

Why is the *City of Toronto Act* important?

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The governments of Toronto and Ontario are currently at work to give Toronto powers that no city in Canada has ever had. We are overhauling the *City of Toronto Act*, and together we are creating a new “constitution” for the largest city in Canada. This exciting exercise is not about power for its own purpose, but rather power as a means to city-building.

How does the *City of Toronto Act* fit into the overall effort to achieve a ‘new deal’ for Canada’s cities, and why is it important?

The new deal for cities has always been about making the entire country stronger – as I have often said, as our large cities go, so goes the nation. When we succeed, the province and the country succeed. Premier McGuinty and municipal affairs minister Gerretsen understand this very well, and are committed to putting Toronto on solid ground.

I often say that the new deal has three essential parts: respect, money, and power. The *City of Toronto Act* speaks almost exclusively to power, though it is directly related to the money and respect elements of the new deal as well.

Our current power structure, which requires that we get permission from the province for many decisions, was crafted over 130 years ago. It simply makes no sense today. It constricts our ability to govern. Right now, Toronto’s authority derives from legislation that was designed for the smallest municipality in the province. A new *City of Toronto Act* will change that.

The new *Act* will essentially be Toronto’s “constitution.” It will treat Toronto as a full order of government by allowing us to exercise, within our areas of responsibility, the powers of a province. Only where Queen’s Park identifies an overriding provincial interest, will there be exceptions.

This approach turns the existing way of assigning power to Toronto on its head. Instead of placing restrictions on what the City can do, this legislation will start from the premise that Toronto can exercise all the powers we need to in order to efficiently run a modern, big city government, spelling out only the exceptions.

Why does this matter? Let me use public transit and transportation to illustrate why we need the powers of a government.

Toronto’s city government is inarguably the *only* level of government that can craft a transportation strategy for the city. We are the ones best placed to design and implement a plan to ultimately eliminate gridlock.

Do we build a subway to York University and beyond to the 905, making York a regional transportation hub? Do we buy more buses in order to improve transit in Toronto’s suburbs, currently ill-served by the subway? Do we address gridlock by building bus-only roads, as

Ottawa has done? Do we introduce a parking levy in order to discourage single-commuter car traffic? Do we work with employers to offer tax-free discounts on Metropasses?

Of all those examples, currently the City has the financial and legal power to make only *one* of those choices – enacting bus-only roads. Similar situations exist for development, taxation, urban design, and a raft of other issues.

The new *City of Toronto Act* will give the City freedom and flexibility to deliver services creatively and effectively.

The new *Act* will also expand and enhance the City's own-source revenue raising powers, providing us with the ability to mitigate the constant pressure on the property tax.

To be clear, this won't solve our deeper structural financial problem. But it is a crucial step in the new deal.

Beyond the *City of Toronto Act*, we must work to remove provincially mandated income redistribution programs, such as social assistance and social housing, from our property tax base. In order to start the process of truly *building* the city, we need a model for revenue sharing. We need a share of the income tax or of the sales tax. My goal is to work with the province to secure increased revenues from economic growth, rather than increased taxes.

As we work on a parallel track to secure new sources of revenue that grow with the economy, the new *Act* will ensure we can use those resources wisely and effectively.

The *City of Toronto Act* will strengthen our jurisdiction and authority, providing us the means to legislate, raise revenue, and provide excellent local services and government. When this is combined with new fiscal tools that form the next part of the new deal, Toronto will be able to build on our proud tradition of generating wealth to support provincial and federal programs that benefit all Canadians.