



MUNICIPALITY OF THAMES CENTRE

REPORT NO. C-EDAC-001-2025

TO: Economic Development Advisory Committee

FROM: Director of Legislative Services/Clerk

MEETING DATE: February 27, 2025

SUBJECT: Next Steps in Possible Business Improvement Area

RECOMMENDATION:

THAT Report No. C-EDAC-001-2025 be **RECEIVED** for information

BACKGROUND & COMMENTS:

At the December 14, 2024 Economic Development Advisory Committee, there was a presentation from Kay Matthews, Executive Director of the Ontario Business Improvement Area Association, and the Committee passed the following resolution:

Resolution # EDAC-030-24

Moved by: D. Reiche

Seconded by: S. McMillan

THAT the presentation by Kay Matthews, Executive Director of the Ontario Business Improvement Area Association, regarding the Value of Business Improvement Areas (BIA's) **BE RECEIVED** for information;

AND THAT the Economic Development Advisory Committee **RECOMMEND** that staff investigate the possibility of the implementation of a Thames Centre Business Improvement Association;

AND THAT staff **REPORT BACK** at a future meeting of the Economic Development Advisory Committee.

Carried.

Staff have endeavored to provide a high-level overview of the next steps, should the Committee wish to proceed with a Business Improvement Area for Thames Centre as well as some items to consider and potential financial implications.

Next Steps

1. Decide if BIA is what is wanted

The Economic Development Advisory Committee may decide if a Business Improvement Area (BIA) is wanted within Thames Centre by:

- Determining the needs of the business community
- Determining if there is interest in this within the business community
- Geographic Location(s) of any proposed BIA

2. Make recommendation to Council

Should the Economic Development Advisory Committee conclude that a BIA is what is feasible in Thames Centre, the Committee will need to make a recommendation to Council in order to allocate staff time and funds for the next phase, due to the legislative requirements and staff resources needed to proceed.

3. Stakeholder Engagement

Prior to the legislative steps being taken, stakeholder engagement sessions are recommended to provide information and gather input on a number items:

- Explain what a BIA is and how it works
- Does the business community want this
- What priorities should the BIA have
- Potential makeup of the Board
- Boundaries of the BIA

This stakeholder engagement could be in the form of meetings, open houses or through a feasibility study, depending on the resources allocated to the BIA from Council and the wishes of the Committee.

4. Develop BIA Plan

Prior to final approval by Council the BIA plan needs to be formed. This plan will have information in it such as:

- Boundaries of a BIA
- Goals and objectives
- Board composition
- Board procedures
- Draft a preliminary Budget in order to set the first levy to properties
- Determine the class of properties to be levied (ex. Industrial, commercial)

This phase can be completed by the Economic Development Advisory Committee or the Committee may wish to have a steering committee that involves business that would be within the BIA.

This information is formally sent to Clerk from the Committee in order to start the legislative process.

5. Staff report and public notices

Staff prepare a report to Council with the full proposal of BIA from the Committee, including draft budget, operating procedures and BIA boundaries. Staff request approval to provide notice to affected parties of proposed BIA, which is legislatively required.

6. Notice of Proposed BIA circulated

Once Council approves providing the notice to affected parties, staff draft notices to all owners of properties and direct the owners to provide notice to any tenants or to provide a list and mailing address for all tenants and a share of the taxes that each tenant is required to pay (if any). This notice will include a condition that each person who gets the notice has 60 days to file an objection with the Clerk to the new BIA and special charges to their taxes.

7. Voting/Objection Period (60 days)

Each person, including the tenants have 60 days after the Notice was provided to provide to the Clerk, in writing their objection. During this 60 day period, persons also have the right to withdraw their objections, this also must be done in writing.

After the 60 days have passed, the Clerk will review all the objections and determine if the objections meeting the following criteria:

- The value of the total taxes levied on the properties that submitted objections are equal to or greater than 1/3 of the total value of the taxes levied on the properties subject to the BIA Special Charge.

