

Clause embodied in Report No. 6 of the Economic Development and Parks Committee, as adopted by the Council of the City of Toronto at its meeting held on July 22, 23 and 24, 2003.

14

**Business Improvement Area (BIA)
Capital Cost-Sharing Program Review
(All Wards)**

(City Council on July 22, 23 and 24, 2003, adopted this Clause, without amendment.)

The Economic Development and Parks Committee recommends the adoption of the following joint report (June 12, 2003) from the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer:

Purpose:

To report on the review undertaken regarding the sustainability and deliverability of the BIA Capital Cost-Sharing Program. The report seeks Council's approval of THE BIA Capital Cost-Sharing Program Guidelines which provides for a more efficient, cost-effective and structured delivery of BIA capital projects.

Financial Implications and Impact Statement:

When fully implemented in 2004, the BIA Capital Cost-Sharing Program Guidelines, appended to this report as Attachment No. 3, will result in a more efficient and cost-effective process for undertaking BIA streetscape projects. The program guidelines will address sustainability and deliverability issues by: reducing capital funding carry-over costs to the City by introducing a "pay-as-you-go" system of project funding; achieving more project completions each year through improved project co-ordination, including pre-planning of BIA capital projects vis a vis the Transportation Services Five Year Capital Program; establishing a maximum capital cost-sharing request limit per BIA so that total cost-sharing request figures do not exceed the City's affordability level; and formalizing a system of ranking proposed BIA capital projects that is consistent with the priorities of other partnering Departments or agencies in order to assist Council during the capital budget approval process.

Recommendations:

It is recommended that:

- (1) Council approve the BIA Capital Cost-Sharing Program Guidelines (Attachment No. 3) for implementation in the 2004 budget process;
- (2) this report be forwarded to the Budget Advisory Committee for information; and

- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting on December 4, 5, and 6, 2001, Council considered Clause 21 of Report No. 16 of The Policy and Finance Committee respecting the “Harmonization of Business Improvement Practices and Procedures.” One of the approved recommendations calls for a review of the sustainability and deliverability of the City’s approach to BIA capital funding and that a report on this matter be prepared for Council’s consideration in 2002. As part of this review, meetings were conducted between the Economic Development, Culture and Tourism Department, the Finance Department, the Works and Emergency Services Department, Toronto Hydro, the Toronto Association of Business Improvement Areas (TABIA) and BIAs.

At its meeting on March 4, 5, 6, 7 and 8, 2002, Council considered Policy and Finance Committee Report No. 3, Clause No. 1, “City of Toronto 2002-2006 Recommended Capital Budget and Program” and recommended the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer to report to the Economic Development and Parks Committee on the outcome of consultations regarding the sustainability and deliverability of the BIA Capital program prior to the 2003 Capital Budget process and including therein:

- (i) a list of all the BIAs;
- (ii) a criteria as to how BIAs are ranked for inclusion in the budget;
- (iii) monies spent and the pattern of expenditures since amalgamation; and
- (iv) address other issues raised by Members of Council in this regard.

Also at this meeting, Council recommended that the Commissioner of Economic Development, Culture and Tourism be advised that Council considers the Capital Program jointly funded by the City and BIA levy as a high priority opportunity that fuels enormous economic benefit and be considered as part of the BIA’s Capital Program review.

At its meeting on June 18, 19 and 20, 2002, Council adopted a preliminary report from the Commissioner of Economic Development, Culture and Tourism which outlined the issues and the process to be undertaken respecting the BIA Capital Cost-Sharing Program review.

Context for the Capital Cost-Sharing Program Review

One of the key messages of the City’s Economic Development Strategy is that “quality of place attracts people and investment.” The Strategy recognizes that local economic growth is essential for long-term prosperity and promotes the establishment of local entrepreneurial communities and the formation of public-private partnerships. As a priority action, the Strategy calls for the expansion of “community revitalization initiatives to stimulate increased private sector investment in urban regeneration, façade and streetscape improvements, and neighbourhood beautification.”

