

OBIAA: LEGISLATIVE ASSEMBLY OF ONTARIO REPORT

August 24, 2020






OBIAA Presenter

Kay Matthews, Executive Director | Ontario BIA Association

- Kay Matthews, since 2011, is the Executive Director of the Ontario BIA Association representing 300+ BIAs in Ontario. She has spent 20+ years in BIA management; 10 years in an Urban BIA and 5 years in a Rural BIA. Having worked in the Heritage and Arts sectors in Mississauga for 10 years, this brings her total Community Development experience to more than 30 years.
- Kay has overseen three Accessibility Projects for OBIAA, the Investment of BIAs Project and Ontario's Digital Main Street Project. Kay speaks at various events, facilitates Strategic Planning as well as teaches Governance to BIAs.
- Kay additionally has organized and executed large scale events such as the Bread and Honey Festival, Mississauga's Carassauga and Santa Claus Parades and the annual BIA Conference.





OBIAA's submission will include feedback and recommendations on:

- Funding to BIAs
- Insurance
- Inconsistencies in Closing and Reopening
- Business Support
 - Rent/OCERCA
 - Small Business Liquidity
 - Reducing Hard Costs and Red Tape for Small Businesses
- Tourism
- Follow Up Meeting Ask

Issue: Funding to BIAs

- Current funding, from all levels of government, is not reaching BIAs which would
 - Ensure direct support to BIAs throughout Ontario which would ensure specific communications and funding to small businesses to adapt to public safety requirements associated with the pandemic.
- We recommend that a separate fund be set up for BIAs with OBIAA being the grantor.



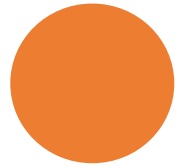
Issue: Insurance

- Insurance requirements and the costs are rapidly increasing
- Many insurance agencies are denying policies leaving many without the ability to even attain insurance
- Level of Insurance required has often moved from \$2 to \$5 million
- Business Interruption insurance difficult to attain or receive
- Consideration on capping insurance premiums and/or penalties
- OBIAA recommends convening a panel of industry partners to conduct a review of insurance companies



Inconsistencies in Closing and Re-Opening

- Nonessential items were readily available in large format retailers, while main street businesses, who have a smaller footprint and therefore more control of access were forced to close
- Announcements provided not enough time for the business to open with the correct protocols in place
- Rules on who could and could not utilize curbside pick up were inconsistent
- While the 'good news' was welcome, suggested protocols could/should be in place giving businesses the opportunity to be prepared when the announcement was/is made
- Curbside pick up should remain an option
- Businesses on main streets should be allowed to stay open (in the event of another wave)
 - Closing main street shut out and cut off our vulnerable (seniors and persons with disabilities) were cut off from community and their commercial centres that are walkable and accessible



Issue: Business Support

1. Rent Relief - OCERCA.
2. Small Business Liquidity
 - o Costs of retrofitting and purchasing of PPE and other protocols
3. Reducing Hard Costs and Red Tape for Small Businesses



