

CABBAGETOWN

- TORONTO -

January 7, 2023

Dear Councillor Chris Moise and City Council,

Re: Item - 2023.EX2.4

Good morning Councillor Moise and City Council,

We hope that you're well and that you have a chance to read this before today's City Council meeting. I am following up on the previous emails, letters, and calls that we have had with your office and Executive Committee regarding our concerns with the unaffordability and financial inaccessibility of the 2023 CafeTO program. Apologies for getting this to you so late; we only just received a copy of the staff amended report.

We appreciate the work that staff have done to take our concerns under advisement. **However, even with a 50% reduction in fees in 2023, we believe that the new fee structure outlined in the Report to City Council and below will significantly negatively impact the future success of CaféTO and the ability of many of our businesses to prosper. In fact, it is unlikely that many, if any, small business operators will be able to participate in the CafeTO program moving forward.**

- The new permit fee structure for CafeTO participants at \$132.42/square metre for curblane cafes + an \$865 application fee - 50% of fees required for 2023.

At 50% of the permit cost in 2023, an average 40-ft patio will cost a business owner approximately \$2,200. Coupled with the added investment into building a temporary accessible platform (*est. cost for a purchased structure: \$15,000. est cost for a rented structure: \$4,000.*), even with the CafeTO cost-share, **the total cost for a business to participate in CafeTO this year will be between \$4,200 - \$10,000+HST; and more in 2024.**

Despite common opinion, the COVID-19 pandemic is not over for many of these businesses, with foot traffic still at less than 50% pre-COVID levels. For many businesses, this program is still an emergency response initiative. As stated by [Restaurant Canada](#), 50% of Canadian restaurants are still operating at a loss or just breaking even. Many businesses are still deeply in debt to banks and the federal government (CEBA), and much of the revenue generated in previous years through CafeTO was not a profit for the business.

Most restaurants were prepared for some type of registration fee to be implemented this year but were certainly not prepared for this type of fee structure put forward. Reviewing the Economic Impact Study submitted by TABIA, respondents indicated that they could manage a registration fee in the range of \$500.00 - not \$4,300. By allowing only the wealthiest restaurants to participate, you will widen the gap between larger and smaller restaurants, making it more difficult for our lower-income and most diverse businesses to compete.

The financial impact of these changes is beyond what most restaurants were expecting and can handle at this time. The lead time for restaurants to try and juggle these financial changes is almost non-existent. Additionally, proposing a one-size-fits-all approach to permit fees does not take into account the revenue differences between a small coffee shop, a locally-owned bar, and a big chain restaurant.

We agree that permit fees may be necessary for the future, but for now, the investment into new temporary platforms provides sufficient "buy-in" for businesses. Therefore, we ask that you

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please consider the request brought forward by John Kiru, Executive Director of TABIA, at the previous Executive Committee meeting, making a motion if possible:

- 1. To defer the proposed fee structure entirely for 2023 as we attempt to emerge from COVID-19; or decrease the fee to a base fee of \$500 to participate (indicated as feasible by Toronto restaurants in a TABIA/City of Toronto survey)**
- 2. Request that City staff work with TABIA, BIAs, Restaurants Canada, and other stakeholders throughout 2023 to determine a fair, equitable, and sustainable fee structure for 2024 onward that considers the diverse situations of various operators in its structure.**

Thank you for consideration of our concerns. We are hopeful the City can grow the CaféTO program in such a way in 2023 and beyond to be still accessible, feasible, and attractive to small businesses throughout Toronto as they continue to recover from pandemic impacts and add to Toronto's Complete Streets.

Respectfully,

Matthew Mohan
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