



Report to: General Committee

Meeting Date: April 19, 2022

SUBJECT:	2022 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets
PREPARED BY:	Lisa Chen, Senior Manager, Financial Planning and Reporting

RECOMMENDATION:

- 1) That the report titled “2022 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets” dated April 26, 2021 be received; and
- 2) That the 2022 Operating Budget in the amount of \$400,000 for the Unionville Business Improvement Area (UBIA) be approved; and
- 3) That the 2022 Operating Budget in the amount of \$330,910 for the Markham Village Business Improvement Area (MVBIA) be approved; and
- 4) That the Special Tax Rate levy, in the amount of \$214,221 for the UBIA members and \$239,640 for the MBIA members be included in the 2022 Tax Levy By-law; and
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain Council approval of the UBIA and MBIA 2022 Operating Budgets.

BACKGROUND:

The Business Improvement Areas (BIAs) are geographical areas encompassing the Main Street of Unionville and the Main Street of Markham. Each association co-ordinates promotion of the businesses within their areas.

The Management Board of the UBIA approved their 2022 operating expenditure budget in the amount of \$400,000 on February 9, 2022.

The Management Board of the MVBIA approved their 2022 operating expenditure budget in the amount \$330,910 on March 28, 2022.

The majority of funding for the operating budgets of the BIAs will be raised by means of a Special Tax Rate applied to commercial properties within each respective Business Improvement Area boundary.

Each property within the BIA boundary pays a portion of the total levy, based on their proportionate assessment share to the total BIA assessment base.

The following example outlines how the Special Tax Rate and the BIA levy for an individual property is calculated. It also illustrates the effects of assessment appeals on the BIA funding.

If an operating budget of \$200,000 is approved and the BIA has a total property assessment base of \$50,000,000 then the Special Tax Rate is calculated to be 0.4% ($\$200,000 \div \$50,000,000$).

A property with an assessment value of \$1,000,000 will have a BIA levy of \$4,000 ($\$1,000,000 \times 0.4\%$).

If the aforementioned property successfully appeals their property assessment and it is reduced to \$750,000, then their BIA levy would be reduced accordingly, to \$3,000 ($\$750,000 \times 0.4\%$). Therefore, the actual funding recovered by the BIA through the levy would be \$1,000 less than budgeted (\$4,000-\$3,000).

Description	Amount	Reference
Operating Budget Approved	\$200,000	(A)
BIA Total Property Assessment Base	\$50,000,000	(B)
Special Tax Rate	0.4%	(C) = (A) ÷ (B)
Assessment Value of a Property	\$1,000,000	(D)
BIA Tax Levy of the Property	\$4,000	(E) = (D) x (C)
Assessment Value Revised Due to Appeal	\$750,000	(F)
Revised BIA Tax Levy of the Property	\$3,000	(G) = (F) x (C)
Levy Decrease Due to Appeal	(\$1,000)	(G) - (E)

The authority to establish this tax rate and to levy taxes for the two BIAs will be included in the 2022 levying by-law.

DISCUSSION: **Unionville BIA Operating Budget**

The UBIA's 2022 operating expenditure budget of \$400,000 represents an increase of \$100,000 compared to the prior year. Details of the 2022 budget in comparison with the 2021 budget and audited actuals are outlined in Appendix A. The UBIA ended 2021 with an accumulated surplus of \$108,295, of which \$80,000 will be used to fund the 2022 budget.

The 2022 revenue budget maintains the levy at the same amount as the prior year at \$214,221. Compared to the 2021 budget, the 2021 revenue budget increased \$100,000 mainly due to the following items:

	<u>2022 Budget</u>	<u>2021 Budget</u>	<u>Incr. / (Decr.)</u>
Transfer from Surplus	80,000	50,000	30,000
My Main Street Partnership	57,500	-	57,500
Unionville Festival	16,000	-	16,000

The 2022 expenditure budget increased \$100,000 mainly due to the following items:

	<u>2022 Budget</u>	<u>2021 Budget</u>	<u>Incr. / (Decr.)</u>
Event & Entertainment Promotion	92,000	57,000	35,000
Business Support Program	30,000	-	30,000
Contracted Services	165,000	81,500	83,500
Retail Action Strategy	15,000	40,000	(25,000)
Street Beautification	20,000	35,000	(15,000)

The UBIA Management Board approved the budget on February 9, 2022 (Appendix B).

Markham Village BIA Operating Budget

The MBIA approved an operating expenditure budget of \$330,910, representing an increase of \$65,147 compared to the prior year. The 2022 budget also includes \$38,006 of accumulated surplus as a funding source. Details of the 2022 budget in comparison with the 2021 budget and audited actuals are outlined in Appendix C.

The 2022 revenue budget increases the levy by 49%, from \$160,559 in 2021 to \$239,640 in 2022 (same level as 2019 levy). Compared to the 2021 budget, the 2022 revenue budget increased by \$65,147 mainly due to the following items:

	<u>2022 Budget</u>	<u>2021 Budget</u>	<u>Incr. / (Decr.)</u>
Member tax levy	239,640	160,559	79,081
Transfer from Surplus	38,006	61,166	(23,160)
Event Promotion	17,900	5,000	12,900

The 2022 expenditure budget increased \$65,147 mainly due to the following items:

	<u>2022 Budget</u>	<u>2021 Budget</u>	<u>Incr. / (Decr.)</u>
Event Promotion	101,500	47,900	53,600
Salaries & Benefits	108,547	81,174	27,373
Property Tax Adjustments	-	10,000	(10,000)

The MBIA Management Board approved the budget on March 28, 2022 (Appendix D).

FINANCIAL CONSIDERATIONS

The City of Markham's annual tax rates and levy by-law will be in the May 09, 2022 General Committee agenda and the BIA special tax rate will be included for Council approval.

RECOMMENDED BY:

Joel Lustig
Treasurer

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A - Unionville Business Improvement Area 2021 Budget

Appendix B - Unionville Business Improvement Area 2021 Budget Board meeting minutes

Appendix C - Markham Village Business Improvement Area 2021 Budget

Appendix D - Markham Village Business Improvement Area 2021 Budget Board meeting minutes