

Date: 2021-05-01

Subject: Recommendation Report – Initiating New Business Improvement Areas

Contact: Paul Aldunate, Expeditor, Planning, Building and Economic Development, 905-874-2435

Report Number: Planning, Bld & Ec Dev-2021-595

Recommendations:

1. **THAT** the report from Paul Aldunate, Expeditor, dated May 1, 2021, to the Committee of Council Meeting of June 9, 2021 entitled “**Recommendation Report – Initiating New Business Improvement Areas**” (2021-595, CE.x), be received;
2. **THAT** staff consult with the business community to inform and solicit feedback on the establishment of boards or management for new Business Improvement Areas (BIAs), where appropriate, through such tactics as, but not limited to, surveys, public meetings, stakeholder sessions and a dedicated website.

Overview:

- **The intent of this report is to kick-start discussions on facilitating the creation of other Business Improvement Areas (BIAs) across the city of Brampton.**
- **The formation of other BIAs in the city can empower business communities to help themselves through their collective efforts to promote and market merchandise, services, and events, in addition to making contributions towards beautification and civic improvements.**
- **A network of BIAs is consistent with the City’s Economic Recovery Strategy by providing the infrastructure and conditions necessary to be resilient during times such as the COVID-19 pandemic, where business can lean on each other for assistance and support.**

- **Additional BIAs can benefit the municipality by creating another forum to receive input and information on the changing nature of businesses and provide a further means for disseminating information about City initiatives, programs, and infrastructure works.**
- **This report recommends that the City, consult with the business community through various opportunities such as, but not limited to, surveys, public meetings, stakeholder sessions and a dedicated website, to solicit feedback, educate and measure interest in the creation of a BIA.**

Background:

The City of Brampton has grown to approximately 700,000 people and is supported by a range of local and regional serving commercial uses, which include retail, personal services, restaurants and other small to large businesses. The characteristics and form of the commercial areas vary across the city, which include the downtown, strip plazas, malls, big-box retail, live-work, mixed-use, and an assortment of typologies in between.

Commercial districts in municipalities across Ontario and Canada have found it advantageous to collectively organize as Business Improvement Areas in order to pull their resources together to promote particular areas in addition to making civic improvements. Similarly sized municipalities have many more BIAs than Brampton.

Figure 1: Comparable cities with BIAs

City	Population	Number of BIAs
Toronto	2.7 M	80+
Montreal	1.7 M	17
Calgary	1.2 M	15
Ottawa	900 K	20
Hamilton	900 K	13
Mississauga	700 K	5
Winnipeg	700 K	16
Vancouver	600 K	20
Brampton	700 K	1

What is a BIA?

A board of management for a Business Improvement Area (BIA) is a corporation established by the municipality, the members of which consist of commercial property owners and tenants within a defined area who work in partnership with the City to create thriving, competitive, and safe business areas that attract shoppers, diners, tourists, and new businesses. By working collectively as a BIA, local businesses have the organizational and funding capacity to be catalysts for civic improvement, enhancing the

quality of life in their local neighbourhood. As a legal organization formed pursuant to the Municipal Act, 2001, BIAs are able to develop a budget for improvements and, through the city, collect a levy from landowners in the area to raise the necessary funds.

What can a BIA do?

BIAs can improve their local economies through activities such as:

- Promotion of the BIA's improvement area as a business, employment, tourist or shopping area (business directories, festivals, advertising)
- Hosting neighbourhood festivals and events
- Safety, security and crime prevention initiatives
- Graffiti and poster removal services respecting building facades visible from the street
- Strategic plans for business recruitment, market studies and capital improvements
- Advocate on behalf of their membership as a unified voice

Other benefits to the city:

In addition to the benefits noted above, the City can benefit from having a network of organizations at the grass roots level for disseminating information about government decisions and programs. Similarly, the City will be able to acquire more feedback about municipal projects and initiatives and be more informed about the characteristics and nature of businesses within a BIA as they change.

Additional support and benefits for BIAs:

BIAs can also obtain further support through a membership to the Ontario Business Improvement Area Association (OBIAA), which is a network of BIAs representing and supporting BIAs across Ontario. The organization encourages and guides BIAs to increase their effectiveness, contribution to the economic, cultural and social well-being of communities. They gain access to resources, workshops and training, case studies, best practices, and opportunities for professional development and networking.

In some jurisdictions across Canada such as Calgary, COVID funding from the Province and the Federal governments was used to relieve the annual levy for the BIAs located in the municipality. As a means to help BIA's get started, this may be an initiative worth pursuing, considering that some businesses and landlords may need assistance before agreeing to the formation of a BIA.

