The Globe And Mail

Yonge-and-Eg makeover draws fire; Plan to expand shopping centre lacks vision needed to revitalize intersection, say critics

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Byline: Anna Mehler Paperny

An ambitious plan to reviatalize Yonge-Eglinton Centre is a step closer to reality, with community council signing off on a proposal to give the shopping centre a makeover and beef up its retail and commercial offerings.

But residents upset with the plan have every intention of continuing to fight the $100-million project, which they say doesn't go nearly far enough to address the need for a public space and community hub at the frenetic - and increasingly crowded - north Toronto intersection.

The proposal, which passed almost unanimously at North York Community Council this week, would add three, five and seven storeys onto existing buildings at the corner, and about 24,000 square metres of combined retail and office space, along with an ambitious retrofit.

For his part Ed Sonshine, CEO of RioCan, which owns the property, says he's more than happy to take on vocal opponents.

"We're tremendously improving the property - not only for our shareholders, but for everyone in the area," he said. "When we finish, Yonge-Eglinton is going to be magnificent and useful and really improve the whole cityscape."

But Ben Daube, who has lived in the area for several years, doesn't see it the same way. He remembers the square as a community-friendly host of festivals, beer tents and lunchtime loiterers. As president of the Sherwood Park Residents' Association, he has been among many lobbying for months for a Yonge-Eglinton revitalization of a dramatically different sort. They want to see improved public space, more places to sit. A fountain would be nice.

"The approval of the plans by council is shortsighted and lacks a vision for the entire Yonge-Eglinton Centre," he said. "You could make that a much more inviting space. ... We will have lost an invaluable asset."

Sorry, Mr. Sonshine says - that's not his responsibility. And to improve public space in the area, he added, the city would be wise to look to the unused TTC property across the street. "That's not our business," he said.

What is his business is appealing to shareholders, he said - some of whom might look skeptically at his plan to add 20,000 square metres of office space in a city whose commercial real-estate market is stagnant at best. But Mr. Sonshine insists he's not crazy: Planned office space likely won't be ready until 2014, by which time he hopes there will be people ready to fill it.

"Would somebody build a new office building today? Not a chance," he said. "But I have a great belief in the corner of Yonge and Eglinton. ... It's a great place to work."

Councillor Karen Stintz, who has taken heat from residents for her support of the proposal, said it will be an improvement over the oddly levelled and excessively windy corner there now. The approved plan obliges RioCan to pay for $250,000 worth of public art, although it's not yet clear what that entails. At the behest of the city, RioCan is also making a planned rooftop garden accessible to the public.

"I've represented the area for seven years and it's never acted as a community square. It was never designed to be a community square and that's why it doesn't function that way," Ms. Stintz said.

"My hope is that with this new design and with the community involvement ... we'll be able to realize more accessible, community-oriented, programmable open space.

"We want Yonge and Eglinton to be recognized as a prominent place in the city."

NorthGrid Solar Inc. opens regional offices in Ottawa and Sault Ste. Marie

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MARKHAM, ON, March 11 /CNW/ - NorthGrid Solar is pleased to announce the opening of two new regional offices to serve customers in Eastern, Central and Northern Ontario. Based in Ottawa, Eric Manherz and Steve Langlois have been appointed Regional Directors and will serve clients in Eastern Ontario. Both are involved in commercial real estate and will offer NorthGrid Solar partners outstanding customer service. Roy Bortolussi of Sault Ste. Marie has been appointed Regional Director for Northern Ontario. Roy brings a solid business background including commercial real estate experience.

"We are delighted to welcome these colleagues to the NorthGrid Solar team," said Carlo Di Gioacchino, President and CEO of NorthGrid Solar. "Local representatives, knowledgeable in both commercial real estate and solar technology, will allow us to better serve our customer base throughout the province." This expansion is part of NorthGrid Solar's ongoing investment in response to the recently introduced Ontario Feed-In Tariff (FIT) program encouraging private developers to deliver renewable sources of energy directly to the Ontario power grid. NorthGrid Solar is currently involved in numerous solar PV projects in Ontario including both roof-top and ground mounted systems.

With the recent announcement of FIT approvals from the Ontario Power Authority, NorthGrid Solar is positioned to offer full turnkey engineering, procurement and construction solutions as well as maintenance and financing.

With offices in Markham, Hamilton, Ottawa, and Sault Ste. Marie, Ontario, NorthGrid Solar is in a position to offer unparalleled support to each customer. Contact information for each office can be found on the corporate website www. NorthGridSolar.com

About NorthGrid Solar Inc.

NorthGrid Solar Inc. is a privately held Ontario-based EPC (Engineering, Procurement, Construction) company. NorthGrid Solar focuses on commercial roof- top and ground mounted solar PV systems under the Ontario Feed-In Tariff (FIT) Program and offers full-term maintenance and financing solutions. NorthGrid was formed by a partnership between Generation PV Inc., a leading Ontario-based solar supplier with over 45,000 solar PV systems installed in 60 countries, and Dundurn Capital Partners, a private equity and venture capital firm focused primarily on clean-tech energy investments, sustainable development and nanotechnology. Together these partners have over 50 years of solar experience and over $100M in commercial property including LEED Platinum construction.

