

Adult Entertainment Licensing Fees in the City of Toronto

Licensing fees
for 2020 and 2021

Adult Entertainment Clubs

Toronto – 2018 to 2020



Adult Entertainment Industry Annual Fees

- **CURRENT ANNUAL LICENSING FEES
ESTABLISHED IN TORONTO'S ADULT
ENTERTAINMENT INDUSTRY**

■ Owner/operator	\$13,976.97	
■ Designated manager	\$417.65	\$294.11
■ Entertainer	\$417.65	\$294.11

City of Toronto Act

- Business licensing section mandates cost-recovery.
- The cost of enforcement is apportioned over the fees for licenses for all businesses in a category.
- Licensing powers within by-laws can only be applied by a municipality under three categories:
 - (a) health and safety;
 - (b) nuisance control;
 - (c) consumer protection.

Staff Report Page 2

- Licensing Fees are legally mandated as cost recovery not as “revenue and cash flow”.
- Excessive 2021 licensing fee therefore unjustified.
- Report states if “all licenses are paid in full during 2021, there will be no financial impacts.”
- Staff report was not reviewed by City Legal.

Staff Report Page 1

- Identifies business owners that experienced financial hardship due to pandemic.
- Recommends financial system similar to Property Tax Deferral, but does not properly acknowledge the major differences and existing reduction to Taxi industry.
- Property Tax Services, did not result in significant loss of value or regular services during pandemic.

Staff Report Page 1

- Group A: Businesses forced to fully or partially shut down as deemed non-essential.
- Adult Entertainment Club owners are in Group A but were never categorized as non-essential.
- The clubs did experience a major loss of value for having a license while maintaining a legal requirement to have an “inactive” license.
- In essence, City is requiring a licensing fee be paid for a club to be open when they’ve been told they can’t be open.

Staff Report Page 1

- Staff not recommending an application based fee program for all businesses.
- Reason – The level of additional City resources required to facilitate application reviews.
- Adult Entertainment Industry, only 5 existing clubs.
- City resources required to facilitate industry application reviews would be minimal.
- In comparison (7,000 bars and restaurants)

Staff Report Page 2

- Staff report recommends industry consider Province of Ontario grants to pay for licensing fees.
- Adult entertainment industry ineligible for such supports.
- None of the grants identified in the staff report, would specifically provide support to pay for municipal licensing fees. (example provided: energy bills).

Adult Entertainment Clubs Not open majority of 2020

- In 2020, Toronto adult entertainment clubs were not permitted to be open for 62% of the year. This percentage means that the clubs were permitted to be open and operational for only 140 days in 2020.
- And while not being open, this percentage means that they were not permitted to be open and operational for 225 days in 2020.

