



July 21, 2008

Mr. Brad Graham
Assistant Deputy Minister
Ontario Growth Secretariat
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5

Re: Planning for Employment in the Greater Golden Horseshoe
May 2008 Background Paper, Places to Grow

Dear Mr. Graham:

The Residential and Civil Construction Alliance of Ontario (RCCAO) is an alliance composed of management and labour groups that represent all facets of the construction industry. Our goal is to work in cooperation with governments and related stakeholders to offer realistic solutions to a variety of challenges. Encouraging more strategic infrastructure investment and seeking ways to fast-track priority infrastructure projects are primary objectives of our labour-management alliance.

RCCAO is pleased that over the past few years, the Province of Ontario has created an appropriate framework to achieve economic prosperity by formulating a Growth Plan for the Greater Golden Horseshoe and by taking vital steps to implement a longer-term infrastructure investment strategy. It is also gratifying that this background paper recognizes that “it is essential that there is enough readily available, serviced land to allow for future economic activities and continued prosperity”, with a focus on supporting “vibrant, complete, sustainable communities.”

RCCAO recognizes that Ontario faces a number of challenges and that it is vital for the province to lead regional prosperity efforts by taking a macro-economic policy approach. Diversification will continue to be critical to Ontario’s economic prosperity but in order to maintain a competitive advantage over other metropolitan centres around the world, adaptive strategies will be essential. A prerequisite to enhancing productivity in both goods producing and services sectors will be to ensure that state-of-the-art infrastructure is in place. Both new infrastructure and existing assets must be well-maintained and improved upon to support additional population and employment growth.

As requested in the background paper, feedback is provided on a number of proposed strategies in each chapter:

Comments on Chapter 3: Although no feedback is requested on this chapter, comments are necessary. This chapter highlights that there are a number of economic clusters in the GGH ranging from financial services to tourism to aerospace. Unfortunately, construction as a recognized economic sector is not specifically mentioned in this chapter even though it is generally acknowledged to be a prime economic driver, with a range of multiplier effects (construction also tends to be overlooked by economic development departments).

Although construction might be viewed as locationally scattered across the region, some larger projects could be classified as “mobile” mini-clusters. Also, it is worth pointing out that there are in fact infrastructure requirements for the construction workforce, such as transportation, so that crews are able to get to and from their workplace in a timely fashion. The live-work intensification paradigm that the Province promotes is not applicable to the dynamic travel patterns in evidence for contractors and construction trades.

Construction has been instrumental in leading Ontario’s job growth and collectively, the construction sector contributes enormously in terms of taxes and fees to all orders of government. Furthermore, construction activity has been fundamental in accommodating the growth that has occurred in the GGH and other regions in Ontario.

Strategies under Chapter 4 (Region-Wide Planning for Employment Lands): RCCAO is supportive of more proactive planning for employment and related land uses that is based on a well-articulated provincial vision. Clearly, an expanded set of data will enable the province to provide better guidance to local and regional municipalities as well as other organizations. (Note: Technical research that takes advantage of local consulting expertise and academic institutions, as has been done by OGS, should continue to be supported as this will benefit the local economy).

An assessment of intensification and employment targets will be best achieved by a robust provincial data base that contains standardized information. Benchmarking indicators and related target data will be useful to refine social and economic strategies. For example, it might be useful to compare jobs to residents ratios across various employment clusters and to then determine what success factors can be applied to underperforming areas. Over time, new targets can be set and perhaps the methodological approach will require fine tuning to reflect emerging realities across the GGH.

RCCAO recommends that there be a sectoral breakdown of the GGH’s employment projections (perhaps in five-year increments) in order to better determine future land inventory requirements. RCCAO would encourage the OGS to post the data and research papers it may commission on its web site in order to broaden the dialogue. Facilitating feedback from various stakeholders will help to assess future employment land use

requirements. On a cautionary note, one trend might be for employment land uses to become less homogeneous than they have traditionally been, thus complicating data analyses and perhaps, employment planning policies.

Strategies under Chapter 5 (Better Planning for Employment Uses): Provincial guidance with respect to better planning for employment uses would be useful. RCCAO wishes to point out, however, that overly prescriptive rules could potentially diminish innovative approaches to the establishment of employment clusters. While the dissemination of certain design principles would be helpful in municipal planning exercises, flexibility in design should be encouraged as well. Fast-tracking and streamlining of approval processes could be considered for projects that meet various provincial and local economic development objectives.

In general, RCCAO supports a number of the financial incentives and tools that are listed. While development charge waivers and tax increment financing tools are beneficial for revitalizing brownfield or underutilized urban areas, different approaches could be taken for greenfield sites.

Financing arrangements have a great influence on the economic viability of greenfield projects. In recognition of the fact that servicing costs can vary considerably from site to site, it would be worthwhile for the province to provide guidance to municipalities on the application of development charges (DC's).

Currently, many municipalities have uniform non-residential DC's that assumes that infrastructure can be provided at uniform cost in spite of site specific cost differentials. Unfortunately, this approach does not facilitate more innovative infrastructure provision, including the adoption of more cost-effective technologies. A more site specific financing framework could potentially foster more intensification of employment lands that we think would result in lower servicing costs and hence lower per unit DC's. In order to achieve greater intensification, municipal and provincial policies must be coordinated and flexible.

