

How Small Business is Actually Big Business

And how  **TORONTO**
can help them
grow



Special Hospitality Industry Economic Report
FALL 2025

Disclaimer

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All economic figures and projections in this document are sourced directly from data obtained in real-time and real-world scenarios.

This report is reliant on evidence and facts which were ascertained through direct observation.

This pdf does not represent or reflect the views and opinions of any of the businesses cited herein.

No businesses were consulted, interviewed or questioned for this report.

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Microeconomic Engine of Macroeconomics

The photograph above reveals the point of completion in the cycle of a supply chain of any economy.

The photograph depicts more than a kitchen in a greasy spoon.

The photograph displays a vital end component of an **economic engine**.

A small business does a lot more than provide people with their needs, wants or jobs. A small business provides the impetus for the creation and preservation of every business in modernity that supplies the goods and services required to help build and maintain every single thing people use on a daily basis.

A greasy spoon helps industries that comprise economic sectors like:

- | | | | |
|-----------------|------------------|---------------|-------------|
| • Agriculture | • Distribution | • Finance | • R&D |
| • Energy | • Transportation | • Insurance | • Packaging |
| • Mining | • Construction | • Real Estate | • Logistics |
| • Manufacturing | • Sanitation | • Media | • Medical |

A greasy spoon gives these industries a reason to exist. Everything the greasy spoon buys and sells is reliant on industry existing.

Industry is reliant on the greasy spoon. The greasy spoon is reliant on customers. Customers are reliant on the greasy spoon and industry to provide hydration, nutrition, clothing, transportation, shelter and other necessities of life.



Nella is a great example of a vendor. It supplies goods to retailers (restaurants and bars) more efficiently than a manufacturer can; it even provides service and repairs on equipment, ensuring good faith transactions. In the process, Nella expands manufacturers distribution and sales capabilities while providing businesses with more selection and price competition. Every penny Nella spends to run its operation, puts money in the pockets of other businesses and government budgets. Nella and the custom wrapped truck it bought is a perfect example of free market economics in action and shows the beauty of a free country like Canada.

Pro Business = Pro Humanity

There is a misconception that without customers there would be no business. Customers need business. Without business there's nothing to provide what customers (people) need to provide themselves with for daily comfort and survival.

Another misconception is that business owners are rich. The reality is that most business owners work incredibly long hours to earn a living and still manage to flirt with failure and closure on a regular basis.

Economics, understood correctly, shows that without business there would be no way for people to determine, organize, make and provide what people need. Without businesses, there'd be little for people to do and see in a city; most of the "free" activities hosted in municipalities are paid for through taxation reliant on commerce - and offer and provide... stuff made by... businesses.

In this same vein, any level of government needs business. Governments lack the ability to produce the intellectual property and hundreds of millions (likely more) of manufactured parts and products required to meet the demands of a modern supply chain. Most concerning, governments can't make chicken fingers, fries or gravy. Business needs government to enforce the rules of an environment which are conducive to facilitating a viable economic game and freedom. **Government is king, but business runs the board.**

Small businesses provide a city with many of its jobs, valuable tax generation, culture and help maintain the foundation of the commercial real estate market. **Without a vibrant commercial real estate market, neighborhoods** become stagnant and **decline rapidly.**



The Links in a Supply Chain Kept Intact by Small Business

Everything that a diner buys from a company like Nella is used to store and prepare products supplied by a company like Reality Foods Service Inc.

Reality Foods Service Inc. distributes the food products of companies in Italy that produce thousands of individual products for restaurant owners to choose from.

To get every product offered to market requires: bank financing → workers → land payments → equipment to plant, tend and harvest and process materials → companies to supply machines → packaging → labeling materials → testing and tracing → accountants → lawyers → insurance → utility payments → fleet payments → office leases → supplies → warehouse leases and equipment → payroll → tax and regulation compliance → ships/ports → planes/airports → trains/railyards → trucks/terminals → software for logistics, order placement, order fulfillment, order tracking, return processing, shipping coordination → marketing → branding → advertising → contract negotiations → staff training - all of which is reliant on businesses buying things from other businesses in order to provide their goods and services. This elaborate structure is only possible with a system designed to reward and incentivise people for expending their time and energy, i.e., **money** and the monetary system. **Any threat to money is a threat to the supply chain of an economy and human life.**

When a Torontonion takes a bite of pasta at a restaurant, they are at the end of a series of economic links that extends continents and comprises a global chain of human productivity and creation involving thousands of companies that are all interconnected and reliant on each other - **like links in a chain.**

To better understand the complexity of a small business, take a look at Reality Food Service Inc's catalogue; it's 110 pages in length and features approximately 4,500 products to supply a kitchen. And, remember, each product could be a business in and of itself. <https://242013993.fs1.hubspotusercontent-na2.net/hubfs/242013993/full%20product%20list.pdf>

Dangerous Economic Conditions Tied to Monetary Policy

Over the last ten (10) years, small businesses in Toronto have experienced, i) unreasonable, ii) unrealistic, and iii) **unsustainable inflationary** pressure that is resulting in **reduced sales** and **business closures**. An extremely well-established business like **Vesta Lunch** has had to increase it's prices by **113% over the course of eight (8) years** – and an absurd **23% over the last year**. The cost of the All Day Breakfast will be used as a pricing example.



2017

In 2017, bacon and eggs cost **\$7.45**. With HST that would come to \$8.42 (\$7.45 + \$0.97).



2018

In 2018, bacon and eggs cost **\$8.95**. With HST that would come to \$10.11 (\$8.95 + \$1.16).



2020

In 2020, bacon and eggs cost **\$9.45**. With HST that would come to \$10.68 (\$9.45 + \$1.23).

Granco - 3 years ago

2022

By 2020, bacon and eggs cost **\$10.95**. With HST that would come to \$12.37 (\$9.95 + \$1.42). **In 5 years government has increased its revenue by 46.4% while this business struggles to maintain a consistent profit margin without losing customers.** This is a result of compounding that occurs in mathematical structure.

- a year ago

2024

In 2024, bacon and eggs cost **\$12.99**. With HST that would come to \$14.68 (\$12.99 + \$1.69).

2025

In 2025, bacon and eggs now costs **\$15.99**. With HST the bill came out to \$18.07 (\$15.99 + \$2.08).

Vesta Lunch
Diner - \$10-20
Old Toronto

[PLACE DETAILS](#)



Walter Baptiste

★★★★★ 8 years ago
I love this place

1

Share

The Original Source and Time Stamp for Vesta Lunch price inflation is a video review left by Walter Baptiste posted in 2017.

HST collected in 2017 = \$00.97

HST collected in 2025 = \$02.08

114.43% sales tax revenue increase without the need for legislation and government at every level can only consistently produce deficits.



Net Analysis

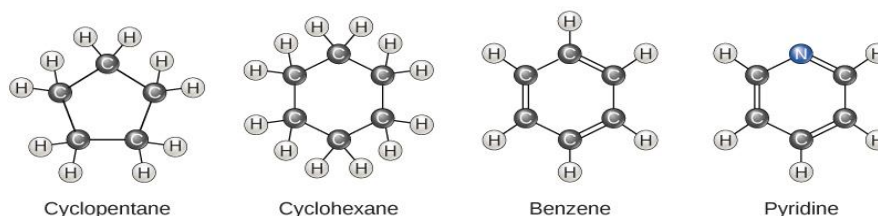
The goal of an economy is to maximize efficiency while reducing the costs of obtaining goods and services. The measure of the health of an economy is the standard of living of people within an economy and, most importantly, their ability to participate in the economy.

