



ONTARIO BUSINESS IMPROVEMENT AREA ASSOCIATION

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March 23, 2020

Dear Premier Doug Ford:

Thank you for your leadership during this unprecedented time in history, during the global COVID-19 pandemic.

OBIAA incorporated in 2001, collectively represents more than **145** part-time staff, approximately **200** full-time staff with a combined budget of more than \$50 Million Dollars that is spent keeping Ontario's communities vital. There are more than **75,000** businesses, with which we are directly linked, that are represented within Ontario's more than 300 BIAs and greater than 16,500 property owners with a collective assessment of \$73,335,650,000.

Our BIAs are the backbone of the Ontario community and economy. Many of our BIAs represent the founding villages, towns and cities that make up Ontario. While BIAs have only been a part of the Canadian landscape for the past 50 years, they are responsible for providing their business areas an almost 100% return on investment of local funds. Our BIAs and OBIAA are therefore key industry partners. Our BIAs are Public Realm Investors, Area Marketers and Event Facilitators. The businesses within our BIAs are innovators, entrepreneurs and part of the creative community. The business mix of BIAs traditionally includes the food industry, such as bars & restaurants, the retail industry through apparel, housewares and gifts, the service industry including banks, financial and investors and personal service industry, including hair salons, massage therapists, yoga and fitness locations and more. *Our BIAs most often are the 'heart' of their community, representing heritage, economy, arts, revitalization and tourism.*

On behalf of the Ontario Business Improvement Area Association (OBIAA) and the many businesses and property owners that make up our BIA areas, both as traditional main streets and non-traditional areas, we commend the efforts of the federal and provincial governments to contain the spread of this virus and for supporting our frontline healthcare providers who are working to keep our communities safe.

We are writing to share the urgent concerns of our business community and the need for immediate relief and action. We have partnered with TIAO and shared their survey through our contacts and have created a survey that speaks specifically to the needs of Ontario's small businesses, which will be shared with you as soon as possible.

We can confirm that businesses are suffering severe financial impacts and will not be able to make ends meet – paying rent, utilities and most importantly – employees. The loss of revenue and cancellations are causing extreme uncertainty and concern, that *once closed they may very well never reopen*. Already lay offs are happening.

Business owners need support and guidance on how to handle benefits and the process of laying off employees, if necessary, and providing themselves with the financial capacity to keep their family and

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their business afloat. They need guidance on how to continue to respond to and support their staff, develop business continuity plans and general direction about how to access existing and emerging government supports.

Our small member businesses in the restaurant, retail, and service sectors have been pleased with some of the measures announced - in particular, the program to extend Employment Insurance eligibility to a wider range of employees and self-employed individuals and the Emergency Care Program for Small Businesses. This provides a cushion for their staff members who may have already lost hours, tips, and job security. The tax payment deferrals will also provide a way to postpone one set of future costs.

Thank you for those measures. They are all a good start.

Most importantly, and the purpose of the letter is, that our smallest and most vulnerable of members are expressing widespread dismay that there was no *direct* financial relief program provided in the very short term to offset the massive losses in revenue that have *already* occurred - to say nothing of the looming market vacuum that we are told to expect for many weeks and months to come.

Our members feel that the offer of easier BDC credit at market rates would only *increase their debt loads* at the worst possible time. In addition, we have not heard of a single closed business that would benefit from the program offering to cover only 10% of the salaries of retained employees. This isn't a realistic or helpful option for owner operated shops with 5 or fewer employees that need to drastically cut their costs immediately in order to make their end of month lease or mortgage payments in just 10 days.

Through the Ministry of Agriculture, Food and Rural Affairs, and with your support, OBIAA has been implementing **Digital Main Street** across the province - a program that directly assists Main Street Communities and Businesses in teaching and implementing digital skills. Through this program, we have, as of December 31, provided municipalities and BIAs funds for **100** Digital Service Squads and those squads had reached out to more than **15,000** main street businesses to assist them with their digital transformations and provided **27,300** training hours, helping them be educated consumers in digital technologies. We received more than **2,500** grant applications this Government funded project provided **\$2,500** per successful main street small business. This program put funds and knowledge directly into the hands of main street businesses which may be the only lifeline they presently have' but it isn't enough. We are encouraging further support of this project to help small businesses and main street communities, through the BIAs and their Municipalities on business continuance through this time.

