



BOUNDARY EXPANSION PROSPECTUS

February 12, 2018

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WELCOME

Dear Property Owner,

The Old Town Kemptville Business Improvement Area (OTK BIA) is a business association committed to the ongoing branding, promotion and support of the local business community. The OTK BIA has a volunteer Board committed to the provision of business tools and information, area marketing, promotional events and advocacy on issues of member interest as well as economic development for the area.

As we enter our tenth year of existence, the question of expanding the OTK BIA boundaries is attracting not only interest but also support from existing members and potential members alike.

Currently comprising Prescott Street from Elizabeth Street to Clothier Street and Clothier from Rideau to Barnes the Old Town Kemptville BIA has identified the Urban Service Area of Kemptville as a natural extension and growth of the existing district.

Since BIAs fund local initiatives with the explicit aim of effecting positive local change, the Old Town Kemptville BIA has a two-fold aim in proposing boundary expansion:

To continue our work reasserting the key importance of smart growth for Kemptville;

and

To expand our programs into adjacent areas, where they will add value to property owners and businesses alike.

The purpose of this prospectus is to explain how a BIA model works, to provide insight into the Old Town Kemptville BIA itself, and illustrate the benefits of the boundary change being proposed.

We are seeking your support to undertake the preliminary work necessary to expand the OTK BIA boundaries to include the Urban Service Area of Kemptville

