



Report to: General Committee

Report Date: May 7, 2018

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**SUBJECT:** 2018 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets  
**PREPARED BY:** Andrea Tang, Senior Manager of Financial Planning, ext. 2433

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**RECOMMENDATION:**

- 1) That the report entitled “2018 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets” dated May 7, 2018 be received;
- 2) And that the 2018 Operating Budget in the amount of \$283,756 for the Unionville Business Improvement Area (UBIA) be approved;
- 3) And that the 2018 Operating Budget in the amount of \$448,300 for the Markham Village Business Improvement Area (MBIA) be approved;
- 4) And that the Special Tax Rate levy, in the amount of \$205,982 for the UBIA members and \$239,322 for the MBIA members be included in the 2018 Tax Levy By-law;
- 5) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council approval for the UBIA and MBIA 2018 Operating Budgets.

**BACKGROUND:**

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

The Management Boards for the UBIA and MBIA have approved the 2018 operating budgets in the amounts of \$283,756 (Exhibit I) and \$448,300 (Exhibit II) on January 17, 2018 and March 8, 2018, respectively.

The majority of funding for the operating budgets of the BIA will be raised by means of a Special Tax Rate applied to commercial and industrial 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 has it reduced to \$750,000 then their BIA levy would also 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 ( $\$4,000 - \$3,000$ ).

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)

Finance Staff has provided a status of completed tax adjustments and a forecast of potential outstanding tax adjustments for both the UBIA and the MBIA.

The authority to establish this tax rate and to levy taxes for the two BIAs will be included in the 2018 levying by-law.

## **OPTIONS/ DISCUSSION:**

## **OPERATING BUDGETS:**

### Unionville BIA Budget

The UBIA has approved a budget of \$283,756. Details of the 2018 Budget in comparison with the 2017 audited actuals and 2017 Budget are outlined in Exhibit I.

When compared to the 2017 budget, there is an increase in revenue of \$14,239 due to the following items:

	2018 Budget \$	2017 Budget \$	Increase/(Decrease) \$
Fundraising & Other Revenues	55,400	33,260	22,140
Sponsorship	18,000	12,591	5,409

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Prior Year Surplus	4,374	17,684	(13,310)
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The 2018 expenditure budget increases by \$14,239 mainly due to the following items:

	2018 Budget \$	2017 Budget \$	Increase/(Decrease) \$
Event & Entertainment Promotion	97,047	80,000	17,047
Contracted Services	69,000	60,060	8,940
Office Expenses	20,467	32,000	(11,533)

The Management Board of the UBIA approved the budget on January 17, 2018 (Exhibit III).

#### Markham Village BIA Budget

The MBIA has approved a budget of \$448,300. Details of the 2018 Budget in comparison with the 2017 audited actuals and 2017 Budget are outlined in Exhibit II.

When compared to the 2017 budget, there is an increase in revenue of \$82,641 due to the following items:

	2018 Budget \$	2017 Budget \$	Increase/(Decrease) \$
Prior Year Surplus	162,765	84,846	77,919
Event Promotion	18,622	13,900	4,722

The 2018 expenditure budget increases by \$82,641 mainly due to the following items:

	2018 Budget \$	2017 Budget \$	Increase/(Decrease) \$
Contracted Services	64,747	12,211	52,536
Street Beautification	58,500	17,000	41,500
Advertising	98,257	78,244	20,013
Salaries & Benefits	20,798	60,528	(39,730)

The Management Board of the MBIA approved the budget on March 8, 2018 (Exhibit IV).

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**FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

A report on the annual tax levy and by-law will also be brought forward to General Committee on May 22<sup>nd</sup> which will include the BIAs' special tax rate for Council's approval.

**HUMAN RESOURCES CONSIDERATIONS:**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not applicable.

**RECOMMENDED BY:**

2018-05-01

2018-05-01

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Joel Lustig

Treasurer

Signed by: cxa

X 

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Trinela Cane

Commissioner, Corporate Services

Signed by: cxa

**ATTACHMENTS:**

[Exhibit I & II – Unionville Business Improvement Area & Markham Village Business Improvement Area 2018 Budget](#)

[Exhibit III – Unionville Business Improvement Area 2018 Budget Board Meeting minutes](#)

Exhibit IV - Markham Village Business Improvement Area 2018 Budget Board Meeting Minutes