



ONTARIO BUSINESS IMPROVEMENT AREA ASSOCIATION



OBIAA: LEGISLATIVE ASSEMBLY OF ONTARIO REPORT

The 2020 State of main street Ontario
August 2020

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August 24, 2020

To the Standing Committee on Finance – Small and Medium Enterprises

On behalf of the more than 300 BIAs across Ontario who represent the more than 110,000 independent, main street businesses, we would like to thank the government for the measures you have collectively taken to support Ontario's largest employment base. Programs such as Digital Main Street and OCERCA have been important steps. We greatly appreciate your outreach and clear welcoming of our feedback and recommendations.

The main street crisis has been very visual, visceral and palpable and this crisis is not near an end. Currently businesses are stretched to the limit and are still challenged in supply chains, additional costs for health protocols, paying rent and qualifying for loans and insurance. Main streets, as supported by their local BIAs, have proven to be fragile eco-systems which, by their very nature, are being challenged on all fronts. As one of your previous submissions from the Motion Picture Association stated:

"What that means for communities from Port Hope to Hamilton is the impact of a production like It Chapter Two means an injection of more than \$56 million into the economy across southern Ontario and spending in at least 500 local businesses in more than 80 different communities across the province."

And this is only for the film industry. Our main street communities are impacted by tourism, office towers, financial institutes, educational institutes, hotels, local sports and events...an inexhaustible list. This list though, doesn't speak to the social aspects of our main streets. They are the community gathering places and souls of our communities. In a recent conversation amongst BIAs, they noted with the Social Services closed, the increase in issues related to people who need assistance has risen exponentially, and these issues cannot be addressed by 'home offices'.

OBIAA's submission on August 24, 2020 will include feedback and recommendations on:

- Funding to BIAs
- Insurance
- Inconsistencies in Closing and Reopening
- Business Support
 - Rent/OCERCA
 - Small Business Liquidity
 - Reducing Hard Costs and Red Tape for Small Businesses
- Tourism
- Follow Up Meeting Ask

COVID-relief funding administered through the Ontario BIA Association network is an immediately implementable solution to deliver crucial technical assistance to small businesses. OBIAA through our BIAs are integrally connected to the local business community and well positioned to link financial



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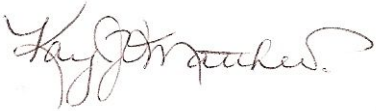
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and technical resources, much like we are doing with Digital Main Street to small business partners. Local BIAs work directly with small business communities, offering on-the-ground technical assistance to businesses, including essential support in accessing funding and shifting operations. Direct funding will sustain and expand these essential support networks.

OBIAA is the voice of Ontario's Business Improvement Areas, which represent more than **110,000** businesses, **18,000** properties owners and **75 billion** in assessment. BIAs and their main streets are key eco-systems and community hubs. If you truly want to understand the voice of small business, you will want the BIA network to have a seat at your discussion and planning tables.

OBIAA, as always, stands ready to be a partner in finding solutions towards provincial economic recovery.

Sincerely,



Kay Matthews
Executive Director
Ontario BIA Association



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Issue:	Funding to BIAs
Description:	As a result of COVID 19, BIAs are facing unplanned expenditures, such as e-commerce platforms, PPE and plexiglass dividers, in order to adhere to regulations. Funding will provide direct financial support for these business as they attempt to safely reopen and operate with reduced sales for the foreseeable future. • BIAs do the placemaking in communities and they are unable to receive funding by virtue of their status as a Local Board of the Municipality. • BIAs hold 60% of local community events in Ontario but are not eligible for any funding, other than Celebrate which is Tourism focused and not focused on the local economy. BIAs have had to implement creative strategies (health protocols) and are doing so to foster local musicians and entertainers, pivoted to online marketplaces, implement patios and public space retrofits.
Feedback:	Current funding, from all levels of government, is not reaching BIAs and often not their main small businesses. A variety of federal funding channels have been established to help communities and small businesses, but there is an unfortunate lag in distribution and too often funding is failing to reach local organizations and businesses. Funding would ensure direct support to BIAs throughout Ontario which would ensure specific communications and funding to small businesses to adapt to public safety requirements associated with the pandemic.
Recommendations:	While there is Resilience Funding that is targeted to the 444 Municipalities across Ontario, there is no guarantee or mechanism that BIAs will benefit from any of this funding. We recommend that a separate fund be set up for BIAs with OBIAA being the grantor. OBIAA has access to the levy and budgets of BIAs, so we therefore recommend a follow up meeting to ascertain funding levels.