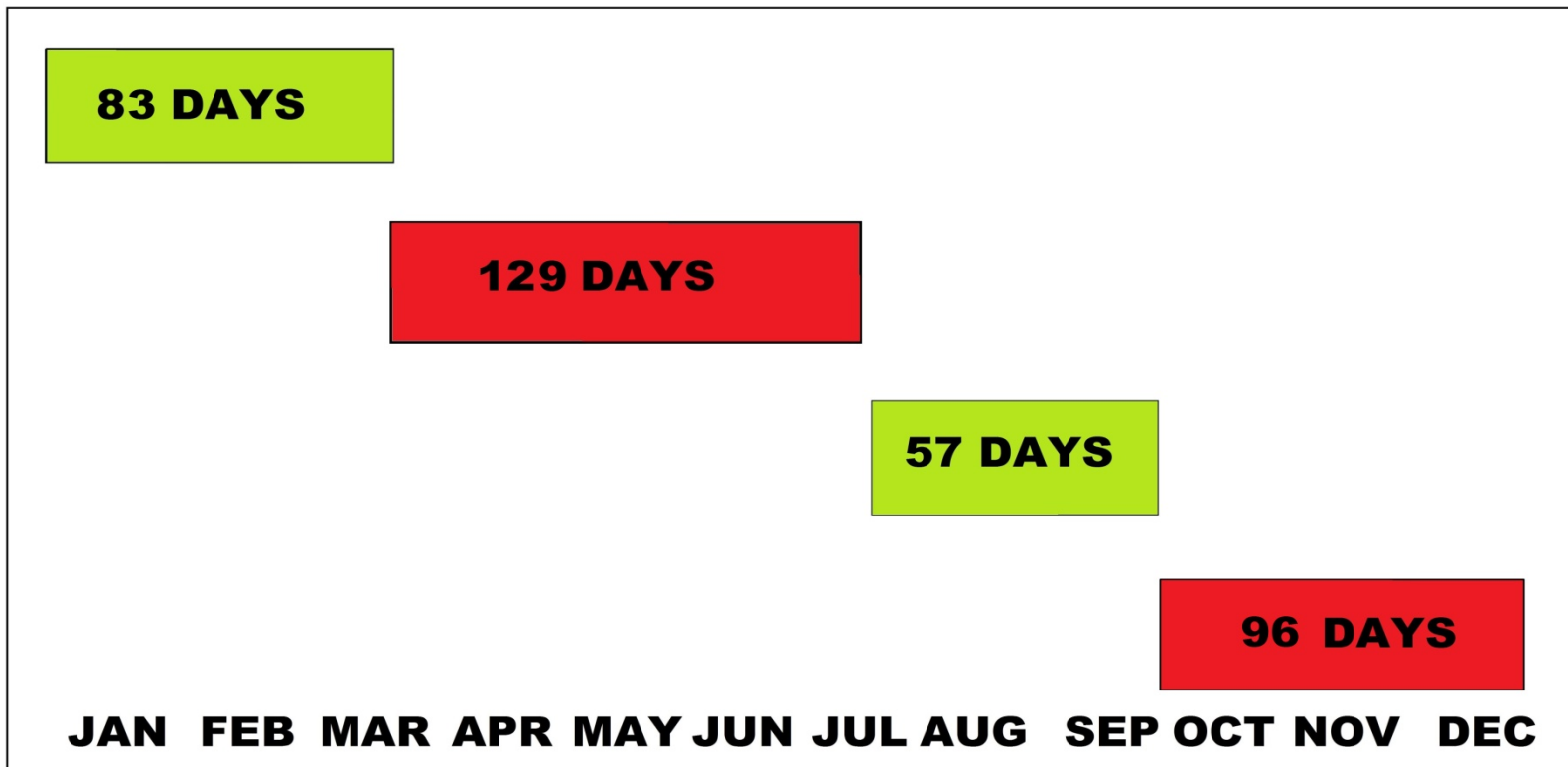
Adult Entertainment Clubs

Not open 62% in 2020

	DAYS	OPEN	CLOSED
OPEN	Jan 1, 2020 – Mar 24, 2020	83	
CLOSED	Mar 25, 2020 – July 31, 2020		129
OPEN	Aug 1, 2020 – Sept 26, 2020	57	
CLOSED	Sept 27 – Dec 25, 2020		90
CLOSED	Dec 26 – Dec 31, 2020		6
■ TOTAL		140	225
■ PERCENTAGE		38.4	61.6

