stations.

The impact of MPAC's methodology for determining the assessed value of commercial and industrial properties should also be reviewed. At present the market value of commercial and industrial lands are determined in part by expectations about future uses, which are strongly influenced by the market value of adjacent properties. This methodology adversely impacts industrial lands and smaller commercial properties in close proximity to lands that have been, or are planned to be, redeveloped for higher density uses, generally residential. For example, residential condominium developments in the area of the 'Kings' (King/Spadina, King/Parliament) have resulted in an increase in the assessed value, and therefore property taxes, of nearby commercial properties. These increases are passed on to tenants who may then seek to relocate to less costly premises. If enough tenants are impacted prudent property owners are led to consider conversion to residential uses thereby completing a self-fulfilling cycle and permanently reducing the inventory of lands available for employment uses.

Maintaining lands for employment uses is a necessary, but not sufficient condition for economic growth. Getting the lands back into productive use, generating jobs, wages, tax revenue and profits requires that there must be a demand for, as well as a supply of, of these lands. In the past, when manufacturing accounted for 20% of total city employment, or 1 in every 5 jobs in Toronto, large areas of the city were reserved for industrial uses. Office development was prohibited or discouraged within industrial areas. Manufacturing is still an important segment of the city's economy, but has declined to about 9% of total employment (1 in 11 jobs) in the city. As a result, Toronto has a significant inventory of older industrial buildings. Due to their size and layout many, if not most, of these older industrial buildings are not suitable for modern manufacturing processes which generally require larger lots, higher ceiling heights and longer clear spans. However, these properties and buildings can be repurposed for other employment uses. For example, while a 14 foot ceiling height is no longer suitable for industrial uses, it is highly attractive for people working in growing industry sectors such as computer gaming and film production.

Recommendation B.1: Ensure sufficient land is available to accommodate commercial and industrial employment growth.

Action B.1.1:

Request the Ontario Minister of Finance, in consultation with MPAC, give consideration to making the necessary regulation that would have commercial and industrial operations in areas of rapid development within the City assessed at their current use rather than highest and best use implied by market value.

Action B.1.2:

Ensure Official Plan policies and Zoning By-law regulations provide flexibility to permit compatible offices within employment areas.

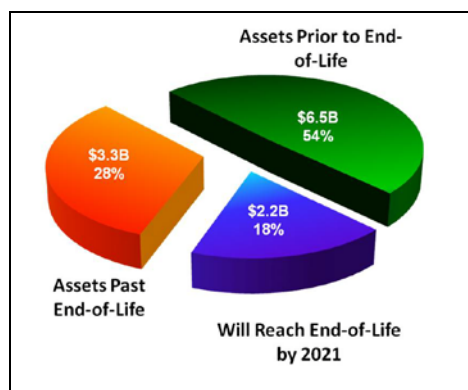
B.2. Ensure adequate infrastructure to support economic growth

Transportation is essential for commerce, both to provide for the movement of labour to the workplace, and the movement of goods and services between businesses and to the marketplace. Traffic congestion in the Toronto region is a serious and costly issue. In 2008, the Organization for Economic Cooperation & Development (OECD) *Metropolitan Review of Toronto* concluded that the lack of adequate transportation infrastructure was a major drag on the competitiveness of the region. A report, *Costs of Road Congestion in the Greater Toronto and Hamilton Area (December 2008)*, prepared for Metrolinx estimated the annual cost of road congestion to commuters to be \$3.3 billion in 2006. The study also identified an additional \$2.7 billion in lost economic opportunities due to congestion. Further, it noted that these congestion costs are expected to significantly increase from \$3.3 billion to \$7.8 billion and from \$2.7 billion to \$7.2 billion in 2031. Toronto Board of Trade members consistently rank transportation as one of the top concerns to business. Addressing traffic congestion requires consideration of the movement of goods as well as people including a review of the city's transportation hubs and ports, major employment areas, comprehensive transit plan and funding strategy and a goods movement strategy.

Trunk distribution lines for sanitary sewer, water and electric power service are now also approaching capacity limits in some areas of the city. This infrastructure is essential for new development to proceed. Plans to increase transportation, sewer, and water capacity have been, or are being prepared, however, adequate funding remains the major obstacle to overcome.

Electric power reliability and capacity are also strategic infrastructure issues that need to be addressed and an integrated response developed. Power interruptions are costly for business, particularly manufacturers with large scale production for which backup generators are inadequate. In addition to the immediate costs of production slowdowns or temporary shutdowns, businesses that compete internationally face potential monetary or reputational costs if production and delivery deadlines are not met. Power interruptions that impact existing business operations also make it more difficult to attract new investment to the city.

Chart 6: State of Toronto's Electricity System – Conditions of Assets



Source: Toronto Hydro Executive Environment Team, May 22, 2012

Timing is also a concern. Toronto Hydro's ageing infrastructure needs to be renewed or replaced to improve reliability in the short term. A strategic examination of existing and anticipated future power needs, alternative approaches to supply, conservation and distribution should also be initiated. The result should ensure an adequate and reliable supply of electric power and assist in developing the green/renewable energy industry in Toronto. As municipal infrastructure projects of this nature generally involve a 2 – 3 year environmental assessment process and may require 5 – 10 years to construct in a densely populated urban area like Toronto this analysis should be undertaken as soon as possible.

These realities also make water and energy conservation measures, energy efficiency investments, co-generation and district power solutions critical in the short to mid-term. Interim solutions may also need to be explored to increase sanitary sewer capacity. While cost competitiveness, and therefore the cost of utility services, is a concern, this concern must be weighed against the need to adequately fund maintenance and expansion to service existing and new enterprises.

Recommendation B.2: Ensure sufficient infrastructure capacity is available to accommodate commercial and industrial employment growth forecasts.

Action B.2.1:

Assess the City of Toronto's long-term capital investment program in the context of supporting economic growth and job creation with a specific focus on addressing traffic congestion including a review of the city's transportation hubs and ports, comprehensive transit plan and funding strategy, accessibility of major employment areas and a goods movement strategy and recommend adjustments if and as appropriate.

Action B.2.2:

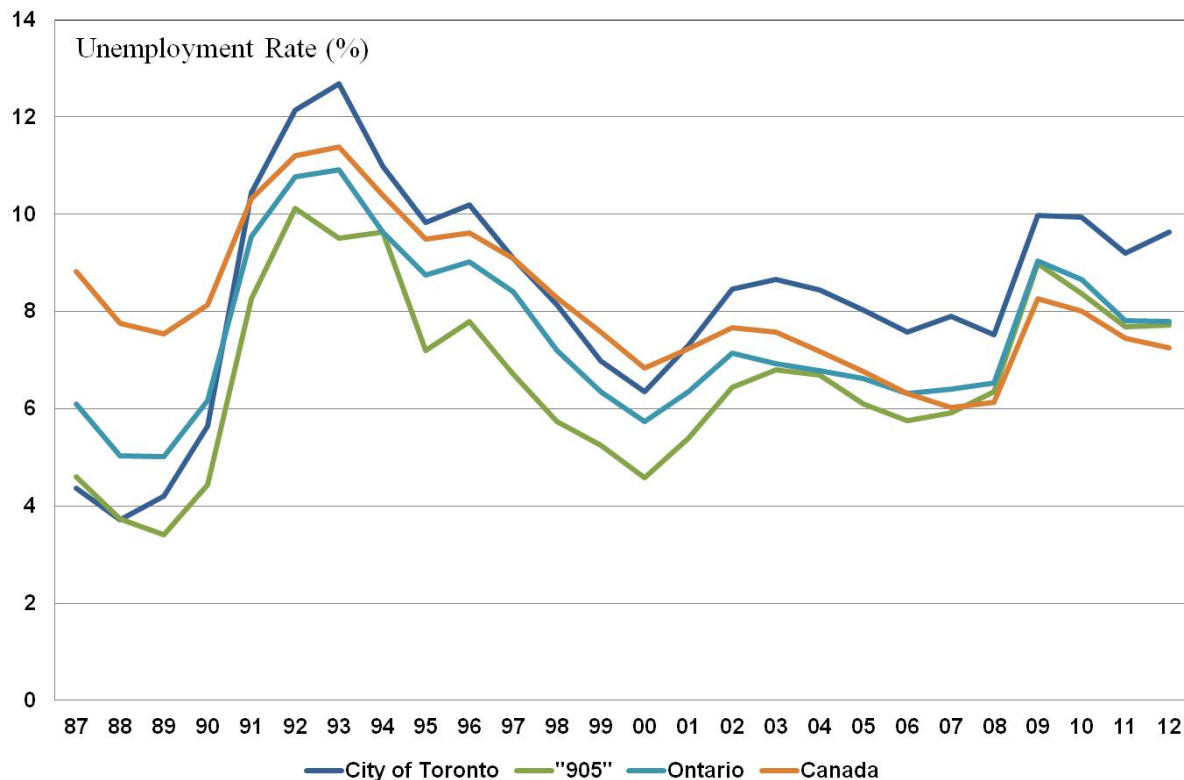
Encourage and support Toronto Hydro initiatives to renew or replace ageing infrastructure to improve the reliability of electricity supply.

Action B.2.3:

Work with Toronto Hydro and Hydro One to initiate a strategic examination of existing and anticipated future power needs, alternative approaches to supply, distribution, conservation and demand reduction, including expanding co-generation and district power solutions.

B.3. Facilitate Workforce Development

Twenty-five years ago, in the late 1980s, the unemployment rate in the city of Toronto, then Metropolitan Toronto, was one of the lowest in Canada at about 4%. Unemployment in the city was slightly lower than in the surrounding '905' region, almost 2% lower than the Ontario and about half the national average unemployment rate.

