



February 26, 2024

Cathrine Regan
Mayor Olivia Chow, Executive Committee Chair
Members of the Executive Committee
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2
To: exc@toronto.ca

RE: Executive Committee EX12.3 - Implementation of a Commercial Parking Levy

The Ontario Restaurant Hotel and Motel Association (ORHMA) is appreciative of being able to submit our comments related to a potential parking levy in the City of Toronto.

We understand the City's challenges attributed to financial shortfalls and we complement the successes thus far in pursuing support from the federal and provincial governments. We know that positive financial health is imperative to operate the City's services and drive additional income to the region.

We believe that that while the parking levy might appear to be a simple solution it is instead a complex fee that could negatively impact economic development proving to be counteractive to the city's financial goals.

Parking sales taxes are very common – Vancouver, Pittsburgh, Miami, Seattle, Los Angeles, and New York all use paid parking sales taxes. There has been very little precedent for a parking levy in North America.

The restaurant sector many of them small businesses continue to recover from the pandemic with repercussions. Over 60 percent of restaurants are either breaking even or operating at a loss. In this type of business model, it's not about the revenues and higher traffic as it is about the flow-through to the bottom line. Higher menu prices have not mitigated the impact of expenses. Open Table's recent reports show that Toronto restaurants have witnessed a year-over-year, double-digit decline in the volume of in-person diners, which suggests consumers are pulling back on discretionary spending amid the rising cost of living.

A small restaurant, still struggling with inflation, would be charged \$11,497 a year for its 21 parking spots. The restaurant will once again be forced to pass the parking levy fees to their customers who are voicing their dislike of menu price increases driving more of them to stay and eat at home. It's a vicious circle when dealing with a restaurant's rigid elasticity price model and having options to choose to dine in other GTA municipalities.

Fewer customers lead to additional losses of storefronts eroding the City's efforts to animate main streets and impact the overall vibrancy of the City's hubs. Furthermore, new hospitality operations will likely search for a competitive location with lower risk where they can draw customers.

Thank you for your attention to this matter. We are here to support the City's efforts in meaningful initiatives that will have success.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elenis', enclosed within a simple, hand-drawn oval shape.

Tony Elenis
President & CEO
Ontario Restaurant Hotel & Motel Association (ORHMA)