Sincerely,

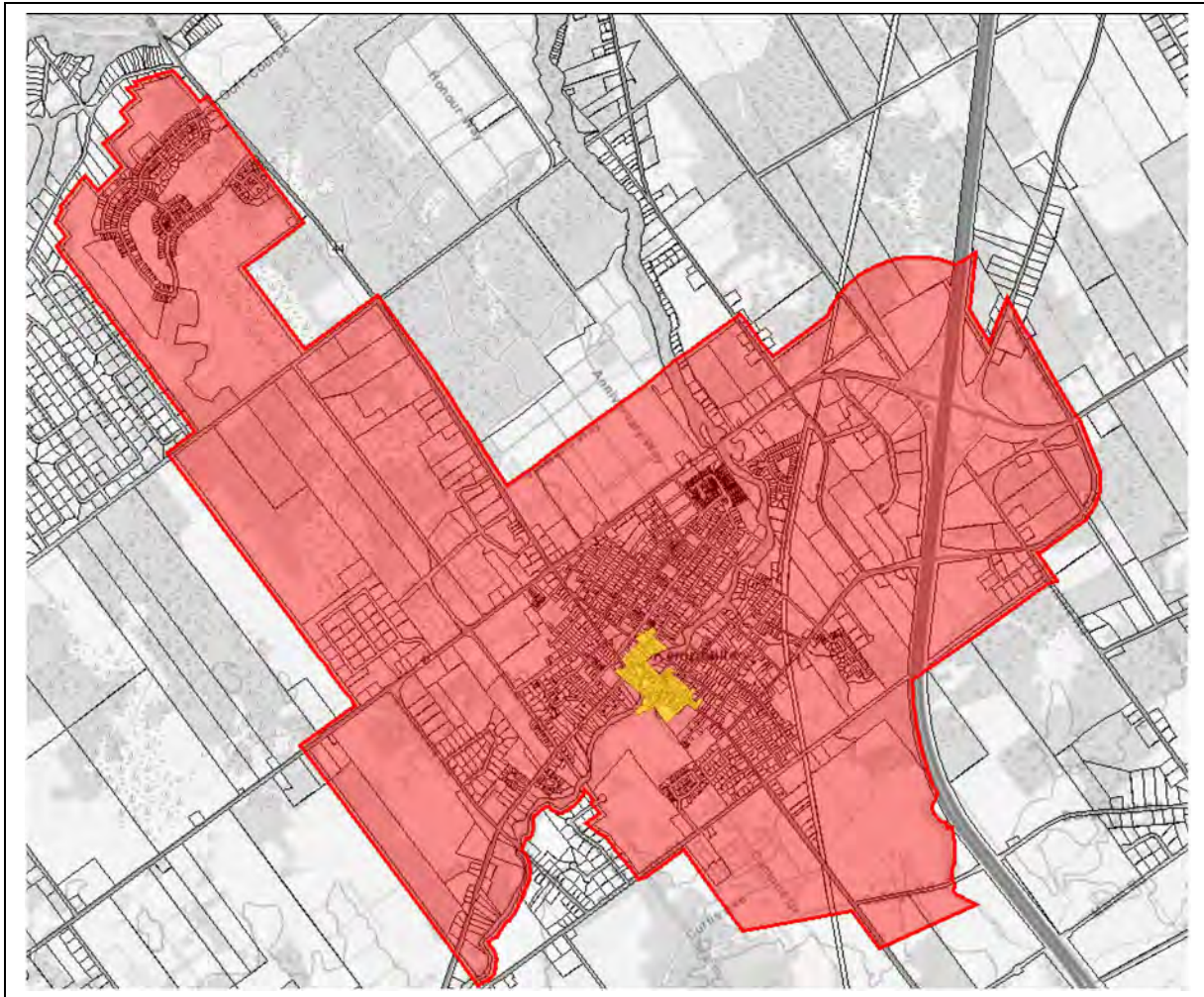


Deb Wilson
OTK BIA Chair



John Barclay
Executive Director

PROPOSED BOUNDARY EXPANSION MAP



Red Shading - North Grenville Urban Service Area.

Yellow Shading - Old Town Kemptville BIA current footprint.

THE BIA MODEL

BIAs are a well-established model of urban management utilized throughout the world, from North America, to Europe, to Africa and Australia. The first BIA ever established was Bloor West Village BIA in Toronto in 1969. In Ontario, BIA legislation was first introduced in 1970 and today, there are almost 300 BIAs operating in the province, representing 55,000 businesses in small towns and urban centres.

The BIA model builds on the idea that pooled social and financial resources within a commercial area can improve opportunity to generate revenue for local business owners. The levy works to provide guaranteed revenue dedicated to community improvements, and in turn shifts the general business mindset from independent wealth to collective benefit.

BIAs are advocates for investors, employers, workers, residents and visitors to their districts

A BIA is a defined geographic district established under provincial and municipal law. It enables both property and business owners to finance supplemental services and improvements to a level beyond that provided by local government.

The over-arching purpose of a BIA is to advocate for its members on a number of different issues, ranging from streetscape and planning, to marketing and events. Research suggests that BIAs tend to start with housekeeping services like cleaning and safety, but evolve over time to tackle increasingly sophisticated initiatives, such as advocacy and strategic planning.

BIAs are governed by their property and business owners

A BIA is governed by a Board of Directors that prepares an annual budget for the association and submits it to property and business owners for approval at the Annual General Meeting. Board directors are property and business owners from the district who volunteer their time and passion, on an unpaid basis, while the day-to-day operations of the BIA are typically managed by a team of professional staff, reporting to an Executive Director.

A BIA Board is elected by its members and approved by Municipal Council, which also appoints a local councillor, or councillors, to sit on the Board. Furthermore, annual BIA budgets are submitted to Municipal Council for approval, as well as being independently audited by external auditors.

BIAs are member-funded and that income goes straight into district improvements

BIAs are funded by a supplementary levy applied to the buildings within the district. This levy is calculated as a proportion of the assessed value of individual properties. Every commercial property owner, and most of their commercial tenants, are automatically included as members and required to contribute to the BIA budget. While the property owner is responsible to the Municipality for the BIA payment, most commercial leases provide for a 'pass-through' of property assessments to commercial tenants on a pro rata basis. In this situation, the tenant is responsible for paying the BIA levy, which the property owner collects through rent.

