

May 1, 2024

John Ballantine  
Manager, Financing and Infrastructure  
Municipal Finance Policy Branch  
Ministry of Municipal Affairs and Housing  
777 Bay Street, 13th Floor  
Toronto ON  
M7A 2J3

Submitted via email to [john.ballantine@ontario.ca](mailto:john.ballantine@ontario.ca).

Dear Mr. Ballantine,

**RE: Proposal #24-MMAH009 Red Tape Reduction - Supporting Municipal Incentives for Economic Growth**

On behalf of the Ontario Federation of Agriculture (OFA), thank you for the opportunity to provide our feedback on the proposed legislative amendments to the Municipal Act, 2001 and City of Toronto Act, 2006 to streamline the province's process for granting exemptions to municipalities to support provincial investment attraction.

OFA is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. We are passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

**Summary of OFA Recommendations:**

- Exercise rigorous selection in authorizing tax incentives to ensure that they are genuinely effective, equitable and have minimal impact on the existing tax base.
- Utilize these tools during investment attraction initiatives to achieve the goals in the Grow Ontario agri-food strategy.
- Broaden the scope of the amendments to include provisions for supporting existing businesses critical to Ontario's agri-food sector, such as local abattoirs.

Currently, the Municipal Act, 2001 and City of Toronto Act, 2006 prohibit municipalities from providing direct or indirect assistance to any manufacturing, industrial or commercial businesses. The proposed legislative amendments to the Municipal Act, 2001 and City of Toronto Act, 2006

would allow a proposed Lieutenant Governor in Council (LGIC) regulation-making authority to be able to authorize a municipality to assist a particular recipient. The proposal further describes that this power would be enacted if the LGIC believed that it is necessary or desirable in the provincial interest to attract investment in Ontario.

OFA supports economic development in Ontario, particularly in Ontario's agri-food sector which is an economic powerhouse – producing more than 200 farm and food products, fuelling rural communities, generating nearly 750,000 jobs, and contributing more than \$47 billion to Ontario's annual GDP. By providing more tools in the toolbox, the province could support rural economic development, growth of agri-food and beverage businesses, abattoirs, and other agriculture and food businesses along the value chain.

OFA appreciates the government's efforts to increase business investment in Ontario and supports the initiative to make Ontario more competitive in attracting new businesses. We commend the proposal's targeted approach, which allows for exemptions on a case-by-case basis, potentially increasing the effectiveness of these incentives. However, we urge caution in selecting which businesses receive such incentives to minimize detrimental impacts on the existing tax base and avoid exacerbating fiscal strains on municipalities.

The provincial agri-food strategy, Grow Ontario, lists four goals to strengthen agri-food supply chain stability:

- increase the consumption of food grown and prepared in Ontario by 30%;
- increase the production of food grown and prepared in Ontario by 30%;
- increase Ontario's food and beverage manufacturing GDP by 10%; and
- increase Ontario's agri-food exports 8% annually.

By enabling municipalities to provide direct support during investment attraction initiatives, OFA believes we will attract agriculture, food, and beverage businesses that will boost our economy and achieve these ambitious goals. Along the value chain, attracting businesses that can further process agricultural products leads to more jobs for Ontarians, more economic activity in our communities, and an increased supply of fresh, nutritious, and quality products that will be enjoyed locally as well as globally.

Moreover, OFA strongly recommends that the scope of this proposal be expanded to include support for existing businesses that provide essential services, particularly in the agri-food sector. For example, an area of critical concern is the financial viability of small provincially inspected abattoirs. These facilities are vital to the local agri-food supply chain, and their struggles with financial viability, regulatory burdens, and labor shortages have caused many abattoirs to close in Ontario. The ability for municipalities to provide direct support to a business that is crucial to growing the agri-food supply chain would not only help maintain the productivity of existing agri-food businesses, but also potentially attract new businesses to communities where there are gaps in the value chain.

Thank you for considering our views. We remain committed to working collaboratively with the Ministry and other stakeholders to ensure that legislative changes support the sustainability and growth of Ontario's agri-food sector and rural communities.

Sincerely,

*Drew Spoelstra*

Drew Spoelstra  
President

cc: The Honourable Paul Calandra, Minister of Municipal Affairs and Housing  
OFA Board of Directors