The City currently has 43 Business Improvement Areas. By-laws creating three new BIAs (St. Clair-Bathurst, Knob Hill Plaza and Emery Village) have been adopted by Council and are subject to upcoming Ontario Municipal Board hearings. A list of the existing 43 BIAs and an accompanying map is appended to this report (Attachment No. 1). Two new BIAs are forecasted in the 2003 Economic Development Division Work Plan. In addition, several existing BIAs are actively pursuing expansion, including the Kingsway, Village of Islington, St. Lawrence Neighbourhood, Gerrard-India Bazaar and Parkdale Village.

In 2003, the City's 43 BIAs have combined budget expenditures of over \$8.5 million. A significant portion of these BIA expenditures, approximately \$2.2 million, is dedicated to capital streetscape improvements and an additional \$1.0 million is dedicated to capital operation and maintenance expenses. The City's 2003 contribution to BIA capital improvements, through the BIA Capital Cost-Sharing Program, is \$1.25 million (net). Much of the remaining BIA expenditures are targeted towards promotion and advertising initiatives, including many street festivals and events.

The BIA Capital Cost-Sharing Program, providing 50 percent City funding of BIA capital improvement projects, as well as project design and project management assistance, is the cornerstone of the menu of support services and programs offered by the City to its BIAs. This collaboration allows the City to undertake important City-building initiatives at a much reduced cost than if the City pursued such projects unassisted.

Thanks to the dedication of the BIAs, strong support from City Council and the efforts of staff from several departments, the BIA Capital Cost-Sharing Program is a successful partnership, the results of which are clearly visible. BIAs that undertake, for example, street tree planting, decorative pedestrian lighting, banners, benches, custom street signs and sidewalk paving features, enhance the appearance and safety of their business environments, stimulate local investment, improve the liveability of their adjoining residential neighbourhoods, help attract tourists and add to the value of the City's revenue base.

Program Growth and Project Ranking

The BIA Capital Cost-Sharing Program has grown steadily since amalgamation as the number of BIAs in the City increases and as BIAs become more active in streetscaping to improve their customer environments in response to competitive pressures from shopping malls and large format retail stores. Growth in the BIA Capital Cost-Sharing Program since amalgamation has been significant, the total gross budget (which includes both City and BIA commitments) increasing from \$790,000.00 in 1997 to a high of \$2,621,700.00 in 2002. In 2003, the gross program budget is \$2.49 million. Likewise, the number of capital cost-shared projects approved each year has also increased, from 10 in 1997 to 58 in both 2002 and 2003 (see Attachment No. 2).

Of the 130 capital cost-sharing projects initiated since 2000, over 31 percent involved either decorative pedestrian lights or street tree lights. Another 19 percent involved either planters, benches, garbage bins or banners. The remaining projects include larger streetscaping initiatives such as fountains, landscape medians, parkette improvements, entry gateways and street directories.

Program Review Process

At Council's direction, a review of the BIA Capital Cost-Sharing Program has been undertaken with the assistance of a working group consisting of BIA representatives, staff from the Economic Development, Culture and Tourism, Finance and Works and Emergency Services Departments and TABIA. The working group met twice to identify current program issues and develop objectives and directions for a more efficient program. Staff from all departments participating in the working group supported the development of an improved program. In addition to the working group, the review process also included a public consultation session held as part of the TABIA Annual General Meeting on May 6, 2003. All 43 of the City's BIAs received an invitation to participate in this session and 21 BIAs attended.

Resulting from the review process noted above, and appended as Attachment No. 3 to this report, are proposed BIA Capital Cost-Sharing Program Guidelines, representing the framework of a more effective, cost-efficient and structured approach to undertaking BIA capital streetscape initiatives.

Comments:

Objectives for a Revised Program

Notwithstanding its popularity and success, and like many of the City's programs, the BIA Capital Cost-Sharing Program has experienced budgetary pressures and faces issues respecting its on-going deliverability and sustainability. The issue of program sustainability primarily involves the level to which the City can continue to financially support the program through its capital budget as demand for cost-share funding under the BIA Capital Cost-Sharing Program increases.

