

Report to Planning & Environment Committee

To: Chair and Members
Planning & Environment Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Subject: Review of Property Tax Levy Funding Provided to Business Improvement Areas

Date: April 14, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the report titled “Review of Property Tax Levy Funding Provided to Business Improvement Areas” **BE RECEIVED** for information.

Executive Summary

Currently, there are five Business Improvement Areas (BIA’s) in the City of London. Two BIA’s receive supplemental funding from the City of London’s property tax levy to support their operations. Council directed Civic Administration to review and report back on these funding allocations prior to the end of the current term of Council in 2026. This report explains how the BIA’s use this funding as well as the financial state of each BIA.

Linkage to the Corporate Strategic Plan

Council’s 2023 to 2027 Strategic Plan for the City of London identifies “Economic Growth, Culture, and Prosperity” as a strategic area of focus. This involves working better together for economic growth with London’s BIA’s and continuing to build strong working relationships with such community partners. In line with this area of focus, the City provides guidance to the BIA’s regarding establishment and ongoing business and financial operations. The City is responsible for collecting the approved levy amounts, which fund the services provided to the BIA members and thus promote continued growth in London’s economy.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Infrastructure and Corporate Services Committee, January 12, 2026, Agenda item 2.1, Old East Village Business Improvement Area 2026 Proposed Budget – Municipal Special Levy. The report can be found on the City’s website by visiting:
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=120976>

Infrastructure and Corporate Services Committee, January 12, 2026, Agenda item 2.3, Hamilton Road Business Improvement Area 2026 Proposed Budget – Municipal Special Levy. The report can be found on the City’s website by visiting:
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=120978>

1.2 Municipal Council Direction

At its meeting on January 24, 2023, as part of the 2023 Budget Update process, Municipal Council resolved to provide the Hamilton Road BIA with \$100,000 annually, funded from the property tax levy, to support the operations of the BIA. The resolution

also directed staff to bring forward a subsequent report prior to the end of the Council term:

Case # P-16 – Community Improvement/BIA – Funding for the Hamilton Road BIA – Operating Expenditure \$100,000; Tax Levy \$100,000 BE APPROVED; and that the property tax levy funding to Business Improvement Areas BE REVIEWED in conjunction with the consideration of future multi-year budgets, and during this term of Council in 2026.

1.3 What is a “Business Improvement Area”?

The Province defines a Business Improvement Area (BIA) as an “innovation that allows local business people and commercial property owners and tenants to join together and, with the support of the municipality, to organize, finance, and carry out physical improvements and promote economic development in their district. Traditionally, a BIA is a body established by a municipality using the specific business improvement area provisions in the Municipal Act, 2001. It is governed by a board of management. Once a traditional BIA is approved by municipal council, businesses within its boundaries become members and pay the BIA levy along with their property taxes.” Further information regarding the functions, activities and benefits of BIA’s can be found here:

Business Improvement Area Handbook [mmah-business-improvement-area-handbook-2010-en.pdf](https://www.mmah.ca/mmah-business-improvement-area-handbook-2010-en.pdf)

1.4 Business Improvement Areas in the City of London

Within the City of London, there are currently five BIA’s: Downtown London, Old East Village, Hyde Park, Argyle and Hamilton Road. They are predominantly located in areas that are defined by *The London Plan* as ‘Main Street’ place types. This creates places where the conditions are favourable for businesses to flourish. BIA’s are also supported through revitalization efforts, including policies within community improvement plans, urban revitalization practices, and by means of economic development and business development initiatives.

2.0 Discussion and Considerations

2.1 History and Use of Funding

Old East Village BIA and Hamilton Road BIA both receive annual property tax supported funding from the City of London in addition to the municipal special levy that they each receive from their membership. Old East Village BIA has received funding annually from the City since 2005 (currently \$141,102/year), noting there have been increases since the funding was initially provided. Hamilton Road BIA has received \$100,000 annually since 2023. Note that the above amounts exclude additional one-time grants approved by Council over the years. In 2026, Old East Village BIA’s municipal special levy was \$42,000 and Hamilton Road BIA’s municipal special levy was \$70,000. Old East Village BIA has not increased their municipal special levy since 2019 and Hamilton Road BIA, created in 2018, has never increased their municipal special levy. The other BIA’s have all increased their municipal special levy as recently as the 2026 budget process.

