



GREATER CHARLOTTETOWN AREA
CHAMBER OF COMMERCE

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January 20, 2021

RE: 2021-22 City of Charlottetown Pre-Budget Submission

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 several recommendations for the City to consider for the 2021-22 operating budget that will benefit both business owners and Charlottetown residents alike.

Charlottetown businesses have felt the brunt impacts of the COVID-19 pandemic, and many will continue to for the foreseeable future. Given this impact, 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 has wreaked significant 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 caused by the pandemic, 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 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, 2021, would allow businesses to get through an uncertain time and better forecast what is to come in the fall. We would be willing to re-open the discussion at the end of August when we expect to have a better economic outlook.

2. Freezing of Commercial Property Taxes

Commercial property tax hikes will increase the pressure put on Charlottetown businesses in an already deflated economy. With capacity restrictions in place on most downtown businesses such as restaurants and retailers, they will not be able to incur any further fixed expenses, 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. Conduct a Thorough Review of Our 2020 Water and Sewer Rate Recommendations

On February 5, 2020, the Chamber submitted our City of Charlottetown Pre-Budget Submission, highlighting the request for a predictable, transparent, and sustainable water and sewer utility. This document emphasized the need for a long-term water and sewer capital expenditure plan after Chamber members unexpectedly saw their water and sewer bills go up anywhere from 25 to 60%. In some cases, the increase occurred despite a reduction in water consumption. Our members cited the lack of notice of the rate of change and were not prepared for this sudden jump in rates. Due to COVID-19 entering the province in March 2020, the Chamber and the City of Charlottetown have not discussed our recommendations.

That said, we recommend that the City of Charlottetown review our 2020 submission and take the following actions to ensure a sustainable, transparent, and predictable water and sewer utility:

- Implement a public, long-term water and sewer financial plan accompanied by an annual report card that updates the public on its progress,
- Make records of decisions regarding water and sewer more accessible to the public,
- Consult with the business community in advance on proposed water and sewer rate changes and explain the rationale and potential impact.

The Chamber believes that having a long-term, transparent plan in place will allow all businesses within the City of Charlottetown to have a clear understanding of any water and sewer changes.

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.

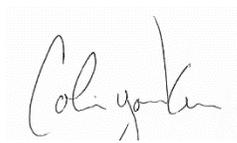
Sincerely,



Penny Walsh-McGuire

Chief Executive Officer

GCACC



Colin Younker

2020-21 Board President

GCACC