Canada is seeing prices rise for three (3) primary reasons:

1. **Government borrows money and creates/inflates money in software ledgers to fund its budgets - without a realistic plan to generate money to repay what is owed or remove the created/inflated currency from circulation.**
 - This has the net effect of, i) borrowing from Paul to pay Peter, and ii) a dealer in a friendly game of monopoly simply giving every player more money every time they go broke - instead of allowing them to fold as per the logic of a game and/or viable game theory.
 - Additionally, too much money in supply devalues the worth and meaning of money; this is why a singular dollar buys nothing of substance anymore and has little meaning (Dollar stores haven't charged a dollar for years and should be called Dollars Stores). **Printing money, incommensurate with the viable demands for private capital (mortgages, business loans, lines of credit) that banks cannot supply, is tantamount to counterfeiting and is a threat to money, the supply chain and human life.**
2. **Government prohibition on the harvesting and export of natural resources deprives all levels of government of much needed tax funding and suppresses the domestic supply chain.**
 - The money made from Canadian industries extracting, processing and exporting commodities, traditionally funded the Canadian government and its social programs. It's a formula not lost on Norway and Middle Eastern petrol states that are currently experiencing a boon in living standards with the adoption of social planning that provides for basic human needs, while not constraining free enterprise.
 - Bans, cancellations and delays to resource output capacity in Canada has resulted in government needing to borrow and create/inflate money to pay for what does not exist, i.e., the tax revenue collected as a result of actual goods and services being produced. No tax revenue from real productivity = debt spending.
3. **High interest rates and/or unpredictable interest rates.**
 - Interest rates determine the cost to borrow money and, in effect, the cost to produce goods and services and participate in an economy.
 - Interest rates being doubled after the onset of Covid-19 made the cost of financing anything in the Canadian economy twice as expensive. Added costs incurred by manufacturers, vendors and businesses logically need to be passed on to customers. A vector of inflation would have been easy to anticipate when contemplating the effect of doubling interest rates after inflating a money supply, and can be readily extrapolated to persist into the near future as long as **illogical policy is not permitted to reverse course.**
 - Flawed economic theory stipulates that higher interest rates can temper an overheated market caused by printing money. This theory fails to understand that lenders being scrupulous with lending practices prevents speculation and capital expenditures that aren't warranted and which can lead to defaults.
 - High interest rates being dropped serves to flood markets with cheap money (borrowing becomes inexpensive) and results in overheated economies with overinflated asset prices. Conversely, high interest rates increase the debt burden of a government and its citizenry and creates a cycle where government and citizens need to assume more debt to service debt and/or spending and a normal lifestyle.

Long Term Solution

1. The Canadian dollar needs to be tied to a tangible and manifest object of quantifiable and verifiable value.



Hydrocarbons can be measured down to the useful unit of the joule. This country being rich in a variety of hydrocarbons positions it to have a currency that could rival any.

A strong dollar attributable to something of provable and demonstrable worth in real-time would make people appreciative of value and meaning and would prevent unrealistic government spending. Budgets need to be grounded, literally, to what can be pulled out of the ground and verified in reasonable timeframes.

The current social environment in Canada, due in large part to the social conditioning of government funded media, frowns upon hydrocarbons, but better education can show their essential role in modernity related to transportation, cooking, heating, cooling, powering industry, powering municipal water systems, and their use in **chemistry/engineering/manufacturing** and **medicine** to produce essentially everything used in daily life, i.e., **modernity**. People need to be aware that hydrocarbons comprise the materials used to form and fashion most every object in modernity.

2. Properly harvesting and exporting the natural resources of this bountiful country can help reinvigorate Canadian manufacturing. More manufacturing = more vendors = more robust communities to support manufacturers and vendors, which then create the communities for small businesses to emerge and thrive.

Canada has become overly reliant on service job and professions:

FIRE = Finance, Insurance and Real Estate.

These industries are great, but a country with the second largest land mass on the planet should be much more economically and vocationally diversified.

Public sector hiring should be paused to allow the private sector to absorb new Canadians into the workforce while pausing the inflow of New Canadians to prevent infrastructure collapse. Expanding public sector employment adds pressure to government spending/debt and, in turn, inflation.

3. **Fluctuating interest rates creates market instability.** Instability creates confusion, uncertainty and increases the likelihood of rushed and faulty decision-making processes. Responsible businesses, adults and even young adults, need to be able to make plans and budgets and stick to them. Money costing more one year (or quarter) than the next creates disruption, confusion, panic, speculation and other variables that create undue economic volatility.

All financial institutions having a **benchmark (prime) lending interest rate of 3%** needs to be mandated into law, while still allowing lenders to charge more or less for lending – as they see fit. **3% being the agreed upon interest rate that is acceptable to pay**, would foster a **more stable economy and psychology among consumers**, while not impeding the ability to generate profit in the finance sector.

Current Economic Standing of a Canadian Citizen (Applicable before tariffs)

It takes 1.4 Canadian dollars to pay for what 1 U.S. dollar can afford.

This in effect makes the Canadian dollar 28.5% weaker than the U.S. dollar. ($.4 \div 1.4 = 0.285$)

However, observed more clearly and pragmatically **from the perspective of a Canadian consumer**, the **purchasing power** of the Canadian dollar is worth **40% less** than the American dollar.

A chicken finger sauce (plumb, preferably) that costs \$1.00 in the U.S. requires \$00.40 more Canadian to acquire.

U.S. citizens can purchase, after exorbitant exchange rates, **30% more than Canadians can** in the international marketplace.

Moving from Austin, Texas to Toronto gives me 28.5% more purchasing power with my U.S. currency, but it's negated by the fact that **everything in Toronto costs 30% - 100% + more**. My **salary was 15% more** in Texas than the same company is paying in Toronto. Most salaried U.S. jobs pay 15% - 100% more.

Income tax is 36% more in Toronto. (\$100K @ 22% in Texas vs. \$100K @ 30% in Toronto ($30-22 = 8 \div 22 = .3636$).

Consumption tax is 57.5% more in Toronto (8.25% in Texas vs. 13% in Ontario ($13-8.25 = 4.75 \div 8.25 = .5757$).

Healthcare and dental were paid for by employer benefits with a monthly buy-in payment of \$60.00.

A \$1,000,000.00 house in Texas buys what \$3,000,000.00+ does in Toronto. Impressive new homes are built for \$500,000-\$750,000.00 every day in Texas and America.

Disposable Income Comparison (Austin vs. Toronto)

U.S. salary: \$100,000
After 22% Federal Tax = \$78,000
Cost to lease a Jeep = \$400.00/month. (\$4,800.00/year)
Car Insurance: \$150/month. (\$1,800/year)
Gallon of Gas: \$2.60
1 Bedroom Apartment: \$1,500/month (\$18,000/year)
Remaining earnings = **\$53,400**
 $\$53,400.00 \div 365 \text{ days} = \textbf{\$146.30}$ of disposable \$/day

Canadian salary: \$100,000
After 30% Federal Tax = \$70,000
Cost to lease a Jeep = \$650/month (\$7,800/year)
Car Insurance: \$250/month. (\$3,000/year)
Gallon of Gas: \$5.37
1 Bedroom Apartment: \$2,500/month (\$30,000/year)
Remaining earnings = **\$29,200**
 $\$29,200 \div 365 \text{ days} = \textbf{\$80.00}$ of disposable \$/day

Summary

Canadians expect the same, or better, standard of living than Americans. The reality is Canadians earn lower salaries and wages than Americans, get paid with a currency worth 40% less than the USD, pay 30% - 60% more income tax, pay 57.5% more consumption tax than Americans and pay sticker prices on goods and services at 30% - 100% + higher costs than Americans do. **Canadians now have a far lower standard of living than Americans** - and this has been the case for approximately ten (10) years. Free healthcare isn't a rational defense for this disparity.