The matter of program deliverability concerns the adequacy of City staffing levels to manage increases in the number of proposed BIA capital projects each year as new BIAs are created, existing BIAs expand, and existing BIAs become more active in streetscaping initiatives. To address the overall growth of the City's BIA program since amalgamation, Council approved an increase of 2 staff positions in the BIA Office in 2001, along with additional BIA-related support for the Finance Department and City Auditor. By developing a more efficient BIA Capital Cost-Sharing Program, it is hoped that current staffing levels in the BIA Office will be sufficient to manage program growth in the short term. However, as the number of BIAs continue to increase each year, longer term delivery of the program, particularly in the BIA Office and the Works and Emergency Services Department, will require further consideration.

The BIA/City staff/TABIA working group conducted the program review within the context of the future deliverability and sustainability of the program and keeping in mind that Council considers the program "as a high priority opportunity that fuels enormous economic benefit."

With respect to both of these matters, the goal of the review has been to create an improved program which achieves greater efficiency and cost-effectiveness, is more structured and one which achieves more project completions each year.

The objectives of the revised program are as follows:

- (i) to complete more projects each year through improved communication between City Departments and BIAs, improved project planning/implementation practices and co-ordination, and better co-ordination with the Transportation Services Five Year Capital Works Program;
- (ii) to reduce capital funding “carry-over” costs to the City;
- (iii) to improve program financial management (tracking of funding commitments and expenditures);
- (iv) to formally establish a system of ranking capital cost-sharing projects to assist Council during budget deliberations;
- (v) to confirm, for the purposes of this program, what constitutes a capital project;
- (vi) to formalize capital cost-sharing request and project-initiation procedures;
- (vii) to clarify responsibilities regarding the maintenance of capital cost-sharing projects; and
- (viii) to identify ways in which the City can ensure that goods and services it purchases are suitable for the intended use and achieve additional savings through the procurement process.

Issues addressed by the Revised Program

The following key issues pertaining to the future sustainability and deliverability of the BIA Capital Cost-Sharing Program have been addressed in the program guidelines appended to this report as Attachment No. 3.

(i) Program Eligibility/BIA Share of Funding

The program guidelines set out eligibility criteria that BIAs must satisfy in order to participate in the Capital Cost-Sharing Program. For example, the BIA must have in place a Board of Management approved by the current City Council and must agree to assume all project maintenance and operating costs. In addition, the BIA must be in good standing with the Finance Department and the City Auditor with respect to the preparation and audit of the BIA’s annual financial statement.

It is also proposed that a BIA have in place their 50 percent of the project funding prior to submitting a request for matching funds from the Capital Cost-Sharing Program. This will ensure that the City does not borrow funds to cover costs prematurely. If the project is to be phased-in over a period of years, the BIA must have in place 50 percent of the cost of each individual phase prior to making a capital request for matching funds for that phase. For the purposes of this requirement, BIAs will be allowed to include capital funding to be allocated from the BIA budget for the year for which the capital project is to be implemented.

To date, capital cost-share funding has been awarded to BIAs as they “save” from year-to-year for larger, more costly projects. This has led to increased interest costs for the City as program funding is carried over each year until the BIA has accumulated sufficient monies to implement the project. Requiring each BIA to have their 50 percent of the funding in place prior to making a capital cost-sharing request will reduce such interest costs to the City.

(ii) Definition of Capital

The range of eligible projects under the Capital Cost-Sharing Program suggest a comparatively broad definition of capital relative to other City capital infrastructure programs. The Program supports traditional, or “hard,” infrastructure street improvements such as in-ground street trees, pedestrian lights and decorative sidewalk paving. These improvements frequently involve considerable design, manufacturing and installation costs, and, as a result, are often too expensive for many of the City’s smaller or newer BIAs to undertake.

Also covered by the BIA Capital Cost-Sharing Program are “soft” streetscaping elements such as benches, planters, banners and custom street signs. These projects are less costly and less design-intensive and can be implemented more quickly than the “hard” infrastructure improvements noted above. For many of the City’s small BIAs, the “soft” streetscaping items are their only affordable opportunity to participate in capital cost-sharing with the City. New BIAs also tend to focus on the “soft” items for their first years of existence because of the lower costs involved and as a means of demonstrating more immediate, positive results to their memberships.

