

Attention City Clerk clerk@toronto.ca

To the City Clerk:

Please add our comments to the agenda for the for the February 7, 2023 City Council meeting on item 2023.EX2.4, CaféTO 2023 and Beyond

We understand that our comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, we understand that agendas and minutes are posted online and our names may be indexed by search engines like Google.

Comments:

Re: Communication to City Councilors, February 7, 2023 Meeting, Re CaféTO

I am writing to you regarding the future of CaféTO. Last week, I appeared in front of the City's Executive Committee to provide Restaurants Canada's feedback on the program changes that were proposed by staff.

CaféTO is a great program that proved to be a lifeline for many Toronto Restaurants struggling to make it through the pandemic. Restaurants Canada is sincerely grateful to the City for introducing and funding the program. Making the program permanent is a great win for restaurants and for the City of Toronto.

In response to the presentation made by the Restaurants Canada team, and by other stakeholders including the Toronto Area Business Association (TABIA), we were pleased that the Executive Committee passed the Mayor's motion:

The Executive Committee request the General Manager, Transportation Services, the Executive Director, Municipal Licensing and Standards, and the General Manager, Economic Development and Culture to report directly to the February 7, 8 and 9, 2023 meeting of City Council to provide options that address transition concerns for 2023 including but not limited to matters such as a grace period for platform installations, amendments to the fee schedule, options that better enable businesses outside of Business Improvement Areas to fully participate in the program and options that address large-off-street Café TO permits.

On February 6, the evening before the City Council meeting where the *General Manager, Transportation Services, the Executive Director, Municipal Licensing and Standards, and the General Manager, Economic Development and Culture* were to report on options that addressed concerns expressed at committee City staff shared with us their new advice to Council.

While we appreciate that the new advice to Council represents a significant climb down from what was originally proposed, the reality is that even the amended version is still cost prohibitive and unworkable for Toronto's struggling restaurants.

We are appealing to Council to respectfully ask that no changes be made to the program in 2023 that would add significant expense to Toronto's struggling restaurants who are dependent on this program. We further ask that Council direct staff to consult with restaurants ahead of recommending any changes to the program for 2024 and beyond.

While COVID may largely be behind us, Toronto's restaurants, especially downtown, continue to struggle to survive. 50% of restaurants are still operating at a loss or just breaking even. For those that are profitable, they are barely eking out a profit margin of 2-3% on average. Our member surveys show 54% of foodservice operators in Ontario indicate their financial performance in 2022 was worse than that of 2021.

Restaurant owners are carrying tens to hundreds of thousands of dollars in debt accumulated due to COVID and they face the prospect of having to repay government and other loans in December at a time when inflation, wage pressure, labour shortages, rising rents, taxes and other challenges are driving their costs to unprecedented levels.

CaféTO was a lifeline for many businesses struggling to survive. Now is not the time to remove supports or place new costs on small business owners who were asked to make tremendous sacrifice through COVID. Even with the proposed amendments the new fees will still add thousands of dollars in expenses for restaurants hoping to participate again. For many of our members, the costs of participating in the program with new fees and removed supports will make the costs of the program outweigh the likely return on investment, meaning many restaurants who participated last year, or were hoping to do so this year, will not be able to access the program in 2023.

The City did a survey back in November 2022 with restaurants that had participated in the program. Operators were asked how likely the re-introduction of fees would impact their decision to open a curb lane café and 60% of respondents indicated that it would very likely or likely impact their decision. We are hearing from our restaurants that the new recommendations would still impact their ability to participate.

On behalf of Restaurants Canada, we sincerely thank the City for its leadership in bringing forward a wonderful program that has been embraced by our members and by the residents of Toronto. We respectfully ask the City to not make the program more expensive for restaurants in 2023. We further ask the City to work closely with restaurants to design a future for the program that will be to the benefit of the taxpayers, Toronto's vibrant neighbourhood cityscapes, restaurant visitors and staff who work in and operate Toronto's restaurants.

Sincerely,

Tracy Macgregor
VP, Ontario
Restaurants Canada
Submitted by email