CASH-BACK CHECKING

Last Updated: August 14, 2025 6:18 PM

Account Number:

\$856.92

Available Balance

Transactions Details & Settings

Q Y \$:

Pending

TIM HORTONS #222 581... - \$1.69

Pending

SHOPPERS DRUG MA 59... - \$35.73

Pending

EATALY TORONTO 5411... - \$7.32

Identifying a Failing Economic System

A purchase of collagen and deodorant at Shoppers Drug Mart on 08/14/2025 cost **\$49.13 CDN** or **\$35.73USD**.

The problem is the exact same items purchased in Austin, Texas would only cost \$29.98 + \$2.47 in tax, for a total of **\$32.45USD**. ($\$29.98 \times 0.0825 = \$2.473 + \$29.98 = \32.45)

The generic brand offered in Canada retails for \$27.99CDN (on sale for \$21.99 until today) and contains just 150 grams of powder. Canadians pay $\$27.99 + \$3.64\text{HST} = \mathbf{\$31.63}$ for **150 grams** of powder.

Both the **leading and generic brand** in the U.S. retail for \$19.99USD and contain 285 grams of powder. Americans pay $\$19.99 + \1.65 in Sales Tax = **\$21.64** for **284 grams** of powder.

Americans get 89% more powder than Canadians do and save \$1.74CDN in the process. ($\$31.63 - \$29.89 = \$1.74$)

1 United States Dollar equals

1.38 Canadian Dollar

Aug 15, 12:08 a.m. UTC · From Morningstar · Disclaimer

21.64 United States Dollar
29.89 Canadian Dollar



Prices and/or overvaluation is so high in Toronto that the stronger USD has no true advantage here. As pages 11-14 will show, it is cheaper for Americans to buy goods sold in the U.S. because the representation of a dollar has become distorted in Canada; money in Canada is becoming, in effect, meaningless which leads to losing agreeable worth.

Canada phasing out the penny (the unit of measurement that gives the mathematical system of 1-100 objective meaning and foundation) is proving to have been detrimental to, i) pricing, ii) people's orientation with intrinsic value, and iii) the concept of worth.



Life Brand

Collagen Powder with Verisol® Bioactive Collagen Peptides™ 2500mg

☆☆☆☆☆ 0.0 No Reviews [Write the first review](#)

\$21.59 ~~\$26.99~~

Plus tax

Sale

Offer ends Aug 14 at 11:59pm EDT.*

315 *PC Optimum* points

Size: 150 g

Quantity



Central Market

Shop Weekly Savor Catering Cooking School Search Products

Pickup at Austin North Lamar

Home > Healthy Living > Diet & Nutrition > Superfoods

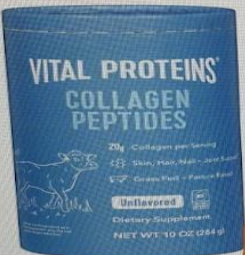
Central Market Collagen Peptides - Unflavored, 10 Oz

\$19.99 ea

[LOGIN TO ADD](#)

Central Market Unflavored Collagen Peptides are great for hair, skin, nail and joint support.

[VIEW NUTRITION FACTS](#)



Central Market

Shop Weekly Savor Catering Cooking School Search Products

Pickup at Austin North Lamar

Home > Healthy Living > Vitamins & Supplements > Minerals & Supplements

Vital Proteins Collagen Peptides, 10 Oz

\$19.99 ea

[LOGIN TO ADD](#)

This collagen peptides powder is sourced from grass-fed, pasture-raised bovine to ensure a high quality and sustainable source of this powerful ingredient. Collagen is found in all of our connective tissues, tendons, ligaments and bones with its purpose being to provide these body parts with their...[READ MORE](#)

[VIEW NUTRITION FACTS](#)

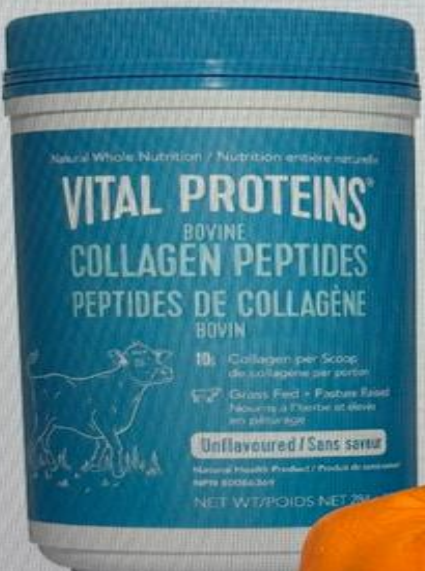
CUSTOMERS ALSO BOUGHT

-  \$33.27 ea
-  \$19.99 ea
-  \$54.99 ea
-  \$24.95 ea

The notion of selling less of something for the same price or, in this instance, less of a product for more money has been casually referred to as **Shrinkflation**. Such a tactic can be a shrewd form of efficiency enhancement within a business practice, but when a trend develops across market sectors where many different companies are being forced to offer less of a good or service in order to remain profitable, it can readily be deduced that the **economy is failing**.

[HEALTH SERVICES](#) [Shop by Department](#) [New Arrivals](#) [Offers & Flyers](#)

[Health](#) > [Vitamins & Supplements](#) > [Supplements](#) > [Skin, Hair & Nail Supplements](#)



Prepared in Canada

Vital Proteins

Bovine Collagen Peptide 284g

★★★★☆ 4.5 [2 Reviews](#) [Write a review](#)

\$41.99

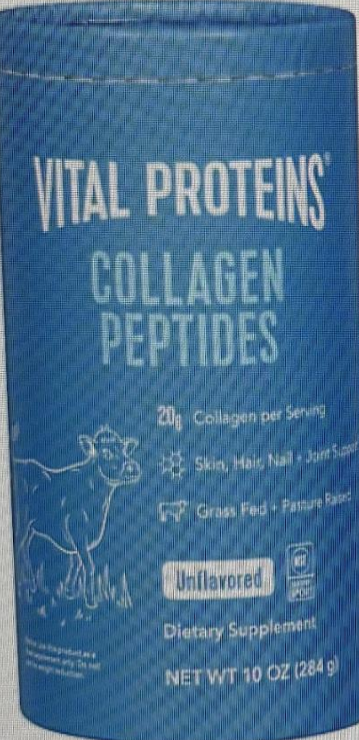
Plus tax

Free Shipping

615 PC Optimum points

Size: 284 g

Quantity:



Vital Proteins Collagen Peptides, 10 Oz

\$19.99 ea

LOGIN TO ADD

This collagen peptides powder is sourced from grass-fed, pasture-raised bovine to ensure high quality and sustainable source of this powerful ingredient. Collagen is found in all of our connective tissues, tendons, ligaments and bones with its purpose being to provide these body parts with their...[READ MORE](#)

[VIEW NUTRITION FACTS](#)

Above we see how a product “**Prepared in Canada**” costs Canadians more than two (2) times what it costs Americans. The 284-gram container sold in the U.S. has a more expensive/damage-prone plastic-free container. People have short memories and politicians understand this. The notion that the inflationary pressure Canada is experiencing in 2025 is a result of U.S. tariffs - is patently false. U.S. tariffs make Canadian goods sold in the U.S. more expensive, which can hurt Canadian exporters. American goods sold in Canada don’t become more expensive because of U.S. trade policy affecting imports into the U.S., especially when Canada removed counter tariffs. The notion that the U.S. is making things more expensive in Canada is incorrect. Absurd inflation has been occurring in Canada for nearly ten (10) years for the reasons identified on page 7.



