



100 John West Way
Aurora, Ontario
L4G 6J1
(905) 727-3123
aurora.ca

Town of Aurora

General Committee Report

No. PDS24-021

Subject: Aurora Business Improvement Area Governance Review and
Downtown Collaboration Model Alternatives

Prepared by: Lisa Hausz, Manager, Economic Development

Department: Planning and Development Services

Date: February 20, 2024

Recommendation

1. That Report No. PDS24-021 be received; and
2. That staff be directed to implement Alternative 1, as described herein, that a by-law be brought forward to a future Council meeting to repeal BIA Designation By-law No. 6128-18 and any amending by-laws, thereby dissolving the Aurora Business Improvement Area; and
 - a. That staff be directed to perform all necessary administrative functions to conclude the business of the Aurora BIA, and assume their assets and liabilities in accordance with section 214 of the Municipal Act, 2001, as amended; and
 - b. That the Aurora Economic Development Corporation be requested to incorporate the functions of the BIA into their economic development services; and
 - c. That staff lead the development and implementation of a business engagement strategy for the Downtown area, and report back to a future meeting of Council.

Executive Summary

With Council's focus and strategic initiatives to revitalize the downtown area, staff were directed by way of a Council Motion on November 28, 2023 to review the Aurora Business Improvement Area (the "BIA") governance model. Further, staff were to report

back on alternatives to ensure an effective and collaborative approach to supporting the entire downtown area. This report seeks Council's direction on an alternative model to the Aurora BIA model as a local board of Council, and recommends that the Aurora Economic Development Corporation assume the BIA role responsibilities into its economic development services program on behalf of the Town.

The Aurora BIA was initially designed and implemented, under the Municipal Act, 2001, as amended (the "Act"), to provide local business-to-business support in the downtown. The efforts to establish the Aurora BIA are noted and the intentions of the volunteer board are to be commended, as it takes a great deal of time and effort to form a business improvement area and there is desire to see the BIA thrive. However, under the current governance model, there is potential risk, duplication of efforts and extraordinary use of town resources. A different model to support the entire downtown area needs to be explored as directed by Council.

- **In 2016, Council approved a study to determine the feasibility of establishing a Business Improvement Area (BIA) (previous report- CAO16-001).**
- **The Aurora BIA's performance under the current governance model is not sustainable, and its activities in efforts in support of the Downtown area are a duplication of efforts.**
- **Avoidance of duplication of efforts and a streamlined approach are needed to promote and support the entire Downtown Area.**
- **There are alternative models to consider that would better serve as support for Downtown Aurora.**

Background

In 2016, Council approved a study to determine the feasibility of establishing a Business Improvement Area (BIA) (previous report- CAO16-001).

The study conducted in 2016 intended to outline the steps to establish a BIA, business interest in establishing a BIA and to fulfill the recommendations in the 2013 Aurora Promenade Plan. The Aurora Promenade Plan identified a specific area for business improvement and suggested that the Town investigate the interest and implementation of a BIA. While there was consultation with local businesses, there was not sufficient interest across the entire Promenade that would support the establishment of a Promenade-wide BIA. However, a small group of interested parties worked within a

smaller catchment and solicited enough support to establish an Aurora BIA. The mandate for any BIA board in Ontario is outlined in the Act as follows:

- (a) to oversee the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the area beyond that provided at the expense of the municipality generally; and
- (b) to promote the area as a business or shopping area.

In September 2018, the Town passed By-Law No. 6128-18 to establish a BIA that includes the businesses along portions of Wellington and Yonge Street (see Attachment 1: *Aurora BIA area map*). In 2019, the Board of Management (the “Board”) began work to establish itself and begin engagement with its members. The Board proposed a three-year budget for the years 2019, 2020 and 2021.

