

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 July 02

ISC: UNRESTRICTED
PFC2019-0412

2018 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas

EXECUTIVE SUMMARY

Provide to Council for information the 2018 Audited Financial Statements for all Calgary's Business Improvement Areas (BIAs) (formerly known as Business Revitalization Zones or BRZs).

ADMINISTRATION RECOMMENDATION:

The Priorities and Finance Committee recommends that:

1. Council receive for information the 2018 Audited Financial Statements for:
 - 1) Mainstreet Bowness BIA
 - 2) Calgary Downtown Association
 - 3) Chinatown BIA
 - 4) 4th Street South West BIA
 - 5) Greenview Industrial BIA
 - 6) Inglewood BRZ
 - 7) International Avenue BRZ
 - 8) Kensington BRZ
 - 9) Marda Loop BIA
 - 10) Montgomery on the Bow BIA
 - 11) 17th Avenue Retail & Entertainment District BIA
 - 12) Victoria Park BIA
2. Attachments 1 to 14 to this report remain confidential under the Freedom of Information and Protection of Privacy Act, Section 16(1) for 15 years.

PREVIOUS COUNCIL DIRECTION / POLICY

All Calgary Business Improvement Area (BIAs) must annually submit audited financial statements to Council as required by section 19 of the *Business Improvement Area Regulation*, AR 93/2016 (the "*BIA Regulation*").

BACKGROUND

The Province of Alberta passed enabling legislation in 1983 June to allow municipalities to establish BIAs. The provisions are now contained in section 50 of the *Municipal Government Act* (MGA), as amended, and sections 2 to 7 of the *BIA Regulation*.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The audited financial statements for the BIAs are attached and have been reviewed by the Finance Business Unit for content and accuracy. There is no concern arising from the review. Eleven of the BIAs received an unqualified audit opinion. The Chinatown BIA received a qualified audit opinion, further details of which can be found in Attachment 3.

A summary of each BIA's Statement of Operations (Attachment 13) and Statement of Financial Position (Attachment 14) are also attached so they can be reviewed in one report. Caution

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should be exercised when comparing one BIA to another in those statements. Each BIA board maintains their accounting records based on their business needs and accounting practices. What is included in each category may be different from one BIA to another BIA.

Stakeholder Engagement, Research and Communication

The Finance Business Unit engaged with all BIA boards in Calgary to ensure they meet the legislative requirements to submit their annual audited financial statements. All BIAs have been advised of the 2019 meeting date for the Priorities and Finance Committee Meeting.

Strategic Alignment

Council's direction and the work discussed in this report aligns with the Citizen Priority of A Prosperous City in One Calgary 2019-22, "Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and strives to be the best place in Canada to start and grow a business."

The work of BIAs also supports and aligns with *Calgary in the New Economy: an updated economic strategy for Calgary*. BIAs are included as part of the Economic Development & Tourism service line in One Calgary.

Social, Environmental, Economic (External)

BIAs play an important role in supporting economic activity and neighbourhood revitalization.

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 \$500 thousand to provide support to BIAs, which is currently absorbed through existing capacity. This consists of the provision of professional and administrative support in Calgary Neighbourhoods, and across the Corporation including Law, City Clerk's and Finance.

Current and Future Capital Budget:

There are no implications on the capital budget.

Risk Assessment

There are no significant risks associated with this report.

REASON(S) FOR RECOMMENDATION(S):

The BIA Regulation requires a BIA Board, following its financial year, to submit an audited financial statement to Council.

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ATTACHMENT(S)

1. Mainstreet Bowness BIA CONFIDENTIAL
2. Calgary Downtown Association CONFIDENTIAL
3. Chinatown BIA CONFIDENTIAL
4. 4th Street South West BIA CONFIDENTIAL
5. Greenview Industrial BIA CONFIDENTIAL
6. Inglewood BRZ CONFIDENTIAL
7. International Avenue BRZ CONFIDENTIAL
8. Kensington BRZ CONFIDENTIAL
9. Marda Loop BIA CONFIDENTIAL
10. Montgomery on the Bow BIA CONFIDENTIAL
11. 17th Avenue Retail & Entertainment District BIA CONFIDENTIAL
12. Victoria Park BIA CONFIDENTIAL
13. Summary of Statement of Operations CONFIDENTIAL
14. Summary of Statement of Financial Position CONFIDENTIAL