Hamilton Road BIA utilizes the property tax levy funding to support core services such as cleaning, security, and beautification. These funds were also used to support events such as the Ham Bucks program in previous years. Old East Village BIA uses this funding to support their overall operations, including staffing, marketing, and promotional activities. Old East Village BIA also supports graffiti removal, property clean up, and security presence in the area.

2.2 Economic Conditions of each BIA

Each BIA is in a distinct geographic region of the city presenting its own unique economic conditions. One major difference is the major retail centres present in Argyle

BIA (Argyle Mall) and Hyde Park BIA (Smartcentres London North). These centres include large stores (such as Wal-Mart, Sportchek, and Winners), often better able to address levy increases by the BIA. Downtown London carries a higher density of shops and businesses compared to other areas. In contrast, Old East Village and Hamilton Road BIA's do not have any large retail centres and consist of small businesses. These smaller businesses have less financial flexibility to absorb increases to the levy charged by the BIA. **Table 1** also provides comparative information on the assessed property values for each BIA, noting however that assessed value, in isolation, is not necessarily entirely indicative of ability to pay.

Table 1 – Average Assessed Property Value by BIA

BIA	Total Billable Assessment	Number of Billable Properties	Average Billable Assessment
Argyle	\$170,554,300	109	\$1,564,718
Downtown London	\$836,012,226	695	\$1,202,895
Hamilton Road	\$ 44,906,700	168	\$ 267,183
Hyde Park	\$315,322,700	170	\$1,854,839
Old East Village	\$ 24,984,883	87	\$ 287,183

3.0 Financial Impact/Considerations

3.1 Funding Structure of BIA's

BIA's are intended to be funded through a special levy imposed on the members of the business area. London currently has five BIA's with varying factors impacting each area such as economic conditions, size, property assessment values, and the types of businesses located in the business area. The legislation requires that each commercial or industrial assessed property within a designated boundary contributes proportionally based on their property's assessed value. While this model is designed to be equitable, it can produce uneven outcomes in practice.

The municipal special levy rate is calculated as a percentage of assessed value based on the approved budget of the BIA and the required funding to be raised. The 2026 municipal special levy and levy rate for each BIA is shown in **Table 2**.

Table 2 – Summary of Municipal Special Levy and Levy Rates

BIA	2026 Municipal Special Levy	2025 Municipal Special Levy	2025 Levy Rate¹	Levy Per \$100,000 Assessed Property Value
Argyle	\$ 345,000	\$ 330,000	0.19%	\$190
Downtown London	\$2,128,863	\$2,081,000	0.25%	\$250
Hamilton Road	\$ 70,000	\$ 70,000	0.16%	\$160
Hyde Park	\$ 741,000	\$ 706,085	0.22%	\$220
Old East Village	\$ 42,000	\$ 42,000	0.17%	\$170

¹ BIA levy rates are calculated by dividing the total special levy by the total assessed value of all properties in the BIA.

Downtown London has the highest levy rate, while Hamilton Road has the lowest in 2025. For every \$100,000 in assessed property value, Downtown London members pay \$90 more than members of Hamilton Road BIA. Differing levy rates may, to some extent, indicate varying abilities to pay across BIA's, however they may also reflect different service expectations and requirements. Additionally, even BIA's with comparable levy rates could be in very different financial situations based on the size of the BIA and associated assessment base. For example, if two BIA's have identical levy rates but one has an assessment base double the size of the other, the BIA with the larger assessment base will have twice the total special levy. Larger BIA's may also benefit from economies of scale. For example, the administrative costs of a BIA are not

directly variable to the size of the levy, such that administrative costs may consume a smaller proportion of a large BIA's levy when compared to a smaller BIA. This means that communities that would benefit most from direct, transformative investment often have the least fiscal capacity to do so.

