



Report CMS-2025-014

Subject: Town of Orangeville and Orangeville BIA Memo of Understanding

Department: Community Services

Division: Economic Development

Report #: CMS-2025-014

Meeting Date: 2025-07-14

Recommendations

That report CMS-2025-014 Town of Orangeville and Orangeville BIA Memo of Understanding (MOU) be received; and

That Council authorize the Mayor and the Clerk to sign the MOU effective August 1, 2025 on behalf of the Town.

Overview

The Orangeville Business Improvement Area (OBIA) is an established local board of Council. It shares the Town's commitment to maintaining a successful and vibrant downtown area that contributes to the vitality of the entire community.

The OBIA's activities are funded through a separate tax levy charged to ratable properties within its boundaries and approved by Council through the annual budget process. The OBIA contributes to the economic, cultural, and social well-being of the downtown business community within its boundaries, through investment in capital improvements, beautification, marketing and promotion, education, and administrative support. This work is done in collaboration with the Town.

The longstanding relationship between the Town and BIA provides considerable value to the community and extends across many Town divisions, services, and agreements. To record and clarify the details of the relationship, a Memo of Understanding (MOU) between the Town and the OBIA was developed.

MOUs have become a best practice used by many BIAs and municipalities in Ontario. They aim to identify the roles and responsibilities of both the Town and the BIA in relation to the improvement, beautification, maintenance and promotion of a downtown commercial area. In Orangeville, the proposed MOU also outlines the resources that are required to maintain the current service levels and identifies opportunities to improve

collaboration, transparency, and efficiency between the OBIA and the Town. The MOU is not meant to duplicate existing acts, agreements, policies, by-laws, budgets, etc. that are relevant to the relationship. Instead, the MOU summarizes and references all of them in one resource for all stakeholders.

As part of the MOU development, a financial review of the associated in-kind costs was completed. In 2025, in-kind costs are estimated at \$63,000. Almost 90% of this estimate is associated with event management, a service offered by the OBIA that creates valuable economic and social benefits for the Town, its residents, and its visitors.

A legal review of the MOU has been completed. The OBIA Board of Management has approved it and intends to review the relevant policies referenced in Schedule F of the MOU. With Council's authorization, the MOU will be used as a resource to clarify and enhance the important relationship between the Town and OBIA.

Background

As defined in the Municipal Act, 2001, c. 25, a local municipality may designate an area as an improvement area and may establish a board of management:

- a) To oversee the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the area beyond that provided at the expense of the municipality generally; and
- b) To promote the area as a business or shopping area.

In Orangeville, the OBIA was established in 1978 (By-Law 1978-015) and expanded its boundaries in 1998 (By-Law 1997-078). It is governed by a Council-appointed board of management and is funded primarily through the collection of a BIA levy that is administered by the Town and charged to commercial properties located within the designated BIA boundaries.

The OBIA's contributions extend well beyond the legislative requirements and by-laws. The OBIA positively contributes to the economic, cultural, and social well-being of the community. As an organization and a location, the OBIA is recognized by the Town as both a valuable partner and asset. The OBIA is:

- Included in the Town's Strategic Plan as a contributor to two goals: community vitality and economic resilience
- Recognized throughout the Economic Development and Culture Strategy for its role in supporting small businesses, tourism, and culture
- Acknowledged as a foundational tourism driver in the Tourism Strategy
- Identified as a partner in the Sustainable Neighbourhood Action Plan
- A host and/or sponsor for many annual community events
- An investor in local infrastructure projects and public assets
- Home to over 150 properties and 300 businesses

The value of the OBIA is reinforced through its collaborative efforts with many Town divisions in the delivery of a variety of initiatives and services within the OBIA area. While some of this work is governed by existing policies, by-laws, and agreements, there is not one document that consolidates all related information. In addition, the longevity and extent of the relationship between the Town and the OBIA creates many situations that have not been clearly defined. To enhance understanding and ensure transparency of all elements of the Town/OBIA relationship for all stakeholders, a MOU was recommended.

A MOU has become a best practice used by municipalities and BIAs across Ontario. While a MOU is not a legally binding document for either party, it does represent an “agreement to agree” and is a helpful tool when clarification of roles and responsibilities is required between two closely integrated parties, such as the Town and the OBIA.

Analysis/Current Situation

To develop a MOU for the OBIA and the Town, existing MOUs from comparable communities were reviewed and the Ontario BIA Association was consulted. Because BIAs can be established and managed in different ways based on the needs and resources of the community, 10 municipalities were consulted to understand the benefits and challenges of various structures. This external review confirmed the need for a MOU in Orangeville and verified that the existing structure of the OBIA/Town relationship is working well for our community.

