

## 2022 Business Improvement Area Budgets and Enabling Bylaws Report

### RECOMMENDATION(S):

That Council:

1. Give three readings to the proposed 2022 Business Improvement Area (BIA) Tax Bylaw (Attachment 2);
2. Approve the proposed 2022 BIA budgets (Attachment 3) 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
3. Give three readings to the proposed 2022 BIA Tax Rates Bylaw (Attachment 4)

### HIGHLIGHTS

- **Reason for recommendations:** In accordance with the *Business Improvement Area (BIA) Regulation*, Council approves BIA budgets and enabling bylaws so that The City can administer the BIA tax which provides BIAs with funding required to deliver programs and services expected and valued by their members.
- **What does this mean for Calgarians?** Under the *Municipal Government Act*, BIAs are established by businesses in an area to jointly raise funds used 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 it matter?** BIAs play a leading role in supporting economic development and contributing to vibrant communities for all Calgarians.
- 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 BIAs 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 2022 BIA Tax Bylaw (Attachment 2). The approval of the BIA Tax Bylaw (Attachment 2) will authorize The City to impose and collect the BIA tax on behalf of BIAs.

Pursuant to the *BIA Regulation*, a BIA Board must submit an annual proposed budget to Council for approval (Attachment 3). Each BIA Board has met and approved its 2022 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 3) 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 2022 BIA Levy Summary and Budgets (Attachment 3) contains, for each BIA, a summary comparing the 2022 and 2021 BIA levy followed by the 2022 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.

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The proposed 2022 BIA Tax Rates Bylaw (Attachment 4) sets the tax rates required to raise the BIA levy identified in each budget.

In accordance with section 13 of the *BIA Regulation* Council may, in its approval of the 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 recommends that Council authorize BIA Boards to amend their budgets if needed in accordance with section 13 of the *BIA Regulation*. This will 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 2022 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 approximately 199 accounts not being charged BIA tax for 2022, totaling \$3,180.25 in BIA tax revenue. The difference in revenue because 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 reductions in their sales and increased costs to meet public health measures. 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 projects. Perceptions of safety in BIAs is an increasing concern and The City continues to work with them to address safety related issues. In 2021, The City allocated provincial and federal COVID-19 recovery funding towards approximately 6,000 businesses located within the BIAs by providing a one-time credit equal to their 2021 BIA tax bill applied to their account amounting to a total of \$4.3 million. The City has also provided grants to the BIAs for improvements, events, and activations to support their member businesses. In all, approximately \$510,000 was awarded in grants in 2021.

2022 BIA tax bills are scheduled to be mailed on or before 2022 February 8 and will be due on 2022 March 31.

### **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 preparation of the 2022 BIA Budgets and Enabling Bylaws Report involved representatives from Finance, Law, Assessment and Calgary Neighbourhoods. As well, in accordance with section 12 of the *BIA Regulation*, the Finance business unit mailed to taxable businesses in each of the fifteen BIAs a copy of the appropriate 2022 BIA budget and notice of the date and place of the 2022 January 11 Combined Meeting of Council.

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### **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**

Not applicable.

#### **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**

While 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 two full-time employees 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.

The City anticipates that it will need to incur additional capital and operating expenses in the near future to continue maintaining business assessment and tax systems for the sole purpose of administering the BIA tax. The City is currently engaging with stakeholders about proposed changes to the *BIA Regulation* that permit BIA tax to be administered using property assessment, rather than business assessment. If the Government of Alberta enables this change, it is estimated that it would save The City over \$2 Million in capital and operating costs.

### **RISK**

There are no significant risks associated with this report. However, there is limited time available to complete the required activities between the Combined Meeting of Council on 2022 January 11 and the 2022 Business Improvement Area (BIA) tax bill mailing date of 2022 February 8. A delay in the third reading of the BIA Tax Bylaw could delay the mailing of the BIA tax bills.

Chief Financial Officer's Report to  
 Combined Meeting of Council  
 2022 January 11

ISC: UNRESTRICTED  
 C2022-0013  
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### **ATTACHMENT(S)**

1. Attachment 1 – Previous Council Direction, Background
2. Attachment 2 – Bylaw Number 3M2022 – 2022 Business Improvement Area Tax Bylaw
3. Attachment 3 – 2022 BIA Levy Summary and Budgets
4. Attachment 4 – Bylaw Number 4M2022 – 2022 Business Improvement Area Tax Rates Bylaw
5. Attachment 5 – Business Improvement Areas (BIAs) Information Sheet

### Department Circulation

<b>General Manager/Director</b>	<b>Department</b>	<b>Approve/Consult/Inform</b>
Carla Male	Chief Financial Officer's Department	Approve
Eddie Lee	Chief Financial Officer's Department	Approve
Katie Black	Community Services	Inform