It is the opinion of staff that the “soft” streetscaping elements are of critical importance to the Capital Cost-Sharing Program and to the City’s BIAs. In addition to the reasons noted above, “soft” streetscape elements, such as banners or other decorations, are adjuncts or enhancements of “hard” improvements. They often provide the finer design details, often changing with the season, which create attractive and festive commercial environments.

The attached program guidelines establish the following three categories of capital projects, including examples, proposed to be funded through the BIA Capital Cost-Sharing Program: permanent streetscaping elements; fastened, anchored or affixed streetscaping elements; and re-usable streetscaping elements. In addition, the Program will provide cost-share funding for the production of working drawings for streetscaping projects requiring civil or electrical engineering approval, but only in situations where such drawings may not be prepared by City staff within project deadlines. In all cases, such drawings will be of an appropriate detail with due regard for WES standards and specifications. The Program will also cover project-related surveying and inspection costs.

Items excluded from the BIA Capital Cost-Sharing Program include: annual/perennial flowers, potting soil, maintenance equipment, conceptual streetscaping plans and any equipment, signage, banners or decoration associated with a specific festival or special event.

(iii) Maximum Annual Request

Currently, there is no formal limit on the amount a BIA can request through the Capital Cost-Sharing Program. It is imperative that such parameters are established so that total cost-sharing request figures do not exceed the City's affordability level and also to ensure that an unfair proportion of the available funds are not monopolized by the BIAs with large budgets.

The attached program guidelines set the maximum annual cost-sharing request figure at \$600,000.00 gross or \$300,000.00 net per BIA. This figure is based upon a review of the BIA capital requests made over the past three years and would be sufficient to accommodate the vast majority of individual BIA capital requests during this period. However, the proposed program does allow staff some flexibility to bring forward, for Council's consideration through the budget process, capital cost-sharing requests that exceed the \$600,000.00.

(iv) Project Evaluation / Prioritization

In response to the dramatic increase in the number of capital cost-sharing projects proposed each year and the resulting increase in budgeting pressures, the BIA Office introduced a project ranking system in 2001, developed to assist Council during budget deliberations, which prioritizes BIA capital cost-sharing projects based upon the following criteria:

Priority A Projects – those capital works projects tied to Works and Emergency Services, Toronto Hydro and TTC projects;

Priority B Projects – those projects commenced the previous year and require a multi-year, phasing approach; and

Priority C Projects – new projects not covered by A and B.

The intent of the priority "A" project category is to maximize the benefit of the program budget by prioritizing projects that are tied to other capital works being undertaken by the City. By co-ordinating the timing of capital projects, considerable savings are realized by the BIA Capital Cost-Sharing Program. The ranking system also places high priority on multi-phased projects as a means of spreading-out costs to the City and assuring smaller BIAs that large, and otherwise unaffordable, projects may be achieved over a period of years.

The same principles have been applied to the development of the revised ranking system contained in the attached program guidelines. "A-Rank" projects are those to be implemented in concert with other City capital projects affecting the right-of-way, and those representing the second phase (or greater) of multi-phase projects. As a means of ensuring that all BIAs have an opportunity to have at least one highly-ranked project each year, the "A-Rank" category will include one minor project, costing no more than \$10,000.00 (gross) per BIA.

"B-Rank" projects are those which implement, at least in part, a multi-year, comprehensive streetscaping program developed and adopted by the BIA, and "C-Rank" projects are all other projects not covered by the "A" and "B"-rank categories.

(v) Project Co-ordination

Better co-ordination of BIA capital projects will result in more project completions each year and less costs to the City in carry-over funding. To improve co-ordination of individual capital projects, the BIA Office will produce a project application form that shall identify the BIA representative and the BIA Office staff member assigned to the project. The BIA Office representative will take the lead in communicating project status to the BIA, liaison with staff from other involved Departments and addressing BIA issues/concerns during project implementation. For complex projects, the BIA Office representative will be responsible for organizing staff/BIA meetings where appropriate/necessary.

