

Executive Summary

Business improvement areas (BIAs)—a defined geographical area managed by businesses and property owners—has been a widely utilized tool by municipalities to tackle a range of community issues and support economic revitalization. BIAs collectively pool funds via a property tax levy to improve local community conditions that help increase property values or attract customers to the area (Hoyt & Gopal-Agge, 2007).

But it is important to critically assess whether these revitalization efforts benefit the wider community. The BIA model has been criticized as being undemocratic due to the inequitable representation of board members, which primarily consist of commercial property owners and businesses. Advocates argue that the lack of diverse representation has led to these stakeholders having disproportionate power to manage the public-realm (Hoyt, 2005b; Zukin, 1995; Rankin and Delaney, 2011; Steel & Symes, 2005; Sutton 2010).

As the focus of urban policy shifts towards sustainable development, one model that complements the BIA model is community economic development (CED). In CED, relevant stakeholders work collectively to assess and improve the quality of life of all residents living in a community (MacDonald, Stokes, & Bluthenthal, 2010, Shaffer et al., 2004; Simon, 2001).

Research Question and Method

In order to better understand the role of the BIA model in guiding revitalization in distressed neighbourhoods through a community economic development lens, research was conducted with respect to the following two questions:

What is the role of BIAs in community economic development?

- To what extent are BIAs involved in community economic development initiatives?
- To what extent do BIAs actively engage with and form partnerships with community stakeholders?

This research consisted of analyzing the responses of an online survey administered to the executive directors of 83 BIAs in Toronto. The survey was designed to generate data on the types of CED activities carried out by BIAs and their level of engagement with community stakeholders.

Summary of Analysis

The survey was completed by 23 BIAs and the results suggest that the surveyed BIAs carried out a diverse range of activities. It appears that priorities of BIAs were not influenced by community issues, rather involved in provisions that appeared to directly benefit the needs of members— consumer marketing

(83%), capital improvements (74%), and maintenance (35%). Although their involvement in these activities are likely to lead to positive externalities that most visitors and residents can enjoy and, ultimately, help support economic revitalization.

The findings also suggest that BIAs were moderately involved in public space regulation (52%) and not at all in security (57%). Although this might suggest that BIAs had some power in the management of public spaces, they ultimately lacked enforcement authority. However, BIAs were at least moderately involved in policy advocacy and had regular communication with City agencies, which indicates that they were likely effective at advocating for their members needs.

The CED activities that BIAs were most involved in—buy local campaigns (68%), business creation and retention (50%), physical aesthetics and infrastructure programs (35%)—were closely related to the general provisions that the BIAs were most involved in. The findings demonstrated that BIAs were somewhat involved with community groups (64%) and community development and revitalization (43%), but did not appear to advocate on the behalf of community stakeholders or work collaboratively with community residents to resolve community issues.

With respect to BIAs level of involvement in community engagement, the findings demonstrated that community engagement was at least somewhat important for the surveyed BIAs. In addition, the findings suggested that the BIAs engaged with a variety of stakeholders, but members of the BIA followed by City agencies were contacted relatively more frequently than community stakeholders. The factors that limited the surveyed BIAs level of engagement with local community stakeholders was the lack of financial and human capital.

Recommendations

Recommendation 1- Support entrepreneurship and job creation.

BIAs can potentially play a significant role in providing low-barrier income-generating opportunities and, simultaneously, beautify, attract customers and new businesses to the area. For instance, BIAs can hold community events where vendors are invited to sell their goods for a nominal fee either in a vacant property or along the sidewalk. Alternatively, a passive initiative might include using vacant storefronts to showcase locally made goods.

Recommendation 2 – Municipalities must identify the specific outcomes that BIAs are best suited to support revitalization efforts.

The analysis of responses suggests that BIAs can act as a key stakeholder within the CED model but cannot be the principal tool utilized for economic revitalization. Prior to the adopting BIAs as a revitalization tool, it is important that municipalities critically evaluate the BIA model and specify its purpose in revitalization efforts. Specifically, past research suggests that it is vital to understand the contextual factors of the community-based interest groups as well as the potential effects of utilizing the BIA tool to tackle local community issues (MacDonald et al., 2010b; Hoyt & Gopal-Agge, 2007).

Recommendation 3 –Support and incentivize BIAs based on desired social planning outcomes.

The findings suggest that BIAs are limited by financial and human capital, while BIAs priorities may be influenced by the incentives they can acquire. To ensure that BIAs achieve the intended planning outcomes outlined by municipalities it is necessary to provide clear directions and well-aligned incentives.