Harnessing a BIA Levy

The Foundation to Building Trust and Driving Success

Who is This Guy?

- President of Linborough Property Corp
- An Economist Specializing in Economic Geography
- Chair of the Lindsay Downtown BIA
- Advocate for BIA’s and Small Businesses

BIA Origins

BLOOR WEST VILLAGE

VS

Today's Agenda

A BIA's Important Role in Our Economy & Community

Our relevance is in who calls our location home

The Levy is the key to BIA's Success

Harnessing the levy is the cornerstone of a forward looking BIA

How a Levy is Calculated

How to budget at the levy level and common levy misconceptions

Lindsay BIA Case Study

How this looks on the ground: Lindsay BIA Case Study

"The way we structure our society, and in turn our economy, follows nature's example."

~ *Some Guy's Proverb*

BIA’s Role in our Economy

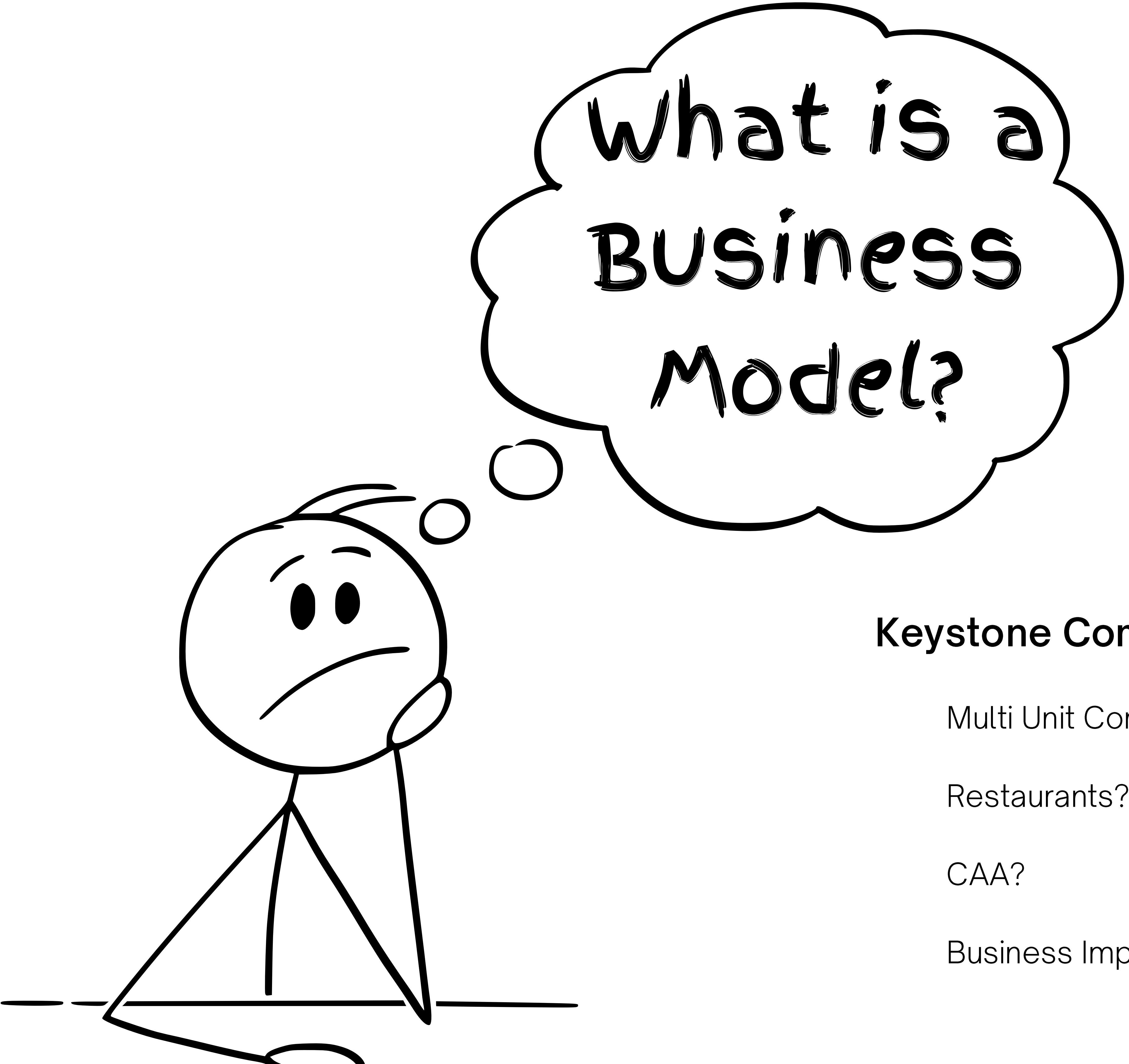
BIA’s

Small Businesses

BIA as a Business Model

VS

How are the business models of shopping malls and BIA's similar?



Keystone Component(s) of a Business Model For:

Multi Unit Commercial Properties?