Currently, few BIAs have multi-year capital plans in place which co-ordinate the timing of their capital projects with other capital infrastructure projects being planned by City Departments, such as Works and Emergency Services, or agencies such as Toronto Hydro. This co-ordination is critical to ensure that BIA capital projects are undertaken at the most appropriate and cost-effective opportunity. It also allows BIAs to plan ahead with respect to funding more costly capital projects. While City staff endeavour to co-ordinate projects in the absence of capital plans, it is a difficult task. To encourage more BIAs to develop and adopt multi-year capital plans, projects implementing such plans have been given high-rank in the project evaluation criteria described above. In addition, such plans have been made priority projects in the City's Commercial Research Grant Program. As a result of these efforts, several BIAs are now in the process of developing multi-year capital plans including Church-Wellesley Village, Eglinton Hill and Downtown Yonge BIAs.

(vi) Project Tendering / Purchasing

Under the BIA Capital Cost-Sharing Program, the materials, manufacturing and installation associated with each project are purchased or tendered by City staff in accordance with the City's purchasing policies. During consultations conducted as part of the program review, several BIAs expressed concern that they are not provided the opportunity to participate in the tendering process for BIA capital cost-sharing projects (those valued at over \$7,500.00). More specifically, several issues respecting the quality of the work undertaken by contractors selected by the City were raised. As the BIAs have identified, poorly constructed BIA capital projects result in greater project maintenance costs for BIAs in following years, or, in more extreme cases, the premature, wholesale replacement of streetscape amenities and infrastructure.

It was determined that these quality control issues, at least in part, may be due to a lack of detail and specifications in tender and purchasing documents prepared for BIA projects. To address this matter, the attached program guidelines make clear that all tender and purchasing documents for BIA capital cost-share projects will contain sufficient detail, specifications and deadlines to ensure that those goods and services procured are suitable for the intended use, delivered in accordance with project timelines, and guaranteed for a reasonable period. In addition, under the definition of "capital" described above, project inspection costs will be cost-shared by the City and the BIA. Further, BIA Office staff intend to hold further discussions with the Purchasing Division regarding how to provide BIAs with more input into the purchasing/tendering process, and to investigate ways in which the City can ensure that goods and services it receives are suitable for the intended use and achieve additional savings in the procurement process. For

example, the BIA Office, in consultation with appropriate staff in WES, is investigating the feasibility of retaining one electrical contractor to undertake the installation of all BIA pedestrian and street tree lights for a multi-year contract period. Staff believe the benefits of such an approach may include better pricing, higher-quality workmanship and faster project completion.

(vii) Capital Maintenance

BIAs are responsible for 100 percent of the capital maintenance and operating costs of all streetscaping and streetscaping infrastructure developed under the BIA Capital Cost-Sharing Program. To date, there are no agreements or procedures between the City and the BIAs which formally establish this responsibility. There are several approaches that may be taken regarding this matter, including a blanket maintenance contract or agreement with each BIA, or a maintenance statement to be “signed-off” by the BIA upon submission of a cost-share project application form. The BIA Office will hold further discussions with staff in WES and the City’s Legal Division to establish a proper procedure.

To provide BIAs with greater comfort in assuming the maintenance of streetscaping projects, the City will provide BIAs with written confirmation that all civil and electrical work associated with a BIA capital cost-sharing project has been undertaken and inspected and that the work meets all City standards and requirements.

Program Implementation

It is the intention of the BIA Office to implement as much of the revised BIA Capital Cost-Sharing Program as possible in the 2004 budget process. For example, a project application form, part of the proposed two-step capital request/project initiation process, has already been introduced. In addition, the capital request evaluation criteria described in this report will be used this year to rank proposed 2004 BIA capital cost-sharing projects as part of the capital budget review process. In developing these guidelines, staff were mindful that implementation of the revised BIA Capital Cost-Sharing Program must be undertaken in a manner that is sensitive to the needs of the City’s BIA funding partners.

