

Burlington Economic Recovery Network (BERN)
414 Locust Street
Burlington, ON
L7S 1T7

March 19, 2021

Members of Burlington City Council
426 Brant Street
Burlington, ON
L7R 3Z6

Re: Team Burlington Advocacy on Patio Liability Insurance

On February 17, 2021 the Burlington Economic Recovery Network (BERN) and the City of Burlington engaged the Burlington restaurant community to discuss the ongoing impacts of COVID-19 on their industry, current economic realities, and ongoing support needed by restaurants to survive. At the March 3rd Corporate Services, Strategy, Risk and Accountability meeting (CSSRA), Team Burlington provided an update to Committee including key supports that the restaurant industry needs to survive. Key actions already taken include an advocacy letter attached as Appendix A that was sent to the Prime Minister and the Premier of Ontario. In addition, the Department of Community Planning has implemented a new 2021 season patio program that extends the season to begin on April 15, 2021 and reduces the complexity and processing times of applications in addition to waiving all fees for patios.

At the March 3, 2021 CSSRA update it was noted that a key ask from the restaurant community was for the City of Burlington to reduce the minimum patio liability insurance requirements for patios on public space from \$5 Million to \$1 Million. The discussion on this advocacy was deferred to the March 23rd council meeting when the Legal Department will provide a confidential report on patio liability insurance.

In the interim, Team Burlington has engaged with the restaurant community, private landlords and other municipalities to determine the approach to liability insurance for patios by the private and public sectors. Across municipalities, the majority require a minimum of \$5 Million patio liability insurance with a few exceptions such as Toronto, Milton and Oakville which have reduced the minimum to \$2 Million in the last year. These reductions by other municipalities have typically been time restricted reductions in response to supporting businesses for hardships faced in the hospitality sector.

Within the private sector, typically restaurants and large private landlords of commercial plazas hold liability insurance in the \$5-10 Million range as part of lease agreements. Additional feedback that Team Burlington received from the Burlington Restaurant Association indicated that while the majority of restaurants hold a minimum of \$5 Million liability, smaller establishments with limited alcohol sales may hold only \$1 Million in liability insurance. Likewise for smaller

commercial landlords, particularly in the Business Improvement Areas (BIAs), the requirement of restaurants and cafes for liability insurance for patios may be in the \$1 -2 Million range.

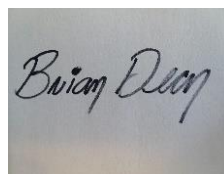
The Hospitality sector has been one of the hardest hit sectors by COVID-19 and faces significant barriers to sustainability. According to the latest Economic Outlook from the Ontario Chamber of Commerce, 47% of businesses report letting employees go as a result of COVID-19 and the number jumps to 87% of all organizations in the Food and Accommodations sector letting employees go. In addition, fixed operating costs remain an issue for restaurants and they are seeing an average of 30% increase in insurance premiums. The average cost of insurance for a restaurant based on information provided by the Burlington Restaurant Association is \$20-40K in annual premiums depending on the size and nature of the restaurant. An increase to \$5 Million liability (from \$2 Million) insurance increases the premium by 50 – 100% depending on the insurance carrier. This would result in an additional \$10 – 40K per business on an annual basis to meet the temporary patio policy requirements currently in place.

Expanding business footprints through patios is an essential survival strategy for our restaurant industry to both increase consumer confidence and increase the number of patrons they can serve as hard caps of 10 people do not apply to outdoor space in the red-control zone of the provincial reopening framework. Team Burlington is calling on the City of Burlington to remove all barriers and additional costs to support Burlington businesses and encourage their survival. In line with other regional municipalities, we are asking that Council give consideration to decreasing the patio liability insurance minimum to \$2 Million dollars for 2021 to support businesses trying to survive the impacts of COVID-19.

Sincerely,



Anita Cassidy
Executive Director
Burlington Economic Development



Brian Dean
Executive Director
Burlington Downtown Business Association

Appendix – BERN Advocacy Letter to Support the Survival of Restaurants and the Hospitality Industry

Burlington Economic Recovery Network (BERN)
414 Locust Street
Burlington, Ontario
L7S 1T7

March 11, 2021

Prime Minister Trudeau
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Premier Ford
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

Dear Prime Minister Trudeau and Premier Ford:

On March 3rd, 2021, City of Burlington Council passed the enclosed resolution calling for the Federal and Provincial governments to support the survival of restaurants and the hospitality industry.

The City of Burlington's fundamental priority throughout the COVID-19 pandemic has been to protect the health and safety of Burlington residents, employers and employees, and support our business community to survive the economic impacts of COVID-19 public health measures.

The members of Team Burlington (Burlington Economic Development, Burlington Chamber of Commerce, Tourism Burlington, Burlington Downtown Business Association and Aldershot Village BIA) came together to create the Burlington Economic Recovery Network (BERN) to engage our business community and ensure they are receiving the support they need during this challenging time. The City of Burlington is an integral part of BERN including members of senior management, the Mayor, and Ward 1 Councillor Kelvin Galbraith who brings his perspective as a business owner in Burlington. From the beginning of the pandemic, BERN has recognized that both the impacts and recovery from the necessary health measures to address the pandemic would vary greatly by economic sector.

