

JAN 22 2018

ITEM: 8.2 Urgent Business
Distribution
CITY CLERK'S DEPARTMENT

2018 Business Improvement Area Budgets and Enabling Bylaws

EXECUTIVE SUMMARY

To approve the 2018 budgets for Calgary's 12 Business Improvement Areas (BIAs) (formerly known as Business Revitalization Zones or BRZs) and the enabling bylaws.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Approve the proposed 2018 Business Improvement Area (BIA) budgets (Attachment 1) and 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;
2. Give three readings to the proposed 2018 BIA Tax Bylaw (Attachment 2);
3. Give three readings to the proposed 2018 BIA Tax Rates Bylaw (Attachment 3); and
4. Forward this Report and Attachments to the 2018 January 22 Regular Public Hearing of Council as a matter of Urgent Business.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 JANUARY 16:

That Council:

1. Approve the proposed 2018 Business Improvement Area (BIA) budgets (**Revised** Attachment 1) and 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;
2. Give three readings to **Bylaw 5M2018**, 2018 BIA Tax Bylaw (Attachment 2); and
3. Give three readings to **Bylaw 6M2018**, 2018 BIA Tax Rates Bylaw (Attachment 3).

PREVIOUS COUNCIL DIRECTION / POLICY

Annually, since the inception of BIAs in Calgary in 1984, Council has approved the BIA annual budgets and bylaws as required by the *Municipal Government Act* (MGA) and the *Business Improvement Area Regulation*, AR 93/2016.

BACKGROUND

The Province of Alberta passed enabling legislation in 1983 to allow municipalities to establish BIAs. The provisions are contained in MGA Section 50, as amended, and the *Business Improvement Area Regulation*, AR 93/2016 (the *BIA Regulation*). Legislation requires that, for each calendar year, Council:

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- approve the BIA budgets (the *BIA Regulation*, Section 11);
- pass a BIA tax bylaw authorizing the imposition of a tax on the BIAs (the *BIA Regulation*, Section 20); and
- pass a BIA tax rate bylaw establishing the tax rates applicable to each BIA (the *BIA Regulation*, Section 21).

In accordance with the *BIA Regulation* (Subsection 13(1)) Council may, in its approval of the BIA boards' budgets, authorize the BIA boards to amend the 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 is recommending that Council authorize BIA boards to amend the budgets in accordance with Subsections 13(1) and 13(2) of the *BIA Regulation* to 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.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

There are currently 12 BIAs in Calgary, including HIPville Business Improvement Area which was established in 2017. A list, including a reference to the bylaw which creates each respective BIA, is contained in Schedule "A" of the proposed 2018 BIA Tax Bylaw (Attachment 2). Each BIA Board of Directors has met and approved its 2018 program and budget requirements in accordance with their respective internal processes. The BIA budgets have been submitted to Administration and are included in this report for Council's approval.

Pursuant to the *BIA Regulation*, a BIA board must submit an annual proposed budget to Council for approval. The BIA levy is based on the BIAs' proposed budgets (Attachment 1), and is collected through a BIA tax (calculated by business assessment multiplied by the BIA rate) levied against each taxable business in the BIA. The BIA tax is reflected on each business tax bill.

The 2018 BIA Levy Summary and Budgets (Attachment 1) contains, for each BIA, a summary comparing the 2018 and 2017 BIA levy followed by the 2018 budget request. At the 2016 January 19 meeting of the Priorities and Finance Committee, Councillor Sutherland requested that Administration provide guidance or a template to the BIAs to facilitate the comparability of financial information between individual BIAs. Administration worked with the BIAs to enhance the BIA budget template to include a budget overview to discuss 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. These templates, completed by each of the BIAs, can be found in Attachment 1.

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The proposed 2018 Business Improvement Area Tax Bylaw must be passed annually if there is a BIA in a municipality.

The proposed 2018 BIA Tax Rates Bylaw sets the tax rates required to raise the BIA levy identified in each BIA budget.

Stakeholder Engagement, Research and Communication

In accordance with the *BIA Regulation* (Section 12), the Finance Business Unit mailed to taxable businesses in each of the 12 BIAs a copy of the appropriate 2018 BIA budget and notice of the date and place of the 2018 January 16 Priorities and Finance Committee Meeting, and the 2018 January 22 Combined Meeting of Council.

Strategic Alignment

The approval of the BIA budgets and enabling bylaws allows BIAs to receive funding to serve their business communities which supports Action Plan 2015 - 2018 and the following Council priorities:

- Making Calgary the best place in Canada for a business to start and flourish; and
- Making Calgary a place where every Calgarian lives in a safe, mixed and just neighbourhood and has the opportunity to participate in civic life.

Social, Environmental, Economic (External)

BIAs provide economic benefit to the city by creating a healthy environment for businesses within the BIA to grow and attract customers.

Financial Capacity

Current and Future Operating Budget:

The revenue raised as a result of the BIA levy is transferred directly to the respective BIA.

There is an annual impact to The City's operating budget of approximately \$400 thousand to provide support to BIAs. This consists of the provision of professional and administrative support in Calgary Neighbourhoods, and across the Corporation including Law, City Clerk's and Finance. This also includes one-time funding of \$25 thousand per year for the implementation of the Council approved *2015-2018 BRZ/BIA Business Plan*.

Current and Future Capital Budget:

There are no implications on the capital budget.

Risk Assessment

2018 business tax bills, including the BIA levy, are scheduled to be mailed on or before 2018 February 9. From the Council meeting on 2018 January 22 to the scheduled mailing date, limited time is available to complete required activities. A delay in approving the BIA budgets and third reading of the bylaws could delay the mailing of business tax bills.

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REASON(S) FOR RECOMMENDATION(S):

The MGA requires Council to approve the BIA budgets and enabling bylaws annually to provide funding to the BIAs.

ATTACHMENT(S)

1. **Attachment 1 (Revised)** – 2018 BIA Levy Summary and Budgets
2. **Attachment 2 – Bylaw 5M2018**, 2018 Business Improvement Area Tax Bylaw
3. **Attachment 3 – Bylaw 6M018**, 2018 Business Improvement Area Tax Rates Bylaw