Chart 7: Comparison of Unemployment Rates

Source: Statistics Canada, Labour Force Survey

Today the Toronto Census Metropolitan Area (CMA) has one of the highest unemployment rates among the major Canadian economic regions and within the Toronto region, the overall unemployment rate for City of Toronto residents (9.7%) in December 2012 was 2.6 percentage points higher than the national average (7.1%). For the decade, 2001 to 2011, the unemployment rate for City of Toronto residents has ranged from 1% to 2% points higher than the national average unemployment rate. Looking at the overall unemployment rate in more details shows that within the city of Toronto the unemployment rate for youth (age 19 – 24 years) and recent immigrants (in Canada less than 10 years) are almost twice the general rate. Reducing the overall unemployment rate in the city will require specific attention to these two sub-groups.

Of the approximately 130,000 unemployed residents, only about 25% are eligible for Employment Insurance. Also, at the same time as Toronto residents are experiencing these high unemployment rates, many industries and individual firms are having difficulty finding qualified individuals to fill available positions. City Council has adopted *Working As One: A Workforce Development Strategy for Toronto*, to develop an integrated system to better connect and support jobseekers and employers. Successfully matching unemployed jobseekers and employers benefits both the jobseeker and the employer and in so doing reduces social support service costs to the City. City Council also adopted the Toronto Strong Neighbourhoods Strategy 2020, a place-based, equity focused strategy with the goal to advance equitable outcomes for all

neighbourhoods and equitable opportunities for all residents. An integral part of the strategy is to work collaboratively with stakeholders to set priorities and better align policies and programs.

Given the strategies proposed in this report to increase employment growth and spur business creation, it will be particularly important to link these actions with the City's efforts to promote workforce development and equitable opportunities for all residents. Together, Toronto's Workforce Development Strategy, Strong Neighbourhood Strategy and this strategic plan to accelerate economic growth and job creation establish a foundation, and set out specific recommendations, for making these linkages. Notably, effective partnerships among City divisions and ABCCs, as well as working more effectively with employers to meet their labour force needs.

Recommendation B.3: Facilitate workforce development to ensure equitable opportunities for all residents, an adequate supply of qualified labour to support economic growth and reduce social support service costs to the City.

Action B.3.1:

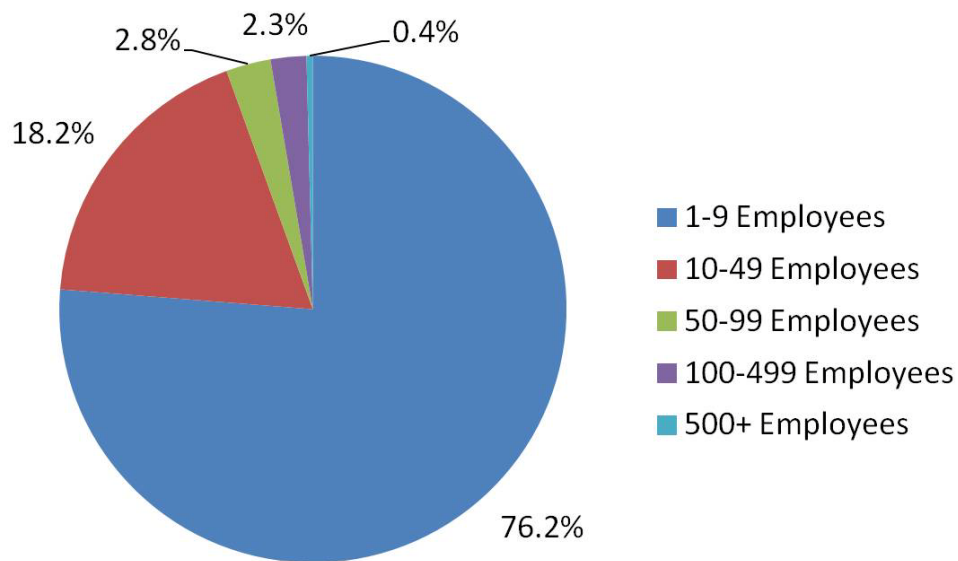
Integrate and coordinate implementation of the Workforce Development Strategy, Toronto Strong Neighbourhoods Strategy and Collaborating for Competitiveness.

C. Encourage Business Investment and Formation

C.1 Help small and medium sized enterprises form and prosper

Small and Medium Sized Enterprises (SMEs) are considered the cornerstone of the Canadian economy. Small businesses, with fewer than 100 employees, account for about 97% of all firms in Toronto and 48% of total employment. The large majority of small businesses are local serving micro firms (less than 10 employees) which account for about 76% of all firms and 7.2% of total employment. Firms with 10 – 49 employees account for about 20% of firms and 29% of employment while firms with 50 – 99 employees account for 3% of firms and 11% of employment.

Chart 8: Toronto Establishments by Number of Employees



Source: Canadian Business Pattern 2011

Although medium sized firms, with between 100 and 499 employees make up less than 3% of firms they employ over 15% of the total labour force. Large businesses with over 500 employees make up about 0.4% of all firms in Toronto and account for over 25% of total employment. Helping small enterprises grow into medium enterprises, and medium enterprises into large enterprises is therefore key to job creation. Helping enterprises to grow is also important to developing the demand for additional office and industrial space which in turn is key to increasing the City property tax base.

However, about 30% of business start-ups fail within the first 3-years and about 50% do not survive year 5. Not everyone that starts a business is an entrepreneur and not all business ideas are good ideas. Although selecting which businesses to help grow is fraught with difficulty, there are two self-selected groups that have a higher probability of success. The first pool is the

existing medium sized enterprises. Businesses that have been operating for 10 or so years, are market proven, and have weathered difficult times. They are managed by seasoned entrepreneurs who may need assistance accessing capital, research and development, finding skilled labour, accessing new markets, etc. A second pool consists of incubator graduates. These individuals would have been pre-screened before entering the incubator to ensure they had a viable business idea and plan. These ideas and plans would then have been tested during their tenure at the incubator. The people in this pool are generally younger and not yet seasoned entrepreneurs, however, these firms have a much greater probability of success than average new start ups. Firms that have demonstrated success in incubators then look for affordable space elsewhere in Toronto. If they are not able to locate space within the city they will look for space to grow their business and create employment in other jurisdictions.

These individuals with good ideas and the requisite entrepreneurial spirit, drive and perseverance to grow their business can be assisted by affordable space, mentorship, accelerators and improved access to capital, or some combination thereof.

At the same time as entrepreneurs are seeking affordable space within Toronto, there are numerous vacant retail stores and vacant space in other commercial and industrial buildings throughout the city. These vacant properties, particularly when they are not well maintained, can present an image of economic decline, impede revitalization and economic growth, attract undesirable activities and otherwise detract from local quality of life.

These negative impacts could be reversed by creating mechanisms to match entrepreneurs looking for space to develop and showcase their services and products with the owners and managers of vacant commercial and industrial space. Owners of many of the vacant spaces are eligible for a property tax rebate of 30% to 35% for the period of time all or part of the premises are unoccupied. At present eligibility for the property tax rebate requires only that some or all of the premises be vacant. This rebate program could be better aligned with City objectives by linking the rebate to economic growth and job creation, for example allowing vacant premises to be used by graduates of designated incubators.

Recommendation C.1: Help small and medium size enterprises form and prosper.

Action C.1.1

Work with seasoned entrepreneurs, industry associations, and business organizations to establish wider networks of incubators, accelerators and mentors.

Action C.1.2:

Request the Province of Ontario to amend legislation respecting the Vacant Unit Rebate provision for Commercial and Industrial properties to permit municipal councils to establish graduated vacant unit rebates to induce and incent owners and tenants to meet eligibility criteria that align with the municipalities economic growth and job creation objectives.

C.2 Attract Companies and Investment to Toronto

In addition to fostering business start-ups and the growth of entrepreneur-led companies as described above, the attraction of new companies and the expansion of larger companies already in Toronto are also critical to increasing jobs and assessment.

Toronto is Canada's headquarters city and economic centre. As such, a significant share of investment dollars in Canada flows through Toronto, either by direct investment in activities within the city, or via the city into activities in the surrounding region or other areas of the country. The fundamental goal of any investment attraction strategy is to generate and capture as much investment as possible in the City of Toronto by promoting and marketing Toronto as an excellent locational choice for economic activities. When competing globally for investment, it is important to identify key sectors in which Toronto has competitive advantages compared to other cities in North America and around the world. These advantages include competitive business costs, available and productive labour force and government assistance to ensure an efficient start-up of operations. Toronto's competitive advantages, or "value proposition", must be promoted and marketed to investment decision-makers in order to maximize awareness of our excellent business environment.

Marketing Toronto's investment potential is best accomplished through collaborative partnerships with public and private sector stakeholders. Industry organizations, such as Toronto Financial Services Alliance, Life Science Ontario, FilmOntario and Tourism Toronto, as well as Invest Toronto, the Greater Toronto Marketing Alliance, the Province of Ontario and the Government of Canada can be strong allies in attracting investment. Tapping the investment potential of our sister city relationships to generate new contacts, conduits, and leads to facilitate direct investment in Toronto, market local products abroad, and keep Toronto 'top of mind' on the investment list is also important. Collaboration in and of itself is an attraction to companies looking to invest as it is a strong positive 'ease of doing business' indicator. Joint marketing also helps all stakeholders to broadcast to common target audiences more effectively. By utilizing and expanding upon formal and informal partnerships and networking opportunities with public and private sector stakeholders, the City of Toronto can maximize its investment reach globally.

In addition to marketing Toronto's business opportunities to international investors, it is just as important to provide outstanding customer care and accurate business investment information to prospective clients in a timely and professional manner. The value of establishing and maintaining a reputation for high quality customer service through a track record transmitted via business to business contacts cannot be overstated.

Recommendation C.2: Attract companies and investment to Toronto.

Action C.2.1:

Foster effective foreign direct investment attraction (business and capital) through a better co-ordinated sales and marketing approach using Invest Toronto, regional bodies (e.g. GTMA), sector organizations such as the Toronto Financial Services Alliance and Tourism Toronto, the City's partner and friendship cities, provincial and federal agencies.

D. Boost Business Growth

D.1. Strengthen Regional High-value Sectors

Toronto benefits from a diverse economy with many globally competitive high-value sectors, including Biotechnology, Culture, Design, Education & Training, Film & Digital Media, Financial Services, Food & Beverage, Green/Renewable Energy, Information Communication & Technology, and Professional & Business Services.

