

January 14, 2022

RE: 2022-23 City of Charlottetown Pre-Budget Submission

Attn: Deputy Mayor Jason Coady, Finance Committee Chair

Dear City of Charlottetown Finance Committee,

On behalf of the Greater Charlottetown Area of Commerce, we write to you today regarding the City of Charlottetown's pre-budget consultations. In this letter, we have outlined our recommendations for the City to consider for the 2022-23 operating budget that will benefit both business owners and Charlottetown residents alike.

Charlottetown businesses have endured the impacts of the COVID-19 pandemic, and many will continue to for the foreseeable future. It is clear with the case numbers across the country that we are not out of this yet. That said, the Chamber has developed several recommendations that the City of Charlottetown may consider to help ensure no additional burdens are placed on struggling businesses.

The recommendations are as follows:

1. Freezing of Parking Rates

COVID-19 continues to wreak havoc on our downtown businesses, especially those within the retail and restaurant sectors, to the extent that some have closed permanently. Given these negative implications, we believe that it is not appropriate to increase parking rates for both the street meters and the parkades. By increasing parking rates to the amount proposed, it sends a message that could potentially deter Islanders and, in future, visitors from eating, shopping, and paying for services at our downtown Charlottetown businesses. This increase would also incentivize downtown workers to work from home to save money on parking.

The previously proposed parking rate hikes for street meters and parkades within Charlottetown represent significant increases (forty and thirty per cent) compared to the current rates. Deferring parking rate increases until at least August 31, 2022, would allow businesses to get through an uncertain time and better forecast what is to come in the fall. We note that considering the City posted a \$6.3 Million surplus for 2020-21 deterring parking rate increases is possible without causing a deficit.

2. Freezing of Commercial Property Taxes

Similarly, commercial property tax hikes will increase the pressure put on Charlottetown businesses in an already deflated economy. With less traffic in downtown businesses such as restaurants and retailers throughout the winter months, they will struggle to incur any further fixed expenses being increased, such as property tax, and remain operational. Additionally, commercial landlords would be required to pass on property tax increases to their tenants

through raising the rent. By freezing any intended commercial property tax increases, it will be one fixed expense that business owners can rely on remaining stable.

3. *Further Resources in Service Delivery and Business Development*

Charlottetown has enjoyed the benefits of rapid population growth across PEI for the past number of years and will continue to for the foreseeable future. While this is great for overall economic growth, our membership has some concern that there has not been enough investment in resources to support appropriate service delivery and business development. It is crucial that the capital City has a strong business development team in place to attract and retain new businesses in Charlottetown to grow our economy, with service delivery being an important aspect of this. Examples of these resources may include an economic development officer and more capacity in planning and development within City staff. We recommend that the City consider investing further resources in service delivery and business development.

4. *Transparent Planning for Future Rate Increases*

The Chamber believes that having a long-term, transparent plan in place for any future tax rate increases will allow all businesses within the City of Charlottetown to have a clear understanding and allow for better preparation ahead of time. Given the current financial climate within the City, we do not foresee any tax rate increases; however, we understand that sometimes increases are inevitable to support growth and sustainability. That said, our members believe that a more open and transparent process is needed when planning for any increases or changes. The Chamber recommends that the City develop and publish a clear, transparent, multi-year plan for potential property tax (commercial or residential) increases in Charlottetown as a way to allow residents and businesses to be better prepared.

We hope that you can consider our recommendations ahead of the City's 2021-22 operating budget. This fiscal year's commitments to support the business community will positively impact recovery and eventual prospering days ahead for our capital region. We look forward to continuing our relationship with the City of Charlottetown and building upon the progress made up to this point.

Sincerely,



Robert Godfrey

Chief Executive Officer

GCACC