



ONTARIO BUSINESS IMPROVEMENT AREA ASSOCIATION



**Planning, Environment,  
Resources and Land (PERL)  
IMMEDIATE PRIORITIES**

**PRESENTATION**

October 2015

# PERL

## INTRODUCTION

### Downtowns Matter. OBIAA believes...

**1** In developing strategies for key-growth in sectors that are reflected in our BIAs such as agri-food, financial services, information & communications technology, natural resources, tourism, media and culture

**2** BIAs are a key employment centre; areas of investment, job creation and entrepreneurship

**3** BIAs invest in Ontario infrastructure and require access to small infrastructure funding

**4** We need to foster vibrant rural economies and applaud the re-launching of OMAFRA's Rural Economic Development Program

**5** Our Downtown BIA Communities support a variety of housing opportunities for all

**6** BIAs are a proven sustainable model that provides options to 'live, work, play' opportunities for all

**7** BIAs provide a healthier lifestyle

**8** BIAs hire youth

**9** BIAs hire and foster artists, through our many restaurants, creative and cultural industries and event attractions

**10** BIAs are tourism clusters

**11** We need to explore initiatives to reduce regulatory and administrative burdens on our BIA businesses and property owners, such as the cost of hydro, minimum wage and the mandatory Ontario Pension Plan

**12** Toronto plays a key role in the financial services sector

**13** In championing small business

**14** In championing Ontario's BIAs

**15** In a financial system that is modern, affordable, protects investors and consumers and supports economic growth

**16** In respecting the (often) heritage nature of our BIAs built form

**This report is on behalf of the over 300 BIAs in Ontario...**

# PERL

## PRIORITY #1 – MUNICIPAL ACT

1

### ISSUE(S)

In October, OBIAA will be submitting a positioning paper regarding the Municipal Act Review. We are taking this opportunity to present our recommendations to the PERL Deputy Minister's Committee to gain insight and your understanding in order to garner support and inform our recommendations.

2

### CHALLENGES

- **Definition of BIAs:** The Municipal Act gives BIAs an incomplete definition and BIAs are hampered by this definition. BIAs have been in Ontario since 1970, and in that time have evolved and developed.
- **BIAs as Local Boards:** BIAs as they are incorporated in the Municipal Act and are considered to be Local Boards of Council creates some confusion as, unlike other Boards, BIAs are (a) self-funded, (b) created by a unique process, and (c) usually have staff who are not municipal employees. Further challenges include; disqualification of BIAs from many funding resources, understanding of which taxes or publicly administered programs apply, and lack of Memorandums of Understanding (MOU) between Municipalities and BIAs.
- **Interpretation of the Municipal Act (204-216):** There are parts of the M.A. that are confusing, contradictory, vague and inconsistently applied by Municipalities. As an example Section 214 indicates one way that BIAs are dissolved, where Section 216 indicates another.

3

### POSSIBLE SOLUTIONS

- **Definition of BIAs:** We ask that the definition of a BIA be expanded and amended to include 204. (1) (b) as follows:  
“to promote the area as: economic development, community and place-making, living space, attracting tourists, employment hubs”
- **BIAs as Local Boards:** A clear statement on the ways in which BIAs differ (diverge) from other local boards.
- **Interpretation of the Municipal Act (204-216):** A clear statement that Section 216 does not apply to BIAs.

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## PRIORITY #2 – ACCESSIBILITY

1

### ISSUE(S)

Our basic downtown infrastructure has not changed radically since the 1960's, although many outside influences have changed. Limited accessibility has always been there. New awareness, changing demographics, an aging population and new legislation, which has been introduced to break down the barriers, has changed this landscape.

2

### CHALLENGES

- **Physical Barriers at Street Level:** Buildings that don't align with sidewalks, 'Stop Gap' resistance (many municipalities consider the ramp an unacceptable encroachment, a trip hazard).
- **Access to Upper Storeys and Basements:** The large investments required to satisfy both accessibility and intensification (legislated through Places To Grow) are proving to be unattainable. The lease rate required to cover the considerable investment is not competitive in the current market environment.