As investors are attracted to Toronto because of the attributes and assets of the entire region the City has established or is working with regional cluster networks in these strategic industries, including Life Sciences Ontario, Creative City Network of Canada, Design Industry Advisory Committee, Toronto Financial Services Alliance, Partners in Project Green, and many others.

All of these strategic industries, including Education & Training, are traded sectors, i.e. firms in these sectors bring new money to the city either by exporting goods or services or by attracting investors (e.g. Film & Television) or tourists to Toronto.

High-value sectors are the driving force of economic growth and major sources of innovation. These sectors ('clusters') are inter-linked private businesses and public institutions that are connected through supply and service chains.

High-value sectors (also called 'traded' sectors) have a strong export focus, are generally more invested in research and development activities in order to remain globally competitive. They attract skilled workers from around the world and serve as labour force incubators often working with colleges and universities in regard to employee training as well as R&D. These characteristics make successful high-value sectors the key to sustained prosperity.

Strengthening these sectors requires ongoing engagement to identify and respond to opportunities and concerns expeditiously. As with attracting new investment, providing relevant and reliable economic information and high quality customer service are also essential to retaining existing firms.

Recommendation D.1: Strengthen and grow high-value sectors particularly those with high economic multipliers.

Action D.1.1:

Increase participation of Toronto-based businesses in existing sector-based export development and market-entry programs by ensuring programs are promoted and delivered in Toronto.

Action D.1.2:

Lever the City's relationship with our international alliance partners and friendship cities as well as with bi-lateral business associations to establish cross-border business oriented partnerships, develop new markets and trade alliances, and act as a catalyst for new investment, as well as business, educational and cultural exchanges.

Action D.1.3:

Lever major events, such as the Pan/Para Pan American Games, to stimulate business alliances (including cultural relationships), develop and expand markets and attract investment.

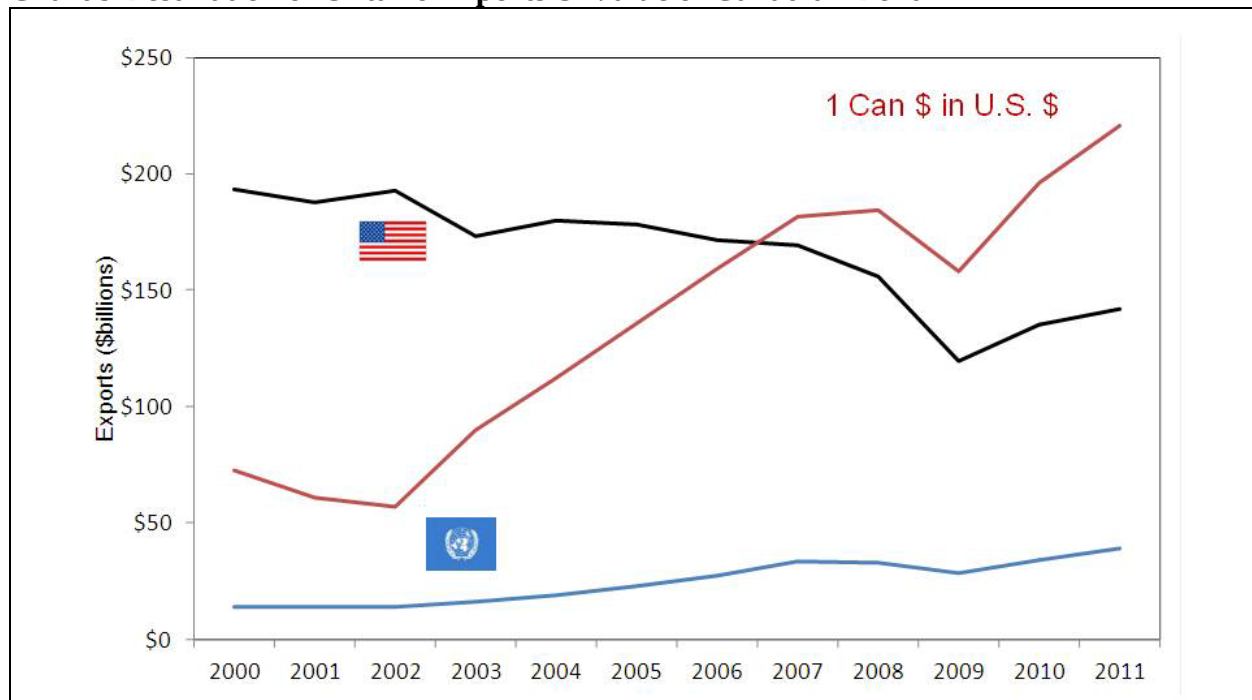
D.2. Maintain Manufacturing as a Mainstay of the Toronto Economy

Manufacturing cuts across many different industry sectors and provides relatively high wage jobs for a broad range of skills and education levels for all. Manufacturers produce goods for export and generally have a large supply chain and logistics network which results in a high economic multiplier. Manufacturing sectors also contribute to increasing innovation. According to the *Jenkins Report*, manufacturing accounts for approximately 14% of Canadian GDP but generates around 60% of all R&D investments made by Canadian businesses.

As has happened in many other highly urbanized centres, manufacturing has decreased in Toronto as population, congestion and land values have increased. In 1987, manufacturing accounted for about 269,000 jobs in Toronto, or about 19% of total employment, however, by 2011, those numbers had been cut in half to about 137,000 jobs and 9% of total employment. Retaining, and ideally expanding, manufacturing jobs remains important to sustained economic growth. Global competition compels manufacturers to be price sensitive particularly in regard to basic inputs and services (e.g. water, electricity, transportation facilities). Manufacturing that has stayed in Toronto relies on design and innovation to move up the value chain and create higher value products and has benefitted from access to new markets.

The sharp reduction in exports to the U.S. following the economic downturn of 2008, rising value of the Canadian dollar, increasing energy costs and the ongoing Euro zone crisis continue to create considerable uncertainty and have dampened the economic outlook for manufacturing in central and eastern Canada. According to the *Centre for Spatial Economics* the economic impact of a \$1 billion increase in manufacturing exports will create approximately 7,800 additional manufacturing jobs, as well as add about 8,800 new jobs in other economic sectors.

Chart 9 Destination of Ontario Exports & Value of Canadian Dollar



Source: Industry Canada, Bank of Canada

Despite our diverse economy and multi-cultural, multi-lingual advantage, Statistics Canada data shows that in 2011, 78% Ontario merchandise exports were destined for the United States, while exports to China were less than 1.5%, exports to Germany and Japan were both less than 1%, and total exports to all 38 South American and Caribbean countries participating in the Pan/Para Pan American Games combined were also less than 1%.

The recent economic downturn and the relative strength of the Canadian dollar recently, which is expected to remain well above purchasing power parity and above historical levels vis-à-vis the American dollar has clearly demonstrated the need for Toronto-based businesses to diversify their export markets.

There is also concern about U.S. reshoring initiatives (i.e. encouraging U.S. companies based abroad to repatriate some or all of their operations). All of the above will make it more difficult for Toronto-based exporters to expand or even maintain sales in the U.S. Toronto firms will need to look to develop new export markets.

The city should continue to strengthen our trading relations with the United States, emerging markets in Asia, India, and South America with growing middle income populations provide tremendous opportunities for Toronto businesses to grow. Government officials can be helpful, and are sometimes essential, to introducing Canadian business to emerging market countries and developing networks

To be competitive in today's global economy manufacturers must also move up the value chain by increasing productivity through technology to improve the process and/or innovate to add greater value to their products. This approach would have positive implications for the Toronto

region, in that, a labour force with the type, variety, and quality of skill sets required to move up the manufacturing value chain are generally found in more densely populated urban areas.

Recommendation D.2 Strengthen support for retaining and expanding manufacturing.

Action D.2.1:

Proactively outreach to identify and assist Toronto-based manufacturers seeking global product mandates including accelerating necessary municipal approvals and advocating to/with other orders of government.

Action D.2.2

Provide an annual report on the state of Manufacturing in Toronto to keep a special focus on this group of high-value sectors.

5. IMPLEMENTATION OF THE COLLABORATING FOR COMPETITIVENESS PLAN

Implementing the recommendations and actions contained in this strategic plan to accelerate economic growth and job creation will require a coordinated and integrated approach involving internal and external stakeholders. These activities can be better coordinated by creating appropriate forums for the exchange of information, development of common objectives, concurrent consideration of requirements and coordinated implementation plans. The following steps will establish mechanisms to ensure ongoing collaboration, identify emerging opportunities and challenges, recommend priorities and provide for continuous improvement.

- i. *Establish an Economic Growth and Job Creation Advisory Committee led by the Mayor with membership drawn from business, labour and academia as well as the Chair of the Economic Development Committee, Chair of the Planning & Growth Management Committee and Chair of the Public Works & Infrastructure Committee and two Councillors at large.*
- ii. *Establish an Economic Growth and Job Creation Staff Team, chaired by the General Manager, Economic Development & Culture, with membership drawn from City Divisions, Agencies, Boards, Commissions & Corporations that impact economic growth and job creation. One of the first assignments for this team will be to build a consensus around how the targets will be achieved and establish appropriate lines of accountability while recognizing the multi-stakeholder nature of collaborative initiatives. A second task will be to investigate how best to include an 'economic' lens in reports prepared by City Divisions and ABCCs for consideration by City Council where the recommendations will potentially impact economic growth and job creation significantly.*
- iii. *Work with regional groups (Planning Commissioners, Economic Development Partnership, possibly the Mayors and Chairs table), to identify specific areas of cooperation to make the region stronger economically. This process could include meeting with provincial and federal counterparts towards the same aims.*

APPENDIX I

Toronto Context

On a global scale, Toronto has been, and is, a successful city with a demonstrated capacity to adapt to the changing circumstances created by inevitable economic cycles, as well as unanticipated local and global events. With a population of 2.7 million people, Toronto is Canada's largest city and the country's financial and cultural capital, home to 85,000+ businesses, and welcoming 25 million tourists annually including 10 million overnight visitors.

