



August 22nd, 2023

Mayor Olivia Chow, Executive Committee Chair
Members of the Executive Committee
City of Toronto
100 Queen St W
Toronto, ON M5H 2N2

RE: Executive Committee Report EX7.1 – Updated Long-Term Financial Plan

On behalf of Toronto's 84 BIAs with a combined membership of over 90,000 businesses and property owners we are grateful and thank you for allowing us to submit our comments regarding the Updated Long-Term Financial Plan report. We more than others as city agencies understand and appreciate the difficult financial situation the City of Toronto is currently facing, which has been exacerbated by the COVID-19 pandemic and the current economic, labour and housing issues we all face without the infusion of necessary dollars from other levels of government.

As Toronto's main streets and businesses crawl towards a recovery that is still well on the horizon and for some never to be reached, we implore council to carefully consider any and all of the proposed revenue tools thru a competitive fairness lens.

As representatives of businesses across Toronto, we are writing to register our concerns, in particular, with the possible implementation of a commercial parking levy and a Toronto centric retail tax.

The parking levy will unduly hurt small and medium-sized businesses. In most cases, due to the structure of commercial leases, the parking levy will not be paid by the property owner or landlord, but by the tenant. Particularly for those in the suburbs who happen to be fortunate enough to have parking in strip retail and like built forms, where car access and parking is critical for local small business success.

This approach would be slow and costly to implement resulting in significant overhead for the city with limited returns.

In addition, in light of parking Levy being implemented under the Toronto Act, our understanding is it cannot be implemented in other jurisdictions outside the City of Toronto's boundaries. This means that a new burden will be added to Toronto businesses, but not to any others in the region – including those in some cases right across the street, such as along Steeles Avenue. This presents an obvious economic disadvantage to Toronto businesses, and we believe it could also drive investment elsewhere, to more tax-friendly, lower-risk operating environments.

We have serious concerns about the impact of a parking levy on businesses in Toronto, particularly those in sectors hardest hit by the pandemic, and still struggling to recover. We firmly believe that these consequences will vastly outweigh the relatively minimal revenues a parking levy would ultimately generate for the City.

As for a retail tax approach to generate the necessary revenue we would support this initiative if it were a region-based approach, thus not draining major goods sales away from Toronto to other jurisdictions.

As you make decisions on how to address the City's financial challenges, we urge you to consider the serious cumulative impacts of these taxes on businesses across Toronto.

Respectfully,

A handwritten signature in black ink, appearing to read "John J. Kiru".

John J. Kiru
Executive Director
TABIA