



ONTARIO BUSINESS IMPROVEMENT AREA ASSOCIATION



Return on Investment of BIAs

**FOR IMMEDIATE RELEASE - March 22, 2017**

## **Changing the Landscape by Changing the Vacant Unit Rebate**

**The Ontario BIA Association works with the Province, through the Planning, Environment, Resources and Land Deputies Committee (PERL) and the Ministry of Finance to help BIAs change the landscape through Municipal Act Changes.**

Ontario's BIAs have continued to raise the Vacant Unit Rebate ([Municipal Act 364](#)) as a deterrent from their beautification and revitalization efforts. Vacant and deteriorating buildings can and do result in a decrease in the marketable lease rates or the overall 'lease-ability' of a BIA area.

At the recent meeting of the PERL Deputy Ministers and the Board of OBIAA, the board cited contradicting strategies between BIAs and the Province, stated *"that BIAs build programs and invest funds to promote vacant property to prospective lessees and in order to achieve full occupancy, but"*, the board went on to state, *"the provincial incentives assist property owners with remaining vacant."*

Through consultation with the province's BIAs, the Board informed the Deputy Ministers, *"Once a property owner is accepted, to our knowledge, there is no mechanism in place to ensure that the property owner is actively seeking tenant occupancy."* Noting that *"Property owners purchasing property for purely financial reasons (tax write offs) and not for positive investment."* The OBIAA Board indicated that in the case of both large and small BIAs (Downtowns), those vacant and derelict buildings are a challenge.

OBIAA applauds The Province's consultation with Municipalities to consider changing the wording to allow Municipalities to opt in or out of the Vacant Unit Rebate, and would like to suggest to BIAs and Municipalities that the Vacant Unit Rebate be renamed and used as an Economic Development Tool. The Board is suggesting a new business classification of "Main Street Business" that would assist BIAs and Property Owners around the province to apply for an "Attraction Rebate". The OBIAA Board is suggesting the following timelines and guidelines:

<b>Attraction Rebate for Main Street Class:</b> (non-office towers) <ul style="list-style-type: none"><li>• Year One - 100% of the 30% or 35%</li><li>• Year Two - 50 % of the 30% or 35%</li><li>• Year Three - 25 % of the 30% or 35%</li><li>• Year Four - 0% of the 30% or 35%</li></ul>	<b>Attraction Guidelines for Main Street Class:</b> (non-office towers) <ul style="list-style-type: none"><li>• Property Standards as set by the Municipalities. Validation of state of the building(s)</li><li>• Market Value Rental Value as set by the local marketplace</li><li>• Education of local Economic Development Tools stimulus, as provided by the Municipalities (CIPs, Heritage etc.).</li><li>• Pop Up vs Incubator – to allow a property owner to have either of these without losing the Vacant Unit Rebate.</li></ul>
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The Ministry of Finance is now moving forward with providing municipalities' broad flexibility for 2017 and in future years. This change was announced in November 2016 and is intended to allow municipalities to tailor the vacant rebate and reduction programs to reflect community needs and circumstances. Municipalities will be required to submit a response to a Ministry of Finance Checklist and a Council Resolution indicating how they will be implementing the changes to the Vacant Rebate and Reduction Programs.

OBIAA supports these changes and is encouraging BIAs and Municipalities to consider implementing the above noted "Attraction Rebate" as an Economic Development Tool that could make our Urban and Rural Communities stronger.



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### ***About OBIAA***

OBIAA is the network that represents unique and vibrant BIAs across Ontario. The Association, incorporated in 2001, supports and advocates on behalf of its members through the building and nurturing of strong relationships and partnerships. OBIAA is a leader in the development and sharing of information, tools, resources and best practices, and is the ONE voice on common issues. [www.obiaa.com](http://www.obiaa.com)

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