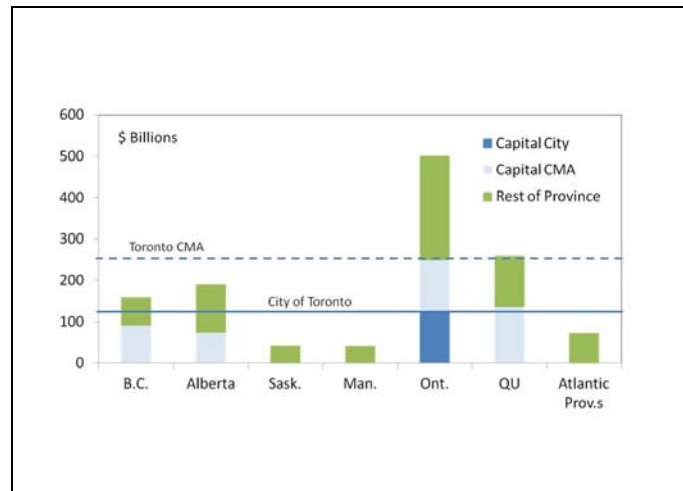
Chart I.1 Comparison of Population by City and Region

City	2011 Population (in millions)	2011 Regional Population (in millions)
Mexico City	8.8	21.2
New York	8.0	18.9
Los Angeles	3.7	12.8
Chicago	2.7	9.5
Toronto	2.7	5.8
Houston	2.1	5.9
Philadelphia	1.5	6.0
Montreal	1.7	3.8
Phoenix	1.4	4.2
San Antonio	1.3	2.1
San Diego	1.3	3.1
Dallas	1.2	6.4
San Jose	0.9	1.8

Source: Statistics Canada, Annual Population Estimates; City Major Statistics; US Bureau of Census, American Community Survey

Toronto is also the 4th largest city in North America and the core city of a region of 5.8 million residents that accounts for just under 20% of the total population of Canada. The gross domestic product of the Toronto Census Metropolitan Area (CMA), estimated to be almost \$250 billion (CDN\$2002), is larger than the GDP of most provinces in Canada, and is equivalent as a percentage of national GDP to that of New York, Chicago, Boston and San Francisco combined in the United States.

Chart I.2 Comparison of 2011 Annual Real GDP



Source: Canadian Conference Board & Statistics Canada (CDN\$2002)

In addition to having one of the largest urban aboriginal populations in Canada, estimated at about 70,000 First Nations, Métis and Inuit, Toronto residents have come to our city from over 200 different countries of origin, speak most of the world's languages, and worship virtually every known religion.. It is this openness to different ways of life and a willingness to embrace new ideas that makes Toronto a global centre for creativity and innovation, reflecting the City's official motto: *Diversity Our Strength*.

Toronto is well known for innovations in medicine, biotechnology, communications, finance, and information technology and social innovation (Centre for Social Innovation, STOP Community Food Centre, Toronto Region Immigrant Employment Council

But a wider set of factors helps explain why Toronto is increasingly the city that the world *aspires* to. The most recent edition (2012) of PricewaterhouseCoopers' (PwC) *Cities of Opportunity* study ranks Toronto 3rd out of 27 global centres, behind only New York City and London. *PwC notes "that each city represents an economic ecosystem in its own right, built around mutually supportive economic and social strengths as well as an intertwined fabric of jobs—not just the professionals in bright skyscrapers but all those who turn the lights on every morning from retailers and teachers to nurses and cooks, from crime fighters to street cleaners. Maintaining healthy balance is a cornerstone of urban resilience."*

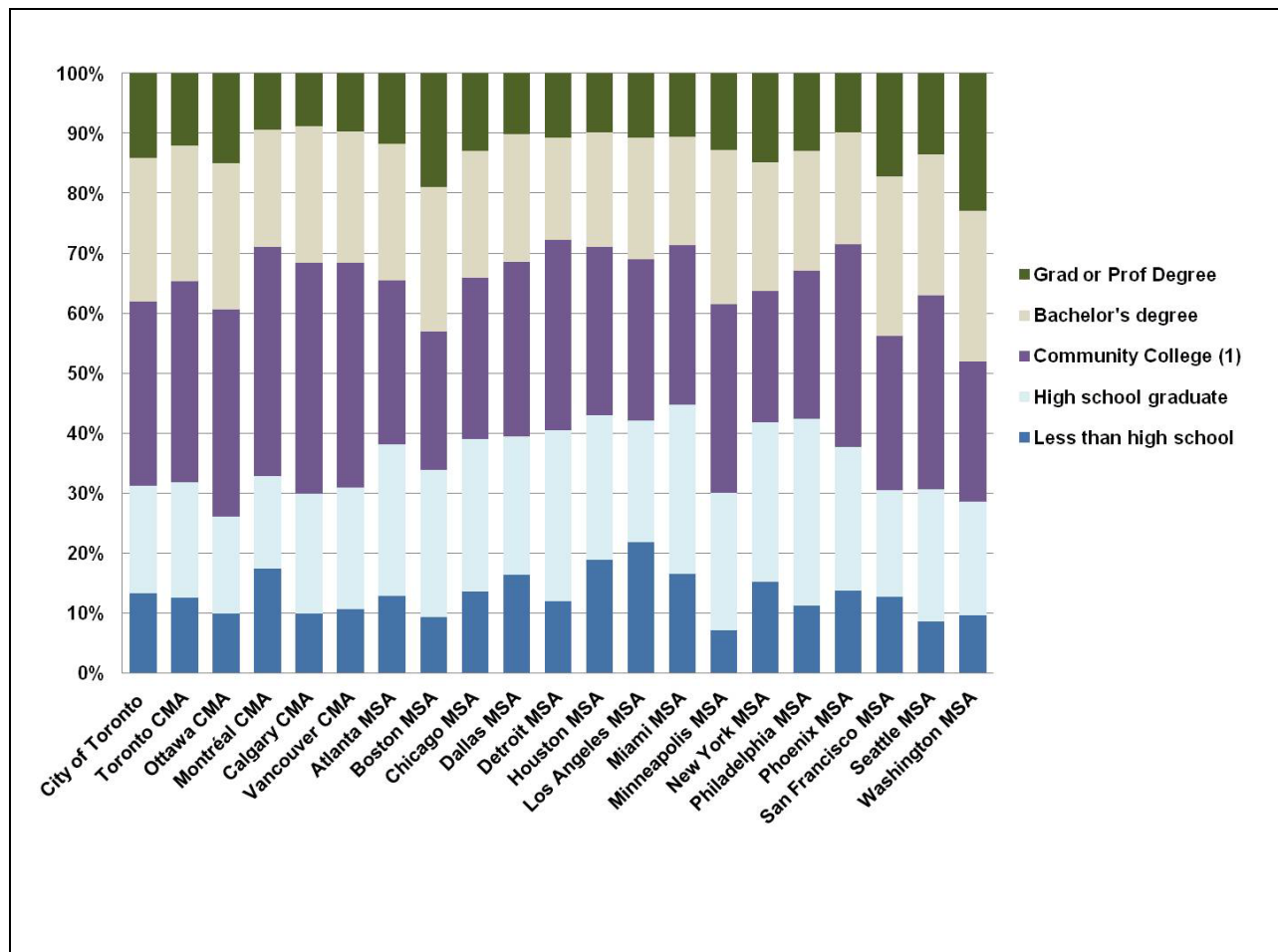
Toronto's high ranking in the specific attributes that PwC assessed in their study are well documented elsewhere. Toronto consistently does very well on international quality of life and liveability rankings. These factors, in turn, contribute to economic growth and thus support the virtuous cycle of prosperity. One of the best known of these studies is the Economist Intelligence Unit's *Liveability Ranking Overview*, in which Toronto was most recently ranked 4th out of 140 global cities. Mercer Consulting ranked Toronto 16th out of 214 cities in its 2012 *Quality of Living Survey*. Further, although housing affordability remains an issue, Toronto has managed these rankings without some of the extreme housing affordability and cost of living issues seen in other cities.

Chart I.3: Toronto Scores Well In International Rankings

Report Author	Title	Toronto Ranking 2012	Description
PriceWaterhouseCoopers	Cities of Opportunities	3 rd	The report looks at the city life of 27 world capitals of finance, commerce and culture in 10 broad categories.
Economist Intelligence Unit	Most Liveable Cities	4 th	EIU examines 140 world cities. Cities are ranked on political and social stabilities, healthcare, culture and environment, education and infrastructure.
Z/Yen Group	Global Financial Centres Index	10 th	The GFCI evaluates the competitiveness of 75 financial centres worldwide using results of online surveys completed by financial services leaders.
Economist Intelligence Unit	Benchmarking Global Competitiveness	12 th	EIU ranks the competitiveness of 120 of the world's major cities
The Atlantic Cities	Global Economic Power Index	12 th	The 25 most economically powerful cities in the world
Mercer	Worldwide Quality of Living	4 th	Ranking of 420 cities worldwide
Mercer	Worldwide Cost of Living (lower ranking is better)	61 th	Ranking of 214 cities across five continents measuring the comparative cost of over 200 items in each location.
Aon Hewitt	Top Five Lowest Risk Cities in the World for Employers	2 nd	Index, ranks 131 cities worldwide based on the risk that organizations within the cities face with recruitment, employment and relocation.
Modis	Top 12 North American Cities of IT Jobs	2 nd	Listing of Canadian and U.S. cities with highest potential for IT job growth in the coming year.
Startup Genome	World's Top Tech Hubs	8 th	Startup Genome covers 25 cities worldwide
Times Higher Education	University of Toronto	21 th	Ranking of 400 universities worldwide for 2012-2013.

Foremost among Toronto's competitive advantages is its labour force. Toronto residents are diverse, well-educated, and highly skilled. With an outstanding community college system alongside world class universities and strengthened by the international education, knowledge and skills that newcomers bring to the city, Toronto's labour force is among the best in North America.