We are reviewing and approving many grants during this time, *as it is the only positive news they are receiving*, but our grant funds are quickly coming to an end.



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As the trickle-down effects hit our main street communities, BIAs and their economic development partners are going to need marketing funds in order to promote their area. OBIAA is perfectly poised to expand grant opportunities to our BIAs, who will in turn market and promote their BIA area.

We are asking you and your government for direct relief measures designed to support a cash infusion/stimulus for our main street businesses. These businesses drive the Ontario economy. Our BIAs' members are making existential decisions *now* that will deeply affect our national community and the economy of Canada, and such assurance could help them stay positive and hopeful a bit longer.

OBIAA has always worked with Government as a partner in finding solutions, and we stand poised to assist any way we can.

Thank you,

Kay Matthews
Executive Director
Ontario BIA Association

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Some suggestions are:

- One consolidated site for information - an easier method to find out the info - often times it is on websites with lots of other info and lots of hard to understand jargon - could a you tube video be done to explain what is available for small business owners?
- Emergency Care Package - this seems like it could be the most useful for small business owners
- Guidance in HR – You Tube Channel with experts explaining ‘how to’
- Utility deferrals or cancelling of “peak hour” charges
- Guaranteed Income Supplement for all Canadians

Some comments we have received:

- As I had mentioned, in seeing that the six major lenders in the country so far are offering mortgage deferrals until this crisis winds down. That said, the small businesses that are occupying space in this building should also have those savings passed down to them, or the property owners risk losing these tenants. Would there be a way to enforce that if the property is getting a break during the COVID19 pandemic, then the small businesses are granted rent clemency until they can reopen and begin generating a revenue stream again? For most of these businesses, they have been closed for health reasons and are unable to sell their product online through no fault of their own.
- When people are calling in for the deferrals they are forced to go through credit check, appraisal, paperwork. It is not being done automatically. Big concern. In some cases people have been turned down.
- One of the concerns I have during this very difficult time is, I'm forced closed like basically everyone but due to the nature of my business the insurance cost per month is almost 3k. It won't take long to eat up my business account savings. I have contacted the insurance company, they said the only thing they can do is cancel my policy but risk the chance on reinstatement I will not get the coverage do the market or even worse not even renew my policy.

In my industry it's very difficult to get insurance nowadays. All my shows to the end of June have been postponed or cancelled. The way this is going maybe further into the calendar.

I did ask if there is a means of suspending or temporary dumbing-down my policy since nobody's in the building and landlords do have property insurance already they said no.

Perhaps you can pass this along and some suggestions could be made.

Thank you for your time during these desperate hours.



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- Small business owner here, worried about losing my livelihood! I own a clothing store in Windsor, and we are very concerned with the current pandemic, and its effect on the future of our business. as far as i know, the current eviction freeze only applies to residential, meaning my landlord could evict me in 2 weeks. I have not earned enough to pay for both my home, stores rent, utilities and essential bills, not to mention food! I am friends with several other business owners in my city, and we are all in the same situation. there needs to be rent freeze, or total rent coverage now! We are 8 days away from April, the government needs to tell us what to do NOW! my rent between home and store totals over \$3000, and I have no income coming in! My shop has been slow for weeks prior to the shut down, and we are just coming out of the winter slow months. please help. signed, a business in distress.
- On behalf of the _____ BIA, we would like to urge the OBIAA Board to consult with the Premier to mandate not only the freezing of commercial mortgages during these unprecedented circumstances, but also the freezing of rents in an effort to help alleviate the stress and hardship that many of our small businesses and BIA members will endure during these times.

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