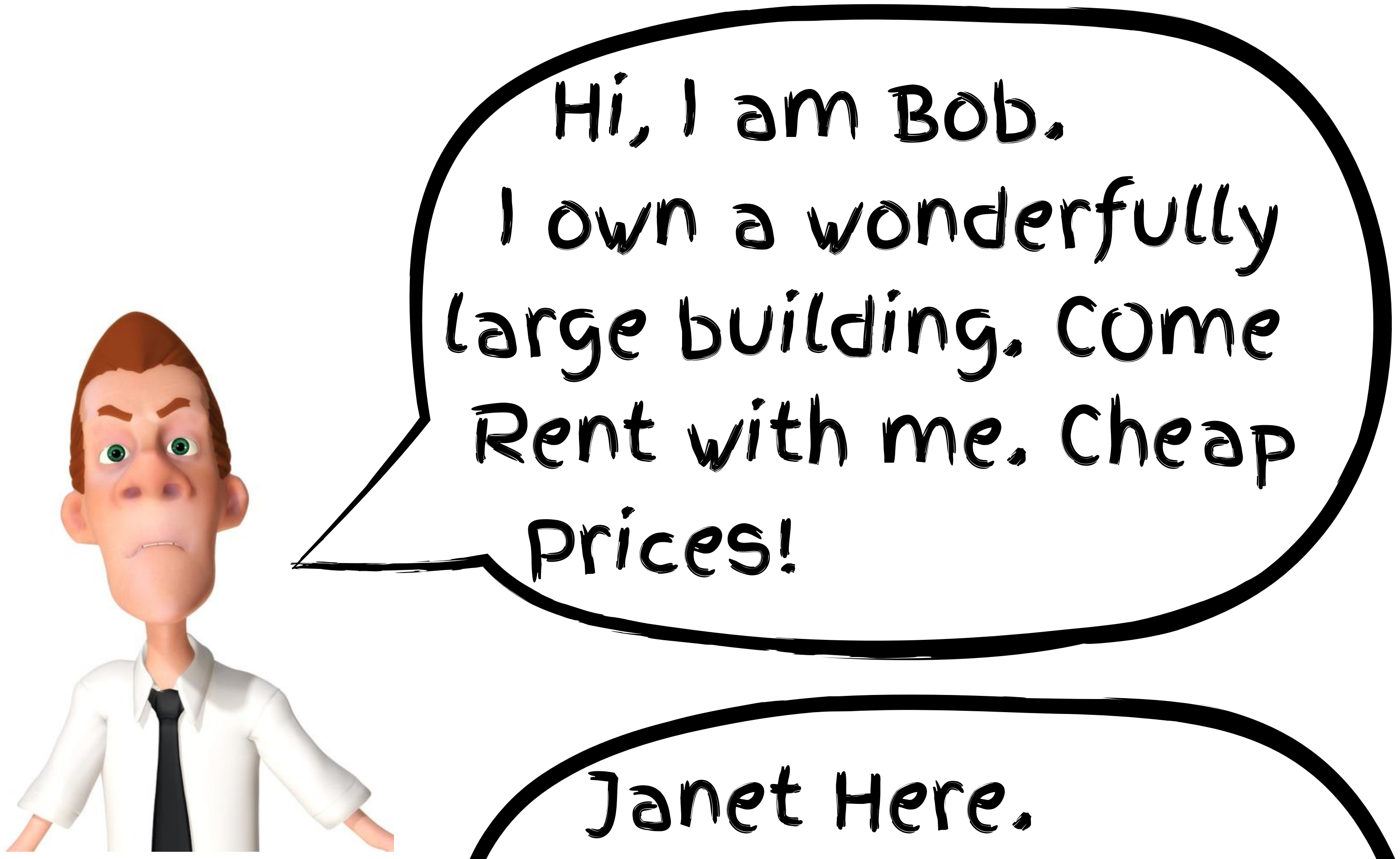
Restaurants?

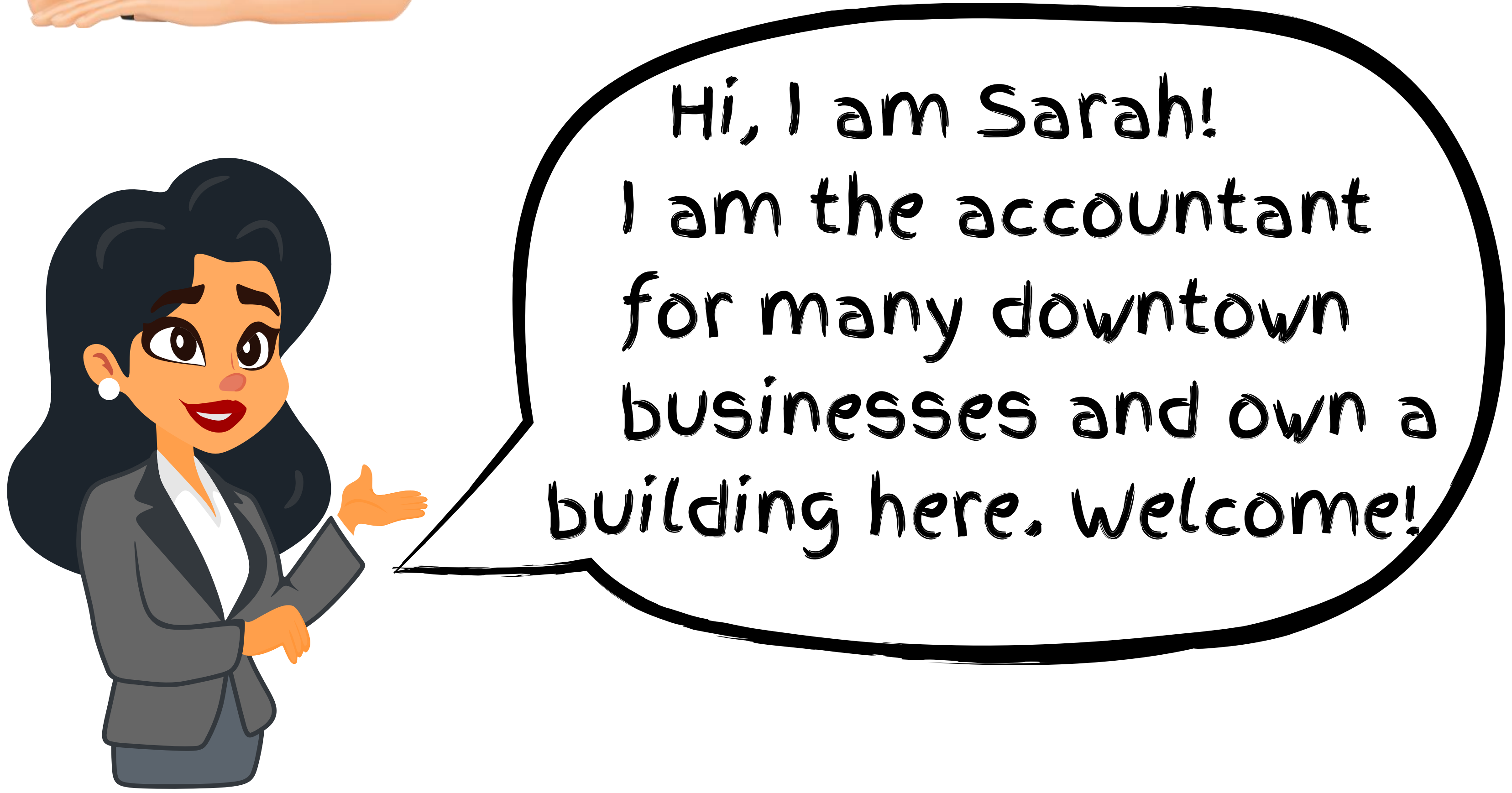
CAA?

Business Improvement Areas?

Welcome to Levyville BIA

Meet our Team!






The marketing committee had a great idea. A Downtown Levyville Magazine to all residents. Free advertising for all members!!
This is a great idea! All of my downtown member friends would benefit so much from this. Lets do it!!
It would circulate to the homes of all 30,000 residents! The cost is $30,000 per year though...
It would be a huge increase to my workload and I haven't had a raise in a few years. I would like a $10,000 raise to take this on.
This is a great idea but I am worried how much it will cost my clients and tenants. I don't want to financially strain them. Some are on a fine line already.
The levy should be lower not higher! I will lose tenants! I pay the most out of any property - I think this BIA is mismanaged!!!
We are deciding our levy ask next meeting. Let me work on that and bring it to our next board meeting. Maybe we can do it. Its such a great idea.