In 2020, COVID hit and being a new organization, the Aurora BIA did not collect tax levies from the members and went dormant for one year. In 2021, the Town assisted the BIA in re-engaging and establishing itself as a resource for the members following COVID. Several initiatives were completed in 2021 and the momentum was intended to carry into 2022. There were successful events completed in 2022, including the launch of the new website, musical entertainment in Machell’s Alley, and seasonal events held by local businesses. In 2023, a new BIA Board was appointed including the support of two Ward Councillors to make up the governing board.

The BIA relies heavily on a few volunteers and Town support to ensure activities are completed. Despite the intentions of the Board, the BIA still lacks member participation, and governance as mandated by the Act. Additionally, since 2019, governance, process and adherence to the rules of a Local Board of Council have not been consistent which may pose risks to the Town.

Analysis

The Aurora BIA’s performance under the current governance model is not sustainable, and its activities in efforts in support of the Downtown area are a duplication of efforts.

While the designated BIA boundary is dense with businesses, this area is a small part of the entire downtown, and the BIA representation does not fully reflect the entirety of the potential of the area. The voice of the downtown business community is missed with the BIA’s small catchment, low member engagement, inefficient use of budget, and limited deliverables from the Board of Management. The BIA relies heavily on the Town to remain operational.

The BIA has relied heavily upon staff support and participation. The BIA has not proven that it can function as the intended, self-managing, local board of Council designed to promote and beautify the downtown area. The Aurora BIA's performance under the Act governance model is not sustainable, and the past and proposed initiatives are a duplication of efforts, primarily in the area of marketing and promotion. Attachment 2: *Aurora BIA Governance Review* provides a detailed summary of the Aurora BIA's adherence to the Act and the Aurora BIA By-law, and outlines areas of duplication.

The background and current plans of the BIA assisted in determining the proposed alternative models for downtown support, with several factors considered. Primarily, the proposed models are to avoid duplication of efforts and to create a streamlined approach that is necessary to promote and support the entire Downtown Area.

Avoidance of duplication of efforts and a streamlined approach are needed to promote and support the entire Downtown Area.

The Aurora Promenade is an identified plan to encourage redevelopment, revitalization and intensification. Through the Aurora Promenade Plan, several key areas were identified including the historic downtown core. Current support and initiatives are implemented through a variety of groups to encourage revitalization, animation, activation and population in the downtown area. The Aurora BIA is a small geographic section within the boundaries of the Promenade, and its only two objectives are to promote the area and to add to the beautification of the area, which duplicates efforts of other downtown-focused support. Avoidance of duplication and a streamlined approach to business engagement will better support the downtown. Below are a few examples of existing downtown support organizations and initiatives:

Town of Aurora: Nearly every department and division supports the downtown area in some way. These include all divisions of Planning and Development Services (Economic Development, Policy, Planning, Building, and Engineering), to Community Services with Aurora Cultural Centre support, and the numerous events that promote, engage and invite residents and visitors to the downtown. Additionally, Town Square staff have been visiting businesses in the downtown soliciting feedback and informing them of the progress of Town Square. Significant support is also provided through the Town's Operations teams that provide the beautification and maintenance of the town's assets. The Finance department plays an integral role supporting the downtown through ongoing budget support, levy administration, and facilitating grant opportunities. The Corporate Services team also provides support for the downtown initiatives through Legal assistance, Town Clerk consultation and By-law services.

The Town has several strategies and plans underway in support of the downtown area including: the Official Plan Review with the Promenade Plan update, Streetscape project with traffic study, Active Transportation Master Plan, and Town-wide parking strategy to name a few. Each plan has components that impact the Downtown area and requires a streamlined approach to communication and engagement. The BIA was invited to participate in several of the initiatives, however in their draft 2024 budget and workplan presented to members in December 2023, the BIA is proposing duplicate efforts in the areas of parking, traffic, marketing, and events.

Aurora Chamber of Commerce: The Chamber is a partner in grassroots support of the local business community. Their ongoing promotion, innovative business support programs and ongoing frontline assistance plays a key role in helping to revitalize the downtown. The Chamber and its partners, including the Town, promote local business through the *Explore Aurora* brand. This is a website, ongoing social media campaign, and a magazine that promotes the business to consumer businesses in Aurora, including a dedicated page and directory specific to Downtown Aurora. The Chamber also hosts the annual downtown street fair and other events in direct support of the downtown and local business community. The BIA has contracted a third party to act as coordinator and marketer for the BIA, duplicating promotional efforts of the Chamber.