The Provincial Role:

The Ministry of Municipal Affairs and Housing is responsible for administering the legislation and the policy concerning BIAs. The Ministry responds to inquiries from municipalities, the public, BIAs, and BIA Associations. The Ministry publishes a handbook, which is available online at [Ontario.ca/BIAhandbook](https://www.ontario.ca/BIAhandbook). The handbook, attached as Appendix I, is an excellent guide for understanding how to establish a BIA.

Municipal Role:

The City of Brampton, led by Strategic Communications, in consultation with Economic Development, can play a role in helping assess interest in establishing a BIA and connecting interested parties to resources. Council approval will be needed for the establishment of a BIA and a budget. Through Strategic Communications, the City can help business leaders in organizing meetings and promotion in the initial conceptualization stages. City staff can assist with the:

- Public consultation process (i.e. surveys, meetings)
- Encouraging local business leaders to get started and participate
- Providing financial and technical resource assistance
- Instituting public improvements
- Providing encouragement and support to BIAs and their staff
- Raising awareness of BIAs among municipal staff and the public at large

The municipality must pass a by-law to establish a BIA. Before passing a by-law, a municipality must mail out notices of the proposed by-law. Generally, for a new BIA, the notices would go to assessed prescribed business property owners in the proposed improvement area. Property owners who receive a notice must give their tenants required to pay property taxes, a copy of the notice within 30 days of the day the notice was mailed. Those owners must also give the Clerk of the municipality a list of every such tenant.

BIA proposed bylaws can be blocked through an objections process. For example, a Council may not be able to pass a by-law establishing a traditional BIA if the Clerk of the municipality receives sufficient written objections. Generally, these are that:

- The objections would have to be received within 60 days after the last day of mailing of the notices;
- Objections need to be signed by at least one-third of the persons entitled to notice of the proposed bylaw;
- The objectors would have to be responsible for at least one-third of the general local municipality levy on the prescribed business property classes in the proposed BIA improvement area;
- The municipal Clerk determines if the conditions for successful objection to a BIA bylaw are met.

Key Steps to Establishing a BIA:

According to the Ontario Business Handbook there are a key steps that should be taken to establish a BIA, which include the following:

1. Establish the need – business case
2. Communicate with all interested parties
3. Establish a steering committee

4. Establish goals and objectives
5. Prepare preliminary budget proposals
6. Establish proposed boundaries
7. Formalize a request to the municipality
8. Notify of a proposed BIA designation
9. Pass a municipal bylaw

Although all the steps are important, establishing a need and communicating with interested parties are essential for getting a BIA off the ground. Those interested in pursuing a BIA may wish to start by identifying the existing problems and needs of the area to determine if creating a BIA is an appropriate solution.

Determining and identifying priorities of the proposed BIA will help provide awareness and understanding of existing problems and concerns. Part of this will be done in tandem with consulting with the potential membership to solicit feedback and opinions. Distributing newsletters, holding area meetings and identifying 'champions' in the community are ways to go about communicating ideas and discussing the objectives. The future membership, which includes business people, landlords and tenants in the area will have the greatest interest in the success of the proposed BIA. Therefore, those with the greatest interest in developing the area needs to devote necessary time and resources to ensure the success of the BIA. Commitment and leadership are essential considerations for the establishment and success of a BIA.

Establishing a BIA Levy:

It will also be important for the organizers to know generally how much it will cost to address the identified problems and opportunities, since it will influence the preliminary budget proposals, associated levy and membership participation. Once proposals are prepared, potential members may be provided with an estimate of the amount of the levy that they will be assessed. The members of the improvement area consist of persons who are assessed in the prescribed business classes, within the BIA Boundary, on the last returned property tax assessment roll provided by MPAC. Once formed, the new BIA will come up with a budget based on the projects and initiatives they want to achieve. During the annual budget cycle, the amount of revenue required from the property tax assessment base to support that budget is determined. The annual BIA budget, which includes the levy amount, requires Council approval. Once attained, the levy amount is divided by the total assessment in the BIA to obtain the annual BIA rate prescribed as a percentage. The rate is then applied to the individual property tax assessment of each BIA member to realize the annual levy amount required by the BIA's budget. The City collects the levy and transfers 100% of these funds to the BIA.

As an example and for illustrative purposes only, the Downtown BIA has a Levy of approximately \$393,000. That Levy is split over 170 property owners, at an average of \$2,300 per property owner. The property owners will vary in size and assessment value, which will have an impact on their levy amount. Landlords recuperate the levy through

rent paid by tenants/business on the property and the overall economic development benefits that their contributions create.