The Usual Budget Approach

- The Proposed 40,000 increase inflates the budget by 23%. A seemingly audacious ask.
- This does not represent the proposal in a way that addresses the legitimate concerns.
- A board has to **both** advocate for the benefits and the cost efficiency of this service to the board and its members.
- In short, it needs to show the budget at the levy level.

Committee	Current Budget	Proposed Budget	Change in Budget
Administrative	70,000	80,000	14%
Marketing	25,000	55,000	120%
Beautification	70,000	70,000	0%
Advocacy	10,000	10,000	0%
Total	**175,000**	**215,000**	**23%**

The Board Votes NO

The Levy Budget Approach

Property Owner	Assessed Value	Number of Tenants	Levy %	Levy Amount	Levy Amount per Member	Proposed Levy Amount	Proposed Levy Per Member
Bob	3,600,000	10	6.1%	10,602	1,060	13,025	1,302
Katie	475,000	1	0.8%	1,399	1,399	1,719	1,719
Sarah	1,350,000	5	2.3%	3,976	795	4,884	977
40 Other Properties	54,000,000	213	90.9%	159,024	745	195,372	916
Total	**59,425,000**	**229**	**100%**	**175,000**	**938**	**215,000**	**938**

The Levy Budget Approach

Property Owner	Property Level Increase in Levy	Member Level Increase in Levy
Bob	2,423	242
Katie	320	320
Sarah	909	182
40 Other Properties	36,348	170
Total	**40,000**	**174**
Salary Increase	**10,000**	**44**
BIA Magazine	**30,000**	**130**


Great news! All of our members can have monthly free advertising to the Levyville com for an average cost of 130 per year
Wow! I can't believe we can even offer that. This is going to bring so much attention to the downtown. Think of the possibilities!!!
It really is great. Having access t getting into every ho seho d in Levyville once a for that low of cost
The Board Votes YES!!
We cannot pass up this opportunity. I see the advertising budget for all my clients. It is going to save them so much!
We can show Janet's salar increase only osts an average of 44 each mber
I'm suprised....
I guess cannot argue. I will look so t to my tenants for having ccess to a service like this!
Great job team. I wish we knew about looking at the budget through the levy before. I am looking forward to seeing how many good things this brings for us!

Harnessing The Levy First Steps

- Define your BIA's northern star. This is your purpose or mission statement.
- Lindsay BIA's is *"to foster and instill a vibrant, vital and resilient downtown"*
- It is meant to be a lofty goal that can never be fully realized. It sets a bearing for organizations compass.
- No matter the hill or valley you find yourself in, it is there to guide the direction.

Harnessing The Levy First Steps

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BIA's Are the Goldilocks of Non-Profits

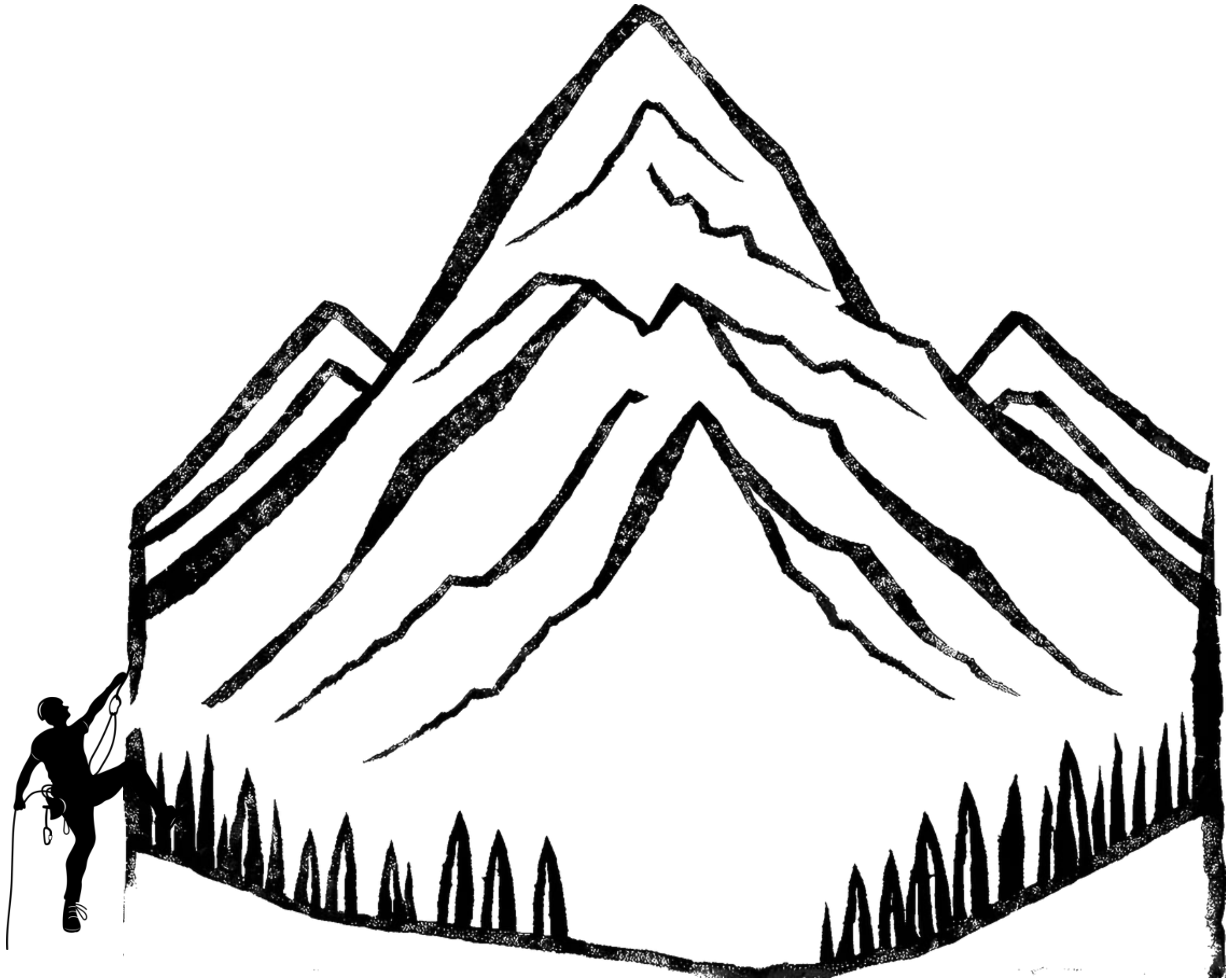
The Revenue Summit

Day to Day Survival

- Less than a month cashflow
- All your time fundraising

To The Future!

- Predictable Revenue
- Most of your time planning



Assessed Value Misconceptions

- Assessed value is a figure estimated by MPAC. It's sole purpose is to find relative value such that taxes can be distributed fairly. It is significantly lower than what a building is worth.
- A BIA Board sets the budget for the levy.
- That is then applied to each property based on the Assessed Value percentage.
- If a property is improved on and reassessed, that will change the Assessed Value Percentage.