Based on the needs of Orangeville, the objectives of the MOU are:

- To define the roles and responsibilities of the OBIA and the Town
- To clarify the resources that are required to maintain the current relationship and service levels between the OBIA and the Town
- To identify opportunities and create processes to improve collaboration, transparency, and efficiency between the OBIA and the Town
- To reference (not duplicate) existing acts, agreements, policies, by-laws, etc. that are relevant to the relationship

The MOU was written to define the Town/OBIA relationship and includes general statements that outline guiding principles, legislative requirements (eg. adherence to Municipal Freedom of Information and Protection of Privacy Act), insurance terms, and reference to existing agreements and policies. The proposed term of the MOU is aligned with the term of Council, creating an opportunity to regularly inform and educate Council about the Town’s relationship with the OBIA. An annual audit process is also included and will involve OBIA and Town staff. Led by the Town’s Economic Development and Culture division, the process will review details and timelines associated with the roles and responsibilities outlined in the MOU. The annual audit will help to identify any required amendments based on any new Town or OBIA policies, strategies, plans, market trends, community changes, or updates to downtown assets. It

is recommended that any minor amendments may be made within existing budget and resource allocations, but all significant amendments will require Council approval.

The MOU is supplemented by seven schedules. Schedule A – Roles and Responsibilities is a detailed breakdown of the interactions that occur between various Town divisions and the OBIA. The development of Schedule A involved extensive input and review by Town and OBIA staff as well as external suppliers. The result is a transparent and detailed summary of roles and responsibilities.

Other schedules were created to provide additional details and context to support the information outlined in Schedule A. They include:

- Schedule B – Inventory of Downtown Assets
- Schedule C – List of Annual OBIA Events
- Schedule D – Summary of Agreements between Town and BIA
- Schedule E – Roles of Project Managers
- Schedule F – Town Policies Relevant to OBIA
- Schedule G – OBIA Boundaries

A legal review of the MOU was completed by Ritchie Ketcheson Hart & Biggart and recommendations were incorporated.

A review by the OBIA Board of Management was also completed and the following motions were carried at the meeting on June 19, 2025:

- That the Memorandum of Understanding (MOU) between The Corporation of the Town of Orangeville and the Orangeville Business Improvement Area (OBIA) be approved.
- Further, that all Town policies referenced in Schedule F of the MOU be reviewed by the OBIA Board of Management, and that any concerns or recommended revisions arising from this review be communicated to the Town and Council for their consideration.

Corporate Implications

Many Town divisions interact with the OBIA. All were consulted in the creation of the MOU and reviewed the final MOU to ensure accuracy. They will also be involved in the annual audit process to ensure roles and responsibilities across all divisions are understood and enhanced when appropriate.

The MOU development process also included an opportunity to calculate the in-kind costs associated with the Town's services to the OBIA. While the OBIA primarily funds its own initiatives through the BIA tax levy, some Town services are provided at no cost or are partially reimbursed to specific divisions.

The total annual in-kind costs are estimated at \$63,000 in 2025 and broken down as follows:

- Infrastructure Services: \$43,423 (69%), primarily for road closures and labour/vehicles for event set up
- Community Services: \$13,903 (22%) for event rentals
- Corporate Services: \$5,578 (9%) for finance and administrative support (partially reimbursed annually)

Almost 90% of the in-kind costs are associated with annual events that are hosted by the OBIA including Joy and Lights and the year-round Orangeville Farmers' Market. These events offer opportunities for both community engagement and visitor attraction. In addition, the OBIA delivers these events at lower rates than would be possible if the Town were to host them. By supporting the OBIA through these in-kind investments, the Town leverages the OBIA's expertise in event management and the value of its work.

While the Town and the OBIA will continue to find ways to reduce costs and increase value whenever possible, the current in-kind costs associated with the MOU represent significant value to the Town and to the community.

Conclusion

The longstanding relationship between the Town and the OBIA enhances the vibrancy of our downtown area and provides social and economic value to our entire community. Both parties make significant contributions to the relationship in a variety of ways. The proposed MOU summarizes the various roles and responsibilities shared by the two parties and aims to enhance the efficiency and transparency of the relationship. As a best practice, a communication tool, and a mechanism for improvement, the proposed MOU reinforces the Town and the OBIA's mutual commitment to ongoing collaboration.

Strategic Alignment

Strategic Plan

Strategic Goal: Community Vitality

Objective: Vibrancy – Build a more inclusive community

Sustainable Neighbourhood Action Plan

Theme: Economic Development and Culture

Strategy: Further establish Orangeville's identity through the preservation and expansion of tourism, culture and heritage.

Notice Provisions

Not Applicable

Respectfully submitted,

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Culture

Attachment(s): 1. Town BIA MOU Draft June 2025