Figure 2: Downtown Brampton BIA Budget

	
Budget	2021
EXPENDITURES	
Salaries/Benefits/Statutory Deductions	173,507
Administration/ Operations	60,728
Beautification	10,500
Marketing / Public Relations	117,500
Events	88,500
Safety	4,500
OTHER EXPENDITURES	
Summer In-Kind Service Expense to the City	12,702
Tax-Levy Adjustments	70,905
Amortization Expense	5,015
TOTAL EXPENDITURES	543,857
REVENUES	
Primary Tax Levy	
Business Tax - Primary	392,943
Marketing Partnerships	
City - Marketing Partnership	40,000
City - Rent and Other Relief	83,212
Other Revenues / Sponsorship	15,000
Summer In-Kind Service from the City	12,702
TOTAL REVENUES	543,857
Contribution to/from Reserve Fund	-

Current Situation:

The COVID-19 pandemic has given the City a new lens for looking at resiliency and what it means to the business community, especially our small businesses that have been negatively impacted. Many of our small businesses have felt it advantageous to

lean on each other for support, information and expertise. Formalizing these relationships and providing the conditions and means for them to work together to build on their common goals is consistent with the purpose of a BIA.

Staff have conducted a preliminary review of potential locations across the City that might be conducive to a BIA based on an agglomeration of different business and landowners. The maps attached in Appendices A - H are a conversation starter and does not preclude the City from investigating other areas across the City as suggestions and expressions of interest come forward.

Areas identified to date:

- Kennedy Road South - Between the CN Rail Bridge and Rambler Drive.
- Mount Pleasant GO Station - Commuter Drive & Ganton Heights area
- Queen Street East - Between the lands generally bound and abutting Dixie Road and Delta Park Blvd.
- Queen Street East - Between Etobicoke Creek and HWY 410
- Queen Street East- Between Dixie Road and Finchgate
- Uptown - Hurontario Street and Steele's Avenue area
- Bramalea GO Station- Steele's Avenue and Bramalea Road area

As part of the Uptown Transit Orientated Community Development work and Community Hub business case, the City is undertaking a survey to understand the business needs of the area. The survey included question(s) to measure interest in a BIA. The survey work is still ongoing.

Staff are seeking direction to reach out to the business community on the establishment of new BIAs, where appropriate, through such tactics as, but not limited to, surveys, public meetings, stakeholder sessions and a dedicated page on the City's website. Establishing a new BIA will depend largely on the engagement of individuals who will want to lead the initiative on behalf of their local business community. These 'champions' are essential for BIAs to have the best chance of getting started.

The City may also want to understand the level of municipal resources that go into supporting a BIA. All the BIAs will be different based on their characteristics and level of activity. Although the Downtown BIA is the City's only experience in working with a BIA, it may not be how future BIAs are run or be the example of allocating future municipal resources for support purposes. Nevertheless the City may also want to understand further how it engages with the current BIA and to potentially formulate an agreement to establish a framework for understanding this relationship, the scope of obligations and level of municipal support, for Council and the Downtown BIA's consideration. This agreement may potentially serve as a model to learn from and serve as a basis for formulating other agreements as new BIAs emerge.

Staff will also continue to learn from other jurisdictions on how BIAs are managed and the role other municipalities play. Staff are also engaging the Ontario Business Improvement Area Association (OBIAA) for their expertise and knowledge.

Corporate Implications:

Financial Implications:

The costs associated with the surveys, public meetings, stakeholder sessions, the website and other tools are estimated to be \$10,000. There is sufficient budget available within the Planning, Building & Economic Development operating budget to proceed with the recommendations in this report. Any additional funding required after soliciting feedback will be requested as part of the 2022-2024 budget submission, pending Council approval.

Term of Council Priorities:

This report is consistent with the 2018-2022 Term of Council Priorities as it supports Brampton as a City of Opportunities by providing Brampton businesses with the opportunity to promote and contribute to the economic well-being and growth of their areas, communities and the municipality overall.

Conclusion:

A network of BIAs has the ability to strengthen resiliency for Brampton businesses and contribute to the overall economic vitality of the City. This report provides the basis for the City to take on a more proactive role and create the conditions necessary for other BIAs to get started.

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Attachments:

APPENDIX A: BIA Study 2021 Map – All Catchment Areas
APPENDIX B: BIA Study 2021 Map – Queen Street East (410)
APPENDIX C: BIA Study 2021 Map – Queen Street East (Dixie)
APPENDIX D: BIA Study 2021 Map – Queen Street East (Delta Park)
APPENDIX E: BIA Study 2021 Map – Hurontario Street (Uptown)
APPENDIX F: BIA Study 2021 Map – Kennedy Road
APPENDIX G: BIA Study 2021 Map – Mount Pleasant
APPENDIX H: BIA Study 2021 Map – Bramalea Road (GO Station)
APPENDIX I: Business Improvement Area handbook (Ministry of Municipal Affairs & Housing)