Aurora Economic Development Corporation (AEDC): The AEDC consists of a 12-member Board of Directors that are the advisors, facilitators and supporters of the Town's Economic Development Strategic Plan. Within the plan, one of the key goals is in support of revitalizing and reinvigorating the Aurora Promenade area, specifically, the downtown core. As such, there have been several initiatives conducted by the AEDC in support of building momentum to the downtown. These include window decorating project during COVID; street parking striping to build awareness; advocacy and connection with property owners in the downtown; event hosting and support of major projects in the downtown; and a video prospectus promoting the future of the downtown. Additionally, with an updated Economic Development Strategic Action Plan (2024-2030), the AEDC's Downtown Action Team is supporting the abovementioned Town initiatives, specifically in the Streetscape project, downtown parking strategies, wayfinding strategy, traffic management, and downtown business engagement. As mentioned, the BIA is attempting to duplicate efforts in this regard.

In addition to the above organizations, several individual businesses and organizations contribute their own resources in promoting their establishment and their connection to Downtown Aurora. Two of the organizations that contribute to downtown visitor attraction is the Aurora Farmer's Market and The Armoury that regularly draw attention

to the area. Other area entrepreneurs host their own events and see themselves as promoters of the downtown area as opposed to promoters of the specific boundary of the BIA.

Each of the above organizations already collaborate on events and cross-promotion. The BIA has been included and invited to take advantage of the various events and promotion opportunities, but do not currently have solid plans to host their own events in support of the area.

In late 2023 the BIA contracted a marketing company and have just started to see some impact in business engagement. While this is promising, the opportunity cost, associated with allocating the entire annual budget to outsourcing member outreach and social media, is that neither the entire BIA membership nor the entire downtown area are supported through the BIA program. This opportunity cost further proves duplication of marketing efforts to fill the gaps between promotion of BIA members and the entire downtown area, and the need to streamline efforts. Additionally, their social media is starting to gain followers and outreach, but it is missing an overall value proposition. Instead, the marketing consists of promoting individual businesses that are members of the BIA, and not meeting the objectives which are to promote the downtown area as a place to shop and do business and beautification of the area.

Budget is a perceived limitation that prevents the BIA from producing events. The BIA Board presented a larger budget to the members in late 2023 that considered the options of an increased levy or request financial support from the Town. However, even with funding, there is little support by the BIA Board or members to organize events or even leverage existing events that are held directly in the BIA catchment area (i.e. Chamber Street Festival and Saturday Night Fever on Yonge St.).

There are several ways for a BIA to raise funds besides increasing the levy or requesting additional funds from the Town. However there needs to be a tangible plan and benefit to the area, and alignment with the mandate of the BIA that includes promotion of the area for shopping and visitation, and beautification. Additionally, there needs to be an implementation plan for the funded events, including procurement of services and reporting metrics to the funding authority. The BIA is not currently organized in this regard to meet the requirements of external funding.

There are alternative models to consider that would better serve as support for Downtown Aurora.

With the combination of the Town's downtown revitalization efforts, and planned strategic initiatives, it is an opportune time to evaluate more efficient and effective models of serving the entire downtown business community.

The Act gives municipalities the flexibility to create, change or dissolve local boards to address local needs. The Act provides several alternative models, in lieu of a traditional designated BIA, that may provide a more comprehensive approach to service delivery in the Downtown. In reviewing alternative models and approaches across Ontario (See Attachment 3: Municipal alternative approaches to traditional BIAs), the two proposed alternative models are below.