Levies on BIAs are determined annually and enacted in a Municipal by-law

Every year the Municipality of North Grenville enacts a by-law outlining the levy for the BIA. Levies are calculated for commercial and industrial categories of property, as well as for vacant land. Levies are the main source of income for BIAs.

BUSINESS IMPROVEMENT AREA BUDGETS & MEMBERSHIP

The current Old Town Kemptville BIA consists of 77 members who pay an average per tenant business levy of \$325. Our 2017 budget was \$25,000 per year.

Here are some figures from other BIAs in the region for comparison:

The Downtown Carleton Place BIA has 150 members and their 2017 budget was \$150,000 (average per tenant business levy is \$1,000/year).

The Downtown Heritage Perth BIA has 170 members and their 2017 budget was \$84,000 (average per tenant business levy is \$500/year).

The Downtown Smiths Falls BIA Smiths Falls DBA has 140 members, budget of \$79,000 (average per tenant business levy was \$564/year)

The Downtown Brockville BIA has 295 members and their 2017 budget was budget \$241,271 (average per tenant business levy is \$817/year).

The Prescott BIA has 89 members and their 2017 budget was \$29,000 (average per tenant business levy is \$325 /year).

EXPANSION PROCESS

BIA boundary expansion is established through a process of consultation, discussion and agreement

The expansion of an existing BIA must follow a clear process:

The first step is to establish a Steering Committee, to identify the expansion boundaries and set a date for one or more formal public information sessions.

The second step is to hold formal public meetings to determine interest in proceeding with a change in the boundaries. Subsequent to this meeting a prospectus is mailed to interested parties with an email following up. **A letter is then sent to the Municipality requesting Council enact a bylaw to change the boundaries and confirming that the necessary consultations have been carried out.**

The third step is to officially notify property owners in both the existing BIA and the proposed expansion areas. The Municipality sends notice by pre-paid mail to every person assessed for ratable business property within the existing and proposed new BIA boundaries.

The fourth step is to allow sufficient time for tenants to be notified. Property owners have 30 days to notify each tenant of the property to which the notice relates and who is required to pay all or part of the taxes on the property. Property owners have 60 days to provide the Municipality Clerk with an up-to-date list of those tenants, as well as the share of taxes they are required to pay.

The fifth step allows for any objections to the proposed expansion to be submitted. Objections can be submitted to the Municipality Clerk within a period of 60 days. Unless objections have been signed by: (i) One-third, or more, of persons entitled to the notice (commercial property owners and tenants within the existing BIA plus proposed expansion area); and (ii) the objecting owners and tenants representing of one-third, or more, of the commercial property taxes assessed in the existing BIA; or one-third, or more, of the commercial property taxes assessed in the expansion area alone, the Council will pass a bylaw expanding the boundaries.

The sixth and final step is to ensure that all conditions have been met in expanding the BIA boundaries. Once this has been completed, the Municipality Clerk will issue a certificate to the Municipality's Director of Planning and Development. Following the expansion of the BIA, the first priority of the BIA becomes that of Board composition and strategic planning.

OLD TOWN
KEMPTVILLE
BUSINESS IMPROVEMENT AREA

The Old Town Kemptville BIA is a distinct geographic location in Downtown Kemptville. It was established on January 1st, 2008 to establish Old Town Kemptville as a premier shopping, business and entertainment destination. The BIA Board of Management is set up to provide business promotion and to improve Municipal property within that area.

The mandate of the Old Town Kemptville BIA is to provide leadership and advocacy for the collaborating stakeholders (businesses, building owners, residents and those who work downtown) with the goal of achieving an economically sustainable and thriving commercial and social hub in North Grenville.

