



Jan. 30, 2024

Mayor Mike Hurley, and
Members of Council
City of Burnaby
4949 Canada Way
Burnaby, BC V5G 1M2

Dear Mayor Hurley and Members of Council,

**RE: REVISED PROPOSAL - RENEWAL OF THE HEIGHTS MERCHANTS ASSOCIATION
BUSINESS IMPROVEMENT AREA FOR A FIFTH TERM: 2024 to 2034**

Please accept this letter as a follow up to our Nov. 3, 2023 correspondence initiating our BIA Renewal process for our next 10-year mandate. A follow up was needed to signal that we are revising the originally cited Levy amount, and the corresponding 10-year schedule.

These changes were made to allow for a softer initial impact in Year 1. We recognize that it continues to be a challenging economic climate for many of our businesses, especially restaurants and retailers. We also recognize that the upcoming construction on new commercial units has not yet been completed. Once they are, in 2025, it will distribute the Levy to more businesses, resulting in a lower mill rate and a further muted impact.

In addition, the HMA Board has also slightly reduced the total Levy over the 10 years that we are requesting to moderate its impact on our membership. That said, the **percentage of total taxes remains very much in line with averages** seen in other parts of the region and the actual dollar amount is still very reasonable (**about \$3 per day for a mid-sized Heights business**).

Lastly, as our fiscal year begins on May 1, prior to the BIA Levy being received in July, this letter includes a revision to formalize a request of a partial "Advance" of our Levy (please see page 3 of this letter).

BIA Renewal Activities to Date

To reiterate our report on our Renewal preparation, allow me to say that the HMA has conducted or will soon undertake the following activity to prepare for the Renewal of our mandate:

- Survey of the BIA Membership [completed Summer 2022]
- Strategic Planning Workshops and Consultant Reporting [completed January to March 2023]
- Development of Strategic Plan (in preparation for Renewal) [completed July 2023]
- Developed a Proposal for BIA Renewal and Levy required [completed September-October 2023]
- One-on-One Meetings with BIA Members [ongoing]
- Communication: Six (to date) E-mail bulletins on the subject of Renewal to our membership (with an average of 61% open rate) as well as inviting our members to our Renewal Open Houses (Jan. 9, Jan. 18, Feb. 27 and March 7) as well as our Member Mixer (30th Anniversary Celebration) which doubles as a Renewal Open House. We also distributed printed communication on our upcoming Renewal and Open Houses by hand (to our merchants) as well as by mail (to our property owners).
- Information/Communication Brochure to our members (to be distributed in late February).
- Open Houses: We have held two Open Houses so far (Jan. 9 and Jan. 18) with two more to come.
- Member Mixer on Feb. 8 to celebrate our 30 years as a BIA and provide Renewal information.

Positive Feedback to Date

To date, we have heard largely positive and supportive feedback from our membership regarding the HMA's work on behalf of the district and the prospective of continuing our work for another 10 years. Our "effectiveness" score among our surveyed members in our Summer 2022 survey was above 75% (inclusive of property owners' and merchants' responses).

Based on encouraging feedback we have received, we are confident that property owners and merchants in the Heights commercial district will support renewal of the HMA BIA for a fifth term.

Mandate Length-of-Term: 10 Years

As stated in the previous letter, our 30-year-old BIA is mature and established. We have been serving our businesses and indeed, our community, for nearly three decades. We believe we bring tremendous value to not only our membership in the form of effective and relevant programming and support to local Heights businesses. In addition, we lift up the whole of Burnaby Heights by our engagement with the community, physical improvements (e.g. street banners, murals, litter pick-up), place-making (neon art, live music), community celebrations (Hats Off Day and other events), and much more. What's more is that this activity is 100% funded by the merchants, not by general tax revenue. The citizens of Burnaby do not pay for our BIA's work or programming, but they do benefit from it, directly and indirectly. This is a win for Burnaby Heights, north-west Burnaby and the whole City.

We are seeking a stable 10-year mandate so we can continue our work in serving our members and the community.

Levy Requested

As noted in our November letter to council, the HMA is underfunded compared to other BIAs of our geographic and membership size. 10 years of 1.5% annual increases, on average, have impacted our ability to meet our members' needs and saw us fall financially behind. Although Property Owners see the BIA Levy appear in their tax statements, the common practice is to pass the Levy to their tenants (the merchants) in the form of monthly "triple net" rent.

We are seeking a modest initial boost in funding from our membership to help us catch up and to meet their needs. Although cited as a 15% boost in the first year, because our Levy is relatively low to begin with, the average annual levy increase will be in the region of \$216, equivalent to a daily increase of around 60 cents. We believe that this relatively small increase is justified in order to sustain continuation of our services.

This boost will be softly felt because our area continues to grow in membership and development. This development will continue for at least another 5 to 15 years so we expect the BIA Mill Rate will gradually decrease over time, and some merchants may even see a decrease in their Levy over the years.

Since our last Renewal in 2014, our organization's projects have grown, and we also undertake more place-making initiatives. Our Levy needs to accommodate anticipated new expenses that we have not had before; e.g., the electricity costs of the new Eagle neon sign (we already pay for the electricity of the Swinging Girl neon sign) and a hoped-for creative intersection within our next Mandate period.

After much analysis and discussion, the HMA Board determined that a "boost" of \$90,000 was needed to effectively meet all of our event, marketing, and place-making programming of the next 10 years. Achieving this initial boost would be spread over two years, not one.

The Levy schedule our Board is requesting of Council is shown on the next page.

10 Year Levy Schedule for the Heights Merchants Association BIA

2024-2025	\$336,800.00 (an increase of 15% from the year before)
2025-2026	\$382,800.00 (an increase of 13.7% from the year before)
2026-2027	\$401,940.00 (5% increase)
2027-2028	\$422,037.00 (5% increase)
2028-2029	\$443,139.00 (5% increase)
2029-2030	\$465,296.00 (5% increase)
2030-2031	\$488,561.00 (5% increase)
2031-2032	\$512,989.00 (5% increase)
2032-2033	\$538,638.00 (5% increase)
2033-2034	\$565,570.00 (5% increase)

10-Year Total \$4,557,770.00

The City's Finance Department has also requested copies of our Association's insurance policies, which were forwarded to Council on Nov. 3, 2023.

Annual Levy Advances

Because our Fiscal Year begins on May 1, annually, and this coincides with our heaviest spending period of the year with Hats Off Day each June and additional summer staff to add to payroll, we are dependent on a 30% Advance from the City of Burnaby to arrive in late May, which would provide critical cash flow until the rest of the Levy is received in July.

As always we express our sincere thanks to the wonderful staff of our City's Finance Department, whose support, skill, and knowledge have been instrumental to this Renewal process.

And to our Mayor and Councillors, we extend our deeply felt gratitude for your constant support through the decades. Your enthusiasm and care for Burnaby Heights is evident and with your support, we look forward to continuing to work with you to meet our potential and our challenges for the next 10 years.

With the will of our membership and your continued support we will continue to serve our membership – both merchants and property owners – as well as our community, with great care and stewardship of our district. Together, we can create an urban village environment where diverse businesses can compete and truly thrive, provide easily accessible local goods and services, and so our district as a whole can remain economically, socially, and environmentally diverse, vibrant and viable, for decades to come.

Yours sincerely,



Nelson Chow
President, HMA Board of Directors

- C: Richard Rowley, Director of Finance
- C: Shawn Natrasony, City Planner and HMA BIA Liaison Representative
- C: Nikki Best, Director of Legislative Services