Alternative 1: Economic Development Corporation

Under s. 9 (3) of O. Reg. 599/06 filed under the Act, a municipality can establish a corporation to conduct economic development services. These services may include:

- Providing a counselling service to or encouraging the establishment and initial growth of small businesses operating or proposing to operate in the municipality, for example a 'concierge service' for small business in the Downtown.
- Support for residential housing and/or parking facilities within the downtown area.
- Undertake actions provided for under a Community Improvement Plan.
- Support for heritage and culture assets and systems.
- Promotion and marketing of the municipality for any purpose, including the collection and dissemination of information and the development of economic development strategic plans.
- Improvement, beautification and maintenance of municipally owned land, buildings and structures in an area designated by the municipality beyond the standard provided at the expense of the municipality generally, and promotion of any area of the municipality as a business or shopping area. (Note that is provision is the same, and only, responsibility for an established BIA under the Act, within their designated area.)

The Town established the Aurora Economic Development Corporation (AEDC) by way of Letters Patent dated December 18, 2018, to serve all businesses by providing many economic development services as outlined in the Act. The AEDC operates as a separate, 12-member board consisting of business leaders, residents of Aurora and two members of Council. The AEDC leads the development and implementation of the

Town's Economic Development Strategic Action Plan that includes a designated Action Team specific to supporting Downtown Aurora. As such, the AEDC is well positioned, and authorized under the Act and its Letters Patent, to absorb the two responsibilities of the BIA relating to improvement, beautification and maintenance of municipally owned lands, and promotion of business and shopping.

To facilitate a transfer of BIA responsibilities to the AEDC, Council would need to dissolve the BIA by passing a by-law to repeal the by-law establishing the BIA, and absorb any remaining BIA assets and/or liabilities.

Alternative 2: Economic Development Staff

The Town's Economic Development staff are positioned to facilitate and support downtown economic growth. Currently, staff, in partnership with the Aurora Chamber of Commerce, work to promote the area and provide opportunities for businesses through events and engagement. Additionally, Economic Development staff work closely with other departments in support of downtown projects and improvements, and also provide support to the Aurora Economic Development Corporation.

As with Alternative 1, under the Act, Council can dissolve the Aurora BIA and absorb any remaining assets or liabilities. Services that were to be provided by the BIA, where appropriate, could be absorbed within Town operations to avoid duplication. Refer again to Attachment 3 for references other municipalities that have taken this approach in lieu of establishing an economic development corporation.

For reasons identified in this report, the structure of the BIA is not the best model to support the entire downtown, and leverage the BIA Board members' commitment and enthusiasm. However, either proposed alternative can recognize the volunteer BIA board members and their desire to support the downtown area. The BIA Board, members and other stakeholders would be engaged as part of the development of the comprehensive downtown engagement strategy. In this way, utilizing local business leaders across the entire downtown through one of the alternatives will allow for a greater amount of input, beyond the current BIA borders, and truly capture the voice of business in the downtown.

Advisory Committee Review

Discussions with the **Aurora Economic Development Corporation**, in particular the Downtown Action Team (formerly the Downtown Committee) resulted in support for reducing duplication and streamlining the promotional and business support efforts in

the Downtown. This includes the dissolution of the Aurora BIA, in favour of a different, collaborative and encompassing model of delivering support and promotion of the entire downtown area, as well as participating in the development of a collective Downtown engagement strategy.

Discussions with the **Aurora Chamber of Commerce** resulted in support of reducing duplication and streamlining the support of the downtown area. The Chamber remained impartial on the option to dissolve the BIA, as the Chamber has had representation on the Board of Management during the BIA's first term. However, the Chamber did not seek election/appointment to be on the current Board of Management for the 2023-2027 term. Additionally, the Chamber has voiced concern to the Board of Management over the years regarding the duplication with the Chamber and Town's efforts in promotion of the downtown. The Chamber is in favour of a collective Downtown engagement strategy and would participate in its development.