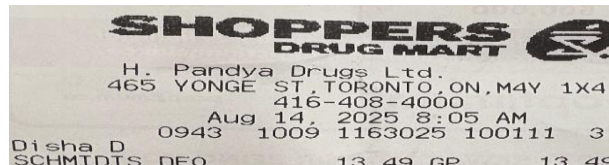
Schmidt's Charcoal + Magnesium Natural Deodorant, 2.65 Oz

\$9.99 ea

[LOGIN TO ADD](#)

Really Works. Schmidt's Charcoal & Magnesium— Formulated with certified 100% natural origin ingredients, this deodorant for women and men is made without aluminum. It's also certified vegan by Vegan Action and cruelty-free by Leaping Bunny. Our women's and men's deodorants are naturally enriched wit...[READ MORE](#)

[VIEW NUTRITION FACTS](#)



Further Proof of a Failing Economic System

When a stronger currency has no advantage in purchasing goods and services in the market of a weaker currency, a failing and illogical economic system is at hand. U.S. dollars no longer have an advantage buying products in Canada, despite the Canadian dollar's exchange rate of \$1.38. This contradiction is a sign of runaway inflation in Canada.

Schmidt's sold in U.S.: $\$9.99 \times .0825\% = \$0.82 + \$9.99 = \10.81

Schmidt's sold in Canada: $\$13.49 \times .13\% = \$1.75 + \$13.49 = \15.24

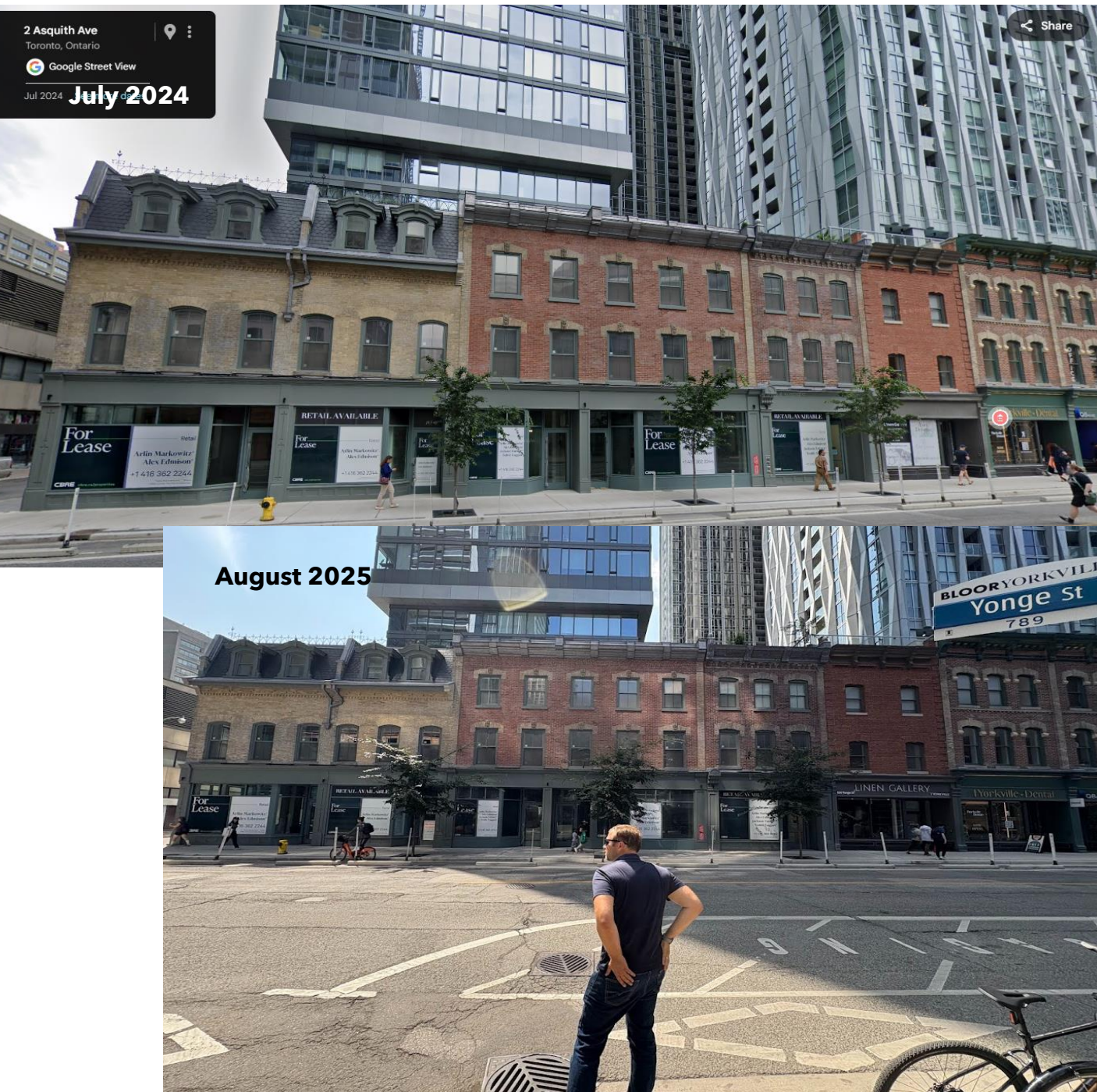
There is **no advantage to buying anything in Canada with the world's reserve currency**, even though Canada's currency is significantly weaker.

\$15.24 CDN = \$11.04 USD ($\$15.24 \div 1.38/\text{exchange rate} = \11.04)

This deodorant price comparison shows how there is now a diminished incentive to invest in Canada. What can reverse this trend is lowering tax rates across the full spectrum of the economy to, i) enable businesses to compete and attract customers with lower prices, and ii) give people more money to spend and invest with. It has been proven for thousands of years that taxing profit and income leads to decline, not prosperity. Taxing productivity (sales), however, is the key source of revenue for government that doesn't adversely affect economic activity when kept at a realistic figure (10%) to meet realistic spending. A sales tax of 10% is easy for accounting and saves people, software and the economy time, energy and the thing used to represent both, i.e., money.

As many emerging markets are developing reliable power grids, water treatment, consistent law and order and coherent legal systems, more and more corporations are going to be forced to locate to them as their governments understand the benefits of ripple economic activity and how offering tax-free exemptions stimulates economic prosperity. The trend of corporations fleeing to Texas, Florida, Singapore and U.A.E. will continue over the next 10-20 years. Canada should be a welcome host to global businesses, but needs to offer the financial incentive of zero-taxation in exchange for the economic stimulation that businesses create and offer wherever they locate; economic stimulation that raises living standards.

Indicators of Recession



The **Bloor & Yorkville** corridor is Canada's preeminent commercial retail space. Prime retail and office space units at Yonge St. and Cumberland St. **hanging on the market for over a year** is concerning. Many commercial spaces in less expensive areas across Toronto have been **on the market for over a year** and many of them are simply sitting **vacant**. Building owners can write-off their losses, but an increase in illegal hard drug use and the **increasing of THC content in legalized marijuana from 10% in the 1990's to the 30%** it is today in smokable cannabis (upwards of 95% THC content in smokeless cannabis) has contributed to a mental health and homeless crisis that makes starting a street front business challenging and dangerous, if not unappealing. Online retailers like Amazon.com (that operate at a loss to fund expansion/monopoly), in addition to unsound government policy, also contribute to declines in retail leasing as people shop for products that don't need to factor in the costs of running a real-world business into final pricing.

THE PATIO (A Mini-Case Study in Reversing Bureaucracy)

Unlocking Toronto's Hospitality Potential

People having less purchasing power and disposable income results in less engagement with the food and beverage industry.