Issue:	Insurance
Description:	Municipalities, BIAs and Small businesses are required to hold specific insurance however the requirements and the costs are rapidly increasing. At the same time, many insurance agencies are denying policies leaving many without the ability to even attain insurance.
Feedback:	Issues around insurance, as a result of COVID 19, therefore include: • cost increases



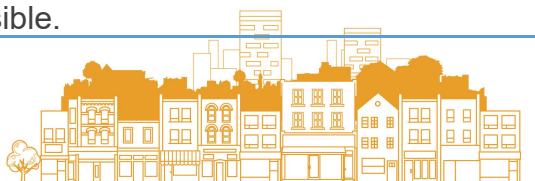
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	• access • increasing level of insurance required for businesses and patios • business interruption insurance No level of Government has addressed issues around Insurance for small business.
Recommendations:	The Government of Ontario conduct a review of insurance companies and consider a capping on insurance premiums and/or issuing a penalty for companies who either cancel policies or exponentially increase fees. Also, we recommend convening a panel of industry partners to participate. OBIAA would welcome the opportunity to participate.

Issue:	Inconsistencies in Closing and Re-Opening
Description:	At the beginning of this crisis, our economy was shut down and only 'deemed' essential businesses could remain open. This caused frustrating inequities as many large format retailers, such as Walmart, Canadian Tire and Costco remained open because they sold groceries, but nonessential items were readily available, while main street businesses, who have a smaller footprint and therefore more control of access were forced to close.
Feedback:	While we thank you for working slowly, in determining who should open and who should remain closed during the 'state of emergency', we frequently heard that the announcements provided not enough time for the business to open with the correct protocols in place. While curbside pick ups became the new norm, our businesses continued to be deemed 'non-essential' and protocols were not communicated so there was inconsistencies across the province. Rules on who could and could not utilize curbside pick up were also inconsistent.
Recommendations:	While the 'good news' was welcome, suggested protocols could/should be in place giving businesses the opportunity to be prepared when the announcement was/is made. Curbside pick up should remain an option, if correct protocols are in place if there is another wave. Businesses on main streets should be allowed to stay open. Our main street businesses are usually small in scale, can limit entry and quickly sanitize behind each and every customer. They have clear control, storefront settings, often have doorbells on their façade and allow for all residents to have access. When we closed down our vulnerable (seniors and persons with disabilities) were cut off from community and their commercial centres that are walkable and accessible.



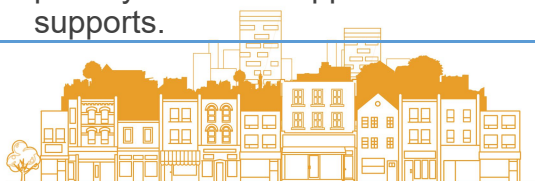
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Issue:	Business Support
Description:	1. Rent Relief - OCERCA. 2. Small Business Liquidity - o Costs of retrofitting and purchasing of PPE and other protocols 3. Reducing Hard Costs and Red Tape for Small Businesses
Recommendations:	OBIAA has access to the BIAs across the province and therefore to Ontario's main street businesses and encourages The Government of Ontario to work with OBIAA to create surveys and open communications for mutual support and gain.

Issue:	Business Support – 1. Rent
Description:	After months of small businesses struggling to pay rent when there was no income coming into the businesses, the Ontario Government introduced partnership with the Federal Government called the OCERCA. This program has not had the anticipated uptake and as September looms and another wave is anticipated, there is real concern small main street businesses that have been struggling for months, will be once again forced to close and this time with no clear rent relief there is a growing fear they will never reopen.
Feedback:	While we feel the OCECRA made strides, we are increasingly seeing, hearing and reading that landlords are not applying for this program. Evictions are happening now and only those whose landlords apply for the OCECRA are protected. This program missed the mark as it did not put the required funds in the hands of the tenants, the program was onerous to apply for, the thresholds too high and the incentive too low. Those small businesses that managed to receive CERB had to pay their living expenses, with none left over for paying their commercial rent. Additionally, the property owners/landlords still had to make payments to their financial institution. OCERCA therefore put the support firmly in the middle of the chain, not at the bottom of the chain.
Recommendations:	1. Change OCERCA to put rent relief in the hands of the tenants. 2. Freeze rent evictions by passing legislation for a moratorium on commercial evictions until March 2021 (to be applied to tenants who were in good standing as of March 15, 2020). 3. That the 70% threshold be reviewed and, if necessary, reduced (e.g. a 70% threshold if your rent is above \$5,000 and 50% below \$5,000) 4. For those landlords who are not offering support to tenants a penalty should be applied or should be ineligible for government supports.



