

2023 Business Improvement Area Budgets and Enabling Bylaws Report

RECOMMENDATIONS:

That Council:

1. Give three readings to the proposed 2023 Business Improvement Area (BIA) Tax Bylaw (Attachment 2);
2. Approve the proposed 2023 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 2023 BIA Tax Rates Bylaw (Attachment 4)

HIGHLIGHTS

- Council, in accordance with the *Municipal Government Act (MGA)* and the *Business Improvement Area (BIA) Regulation*, approves BIA budgets, BIA tax rates, and enabling bylaws which provides BIAs with revenue from tax collected within each BIA to deliver programs and services as directed by their respective boards.
- This report outlines the three items Council must approve annually to administer the BIA tax and provide the BIAs with the requested levy budgeted amounts:
 1. Pass the 2023 Business Improvement Area Tax Bylaw which authorizes Council to impose a tax on all taxable business operating within a BIA.
 2. Approve the budgets submitted by each BIA that indicate the amount of levy they require to operate during the 2023 calendar year.
 3. Approve the 2023 BIA Tax Rates Bylaw which provides the associated tax rates needed to achieve the budget requests for each BIA.
- **What does this mean for Calgarians?** Under the MGA, BIAs are established by businesses in an area to jointly raise funds to improve, beautify and maintain property in the BIA; develop improve and maintain public parking; and promote the BIA as a business or shopping area.
- **Why does it matter?** BIAs enable businesses to work together to support local economic development and vibrancy by promotions, activations, and the improvement of local infrastructure.
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Currently, there are 15 BIAs in Calgary (Schedule A, Attachment 2). While some BIAs still have the term "Business Revitalization Zone (BRZ)" included in their legal name, this report refers to them collectively as BIAs. The approval of the 2023 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 2023 budget requirements in accordance with their respective internal processes and requirements. The BIA tax rate is based on the BIA's proposed budgets (Attachment 3). The BIA tax is collected from each

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taxable business located in the BIA. Attachment 3 contains a summary comparing the 2023 and 2022 BIA levy followed by the 2023 proposed budget for each BIA. Any budget overview or variance explanations have been provided by individual BIAs and are presented as submitted by the BIA. In 2022, Administration worked with BIAs to improve the BIA budget template to improve transparency and the consistency of information presented. The new template includes the prior year's actuals. Any variance between the prior year's budget and actuals reflects changes to the BIA budgets after Council approval in 2022 January.

The proposed 2023 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 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.

To enhance administrative efficiency, businesses with a calculated BIA tax of \$24.99 or less will not receive a 2023 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 184 accounts not being charged BIA tax for 2023, totaling \$2,851.13 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.

2023 BIA tax bills are scheduled to be mailed on or before 2023 February 8 and will be due on 2023 March 31.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

The preparation of the 2023 BIA Budgets and Enabling Bylaws Report was supported by Partnerships, Finance, Law, and Assessment & Tax. As well, in accordance with section 12 of the *BIA Regulation*, Assessment & Tax mailed each taxpayer in each of the 15 BIAs a copy of the appropriate 2023 BIA budget and notice of the date and place of the 2023 January 24 Regular Meeting of Council.

In 2022, Administration worked with a representative group of BIAs to adjust and improve the BIA budget template and worked with each BIA to prepare their individual budget documents.

IMPLICATIONS

Social

BIAs and their governing boards promote community vibrancy through local activations and events, support a strong local economy and local businesses, enhance public spaces, and improve overall quality of life in Calgary.

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Environmental

BIAs and their governing boards support walkable communities by enhancing local business and shopping districts, and support local hubs that can provide local shopping, dining and entertainment options to provide choices for local residents that can reduce their carbon footprint.

Economic

The work of BIAs supports and aligns with *Calgary in the New Economy: An economic strategy for Calgary* to support a future-proof and sustainable economy for Calgary. BIAs help to brand our city, support our business environment, and enhance our livability.

BIAs are included under the Economic Development & Tourism line of service in the 2023-2026 Service Plans and Budgets, and this report aligns with strategy of supporting the promotion and sustainability of the local economy and placemaking by supporting the governance and operation of Calgary's Business Improvement Areas.

Service and Financial Implications

No anticipated financial impact

Include actual figure

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 Partnerships and support from multiple business units including Finance, Law, City Clerk's, Assessment & Tax, 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 continues to engage with interested parties about proposed changes to the *BIA Regulation* that would transition BIA tax to property assessment, rather than business assessment. If the Government of Alberta were to implement this change, The City would no longer need to maintain business assessment, realizing capital and operating savings.

If additional BIAs were to be established, increased resourcing would be required.

RISK

There are no significant risks associated with this report. However, there is limited time available to complete the required activities between the Regular Meeting of Council on 2023 January 24 and the 2023 Business Improvement Area (BIA) tax bill mailing date of 2023 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
Regular Meeting of Council
2023 January 24

ISC: UNRESTRICTED
C2023-0009
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ATTACHMENT(S)

1. Previous Council Direction, Background
2. Bylaw Number 3M2023 – 2023 Business Improvement Area Tax Bylaw
3. 2023 BIA Levy Summary and Budgets
4. Bylaw Number 4M2023 – 2023 Business Improvement Area Tax Rates Bylaw
5. Business Improvement Areas (BIAs) Information Sheet

Department Circulation

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