If the objections do not meet this requirement, the Clerk shall issue a certificate stating that the objections DID NOT meet the requirements, and the BIA can move forward.

If the objections DO meet the requirements, the Clerk shall issue a certificate stating that the objections meet the requirements and the BIA is defeated.

8. Passing of By-law

Once the certificate that the objections DID NOT meet the requirements is signed, the Clerk shall put the by-law forward at the next Council meeting for adoption.

This by-law will include a map laying out the Business Improvement Area and providing for the creation of either a Local Board or Management or a Municipal Corporation (the Corporation will take more time and require legal assistance to create). If a Local Board, the by-law will include the number of members appointed to the Board, which must include 1 or more members appointed by the municipality and the rest are to be appointed by the members of the BIA, among other things.

An example of the Strathroy BIA By-law can be found here: <https://www.strathroy-caradoc.ca/en/doing-business/Business-Improvement-Area.aspx>

9. Setting Up the BIA

Once the by-law has been adopted there will be a number of steps to follow getting the BIA up and running, the members appointed and the budget adopted. Please note that the earliest a budget could be adopted, is as part of the 2026 Budget process for the Municipality.

Things to Consider

- It is unlikely that BIA will be up and running in 2025, when you consider the background work and the legislative requirements.
- BIA would receive administration support for their board meetings and the collection of funds from the Municipality and the Municipality could require an administrative fee for doing this from the BIA.
- Under the *Municipal Act, 2001* Section 204(2) “a board of management is a corporation consisting of the number of directors established by the municipality” and therefore will require Liability insurance.
- BIA Board members would be held to the same standards as members of Council as it relates to accountability, transparency, closed meetings. They would require an Ombudsman, Integrity Commissioner and Closed Meeting Investigator. As well as their records are applicable to *Municipal Freedom of Information and Protection of Privacy Act* and subject to FOI Requests. The costs of these can be included in a municipal administrative fee.
- Under Section 270(2) of the *Municipal Act* a local board (which a BIA is) shall adopt and maintain policies under the following areas:
 - Sale and disposition of lands
 - Hiring employees
 - Procurement of goods and services

While staff are committed to providing support in whatever way they can, it is essential that this initiative be led and championed by the Committee.

FINANCIAL REPORTING:

There will be costs associated with starting a Business Improvement Area to the Municipality, as identified below:

Stakeholder Engagement Estimated Costs

- Open house – production of materials and staff time (estimate of \$300)
- Feasibility Study – estimated to be \$10,000

Business Improvement Plan Estimated Costs

- Staff time to draft and produce the plan
- Production costs (mapping and printing)
- Estimated costs to be between \$300-500 if staff are able to complete in house

Notices and Voting Estimated Costs

- There is a first notice of intent to pass a BIA, in this notice there needs to be a pre-paid envelope to return an objection. The cost to mail this to all businesses within Thames Centre (320 businesses) is approximately \$1,000 (including return envelopes)
- Notice of Adoption of BIA to all affected properties will cost approximately \$450.00
- There will be future notices required for the first meeting to elect the board as well as future meetings, however the notice of the first meeting and the annual general meeting notice are required to be mailed.

Staff contacted the Ontario Business Improvement Area Association and the Middlesex County Economic Development Department to seek information on grants available to assist with the start up costs associated with a BIA and at this time neither group is aware of any funding to start a BIA.

Once BIA is operational

To be clear, once established, a BIA does not levy taxes directly. Traditionally, the municipal council adds a special BIA levy to the property tax collected from commercial and industrial property owners within the boundaries of a BIA.

An independent BIA Board would then determine the allocation of those funds annually in support of its levied area business interests.

ATTACHMENTS:

<https://www.ontario.ca/document/business-improvement-area-handbook/appendix-c-frequently-asked-questions#>

Prepared by: J. Nethercott, Director of Legislative Services/Clerk

Reviewed by: D. Barrick, CAO