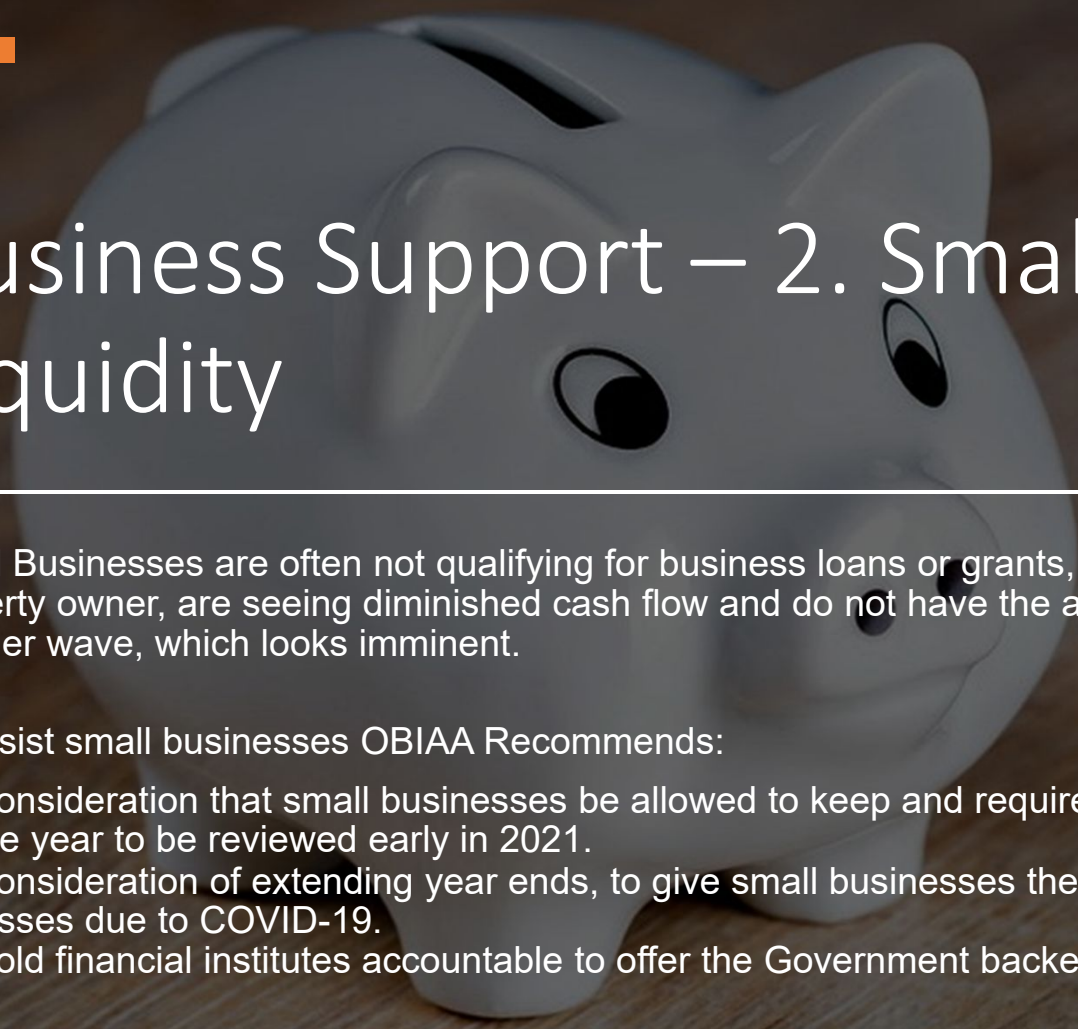
Business Support – 1. Rent

- Months of no income
- SME struggling to pay commercial rents
- OCERCA created, but anticipated uptake not realized

OBIAA Recommends:

1. Change OCERCA to put rent relief in the hands of the tenants.
2. Freeze rent evictions by passing legislation for a moratorium on commercial evictions until March 2021 (to be applied to tenants who were in good standing as of March 15, 2020).
3. That the 70% threshold be reviewed and, if necessary, reduced (e.g. a 70% threshold if your rent is above \$5,000 and 50% below \$5,000)
4. For those landlords who are not offering support to tenants a penalty should be applied or should be ineligible for government supports.
5. Encourage commercial landlords to negotiate new lease term agreements.
6. Introduce a rent cap for commercial rent for the next two years as many tenants are not approaching landlords for support because of fear of future increases





Business Support – 2. Small Business Liquidity

Small Businesses are often not qualifying for business loans or grants, do not have the assets of their property owner, are seeing diminished cash flow and do not have the ability to rebound should there be another wave, which looks imminent.

To assist small businesses OBIAA Recommends:

- Consideration that small businesses be allowed to keep and required HST payment for the remainder of the year to be reviewed early in 2021.
- Consideration of extending year ends, to give small businesses the ability to right-off some of their losses due to COVID-19.
- Hold financial institutes accountable to offer the Government backed loans

Business Support – 3. Reducing Hard Costs and Red Tape for Small Businesses

- Recognition of the loss of main streets early in the crisis the government allowed patios, curbside pick up and the sale of liquor.
- Government measures and Digital Main Street were the difference between zero sales and minimal sales and should be applauded.
- Challenging applications, increased insurance coverage and permits were/are burdensome to small businesses as they are often challenging and not user friendly.
- Not all businesses able to increase their capacity with a patio due to location.

OBIAA Recommends:

- the Government encourage Municipalities to continue waiving of patio, licensing fees for at least another year, as well as considering implementing as permanent programs towards vibrancy and recovery.
- As with Digital Main Street, provides one on one support to small businesses with a new program that links professional support in accessing Government Supports, such as OCERCA, CEWS, Loans, Business Development and HR.
- Assist small businesses by created a PPE fund that would assist them in the retrofits and costs of providing these health measures.



Issue: Tourism

- Ontario main streets support tourism
- Additionally, many tourist attractions are located within or near our BIAs
- BIAs act as tourism advocates
- They are highly connected to their local community through social media, websites and offices, enabling visitors to learn what there is to see and do in the area
- Many BIAs also put on walking tours and have online and/or printed guides for their area

OBIAA Recommends:

- To build on the internal tourism needed, we recommend tax incentives be implemented to encourage Ontarians to travel in the province
- The Municipal Accommodation Tax be temporarily waived or reduced from the 4% and encourage Municipalities to provide their local 'tourist ready BIA' a percentage of the funding.



Follow Up Meetings

- **OBIAA is the Voice for BIAs.** We acknowledge and applaud the recognition that has been given through Digital Main Street
- OBIAA and our BIAs are *essential* partners in recovery and beyond
- Our BIAs are public community hubs and are key ecosystems
- At a time when we were in crisis, the Government was visible and listening
- Understandable focus on the physical health of Ontarians, however, the emotional and fiscal health of the province has suffered.

OBIAA Recommends:

- Set up formal quarterly meetings between OBIAA and ministries
- Consider a more wholistic approach to handling the crisis



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