

CC54.7.2

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July 10th, 2014

To: City of Toronto Mayor & Council

cc: Marilyn Toft, Council Secretariat, Clerk's Department,

From: Peter Thoma MCIP, RPP, PLE, Partner, urbanMetrics

RE: Item CC54.7 - Queen Street Restaurant Study Zoning Bylaw (between Roncesvalles Avenue and Dufferin Street)

urbanMetrics inc. has been retained by the **Ontario Restaurant Hotel and Motel Association of Ontario ('ORHMA')** to provide a professional opinion and evaluation of a proposed new by-law in the City of Toronto that would have significant impact on the vitality of the restaurant sector. This new by-law, if enacted, would amend Zoning By-law 438-86 and "cap" the number of food and beverage operations on Queen Street West between Roncesvalles Avenue and Dufferin Street in Parkdale-High Park (Ward 14).

ORHMA has quite rightly expressed its concern for the proposed by-law to the local councillor, Gord Perks, and is genuinely concerned about the potential consequences that such a policy would have on its members, not only in the affected blocks, but indeed right across the City if such a policy is approved.

The food and beverage industry is a very large and important part of the fabric of this City. It continues to be a major driving force for new investment along the City's main streets and commercial avenues. There is no doubt that restaurants, bars and cafés all play an important role in shaping the quality of life of our neighbourhoods and the City as a whole. Businesses in this sector understand the important role they play in community development, and more importantly the need for being responsible and accountable to the needs of both customers and nearby residents.

It goes without saying that the food and beverage industry in Toronto not only supports thousands of jobs, it also acts as a conduit for artistic expression, it promotes social interaction, it drives business innovation, enterprise and economic growth.

As a professional planner and land economist both living and working in Central Toronto, I share ORHMA's concerns about the implications of the proposed by-law on the health and vitality of the food and beverage industry in Toronto. My concerns also extend beyond the operation of the restaurants

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themselves; I am concerned that such a policy would have significant, destabilizing impacts on commercial store-front property owners. My professional opinion leads me to believe that the proposed policy would profoundly limit local economic activity and threaten on-going reinvestment in an important commercial avenue in the west-end of Toronto.

Our Request

On behalf of the ORMHA, urbanMetrics is asking that City Council take a more proactive and flexible approach with respect to regulating food and beverage operations in Ward 14, and indeed elsewhere in Toronto.

Specifically, we would like Toronto City Council to carefully consider the following points in their forthcoming deliberations on this matter:

- First: issues of noise, traffic and nuisance attributed to a minority of patrons can and should be dealt with through coordinated efforts of community policing, municipal business licensing and enforcement of provincial liquor licensing regulations. The proposed policy in our opinion penalizes the entire industry, including both existing and would-be operators regardless of their track-record.
- Second: Council should closely evaluate the potential impacts that a cap would have on the “sunk costs” that many commercial landlords stand to lose if they are no longer able to re-lease their unit by virtue of the cap. Landlords and business owners are required to undertake extensive building renovations to carry out food and beverage operations (washrooms, ventilation, fire protection, etc.). The proposed by-law would, in effect, place significant risk on these capital expenditure improvements if the building cannot be re-leased because of the cap.
- Third: the City should undertake further study into the potential negative externalities that such a policy would have on commercial activities along Queen Street West. Restaurants and bars represent an important and growing dimension of the commercial tenant base. The reality is that there are far fewer categories of retailers operating store-fronts today than twenty years ago. Bookstores, music stores, video stores, hardware stores are among the many categories of retail operations that have recently receded from the marketplace. Food and beverage operations obviously play a strong and vital role in stabilizing commercial tenancy. Restricting their growth would certainly place store-front landlords at a direct disadvantage. The by-law would, most certainly, lead to higher commercial vacancy levels on this strip, and, as a result, would impact the City’s own commercial tax assessment base.
- Fourth: it is unclear the extent to which the City would be able to regulate, manage and adjudicate which businesses (and which landlords) in the affected area would be considered appropriate for the next restaurant/bar/café when the cap is at or near its capacity. We see significant challenges in a system that would have City staff as the arbiters of which store-fronts can and can’t be leased to a legal-conforming use.

- Fifth: the City should recognize that the proposed by-law, in essence, represents a significant “down-zoning” of what is a vibrant and successful commercial strip. Such a measure, in our professional opinion, would normally be accompanied by a more robust consultation process with business stakeholders, including: property-owners, restaurant owners and the general public.

- Finally: the City of Toronto has been a strong and active champion of “commercial corridors”, or as they are commonly referred, *Avenues*. To the best of my knowledge the practice of imposing caps on food and beverage establishments in the hopes of improving or stabilizing the City’s various *Avenues* has not been advocated as a planning tool to support the vibrancy and stability of Toronto neighbourhoods. It is my opinion that such a policy measure, if approved by council would undermine the City’s own Official Plan, its Culture Plan and its Economic Development Plan.

We trust that Toronto Council will give careful consideration to the City-wide impacts of this important matter.

Respectfully Submitted,

urbanMetrics inc.



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