DAYS OPEN/CLOSED FOR BUSINESS

January to December 2020



OPEN 140 DAYS

CLOSED 225 DAYS

12



Filmores Hotel

Apr 1, 2020 – Mar 31, 2021

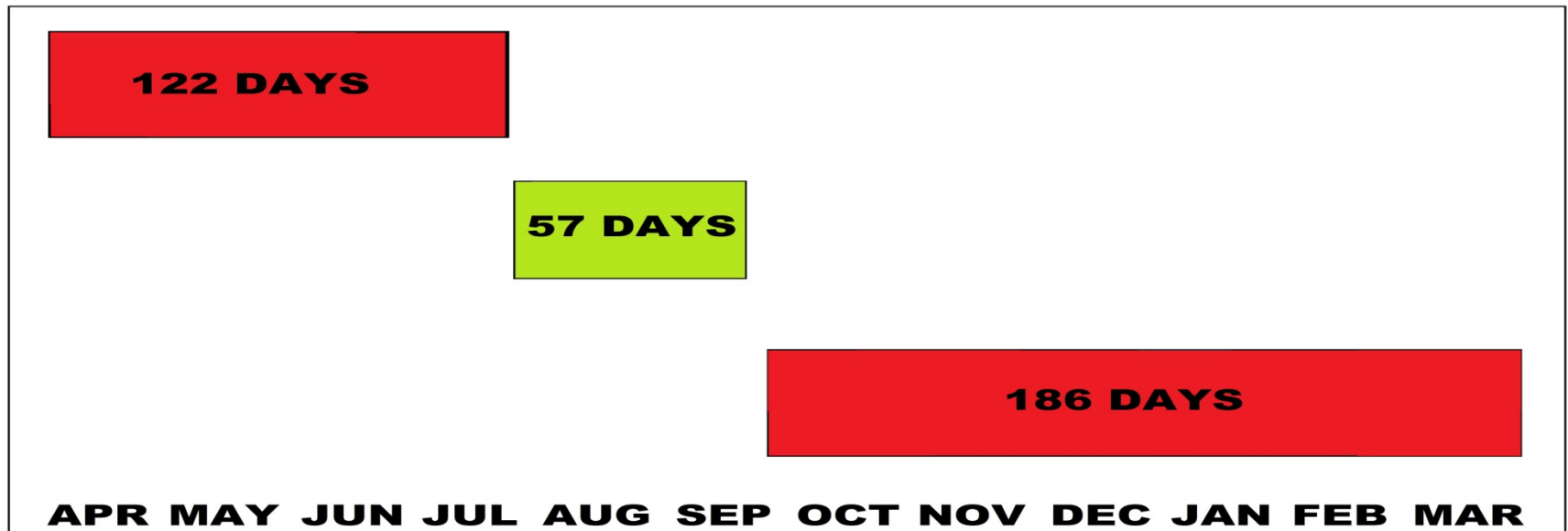
- Filmores previous renewal was valid from April 1, 2020 until March 31, 2021.
- Filmores' club was not permitted to be open 84% of the time and permitted to be open only 16% of the time.

Filmores not open 84% in past year

	DAYS	OPEN	CLOSED
CLOSED	Apr 1, 2020 – July 31, 2020		122
OPEN	Aug 1, 2020 – Sept 26, 2020	57	
CLOSED	Sept 27 – Dec 25, 2020		90
CLOSED	Dec 26 – Dec 31, 2020		6
CLOSED	Jan 1, 2021 – Mar 31, 2021		90
■ TOTAL		57	308
■ PERCENTAGE		15.6	84.4

DAYS OPEN/CLOSED AT FILMORES

April 2020 to March 2021



OPEN 57 DAYS

CLOSED 308 DAYS

15

MISINTERPRETATION OF CLOSURE

September 27 – December 25, 2020

- Toronto's Director of By-law Enforcement, Scott Sullivan's email stating that adult entertainment clubs, although deemed closed, would not be able operate as a restaurant or bar only for 91 days.
- Most of Ontario's municipalities (441 of the 444) treated the adult entertainment clubs as regular bars/restaurants.
- City of Toronto's legal staff apparently did not attempt to contact Ontario's Attorney General for clarity.
- 91 days equals 25% of year.

Recommendations

- That the staff report be reviewed by City Legal.
- That the City review the adult entertainment industry's 5 clubs for an application based program for the adult entertainment industry to facilitate application reviews and submission requirements in establishing proper and legal industry fees with enhanced focus for entertainers and managers.