Property	Assessed Value	Assessed Value %	Levy Amount
Property 1	100,000	50%	500
Property 2	100,000	50%	500
Total	**200,000**	**100%**	**1,000**

Property	Assessed Value	Assessed Value %	Levy Amount
Property 1	200,000	50%	500
Property 2	200,000	50%	500
Total	**400,000**	**100%**	**1,000**

Property	Assessed Value	Assessed Value %	Levy Amount
Property 1	150,000	60%	600
Property 2	100,000	40%	400
Total	**250,000**	**100%**	**1,000**

Levy vs Property Taxes Misconceptions

- Commercial property taxes in Ontario are 3% of Assessed Value on average.
- In this example, the levy is 17% of the total property tax bill.
- How much do you think it will increase the tax bill if the Levy increased by 20% ???
- A 20% increase in the levy increased property taxes by 3%.

Property	Assessed Value	Property Tax @ 3%	Levy Amount	Levy % of Total Tax Bill
Property 1	100,000	3,000	500	17%
Property 2	100,000	3,000	500	17%
Total	**200,000**	**6,000**	**1,000**	**17%**

Property	Assessed Value	Property Tax @ 3%	Levy Amount	Levy % of Total Tax Bill
Property 1	100,000	3,000	600	20%
Property 2	100,000	3,000	600	20%
Total	**200,000**	**500,000**	**1,200**	**20%**

Boundary Expansion Misconceptions

- Boundary expansion. Who's down for that am I right??

Property	Assessed Value	Assessed Value %	Levy Amount
Property 1	100,000	50%	500
Property 2	100,000	50%	500
Total	**200,000**	**100%**	**1,000**

- Lets increase the boundaries to one more properties with the same Assessed Value.
- How much do you think it will lower the levy amount for the legacy properties?

Property	Assessed Value	Assessed Value %	Levy Amount
Property 1	100,000	33%	333.33
Property 2	100,000	33%	333.33
Property 3	100,000	33%	333.33
Total	**300,000**	**100%**	**1,000**

Boundary Expansion Misconceptions

- How much do you think we can raise the Levy to while keeping the amount paid by the legacy properties the same as before?

Property	Assessed Value	Assessed Value %	Levy Amount
Property 1	100,000	33%	500
Property 2	100,000	33%	500
Property 3	100,000	33%	500
Total	**300,000**	**100%**	**1,500**

- A 33% increase in Assessed Value can increase the Levy amount by 50% without changing the amount paid by the property owners in the old boundary.

Levy Revenue Options

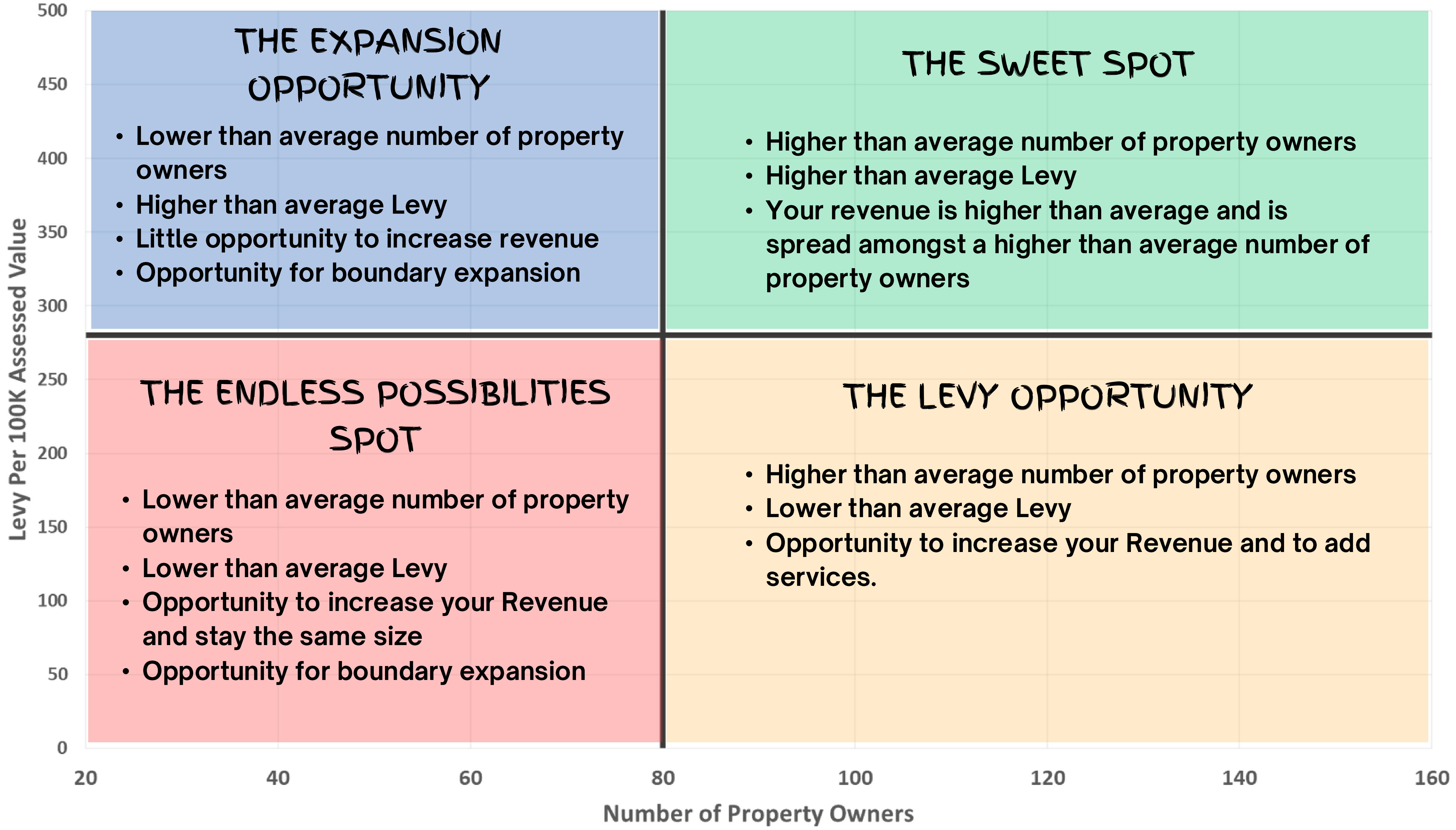
Levy Expansion VS Boundary Expansion

Levy Expansion		Boundary Expansion
• Increases in services exclusively benefit existing members.	⟷	• Existing and new services has to be extended to new members.
• Improve operations and value proposition without expanding member base or member dynamics.	⟷	• Expand operations, influence and value proposition for an area to benefit the greater region.
• Increasing amount has to be proportional to the value proposition and cost relative to overall property tax bill.	⟷	• Levy increase bounds are between the minimum cost of expanding services and no change in Levy rate for old boundary members.

