

BUSINESS REVITALIZATION ZONES (BRZs) REVIEW UPDATE

EXECUTIVE SUMMARY

Administration was directed to undertake a review of the current state of municipal support for Business Revitalization Zone (BRZ) development in Calgary and subsequently provide recommendations to foster growth within the BRZ community. The first phase of this review, now complete, included an Administration facilitated engagement of BRZs, associated stakeholders and a review of best practices from across North America. Findings from this phase illustrated the need for the development of a 2015-2018 BRZ business plan, incorporating the following three themes: 1) the need for an enhanced BRZ - City interface; 2) increased integration of social and economic goals within the BRZ framework; and 3) expanded strategic alignment, resource leveraging and collaboration between BRZs and key community stakeholders. Based on these findings, Administration is recommending the implementation of Phase 2 of the BRZ review in 2014, resulting in the development of a 2015-2018 business plan to support BRZ development. Through this business plan, BRZs themselves will determine options and provide recommendations to better support existing BRZs, encourage innovation and foster creation of new BRZs.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council:

1. Receive this report for information; and
2. Direct Administration to complete Phase 2 of the BRZ review process and report back to Council through the Priorities and Finance Committee with a 2015- 2018 BRZ business plan to support BRZ development no later than 2014 September.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2012 August 28, Council adopted NM2012-38, approving Alderman Pootmans and Alderman Mar's Notice of Motion, directing Administration to provide an overview of the current state of municipal support for BRZ development in Calgary, research municipal best practices, and recommend options for consideration to better support existing BRZs, encourage innovation, and foster the creation of new BRZs and report back to Council through the SPC on Community and Protective Services no later than first quarter 2013.

On 2013 March 18, Council approved CPS2013-0272 'Business Revitalization Zones Update – Deferral Request', directing administration to bring forward the report on the Business Revitalization Zones Update no later than 2013 June.

On 2013 July 29, Council approved PFC2013-0591 'Business Revitalization Zones Update – Deferral Request', directing administration to bring forward the report on the Business Revitalization Zones Update no later than 2013 December.

BACKGROUND

Calgary currently has ten (10) BRZs (summarized in the Attachment) that operate as non-profit corporations governed under the *Municipal Government Act* (MGA). The MGA mandated purpose of a BRZ includes: improving, beautifying and maintaining property in the zone, developing, improving and maintaining public parking and promoting the zone as a business or shopping area. In preparation for the MGA review consultation set to commence in 2014, BRZs

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across Alberta are exploring this mandate and examining ways to include the critical role they play in the community, not only as economic incubators but also as social innovators.

BRZs are financed through a BRZ levy, collected by The City of Calgary, and distributed to each of the BRZs for the purpose of implementing programs, services and improvements within their respective zones. The first BRZ bylaw was established in 1984, with the formation of the Marda Loop and Uptown 17 BRZs; while the most recent BRZ, Montgomery, was added in 2010.

The benefits of BRZs are wide-ranging. By working collectively with local businesses and other neighbourhood entities, BRZs are catalysts for positive community experiences. They help create thriving, safe and vibrant areas that attract a diversity of people. In partnership, BRZs work to enhance the safety, look and feel of neighbourhoods, creating lasting, positive social interactions as well as meaningful economic opportunities for businesses. In addition, BRZs act as a unified voice for their members and help to address emerging issues and capitalize on promising opportunities.

While BRZs interact with a variety of different City departments, historically a primary point of contact within The City has been established for BRZs. The intent of this liaison approach has been to support BRZs in accessing City resources and fostering partnership opportunities to address key community issues. The current City liaison role consists of 0.25 of a full time equivalent position (FTE), funded through the Animal & Bylaw Services (ABS) business unit budget within the Community Services & Protective Services (CS&PS) department.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

During Phase 1 of the review process, Administration facilitated the engagement of the BRZ community and key stakeholders, along with a review of best practices across North America. Findings from this phase illustrated the need for the development of a 2015-2018 BRZ business plan (Phase 2), incorporating the following three themes: 1) an enhanced BRZ - City interface; 2) the integration of economic and social goals within the BRZ framework; and 3) increased strategic alignment, resource leveraging and expanded collaboration between BRZs and key stakeholders in the community and business sectors.

Phase 1 Findings

1. Enhanced BRZ - City Interface

Best Practice Research

- The City of Toronto offers an illustrative Canadian example of a municipality which has focused on implementing enhanced city interface processes to support BRZ development. Toronto has established a BIA (Business Improvement Area, the BRZ equivalent) office, comprised of 9 staff, providing economic partnership advice, streetscape design support along with community programming assistance and capital project support. This approach has garnered national acclaim, with local authorities and the business community indicating that the extensive municipal support for BIAs has resulted in benefits to communities and residents. This includes fostering the generation and leveraging of more than \$25 million in funding towards beautification projects, promotional campaigns, festivals, graffiti abatement and crime prevention strategies. As a result of these efforts Toronto has witnessed a significant growth in the number of

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BIAs, with the establishment of 35 new BIAs since 2003; bringing the current total to 77 BIAs representing more than 32,000 businesses.

- The City of Edmonton's provision of support to its compliment of 12 BRZs is also provided through a dedicated group of employees, approximately 5 staff in total. The interface between BRZs and The City is primarily enhanced through the provision of supplemental programs, including a Façade and Storefront Improvement Program; offering grants to undertake building improvements and encouraging the development of appealing streets that attract businesses and people to the area.

