

Chief Financial Officer's Report to
Executive Committee
2021 December 14

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EC2021-1562
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2020 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas (BIAs)

RECOMMENDATION(S):

The Executive Committee recommends that Council:

1. Receive this report and Attachments for the 2020 Audited Financial Statements of the Business Revitalization Zones and Business Improvement Areas for the Corporate record and discussion; and
2. Direct that Attachments 2 through 18 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 by 2036 December 14.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2021 DECEMBER 14:

The Council:

1. Receive this report and Attachments for the 2020 Audited Financial Statements of the Business Revitalization Zones and Business Improvement Areas for the Corporate record and discussion; and
2. Direct that Attachments 2 through 18 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 by 2036 December 14.

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 spend ratepayer funds collected through the BIA tax 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.
- All BIAs received an unqualified audit opinion from their external auditors. This means that, in the opinion of the third-party auditors, the financial statements present fairly, in all material aspects, the financial position of the individual BIAs, in accordance with accounting standards for not-for-profit organizations.
- Strategic Alignment to Council's Citizen Priorities: **A prosperous city**
- Background and Previous Council Direction is included as Attachment 1.

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 15 BIAs operating in 2020 are attached and have been reviewed by the Finance Business Unit for content and accuracy. There is no material concern

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arising from the review. All BIAs received an unqualified audit opinion from their external auditors. Three new BIAs (Beltline, Bridgeland, and Crescent Heights) are being included in this year's report for the first time, having completed their first full year of operation in 2020.

A summary of each BIA's Statement of Operations (Attachment 17) and Statement of Financial Position (Attachment 18) 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.

Regarding the impact of COVID-19, the BIAs continue to work closely with The City on programs and opportunities to support businesses and bring people to these shopping and business areas in safe and engaging ways. The City will continue to work closely with BIAs as we navigate the 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 2021 meeting date for the Executive 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 talent, a place where there is opportunity for all, and strives to be the best place in Canada to start and grow a business".

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Service and Financial Implications

The BIA tax amount is based on BIA budgets approved by Council. The revenue raised from the BIA tax 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 approximately \$500 thousand to provide support to BIAs, which is currently absorbed through existing capacity. This consists of support from members of Administration in Calgary Neighbourhoods, Law, City Clerks, Finance, and others.

Tax-supported funding

RISK

There are no significant risks associated with this report.

ATTACHMENT(S)

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

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
CFO Carla Male	Chief Financial Officer's	Approve
City Treasurer Les Tochor	Chief Financial Officer's	Consult
GM Katie Black	Community Services	Inform

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City Manager David Duckworth	City Manager's Office and Business & Local Economy Team	Inform
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