

<http://www.insidetoronto.ca/News/Etobicoke/article/51497>

## **ETOBICOKE: Committee paves way for Woodbine project**

### **Developer to get largest tax break in Toronto's history**

July 8, 2008 by David Nickle

Toronto's Economic Development Committee has recommended paving the way for a massive new entertainment complex around the Woodbine Racetrack, bringing 9,700 jobs, \$1 billion in construction - and about \$120 million less in property taxes than any other similar new development would pay over the next 20 years.

The tax incentive plan approved by the committee is the largest tax break Toronto has ever granted a developer, and the first in the new Tax Increment Equivalent Grant (TIEG) program that council approved just this past spring.

That program, devised as a way to stimulate high-level employment in a city that otherwise has had difficulty retaining industrial and high-end office uses, lets qualifying developments phase in their property tax payments over a decade.

But the Woodbine deal is rich even by those standards. The phase-in takes place over twice as long, and because the project - dubbed WoodbineLive! - has been deemed "transformative," rules excluding low-paying retail and hotel uses have been waived. The committee spent most of Tuesday wrestling with that issue - or more accurately, listening to members of the public, union representatives and the project's proponents thrash out the pros and cons of subsidizing development surrounding the race track.

Nick Eaves, President of the Woodbine Entertainment Group, said that while the race track is successful enough, it won't be able to compete without the redevelopment of lands surrounding it, in co-operation with the Maryland-based Cordish Company.

"The reality is that Woodbine is in the core business of live horseracing, and it's a very tough business," he said. "It's one we know well, and one in which we're pleased with the progress that we've made, but it's a hypercompetitive environment. While we remain committed to grow this, it's important we grow beyond that business and find a way to deliver on the mandate."

At risk, both he and lawyer Steve Diamond told the committee, is approximately 2,500 jobs at the existing racetrack. But with the expansion of the track, they said, will come numerous benefits.

Economic development staff pointed out that the community had lost 7,500 jobs over the past five years, and the area is home to three of Toronto's priority high-poverty neighbourhoods. Diamond argued that the development would help reverse that trend.

"Apart from the tourism potential, the 9,400 jobs created and the 2,500 person years of employment, the project will also be a catalyst in local transit improvements," said Diamond. "WoodbineLive! has also committed itself to ensuring that local hiring will be made from the local community first and foremost. And all of these benefits are being provided at no risk to the City of Toronto. The city's role is merely to delay the imposition of a tax regime, and it's important to

remember that even in Year One, the city will generate an additional \$4 million in taxes. The greater risk is not approving the request that is before you."

Blake L. Cordish, vice-president of development of the family-owned Cordish Company, said the site is a perfect one for generating regional tourism. "It's an extremely unique opportunity in the City of Toronto," he said. "The stars and moons have aligned - you have a developable site of over 100 acres that sits on major vehicular arteries within miles of an airport for a region. It's very hard to find those characteristics that come together."

Members of the public were split on the issue. Kay Blair of the Rexdale-based Community Microskills Development Centre, said the communities surrounding the Woodbine track desperately needed a development such as this one - both for the jobs it would provide and also as a community gathering place.

"Rexdale needs a place where different parts of the community can come together and interact with each other," she said. "Rexdale needs improved transportation capabilities. And because of its poverty Rexdale needs economic development. I think the possibilities are there for sustainable employment. The WoodbineLive! Project is one such initiative that will make this happen."

John Cartwright, President of the Toronto and York Region Labour Council, was one of a number of labour representatives that came to denounce what he said amounted to a subsidy for a developer offering mainly low-paying jobs.

"What we really have with this project - although on the face it has merit as a construction project - is essentially a high-end mall with entertainment," said Cartwright, referring to the tenant list of other Cordish developments. "Who are the stores and the bars? Wendy's, Subways, Maker's Mark Bourbon; a few other bars and nightclubs. None of these places pay high-end wages."

He added: "This will be the largest tax grant in living memory, and we are saying you should approach this with your eyes open and not your purse open."

Councillors on the committee voted to approve the enhanced TIEGs plan, however. Local **Ward 1 (Etobicoke North) Councillor Suzan Hall** moved amendments that would narrow down the group's agreement to hire and train preferentially in the area, to specific north Etobicoke communities, and gave her support to the project.

"This is to the benefit of Toronto," she said. "It's to the benefit of the north Etobicoke community but it will benefit Toronto as a whole."

Committee chair Kyle Rae addressed concerns that the deal would open a floodgate to other developers, who might use this as a precedent to demand 20-year tax phase-ins for their shopping malls.

"I think we've got this discreetly constructed so that this isn't about a floodgate opening," said the Ward 27 (Toronto Centre-Rosedale) councillor. "This is about standardizing an opportunity. I've heard from people who live in Rexdale that there's a need. There is a depressed neighbourhood in the northwest of Toronto. Seventy-five hundred jobs lost in the last five years? Who can sustain that?"