BRZ Engagement Results

- A consistent theme arising from the BRZ engagement process involved the need to explore alternative ways to provide BRZs with increased support; The City's commitment of 0.25 of an FTE was highlighted as an area for examination and potential leveraging in order to build capacity. The BRZ engagement also supported the need to examine how the municipality provides an effective interface mechanism to the BRZ community. For example, it highlighted that a new BRZ-City interface model needs to be effective and efficient and should result in streamlined communications and service request processes, creating capacity for priority projects. While stakeholders expressed the need for change, they also highlighted the fact that it was crucial for BRZs and their partners to explore municipal interface/support options tailored to address the specific needs of Calgary, rather than simply adopting a particular model from another jurisdiction.

2. Integrated Economic and Social Goals

Best Practice Research

- New York, Seattle and a number of other centres, employ a hybrid BRZ model, which integrates the traditional business focus of a BRZ with a broader community development focus. The intent is to focus on both economic and social drivers, recognizing the significant roles that social amenities play in attracting both residents and business to a particular area (e.g. playgrounds, community gathering venues, etc). This atmosphere of social and economic vitality has been linked to not only the enhancement of existing BRZs but also increased BRZ growth. Further, this hybrid approach emphasizes strong connections between economic and social organizations in communities and fosters a climate of mutual goal development and ongoing partnership.

BRZ Engagement Results

- Calgary's BRZ community has highlighted the need for collaborative goal setting between BRZs, community associations, non-profit agencies, and other community stakeholders. This approach recognizes the interdependency between social and economic realities and the subsequent benefit to the economic realm through an investment in community amenities and programming.
- Emerging feedback also highlighted the potential for BRZs to act as a catalyst for greater collaboration among promotional authorities, calling upon Calgary Economic Development (CED), Tourism Calgary and the Calgary Convention Centre Authority to explore the development of a cohesive Promotional Authorities Strategy.

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3. Increased Strategic Alignment and Collaboration

Best Practice Research

- A common theme which emerged through the BRZ best practice research process was the need for strategic alignment between BRZs and other community partners. Such alignment, as evidenced within the New York and Seattle BRZ frameworks, was shown to not only result in increased coordination and leveraging of resources but also the development of stronger, more complete communities.

BRZ Engagement Results

- Calgary BRZs affirmed the importance of strategic alignment and expanded collaboration with community partners throughout the engagement process. In particular, feedback centred on increased strategic alignment with CED, and enhanced leveraging opportunities with community partners and agencies (i.e. community associations, social agencies, etc). In addition, alignment with a variety of major community initiatives was also highlighted, including the Calgary Poverty Reduction Initiative and the Strong Neighbourhoods Initiative through Community & Neighbourhood Services (CNS) and supported across the CS&PS department.
- The importance of strategic alignment and collaboration between Calgary BRZs and community partners was also illustrated through feedback regarding the recovery from the recent flood event.
 - The flood event offered a unique opportunity for flood-affected BRZs to work in partnership with The City and the Calgary Chamber of Commerce through the ABS-supported Business Recovery Task Force. The Task Force mobilized its partners to engage in collaborative action and systematic resource leveraging to provide a community response to the flood event; including multi-phased business community clean ups and collaboration with local and provincial authorities to support the small business community. This collaborative action included the implementation of the “YYC is Open” campaign, focused on bringing business back to areas impacted by the flooding.
- Feedback from the BRZ engagement process affirmed the importance of exploring opportunities for strategic alignment and collaboration and reiterated the need for the development of a 2015-2018 BRZ business plan to explore Calgary-based implications.

Structure of a BRZ 2015-2018 Business Planning Process

Phase 2 of the BRZ review process, the development of a 2015-2018 BRZ business plan, will include the formation of a BRZ-led working group comprised of BRZ Executive Directors and City of Calgary business units integral to BRZ functioning. Through this business plan, BRZs themselves will determine options and provide recommendations to better support existing BRZs, encourage innovation and foster creation of new BRZs. Animal & Bylaw Services will continue to facilitate the BRZ review process during Phase 2, reporting back to the Priorities and Finance Committee in 2014 September with a 2015-2018 BRZ business plan.

Stakeholder Engagement, Research and Communication

Administration conducted a review of best practices across North America, identifying municipalities that stand out as leaders with regard to BRZ development due to their innovations and dedication to BRZ growth and vitality. In addition, Administration engaged members of the

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BRZ community and associated stakeholders to collect data on current issues, challenges and strategies regarding how best to support BRZ development.

Strategic Alignment

This report aligns with Council's Fiscal Plan for Calgary 2012-2014, "Investing in great communities and a vibrant urban fabric."

Social, Environmental, Economic (External)

Social

BRZs are vehicles for the involvement of local citizens in planning and executing improvements to public spaces. In addition, they are instrumental in helping to establish community identity and encouraging the development of relationships with local businesses and neighbourhoods.

Environmental

BRZs allow for greater environmental stewardship within their boundaries, thus encouraging the protection of open space.

Economic (External)

BRZs represent an important avenue of promotion for Calgary as a great place to visit, live, meet, work and study; showcasing Calgary as a place of growth and opportunity.

Financial Capacity

Current and Future Operating Budget:

Resourcing for the 2015-2018 BRZ business plan process (Phase 2) will be addressed through existing municipal resources and the leveraging of BRZ in-kind contributions.

Current and Future Capital Budget:

Not applicable.

Risk Assessment

Following the completion of a risk management analysis, no significant risks have been identified. Any additional risks will be addressed through the completion of the 2015-2018 BRZ business planning process.

REASON(S) FOR RECOMMENDATION(S):

Findings from Phase 1 of the BRZ review process illustrated the need for the development of a 2015-2018 BRZ business plan to further support BRZ development; incorporating the following three themes: 1) the need for an enhanced BRZ-City interface; 2) increased integration of social and economic goals within the BRZ framework; and 3) expanded strategic alignment, resource leveraging and collaboration between BRZs and community stakeholders.

ATTACHMENT(S)

Map of Calgary BRZs