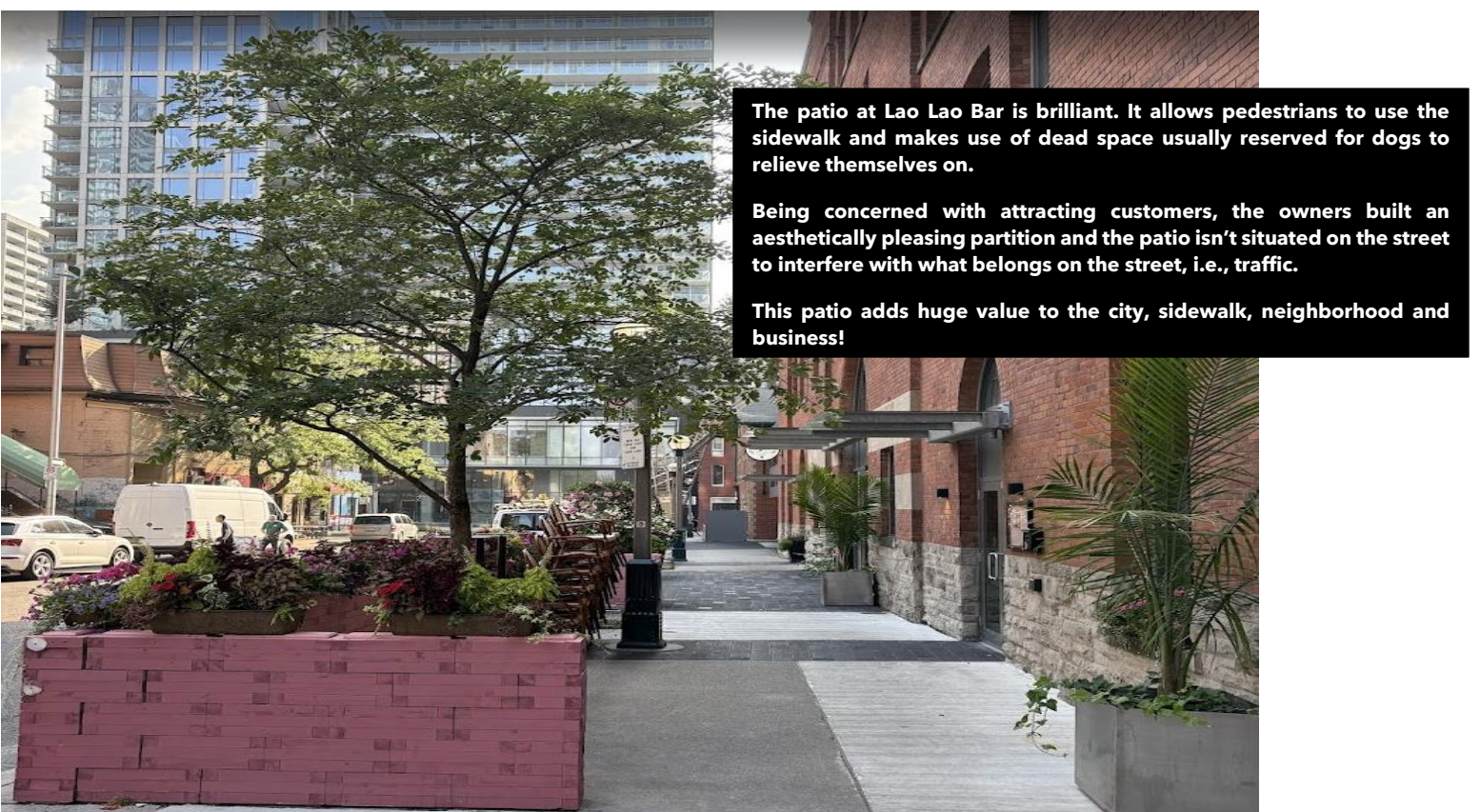
People with tight pockets can't afford to go out as frequently as they'd like and they spend less when they do.

Everyone in Toronto loves a patio on account of the generally cold-to-miserable weather experienced here for the majority of the year.

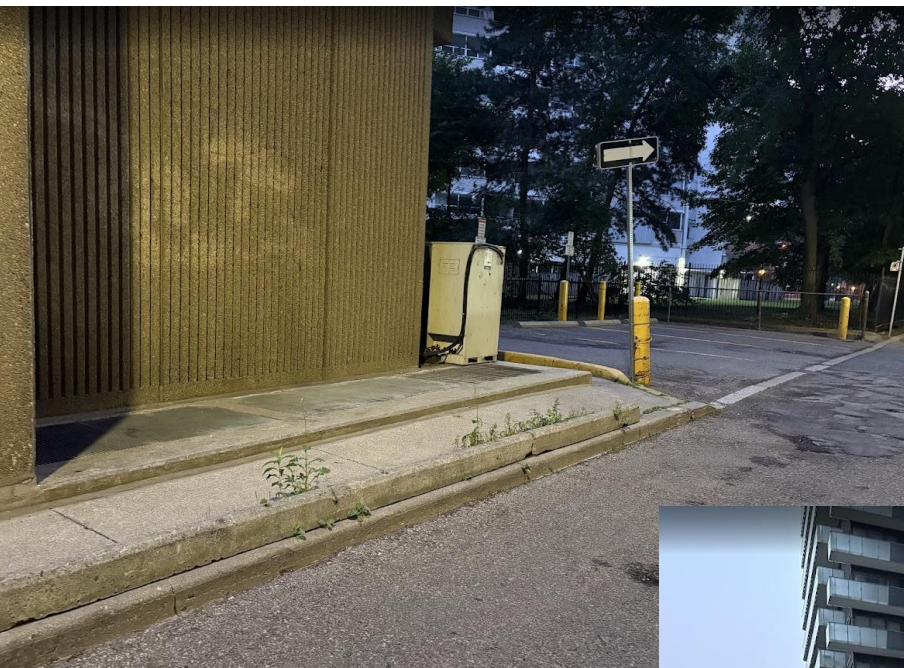
Any food and beverage establishment being able to have a patio space, as long as five (5) feet of egress was available to pedestrians, would increase the appeal of their business. Increased patronage allows a business to market more creatively and reduce prices for customers with a gain in volume of sales.

Thousands of hospitality businesses being able to create additional outdoor space in warm weather would create a visible bloom of business annually that could become a marketing ploy for Toronto tourism.

