



Friday, May 26, 2023

RE: Addressing the on-going concerns of the Toronto restaurant community

To whom it may concern,

The City of Toronto's restaurants offer a diverse array of culinary flavours made available by the various foodservice establishments located throughout the city. From upscale to family-owned, visitors can find dining experiences and culinary adventures to satisfy every taste. The restaurant sector is one of the city's largest employers and contributors to the economy.

The recent pandemic has devastated the sector and it continues to face difficult challenges in its recovery, such as inflation, labour shortages, and exorbitant amounts of debt. In a razor-thin margin industry, it's not about the traffic growth, but the impact on many businesses' bottom line. In these unprecedented times, we are seeing more than 50 per cent of Toronto restaurants are not making profit. A priority at ORHMA is to support the modernization of the City of Toronto and help the restaurant industry progress.

ORHMA applauds all 2023 Toronto mayoral candidates for expressing their interest to lead the city to greatness. We kindly ask for your comments on the pressing issues our organization is addressing. These issues should not be mistaken as simply "business issues", but as systemic problems that continue to hurt many individuals' livelihoods and are of most concern within the restaurant community. If these continue to go unresolved, a vibrant restaurant community will continue to deteriorate, and local restaurants will become obsolete.

We welcome your comments on the following:

1. Traffic Congestion

The endless traffic congestion in Toronto leads to many undesirable consequences for the restaurant sector, including workers unmotivated to work in the downtown core.

What plans and actions would you take to improve the current traffic grid?

2. King Street

Drivers are not allowed to access King St. between Bathurst St. and Jarvis St. The objective aimed at easing downtown traffic congestion while shortening the travel time of TTC streetcars carrying passengers through the restricted corridor span. Other cities facing similar challenges have restricted left turns and seen success, but the City of Toronto elected to restrict normal traffic flow.

It is evident that downtown traffic congestion has not improved. The streets parallel to King St., such as Adelaide St., have constant bumper-to-bumper traffic jams. Taxis are taking much longer to pick up customers in this area while suppliers face delays in servicing and delivering products to restaurants.



Furthermore, a once thriving restaurant hub is no longer. Iconic restaurants in the Theatre District have closed permanently and many others are barely surviving.

What are your views on continuing or changing the current King Street corridor concept?

3. Major Street Construction Projects

It is a fact that ongoing construction projects are destructive to local businesses and change the flavour of the community forever. The consequences are unbearable to businesses, causing many to close. This has been a great loss for locals and visitors. Many of the areas affected are no longer the lively social and cultural staples they were before construction happened. This is evident on many Toronto streets, such as St. Clair, Eglinton, Bloor, and Danforth.

What are your views on preventing these disasters in the future and your decision on reimbursing businesses for financial losses?

4. CafeTO

The City of Toronto has capitalized on the expansion of patios created by the CafeTo concept. We thank the city for creating this initiative and eliminating fees at the initial stage. In addition to ramp modifications needed to comply with AODA standards, a phase-in fee increase approach has been initiated.

With restaurants going through a critical stage of survival in this post-pandemic period, what are your views on continuing support for CafeTo? What are your views on the fee increases?

5. Property Tax

The City of Toronto adopted a commercial tax rate reduction of 15 per cent for the newly created small business subclass. We are concerned that in the absence of an enforcement rule, these savings will not reach tenants, and only landlords and developers will be supported. A mechanism is needed to ensure this deduction supports small business tenants. Furthermore, small businesses located in large unqualified properties should be able to take advantage of the discount.

What are your views on ensuring these gaps are corrected to benefit small business owners?

6. Municipal Accommodations Tax (MAT)

While the vast majority of Ontario's municipalities apply 100 per cent of the municipal accommodations tax (MAT) towards selling and marketing of the city, and on product and infrastructure development of



tourism, it's unclear how the City of Toronto spends its portion of the MAT. Financially supporting a city's tourism benefits the overall economy as it stimulates job growth and further develops the industry, including its large supply chain.

What are your views on directing 100 per cent of the MAT towards the tourism economy?

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony A. Elenis", is positioned below the word "Sincerely,".

Tony A. Elenis
President & CEO
Ontario Restaurant Hotel & Motel Association (ORHMA)