

**Chief Financial Officer's Report to
Priorities and Finance Committee
2020 October 13**

**ISC: UNRESTRICTED
PFC2020-1088
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2019 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas (BIA)

RECOMMENDATION(S):

The Priorities and Finance Committee recommends that Council:

1. Receive this report and Attachments for the 2019 Audited Financial Statements of the listed Business Revitalization Zones and Business Improvement Areas for the Corporate record and discussion:
 - 1) Mainstreet Bowness BIA
 - 2) Calgary Downtown Association
 - 3) Chinatown BIA
 - 4) 4th Street South West BIA
 - 5) Greenview Industrial BIA
 - 6) Inglewood BRZ
 - 7) International Avenue BRZ
 - 8) Kensington BRZ
 - 9) Marda Loop BIA
 - 10) Montgomery on the Bow BIA
 - 11) 17th Avenue Retail & Entertainment District BIA
 - 12) Victoria Park BIA
2. Direct that Attachments 2 to 15 remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed 2035 October 15.

HIGHLIGHTS

- The Business Improvement Areas (*BIA Regulation*) requires that each year following its financial year, a BIA board must submit an audited financial statement to council.
- What does this mean to Calgarians? This requirement ensures that how BIAs expend ratepayer funds collected through the BIA Levy is transparent
- Why does this matter? The work of BIAs supports and aligns with *Calgary in the New Economy: an updated economic strategy for Calgary* and benefits all Calgarians by improving, beautifying and maintaining property in the BIA; developing, improving and maintaining public parking; and promoting the BIA as a business or shopping area.
- Eleven of the BIAs received an unqualified audit opinion from their external auditors. The Chinatown BIA received a qualified audit opinion, further details of which can be found in Attachment 4.
- Strategic Alignment to Council's Citizen Priorities: **A prosperous city**

DISCUSSION

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*.

The audited financial statements for the BIAs operating in 2019 are attached and have been reviewed by the Finance business unit for content and accuracy. There is no material concern arising from the review. Eleven BIAs received an unqualified audit opinion from their external

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auditors. The Chinatown BIA received a qualified audit opinion, further details of which can be found in Attachment 4. The three new BIAs (Crescent Heights, Beltline and Bridgeland) will be included in next year's report as 2020 is their first year of operations.

A summary of each BIA's Statement of Operations (Attachment 14) and Statement of Financial Position (Attachment 15) 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.

In relationship to the impact of COVID-19, the BIAs have been working closely with The City since the beginning of the pandemic. They gave feedback to The City on steps to help businesses, communicated important messaging and continue to support strategies for small businesses in Calgary going forward. The City will continue to work closely with BIAs as things change due to the pandemic and economic recovery.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☒ Public/Stakeholders were informed
- ☐ Stakeholder dialogue/relations were undertaken

The Finance business unit and The Office of Partnerships 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 2020 meeting date for the Priorities and Finance Committee Meeting.

IMPLICATIONS

Social

Under the purposes set out in Section 50 of the Municipal Government Act, BIAs play an important role in supporting neighbourhood revitalization and place-making.

Environmental

There are no environmental implications anticipated to be associated with implementing these recommendations.

Economic

The work of BIAs supports and aligns with *Calgary in the New Economy: an updated economic strategy for Calgary*. BIAs are included as part of the Economic Development & Tourism service line in One Calgary.

Council's direction and the work discussed in this report aligns with the Citizen Priority of A Prosperous City in One Calgary 2019 – 2022, "Calgary continues to grow as a magnet for

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talent, a place where there is opportunity for all, and strives to be the best place in Canada to start and grow a business.”

Service and Financial Implications

The BIA Levy amount is based on BIA budgets approved by council. The revenue raised from the BIA levy is transferred directly to the respective BIA to support their operating expenses including programs, events and services.

There is an annual impact to The City’s operating budget of one full-time employee in Calgary Neighbourhoods and support from multiple business units including Finance, Law, City Clerk’s, Assessment and others; this support is currently absorbed through existing capacity.

Tax-supported funding

RISK

There are no significant risks associated with this report.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. CONFIDENTIAL - Mainstreet Bowness BIA
3. CONFIDENTIAL - Calgary Downtown Association
4. CONFIDENTIAL - Chinatown BIA
5. CONFIDENTIAL - 4th Street South West BIA
6. CONFIDENTIAL - Greenview Industrial BIA
7. CONFIDENTIAL - Inglewood BRZ
8. CONFIDENTIAL - International Avenue BRZ
9. CONFIDENTIAL - Kensington BRZ
10. CONFIDENTIAL - Marda Loop BIA
11. CONFIDENTIAL - Montgomery on the Bow BIA
12. CONFIDENTIAL - 17th Avenue Retail & Entertainment District BIA
13. CONFIDENTIAL - Victoria Park BIA
14. CONFIDENTIAL - Summary of Statement of Operations
15. CONFIDENTIAL - Summary of Statement of Financial Position

Department Circulation

General Manager (Name)	Department	Approve/Consult/Inform (Pick-one)
CFO Carla Male	Chief Financial Officer’s	Approve
GM Black	Community Services	Inform
CM Duckworth	City Manager’s Office and Business Local Economy Team	Inform