

From: [Kojo Modeste](#)
To: [Economic and Community Development](#)
Cc: [Councillor Bravo](#); [Councillor Malik](#); [Councillor Moise](#); [Councillor Carroll](#); [Councillor Kandavel](#); [Councillor Mantas](#); [councillor_shan@toronto.com](#); [Patrick Tobin](#); [Celia Smith](#)
Subject: [External Sender] Re: EC26.2 - Toronto's Festival Strategy
Date: February 24, 2026 9:43:07 AM
Attachments: [image.png](#)
[image.png](#)

Economic and Community Development Committee

Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2
ecdc@toronto.ca

February 24, 2026

Re: EC26.2 - Toronto's Festival Strategy

Pride Toronto **strongly supports** EC26.2 - Toronto's Festival Strategy. Major Festivals are the cornerstone of our City – bringing people from all walks of life to come together as a community. Festivals are a catalyst for tourism, attracting international and domestic visitors from around the world and across Canada. We applaud the City of Toronto for being steadfast in its commitment to Major Festivals. We recognize **Mayor Chow** and **City Council members** for their continued support of Major Festivals – and in large part, stepping up when Provincial and Federal counterparts have not. We continue to advocate and lobby provincial and federal counterparts to increase funding.

The financial impact section of the staff report notes new and future investments will be required, and that the Cultural Festival Funding Program (CFFP) and Special Events Stabilization Initiative (SESI) will only receive inflationary increases subject to the annual budget process. We acknowledge that the City has limited funding mechanisms and we therefore request ECDC members and Council to **amend the report with the motion found below**. This motion is **mutually beneficial** and **does not impact Toronto taxpayers** and will support **all major festivals** in Toronto, not just Pride Toronto.

Impact of Pride Toronto

Pride Toronto creates and supports events and programming that **celebrate the diverse talents, stories, and achievements of all 2SLGBTQI+ communities, and boldly advocates for and defends our human rights**. We envision a world in which all people feel safer, valued, celebrated, and included, regardless of how they identify or who they love. Our festival is not just downtown centric, we program events across the City, including Scarborough, North York and Etobicoke.

Pride Toronto has witnessed firsthand the positive impact that well-organized major events, such as ours, can have on the community and the city as a whole. Our annual Pride Festival, one of the largest of its kind in the world, not only **celebrates the vibrancy and diversity of the 2SLGBTQI+ communities, but also brings significant economic benefits to Toronto**. These benefits include increased tourism, job creation, and heightened international visibility for our city as a progressive and welcoming destination. In our latest economic report [Pride Toronto Economic Impact Reports \(2023, 2024, 2025\)](#) completed by Ipsos and Prism Economics, the 2025 Pride festival resulted in:

- **Over 2 million attendees**
- **\$251.3 million in combined Federal, Provincial and Municipal Tax Revenues**
- **\$35.3 million in hotel and lodging during Pride weekend**
- **4,570 direct jobs across the City**

In 2025, we faced a significant corporate revenue shortfall due to the anti-DEI movement, we recognize **Mayor Chow and Council** for stepping up its grant contributions, however, even with increased funding we had to cancel one stage and cut back on our festival footprint. We expect to receive from the City of Toronto **\$485,000** in grant cash funding this festival, representing **8% of revenues**, in addition to in-kind services, such as fencing. At the same time, Pride Toronto expects to pay for the following:

- **\$18,450 in City Permits**
- **\$184,844 in Toronto Police Paid Duty**
- **\$7,605 for City Noise Auditors**

The net result being **\$274,101** in cash grants used to pay for festival infrastructure, artists, and more.

Municipal Accommodation Tax (MAT) Enhancements

Through the authority provided by O. Reg. 436/17 Transient Accommodation Regulation, the City of Toronto introduced a MAT on January 31, 2018. Both hotel and short-term rental accommodations are currently subject to a 6% MAT on the room portion of stays (temporarily increased for FIFA). The MAT is collected in the City's corporate revenue

accounts and provides funding for both programs and services used by visitors (e.g. culture, recreation, parks, and transportation), as well as contributions to Destination Toronto which directly supports the local tourism industry.

The latest governance review of Destination Toronto (formerly Tourism Toronto) was reviewed by City Council in 2019. The base amount of the MAT to be transferred by the City to Destination Toronto was determined, via an audit of 2017 collections and payments (under the voluntary Destination Marketing Program - DMP) to Destination Toronto to be about **\$28 million**. As required by the regulation (O. Reg. 436/17), the transfer to Destination Toronto is based on a regulatory formula, and will be escalated annually by the 10-year average increase in Ontario tourism receipts published by the Ministry of Tourism, Culture and Sport. The **\$28 million** funding was confirmed by the Chief Financial Officer and Treasurer at the City Council meeting on November 13, 2024. Based on Destination Toronto's latest annual report, this represents **87% of their annual revenue**.

We recognize Destination Toronto's important mandate to attract visitors and invest in bringing conferences to Toronto - however we are asking that **Major Festivals have a more equitable share of MAT** given our direct and positive impact on revenue generation for hotels and lodging, and the direct impact on revenue generations at the local, provincial and national level. Arguably, major festivals have a larger impact on the local economy compared to conferences. We receive no direct support from Destination Toronto. **Increased, multi-year grant funding from** the City has the ability to stabilize major festivals across the City, given the continued cuts many are facing from corporations, provincial and federal counterparts. Enhancements to MAT have the ability to transform and improve how festivals are funded in Toronto. **We further request that Pride receive 10% of MAT revenue during Pride weekend (an additional \$200K to existing grants, based on our latest economic report).**

We respectfully **request** that the Committee amend the staff report with the following Motion or thereof:

“City Council direct the General Manager, Economic Development and Culture, and the Chief Financial Officer and Treasurer to report back to the Economic and Community Development Committee by Q4 2026, on a full review of City of Toronto Act, O. Reg. 436/17: Transient Accommodation Tax and agreements with Destination Toronto (formerly Tourism Toronto), and make recommendations, including requesting the Province of Ontario to amend the formula distribution of the transient accommodation tax, so the City can provide increased and multi-year dedicated funding for Major Festivals”

This recommendation supports Council's previous direction to review the City's funding contributions to Destination Toronto <https://secure.toronto.ca/council/agenda-item.do?>

[item=2024.FWC2.1.](#)

Sincerely,



Kojo Modeste Maria Diaz Nirmalan Vijeyakumar

Executive Director Co-Chair Co-Chair

CC: Councillor Alejandra Bravo, ECDC, Chair
Councillor Shelly Carroll, ECDC, Vice-Chair
Councillor Chris Moise, Chair 2SLGBTQI Community Advisory Board and ECDC, Member
Councillor Parthi Kandavel, ECDC, Member
Councillor Ausma Malik, ECDC, Member
Councillor Nick Mantas, ECDC, Member
Councillor Neethan Shan, ECDC, Member
Patrick Tobin, Economic Development and Culture, General Manager
Stephen Conforti, Chief Financial Officer and Treasurer

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Kojo Modeste (no pronouns)

Executive Director at Pride Toronto

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