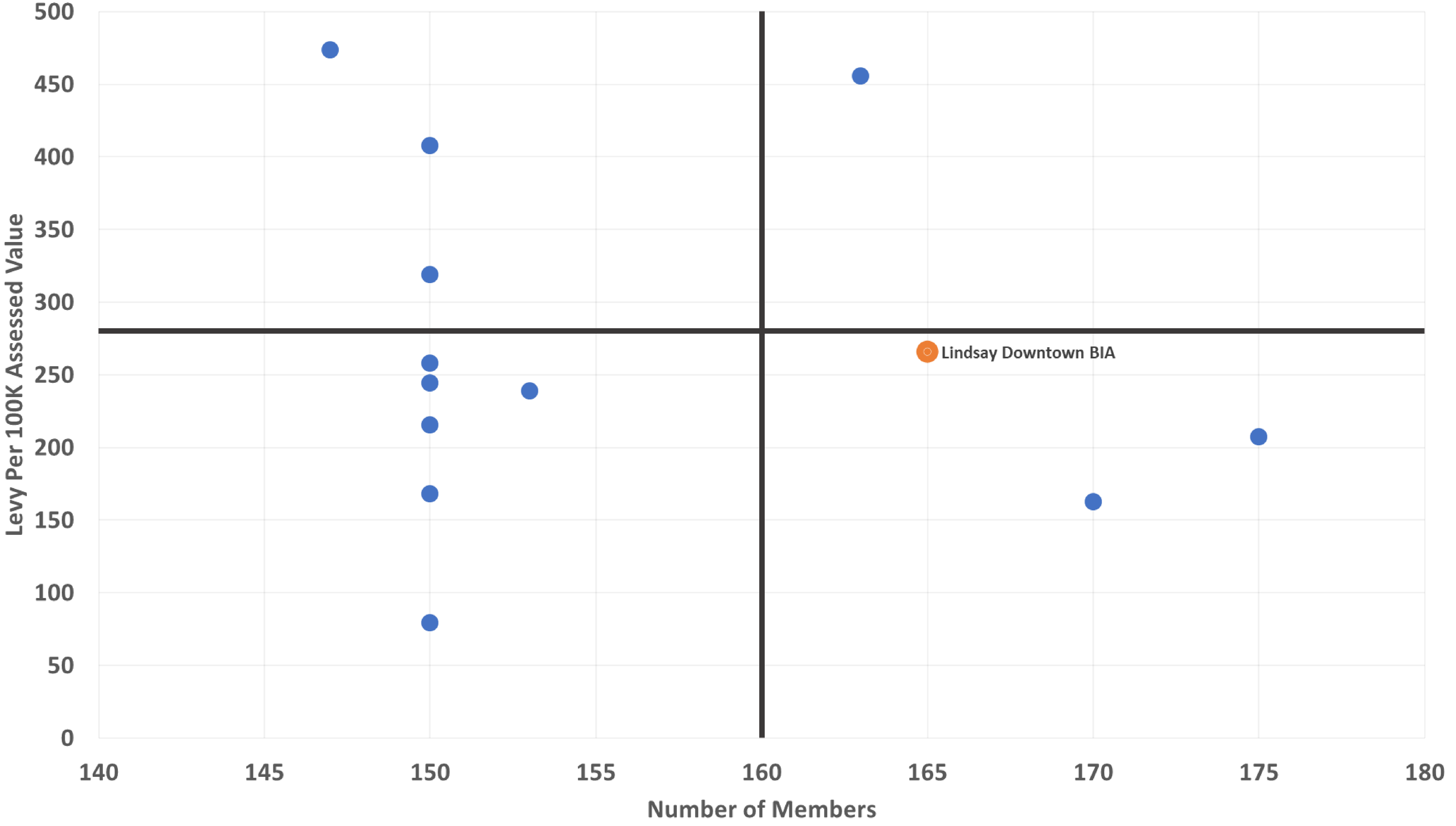
Levy Revenue Options

- The right approach is specific to each BIA’s strategic direction.
- Key Takeaway: BIA’s often consider a boundary expansion as a solution to their revenue woe’s when a Levy expansion is the right option.

Comparing - Levy Per 100K Assessed Value



Comparing - Levy Per 100K Assessed Value



Large Professional Services Buildings

Our tenants locate with us because their employees & clients love having access to all the close by shops. It is a major selling feature!

I wish there was more places to go downtown during our free time. What is the point of having an office here if there is little to do?

Historical Retail Buildings

We need to look like a beautiful destination and advertise all what our retail shops have to offer. I wish we had the budget like the big office buildings....

I spend so much time and money trying to reach the community on all our shop has to offer. I wish there was a way we can advertise all what our destination has to offer but us small retail shops can't afford it..

Case Study: Lindsay Downtown BIA Levy Expansion

- A designated downtown heritage district of a medium sized mostly rural community with 162 members and 73 properties.

