



January 28, 2023

Dear Mayor Tory and Members of the Executive Committee,

We are writing primarily on behalf of our BIA restaurants members but also on behalf of our retail members who benefit from the increased traffic that the CafeTO program brings to our area.

The proposed changes put forward in the Staff Report have caused a great deal of upset and concern. The financial impact of these changes are 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. Council approval for this report with or without amendments is slated for February 7<sup>th</sup>; CafeTO registration opens on February 13<sup>th</sup>. This is too much, too quick.

If the current proposal stands, restaurants are looking at an expense well above \$10,000 for CafeTO this year. Most restaurants were prepared for some type of registration fee to be implemented this year but were NOT prepared for the type of fee structure being put forward; and, certainly were NOT prepared for the mandating of the decking component. If you review the Economic Impact Study submitted by TABIA you will see that respondents indicated a registration fee in the range of \$500.00. You will also see that 80% of respondents indicated that they would participate in CafeTO in 2023. Sadly if you asked those same respondents today if they would participate in CafeTO 2023 given the proposed financial changes the response would be much, much lower.

It has come to our attention that some members of City Council and staff are under the misconception that businesses are now doing well – they've fully recovered financially. This is so far from the truth. The revenue that small/medium businesses are making today is generally enough to cover their current monthly costs. It is not enough to cover unexpected expenses and it is not enough to put anything aside to cover the CEBA loans that they need to repay by December of this year. A week ago we surveyed our BIA members and asked about their current financial security or stress levels. Overwhelmingly they responded that the weight of their financial debt is crushing. They are struggling

to keep up with the rising costs of everything. There is nothing left over for unexpected expenses or loan repayments. Recent survey results from Restaurants Canada show that 51% of restaurants are operating at a loss or just breaking even. The remaining 49% are making a small pre-tax profit in the range of 2 to 5%.

If the City is truly committed to continuing the CafeTO program, truly committed to assisting businesses in their covid recovery, truly committed to your Complete Streets plan then we urge you to make amendments to the proposed financial components in this Staff Report.

Thank you,

Albert Stortchak  
Board Chair  
[albertstortchak@gmail.com](mailto:albertstortchak@gmail.com)

Philip Kocev  
Board Treasurer  
[philip@iproperty.com](mailto:philip@iproperty.com)

Amr Elimam  
Board Member & restaurant owner  
[amr@papyrusfood.ca](mailto:amr@papyrusfood.ca)

Susan Puff  
Executive Director  
[spuff@thedanforth.ca](mailto:spuff@thedanforth.ca)