The Globe And Mail

Parity predictions driven by looming rate hike, commodities

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Byline: Tavia Grant

Expectations of rising interest rates and a revived economy have some strategists predicting parity for the loonie is around the corner.

And they're not just patriotic Canadians.

"People are paying a lot more attention to Canada," said Sebastien Galy, currency strategist at BNP Paribas SA in New York. "There are very few countries right now which are high-grade countries ... basically only Canada and Switzerland fit that bill."

A confluence of short- and long-term factors are driving dollar demand. Oil prices passed $83 (U.S.) a barrel yesterday, a two-month high, and a report last week showed the economy expanded 5 per cent in the fourth quarter. In the longer run, a stable banking system, conservative fiscal policy and commodity-driven economy are also making the currency appealing, he said.

"It could break parity for sure."

Others mirror that view. The Canadian currency will pass parity with its U.S. counterpart by the summer, CIBC World Markets said in a report yesterday. Royal Bank of Canada figures it will happen sooner than that. Bank of Nova Scotia sees the loonie at "parity and beyond."

Expectations that interest rates will start climbing in July - before the U. S. Federal Reserve starts to tighten - have fuelled recent gains, CIBC said.

"Nobody should be surprised if the Bank of Canada begins hiking rates as soon as its June-end line in the sand has passed," said Avery Shenfeld, CIBC's chief economist, adding he expects rate increases will happen at a measured pace.

Several further factors are boosting the allure of the currency. Around the world, the appetite for Canadian commodities such as oil and fertilizers is growing. Foreign acquisitions of Canadian companies could heat up, spurring demand for dollars to buy companies. And fears of sovereign defaults could drive investors into the comparative stability in Canada, CIBC said.

Mr. Shenfeld sees the Canadian dollar hitting $1.02 against the greenback by September, before dropping to 97 cents by the end of the year.

The loonie closed at 97.48 cents (U.S.) yesterday, near a two-month high, little changed from Tuesday's 97.43 cents.

The U.S. dollar has fallen 2.5 per cent again the Canadian dollar this year. The Swiss franc has fallen 5.7 per cent and the euro is down 7 per cent against the loonie.

The sharpest drop has been the British pound, which has plunged 9.7 per cent against the Canadian dollar.

The pound sterling is now trading at a 25-year low against the Canadian dollar, making travel to the United Kingdom and British imports more affordable.

The big banks aren't the only ones predicting parity.

A solid economy, growth supported by the commodities and a stable banking system "all point to a stronger Canadian dollar and parity," said Rahim Madhavji, president of Toronto-based president Knightsbridge Foreign Exchange.

Risks for the currency remain, however. China is a big one. Any signs of tightened borrowing and slowing demand in the world's fastest-growing major economy will dampen commodities and have a swift impact on the Canadian dollar.

The loonie last traded at parity in July, 2008.

It hit a modern-day intraday high of $1.10 (U.S.) in November, 2007.

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High-flying loonie

Here's how world currencies have fared compared to the Canadian dollar so far this year.

Mexican Peso 1.12%

South Korean Won 0.13

Japanese Yen ....-0.03

Australian Dollar ....-0.79

Taiwanese Dollar ....-1.97

Swedish Krona ....-2.17

Singapore Dollar.........-2.28

United States Dollar....-2.72

South African Rand ....-2.94

Norwegian Krone ....-3.96

Brazilian Real ....-4.05

New Zealand Dollar ...-5.50

Swiss Franc ....-5.87

Danish Krone ....-7.21

Euro ....-7.2 3

British Pound.............-9.89

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SOURCE: BLOOMBERG

The Globe And Mail

At Bank of Canada, a debate on revealing less; An untested way of setting monetary policy would also make it tougher for markets to predict interest rates

Thu Mar 11 2010
Page: B3
Section: Report On Business: Canadian
Byline: Kevin Carmichael
Dateline: OTTAWA

OTTAWA -- The greatest change over the Bank of Canada's 75 years is the institution's embrace of transparency. It's ironic, then, that the debate about the central bank's future is concentrated on ideas that would make policy more difficult to predict.

This is an important year in the central bank's history, and not only because Governor Mark Carney and his senior advisers face the delicate task of raising the benchmark interest rate from a record low of 0.25 per cent without crumpling the fragile recovery. To mark the bank's 75th anniversary, Mr. Carney is speaking today to university students all over the country via webcast.

It is crunch time for completing the research on whether there is a better way to achieve price stability than the current practice of targeting an annual inflation rate of about 2 per cent.

The central bank is putting considerable effort into studying an intriguing, yet untested, technique called price-level targeting. Instead of targeting the rate of inflation, the central bank would attempt achieve a specified increase in inflation over a period of time.

While the method would theoretically give policy makers more flexibility, a major drawback is that even practitioners struggle to fully understand the concept, let alone explain it.