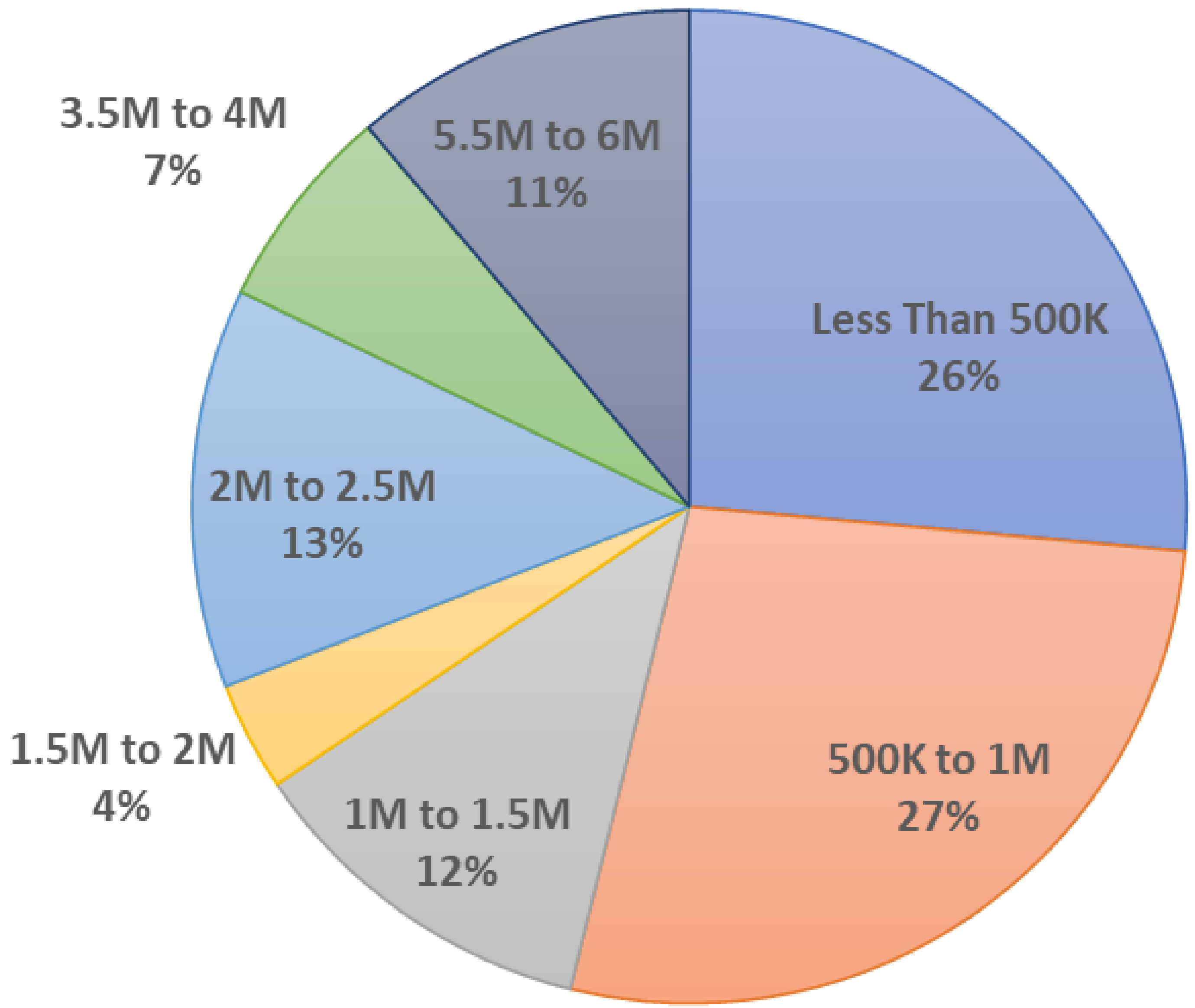
- One main street with some side street members with a retail focus given only a 1/4 of our membership being professional services oriented.

- In 2023 our Levy was 192,000 and we were proposing to increase it to 240,000. A 25% increase!

- Our reasoning. What the Levy amount could provide in services vs. what was desired from our membership did not match. In short, our value was not viewed well by our membership. Not because of our ability but rather our budget.

