

BUSINESS IMPROVEMENT AREAS (FORMERLY BUSINESS REVITALIZATION ZONES) - BOARD GOVERNANCE AND LEGISLATIVE CHANGES

EXECUTIVE SUMMARY

In 2015 December City Clerk's Office identified a misalignment between The City's bylaws establishing the Business Improvement Areas (BIA), and the BIAs' practices for the Council appointment of their board members. Council directed Administration to align The City's BIA bylaws, and the BIAs' current practices, with provincial legislative requirements.

Council passed bylaw amendments for six of the 11 BIAs on 2016 November 28. Four BIA boards, whose bylaws required amendments, requested additional time to consider the necessary changes. This report presents the proposed bylaw amendments for three of these BIAs. The remaining bylaw amendment for the Marda Loop Business Revitalization Zone (BRZ) is presented in a separate report, CPS2017-0650, for it includes a boundary change. A summary of the proposed amendments for each BIA can be found in Attachment 1.

Administration therefore recommends that Council give three readings to the proposed bylaws to amend three of The City's BIA Bylaws (Attachments 2-4).

ADMINISTRATION RECOMMENDATIONS

That the SPC on Community and Protective Services recommend that Council:

1. Give three readings to the proposed Bylaw to amend the Calgary Downtown Association Bylaw 33M88 (Attachment 2);
2. Give three readings to the proposed Bylaw to amend the 17th Avenue Retail & Entertainment District Bylaw 39M84 (Attachment 3); and
3. Give three readings to the proposed Bylaw to amend the Inglewood Business Revitalization Zone Bylaw 7M88 (Attachment 4).

RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2017 SEPTEMBER 06:

That Council:

1. Give three readings to the proposed **Bylaw 38M2017** to amend the Calgary Downtown Association Bylaw 33M88 (Attachment 2);
2. Give three readings to the proposed **Bylaw 39M2017** to amend the 17th Avenue Retail & Entertainment District Bylaw 39M84 (Attachment 3); and
3. Give three readings to the proposed **Bylaw 36M2017** to amend the Inglewood Business Revitalization Zone Bylaw 7M88 (Attachment 4).

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PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 November 28 Council adopted CPS2016-0826 'Business Revitalization Zones – Board Governance and Legislative Changes,' and passed amendments for six of the BIA bylaws to align them with provincial legislative requirements and the BIAs' practices. An additional amendment was made to the Calgary Downtown Association BIA to increase the number of board members that Council could appoint to its board.

On 2015 December 14 Council adopted C2015-0953 'Business Revitalization Zones - Board Appointments,' which identified a misalignment between The City of Calgary BRZ bylaws, the *Business Revitalization Zone Regulation*, AR 377/1994 (the *BRZ Regulation*) in effect at that time, and some of the BIAs' practices respecting the appointment of their board members by Council.

In response, the following motion was carried at the 2015 December 14 Meeting of Council: "MOTION ARISING, Moved by Councillor Woolley, Seconded by Councillor Chabot, with respect to Report C2015-0953, that Council direct Administration to work with the BRZs to review alignment between the BRZ Bylaws that Council has passed and the Business Revitalization Zones' governance documents."

BACKGROUND

In 1983 June the Government of Alberta amended the *Municipal Government Act* (MGA) to allow municipalities to enact bylaws to establish BIAs (formerly known as BRZs). Business owners within a defined area are required to pay an additional tax. The BIA tax enables the business owners to collectively fund activities to promote and improve the economic vitality of their area for the purposes set out in the MGA. The bylaw to establish a BIA also establishes a board to govern the BIA.

A BIA's board members are appointed by Council under the terms of The City's bylaw that established the BIA. The board operates as a non-profit corporation and is subject to provincial legislation governing BIAs. The BIAs and their boards are regulated by sections 51 and 52 of the current MGA and the *Business Improvement Area Regulation*, AR 93/2016 (the *BIA Regulation*) (Attachment 5).

The earliest Calgary bylaw establishing a BIA was passed in 1984 and the most recent bylaw was passed in 2015. These bylaws were enacted under different versions of the MGA and, since 1995, under different Regulations. Therefore, The City bylaws establishing the BIAs are not consistent, and some do not comply with the requirements in the current MGA, the now expired *BRZ Regulation*, or the current *BIA Regulation*. This has resulted in a misalignment between The City's BIA bylaws, provincial legislation and some of the BIAs' practices regarding board appointments.

Additionally, effective 2016 July 1, the Province amended the legislation to change the "business revitalization zone" designation to "business improvement area". Some BIAs have requested name changes to adopt the "business improvement area" designation.