The **Aurora BIA** Board supports Council's motion to review current governance and determine options of continuing as a BIA or transitioning the responsibilities to the Town. However, the Board has mixed feelings about a new model. On one side, the Board Members want to see the BIA survive and provide value to the members. On the other side, the Board acknowledges that there is a duplication of efforts, and that they may require significantly more funding to provide the value to members as they envision. They are considering the process to expand the BIA boundaries, but have been advised by the Ontario BIA Association (OBIAA), and Town staff, that expansion should not be used as a means to increase their budget. They need to demonstrate value to current members before adding more members. The BIA expansion process is a longer-term exercise, and they require short-term progress before moving down the path to expansion.

The volunteer BIA board members are busy entrepreneurs and community leaders, eager to produce value, but collectively struggle in organization, duplication, governance, and individual time to commit to the necessary hands-on work required. While the BIA board recognizes the challenges, they stop short in formally requesting that Council dissolve the BIA and leave the decision of a new model up to Council.

Legal Considerations

The BIA and its governing Board were established pursuant to provisions outlined in the Act. The mandates, membership, budget process and other aspects of the Board are directed by the Act. At its core, the Board is meant to be a body that is independent of

the Town and, pursuant to its statutory mandates, that acts to promote private commercial enterprises that make up its membership and the beautification of the BIA area only. The Board's role is limited to working within its legislative mandate.

Pursuant to Act, the Town's role is mostly to oversee the appointments of directors to the board and to oversee the budgeting process. It should also be noted that pursuant to section 106 of the Act, the Town is prohibited from providing assistance to commercial enterprises through the granting of bonuses. As the BIA generally operates for the purpose of promoting private businesses that make up its membership and is limited to its boundaries, the Town is limited in how it can assist the Board and it may not be proper to direct Town resources in the furtherance of the stated mandates of the BIA.

The Town does not have authority to override legislative mandates or requirements that govern the BIA and the Board. If the function or operation of the Board is envisioned to be different than mandated by the Act or to operate as a Town managed entity, a structure other than a BIA should be considered for that purpose.

The Act provides two options for the dissolution of BIAs: (1) unilateral dissolution by the municipality and (2) dissolution at the request of the Board or membership. Unilateral dissolution by the municipality is at the discretion of Council and can be done without notice or consultation with the membership of the BIA. In such scenario, Council may direct staff to bring forward a by-law to a future Council meeting for the purpose of dissolving the BIA, which would entail the repeal of the by-law that established the BIA. The dissolution at the request of the Board or membership would require a request for dissolution from either the Board or signed by members who are responsible for at least one-third of the total taxes levied within the business area. In the case of dissolution, all assets and liabilities of the Board of the BIA would become the Town's.

Financial Implications

The Aurora BIA is meant to be a financially self-sustaining organization through a special tax levy of its membership, collected by the Town on the BIA's behalf. Should the BIA be dissolved, there are specific financial references under the BIA By-law that would need to be considered:

7.12 Upon dissolution of the Board of Management, the assets and liabilities of the Board of Management become the assets of the Town.

The aforementioned provision relating to the assumption of assets and liabilities is based on the same mandate outlined in the Act. Upon completion of the 2023 financial audit of the BIA's accounting records, staff will know the total value of the assets and liabilities that would be transferred to the Town should the dissolution of the BIA occur.

Other BIA assets that would be transferred include, but not limited to:

- website and domains
- social media accounts
- tent (in need of repair)
- generator
- banners (any left undamaged from storms)

Another applicable clause within the BIA By-law that would require consideration in an instance of dissolution would be, which is based upon provisions outlined in the Act:

7.13 If the Board of Management is dissolved and the liabilities exceed the assets assumed by the Town, Council may recover the difference by imposing a charge on all rateable property in the former business improvement area that is in a prescribed business property class.

If Council's direction is to repeal the bylaw and dissolve the BIA, the designated BIA levy would cease as of the date of the repealing bylaw. Consequently, if the Town is to continue the delivery of the previously provided BIA services, there would be no levy in 2024, and any future funding requirements would be brought forward during the regular budget process.

Communications Considerations

Communications will inform the public of this report by posting it to the website. Communications will inform the public about the decision of Council by including information in Council Highlights news release, and posted to the Town's website.