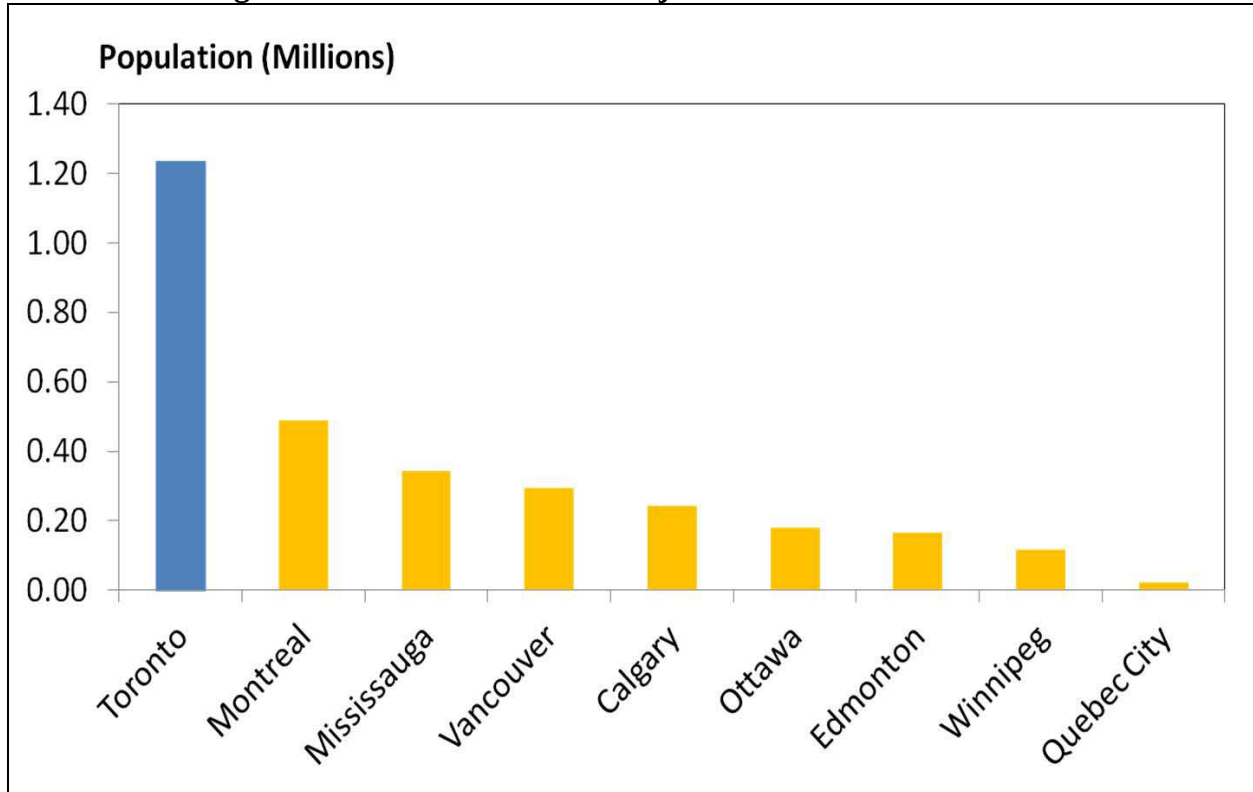
Chart I.4: Population 25 and Over by Educational Attainment, 2011



Source: Statistics Canada Labour Force Survey and American Community Survey (2011) (1) Includes some post secondary and trade cert/vocational school/apprenticeship training

Toronto has among the highest percentage of foreign-born residents in the world, ranking second only to Miami according to the United Nations Development Program. The international experience, ideas and connections that these newcomers provide are a tremendous advantage for Toronto businesses. Between 2001 and 2006, 40.4% of all newcomers to Canada settled in the Toronto CMA. Other provinces have recognized that the twin global realities of an ageing population and less than replacement birth rate make immigration an economic imperative and have stepped up efforts to attract newcomers from around the world. However, the Toronto region remains the favoured destination for newcomers within Canada.

Chart I.5: Immigration Settlement Level in Major Canadian Cities



Source: Statistics Canada

The diversity and education of the city's labour force is reflected in the diversity and strength of the Toronto economy. The city achieved its leading status in the Canadian economy in the later part of the 20th century largely due to the strength of its manufacturing sector and as the financial services centre of the country. These continue to be very important sectors and sources of employment, but it is the economic diversity of the region that enables it to withstand local and global turbulence. Today, Toronto is a leading North American centre in a very wide range of sectors including, information technology, film and television, education, biotechnology, health care, design, food and beverage, green/renewable energy, professional services and tourism as well as financial services and manufacturing. No individual industry represents more than 12% of the city's labour force.

Chart I.6: Industry/Cluster: Urban Region Rankings, 2011

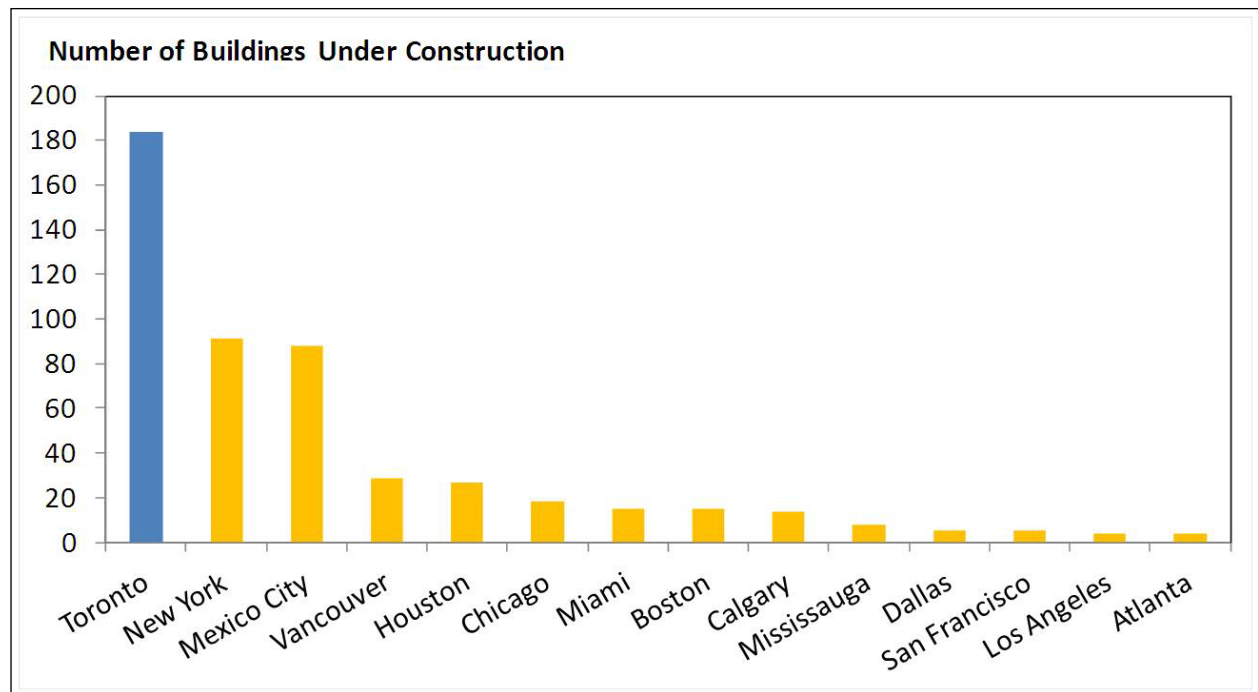
Industry/Cluster	Urban Regions, Ranking by Number of Employees, 2011
Film and Television	Los Angeles, New York, Toronto , Chicago, Atlanta, Washington, Denver, Philadelphia
Food and Beverage	Chicago, New York, Los Angeles, Toronto , Dallas, San Francisco, Detroit, Minneapolis
Creative Sectors	New York, Los Angeles, Toronto , Washington, Chicago, San Francisco, Philadelphia, Houston
Automotive	Detroit, Toronto , Dallas, Chicago, Louisville, San Antonio, New York, Atlanta
Financial Services	New York, Los Angeles, Dallas, Toronto , Chicago, Philadelphia, Boston, Minneapolis, Atlanta
Business Services	New York, Los Angeles, Chicago, Washington, Toronto , Dallas, Houston, Philadelphia
Apparel and Textile manufacturing	Los Angeles, New York, Chattanooga, Riverside, Atlanta, Toronto , Portland, Miami, Dallas
Pharmaceuticals	New York, Philadelphia, Chicago, Boston, Toronto , Los Angeles, San Francisco, Detroit
Information, Communication, Technology (ICT)	New York, Dallas, San Jose, Los Angeles, San Francisco, Toronto , Washington, Chicago, Boston, Atlanta, Seattle, Minneapolis

Source: City of Toronto, Economic Development & Culture Division

This economic diversity makes the regional economy more resilient to changes that occur in any given sector, and gives it the ability to respond to opportunities as new sectors emerge. For example, because Toronto is a major centre for both film & television and information technology, it has also developed a strong and expanding digital media and special effects industry which operates at the intersection of film & television and information technology.

The desirability of Toronto as a place to live and work in combination with the strength and skills of its financial services and construction trades sectors are the key forces behind the city's current building boom. The City of Toronto with 184 high-rise buildings under construction continues to lead all North American municipalities well ahead of New York (91) and Mexico City (88) which are a very distant 2nd and 3rd.

Chart I.7: High Rise Buildings Under Construction



Source: <http://www.emporis.com> (January 2013)

APPENDIX II

Setting Targets

The most comprehensive measure of economic activity is Gross Domestic Product (GDP); however, the cost of collecting reliable data about the value of economic output produced in the City is prohibitive. Statistics Canada estimates GDP for Canada and all provinces/territories; however, no directly measured estimates are available for sub-provincial areas. The Conference Board of Canada produces GDP estimates for the City of Toronto and the Toronto CMA, but these are prorated shares of provincial GDP by industry based on employment estimates from Statistics Canada. In other words, they are top down allocations and not bottom up from actual activity in Toronto.

