



February 4, 2023

Mayor Tory and City of Toronto Councillors
Office of the Mayor
City Hall, 2nd Floor
100 Queen St. W.
Toronto, ON M5H 2N2
Transmitted via email to mayor_tory@toronto.ca, and clerk@toronto.ca.

Re: MM3.5 – Reviewing Revenue Tool Options for Toronto

Dear Mayor Tory and Councillors:

I'm writing to express the concern of the Toronto Region Board of Trade that Council continues to consider the implementation of a commercial parking levy. It is our view that this levy would, significantly harm our economy and businesses in the city.

A parking levy has been studied and dismissed as a poor revenue tool in 2007 and 2016. What was a bad idea in 2016 is an even worse idea right now when businesses across Toronto, struggling to remain competitive in the face of high interest rates and slowing consumer demand, are trying to get their customers to return to their stores and employees to return to the workplace. As they continue along the long road to recovery after pandemic lockdowns, businessowners are now dealing with high inflation and the spectre of a recession. Adding an additional cost right now would make it all the more difficult for our businesses to thrive and grow, particularly at this critical juncture.

A parking levy would be felt most severely by some of the businesses that are already most at risk in the city. Commercial properties continue to bear a high tax burden in Toronto. At 3.36%, the commercial-to-residential tax ratio remains higher than the average across major urban centres in Canada. The City has been working for a long time to address this, but it remains an issue. Adding to the problem, especially at such a precarious time, would be a mistake.

In many cases zoning regulations determine the amount of parking a business is required to provide, even if the business owner preferred fewer. Ultimately, the way many retail leases are structured means cost increases from this tax would flow through to tenants. This means the nail salon, doctor's office or convenience store would bear the cost – not the landlord – and would have no choice but to pass this added cost to their employees and customers, making them less competitive.



With less than 40% of employees back in the workplace on a consistent basis, businesses are facing a decision point about how much of their office space they can afford to retain. Higher business costs, such as a parking levy, are no recipe for bringing back the vitality of our downtown core, or commercial districts across the city. Yes, we need more transit, but until it is built the reality is many people have no option but to drive. The comparison to other jurisdictions, such as Montreal are not apples to apples.

The Toronto Region Board of Trade supports the need for a broader conversation on the stability of city finances to meet our revenue needs from sources that are dependable, predictable and diversified. The commercial parking levy is a one-off policy suggestion with superficial appeal and significant costs that undermine the city's actions to support small businesses, and it would hurt our recovery at the very moment businesses can least afford it. As such, it is our suggestion that a commercial parking levy be rejected outright by Council.
Sincerely,

A handwritten signature in black ink that reads "Janet De Silva". The signature is written in a cursive, flowing style.

Jan De Silva
President & CEO
Toronto Region Board of Trade