Communications works in collaboration with Economic Development staff and the AEDC's Strategic Action Teams and Aurora Town Square Project to promote downtown businesses and events.

Climate Change Considerations

There are no climate change considerations as a result of the recommendations outlined in this report.

Link to Strategic Plan

The Town of Aurora's Strategic Plan identifies several links in support of a streamlined approach in revitalizing the downtown area.

Goal – Economy:

Objective 1: Promotion of Economic Development Opportunities

- Work with the Aurora Economic Development Corporation to examine opportunities for the Town to actively promote downtown revitalization;
- Actively promote and support the plan to revitalize the downtown;
- Continue work closely with the Aurora Chamber of Commerce and the business community to better understand and address local business needs and promote business retention/expansion;

The Economic Development Strategy outlines several objectives in support of the downtown. The updated Economic Development Strategic Action Plan has identified specific actions, and Action Teams, to facilitate ongoing marketing, communication and support of redevelopment in the Downtown. Additionally, the Town partners with the Aurora Chamber of Commerce to deliver marketing and promotion of tourism-related and main street businesses through Explore Aurora. Links to the strategies include:

- Develop a marketing and communications strategy along with programming to attract and direct local residents and visitors to the downtown;
- Develop a communications strategy to better inform and engage residents and businesses in the downtown;
- Work with the Aurora Economic Development Corporation to examine opportunities for the Town to actively promote downtown revitalization;
- Strengthen the Town's value proposition and support programs to spotlight business in Aurora through video, website, brand awareness, social media.

Alternative(s) to the Recommendation

1. That a bylaw be brought forward to a future Council meeting to repeal BIA Designation By-law No. 6128-18 and any amending by-laws, thereby dissolving the Aurora Business Improvement Area; and
 - d. That staff be directed to perform all necessary administrative functions to conclude the business of the Aurora BIA, and assume their assets and liabilities in accordance with section 214 of the Act, as amended; and

- e. That Economic Development Office incorporate the functions of the BIA into the economic development portfolio; and
 - f. That staff be directed to develop and implement a business engagement strategy for the Downtown area and report back to a future meeting of Council.
- 2. That Council permit the BIA to continue to operate status quo, provided that the BIA provides proof of performance in accordance with its by-law and the Act, and upholds its responsibility as a local board of the Town.
- 3. That Council provide direction.

Conclusions

Council directed staff to review the BIA and report back on alternatives to ensure an effective and collaborative approach to supporting the downtown area. The Aurora BIA was initially designed and implemented to provide local business-to-business support in the downtown. As it was developing, the structure became condensed to the main road arteries of Yonge Street and Wellington. While dense with businesses, this area is a small part of the entire downtown, and the BIA representation does not fully reflect the entirety of the potential of the downtown area. There is a demonstrated duplication of efforts by the BIA in relation to the Town, Aurora Economic Development Corporation, the Aurora Chamber of Commerce and other individual organizations' activities in support of the downtown area. Through Council's motion, the review of the BIA's governance and opportunities for collaboration were explored.

The Town does not have authority to override legislative mandates or requirements that govern the BIA and the Board. If the function or operation of the Board is envisioned to be different than mandated by the Act, or to operate as a Town managed entity, a structure other than a BIA should be considered for that purpose.

This report provides alternatives to the current structure and service level provided by the BIA, and how the services can be incorporated and streamlined into existing strategic plans. The recommendation is to dissolve the Aurora BIA and request that the Aurora Economic Development Corporation incorporate the responsibilities of the BIA, as permitted under the Act.

Attachments

Attachment 1: Aurora BIA Boundary Map

Attachment 2: Aurora BIA Governance Review

Attachment 3: Municipal alternative approaches to traditional BIAs

Previous Reports

None

Pre-submission Review

Agenda Management Team review on February 1, 2024

Approvals

Approved by Marco Ramunno, Director, Planning and Development Services

Approved by Doug Nadorozny, Chief Administrative Officer