

CABBAGETOWN

- TORONTO -

January 30, 2023

Dear Executive Committee,

Re: Item - 2023.EX2.4

Thank you for your ongoing efforts to support BIAs as we navigate COVID-19 and advance the CaféTO program. We are writing to you **on behalf of The Cabbagetown BIA, collectively representing nearly 200 small business members**, on a time-sensitive matter to request your support. We are writing with concerns regarding changes to the permit fee structure of the CaféTO program for 2023.

BIAs across the city have heavily invested in supporting the success of the CaféTO program for the past three years, including significant in-kind staff time for coordination, hands-on support, and cash and material investments. However, the Report to City Council includes a fundamental change which we believe will significantly negatively impact the future success of CaféTO and the ability of many of our businesses to prosper:

- The new permit fee structure for CafeTO participants at \$132.42/square metre for curblane cafes + an \$865 application fee.

For an average 40-ft patio, this permit fee will cost a business owner approximately \$4,300. 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 \$6,500 - \$11,500+HST.**

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. **We agree that permit fees may be necessary for the future, but it is too much, too soon. We ask that you please reconsider the proposed fee structure in the Staff Report on CafeTO.**

CABBAGETOWN

- TORONTO -

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
Executive Director
The Cabbagetown BIA
matthew@cabbagetownto.com