Next to output measures, the most comprehensive measure of economic activity is employment. The City of Toronto is part of a larger urban area with a high level of commuting into and out of the City for work purposes; therefore, it is important to distinguish between employment by place of work (jobs) and employment by place of residence (employed residents). Both of these are important; therefore, two employment measures, supplemented by a job quality measure, are proposed. A fourth proposed measure, the growth of non-residential assessment, has also been included because new taxable assessment helps the City deliver high-quality services to residents without increasing the burden of property taxes. Each of these four measures is discussed below.

- Net Job Growth in the City of Toronto
- Unemployment Rate - City vs. Canada
- Quality of Employed City Residents' Jobs
- Growth of Taxable Non-residential Assessment

The choice of measures is also in part determined by how often comparative benchmarking will be undertaken. There is a trade-off between the cost of reporting and the frequency of reporting. Some data are available on a monthly basis, some are quarterly, some are annual and some only every five years. Most of the key data are available on an annual basis, and the data quality of the monthly series (labour force data) is greatly enhanced when 12 months of data are available; therefore, an annual report on the city's economic performance is proposed. Available monthly data will continue to be published in the Economic Indicators (monthly) and the Economic Dashboard (nine times a year).

Net Job Growth in the City of Toronto

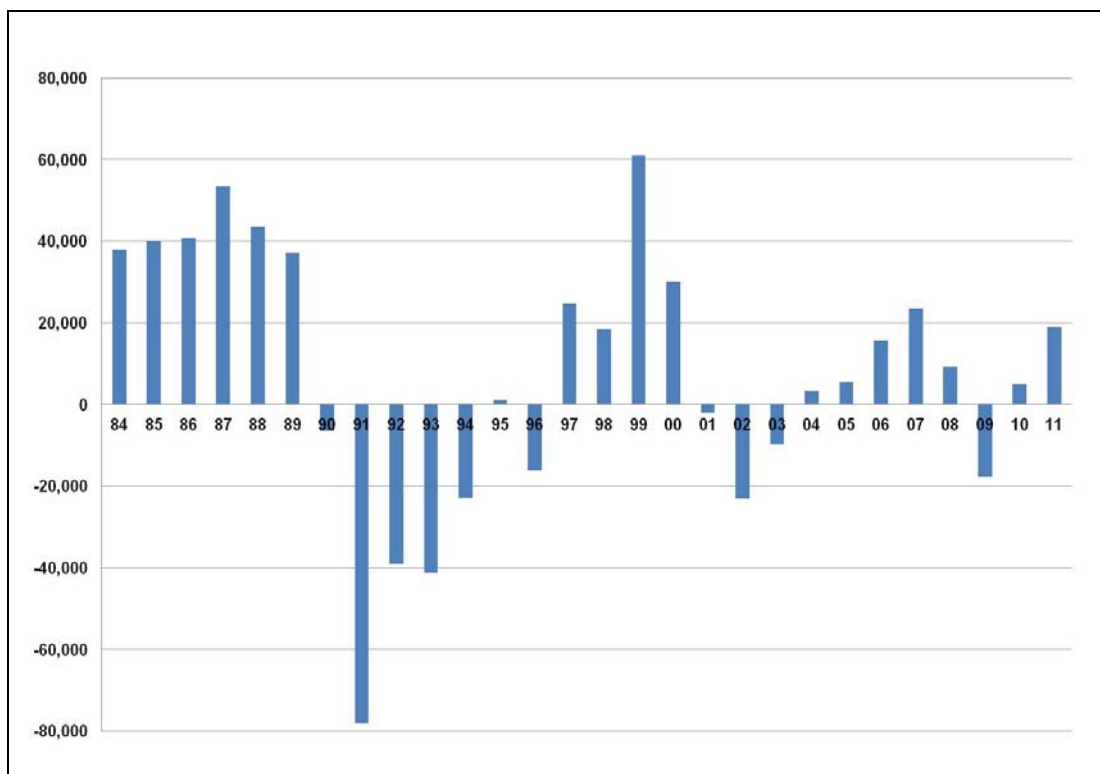
The total number of jobs in the city includes: jobs in employment establishments, persons who work at home and employed people with no usual place of work. There are two data sources for jobs in the City: the census and the Toronto Employment Survey. City staff also use these data sources to estimate total employment within the City.

Census data are collected every five years by place of residence and are matched to place of work for a large sample of the population. This is a large undertaking, however, so there is a lag

of several years between when the data are collected and its release. Due to these time lags and the relative infrequency of the census (every five years), census data are not well suited for monitoring the City's economic performance.

The Toronto Employment Survey (TES), conducted by the City Planning Division, has collected data about businesses in the City of Toronto on a consistent basis since 1983. Every summer a team of students fan out across the City and survey all business establishments. These data are then coded and verified. Results are typically published in January/February, following the survey. TES is an establishment survey so it does not capture information about people who work at home or who have no usual place of work; however, it does a good job of determining how many people work in business establishments, which accounted for 85% of all jobs in the city in 2006.

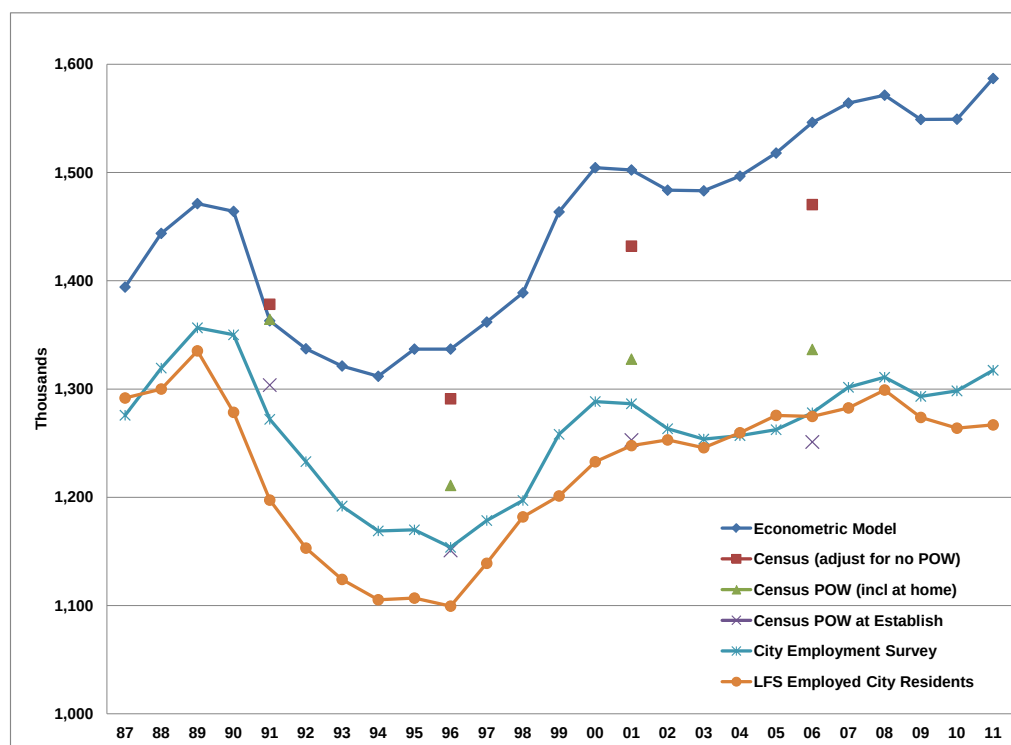
Chart II.1: Jobs in the City of Toronto – Annual Change



Source: Toronto Employment Survey

According to TES, the city has added 214,000 net new jobs over the last 28 years. This is an average of 7,600 jobs per year; however, as Chart II.1 shows, there is a lot of variance in the number from year to year, and in 10 of the last 28 years the total number of jobs actually contracted in the city. In addition to the targets in this strategic plan, there are employment targets in the several planning documents, which are based on a broader definition of "total employment" than the data in TES. TES is an establishment survey, so it does not capture residents that work at home or residents with no usual place of work. These later groups, however, can only be estimated on an annual basis, because census data is only available every five years. Chart II.2, below, shows how total employment and employment in establishments has varied over the last 25 years:

Chart II.2: Jobs & Employed Residents in the City of Toronto



The City's econometric model provides estimates for both the City and the rest of the Toronto CMA. According to the jobs estimates in the model, there was an average of 8,020 new jobs per year created in the city between 1987 and 2011, which was 19.4% of the total jobs created each year in the CMA.

In 2006 the Province of Ontario's Growth Plan for the Greater Golden Horseshoe (Growth Plan) came into effect under the authority of the "Places to Grow Act 2005". The Growth Plan contains policy directions to manage population and employment growth within the Greater Golden Horseshoe region including the City of Toronto and the Regions of Durham, York, Peel, Halton and Hamilton. The Growth Plan also includes population and employment forecasts to 2031 prepared by the Hemson Consulting Limited (Hemson).

The Province has undertaken a review of the methodology used to produce the population and employment forecasts contained in the 2006 Growth Plan. In November 2012 the Province released "Proposed Amendment 2" (the Amendment) to the Growth Plan for public consultation. The Amendment also includes updated population and employment forecasts to 2041 prepared by Hemson. It is anticipated that the Province will enact the Amendment during 2013.

The City of Toronto's Official Plan came into force in 2006 and contained population and employment targets as directed by the Minister of Municipal Affairs and Housing based on the regional forecasting analysis undertaken in 2000 and coordinated by the Provincial Office of the GTA. Although the population targets included in the City's Official Plan are in line with those included in the Growth Plan, there is a difference of approximately 200,000 jobs between the previous Provincial forecast and the Official Plan and the Growth Plan employment targets. The following Chart II.3 compares the employment targets included in the City's Official Plan and the Growth Plan.

