

## **BUSINESS REVITALIZATION ZONES - BOARD GOVERNANCE AND LEGISLATIVE CHANGES**

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### **EXECUTIVE SUMMARY**

In 2015 December City Clerk's Office identified a misalignment between The City's Business Revitalization Zone (BRZ) bylaws, the current provincial legislation governing BRZs, and the BRZs' practices for the Council appointment of their board members. Council directed Administration to align The City's BRZ bylaws, and the BRZs' current practices, with provincial legislative requirements.

The Government of Alberta amended the legislation to change the "business revitalization zone" designation to "business improvement area" (BIA). This became effective 2016 July 1. Some BRZs requested name changes to adopt the "business improvement area" designation.

Following engagement with the BRZs, Administration proposes multiple amendments to six of the 11 BRZ bylaws and one minor amendment to one of the BRZ bylaws. Of the remaining four, one BRZ's bylaw amendments are contained in a separate report and three of the BRZs have requested additional time to finalize decisions related to the bylaw amendments. The bylaw amendments for these three BRZs, in addition to the remaining amendments for one of the BRZs, will be addressed by the fourth quarter of 2017. Details regarding the proposed amendments for each BRZ can be found in Attachment 1.

Administration therefore recommends that Council give three readings to the proposed bylaws to amend seven of The City's BRZ Bylaws (Attachments 2-8).

### **ADMINISTRATION RECOMMENDATIONS**

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

1. Give three readings to the proposed Bylaw to amend the Montgomery Business Revitalization Zone Bylaw 56M2010 (Attachment 2);
2. Give three readings to the proposed Bylaw to amend the Bowness Business Revitalization Zone Bylaw 38M95 (Attachment 3);
3. Give three readings to the proposed Bylaw to amend the Kensington/Louise Crossing Business Revitalization Zone Bylaw 23M85 (Attachment 4);
4. Give three readings to the proposed Bylaw to amend the Victoria Park Business Revitalization Zone Bylaw 37M96 (Attachment 5);
5. Give three readings to the proposed Bylaw to amend the International Avenue Business Revitalization Zone Bylaw 41M92 (Attachment 6);
6. Give three readings to the proposed Bylaw to amend the Fourth Street South West Business Revitalization Zone Bylaw 40M90 (Attachment 7); and
7. Give three readings to the proposed Bylaw to amend the Calgary Downtown Association Business Revitalization Zone Bylaw 33M88 (Attachment 8).

## BUSINESS REVITALIZATION ZONES - BOARD GOVERNANCE AND LEGISLATIVE CHANGES

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### PREVIOUS COUNCIL DIRECTION / POLICY

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 BRZs' practices respecting the appointment of their board members by Council.

In response, the following motion was adopted 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 Business Revitalization Zones (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 a bylaw to establish Business Revitalization Zones. Business owners within a defined area are required to pay an additional tax levy. The levy 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 also establishes a board to govern the BRZ.

A BRZ's board members are appointed by Council under the terms of The City's bylaw that established the BRZ. The board operates as a non-profit corporation and is subject to provincial legislation governing BRZs. The BRZs 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 8).

The earliest Calgary bylaw establishing a BRZ 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 the *BRZ Regulation*. Therefore, The City bylaws establishing the BRZs are not consistent, and some do not contain the terms required by the MGA, the now expired *BRZ Regulation*, or the current *BIA Regulation*. This has resulted in a misalignment between the City BRZ bylaws, provincial legislation and some of the BRZs' practices regarding board appointments.

Amending the BRZ bylaws will correct the misalignment of the BRZs' practices concerning the appointment of their boards. It will also allow BRZs to change their designation to "business improvement area". The BRZs that have requested their bylaws be amended in 2017, will comply with the terms of their current City of Calgary bylaw when submitting the names of their board nominees to be appointed by Council in 2016 December. The amended practices would apply to the board nominees appointed in 2017 December.

## **BUSINESS REVITALIZATION ZONES - BOARD GOVERNANCE AND LEGISLATIVE CHANGES**

---

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Each of the 11 BRZs in Calgary was established by a City of Calgary bylaw. The first BRZ in Calgary was created in 1984. Changes to the MGA, under which The City's BRZ bylaws were enacted, have resulted in inconsistencies in the content of these bylaws and contributed to misalignments in the BRZs' practices for the Council appointment of board members. Amendments to The City's BRZ bylaws are required to align the bylaws with the legislative requirements in the *Business Improvement Area Regulation*, AR 93/2016 and the BRZs' practices (Attachment 9). Bylaw amendments are also required to change the names of the BRZs to BIAs as requested by five of the BRZs to date.