3.2 Financial Viability of BIA's Without Property Tax Levy Funding

Currently the Hamilton Road and the Old East Village BIA's receive ongoing annual funding from the City's property tax levy to supplement the municipal special levy collected from their members. Hamilton Road BIA receives \$100,000 and Old East Village BIA receives \$141,102. In 2026, Hamilton Road BIA has a municipal special levy of \$70,000 and Old East Village BIA has a municipal special levy of \$42,000. That means for both BIA's, the annual funding from the City is greater than the municipal special levy. **Table 3** demonstrates the amount of each BIA's municipal special levy as a percentage of their total revenue.

Table 3 – Municipal Special Levy Compared to Total Revenue

BIA	Municipal Special Levy ¹	Total Revenue ²	Special Levy as a Percentage of Total Revenue
Argyle	\$ 345,000	\$ 386,000	89.38%
Downtown London	\$2,078,863	\$2,087,863	99.57%
Hamilton Road	\$ 70,000	\$ 185,000	37.84%
Hyde Park	\$ 739,000	\$ 836,000	88.40%
Old East Village	\$ 39,500	\$ 187,087	21.11%

¹ All figures are presented from the 2026 BIA budgets. Special levy is presented net of any tax write offs/allowances in Table 3.

² Total Revenue excludes any draws from operating funding and other one-time funding provided by the City of London

Hamilton Road and Old East Village BIA's municipal special levy is 37% and 21% respectively of their total revenue. The other BIA's municipal special levy as a percentage of total revenues ranges from 88 to 99% of their total revenue. This demonstrates Old East Village and Hamilton Road BIA's reliance on the funding provided by the City.

Without the City funding, it is unlikely that either BIA would have sufficient resources and would be required to make trade-offs between hiring staff, delivering programming, undertaking beautification or safety initiatives, etc. Council designated both BIA's in recognition of their potential and need for rehabilitation and economic revitalization. Absent this property tax levy support, the objectives that justified their designation would be difficult to achieve due to financial constraints.

To increase revenue sources, BIA's often turn to two common tools: boundary expansion or levy increases. Boundary expansions offer an opportunity to bring new businesses, fresh perspectives, and additional members into the BIA. Boundary expansions bring increased levy revenue but also bring increased expectations and services. Levy increases can be less demanding, but the BIA must consider if their membership can financially support the increase. Achieving the right balance between size and levy ensures that growth in funding capacity is matched by manageable service levels and business expectations noting the administrative requirements that are needed to support the BIA as a Local Board and separate entity.

As BIA's are supported primarily through assessment-based levy growth from active businesses, areas facing challenging fiscal conditions and smaller assessment bases, as highlighted for both Old East Village and Hamilton Road, have limited capacity to generate meaningful incremental revenue. Given the size and pace of growth in these districts, it is likely that municipal funding will be required on an ongoing basis over the next several multi-year budget cycles. Until commercial activity strengthens sufficiently

(i.e. through new businesses or increased capacity to pay from current members), the existing revenue model is unlikely to generate the resources necessary to sustain operations and staffing without additional municipal funding.

Conclusion

Currently the Old East Village BIA and the Hamilton Road BIA are receiving property tax supported funding from the City of London. These funds support a large portion of their operating budget on an ongoing basis and supplement their existing municipal special levies. Without this property tax levy support, the objectives of the BIA's would be difficult to achieve due to financial constraints.

Prepared by: **Dylan Dubois, CPA, Financial Business Administrator,
Financial Planning & Policy**

**Alan Dunbar, CPA, CGA, Manager, Financial Planning
and Policy**

Submitted by: **Kyle Murray, CPA, CA, Director, Financial Planning and
Business Support**

Recommended by: **Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports**

Cc: Scott Mathers, Deputy City Manager, Housing and Community Growth
Heather McNeely, Director, Planning & Development, Housing
and Community Growth
Kevin Edwards, Manager, Community Planning
Mike Macaulay, Manager, Community Planning and Urban Regeneration