



Staff Report

Administration – Town Clerk

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: January 30, 2023
Report Number: FAF.23.013
Title: Thornbury Business Improvement Area, Request for Assessment-Based Levy
Prepared by: Corrina Giles, Town Clerk

A. Recommendations

THAT Council receive Staff Report FAF.23.013, entitled “Thornbury Business Improvement Area, Request for Assessment-Based Levy”;

AND THAT Council directs the Town Clerk to review staff report FAF.23.013 with the Thornbury Business Improvement Area Board to receive input for Council consideration as to whether the 2022 to 2026 Thornbury BIA Board supports the request of the previous Thornbury BIA Board’s request to move to an “assessment-based” BIA levy, and if so, to provide input on the minimum or maximum levy to be charged, or both a minimum and a maximum levy, to be charged to each property;

OR

AND THAT Council directs that the minimum or maximum levy, or both a minimum and maximum levy to be charged to each property shall be set at a minimum of \$ ____ and a maximum of \$ ____;

AND THAT Council directs the Town Clerk to provide notice to the Thornbury BIA membership of the proposed change in the levy structure in accordance with the requirements of the *Municipal Act*, and to report back to Council noting whether the conditions set out in the *Municipal Act* have been met to change the levy structure to an assessment-based levy, with minimums and maximums as directed by Council.

B. Overview

This report is provided to Council for consideration in response to correspondence received from the Thornbury Business Improvement Area (BIA) to consider changing the way in which the Thornbury BIA Levy is collected to “assessment-based” versus the current equal levy for all BIA Members.

C. Background

The Thornbury Business Improvement Area is defined by By-law 2014-30 (see attachment #1) in accordance with the *Municipal Act*. The membership of the improvement area consists of persons who are assessed on the last assessment roll that is in a prescribed business class, and tenants of such property.

Every year, the Thornbury BIA sets a draft budget that is reviewed with its membership, and once approved by the Thornbury BIA Board in draft form, it is presented to Council for consideration and adoption. Currently, the total BIA Budget is divided equally amongst its membership. In 2022, there were 123 BIA Members that were charged a BIA levy of \$852.85, for a total of \$104,900, as referenced in By-law 2022-56, being a “By-law to Levy a Special Charge Upon Rateable Property in the Thornbury Business Improvement Area” (see attachment #2).

At the December 16, 2019 Council Meeting, Council received correspondence from the Thornbury Business Improvement Area (see attachment #3) requesting that Council revise the current Thornbury BIA levy structure to an assessment-based BIA Levy, from the current equal levy for all members.

G.1 George Matamoros, Chair, Thornbury Business Improvement Area (BIA) Re: BIA Levy

Moved by: Rob Sampson Seconded by: Jim Uram

THAT Council of the Town of The Blue Mountains refers the December 4, 2019 correspondence from the Thornbury Business Improvement Area requesting that Council revise the levy structure of the Thornbury BIA to an assessment-based BIA levy, including minimum and maximum levies, to the Finance Department for response back to Council, Carried.

Preparation and consideration of this staff report was halted because of COVID-19 and its effect on the business community.

Staff provide this report to Council for information and to receive direction to communicate with the Members of the Thornbury Business Improvement Area for input as to whether Council should change the BIA levy to “assessment-based” from the current “equal” levy for all members. Council direction is also required as to whether Council wishes to set a minimum and maximum levy to be paid by BIA members, and if so, what the minimum and maximum levy should be set at.

As the request for an “assessment based” levy was received during the previous term of Council from the previous Thornbury BIA Board, Council may direct staff to request input from the current Thornbury BIA Board as to whether they would support a Council direction to staff to proceed with the process as identified below, requesting input from the BIA Membership. It is noted that because of the legislated timelines, changes to the levy would take effect in the 2024 calendar year.