Mr. Carney hasn't signalled which way he's leaning on price-level targeting, but a serious disincentive is the risk that confusion might jeopardize the public's confidence in the Bank of Canada's ability to control inflation.

That's not to say that Mr. Carney is averse to making investors think a little harder about where interest rates are headed.

There is an emerging opinion that central banks contributed to the financial crisis by making their intentions for interest rates too predictable. The best example is the U.S. Federal Reserve, which, under former chairman Alan Greenspan, raised its benchmark interest rate in 17 quarter-point increments starting in June, 2004, and ending with the Fed funds rate at 5.25 per cent in June, 2006.

The worry - it must be said, in retrospect - is that too much transparency causes investors to become complacent.

Thinking they have the central bank's interest-rate path figured out, investors put less effort into assessing economic fundamentals. This creates a kind of groupthink that removes an important check on exuberant behaviour: skepticism.

"How central banks communicate can influence the degree to which low, stable and predictable inflation fosters excess credit growth," Mr. Carney said in a speech at the annual gathering of international central bankers and monetary policy experts in Jackson Hole, Wyo., in August.

"It is important that markets understand how a central bank formulates policy, but that does not equate to perfect foresight. Differences in judgment and the fundamental uncertainties surrounding the economic outlook should mean occasional differences in view."

The speech has become a touchstone for the Bay Street economists and academics who earn a livelihood trying to understand how Mr. Carney thinks. While the commitment to keep annual inflation at about 2 per cent a year remains beyond doubt, some observers are preparing to be told a little less about how the Bank of Canada achieves that target.

"You don't want the complacency that comes about with so-well-telegraphed incremental moves in interest rates; I think [Mr. Carney] has that in the back of his mind somewhere," said Mark Chandler, a fixed income strategist at RBC Dominion Securities in Toronto. "It doesn't mean that he is all of sudden going to slam down a 100-basis-point move in the middle of a tenuous recovery, but I think it is part of the operating framework that he has." (A basis point is 1/ 100th of a percentage point.)

It's difficult to judge whether Mr. Carney is making the Bank of Canada more circumspect. He is contemplating making his intentions more difficult to read at the same time he raised transparency to another level.

In April, 2009, Mr. Carney dropped the benchmark rate to its current record low and pledged to keep it there until at least June, conditional on the outlook for inflation. The idea was to give consumers and investors, shaken by the global recession, some assurance that they could count on low borrowing rates well into the future.

On the face of it, Mr. Carney's remarks in Jackson Hole appear to contradict his current policy. In fact, Mr. Carney is contemplating different levels of transparency for different times: when the economy is strong, it might be necessary to be a little less forthcoming in order to contain irrational exuberance; when the economy is facing crisis, the central bank needs to be crystal clear to avoid panic.

Any shift in communications strategy risks confusion. Sébastien Lavoie, assistant chief economist at Laurentian Bank of Canada, said the current approach works well, so "why change it if we are not 100-per-cent sure of greater long-term benefits associated with the pursuit of other goals?"

The answer appears to be that Mr. Carney doesn't want to repeat the mistakes of the financial crisis.

"There is a bit of a case to be made that policy became too transparent this decade," said Douglas Porter, assistant chief economist at BMO Nesbitt Burns in Toronto, adding that if the U.S. Fed had thrown some "surprises" at the market, some of the "extreme speculation" that led to the crisis might have been averted.

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THE EXPLAINER / THE BANK OF CANADA'S GOVERNING COUNCIL

Moving forward: A new team

When Jean Boivin officially joins on April 1 as deputy governor, Mark Carney will be close to leading a Governing Council entirely chosen since he was named to replace David Dodge in October, 2007. As the Bank of Canada announced the addition of Mr. Boivin, it also said deputy governor Pierre Duguay, who joined the council in 2000 and central bank itself in 1973, will retire in July.

Aside from the turnover, there is something else unique about Mr. Carney's Governing Council: Most of its members are joining from outside the Bank of Canada.

What the Council does Created in 1994 at the behest of former governor Gordon Thiessen, the idea was to de-emphasize the role of the governor by introducing collective responsibility for monetary policy.

Governor: Mark Carney

Age: 44 Hometown: Fort Smith, NWT Background: international investment banker with Goldman Sachs; brief stint as deputy governor of the Bank of Canada; senior official at Finance Department.

Senior Deputy Governor: Tiff Macklem

(effective July 1) Age: 48 Hometown: Montreal Background: About two decades at the Bank of Canada; associate deputy minister of finance since 2007.

Deputy Governor:

John Murray

Age: 61

Hometown: Toronto

Background: taught at University of British Columbia and University of North Carolina for a couple of years before joining the Bank of Canada in 1980.

Deputy Governor:

Timothy Lane

Age: 55

Hometown: Ottawa Background: various teaching positions and the International Monetary Fund.

Deputy Governor: Jean Boivin

(effective April 1)

Age: 37 Hometown: Chicoutimi, Que. Background: professor at HEC Montreal and special adviser at the Bank of Canada since August 2009.

Kevin Carmichael