

# DOWNTOWN STRATFORD

**November 17, 2023**

Hon. Chrystia Freeland, Finance Minister  
510-344 Bloor Street W  
Toronto, Ontario M5S 3A7

**Subject:** The Downtown Stratford Business Improvement Area (DTSBIA) is Urging the Federal Government to Provide More Business Support for CEBA loan Businesses.

Dear Hon. Chrystia Freeland, Finance Minister,

The Downtown Stratford BIA was grateful to see some movement regarding the CEBA loans. However, after reviewing the new forgivable portion of the loans, in the announcement, the feedback from our partners, stakeholders, and members, all echoed the message that more needs to be done to lessen bankruptcies, vacancies and the subsequent increase in social issues in our community.

Tourist areas, such as Stratford, were the hardest hit by the pandemic as the stoppage of the revenue streams hit our entertainment industry and the ripple effect spilled over into restaurants, retail, and service providers. The Stratford economy was halted.

According to a 2023 report, taken from Statistics Canada's website, small businesses are major contributors to the Canadian economy. In 2022, businesses with 1 to 99 employees comprised 98.0% of all employer businesses in Canada and employed 10.7 million individuals which is almost two-thirds (63.0%) of all employees. By comparison, businesses with 100 to 500 employees, employed 3.6 million individuals (21.0% of employees) and businesses with more than 500 employees employed 2.7 million individuals (16.0% of employees) in Canada. As such, smaller businesses play an important role in employing Canadians and are a significant driver in shaping the economy.

Downtown Stratford is not made up of large corporate chains that can balance out their revenue shortfalls in a tourist area with other larger metropolitan locations that have recovered much quicker. For the most part our restaurants and shops are sole proprietorships and entrepreneurs who are fighting to keep their doors open. As the pandemic fades, elsewhere, the aftermath in tourist cities, like Stratford, hangs on. In addition Stratford businesses are facing a raft of new challenges: the cost-of-living crisis, rising prices, increased labour costs, supply disruptions, and climate events – the list goes on and on.

These new challenges and increased costs all end up raising the prices that businesses have to charge for their goods and services. This increase means both the Provincial and Federal Governments are benefiting from more tax revenue on these increased prices. The only ones not winning are the business owners as margins are shrinking with efforts to remain competitive in this difficult marketplace

For the businesses that are being crushed with heavy debt and operating in an economic sector that has been hit hard, we see closures. In Stratford Downtown alone we have 15 business closures (11 of which

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were hospitality businesses) to date in 2023, when looking from the start of the pandemic we have had 35 closures. Currently there are 9 of our downtown businesses that have been for sale for a number of months as owners try to escape debt. As well as there have been dozens of other small business closures in the City of Stratford in 2023. These closures represent hundreds of jobs lost with well over a hundred in the last week alone.

These lost jobs cost all levels of government revenue in taxes and an increased cost in social services to help them transition into a new career. These funds would be better served to reduce unemployment in Stratford with the businesses that grow our economic infrastructure

To limit or minimize the number of vacancies and bankruptcies affecting our downtown businesses, the Downtown Stratford BIA respectfully requests businesses pursuing the announced five percent (5%) loan also qualify for forgiveness on the forgivable portions of the loan. Of importance to note many businesses do not qualify for a loan due to the current debt load that they are dealing with. Banks and even private loan companies are not lending funds to businesses in the hospitality business (restaurants, cafes, and accommodators) even with buildings and properties as collateral. These sectors are being deemed as high risk. Businesses face remortgaging or taking out high interest rate second mortgages on their homes putting their entire existence in jeopardy.

Therefore, we are calling upon the Federal Government to Extend the full CEBA program deadline by extending the forgiveness (up to \$20,000 of the maximum \$60,000) deadline for businesses to coincide with the new repayment deadline of December 31, 2026. Let our entrepreneurs have a fighting chance.

Sincerely,

Shawn Malvern

Chair of the Board of Directors DTSBIA

on behalf of the Downtown Stratford Business Improvement Area (DTSBIA)