

2021 Business Improvement Area Budgets and Enabling Bylaws

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council:

1. Approve the proposed 2021 Business Improvement Area (BIA) budgets (Attachment 2) and if budget amendments are needed authorize each BIA board to amend its respective budget by:
 - (a) transferring amounts to or from a BIA board's reserves, and
 - (b) transferring amounts between expenditures so long as the amount of the total expenditures is not increased; and
2. Give three readings to the proposed 2021 BIA Tax Rates Bylaw (Attachment 3).

And Further that the Priorities and Finance Committee forward this report and attachments to the 2021 January 18 Combined Meeting of Council as a matter of Urgent Business.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 JANUARY 12:

That Council:

1. Approve the proposed 2021 Business Improvement Area (BIA) budgets (Attachment 2) and if budget amendments are needed authorize each BIA board to amend its respective budget by:
 - a. transferring amounts to or from a BIA board's reserves, and
 - b. transferring amounts between expenditures so long as the amount of the total expenditures is not increased; and
2. Give three readings to **Proposed Bylaw 4M2021** (Attachment 3).

HIGHLIGHTS

- The process of presenting and approving BIA budgets and enabling bylaws provides BIAs with the funding required to deliver programs and services expected and valued by their member businesses.
- What does this mean to Calgarians? Under the Municipal Government Act, BIAs are established by businesses in an area to improve, beautify and maintain property in the BIA; develop improve and maintain public parking; and promote the BIA as a business shopping area.
- 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 administering funds for projects, programs, services and promotional activities to support local businesses and contribute to vibrant communities.

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- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Currently, there are fifteen BIAs in Calgary. While some BIA's still have the term "Business Revitalization Zone" or "BRZ" included in their legal name, this report refers to them collectively as BIAs. A list, including a reference to the bylaw which creates each respective BIA, is contained in Schedule "A" to the 2021 BIA Tax Bylaw (Attachment 4).

Pursuant to the BIA Regulation, a BIA Board must submit an annual proposed budget to Council for approval (Attachment 2). Each BIA Board has met and approved its 2021 program and budget requirements in accordance with their respective internal processes and requirements. The BIA levy is based on the BIA's proposed budgets (Attachment 2) and is collected through a BIA tax (calculated by multiplying a business assessment by the applicable BIA tax rate set by the BIA tax rates bylaw) levied against each taxable business located in the BIA.

The 2021 BIA Levy Summary and Budgets (Attachment 2) contains, for each BIA, a summary comparing the 2021 and 2020 BIA levy followed by the 2021 budget request. The BIA budget template includes a budget overview that allows for the presentation of qualitative factors which have influenced the development of BIA budgets, as well as variance explanations. The budget overviews and variance explanations provided by individual BIAs are included verbatim and have not been edited for content.

The proposed 2021 BIA tax rates bylaw (Attachment 3) sets the tax rates required to raise the BIA levy identified in each budget.

In accordance with the BIA Regulation [Subsection 13(1)] Council may, in its approval of the BIA Boards of Directors' (BIA Boards) budgets, if needed, authorize the BIA Boards to amend their budgets by:

- (a) transferring amounts to or from a BIA board's reserves, and
- (b) transferring amounts between expenditures so long as the amount of the total expenditures is not increased.

Administration is recommending that Council authorize BIA Boards to amend their budgets if needed in accordance with Subsections 13(1) and 13(2) of the BIA Regulation to allow BIA Boards to more effectively manage their budgets to provide programming and services that is responsive to the needs of their business communities, while staying within the total expenditure approved by Council.

To enhance administrative efficiency, businesses with a calculated BIA tax of \$24.99 or less will not receive a 2021 BIA tax notice. Administration proposed in 2019 that \$25.00 in BIA tax revenue is the minimum amount required to cover the resources required to bill, monitor and collect the BIA tax. Administration estimates this will result in

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approximately 270 accounts not being charged BIA tax for 2021, totaling approximately \$4,200 in BIA tax revenue. The difference in revenue as a result of this relaxation will be recovered through adjustments to BIA tax rates in the following year.

The COVID-19 pandemic has significantly impacted Calgary BIAs and their member businesses. BIAs report that that local businesses have seen dramatic reductions in their sales and increased costs to meet public health measures. Government subsidies and support has been critical to their survival. Most BIAs cancelled events in 2020 and had to pivot several times to accommodate public health measures and ensure safety of their operations. The City has worked closely with BIAs since the onset of the pandemic, including BIA participation on the Business Sector Task Force, the Downtown Strategy Leadership Group and other project specific work. Businesses have expressed appreciation for the #supportlocal campaign and have reported that the campaign has made an impact. Perceptions of safety in BIAs is an ongoing concern and The City continues to work with them to address safety related issues.

Following a request from BIAs, and with the impact of the pandemic as context, Administration has adjusted its approach to collecting levy shortfalls. Starting in 2021, instead of collecting the entire shortfall from a previous year immediately during the following year, any annual shortfalls will instead be spread over three years. This will reduce the impact of any significant large shortfalls on the businesses that pay the BIA levy.

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

In accordance with the BIA Regulation (Section 12), the Finance Business Unit mailed to taxable businesses in each of the 15 BIAs a copy of the appropriate 2021 BIA budget and notice of the date and place of the 2021 January 12 Priorities and Finance Committee Meeting, and the 2021 January 18 Combined Council 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.

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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 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

No anticipated financial impact

Include actual figure

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.

RISK

There are no significant risks associated with this report.

2021 BIA tax bills are scheduled to be mailed on or before 2021 February 05. From the Council Meeting on 2021 January 18 to the scheduled mailing date, limited time is available to complete required activities. A delay in approving the BIA budgets and third reading of the BIA tax rates bylaw could delay the mailing of the BIA tax bills.

The BIA tax continues to be calculated using business assessments as the Province has not yet permitted the use of property assessments for this purpose. The City will continue to advocate to Alberta Municipal Affairs to permit BIA tax to be imposed using property assessment rather than business assessment. If permitted to use property assessments for the calculation of BIA tax, The City could potentially avoid material capital and operating costs associated with upgrading legacy business assessment and taxation systems.

**Chief Financial Officer's Report to
Priorities and Finance Committee
2021 January 12**

**ISC: UNRESTRICTED
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ATTACHMENT(S)

1. Attachment 1 - Previous Council Direction, Background
2. Attachment 2 – 2021 BIA Levy Summary and Budgets
3. Attachment 3 – **Proposed Bylaw 4M2021**
4. Attachment 4 – 2021 Business Improvement Area Tax Bylaw

Department Circulation

General Manager	Department	Approve/Consult/Inform
CFO Carla Male	CFOD	Approve
Acting GM Katie Black	Community Services	Inform