

Editorial ? Toronto's phony budget ?crunch?

An editorial in Monday's Toronto Star was more interesting for something left out than for its overall theme, mainly the need for more revenue to provide some things the City needs as well as for things now being dreamed of.

?If we are going to fund the key infrastructure projects necessary to create a livable, equitable and economically viable city, new means of generating revenue are urgently needed,? the writer stated at the outset.

?The newly unveiled proposal to build a sprawling park in Toronto's condo-cramped downtown should have been a high point of John Tory's mayoralty. The idea of 21 acres of green space over the rail corridor between Bathurst Street and Blue Jays Way promises a much-needed respite from the concrete and glass that dominates our increasingly dense downtown.?

?Yet it was hard to take the suggestion seriously. On the same day the proposal was made, TTC chief Andy Byford issued a letter explaining that the mayor's call for a 2.6-per-cent budget cut across all departments would make it impossible for the City to maintain even the current level of transit service, never mind the \$215 million planned for urgent improvements to the system. How, then, are we expected to afford a park that could cost upward of \$700 million??

The editorial went on to pose, correctly, that the City's ambitions are totally inconsistent with its current fiscal policy.

?We cannot afford to continue to drain money from reserves meant to maintain services through hard times or rely on a red-hot real estate market that won't last forever. Nor can we find savings through efficiencies that would even begin to address the yawning gap.

If we are going to fund the key infrastructure projects necessary to create a livable, equitable and economically viable city, new means of generating revenue are urgently needed.?

Again, anyone familiar with the issues would find it hard to disagree.

But after pointing out that the City's aging infrastructure ? a problem classically illustrated by a recent series of breaks involving watermaines that are roughly a century old ? needs \$29 billion to be brought up to date, the editorial identified only some special taxing powers bestowed on the City by Queen's Park as a solution to the problem.

Missing entirely from the editorial was any admission of the fact that average property taxes in Toronto are roughly half what they are in most Ontario towns and villages.

All one needs to do is examine the real estate pages in Friday's Globe and Mail to see how property values in Toronto are soaring and how relatively little Torontonians are paying in property taxes. Some recent sales of residential property that brought the owners more than \$1 million sowed property taxes at or below \$5,000 ? about what residents of newer Orangeville subdivisions are paying as taxes on homes that might bring no more than \$500,000 on the open market.

The reason for this huge disparity is easily found. Unlike small town Ontario, Toronto has an enormous volume of commercial and industrial real estate.

On top of that, Toronto has been given far more than its proper share of provincial infrastructure grants, with the Province absorbing the full cost of some rapid transit projects.

Tory says he understands the need for more revenue and will try to bring in new ?revenue tools? this fall. Many such tools are available to the City and have been widely studied, including a tax on alcohol and tobacco, a parking levy, entertainment tax or development charges, among others, most of which would hit those living outside the city as well as Torontonians themselves.

But all we can expect from Toronto City council is new demands for money from senior levels of government.