



Report to: General Committee

Report Date: May 15, 2017

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**SUBJECT:** 2017 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 “2017 Unionville Business Improvement Area and Markham Village Business Improvement Area Operating Budgets” dated May 15, 2017 be received;
- 2) And that the 2017 Operating Budget in the amount of \$269,516 for the Unionville Business Improvement Area (UBIA) be approved;
- 3) And that the 2017 Operating Budget in the amount of \$365,659 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 2017 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 2017 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 2017 operating budgets in the amounts of \$269,516 (Exhibit I) and \$365,659 (Exhibit II) on March 22, 2017 and April 5, 2017, 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 provided a 2017 property tax adjustment forecast to assist the BIA management boards with the development of their respective budgets. The forecast includes a current status of completed tax adjustments and a forecast of all 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 2017 levying by-law.

## **OPTIONS/ DISCUSSION:**

## **OPERATING BUDGETS:**

### Unionville BIA Budget

The UBIA has approved a budget of \$269,516. Details of the 2017 Budget in comparison with the 2016 audited actuals and 2016 Budget are outlined in Exhibit I.

When compared to the 2016 budget, there is an increase in revenue of \$18,899 due to the following items:

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	2017 Budget \$	2016 Budget \$	Increase/(Decrease) \$
Sponsorship	12,591	5,000	7,591
Grants	11,260	4,000	7,260
General Promotion	12,000	5,000	7,000
Olde Tyme X'Mas	10,000	6,500	3,500
Prior Year Surplus	17,684	24,135	(6,451)

The 2017 expenditure budget increases by \$35,200 mainly due to the following items:

	2017 Budget \$	2016 Budget \$	Increase/(Decrease) \$
Contracted Services	60,060	37,000	23,060
Office Expenses	32,000	12,679	19,321
Advertising	65,793	60,764	5,029
Street Beautification	25,000	20,000	5,000
Event & Entertainment Promotion	80,000	85,873	(5,873)
Property Tax Adjustments	4,743	16,000	(11,257)

The Management Board of the UBIA approved the budget on March 22, 2017 (Exhibit III).

#### Markham Village BIA Budget

The MBIA has approved a budget of \$365,659. Details of the 2017 Budget in comparison with the 2016 audited actuals and 2016 Budget are outlined in Exhibit II.

When compared to the 2016 budget, there is an increase in revenue of \$20,036 due to the following items:

	2017 Budget \$	2016 Budget \$	Increase/(Decrease) \$
Prior Year Surplus	84,846	57,745	27,101
Event Promotion	13,900	12,115	1,785
Advertising	0	8,850	(8,850)

The 2017 expenditure budget increases by \$20,036 due to the following items:

	2017 Budget \$	2016 Budget \$	Increase/(Decrease) \$
Event Promotion	117,110	97,720	19,390
Office Expenses	36,566	32,276	4,290
Property Tax Adjustments	22,000	18,000	4,000
Advertising	78,244	74,710	3,534
Washroom Maintenance	20,000	19,500	500
Street Beautification	17,000	21,206	(4,206)
Salaries & Benefits	60,528	68,000	(7,472)

The Management Board of the MBIA approved the budget on April 5, 2017 (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 Development Services Committee on May 23<sup>rd</sup> which will include the BIA's 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:**

X



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Joel Lustig  
Treasurer

X



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Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

[Exhibit I – Unionville Business Improvement Area 2017 Budget](#)

[Exhibit II – Markham Village Business Improvement Area 2017 Budget](#)

[Exhibit III – Unionville Business Improvement Area 2017 Budget Board Meeting minutes](#)

[Exhibit IV – Markham Village Business Improvement Area 2017 Budget Board Meeting minutes](#)