

Business Improvement Areas (BIAs) Information Sheet

What is a Business Improvement Area (BIA)

Business Improvement Areas (BIAs) are special assessment districts that enable business owners to promote and improve their area. BIAs are established by Council under sections 50-53 of the Municipal Government Act (MGA) and the *Business Improvement Area Regulation*, AR 93/2016 (the *BIA Regulation*) for the purposes of:

- improving, beautifying and maintaining property in the zone;
- developing, improving and maintaining public parking; and
- promoting the zone as a business or shopping area.

How are BIAs structured and funded?

Under the MGA and the BIA Regulation, Council establishes a BIA through bylaw. Once established, taxable businesses in the BIA are required to pay an additional tax (the BIA Tax). Through the tax, business owners collectively fund activities to promote and improve the economic vitality of their area. The BIA is funded primarily through the levy but can also draw on other public and private funding streams. Under the BIA Regulation, BIAs are non-profit organizations—the board must apply all income and any profits to promoting the objects of the board and must not pay any dividends to any person.

How are BIAs governed?

BIAs are governed by a Council-appointed Board of Directors. Annually, BIAs put forward nominees for Council to consider for appointment to the board. All candidates must be nominated by one or more taxpayers in the BIA. Under the BIA Regulation, Council may also choose to appoint one or more Councillors to a BIA board.

What is the role of Council in BIA governance and oversight?

Annually:

- Appoints board members to BIA boards based on nominees recommended by each BIA.
- Approves audited financial statements submitted by each BIA.
- Approves budgets submitted by each BIA to set the individual BIA tax rate.

On an ad hoc basis Council when presented with a request that meets legislative requirements:

- Establishes a new BIA.
- Disestablishes an existing BIA.
- Changes the boundaries of an existing BIA.

What are some examples of the work of a BIA?

- Promotion and marketing to enhance the economic development of their area.
- Improve or beautify the public spaces in commercial areas.
- Develop, improve, and maintain public parking.
- Advocate for policies and practices that support economic vitality in their zones.
- Play a role in public safety and crime prevention efforts to enhance attraction as a shopping district.
- Coordinate and sponsor some of Calgary's most popular events (e.g. Glow, Lilac Festival, Inglewood Night Market and Marda Gras).
- Collaborate with The City to address operational and infrastructure issues in the community (parks, land use, redevelopment, physical improvements, public safety, maintenance, traffic, parking, etc.).
- Provide input on policies to support economic health.

How is the BIA levy calculated?

- **BIA tax rate = BIA's annual approved budget amount ÷ Total business assessment within the BIA**
 - The tax rate is calculated by the annual budget submitted to Council by the BIA Board divided by the total assessed value of all businesses in that BIA zone.
- **BIA levy = business assessment x BIA tax rate**
 - The business assessment is a market value occupancy-based assessment and factors such as square footage, location, and improvements.

What are the 15 BIAs in Calgary?

- Beltline BIA;
- Mainstreet Bowness BIA;
- Bridgeland BIA;
- Calgary Downtown Association;
- Chinatown BIA;
- Crescent Heights Village BIA;
- 4th Street South West BIA;
- Greenview Industrial BIA;
- Inglewood BIA;
- International Avenue BRZ;
- Kensington BRZ;
- Marda Loop BIA;
- Montgomery on the Bow BIA;
- 17th Avenue Retail & Entertainment District BIA; and
- Victoria Park BIA.

Administration's proposed legislative changes

Administration (led by Assessment & Tax) is currently working closely with counterparts at the City of Edmonton to engage external stakeholders including BIAs and the Building Owners and Managers Association (BOMA) on proposed changes to the MGA and BIA Regulation that would shift the tax base from business assessment to property assessment for the BIA Tax. This change was originally contemplated, with BIA support, during the last MGA review, but was never implemented. If implemented by the province, these changes would:

- Cut red tape and simplify taxes for local businesses;
- Create greater equity and fairness by distributing the BIA tax responsibilities across all non-residential properties in a BIA, reducing the cost of the BIA tax for many businesses and ensuring that occupied properties do not pay more in taxes than unoccupied properties;
- Provide BIAs with greater stability and an opportunity to work directly with property owners to attract businesses and fill vacancies;
- Align BIA tax administration processes in Alberta with other jurisdictions in Canada; and
- Eliminate the need for municipalities to assess business values, averting capital and operating expenses to update and/or maintain legacy City assessment and tax systems.

Questions about BIAs?

Relationships with The City's 15 BIAs are supported by the Office of Partnerships. If you have any questions related to BIA operations or governance, please reach out to Team Lead, Partnership Strategy and Policy at kim.mustard@calgary.ca or Meghan Mahoney, BIA Business Strategist, at Meghan.Mahoney@calgary.ca