3

### POSSIBLE SOLUTIONS

- **Physical Barriers at Street Level:** Encourage municipalities to find ways to make temporary solutions like 'Stop Gap' work. When helping with infrastructure programs include improving accessibility at street level as a condition.
- **Access to Upper Storeys and Basements:** Clarify accessibility requirements for festivals, events, and agencies receiving Provincial funding; establish support through direct funding or tax incentives (CIPs) to renovate for accessibility in upper floors and basements.

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## PRIORITY #3 – ASSESSMENT

1

### ISSUE (S)

Assessment is a complex and broad topic. It has many different elements to consider that can have a profound effect on a BIA's operation and ultimate success. The following related issues, as identified by local BIA Boards and/or their members, are considered very important:

1. Vacant Unit Rebate
2. Municipal Property Assessment Corporation (MPAC)
3. Government Building Exemptions

2

### CHALLENGES

- **Vacant Unit Rebate:** Deteriorating buildings reduce the overall assessment value which can impact the marketable lease rates. BIA's efforts and investment to fill empty spaces is at odds with the vacant unit rebate, which gives incentive to remain vacant.
- **MPAC Methodology:** While a property may be used for a condominium building in the future resulting in a significantly higher potential assessed valuation, the two-storey commercial building that is currently in place, has and will continue to have, a valuation to that property owner, tenant and BIA, reflective of what the local market will bear for rental rates, until such time as the property is redeveloped.
- **Government Building Exemptions:** Government and Religious Organization, etc. properties are not assessed under the provisions of the Assessment Act. Subsequently, non-governmental 'for profit' tenants in these facilities do not pay taxes to the municipality and levies to their local BIAs. A BIA levy is a value-added levy, based on geography and benefits derived for property operators in the geographic area.

3

### POSSIBLE SOLUTIONS

- **Attraction Rebate for Main Street Class** (non-office towers): Year One - 100% of the 30% (Commercial) or 35% (Industrial); Year Two - 50 % of the 30% or 35%; Year Three - 25 % of the 30% or 35%; Year Four - 0% of the 30% or 35%.
- **MPAC Methodology:** We recommend and request that property assessment in/on Ontario Main Streets/BIAs be reflective of 'current use' versus future potential valuation.
- **Government Building Exemptions:** We submit that the province should lead by recognizing that where their operations are located within BIA designated zones, the for-profit enterprise should contribute to the local BIA levy.

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## PARTNERSHIP OPPORTUNITY – DATA COLLECTION

1

### ISSUE (S)

The current challenge is the inability to quantify the ‘return on investment’ for the community vitality and economic impact of BIAs. OBIAA is seeking ways and means to increase our capacity, understanding that this type of research is critical. OBIAA needs the support of the Province to ‘make the business case for BIAs’ in a community, and province-wide.

2

### CHALLENGES

The challenges we face include the following:

- Identifying the type of information required.
- Identifying the information gaps.
- Creating aggregates of the various data (Economic Impact of BIAs, Return on Investment, Community Development Initiatives [CIPs]).
- Producing reports that are easily interpreted through a BIA lens to support our community development efforts .

3

### POSSIBLE SOLUTIONS

Through the PERL Secretariat, we are advocating for a multi-ministry partnership with OBIAA to launch a research project with the objective of gathering available data to understand and quantify the economic impact of BIA’s and their stakeholders. This requires partnering to define project objectives from a business perspective, to convert this knowledge into a data mining strategy and complete a preliminary project plan.

*This partnership could involve:*

- University Research
- Identifying Potential Grants
- Adding questions to MMAH’s FIR
- Aggregating all appropriate data available throughout various Ministries
- Identifying Data Sets and gaps

# PERL CONCLUSION