D. Analysis

In accordance with the *Municipal Act*, the following steps must be followed to receive input from the BIA Membership on any proposed changes to the levy:

1. Before Council can pass a by-law to establish an assessment based levy with a minimum or maximum levy, or both, notice of the proposed by-law shall be sent by prepaid mail to the board of management of the improvement area, and to every person who on the last returned assessment roll is assessed for rateable property that is in a prescribed business property class.
2. Any person who receives a notice as referenced in #1 above shall, within 30 days after the notice is mailed:
 - a. Give a copy of the notice to each tenant of the property to which the notice relates who is required to pay all or part of the taxes on the property; and
 - b. Give the clerk of the municipality a list of every tenant described in clause a) above, and the share of the taxes that each tenant is required to pay and the share that the person is required to pay
3. A By-law to establish a minimum or maximum levy, or both, shall not be passed by Council, if within 60 days of the date the notice was mailed, the Clerk of the municipality receives:
 - a. Written objections within 60 days after the last day of mailing of the notices;
 - b. The objections received have been signed by at least one-third of the total number of persons entitled to notice; and
 - c. The objectors are responsible for at least one-third of the taxes levied for the purposes of the general local municipality levy on rateable property in all prescribed business property classes in the improvement area.
4. It should be noted that objections can be withdrawn, and that following the 60 day period, the Town Clerk will review the objections received (if any), and will determine whether the conditions set out by the *Municipal Act* have been met, and if they are, shall issue a certificate affirming that the conditions have been met, and that the by-law can be passed to change the levy to an assessment base, from the current equal levy.
5. The determination by the clerk is final.
6. Any change to the levy will commence in 2024, with the enactment of the 2024 By-law to Levy a Special Charge Upon Rateable Property in the Thornbury Business Improvement Area

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

F. Environmental Impacts

None

G. Financial Impacts

Staff time to prepare the within report. With Council direction, staff time to prepare the notice to the BIA Members and postage to the BIA Membership will be required.

Changing the method of calculating the BIA levy will shift the tax impact amongst the membership. In 2022, each unit (business) was levied at a rate of \$852.85 in order to collect the BIA budget of \$104,900. Although most properties have one business, some properties have multiple businesses (units) and therefore were charged a multiplier of \$852.85 rate. Moving to an assessment-based levy will see those with higher business property tax assessments being charged a greater levy. A property with a business property assessment value of \$289,500 would be charged approximately \$852.85. Any properties with business assessed values higher than \$289,500 will pay more than the current rate-based calculation where one business occupies the property. An analysis of the assessment-based levy with no minimum/maximum charges would see properties being billed a BIA levy in the range of \$171.15 to \$13,768.58 with a median value of \$833.51.

H. In Consultation With

Ruth Prince, Director of Finance and IT Services

Amy Moore, Manager of Revenue

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Corrina Giles, Town Clerk townclerk@thebluemountains.ca.

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J. Attached

1. Attachment #1 - By-law 2014-30 By-law to Designate an Area as an Improvement Area within the Town of Thornbury and establish a Board of Management
2. Attachment #2 - By-law 2022-56 Being a By-law to Levy a Special Charge Upon Rateable Property in the Thornbury Business Improvement Area
3. Attachment #3 - Thornbury Business Improvement Area letter dated December 4, 2019

Respectfully submitted,

Corrina Giles
Town Clerk

For more information, please contact:
Corrina Giles, Town Clerk
townclerk@thebluemountains.ca
519-599-3131 extension 232

Report Approval Details

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| Document Title: | FAF.23.013 Thornbury Business Improvement Area, Request for Assessment Based Levy.docx |
| Attachments: | <ul style="list-style-type: none">- Attachment 1 - By-law 2014-30 amended by By-law 2017-17 By-law to Designate an Improvement Area within the Town of Thornbury.pdf- Attachment 2 - 2022-56 Thornbury BIA Levy By-law.pdf- Attachment 3 - Thornbury Business Improvement Area Re BIA Levy letter dated December 4, 2019.pdf |
| Final Approval Date: | Jan 17, 2023 |

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Jan 17, 2023 - 1:00 PM