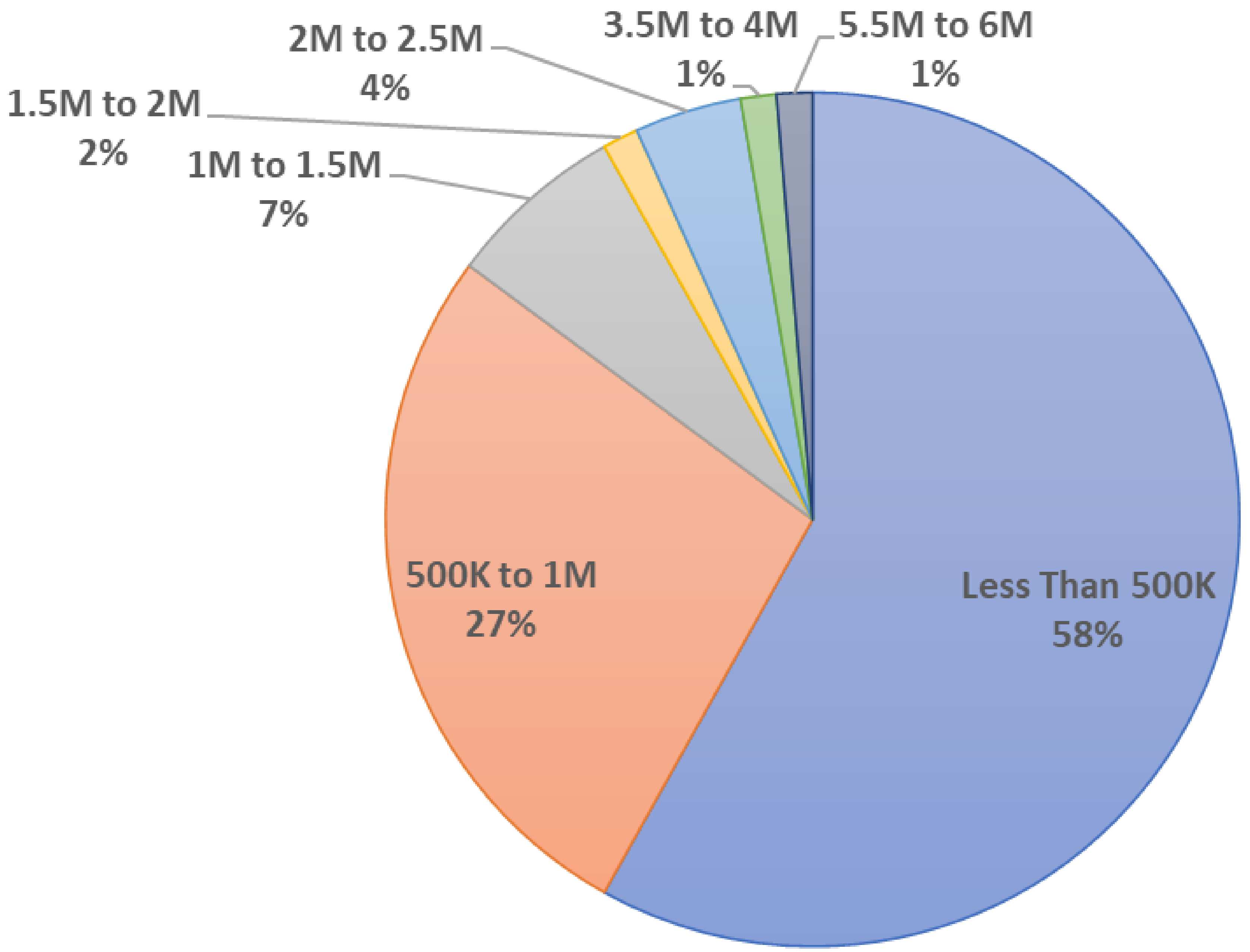
LINDSAY DOWNTOWN

Percentage of Levy

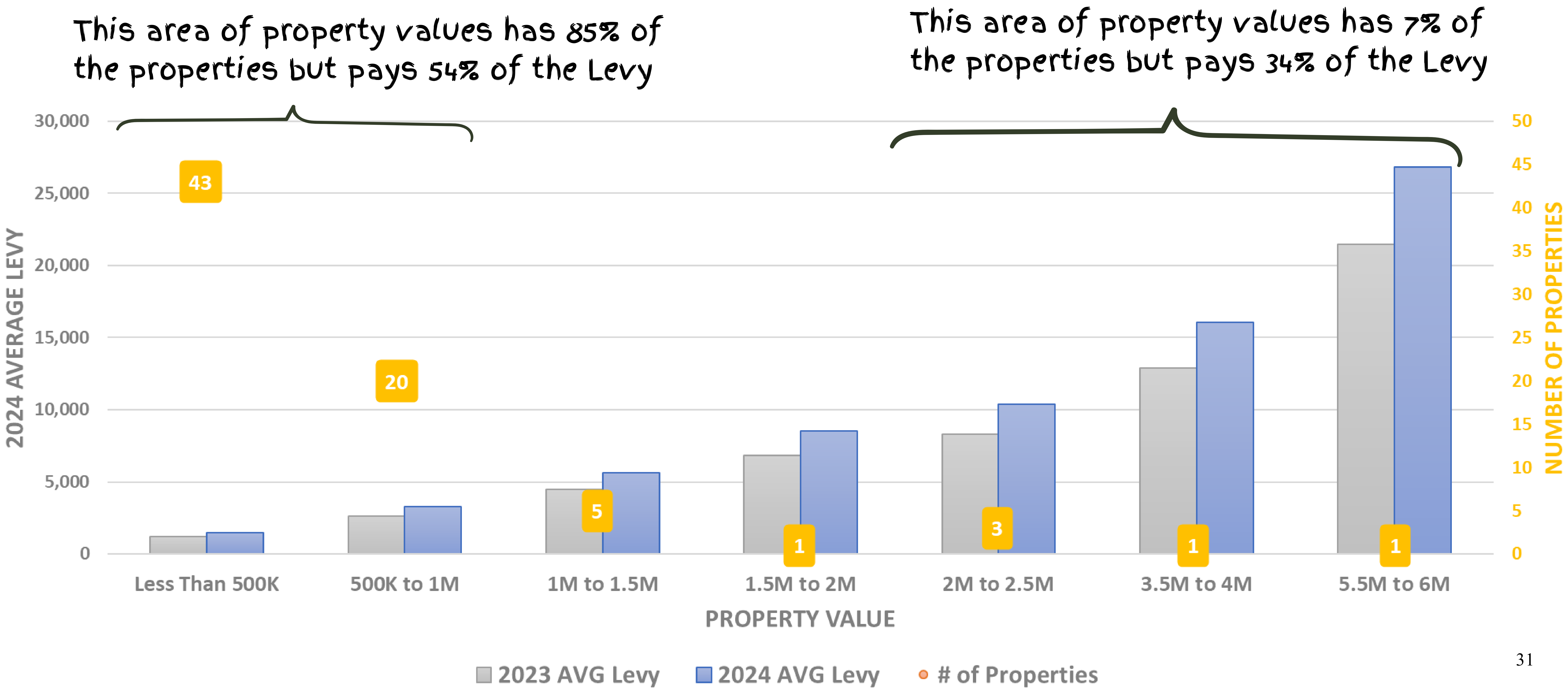


VS

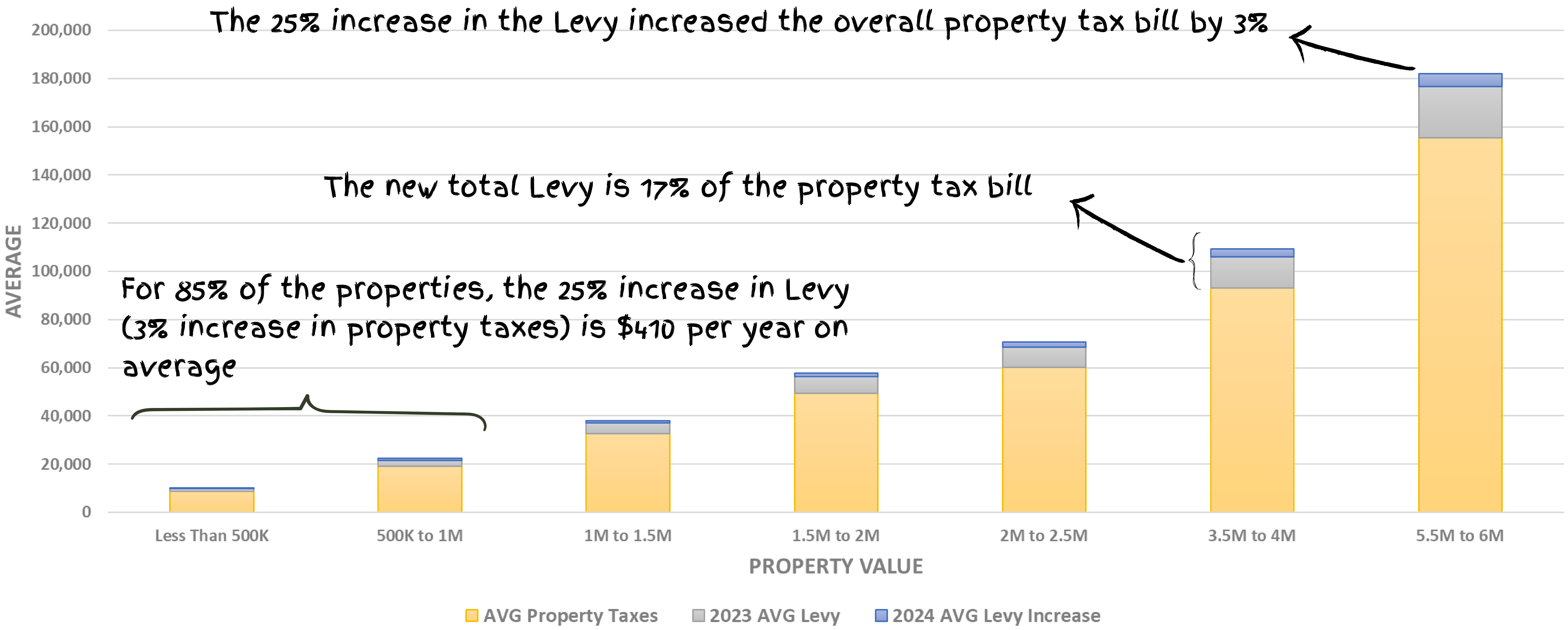
Percentage of Properties



Levy by Assessed Value



Levy by Property Tax Rate



Case Study: Lindsay Downtown BIA Boundary Expansion

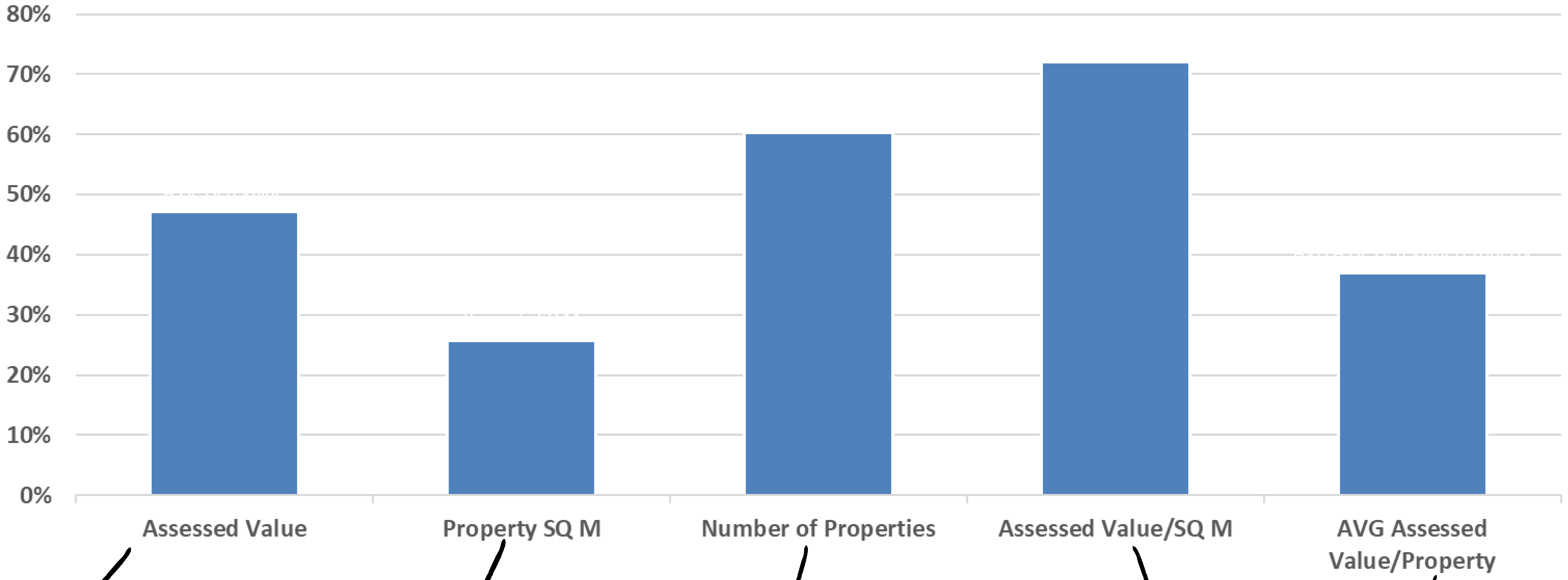
- We are in the first stages of this project. Our existing boundary rationale is lost in history but it currently does not represent what our community nor our municipality views as the downtown.

- Our downtown recently went through a revitalization by the municipality. The results are beautiful! Looking into expanding our boundary to the municipalities revitalization zone to mirror what they viewed as the downtown.

- Our municipalities EconDev department along with their GIS specialists created us a property level dataset inclusive of all the information we needed to contextualize what is possible from a levy perspective.