Our boundaries were created ten years ago. Today North Grenville is the highest growth area in the United Counties of Leeds and Grenville. Since 2006, there has been significant growth and we are to see even more commercial growth over the next 5 years. We are the "Old Town Kemptville" BIA and therefore represent all businesses within a very small footprint. However, the businesses that are not part of our footprint have been able to benefit from the events, programs and projects that we undertake as Associate Members. These non-voting businesses don't pay a levy and are primarily found in the Rideau-Sanders Triangle and south to Concession, including along Van Buren. The entire business community benefits from our wide-scale branding initiatives so it is only fair that all businesses should be funding these programs.



(Since 2016, the BIA has slowly moved away from the "Old Town" branding to a more generic "Downtown" appellation)

"The BIA has been a very active partner in our office gaining recognition and becoming part of the community from before the sign was hung and beyond. A community survives the times with a strong culture and a strong leadership. While the BIA is a Business Improvement Association I appreciate how ours focuses on the exposure and involvement of the residents in the area.... As it grows and develops we need a strong voice to ensure the success of the businesses and the strength of the community." - Wendy Embleton, Exit Realty by Design

KEMPTVILLE BIA - PROPOSED

Next year after a successful expansion, the BIA Expansion Steering Committee is proposing a first-year operating budget based on a levy on member property value.

If the levy selected results in a budget of \$131,000 as proposed in a first-year budget below, we will hire a full time Executive Director and secure accessible office space.

Spending on marketing the district's events, programs for businesses and advertising campaigns will be approximately \$32,000, of which \$9,000 is dedicated to marketing Kemptville regionally. A further \$13,000 will be reserved towards commissioning a professional Economic Refresh Survey. The approximate cost of this survey is \$55,000 and it will be commissioned in Year Three.

The Economic Refresh Survey will assist the member businesses and property owners in confirming and better defining its existing market and market positioning, identifying its future business development and market potential, any challenges to achieving that potential and strategies to realize that potential. It will also provide the foundation for further marketing work, such as developing the BIA's brand, positioning statement, marketing collateral, promotions and events. The retail assessment shall also give us the data we need to attract new retailers and employment-based businesses to the area. This will allow us to show the desire, and demand for their offerings, with solid financial data to reassure retailers that investing in this area is a safe bet. The goal of the Economic Refresh Survey is to provide members with detailed information about the trading area and customer preferences within it - beyond what is available through Statistics Canada - including people-on-the-street interviews.

A majority of the BIA revenue will come from the BIA membership levy, although the current BIA has been very successful in obtaining grants to pursue various initiatives, such as the current Kemptville Pop-Up Shop and Downtown Directional Signage initiatives.

An expanded Kemptville Business Improvement Area will be able to provide tangible benefits to each and every business in Kemptville's Urban Service Area. Specific examples of how we will be able assist the Kemptville business community include;

Branding and Promotion

- Wide-scale branding of Kemptville as a premiere commercial area to primary, secondary and tertiary market areas.
- A Kemptville Business Directory Map, printed and circulated to consumers
- Bi-monthly full-page advertorials in local media, highlighting BIA members
- Seasonal Programming Grants to business clusters (Van Buren, Hwy 43, Old Town, etc.)
- An annual business award perhaps in conjunction with the NG Chamber of Commerce.

Information and Tools

- A dynamic responsive website that allows for member-generated content such as e-flyers and discount coupons.
- E-resources for BIA members; relevant downloadable information from sources such as the Ontario BIA Association
- The Kemptville e-News - an opt-in subscriber e-newsletter currently with 400 subscribers

Advocacy and Protection

The Kemptville BIA will:

- Advocate for economic development within our community, with the goal that employment growth in Kemptville is realized.

- Speak for all local businesses on issues important to the development of local business with strong support for and protection of the Official Plan for the Urban Service Area.
- Consult with Municipality of North Grenville staff on a regular basis
- Make presentations to Municipality Council and Committees
- Attend public consultations
- Liaise with other like-minded associations from the broader business community on common issues
- Develop strong partnerships with stakeholders and champions that directly influence the district.

