

Subject: BIA Board of Management

Staff Report No. CPS-013-24

**Department/
Commission:** Corporate Services Commission

Date: September 25, 2024

Recommendation:

- 1) That Council direct the Clerk to prepare and bring back a report to the October 2, 2024 Council meeting, with information on the formal process and timelines associated with the re-establishment of a BIA within Downtown Stouffville.

Report Highlights

- Overview and history of Business Improvement Areas (BIAS) and the Special Services Tax Levy

1. Purpose:

The purpose of this report is to provide Council an overview of Business Improvement Areas (BIAS) and the Special Services Tax Levy.

2. Background:

2.1 Overview of Business Improvement Areas (BIAS)

Section 204 of the Municipal Act deals with BIAS. Local municipalities may designate an area as an improvement area and may establish a board of management:

- a) To oversee the improvement, beautification and maintenance of municipality-owned land, buildings and structures in the area beyond that provided at the expense of the municipality; and
- b) To promote the area as a business or shopping area.

Section 205 of the Act requires a BIA to establish a budget:

- The board of management shall prepare a proposed budget for each fiscal year by the date and in the form required by the municipality and shall hold

- one or more meetings of the members of the improvement area for discussion of the proposed budget;
- Council approves the budget in whole or in part but may not add expenditures to the budget; and
- A board of management cannot spend any money unless it is included in the budget approved by the municipality or in a reserve fund established under the act.

Section 208 of the Act stipulates how funds can be raised: Funds to be raised

- The municipality shall annually raise the amount required for the purpose of a board of the management
- The municipality may establish a special charge for amount required annually,
 - a) By levy upon ratable property in the improvement area that is in prescribed business property class; or
 - b) By levy upon ratable property in the improvement area that is in prescribed business property class and that, in the Council's opinion, derive special benefit from the improvement area, which levy may be calculate using different percentages of the assessment for one or more separately assessed properties.

2.2 Overview of Special Services Tax Levy

- In some circumstances, municipalities may impose special service tax levy. These rates apply only to properties within an area receiving special services and may cover some or all the cost of those services.
- In the By-law for special service tax levy, council has to:
 - o Identify a special service(s);
 - o Determine which of the costs, including capital costs, are related to that special service;
 - o Designate the area of the municipality in which the residents and property owners receive or will receive an additional benefit from the special service that is not received or will not be received in other areas of the municipality;
 - o Determine the portion and set out the method of determining the portion of the costs determined above which represent the additional costs to the municipality that are providing additional benefit to the designated area; and,
 - o Determine whether all or a specified portion of the additional costs should be raised under the special service levy.

2.3 Difference Between BIA Levy and Special Services Tax Levy

The Special Services Tax Levy has similarities to a traditional BIA levy. However, there are key differences. A Special Services levy, generally, may apply to all ratable property (including residential), whereas the traditional BIA levy applies only to the prescribed business property classes (i.e., the commercial and industrial classes).

Decisions on whether or not to area rate special services are made at the local level (Council) whereas BIA's and the BIA levy requires no objection from two-thirds of the affected individuals. Should a municipality choose to area rate a special service, the proposal would have to meet the general requirements in the legislation.

A municipality can charge both a Special Services Tax Levy and BIA Levy should they wish as they are intended for different purposes.

2.4 History in Stouffville

In 1980, the Town of Stouffville established a BIA and appointed a BIA Board of Management. While the BIA was in place, a levy for the businesses within the boundaries was established. In 2005, Council adopted *The Strategic Plan of Action for Downtown Stouffville* which included the creation of an “advisory committee” to focus on the enhancement and renewal of Downtown Stouffville. In 2006, a Terms of Reference for the Downtown Stouffville Working Group (DSWG) was adopted and implemented by Council with the objective to bring stability to the downtown area and develop a strategic, dedicated approach to downtown revitalization. By 2009, an opportunity for downtown revitalization funding was made available by the Province and staff recommended a model in which the BIA – and its special services tax levy – would be folded into the DSWG. The BIA agreed and with the awarding of a provincial grant, a three-party agreement was launched to revitalize Downtown Stouffville.

In 2010, there was a draft budget presented to Council with regards to the special service tax levy for Downtown Stouffville. After provincial funding lapsed, the DSWG and Town continued the partnership, with each party contributing approximately \$70,000 annually. In 2019, with the creation of staff working groups, DSWG was transitioned to a staff working group with a refreshed Terms of Reference to coincide with current conditions and needs. In 2020, the Chamber approached staff with a proposal to assume management of the DSWG. By June 2021, the DSWG was rebranded to The Village of Stouffville and a second Memorandum of Understanding (MOU) was documented and signed with a term of January 1, 2023 to December 31, 2026 between the Town and the Chamber for the governance of the Village of Stouffville. The boundaries of the area of The Village of Stouffville stayed consistent in the transition from the DSWG to the Chamber. In 2023, the Town provided an annual operating grant in the amount equal to the annual Special Services Tax Levy by-law with an amount of \$75,870.