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	5. Encourage commercial landlords to negotiate new lease term agreements. 6. Introduce a rent cap for commercial rent for the next two years as many tenants are not approaching landlords for support because of fear of future increases
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Issue:	Business Support – 2. Small Business Liquidity
Description:	Small Businesses are often not qualifying for business loans or grants, do not have the assets of their property owner, are seeing diminished cash flow and do not have the ability to rebound should there be another wave, which looks imminent.
Feedback:	Businesses are tapped out and need access to liquidity now before the next COVID wave. Small Businesses may not meet the thresholds, they don't have the assets or take dividends versus wages, therefore they are not qualifying for CERB or CEWS. In some cases, small businesses do not have or cannot afford the professionals who would provide the documentation necessary and the ability for the small business to navigate the red tape involved in the government programs. The red tape can be intimidating and/or be challenged by language barriers or barriers in understanding 'government speak'. Financial Institutions are proving very difficult to work with, and not sharing the risk. Sites such as https://www.ic.gc.ca/app/scr/cmb-dgcm/poi-pi/mp.html?tpcl=1&lang=eng indicate supports to small businesses which are misleading and in many cases not available.
Recommendations:	To assist small businesses we recommend a consideration that small businesses be allowed to keep and required HST payment for the remainder of the year to be reviewed early in 2021. As well, a consideration of extending year ends, to give small businesses the ability to right-off some of their losses due to COVID-19. Hold financial institutes accountable to offer the Government backed loans

Issue:	Business Support – 3. Reducing Hard Costs and Red Tape for Small Businesses
Description:	The Province of Ontario recognized the loss of main streets early in the crisis and made steps, such as allowing patios, curbside pick up and

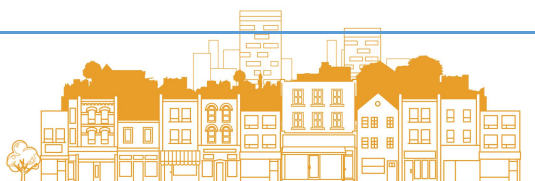


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	the sale of liquor with curbside pick up. These measures were often the difference between zero sales and minimal sales and should be applauded. Those small main street businesses who received Digital Main Street transformation funds (as administered by OBIAA) have shown, in surveys, that this digital transformation in many cases was the difference that allowed them to access sales during the complete shut down and ensured they had a minimal revenue source.
Feedback:	Many municipalities took your leadership and encouraged waiving of patio fees, licensing fees and others to assist small businesses. However, many of the applications, increased insurance coverage and permits are burdensome to the small business as they are often challenging and not user friendly. Additionally, not all businesses are able to increase their capacity with a patio due to location. Patios give vibrancy to the street, as does all activity on our main streets. Our main streets became ghost towns in the early lockdown of COVID, and as a result crime increased and many small businesses were vandalized. Highlighting the positive and immediate impact a vibrant main street is to the community. A clear and visceral proxy for the whole economic downtown. Adding and supporting small businesses and their BIA areas creates this vibrancy, which in turn shows a strength in Ontario's economy. At the same time, small main street businesses have had to absorb, or charge COVID fees, in order to keep up with health protocols. This is also putting pressure on the liquidity of a business that is now working at a severely impacted revenue stream.
Recommendations:	We recommend the Government encourage Municipalities to continue waiving of patio, licensing fees for at least another year, as well as considering implementing as permanent programs towards vibrancy and recovery. Additionally, Digital Main Street provides one on one support to small businesses and we recommend a new program be created that links professional support that would assist small main street businesses in accessing Government Supports, such as OCERCA, CEWS, Loans, Business Development and HR. Finally, we would ask the province to assist small businesses by created a PPE fund that would assist them in the retrofits and costs of providing these health measures.