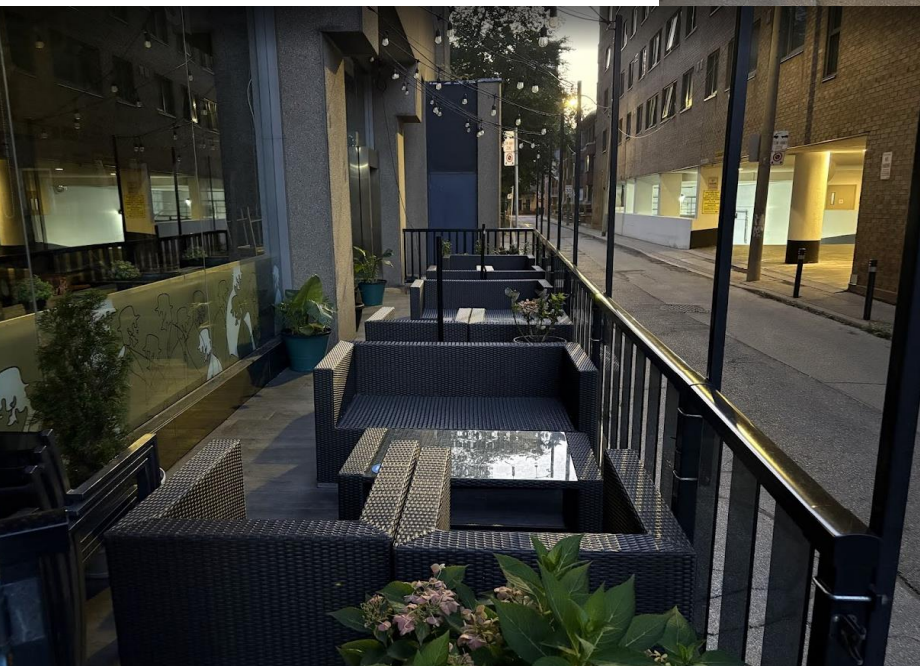
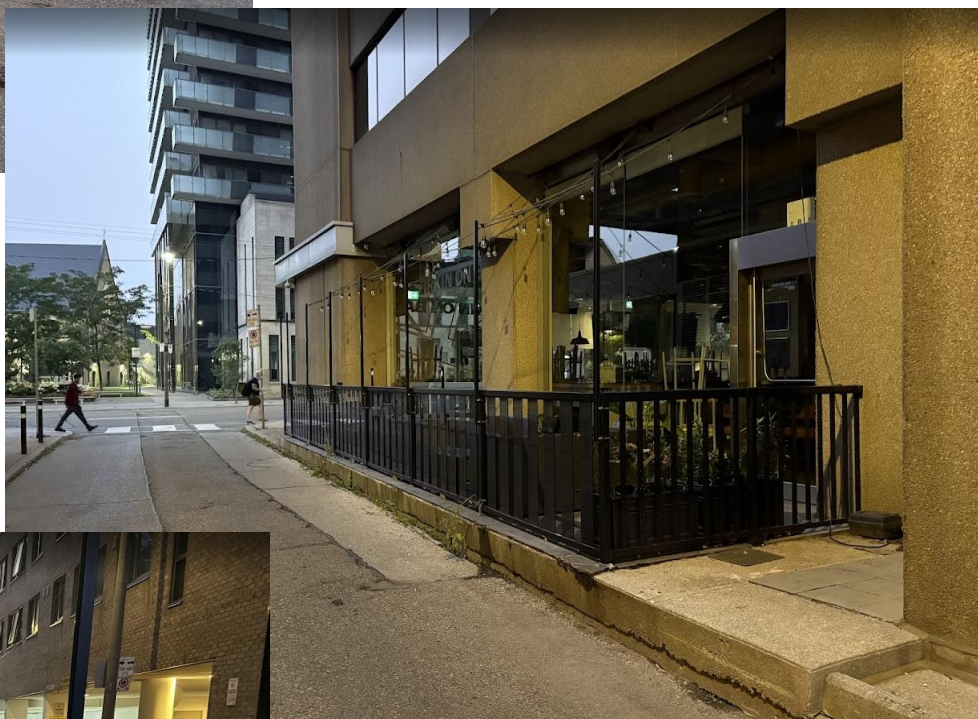
Every business having the potential to express its creativity with outdoor space would create a living and visually diverse landscape.



Making Dead Space Come Alive



Whoever holds the lease on this place did the building owner, building residents, pedestrians, and their customers a huge service!



This brilliant design supports the case that businesses should not have to pay a penny to build and maintain their patio space and that patio space on commercial/private property should be a right, not a privilege.

Inviting = Interest = Action



The cool balcony patios along this stretch of businesses bring huge **curb appeal** and makes people want to know what's inside. Seeing available seating, or all the seats full, increases the odds that people will stop in or keep the business in mind for a later time.



This crepe restaurant on Yorkville Avenue is really well done, but **could use the curb appeal of a cool patio.**



Here we see how Neo Coffee Bar has raised the bar of what a commercial operation run out of a new condominium can look and function like. This example shows how all pedestrians need is a minimum of five (5) feet of walkway. Best of all, the patio is easily collapsible in the event of emergency or construction/maintenance needing to be performed.



Imagine what Pizzaiolo or Deer Garden Signatures could install?

Unrealized Towering Opportunity

This is a brilliant example of land development by Lanterra Developments. It took a parcel of land and incorporated two (2) distinct towers on it, thereby staving off the cookie cutter approach to tower design that could have been used to save the company approval wait time and money.

What this project also created was the potential space for 4,500 square feet of patio space for commercial tenants under the towers glass awnings.





FROM STREET CART
IN VANCOUVER

JAPADOG

JAPANESE STYLE HOTDOGS

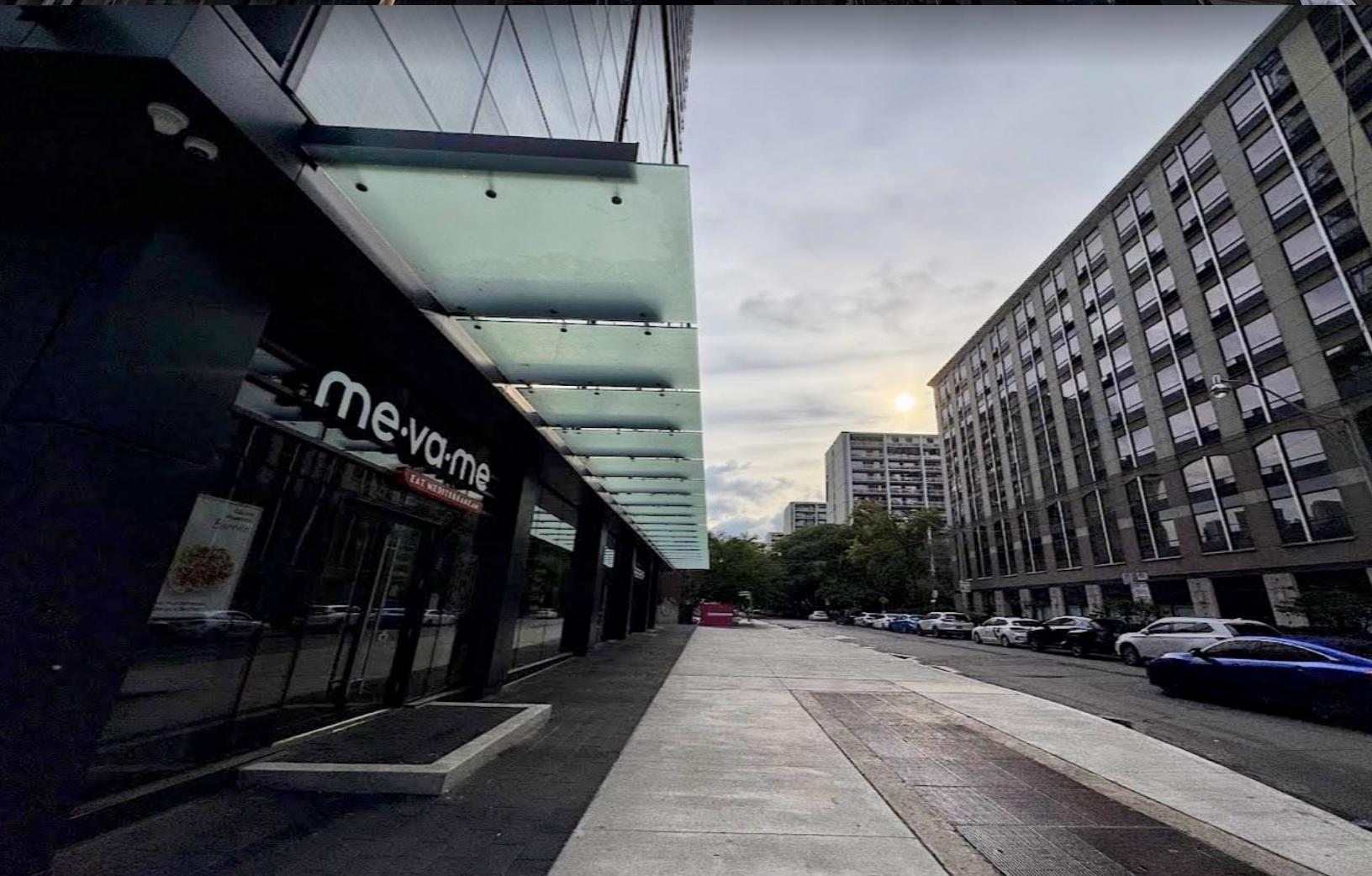
SHAKED FRIES

OMAJIN

SHAKED FRIES

The development's setback from the
curb is over twenty-four (24) feet.







