



Report to: General Committee

Meeting Date: May 23, 2023

SUBJECT:	2023 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets
PREPARED BY:	Jay Pak, Senior Manager, Financial Planning and Reporting

RECOMMENDATION:

- 1) That the report titled “2023 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets” dated May 9, 2023 be received; and
- 2) That the 2023 Operating Budget in the amount of \$450,000 for the Unionville Business Improvement Area (UBIA) be approved; and
- 3) That the 2023 Operating Budget in the amount of \$334,034 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 2023 Operating Budgets.

BACKGROUND:

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

The Management Board of the UBIA approved their 2023 operating expenditure budget in the amount of \$450,000 on March 8, 2023.

The Management Board of the MVBIA approved their 2023 operating expenditure budget in the amount \$334,034 on March 16, 2023.

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 2023 levying by-law.

DISCUSSION:

Unionville BIA Operating Budget

The UBIA's 2023 operating expenditure budget of \$450,000 represents an increase of \$50,000 compared to the prior year. Details of the 2023 budget in comparison with the 2022 budget and audited actuals are outlined in Appendix A. The UBIA ended 2022 with an accumulated surplus of \$193,828, of which \$159,568 will be used to fund the 2023 budget.

The 2023 revenue budget maintains the levy at the same amount as the prior year at \$214,221. Compared to the 2022 budget, the 2023 revenue budget increased \$50,000 mainly due to the following items:

	<u>2023 Budget</u>	<u>2022 Budget</u>	<u>Incr. / (Decr.)</u>
Transfer from Surplus	159,568	80,000	79,568
My Main Street Partnership	-	57,500	(57,500)
Provincial Grants	20,000	10,000	10,000
City of Markham Grants	20,000	10,000	10,000
Sponsorships	15,000	8,000	7,000
Other	17,211	16,279	932

The 2023 expenditure budget increased \$50,000 mainly due to the following items:

	<u>2023 Budget</u>	<u>2022 Budget</u>	<u>Incr. / (Decr.)</u>
Events and Entertainment	175,700	92,000	83,700
Advertisement	58,000	45,000	13,000
Business Support	15,000	30,000	(15,000)
Contracted Services	110,000	165,000	(55,000)
Retail Action Strategy	20,000	15,000	5,000
Street Beautification	35,000	20,000	15,000
Other	36,300	33,000	3,300

The UBIA Management Board approved the budget on March 8, 2023 (Appendix B).

Markham Village BIA Operating Budget

The MBIA approved an operating expenditure budget of \$334,034, representing an increase of \$3,124 compared to the prior year. The 2023 budget also includes \$10,129 of accumulated surplus as a funding source. Details of the 2023 budget in comparison with the 2022 budget and audited actuals are outlined in Appendix C.

The 2023 revenue budget maintains the levy at the same amount as the prior year to \$239,640. Compared to the 2022 budget, the 2023 revenue budget increased by \$3,124 mainly due to the following items:

	<u>2023 Budget</u>	<u>2022 Budget</u>	<u>Incr. / (Decr.)</u>
Transfer from Surplus	10,129	38,006	(27,877)
Event Promotion	12,800	17,900	(5,100)
Grant from My Main Street	44,000	-	44,000
Summer Career Placement	-	11,273	(11,273)
Grants and Interest Income	4,874	1,500	3,374

The 2023 expenditure budget increased \$3,124 mainly due to the following items:

	<u>2023 Budget</u>	<u>2022 Budget</u>	<u>Incr. / (Decr.)</u>
Event Promotion	112,630	101,500	11,130
Advertisement	10,849	23,706	(12,857)
Salaries and Benefits	99,157	108,547	(9,390)
Street Beautification	35,000	27,500	7,500
Office Expenses	38,884	31,893	6,991
Other	2,250	2,500	(250)

The MBIA Management Board approved the budget on March 16, 2023 (Appendix D).

FINANCIAL CONSIDERATIONS

The City of Markham's annual tax rates and levy by-law will be on the May 23, 2023 General Committee agenda and the BIA special tax rate will be included for Council approval.

RECOMMENDED BY:

Mark Visser
Acting Treasurer

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A - Unionville Business Improvement Area 2023 Budget

Appendix B - Unionville Business Improvement Area 2023 Budget Board meeting
minutes

Appendix C - Markham Village Business Improvement Area 2023 Budget

Appendix D - Markham Village Business Improvement Area 2023 Budget Board
meeting minutes