



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

GREATER TORONTO  CHAPTER

November 24, 2023

Mayor Chow
Office of the Mayor
City Hall, 2nd Floor
100 Queen St W
Toronto, ON M5H 2N2
Via email: mayor_chow@toronto.ca
Cc: Councillor_Carroll@toronto.ca

Premier Ford
Premier's Office
Room 281 Legislative Building, Queen's Park
Toronto, ON M7A 1A1
Via email: premier@ontario.ca
Cc: Minister.mah@ontario.ca
Cc: Minister.fin@ontario.ca

RE: New-Deal Working Group – Provincial Upload of Toronto's Three Major Transportation Networks

Dear Premier Ford and Mayor Chow,

NAIOP Greater Toronto has been closely following the updates from the New-Deal Working Group. As we have written previously, NAIOP Greater Toronto is pleased to see your governments recognize the need for intergovernmental collaboration to help Toronto achieve long-term financial stability and sustainability.

As the Working Group continues to explore ways to address the City's chronic and longstanding financial problems, NAIOP Greater Toronto recommends that the province to take full financial responsibility and ownership of the three transportation networks that serve the larger GTA area: the Gardiner Expressway; the Don Valley Parkway; and the TTC. All three transportation networks serve both the residents of Toronto and the greater GTA and are critical to the economic health of the GTA region.

NAIOP Greater Toronto represents developers, owners and related professionals in office, industrial, retail, mixed use and multi-residential real estate. With over 1,200 members from approximately 300 companies in the GTA, we are the prominent voice advising on commercial real estate matters that affect the region.

Our members individually and as a group are some of the largest investors in Ontario and Toronto and are committed to the area's success. But this success is in jeopardy when the City is under constant financial pressure to meet its obligations to residents, businesses and others that flock to Canada's largest metropolitan area. We are already seeing the strains in Toronto

with a choked transportation network and a housing affordability and homelessness crisis that is only getting worse.

Toronto's City Manager has said that the City's financial woes cannot be fixed by small measures. This has been tried in the past and it does not work. Transferring the City's three largest regional transportation systems to Ontario would represent a generational fix. The province's larger tax base, lower cost of capital, and revenue that rises with the GDP makes such a shift sensible.

As office building owners and developers, we want to see the life of our buildings return to the vibrancy of the pre-Covid era. While changes in the way we work are inevitable, the financial weakness of Toronto should not be a factor. Without a fundamental change in its financial structure, the City will again be looking to business to fund its ever-present needs and will effectively push many businesses out of Toronto.

Earlier this year NAIOP Greater Toronto commissioned Altus Group to look at both office needs and expected office work models looking out to 2041. The results were surprising and pointed to the need for greater planning flexibility when looking at uses for obsolete B and C class office buildings. The challenge is huge for private investors, but it is exacerbated by the financial crisis that has bedeviled the City for decades.

As the Working Group moves forward with its mandate, we urge it to consider transferring the full responsibility for the Gardiner Expressway, Don Valley Parkway and the TTC to the province to ensure Toronto's future success and growth.

Sincerely,

A handwritten signature in black ink, appearing to read "Christina Iacoucci". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Christina Iacoucci
President
NAIOP Greater Toronto