Chart II.3: Comparison City of Toronto and Province of Ontario 2031 Employment Targets

	2031 Employment Forecasts
Office of the GTA Forecast & City of Toronto Official Plan	1,835,000
Ontario Growth Plan	1,640,000

In 2011 the City of Toronto initiated a review of its Official Plan as mandated by Provincial legislation that each municipality review its Official Plan every five years. As part of the Official Plan review the City in 2012 undertook a review of its employment land policies and contracted Malone Givens Parsons Ltd. to assist in that review. The report, *Sustainable Competitive Advantage – Planning for Employment Uses within the City of Toronto*, released in the Fall of 2012, includes population and employment projections to 2041. The Report provided two sets of employment forecasts: a low scenario and a high scenario. The low scenario listed in the Report is in line with both the current employment forecast stated in the Growth Plan as well as those included in the proposed Amendment to the Growth Plan. The high employment targets listed in the Report indicate the employment levels that can be achieved within Toronto, if the City implements a policy framework that works to enhance the economic environment within the City.

The following Chart II.4 compares the employment targets for the City of Toronto included in various reports, studies and documents along with the jobs per population ratio.

Chart II.4: Comparison of City of Toronto Employment Targets

Employment Forecasts	2031		2041	
	Jobs	Job/Pop	Jobs	Jobs/Pop
City of Toronto Official Plan, 2006	1,835,000	0.61	-	-
Provincial Growth Plan	1,640,000	0.53	-	-
Low Scenario - Centre for Spatial Economics	1,640,000	0.53	1,710,000	0.53
High Scenario - Centre for Spatial Economics	1,941,000	0.59	2,116,800	0.60
Current Growth Plan Targets	1,640,000	0.53	1,720,000	0.51
Proposed Amendment 2 Targets	1,659,000	0.52	1,716,000	0.50

Statistics Canada has not yet released the number of jobs located within the City of Toronto from the 2011 Census. However, it is estimated that there were approximately 1,587,000 jobs located within the City of Toronto in 2011 (Toronto Econometric Model).

The following Chart II.5 compares the number of jobs that need to be created within the City of Toronto, starting in 2012, in order to achieve the various employment targets, based on an estimated 1,587,000 jobs existed within the City of Toronto in 2011.

Chart II.5: Comparison of Average Annual Job Growth to Achieve Employment Targets

Employment Forecasts	2031 Forecasts		2041 Forecasts	
	Jobs	Job/year	Jobs	Jobs/Year
City of Toronto Official Plan, 2006	1,835,000	12,400	-	-
Low Scenario Centre for Spatial Economics	1,640,000	2,650	1,710,000	4,100
High Scenario Centre for Spatial Economics	1,941,000	17,700	2,116,800	17,660
Current Growth Plan Targets	1,640,000	2,650	1,720,000	4,433
Proposed Amendment 2 Targets	1,659,000	3,600	1,716,000	4,300

This plan recommends an aggressive employment target of 20,000 net new jobs in establishments in the city per year, as measured by the Toronto Employment Survey. This target is 2.6 times higher than the average rate of establishment-based job growth in the city over the last 28 years (7,631 jobs per year); however, it is only half of the average rate of annual job growth achieved in the city in the 1983-1989 period.

Unemployment Rate - City and Canada

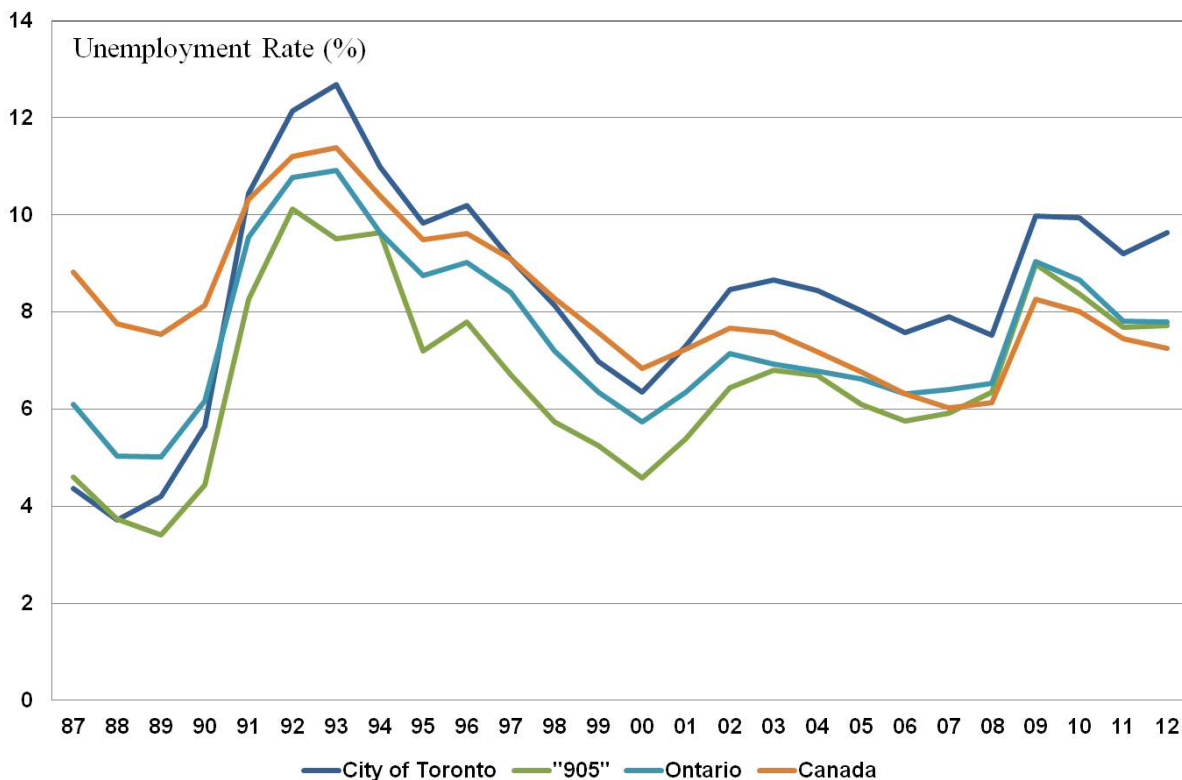
There are several possible choices for a measure of economic progress for City residents. More than 10 variables for City of Toronto residents from the Labour Force Survey (LFS) are reported every month in Economic Indicators. LFS data are used since they are collected across Canada on a consistent basis, making it possible to compare results in Toronto with other cities in Canada as well as with provincial and national rates.

The best known indicator from LFS is the unemployment rate. Unemployment rates for City of Toronto residents are higher than 905 residents, which is not unusual for large urban areas. The City of Vancouver and Montreal had higher unemployment rates than their surrounding regions (2006 census data) and recent data from New York City also confirm this result.

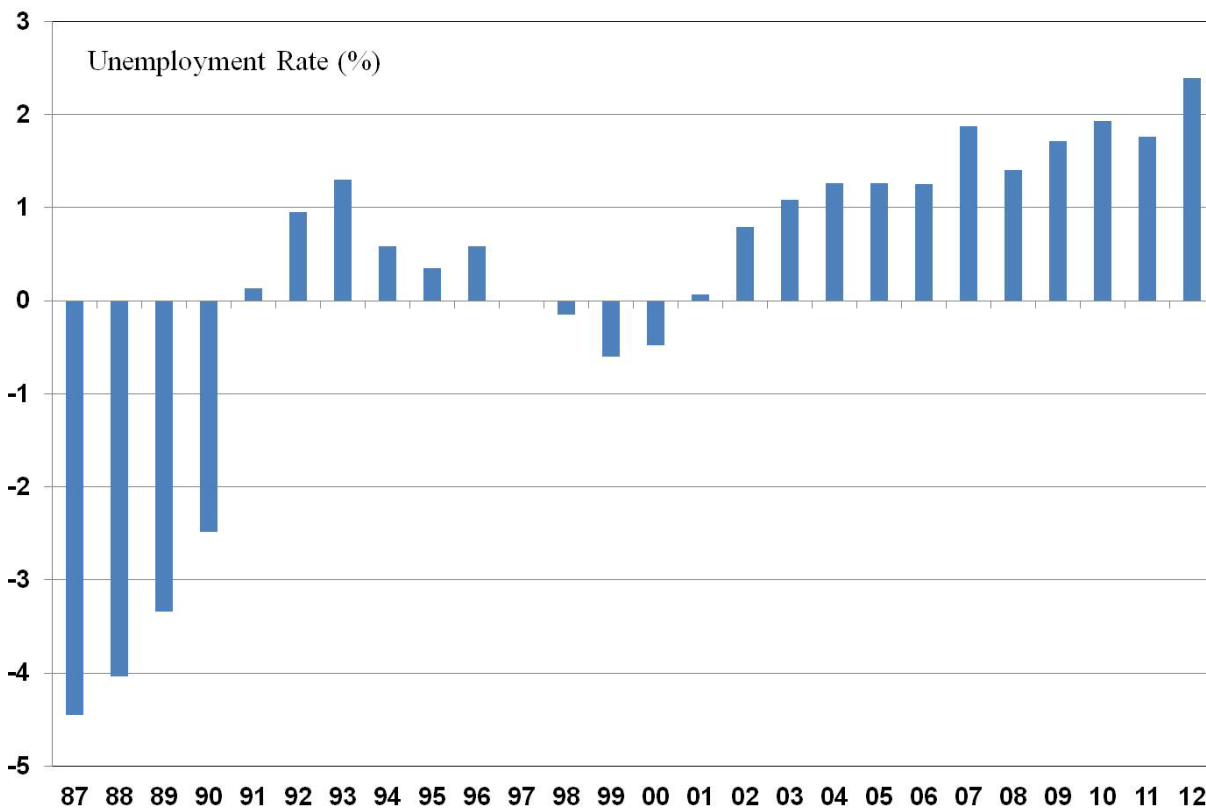
Chart II.6 shows the unemployment rates over time for the City, '905' region, Province of Ontario and Canada. Chart II.7 shows the difference between the City's unemployment rate and the national average. The City's unemployment rate was below the national rate in the late 1980's, and then rose dramatically during the early 1990's recession, which affected the City of Toronto more than the rest of Canada. In the late 1990's the City's unemployment rate fell

below the national average once again, but about ten years ago the gap between the City's unemployment rate and the national rate began to increase sharply. In the first seven months of 2012, the City's seasonally adjusted unemployment rate has averaged 2.3% higher than the national average. Since there will always be macroeconomic forces that affect all parts of the country and which are beyond the control of the City's economic development efforts it is proposed that the difference between the City's unemployment rate and the national rate be used as the measure of local economic performance. A ten year target to lower the City's unemployment rate to the national average is proposed.

