



Canadian Restaurant
and Foodservices
Association

March 21, 2013

Mayor Mike Savage and HRM Council
P.O. Box 1749
Halifax, Nova Scotia
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Association canadienne
des restaurateurs
et des services
alimentaires

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Dear Mayor Savage and Councillors:

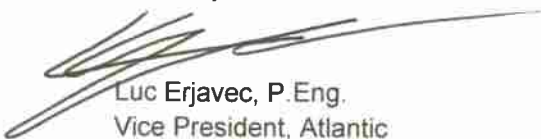
On behalf of the Canadian Restaurant and Foodservices Association (CRFA) and our member establishments in HRM, I am writing to express the foodservice industry's opposition to a proposal by the HRM Fire Service to introduce a new fee for mandatory fire inspections. The Fire Service and the industry both play an important role to secure the safety of the public. That being said, it is unfair to target a small segment of the community with a new fee, especially without any prior consultation with those impacted.

The hospitality industry is a vital part of the economic and cultural fabric of HRM playing an important role in the vibrancy of the city. There are hundreds of foodservice establishments employing thousands of residents in HRM. Foodservice operators are already struggling in a tough economic environment and are faced with significant increasing costs for food, labour and energy. At a municipal level, operators have seen their municipal tax bill soar and are currently bracing for a substantial increase in water rates. With razor thin pre-tax margins for full-service restaurants and drinking establishments of just 5.5% and 2.7% respectively, it is little wonder that over half of the establishments surveyed in HRM have decided to scale back their renovation or expansion plans.

According to a member survey of foodservice operators in HRM, 79% of operators surveyed believe they do not receive good value for their tax dollars. Targeting this sector with a new fee will only make this worst. Currently business owners in Halifax already pay a disproportionate amount of tax (3 times the rate) as compared to residential taxpayers and receive fewer services such as garbage pick-up. Studies have shown that businesses pay \$2 for every \$1 of service received while residential ratepayers only pay fifty cents for \$1 in service they receive. As you are well aware, this is only exacerbated by the provincial legislation capping residential assessments while those of commercial ratepayers are not. In short, businesses already pay more than their fair share of municipal tax and fees.

It is my understanding that this proposal for a new fee for liquor license inspections will soon be before Council. I urge you to reject this proposal. If you have any question or if I can be of assistance, please do not hesitate to contact me.

Sincerely,



Luc Erjavec, P.Eng.
Vice President, Atlantic

Cc: Roy Hollett, Deputy Chief
Halifax Fire Service