It should be pointed out that "better planning" implies a coordinated approach with the federal government in terms of facilitating economic development initiatives. Paramount would be timely federal funding for infrastructure projects that advances the urban agenda. As well, support for major economic assets under Ottawa's jurisdiction such as airports, ports and trade corridors are essential to enhancing Ontario's growth prospects. On a smaller scale, the federal government could also play a supportive role through various tax measures. For example, if transit-supportive development is a goal then employees who are provided with transit passes should not be financially penalized for this type of employer-provided benefit.

Strategies under Chapter 6 (Infrastructure and Servicing): In order to effectively roll out the MoveOntario 2020 Transportation plan, the regulatory approval process must be rationalized, including implementation of the municipal Class EA process for transit projects. A streamlined, six month time period to complete the EA process is a positive

development. Streamlining initiatives should be replicated for other infrastructure and development initiatives, wherever possible, so that residential and employment lands can be brought on-stream faster.

The proposed regional transportation plan developed by Metrolinx will need to support the GGH Growth Plan, and corollary financing authority must be provided to Metrolinx for the Plan to be fully realized. For example, the province has publicly distanced itself from any notion of road pricing on regional highways even though such tools are being applied in many other jurisdictions and have proven to be critical in terms of funding infrastructure expansion.

Metrolinx will be releasing an investment strategy later this summer and for the roll out to be successful billions of dollars will be required in the short to medium term. Although the province has committed \$11.5 billion under MO 2020, other funding streams will be necessary. If Metrolinx determined that a regional vehicle registration charge is one funding tool that is required, would the province be willing to demand that the City of Toronto's recently implemented vehicle registration charge be directed to Metrolinx priority projects (rather than for general Toronto revenue purposes)? Or, more appropriately give the financing authority to Metrolinx to redirect this local revenue stream to priority transportation projects? While these and other related questions might appear to be beyond the purview of this background paper, they are nonetheless critical to developing a coordinated approach to the Growth Plan.

Strategy 6.3(a): RCCAO is pleased that recognition has been given to the importance of the timely provision of water, wastewater and other services with respect to the planning and development of employment lands. Regulatory support for full cost pricing and accounting for this infrastructure is long overdue and implementation would assist in the provision of serviced employment lands.

For more detailed recommendations, please refer to two RCCAO-commissioned reports on Water and wastewater asset management in the GTA: Challenges and opportunities by Tamer E. El-Diraby, University of Toronto, Department of Civil Engineering; and Financing Water and Sewer Systems in the Greater Toronto Area: What Should be Done? by Harry Kitchen, Trent University, Department of Economics. Both these reports are available at www.rccao.com.

Other reports that RCCAO has commissioned would be worthwhile for your office to review such as Ontario's Bridges – Bridging the Gap that makes the case for the creation of a standardized data base that will result in enhanced asset management and better prioritization of repair needs across Ontario. As a result of this study, RCCAO had discussions with the Ontario Good Roads Association about promoting infrastructure solutions and we are now a partner sponsor of Municipal DataWorks.

Strategies under Chapter 7 (Planning for the Future): Inter-ministerial support and coordination of policy and regulatory measures is essential in addressing multi-jurisdictional growth issues. Infrastructure strategies, financial commitments and growth

planning cannot be separated from employment lands planning. Employment land uses range from high density office districts to capital intensive manufacturing and logistics facilities and this diversity of land use types requires different strategies – the ‘one-size fits all’ approach will not be as effective.

RCCAO is very interested in the proposed strategies under 7.2(a) such as identifying future strategic employment areas and targeting infrastructure investments. We would welcome a focused discussion with your office and other ministry representatives on ways to overcome development constraints and barriers. In addition, there is a pressing need to address the provision of a range of new housing types in close proximity to employment centres so that a broad spectrum of the workforce has an opportunity to find suitable housing near their workplace.

RCCAO intends to commission a study on ways to streamline the approvals process, including the Environmental Assessment approvals process. Longer-term planning horizons of up to 50 years would create more certainty in the planning approvals process and set the stage for logically phased infrastructure investments.

RCCAO continues to support the Places to Grow plan for the Greater Golden Horseshoe. This groundbreaking plan will help to promote growth where it is most desirable and to ensure that Greenbelt lands and other sensitive areas remain protected for future generations. As RCCAO stated in its submission to the Minister of the Environment regarding ‘Protecting Lake Simcoe: Ontario’s Strategy for Action’, it is crucial that the policies related to transportation, water and waste water systems and community infrastructure strike an appropriate balance between growth and environmental sustainability.

RCCAO trusts that the newly created Ministry of Energy and Infrastructure will be able to take a lead role in ensuring that critical and timely infrastructure investments are made that will act to direct growth to priority areas while at the same time ensuring that various other government policies are consistent with the principles laid out in Places to Grow.

Employment lands are recognized for creating value and opportunity and we hope that our brief response is also considered to be “value-added.” I look forward to further discussions with you on this and other policy matters.

Yours truly,

Andy Manahan
Executive Director