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The proposed bylaw amendments align the BIAs' practices concerning the appointment of their boards with The City's BIA bylaws, ensure that the bylaws are consistent with the legislative requirements, and update the bylaws to include the BIA designation.

Given the number of amendments required for Bylaw 52M84, the proposed amending bylaw repeals and replaces Bylaw 52M84.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The City's BIA bylaws, and the applicable provincial legislation regulating BIAs, were reviewed to identify the amendments required to comply with the current legislative requirements for a BIA bylaw (e.g., specifying the number of board members, their terms of office, and the method of filling board vacancies). Administration consulted with the BIA boards to identify their practices for board appointments, and to identify the bylaw amendments required to align their board governance practices with their City bylaw. The BIAs were also asked whether they wished to change their names to include the "business improvement area" designation. The BIA boards support the proposed bylaw amendments.

Overview of the Proposed City of Calgary Bylaw Changes

The proposed amendments concern the following BIAs whose bylaws were not amended on 2016 November 28:

- Calgary Downtown Association;
- 17th Avenue Retail & Entertainment District
- Inglewood BRZ; and,
- Marda Loop BRZ.

However, the bylaw amendments for the Marda Loop Business Revitalization Zone are presented in a separate report because the board requested a boundary change, and the *BIA Regulation* requires Council to give the affected BIA taxpayers the opportunity to speak to the boundary change before second reading of the bylaw.

Stakeholder Engagement, Research and Communication

Collaboration is critical to maintaining effective, mutually beneficial relationships. Administration worked directly with each BIA to identify and understand the amendments required for their respective City Bylaws.

Strategic Alignment

Municipal support for BIA growth and development aligns with *Action Plan 2015-2018* and the associated Council Priorities of creating "A Prosperous City" whereby Calgary is, "...a place where there is opportunity for all, and the best place in Canada to start and grow a business," and "A City of Inspiring Neighbourhoods" where "every Calgarian lives in a safe, mixed and just neighbourhood, and has the opportunity to participate in civic life". In addition, the Council-approved *Business Revitalization Zone (BRZ) 2015-2018 Business Plan* identifies the growth of BIAs as an important outcome of the implementation of the Plan.

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Social, Environmental, Economic (External)

Social

BIAs are key partners in creating a safe and appealing community to attract and retain visitors and residents to their areas. Businesses within BIAs provide a range of services to help create complete communities. They serve an important role in placemaking through the intentional design of areas that foster positive social interaction.

Environmental

In addition to beautifying and improving their areas, BIAs promote active modes of transportation within their boundaries. Further, BIAs make environmental sustainability a priority through their support of recycling at their festivals and through innovative community development programs.

Economic (External)

BIAs create opportunities to promote Calgary as a great place to visit, live, meet, work, play and study. They play an important role in supporting economic activity and community revitalization. BIAs make a significant contribution to Calgary's economic well-being by helping to nurture the growth and development of business in the city and by improving the quality of life for those living and working in the area of the BIAs. In shaping a dynamic business environment, BIAs attract visitors and residents alike to their vibrant business districts.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget implications associated with this report.

Current and Future Capital Budget:

There are no capital budget implications as a result of this report.

Risk Assessment

Amending The City's BIA bylaws to align with the current provincial legislation and the BIAs' practices for board appointments by Council enables The City and the BIA boards to comply with the legislative framework under which BIA boards operate. This is an important mitigation of risk; compliance with the legislative requirements ensures that the proposed bylaw amendments are validly enacted.

Further, presenting the amendments to the Marda Loop BIA's bylaw in a separate report will ensure that the taxpayers affected by the proposed boundary change will be given an opportunity to speak to the boundary change before the proposed bylaw receives second reading. This is required by section 8(1)(b) of the *BIA Regulation*.

Future changes to the BIA legislation were considered such as the MGA amendments that have not yet been proclaimed, and the forthcoming changes to the *BIA Regulation*. They do not impact the proposed bylaw amendments.

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REASON FOR RECOMMENDATIONS:

Amendments to The City's BIA bylaws are required to align these bylaws with current provincial legislative requirements, and the BIAs' practices respecting Council appointment of their boards, in order to improve BIA board governance.

ATTACHMENTS

1. Overview of Business Improvement Area Bylaw Amendments
2. Proposed **Bylaw 38M2017** Amending the Calgary Downtown Association (A Business Revitalization Zone) Bylaw 33M88
3. Proposed **Bylaw 39M2017** Amending the 17th Avenue Retail & Entertainment District Business Revitalization Zone Bylaw 39M84
4. Proposed **Bylaw 36M2017** Amending the Inglewood Business Revitalization Zone Bylaw 7M88
5. Excerpts from the Current Municipal Government Act and the *Business Improvement Area Regulation*, AR 93/2016