In June of 2024, the Town was notified that the Chamber board ratified a decision to end the MOU at the end of 2024. Should Council wish to continue to have a Special Services Tax Levy beyond 2024, a specific purpose for which it is being collected will need to be determined.

3. Analysis:

3.1 Informal Survey to Seek Interest to Establish a BIA

On July 18, 2024, Staff mailed out letters to the owners of approximately 92 properties within the Downtown Stouffville boundaries, seeking their interest on the potential of Council re-establishing a Business Improvement Area (BIA). A deadline of August 16, 2024 was provided.

As of the deadline, staff received 21 responses in total. 15 properties expressed interest in re-establishing a BIA; 6 properties indicated they would not be interested; and responses were not received from 71 properties.

In order to re-establish a BIA, Council would be required to provide official direction to the Clerk to prepare a by-law and 60 days prior to passage of the by-law the Clerk by prepaid mail, would be required to send it to all properties within the proposed area a notice advising of Council's intention of passing a by-law to establish a BIA. Council shall not pass the by-law if written objections are received by the Clerk within 60 days after the last day of mailing of the notices and the objections have been signed by at least one-third of the total persons entitled to the notice. Property owners have to provide the notice, etc. to all tenants within their property who will be paying taxes.

If the letter had of been an official notice and property owners had been given 60 days, based on the responses received, Council could have been in a position to proceed with the BIA bylaw passage as only 6 were not in support of re-establishing a BIA which is less than one third. However, we did not ask property owners to forward to tenants, but we did hear from some tenants in favour of the BIA.

3.2 Requirements to Re-establish a BIA

Should Council wish to re-establish a BIA, the Clerk would be required to give 60 days notice to all those within the proposed area prior to Council being able to consider the by-law. In addition, the property owners would be required to forward to any tenants who will pay taxes.

Municipal Act Section – BIA

Notice

210 (1) *Before passing a by-law under subsection 204 (1), clause 208 (2) (b), subsection 208 (3) or section 209, notice of the proposed by-law shall be sent by prepaid mail to the board of management of the improvement area, if any, and to every person who, on the last returned assessment roll, is assessed for rateable property that is in a prescribed business property class which is located,*

(a) where the improvement area already exists, in the improvement area and in any geographic area the proposed by-law would add to the improvement area; and

(b) where a new improvement area would be created by the proposed by-law, in the proposed improvement area. 2001, c. 25, s. 210 (1).

When notice received

(2) A person who receives a notice under subsection (1) shall, within 30 days after the notice is mailed,

(a) give a copy of the notice to each tenant of the property to which the notice relates who is required to pay all or part of the taxes on the property; and

(b) give the clerk of the municipality a list of every tenant described in clause (a) and the share of the taxes that each tenant is required to pay and the share that the person is required to pay. 2001, c. 25, s. 210 (2).

Objections

(3) A municipality shall not pass a by-law referred to in subsection (1) if,

(a) written objections are received by the clerk of the municipality within 60 days after the last day of mailing of the notices;

(b) the objections have been signed by at least one-third of the total number of persons entitled to notice under subsection (1) and under clause (2) (a); and

(c) the objectors are responsible for,

(i) in the case of a proposed addition to an existing improvement area,

(A) at least one-third of the taxes levied for purposes of the general local municipality levy on rateable property in all prescribed business property classes in the improvement area, or

(B) at least one-third of the taxes levied for purposes of the general local municipality levy on rateable property in all prescribed business property classes in the geographic area the proposed by-law would add to the existing improvement area, or

(ii) in all other cases, at least one-third of the taxes levied for purposes of the general local municipality levy on rateable property in all prescribed business property classes in the improvement area. 2001, c. 25, s. 210 (3).

3.3 Other Steps Requested for Formation of a BIA

Should Council successfully pass a by-law to re-establish a BIA, the following items will need to be done:

- BIA Policies and Governing Documents
- Staff Person to Provide Administrative Support to the BIA
- Establishment of a BIA Board
- Training of BIA Board Members
- BIA Budget Established
- BIA Levy

It is important to note that finding volunteers to serve as BIA Board Members may be challenging as the business community is already struggling in the downtown. The success of a BIA relies heavily on an engaged and committed BIA Board.

4. Options:

4.1 Option A (Recommended)

That Council direct the Clerk to prepare and bring back a report to the October 2, 2024 Council meetings, with information on the formal process and timeliness associated with the re-establishment of a BIA within Downtown Stouffville.

4.2 Option B

That Council does not consider the formal establishment of a BIA.

5. Financial Implications:

There are no specific financial implications with this report.

However, it should be noted that the re-establishment of a BIA will result in staff time and resources initially.

The BIA will require financial resources to support operations. This can be funded solely through the BIA levy or a combination of a BIA levy and funds provided by the Town.

It is important to note that should Council elect to continue with a special services tax levy and re-establish a BIA, property owners within the area would be subject to two different levies.

6. Alignment with Strategic Plan:

1. A Town that Grows
A Town that grows in support of complete communities

2. An Engaging Town
Increase Community Engagement & Outreach

7. Attachments:

None

8. Related Reports:

None

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