Chart II.6: Unemployment Rates



Source: Statistics Canada, Labour Force Survey

Chart II.7: City of Toronto vs. Canadian Unemployment Rates

Source: Statistics Canada, Labour Force Survey

To reduce the 2011 unemployment rate for City residents to the Canadian rate, there would have had to be 24,600 additional City residents working, assuming that there would be no concomitant changes in labour force participation rates or migration patterns associated with the reduction in unemployment.

Quality of Employed City Residents' Jobs

As well as the number of people employed and the unemployment rate, the quality of jobs is also very important. This variable is a little bit harder to determine objectively because, the definition of a "good" job is somewhat subjective.

Wages are one of the best and least ambiguous indicators of job quality. Therefore, the most significant job quality indicator is median wage per hour. We could use average (ie mean) wages, but that may skew the results if a few high income earners experience large increases in their incomes, but nothing else changes. Hourly rates are preferred to weekly wages since weekly income is a mix of hours worked and pay rates. While some workers would prefer to work more hours, there are other workers that want to maintain a work-life balance that allows them more time at home.

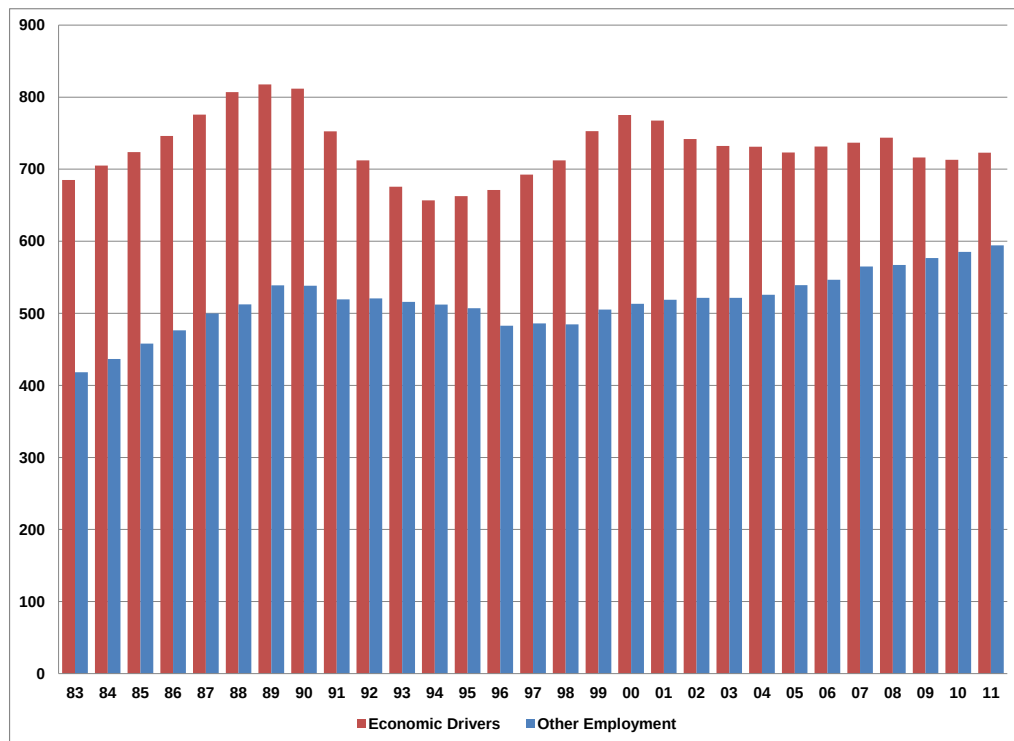
Another measure of job quality, especially from the point of view of the entire local economy, is jobs in traded sectors compared to jobs in non-traded (population-serving) sectors. Traded sectors, which are also known as "economic drivers" produce goods and services that are exported. An increase in employment in traded sectors has a multiplier effect in the local economy, whereas an increase in local population-serving employment may just displace other jobs in the same industry sector.

For the purposes of the targets in this strategic plan, staff are proposing that at the following industry categories should be included in the definition of "economic drivers":

- Manufacturing Industries
- Warehousing
- Wholesaling
- Communications & Broadcasting
- Hotels/Motels
- Head Offices
- Financial Services (except bank branches & insurance agents)
- Business Services
- Post-secondary Education
- Hospitals

Chart II.8 shows how employment in establishments has grown in the traded and non-traded sectors over the last 28 years. Until 1989, the economic drivers (i.e. traded sectors) accounted for over 60% of all jobs in establishments in the city. The share of jobs in industries that are economic drivers has fallen since that time and now stands at only 55% of all jobs in establishments in the city. The target in this strategic plan is that 60% of net new jobs on an annual basis in establishments in the city should be in economic driver industries.

Chart II.8: Employment in Toronto: Economic Drivers vs. Other Employment



Source: Toronto Employment Survey

Growth of Taxable Non-residential Assessment

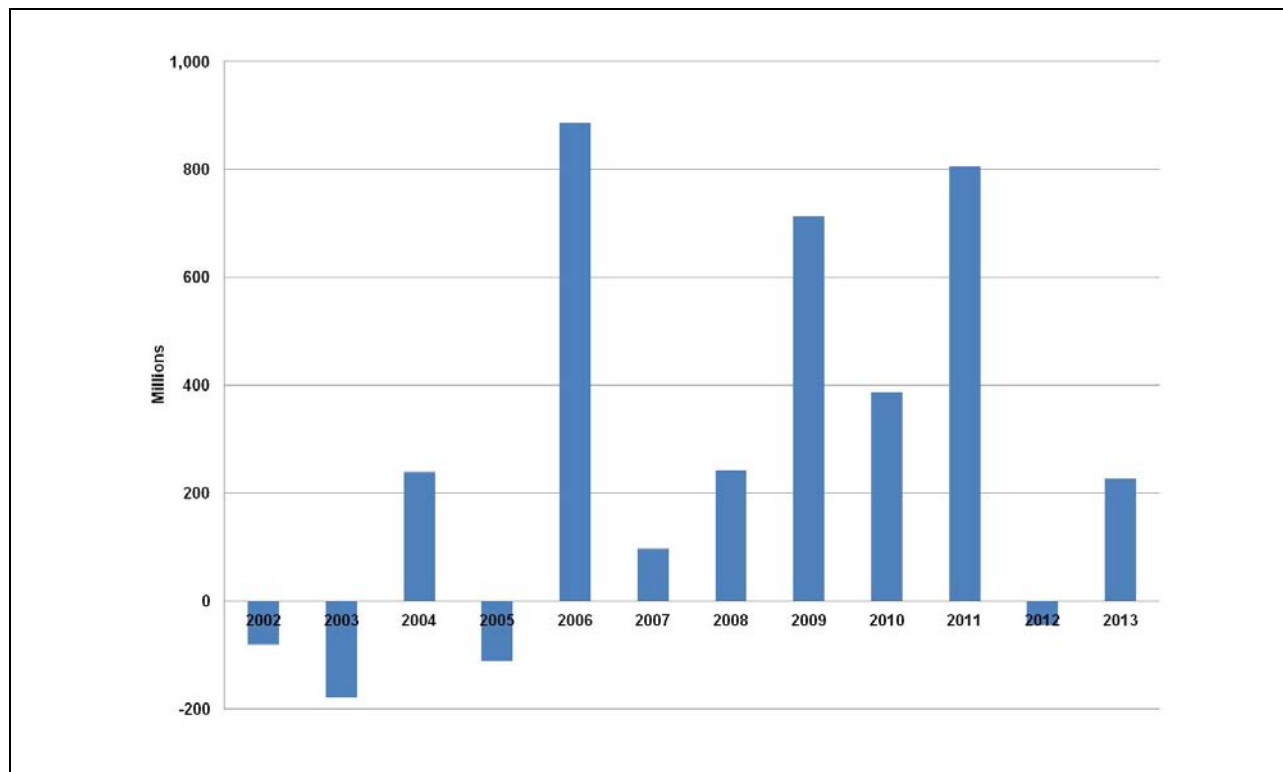
The fourth measure of economic progress is the growth of taxable non-residential assessment. It is necessary to distinguish between assessment growth from new buildings and major renovations that is taxable, and overall shifts in market values, which must be neutralized by adjusting municipal tax rates. Non-residential assessment growth, rather than all assessment growth, is proposed since there are a number of studies that suggest that the operating cost of providing municipal services to residents exceeds residential taxes and the converse is true for most office and industrial development.

Chart II.9 shows the annual change in commercial and industrial municipal property tax assessment in the City of Toronto, which can be attributed to physical changes to properties (i.e. new construction) and that are therefore net additions to the City's tax base.

Data are available for the last 12 years. The average growth per year, for the last 12 years, is \$268 million. For the last six years, it is a higher: \$388 million. A target of \$400 million in additional municipal tax assessment per year from net new commercial and industrial assessment is proposed.

Supplementary assessment data are available several times per year; however, the annual assessment roll is returned only once a year shortly before year-end, which makes it a very good fit with TES data that are published shortly after the annual return of the assessment roll.

Chart II.9: New Commercial and Industrial Property Tax Assessment



Source: City of Toronto Finance

A Note on the Relationship between Targets and the City's Economic Development Strategy

The net result of changes in employment and assessment is the result not only of many factors but is also the result of a huge number of individual decisions, some made in Toronto and some made in places very distant to Toronto. It will always be impossible to determine completely the impact of the policies and programs of the City's Divisions, agencies and stakeholders on these decisions. However, the key is what the cumulative results are and whether they are moving in the desired direction. The implementation plan should attempt to directionally link, City initiatives with resulting impacts.

Given that trends are rarely 'smooth' the attainment of targets will need to be viewed over a medium term, with averaging out across a few years.