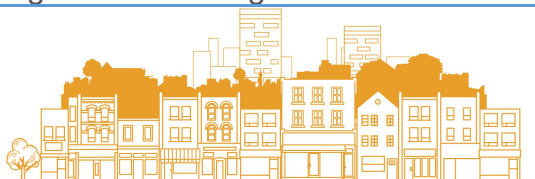


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Issue:	Tourism
Description:	OBIAA knows, through partnering with the Tourism Industry Association of Ontario and the Economic Developers Council of Ontario that Tourism has been severely impacted in today's economy. This impact is felt keenly in Ontario main streets as we are the places that support this tourism, through hotel rooms, restaurants and providing tourists with small communities to wander through. Additionally, many tourist attractions are located within or near our BIAs. BIAs act as tourism advocates, are highly connected to their local community through social media, websites and offices, enabling visitors to learn what there is to see and do in the area. Many BIAs also put on walking tours and have online and/or printed guides for their area.
Feedback:	Consumer confidence is going to continue to be a struggle. The province has been providing wonderful supports to the Tourism sector through TIAO and through grants such as Celebrate Ontario. However, again Ontario's BIAs are left out of this support and will have lasting repercussions as Municipalities move towards austerity budgeting which will directly affect our main street communities. Funding continues to miss the BIAs as they hold 'community events' rather than large tourism driven events; they provide the beautiful places with their placemaking investments. Limiting the borders was the prudent and correct recourse in slowing the spread and this continues to need monitoring. This is certainly, however, a challenge for BIAs neighbouring the United States and are not able to capitalize on the US tourist. The messaging around becoming a tourist in your own country therefore is important and key and we hope the Province and the Government of Canada will continue to promote the "Be a Tourist in your own backyard" messaging. This will not only support our local businesses, but ensure that money earned in Canada stays in Canada and will help reignite the pride Canadians are well known for.
Recommendations:	To build on the internal tourism needed, we recommend tax incentives be implemented to encourage Ontarians to travel in the province. Additionally to this, the Municipal Accommodation Tax, as implemented in communities across Ontario may be temporarily waived or reduced from the 4% in current practice to a lesser amount to local tourists and/or the province encourage Municipalities to provide their local 'tourist ready BIA' to receive a percentage of the funding.

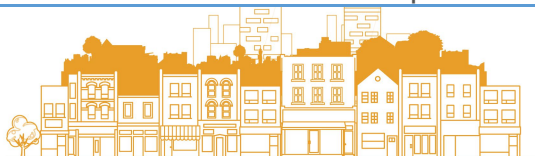


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Issue:	Follow Up Meeting Ask
Description:	We are the Voice for BIAs. We acknowledge and applaud the recognition that has been given through Digital Main Street. OBIAA is and will continue to be a partner in finding and implementing solutions that support the businesses within our BIAs and beyond for the benefit of Ontarians. By working with OBIAA, we can help provide feedback and communications. We believe OBIAA and our BIAs are <i>essential</i> partners in recovery and beyond. BIAs are the ‘feet on the street’ and clear conduit to three-way communications. As our BIAs are set in specific geographic areas, they make up a cross section of our community – business and residential. Our BIAs are public community hubs and are key eco-systems in the economy. Sadly, with Social Services closed, our BIAs are being challenged with the day to day visual struggle of street influenced people. There are more people in Canada currently dying due to the Opioid crisis, a heightened mental health issue happening in our streets and specifically in our BIAs in unprecedented numbers.
Feedback:	The Province of Ontario, specifically Ministries to which we have close ties (MMAH, OMAFRA, MEDJCT, MHSTCI, MSAA) have been very successful in reaching out, especially in the early days, but this dialogue needs to continue. We thank the Ministers for the “Town Halls”. At a time when we were in crisis, the Government was visible and listening. We ask the Province to continue the dialogue and continue to know that partners, such as OBIAA, have an important place in the economic, health and emotional aspects of our province. Working with OBIAA on items, such as the ones we have addressed (and this list is by no means comprehensive) we can address and fix some of the inequities COVID created, especially if there is another shut down of our economy. While understandably we addressed the physical health of Ontarians, the emotional and fiscal health of the province has suffered. With many facing financial ruin, the emotional health is now playing a large part in the physical health of the whole community. Any future wave must be handled in a way that is more wholistic in its approach to the physical, emotional and fiscal health of Ontarians.
Recommendations:	Future meetings with all levels of the Government will help address all of the issues and more that effect the complete eco system which is our main street



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communities, such as rent, mental health issues, and supports to small businesses.

OBIAA has been worked closely with the Provincial Government with key successes and urge the Province to continue to do so. We would like to set up formal quarterly meetings to enable the government to hear from the voice of the people who are the front line workers in keeping Ontario's main streets and businesses healthy and vibrant.

