

September 1, 2023

Mayor Chow and Members of Council  
Office of the Mayor  
100 Queen Street W.  
2nd Floor  
Toronto, ON M5H 2N2

*Transmitted via email to [mayor\\_chow@toronto.ca](mailto:mayor_chow@toronto.ca), and [clerk@toronto.ca](mailto:clerk@toronto.ca)*

**Retail Council of Canada expresses concern over a parking levy as a potential new revenue tool**

Dear Mayor Chow and Councillors:

On behalf of retail businesses in the City of Toronto, Retail Council of Canada (RCC) is writing to express grave concern around the consideration that is currently being given to imposing a parking space levy within the City of Toronto as a revenue generation tool.

Our retail members, representing businesses all sizes and formats, appreciate the City's need to develop a more sustainable revenue source and support the idea of a feasibility study to analyze and review alternative revenue sources. We continue to believe, as we did in 2007 and 2016, that a parking levy is not a fair and equitable method to raise tax revenue.

Toronto's parking bylaws place minimum parking space requirements on retail businesses and retailers have little flexibility in removing spaces for environmental considerations or other reasons. This is in part why previous Councils, on two past occasions, agreed that a parking levy would be an unfair tax – and more to the point, an unacceptable measure as it would fall disproportionately on specific business subsectors like retailers, while allowing other business enterprises to escape largely unaffected.

Using the previous rates from the 2016 KPMG report on the proposed parking levy, a cost between \$0.50 per day per space and \$1.50 per day per space is a significant increase, especially in the current environment where our retail members, including those in the downtown core continue to revolve and recover from the pandemic, along with rampant inflation other input costs. In fact, a recent study by the University of Toronto shows that during Spring 2023, Toronto ranked 58 out of 62 major cities in terms of its downtown recovery (with a percentage of 42%).

Not only will merchants suffer, but so too will all Torontonians. Let's be clear, this doesn't just hit at those who drive because it is not a tax on driving or even on parking as such, but on anyone who shops at any retailer with a parking space, meaning that it will hit low income and carless Torontonians as well.

Assuming the goal of a levy is two-fold – to generate new revenue while simultaneously encouraging more sustainable transport options like transit – we would respectfully remind Council that a ‘parking levy’ is not the same as a ‘parking tax’. A levy is a fee paid on a commercial parking area – paid or unpaid – whereas a parking sales tax is an additional tax paid on the sale of paid parking spaces. A parking sales tax, particularly if it features a visible environmental tax, has a greater impact on driver behaviour, versus a commercial tax on unpaid parking.

When looking to best practices from other jurisdictions, parking sales taxes are very common. Vancouver, Pittsburgh, Miami, Seattle, Los Angeles, and New York all use paid parking sales taxes. There is very little precedent for a parking levy in North America.

We encourage City staff to gather more information on a parking sales tax as an alternative, including which method (parking levy vs. parking sales tax) is likely to have a deeper impact on driver behaviour.

Retailers welcome a robust debate, both about needed investments within the City and on the funding required to make those investments, and we request to be included in any forthcoming consultations.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane J. Brisebois". The signature is fluid and cursive, with the first name "Diane" being the most prominent part.

Diane J. Brisebois  
President & CEO, Retail Council of Canada