The hospitality industry, including restaurants, has been one the sectors suffering the greatest negative impacts due to COVID-19 and will face the most significant barriers for businesses to survive the pandemic. According to the latest Canadian Federation of Independent Businesses (CFIB) data, the hospitality industry will take 8+ years to recover from the impacts of COVID-19 and businesses in this sector require specific short and long term supports to remain viable.

When the Province of Ontario went into lockdown and enforced a Stay-at-Home order on December 26, 2020, all restaurants across the province were forced to close to In Person dining for over 7 weeks with Halton and Burlington restaurants only able to open to In Person dining on February 16, 2021, under Red/Control Level Restrictions. The Provincial COVID-19 Response Framework: Keeping Ontario Safe and Open placed Halton Region under the Red/Control level which restricts restaurants to a hard cap of 10 Dine In customers. The feedback from our business community continues to be that the hard cap does not make reopening their business viable for most restaurants. We would like to remind the Province of Ontario of the resolution calling for business equity that was passed by the City of Burlington on December 10, 2020, that asked that the province be requested to revise the physical distancing with capacity limits determined on a per square metre basis for persons admitted to *all* businesses, including restaurants, subject to consultation on Public Health best practices.

At the March 3rd Burlington City Council meeting the enclosed resolution was passed, in partnership with the Burlington Economic Recovery Network (BERN) and Team Burlington, calling on the Federal and Provincial governments to:

- Address the key fixed costs facing the restaurant industry while they face steep revenue declines including the following actions:
 1. Expand small business relief measures including the *Small Business Relief Grant* and *Property Tax and Energy Cost Rebates* to the hardest hit sectors, including restaurants, beyond the period when they are placed under grey/lockdown level;
 2. Provide wholesale pricing from the LCBO to restaurants to help increase margins on alcohol sales;
 3. Investigate and potentially legislate for the significant increases that restaurants and other businesses have seen in insurance premiums (up to 30%) despite no significant changes to the risks that are being insured;
- Provide clear evidence and actions as to why restaurants need hard caps and closures when other consumer facing business types are able to remain open with caps based on building capacity;
- Provide supports and guidance to the restaurant industry and the public to increase consumer confidence and make it clear what is permitted/safe to do for residents and consumers to support the local restaurant industry while ensuring we stop the spread of COVID-19;
- Develop a long-term strategy of a minimum of three (3) and up to five+ (5+) years that outlines what recovery is expected to look like for the Hospitality industry and long-term supports of one+ (1+) years that will be available to the industry to support their long-term survival and recovery.

As we move through the pandemic, please know that the City of Burlington, Team Burlington and our local restaurant industry will continue to seek opportunities to work with you to help Burlington residents and businesses. We would welcome clearer guidance on how to create a safe dining environment, including clear rules and enforcement for patrons travelling between different COVID-19 zone levels under the reopening framework established by the Province of Ontario. The current system of recommendations and unclear guidelines places the onus on the restaurant community to interpret and enforce public health rules when it comes to protecting their staff and customers from the spread of COVID-19. With Burlington's position surrounded by areas with higher cases that are in grey/lockdown zones, businesses are being forced to manage customers potentially travelling from

these zones to dine in Burlington restaurants. Without clear public health rules and enforcement on travel between zones this places the liability and potential negative media firmly on our already struggling restaurants.

Thank you in advance. If you have any questions, please feel free to contact Burlington Economic Recovery Network's lead on this matter, Anita Cassidy, Executive Director, Burlington Economic Development, at Anita.Cassidy@burlington.ca or (905) 332-9415. It would be a pleasure to hear from you.

Sincerely,



Randall Smallbone
Chair
Burlington Economic
Recovery Network



Marianne Meed Ward
Mayor
City of Burlington

CC:

Federal Minister of Economic Development and Official Languages
Federal Minister of Small Business, Export Promotion and International Trade
Provincial Minister of Small Business and Red Tape Reduction
Provincial Minister of Economic Development, Job Creation and Trade
Provincial Minister of Health
Provincial Minister of Finance
Minister Karina Gould
MP Pam Damoff
MP Adam Van Koeverden
MPP Jane McKenna
MPP Effie Triantafilopoulos
MPP Parm Gill
Halton Regional Council
Members of the Towns of Milton, Halton Hills and Oakville Councils
Federation of Canadian Municipalities (FCM)
Association of Municipalities of Ontario (AMO)
Ontario Big City Mayor's Caucus (OBCM)
Mayors and Regional Chairs of Ontario (MARCO)
Ontario Chamber of Commerce (OCC)
Milton Chamber of Commerce
Halton Hills Chamber of Commerce
Oakville Chamber of Commerce
Team Burlington (Burlington Economic Development, Burlington Chamber of Commerce, Tourism Burlington, Burlington Downtown Business Association and Aldershot Village BIA)
Burlington Economic Recovery Network (BERN)
Burlington Restaurant Association