We currently have Board Liaisons and/or work closely with the following Ministries:

- Ministry of Agriculture, Food and Rural Affairs (OMAFRA)
- Ministry of Economic Development, Job Creation and Trade (MEDJCT)
- Ministry of Heritage, Sport, Tourism and Culture Industries (MHSTCI)
- Ministry for Seniors and Accessibility (MSAA)

As BIAs touch every Provincial Ministry, we feel it is both imperative and beneficial to work closely with the Government and recommend quarterly meetings.





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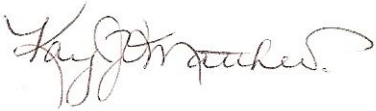
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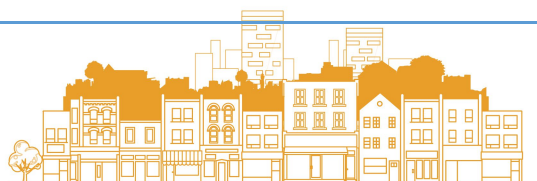
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Feedback:	While we feel the OCECRA made strides, we are increasingly seeing, hearing and reading that landlords are not applying for this program. Evictions are happening now and only those whose landlords apply for the OCECRA are protected. This program missed the mark as it did not put the required funds in the hands of the tenants, the program was onerous to apply for, the thresholds too high and the incentive too low. Those small businesses that managed to receive CERB had to pay their living expenses, with none left over for paying their commercial



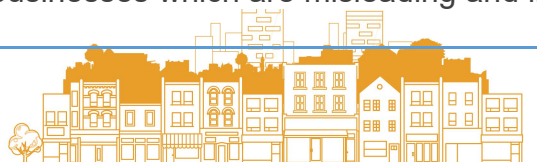
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Issue:	Business Support – 2. Small Business Liquidity
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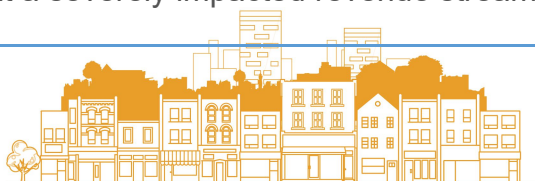
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Recommendations:	To assist small businesses we recommend: • Consideration that small businesses be allowed to keep and required HST payment for the remainder of the year to be reviewed early in 2021. • Consideration of extending year ends, to give small businesses the ability to right-off some of their losses due to COVID-19. • Hold financial institutes accountable to offer the Government backed loans
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Issue:	Business Support – 3. Reducing Hard Costs and Red Tape for Small Businesses
Description:	The Province of Ontario recognized the loss of main streets early in the crisis and made steps, such as allowing patios, curbside pick up and the sale of liquor with curbside pick up. These measures were often the difference between zero sales and minimal sales and should be applauded. Those small main street businesses who received Digital Main Street transformation funds (as administered by OBIAA) have shown, in surveys, that this digital transformation in many cases was the difference that allowed them to access sales during the complete shut down and ensured they had a minimal revenue source.
Feedback:	Many municipalities took your leadership and encouraged waiving of patio fees, licensing fees and others to assist small businesses. However, many of the applications, increased insurance coverage and permits are burdensome to the small business as they are often challenging and not user friendly. Additionally, not all businesses are able to increase their capacity with a patio due to location. Patios give vibrancy to the street, as does all activity on our main streets. Our main streets became ghost towns in the early lockdown of COVID, and as a result crime increased and many small businesses were vandalized. Highlighting the positive and immediate impact a vibrant main street is to the community. A clear and visceral proxy for the whole economic downtown. Adding and supporting small businesses and their BIA areas creates this vibrancy, which in turn shows a strength in Ontario's economy. At the same time, small main street businesses have had to absorb, or charge COVID fees, in order to keep up with health protocols. This is also putting pressure on the liquidity of a business that is now working at a severely impacted revenue stream.