LINDSAY DOWNTOWN

Expanded Area by the Numbers



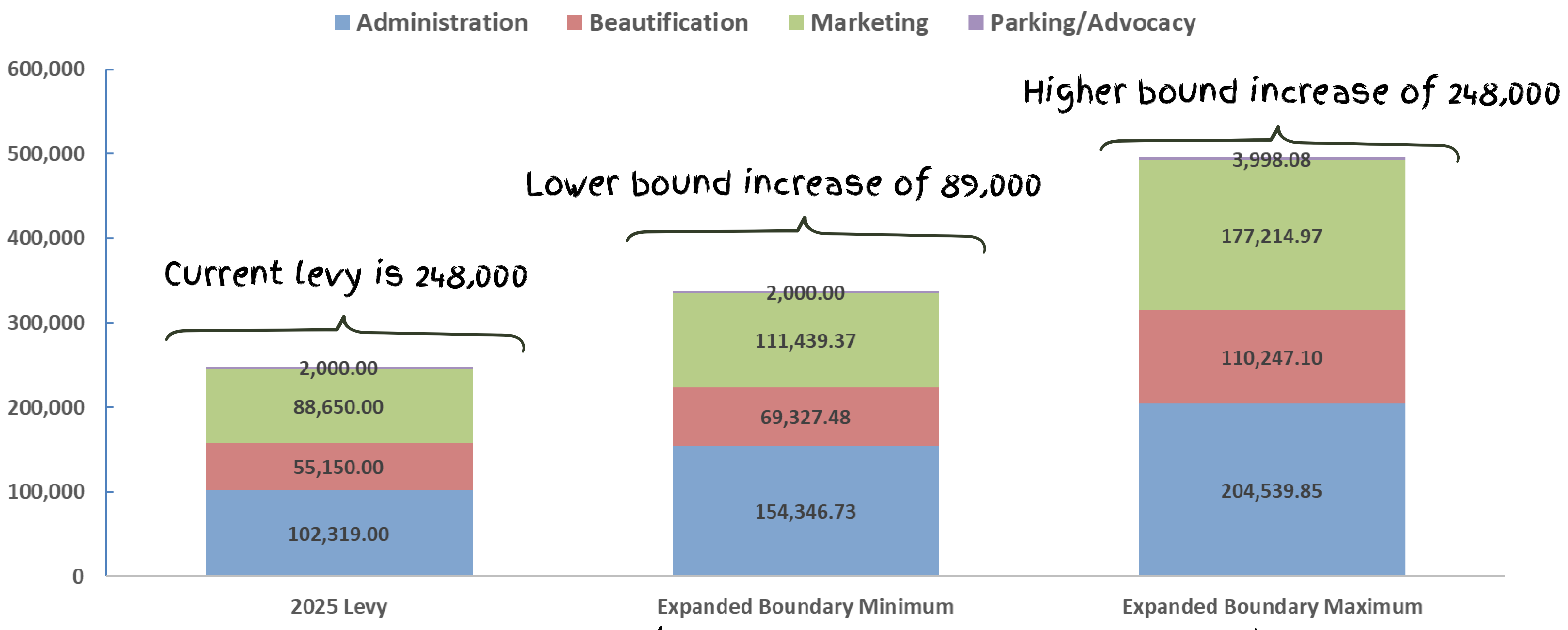
Expanded area almost doubles the assessed value.

Increases the physical size of the boundary by 25%

Total number of properties over doubles.

Assessed Value is higher per square meter but per property is lower. This means there are more properties per square meter with a lower AVG assessed value allowing for a well distributed levy.

Expanded Area Levy Budget Potential



To maintain existing service levels to new expanded area and reduce levy amount by 28% for old boundary properties.

To increase budget allow for a service expansion without increases the levy amount for old boundary properties would double the levy.

Fin

- The opportunity to share this information and, if needed, to assist BIA's in harnessing your Levy would be my pleasure.
- Let me know your questions either here or can contact me below.

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Session Evaluation Form