

December 12, 2016

Mayor John Tory  
City Council  
City of Toronto  
100 Queen St. West  
Toronto, ON M5H 2N2

RE: Item EX20.2.4, The City of Toronto's Immediate and Longer-term Revenue Strategy Direction

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Dear Mayor Tory and Members of Council,

I am writing to express concerns on behalf of the Toronto Entertainment District BIA regarding Item EX20.2.4 of The City of Toronto's Immediate and Longer-term Revenue Strategy Direction, requesting that the Province move ahead with legislative and/or regulatory reforms to enable the collection of a hotel and short-term accommodation rental tax.

The Entertainment District is home to 14 hotels and many of Toronto's attractions and cultural institutions, drawing more than 15 million visitors annually into the district. As we continue to experience tremendous growth, we recognize the importance of remaining economically competitive as a city and appreciate the City's need to seek additional funding through new revenue tools. However, we are apprehensive about imposing a hotel and short-term accommodation rental tax.

We encourage you to reconsider the implications of implementing a hotel and short-term accommodation rental tax and its subsequent impacts on attracting tourists, visitors, and conference/convention opportunities. Toronto is already viewed as an expensive city to visit, making it challenging to contend with more affordable destinations. An additional hotel tax will have a negative bearing on many of our hospitality and attractions businesses, who make up a significant percentage of the 80,000 persons working in the Entertainment District.

The current Destination Marketing Program (DMP) is the major source of funding (\$23 million) for Tourism Toronto. And as the primary destination marketing organization that brings visitors to our City it is important that Tourism Toronto remain well funded and retain their operational independence so they sustain their ability to be effective in achieving their mandate.

We are concerned that the increased tax rate necessary to meet the Mayor's suggested additional \$20 million in revenue toward the city's operating budget would create a great disadvantage for our hotels, making it extremely difficult for them to compete in the marketplace.

We welcome the opportunity to work with the City in supporting other tax measures that contribute to the growth of our economy and have less of a harmful impact on our businesses. The City's report proposes other taxes that can be implemented and provide positive economic and environmental benefits. We support further studies on these taxes as possible solutions.

The economical sustainability of our city is important to us. We look forward to working with the City on funding opportunities that seek to build our economy and contribute to the City's capital budget.

Sincere regards,



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