Potential New Space

Japadog - 384 sqft

Clutch Vape - 240 sqft

Firehouse Subs - 360 sqft

Hey Tea - 660 sqft

INS - 264 sqft

Hi Bowl - 216 sqft + 387 sqft

Fit 4 Less - 360 sqft

Me Ya Me - 228 sqft + 780 sqft

Barbershop - 465 sqft

Animal Clinic - 600 sqft

Implementation

There are over 10,000 restaurants, bars and coffee shops in Toronto.

The City of Toronto has had difficulty processing 500 permits valued at over \$1,000.00 each. Unwisely, the City of Toronto has even issued grants of up to \$5,000.00 for patio improvements. 2023 saw 493 CaféTO permits awarded with projected revenue of just \$642,860.00. Source: <https://www.toronto.ca/legdocs/mmis/2023/ex/bgrd/backgroundfile-233882.pdf>

The City of Toronto has also permitted patios to be constructed in the middle of streets and roadways, so as to block EMS and First Responders and create dangerous, stressful and time-wasting congestion. As such, street patios must be prohibited and it can be reasonably argued that the City of Toronto is not needed to inspect any new patios if a clear visual guide can be posted on the City of Toronto's website.

Simply allowing any business to construct and maintain a patio space:

- Not past a building's zoned awning or more than six (6) from the perimeter line of its building's facade and/or curtainwall.
- that leaves a minimum of five (5) full feet of egress (walking space) for pedestrians.

... would unleash the economic and creative potential of the Toronto hospitality industry while not necessitating onerous and redundant permits, inspections or reducing vehicle traffic flow by 50%.

These **patios also do not need special liquor licenses** or **additional permissions and approvals from the AGCO** if a liquor license is already held for the interior space of a business.

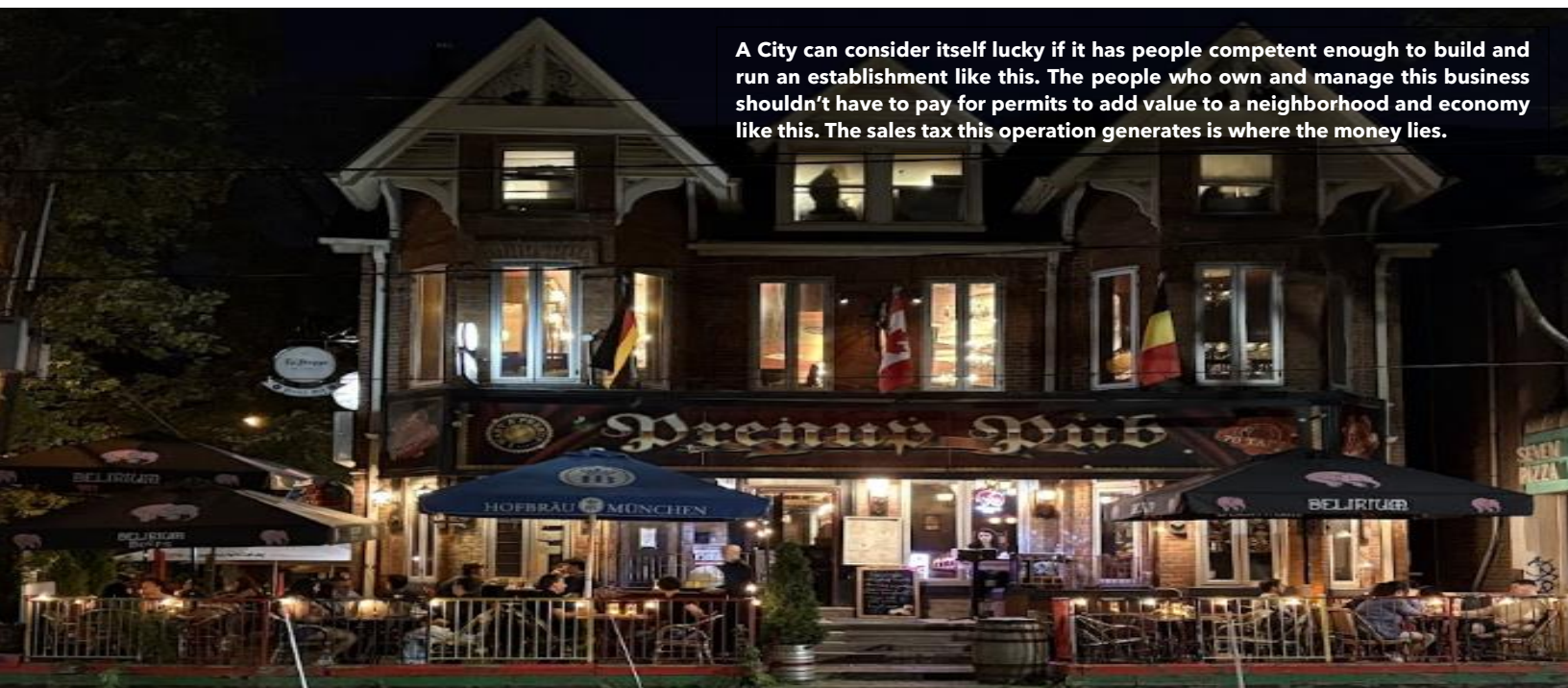
Cost of Implementation

There is a prevailing mentality, demonstrable by the inability of businesses to obtain patio permits for both front and rear portions of their premises, that people should be grateful to get approval from government regulatory bodies when trying to improve the state of their business operation. **This has to, and can, change when a better understanding of ripple economic impact is understood.**

- If 10,000 businesses spent just \$2,000.00 on constructing and outfitting patio spaces, Toronto would see \$20,000,000.00 in economic activity and government would generate \$2,600,000.00 in tax funding. **(10,000 x \$2,000.00 = \$20,000,000.00 x .13%HST = \$2,600,000.00)**
 - If 2,500 businesses could be assured they could keep their patios permanently (every warm season) and invested \$15,000.00 on constructing and outfitting custom spaces, Toronto would see \$37,500,000.00 in economic activity and government would generate \$4,875,000.00 in tax funding. **(2,500 x \$15,000.00 = \$37,500,000.00 x .13%HST = \$4,875,000.00)**
- The government earns more in tax by allowing businesses to freely conduct legitimate activity that simultaneously stimulates the supply chain while improving the condition of municipal businesses and neighborhoods.