The City's BRZ bylaws, and the applicable provincial legislation regulating BRZs, were reviewed to identify the bylaw amendments required to align The City's BRZ bylaws with the current provincial legislation. The BRZs were consulted regarding their practices for Board appointments to identify the bylaw amendments required to align their board governance practices with their bylaw. The BRZs were also asked whether they wished to change their designation from "business revitalization zone" to "business improvement area". Each BRZ board of directors undertaking bylaw amendments for 2016, has provided evidence of their support for the changes through written correspondence.

The Bylaw amendments required to align The City's BRZ bylaws with s.51 and s.52 of the amended MGA, and the BIA Regulation, include specifying the number of board members, their term of office, and the method of filling board vacancies. In addition, where The City's bylaws do not align with the BRZs' practices on board appointments, amendments are required to bring these into alignment. This process also allows Administration to provide amendments to the bylaws to make minor changes and corrections.

### **Overview of the Proposed City of Calgary Bylaw Changes**

The following BRZs, have indicated, support for the proposed amendments and have requested that their bylaw amendments go forward in 2016:

- Montgomery BRZ;
- Bowness BRZ;
- Kensington/Louise Crossing BRZ;
- Victoria Park BRZ;
- International Avenue BRZ;
- Fourth Street South West BRZ; and,
- Calgary Downtown Association (minor amendment to increase board size only).

The following BRZs have requested that their bylaw amendments go forward in 2017:

- 17<sup>th</sup> Avenue Retail & Entertainment District;
- Marda Loop BRZ;
- Inglewood BRZ; and,
- Calgary Downtown Association (remaining amendments).

## **BUSINESS REVITALIZATION ZONES - BOARD GOVERNANCE AND LEGISLATIVE CHANGES**

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The bylaw amendments for the Chinatown District Business Revitalization Zone will be presented to Council on 2016 November 7.

### **Stakeholder Engagement, Research and Communication**

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

### **Strategic Alignment**

Municipal support for BRZ 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 BRZs as an important outcome of the implementation of the Plan.

### **Social, Environmental, Economic (External)**

#### **Social**

BRZs are key partners in creating a safe and appealing community to attract and retain visitors and residents to their zones. Businesses within BRZs 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, BRZs promote active modes of transportation within their geographic areas. Further, BRZs make environmental sustainability a priority through their support of recycling at festivals and innovative community development programs.

#### **Economic (External)**

BRZs are an important avenue to promote Calgary as a great place to visit, live, meet, work and study. They play an important role in supporting economic activity and community revitalization. BRZs 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 zones. In shaping a dynamic business environment, BRZs 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.

## BUSINESS REVITALIZATION ZONES - BOARD GOVERNANCE AND LEGISLATIVE CHANGES

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### Risk Assessment

The amendment of The City's BRZ bylaws to align with the current provincial legislation and the BRZs' practices respecting board appointments by Council enables The City and the BRZ boards to comply with the legislative framework under which BRZ boards operate.

The BRZs that have requested additional time to make decisions respecting their bylaw amendments will comply with the terms of their current City of Calgary bylaw when submitting the names of board nominees to be appointed by Council in 2016 December. The amendments to their bylaws will be addressed in 2017. This approach will result in compliance moving forward for BRZ boards and the legislative framework under which they operate.

### REASON FOR RECOMMENDATIONS:

Amendments to The City's BRZ bylaws are required to align these bylaws with current provincial legislative requirements, and the BRZs' practices respecting Council appointment of their boards, in order to improve BRZ board governance. Amendments are also required to change the "business revitalization zone" designation to "business improvement area" for those BRZs requesting this change.

### ATTACHMENTS

1. Overview of Business Revitalization Zone Bylaw Amendments.
2. Proposed Wording for Bylaw Amending the Montgomery Business Revitalization Zone Bylaw 56M2010.
3. Proposed Wording for Bylaw Amending the Bowness Business Revitalization Zone Bylaw 38M95.
4. Proposed Wording for Bylaw Amending the Kensington/Louise Crossing Business Revitalization Zone Bylaw 23M85.
5. Proposed Wording for Bylaw Amending the Victoria Park Business Revitalization Zone Bylaw 37M96.
6. Proposed Wording for Bylaw Amending the International Avenue Business Revitalization Zone Bylaw 41M92.
7. Proposed Wording for Bylaw Amending the Fourth Street South West Business Revitalization Zone Bylaw 40M90.
8. Proposed Wording for Bylaw Amending the Calgary Downtown Association Business Revitalization Zone Bylaw 33M88.
9. Excerpts from the Municipal Government Act and the *Business Improvement Area Regulation*, AR 93/2016.