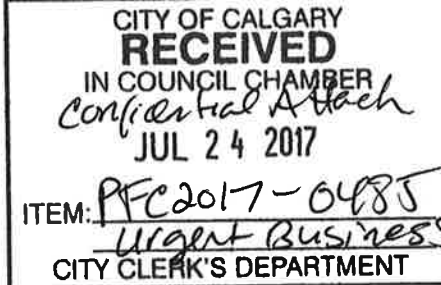


Chief Financial Officer's Report to
Priorities and Finance Committee
2017 July 18



ISC: UNRESTRICTED
PFC2017-0485
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2016 AUDITED FINANCIAL STATEMENTS FOR BUSINESS REVITALIZATION ZONES AND BUSINESS IMPROVEMENT AREAS

EXECUTIVE SUMMARY

Provide to Council for information the 2016 Audited Financial Statements for all Calgary's Business Improvement Areas (BIAs) (formerly known as Business Revitalization Zones or BRZs).

ADMINISTRATION RECOMMENDATION(S)

The Priorities and Finance Committee recommends that:

1. Council receive for information the 2016 Audited Financial Statements for:
 - 1) Mainstreet Bowness BIA
 - 2) The Calgary Downtown Association (A BRZ)
 - 3) Chinatown District BIA
 - 4) 4th Street South West BIA
 - 5) Inglewood BRZ
 - 6) International Avenue BRZ
 - 7) Kensington BRZ
 - 8) The Marda Loop BRZ
 - 9) Montgomery on the Bow BIA
 - 10) 17th Avenue Retail & Entertainment District
 - 11) Victoria Park BIA
2. Attachments 1 to 13 to this report remain confidential pursuant to Section 16(1) of the *Freedom of Information and Protection of Privacy Act*, for 15 years.
3. The report and attachments be forwarded to the 2017 July 24 Regular Meeting of Council as a matter of Urgent Business.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2017 JULY 18:

That Council:

1. Council receive for information the 2016 Audited Financial Statements for:
 - 1) Mainstreet Bowness BIA
 - 2) The Calgary Downtown Association (A BRZ)
 - 3) Chinatown District BIA
 - 4) 4th Street South West BIA
 - 5) Inglewood BRZ
 - 6) International Avenue BRZ
 - 7) Kensington BRZ
 - 8) The Marda Loop BRZ
 - 9) Montgomery on the Bow BIA
 - 10) 17th Avenue Retail & Entertainment District
 - 11) Victoria Park BIA; and

2016 AUDITED FINANCIAL STATEMENTS FOR BUSINESS REVITALIZATION ZONES AND BUSINESS IMPROVEMENT AREAS

2. Keep Attachments 1 to 13 to this report confidential pursuant to Section 16(1) of the *Freedom of Information and Protection of Privacy Act*, for 15 years.

PREVIOUS COUNCIL DIRECTION / POLICY

All Calgary Business Improvement Areas (BIAs) must annually submit audited financial statements to Council as required by section 19 of the *Business Improvement Area Regulation*, AR 93/2016 (the "*BIA Regulation*")

BACKGROUND

The Province of Alberta passed enabling legislation in 1983 June to allow municipalities to establish BIAs. The provisions are now contained in section 50 of the *Municipal Government Act* (MGA), as amended, and sections 2 to 7 of the *BIA Regulation*. Legislation requires Council to review the audited financial statements from each BIA annually.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The unqualified audited financial statements for the BIAs are attached and have been reviewed by the Finance Business Unit for content and accuracy. There is no concern arising from the review.

A summary of each BIA's Statement of Operations (Attachment 12) and Statement of Financial Position (Attachment 13) are also attached so they can be reviewed in one report. Caution should be exercised when comparing one BIA to another in those statements. Each BIA board maintains their accounting records based on their business needs and accounting practices. What is included in each category may be different from one BIA to another BIA. The Chinatown District BIA was established in 2015 December. This is the BIA's first year providing audited financial statements.

Stakeholder Engagement, Research and Communication

The Finance Business Unit engaged with all BIA boards in Calgary to ensure they meet the legislative requirements to submit their annual audited financial statements. All BIAs have been advised of the 2017 meeting date for the Priorities and Finance Committee Meeting.

Strategic Alignment

The establishment of eleven BIAs in Calgary through Provincial legislation and City bylaws allows BIAs to serve their business communities which supports the following Council Strategic Action:

- Support civic, business and community partners, as well as business revitalization zones, to collaborate and attract local and global investment.

Social, Environmental, Economic (External)

BIAs provide economic benefit to the city by creating a healthy environment for businesses within the BIA to grow and attract customers.

**2016 AUDITED FINANCIAL STATEMENTS FOR BUSINESS REVITALIZATION ZONES AND
BUSINESS IMPROVEMENT AREAS**

Financial Capacity

Current and Future Operating Budget:

The revenue raised as a result of the BIA tax is based on the BIAs' annual budgets approved by Council. The tax collected, pursuant to The City's BIA tax bylaw and tax rate bylaw, is transferred directly to the respective BIAs' boards.

There is an annual impact to The City's operating budget of approximately \$400 thousand to provide support to the BIAs. This consists of the provision of professional and administrative support by Calgary Neighbourhoods, and across the Corporation including Law, City Clerk's and Finance. This also includes one-time funding of \$25 thousand per year for the implementation of the Council approved *2015-2018 BRZ/BIA Business Plan*.

Current and Future Capital Budget:

There are no implications on the capital budget.

Risk Assessment

There are no significant risks associated with this issue.

REASON(S) FOR RECOMMENDATION(S):

The BIA Regulation requires a BIA Board, following its financial year, to submit an audited financial statement to Council.

ATTACHMENT(S)

1. Mainstreet Bowness BIA
2. The Calgary Downtown Association (A BRZ)
3. Chinatown District BIA
4. 4th Street South West BIA
5. Inglewood BRZ
6. International Avenue BRZ
7. Kensington BRZ
8. The Marda Loop BRZ
9. Montgomery on the Bow BIA
10. 17th Avenue Retail & Entertainment District
11. Victoria Park BIA
12. Summary of Statement of Operations
13. Summary of Statement of Financial Position