



City of Toronto
 Economic Development Committee
 Meeting: November 24, 2015

Attention Chair: Councillor Michael Thompson

Committee Members:
Councillor Shelley Carroll
Councillor Raymond Cho
Councillor Vincent Crisanti
Councillor Mary Fragedakis
Councillor Norman Kelly

RE: ITEM ED8.3 Deputy Mayor's Economic Development Advisory Bodies: Update

Email: edc@toronto.ca

November 23, 2015

Good morning Chair and Committee Members:

My name is Tony Elenis, President, CEO of Canada's largest provincial hospitality association known as the Ontario Restaurant Hotel & Motel Association (ORHMA). I am writing to you about the city's interests in liquor licenses.

ORHMA represents 4,000 members and 11,000 establishments across Ontario at both the provincial and municipal levels and in Toronto through the ORHMA Toronto Region. Our members represent a wide range of establishments including fine dining restaurants, local pubs, ethnic and trendy foodservice concepts. An overwhelming percentage of our membership is operated by independent small business.

I'm writing to you in reference to the Small Business Council Advisory Body (SBCAB) that was tasked with identifying small business challenges. High on the list and a priority the advisory body found three main property tax-related issues that impact small business in the City of Toronto:

The advisory body found three main property tax-related issues that impact small business in Toronto:

1. Disparity between residential and commercial property tax rates.
2. Disparity between the level of the business education tax in Toronto versus neighbouring municipalities.
3. Commercial property assessment levels in rapidly developing areas.

The "Small Business Taxation Discussion Paper" which you have received offers the required background and identifies the issue presented. I would encourage you to read the section on the small business owner

examples included in the report. There is no question that inequality exists on the amount of taxes paid by small business.

In several surveys conducted with small business over the year's property tax and business tax ranks as the most burdensome municipal regulation. This is also true for the City of Toronto's restaurants where they employ over 70,000 workers. It's not about revenue growth anymore but the pressure on the expense lines that have led to razor thin restaurant profit margins. Recent years have not been kind to their bottom line due to multi factors. The current tax system has a significant impact and limits economic growth particularly when this system is viewed as being unfair.

In light of continued job losses in the manufacturing industry small businesses have the potential to open more services, grow more jobs and contribute to the overall City of Toronto's economy. A relief on the taxes paid will attract new investment and enable existing small businesses to invest instead of relocating out of the City.

We thank you for your time, consideration and commitment to working with Toronto's hospitality industry. Together, we can make a true difference in sustaining and growing Toronto's small businesses.

Yours truly,



Tony A. Elenis

President & CEO

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