BOARD OF MANAGEMENT

The Old Town Kemptville BIA is governed by a high-powered voluntary Board of Management and is managed by an Executive Director. All Board members are business owners operating in the OTK BIA district who are passionate about continued success- not only their own but that of the greater business community.

2017 - 2018 BIA BOARD OF MANAGEMENT:

Deb Wilson, Chair
Grahame's Bakery

Chris Melnick-MacDonald, Vice Chair
Indicium Inc.

Stephen Bent, Treasurer
CIBC-Kemptville

Paul Cormier, Secretary
Salamanders of Kemptville

Blair Hamilton
Home Hardware

Lee McIlvenna
Geronimo Coffee House

Connie Lamble
Law Office of Connie Lamble

Stephanie Gilmer
RANA Development, Inc.

Kim Smalridge
Kemptville Kids Pediatric Therapy Services

EXECUTIVE DIRECTOR

John Barclay

COUNCILLOR

Donovan Arnaud

Proposed First Year Budget

Proposed BIA Expansion Detailed Year One Budget as at: December 12, 2017

			1stYear Budget	See Notes
Levy			\$1.00	
(per \$1,000 assessed Property Value)				
INCOME			\$131,213.00	1
EXPENSE				
Item	units	cost/unit	Budget	
Administration (ED)			\$39,500.00	2
Professional Development			\$600.00	3
Overhead				
Memberships (OBIAA etc)			\$750.00	
Annual General Meeting			\$1,500.00	
Rent/Utilities	12	990	\$11,880.00	4
Office Furnishings	1	3000	\$3,000.00	5
LapTop Computer			\$650.00	6
Software/Storage	12	100	\$1,200.00	7
Photocopying/Printing	12	100	\$1,200.00	
Marketing, Promotion & Advertising				
Annual BIA Business Award			\$750.00	
Website			\$3,500.00	5
Annual Website maintenance/hosting	12	100	\$1,200.00	
Advertorials	24	600	\$14,400.00	
Programming Grants	1	3500	\$3,500.00	8
Regional Advertising			\$9,000.00	9
Subtotal			\$92,630.00	
General Reserve			\$25,690.00	10
Economic Refresh Survey Reserve			\$12,893.00	11
TOTAL			\$131,213.00	
Surplus (Shortfall)			\$0.00	

Budget Notes:

- (1) Income does not include grants or other potential sources of income
- (2) Administration includes payroll costs & benefits for a fulltime Executive Director
- (3) Professional Development includes courses, conferences
- (4) Rent includes utilities, maintenance internet, phone for a modest centrally located office
- (5) Office Furnishings and Website Creation are both One Time Costs
- (6) Upgrade Computer hardware every 3 years
- (7) Covers graphics software, cloud based storage costs
- (8) Easter, Hallowe'en, Christmas events per business "neighbourhood"
- (9) Regional Advertising promoting Kemptville as a destination for tourism, shopping and investment
- (10) A cash reserve is required because levies are not collected and remitted until June of each year
- (11) Put out to tender, a professionally conducted detailed survey costs approximately \$55,000. Refreshed every 3 years

NEXT STEPS AND CONTACT INFORMATION

We are seeking your support to undertake the preliminary work necessary to expand the Old Town Kemptville Business Improvement Area boundaries to North Grenville's Urban Service Area.

The next steps include:

- Consulting with the largest property owners in the proposed expansion area;
- Ascertaining the level of support for the proposed boundary expansion; and
 - Initiating the formal process with the Municipality of North Grenville.

As one of the business associations in Kemptville, we are fully committed to enhancing your investment in the area. We are dedicated to working on your behalf.

We would like to thank the Barrhaven BIA for their gracious assistance with the preparation of this prospectus. For information about the Barrhaven BIA visit them online at <http://discoverbarrhaven.ca/>

Please do not hesitate to contact us to discuss the boundary expansion in more detail:



John Barclay
Executive Director
Old Town Kemptville Business
Improvement Area