

Attention City Clerk clerk@toronto.ca

To the City Clerk:

Please add our comments to the agenda for the Economic and Community Development Committee meeting on September 21, 2023. Item EC6.3 Support for Toronto's Restaurants.

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 the 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: Support for Toronto's Restaurants

I am writing to help provide some context to the ECDC regarding the current climate for Toronto's restaurants and the need to continue to offer and adjust important programs that help promote restaurants and encourage residents to dine. Programs such as Winterlicious/Summerlicious, CaféTO and others are important as restaurants continue to struggle. While many consumers and industries are looking in the rearview mirror at the pandemic, the foodservice industry still needs support to survive and thrive.

Restaurants are resilient, but the threats they face are severe. Over half of restaurants and foodservice companies in Ontario report operating at a loss (36%) or just breaking-even (20%) as costs for food, utilities, labour, insurance, rents, interest rates and other operating costs continue to grow. Pre-pandemic, only 10% of operators were operating at a loss (5%) or just breaking even (5%).

Restaurants have also seen lower guest counts trending over the past three months according to both our own Outlook Survey and the [recent data released by Open Table](#). An Angus Reid survey from May 2023 also found that 69% of Canadians said that they are not dining out as often as they would like because of cost (too expensive). 54% said the same for quick service restaurants. Regardless of income, rising food and menu costs are impacting consumer spending habits. The cost of living is forcing consumers to make careful choices about how and where to spend their money. Empty tables are coming at a time when costs continue to rise, and

operators are carrying record levels of debt (at higher interest rates) from pandemic related restrictions and closures.

- Overall, 66% of foodservice companies are still in debt due to rising costs and loss in business revenue during the pandemic.
- Of those still in debt, nearly 80% of independent table-service restaurants owe between \$50,000 and \$500,000, while 70% of independent quick-service restaurants have incurred a debt between \$50,000 and \$500,000.
- When paying down this debt, eight in 10 restaurant owners said their business requires an extension of the loan repayment, and 52% require access to loans with lower interest rates.
- 35% of those in debt said their business is not expected to recover from the debt incurred due to the COVID-19 crisis unless current conditions change. Nearly half of respondents say it will take more than 18 months for their business to recover from their debt.

CaféTO and other programs are important for many businesses struggling to survive. We are thankful that the Economic and Community Development Committee is discussing continued support for Toronto's restaurants and bringing recommendations before the council. We respectfully ask the committee, in their direction to staff and council, to consider the current challenges facing restaurants in Toronto as these important programs are designed or re-designed to support restaurants. Added costs and timely administration are difficult for most operators to take on in the current climate and we ask that these be considered in the design. CaféTO saw diminished participation in 2023 and many patios were delayed in approvals and opening that further impacted the success of the program for restaurants.

On behalf of Restaurants Canada, we sincerely thank the City for its leadership in bringing forward programs that support our members and are embraced by the residents of Toronto. Operating a restaurant has never been more difficult, or costly than it is today, and we thank the City for continuing to support restaurants through these programs.

We are happy to work with the City on building out future programs 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