



Salad King (o/b Salad King Inc.)
340 Yonge Street, 2nd Floor
Toronto, ON M5B 1R8

November 13th, 2020

RE: yongeTOmorrow “Recommended Design Concept 4C”

**To: His Worship John Tory, Mayor of Toronto
Councillor Kristyn Wong-Tam
Councillor Mike Layton**

I am writing this letter on behalf of my business, my staff, and my family to express our **grave concerns about the preferred “Recommended Design Concept 4C”**. We believe that this proposal when evaluated on a practical level, will lead to a negative impact on our business and our community. We do not believe such practical economic matters have been considered and I hope to be able to illustrate this with my letter.

Salad King and my family have been serving the neighbourhood for 30 years and we’ve had first-hand experience with the changes to this area. For the first 20 years, we were able to enjoy the sustained growth of the neighbourhood and our business. However, the past 10 years have brought a lot of changes that have made the business climate more challenging: from the continuous construction of new condos, to the evolution of the Main Street storefronts, and the changing demographics of the neighbourhood. We believe that in the long run, the Yonge-Dundas neighbourhood will continue to thrive. But to survive until then, fortitude and a commitment to evolving the business will be required to be able to make it to the other side.

“Recommended Design Concept 4C” may cause us to rethink our commitment to the area.

This decision comes down to economics. The restaurant business is a very tough business and has become even harder in the past 5 years. Two costs have risen tremendously – Labour & Rents – while our ability to increase revenue is limited by the customers ability to pay and the competitive environment of the neighbourhood. We recognise that our customers’ ability to pay doesn’t necessarily increase just because our costs have increased (we benchmark our price increases to the Consumer Price Index as a bellwether for our customer’ ability to pay) so we’ve been judicious about price increases. Changes to the neighbourhood have been described above, including a peak of seven Thai restaurants near Yonge between Dundas to College. We’ve had to run a very lean business and settle for lower profits than in the past.

As shared with the Project Team, we’ve modelled the cost of “Recommended Design Concept 4C” and our estimates is this **will cost us in the range of between \$60 – 80K a year.** This cost comes primarily from



the labour required to shift our deliveries to the hours as prescribed by the proposal. The majority of our suppliers currently deliver between 10:00 – 12:00, 7 days a week, when we have staff already working in preparation for opening the restaurant. Shifting the delivery hours to before 07:00, would require hiring additional staff just for the purposes for receiving goods at the earlier hours.

And that is if we can find suppliers who are willing to deliver during those hours. We work with both small independent suppliers – such as our grocers, specialty product suppliers – who just don't have the labour force to accommodate the early delivery hours, as well as larger suppliers – such as the beer companies – that are unwilling to adjust their logistics to accommodate small businesses. We already hear complaints from our suppliers questioning whether it is worth the effort to serve the downtown market (e.g. you'll constantly hear of downtown businesses having trouble getting plumbers because they just don't want to drive downtown). **Ultimately, this will further drive up the costs to our business that will be above and beyond the \$60 – 80K.**

While we do agree that "Recommended Design Concept 4C" may bring more people into the neighbourhood under certain scenarios, we have to be realistic about the economic impact of this opportunity. For sake of argument, using an incredibly optimistic profit margin of 10% (the average restaurant in Ontario has margins of under 4%), a cost of \$80K would require an increase in revenue of \$800K. For us, this means an increase in revenue of over 20%. **This is not about bringing in 20% more people on a single day, but throughout the entire year. We do not believe "Recommended Design Concept 4C" will do this.** And if it cannot, it means that our business will suffer from the changes to the point where it may no longer be profitable.

Keep in mind that Salad King is already a well-established business in the neighbourhood. That same \$60 – 80K cost would apply to all retailers regardless of size, but the revenue offset may require some of the smaller businesses to double their revenue or more. Which would be highly improbable.

We are supportive of progress and commitment to making the Yonge-Dundas neighbourhood a better place for people to live, work, and play, but we also have a responsibility to run a sound business. We believe the recommendations brought forth by the Downtown Yonge BIA strike a considered balance that both improves the neighbourhood with compromises that we can work with. On the other hand, **"Recommended Design Concept 4C" would make it difficult for us to run a sound business and we would likely have to leave the neighbourhood.** We are also highly doubtful a similar restaurant will be able to survive under such operating conditions, so we believe our exit would leave a gap in the community.

In conclusion, we do not believe "Recommended Design Concept 4C" will be good for the neighbourhood, or our 30 year old business. We ask that you reconsider this recommendation and go forward with one that addresses the needs of all our neighbours who both currently and in the future, will live, work, play, and invest in the neighbourhood.

If you wish to discuss our perspective further, please do not hesitate to reach out to me at alan@saladking.com or at (416) 346-0498. The opportunity to do so would be greatly appreciated.



Yours sincerely,

A handwritten signature in black ink, appearing to be "Alan Liu". The signature is stylized with a large, sweeping initial "A" and a long horizontal stroke.

Alan Liu
Managing Director, Salad King Incorporated

cc'ed: Infrastructure Committee, City of Toronto c/o Matthew Green, Maogsha Pyjor, Johanna Kyte, Edward Birnbaum; Luke Robertson; Mark Garner