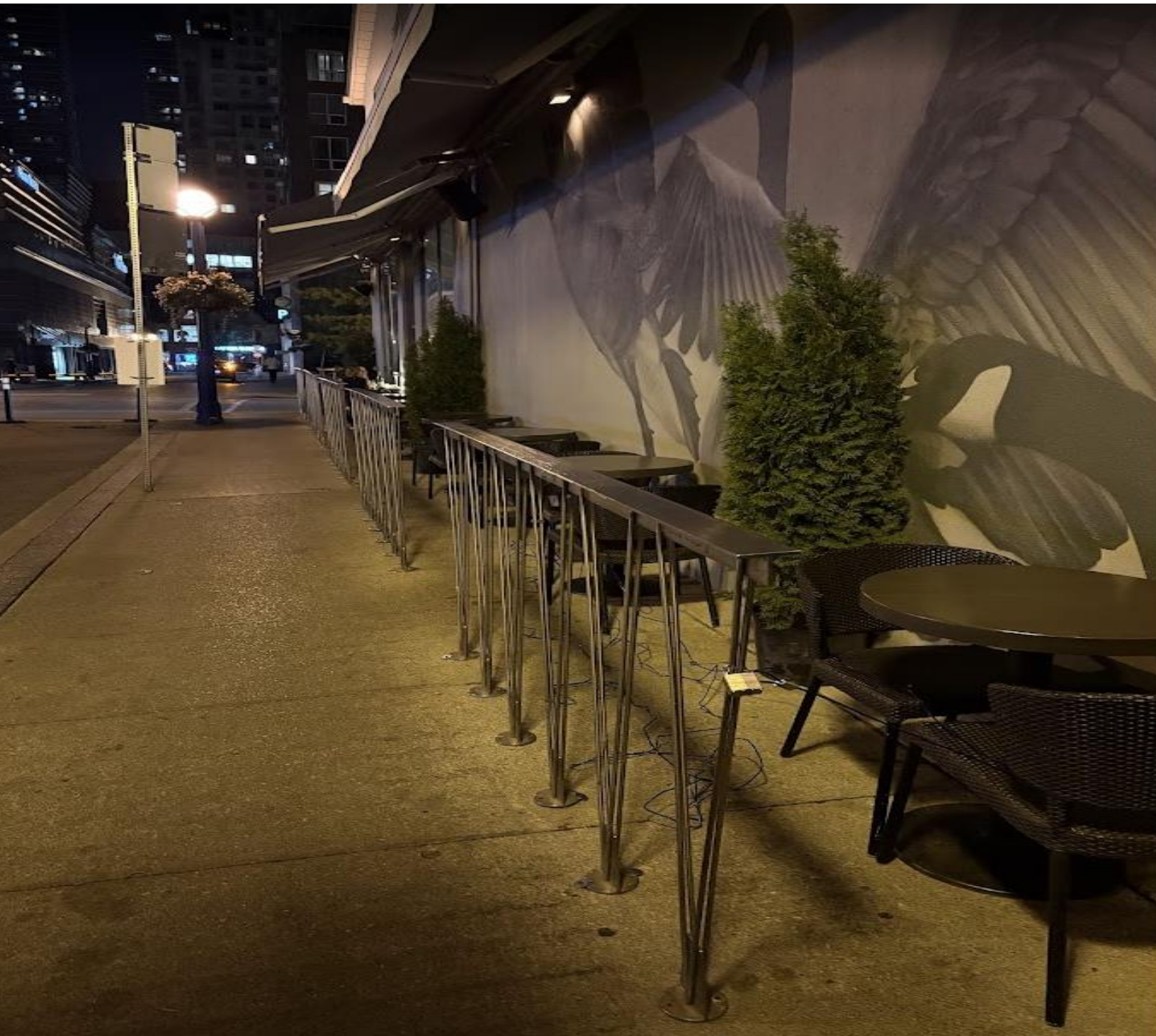
No Permits & Fees = Faster growth and increased future sales tax generation.

As **government has seen its HST revenue increase by no less than 100% in the last eight (8) years** on the backs of businesses - permits and fees for patios are unjustifiable. This increase in tax revenue on account of inflation also reveals, i) how mismanaged tax revenue is (even with higher dollar figures raised annually without tax increases, only deficits are run), ii) how taxes are too high, iii) serve to give people in government not much more than play money to fund the ideas they can think of, and iv) the need for elected officials and government workers to face measurable consequences when their ideas fail.



A City can consider itself lucky if it has people competent enough to build and run an establishment like this. The people who own and manage this business shouldn't have to pay for permits to add value to a neighborhood and economy like this. The sales tax this operation generates is where the money lies.

Common Sense Standards & Regulation

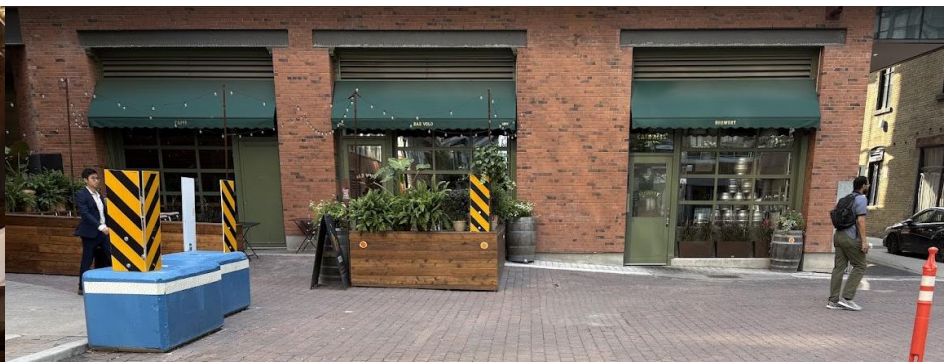


Above is a sensible, functional and aesthetically pleasing patio area that accommodates pedestrian traffic. The City of Toronto should never require money for this to be operational and the landlord would be wise not to charge a premium for the space as a tenant who can prosper is a tenant that is secure. Secure tenants readily meet rent increases, renew leases, justify market rents and increase property values.

Common Sense Standards & Regulation CONT'D



Unfortunately, the patio at this first-rate establishment monopolizes an entire alleyway and blocks emergency vehicles, deliveries and regular traffic. This is an example of a lack of common sense that impedes a city by blocking traffic arteries and causes harm to people. The patio needs to follow the length of its façade.



The patio here should simply run the length of the establishment as there is room for continuous two (2) person seating (see page 28). This reduces large group capacity, but is a fair compromise and one that doesn't complicate vehicular navigation in an urban environment for the benefit of an establishment. Any patio constructed on, or obstructing, a street should be prohibited. North American cities are reliant on vehicular movement for shipping and deliveries, in addition to commuter, **EMS** and **First Responder vehicles**. Any obstruction to vehicles is an obstruction to the economy and human welfare.



This is an example of a smart and accommodating patio that provides plenty of egress (pedestrian passage) along a busy street. While there is technically over five (5) feet of sidewalk from the establishment's awning, the utility poles reduce walking space. Having the patio constructed further in from the awning and a good distance from the utility poles provides a common sense build that delivers a win-win scenario for everyone.



- The concept of blocking off a laneway of road that was planned, designed and constructed for vehicular navigation for anything other than roadwork must be prohibited. Municipalities have plenty of better purposed spaces for marathons, whatever protest is in vogue, fairs and the like.
- The congestion and havoc lane closures bring to a municipality's grid system, EMS and First Responders, residents and economy are debilitating, dangerous and too numbered to enumerate here. Roads aren't for having fun on, raising awareness while advertising corporate sponsors, or expressing political views with; rather, roads are infrastructure with the utility to move weight on wheels. Christmas, School and Sport Wins are reasonable exceptions as they have meaning and history. The notion of closing a lane of traffic to accommodate a capacity of sixteen (16) patrons at a restaurant or bar should be readily perceived to be a farce by anyone with lucidity. This kind of patio allowance is lacking in common sense and is as disruptive to movement as it is a blemish on the urban landscape.
- Additionally, each concrete barricade costs the taxpayers in excess of \$1,500.00 to be coordinated, purchased, painted, delivered, installed, uninstalled and then stored. A TTC bus driver earning \$30.00/hr earns approximately \$45,000.00 after income cuts down \$57,600.00. $\$45,000 \div 365 \text{ days} = \124.41 of disposable income for the driver every day of the year to live life. A concrete barrier for a patio requires twelve (12) days of work to pay for ($\$1,500.00 \div \$124.41 = 12.0569$). This exhaustive perspective can show how wasteful ideas that lack common sense are, and how removed from reality many people who preside over budgets are.



Conclusion & Recommendation

Small businesses are the foundation of an economy and the bellwether of living conditions.

Every action to help them increase and expand revenue streams must be pursued in an expeditious manner. As **government has seen sales tax revenue increase by more than 100% in eight (8) years due to inflation**, any regulatory costs can be foregone to fast track new initiatives designed to further business operations.

To this end, Toronto's hospitality industry is in a unique position to increase square footage at no additional rent cost while increasing tax generation and furthering the City's appeal to residents and tourists alike.

Approving this initiative could ultimately be set in motion by the City of Toronto's mayor, Olivia Chow. Her email is olivia.chow@toronto.ca.

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