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Recommendations:	• We recommend the Government encourage Municipalities to continue waiving of patio, licensing fees for at least another year, as well as considering implementing as permanent programs towards vibrancy and recovery. • Additionally, Digital Main Street provides one on one support to small businesses and we recommend a new program be created that links professional support that would assist small main street businesses in accessing Government Supports, such OCERCA, CEWS, Loans, Business Development and HR. • Finally, we would ask the province to assist small businesses by created a PPE fund that would assist them in the retrofits and costs of providing these health measures.
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Issue:	Tourism
Description:	OBIAA knows, through partnering with the Tourism Industry Association of Ontario and the Economic Developers Council of Ontario that Tourism has been severely impacted in today's economy. This impact is felt keenly in Ontario main streets as we are the places that support this tourism, through hotel rooms, restaurants and providing tourists with small communities to wander through. Additionally, many tourist attractions are located within or near our BIAs. BIAs act as tourism advocates, are highly connected to their local community through social media, websites and offices, enabling visitors to learn what there is to see and do in the area. Many BIAs also put on walking tours and have online and/or printed guides for their area.
Feedback:	Consumer confidence is going to continue to be a struggle. The province has been providing wonderful supports to the Tourism sector through TIAO and through grants such as Celebrate Ontario. However, again Ontario's BIAs are left out of this support and will have lasting repercussions as Municipalities move towards austerity budgeting which will directly affect our main street communities. Funding continues to miss the BIAs as they hold 'community events' rather than large tourism driven events; they provide the beautiful places with their placemaking investments. Limiting the borders was the prudent and correct recourse in slowing the spread and this continues to need monitoring. This is certainly, however, a challenge for BIAs neighbouring the United States and are not able to capitalize on the US tourist. The messaging around becoming a tourist in your own country therefore is important and key and we hope the Province



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	and the Government of Canada will continue to promote the “Be a Tourist in your own backyard” messaging. This will not only support our local businesses, but ensure that money earned in Canada stays in Canada and will help reignite the pride Canadians are well known for.
Recommendations:	To build on the internal tourism needed, we recommend tax incentives be implemented to encourage Ontarians to travel in the province. Additionally to this, the Municipal Accommodation Tax, as implemented in communities across Ontario may be temporarily waived or reduced from the 4% in current practice to a lesser amount to local tourists and/or the province encourage Municipalities to provide their local ‘tourist ready BIA’ to receive a percentage of the funding.

Issue:	Follow Up Meetings
Description:	We are the Voice for BIAs. We acknowledge and applaud the recognition that has been given through Digital Main Street. OBIAA is and will continue to be a partner in finding and implementing solutions that support the businesses within our BIAs and beyond for the benefit of Ontarians. By working with OBIAA, we can help provide feedback and communications. We believe OBIAA and our BIAs are <i>essential</i> partners in recovery and beyond. BIAs are the ‘feet on the street’ and clear conduit to three-way communications. As our BIAs are set in specific geographic areas, they make up a cross section of our community – business and residential. Our BIAs are public community hubs and are key eco-systems in the economy. Sadly, with Social Services closed, our BIAs are being challenged with the day to day visual struggle of street influenced people. There are more people in Canada currently dying due to the Opioid crisis, a heightened mental health issue happening in our streets and specifically in our BIAs in unprecedented numbers.
Feedback:	The Province of Ontario, specifically Ministries to which we have close ties (MMAH, OMAFRA, MEDJCT, MHSTCI, MSAA) have been very successful in reaching out, especially in the early days, but this dialogue needs to continue. We thank the Ministers for the “Town Halls”. At a time when we were in crisis, the Government was visible and listening. We ask the Province to continue the dialogue and continue to know that partners, such



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	as OBIAA, have an important place in the economic, health and emotional aspects of our province. Working with OBIAA on items, such as the ones we have addressed (and this list is by no means comprehensive) we can address and fix some of the inequities COVID created, especially if there is another shut down of our economy. While understandably we addressed the physical health of Ontarians, the emotional and fiscal health of the province has suffered. With many facing financial ruin, the emotional health is now playing a large part in the physical health of the whole community. Any future wave must be handled in a way that is more wholistic in its approach to the physical, emotional and fiscal health of Ontarians.
Recommendations:	Future meetings with all levels of the Government will help address all of the issues and more that effect the complete eco system which is our main street communities, such as rent, mental health issues, and supports to small businesses. OBIAA has been worked closely with the Provincial Government with key successes and urge the Province to continue to do so. We would like to set up formal quarterly meetings to enable the government to hear from the voice of the people who are the front line workers in keeping Ontario's main streets and businesses healthy and vibrant. We currently have Board Liaisons and/or work closely with the following Ministries: • Ministry of Agriculture, Food and Rural Affairs (OMAFRA) • Ministry of Economic Development, Job Creation and Trade (MEDJCT) • Ministry of Heritage, Sport, Tourism and Culture Industries (MHSTCI) • Ministry for Seniors and Accessibility (MSAA) As BIAs touch every Provincial Ministry, we feel it is both imperative and beneficial to work closely with the Government and recommend quarterly meetings.