Conclusions:

The BIA Capital Cost-Sharing Program is the cornerstone of the menu of support services and programs offered by the City to its BIAs. It is a program that is very much in keeping with the principles and objectives of the City’s Economic Development Strategy and one that Council considers “a high priority opportunity that fuels enormous economic benefit.” It is a collaboration that allows the City to undertake important City-building initiatives at a much reduced cost than if the City pursued such projects unassisted. Through increased capital cost-sharing initiatives, the City can also realise economies of scale in terms of reduced material and installation costs. The program has grown substantially since amalgamation as new BIAs have been created and existing BIAs have become more active in area branding and beautification initiatives.

At Council's request, a review was undertaken of the sustainability and deliverability of the BIA Capital Cost-Sharing Program. The result is the program guidelines appended to this report, developed with the assistance of a working group consisting of City staff from several departments and representatives from several BIAs and TABIA. Under the proposed guidelines, the program will achieve greater efficiency and cost-effectiveness, be more structured and will deliver more BIA capital project completions each year.

It is recommended that Council approve the revised BIA Capital Cost-Sharing Program Guidelines, appended to this report as Attachment No. 3, for implementation in the 2004 budget process. The Works and Emergency Services Department, TABIA and a working group of BIA representatives were involved with the Economic Development, Culture and Tourism and Finance Departments in the development of the proposed program guidelines and are supportive of this approach.

Contact Names:

Ms. Brenda Librecz, Executive Director, Economic Development ,
Telephone: 416-397-4700, Fax: 416-397-5314, e-mail: blibrecz@toronto.ca;
Ms. Josie LaVita, Acting Director, Financial Planning, Finance Department,
Telephone: 416-397-4229; Fax: 416-397-4465, e-mail: jlavita@toronto.ca.

Attachment No. 1
Existing Business Improvement Areas

- (1) Bloor by the Park BIA
- (2) Bloor West Village BIA
- (3) Bloor-Yorkville BIA
- (4) Bloor Annex BIA
- (5) Bloorcourt Village BIA
- (6) Bloordale Village BIA
- (7) Corso Italia BIA
- (8) Church-Wellesley Village BIA
- (9) the Danforth BIA
- (10) Dovercourt Village BIA
- (11) Downtown Yonge BIA
- (12) Eglinton Hill BIA
- (13) Eglinton Way BIA
- (14) Forest Hill Village BIA
- (15) Gerrard India Bazaar BIA
- (16) Greektown on the Danforth BIA
- (17) Harbord Street BIA
- (18) Hillcrest Village BIA
- (19) Junction Gardens BIA
- (20) Kennedy Road BIA
- (21) Kingsway BIA
- (22) Lakeshore Village BIA
- (23) Liberty Village BIA

- (24) Little Italy BIA
- (25) Long Branch BIA
- (26) Mimico by the Lake BIA
- (27) Mimico Village BIA
- (28) Mount Dennis BIA
- (29) Old Cabbagetown BIA
- (30) Pape Village BIA
- (31) Parkdale Village BIA
- (32) Queen Broadview BIA
- (33) Roncesvalles Village BIA
- (34) Rosedale-Summerhill BIA
- (35) St. Clair Avenue West BIA
- (36) St. Clair Gardens BIA
- (37) St. Lawrence Neighbourhood BIA
- (38) Upper Village BIA
- (39) Upper Village (York) BIA
- (40) Village of Islington BIA
- (41) Weston BIA
- (42) Yonge-Lawrence BIA
- (43) York Eglinton BIA

Maps

Attachment No. 3 BIA Capital Cost-Sharing Program Guidelines

(i) Capital Request and Application Process

The BIA Capital Cost-Sharing Program will consist of a two-step submission process that provides greater detail regarding project description, cost and accumulated funding:

The two steps are as follows:

- a completed capital cost-sharing request project information form (supplied by the City) shall be submitted by the BIA in accordance with a submission deadline established by the City that takes into account the City's capital budget approval process. The request must have consideration for the Works and Emergency Services Department five-year capital program as well as the capital programs of Parks and Recreation, TTC and Toronto Hydro; and
- if Council approves the BIA's capital cost-sharing request, a completed capital cost-sharing project application form (supplied by the City) must be submitted within the year for which the cost-share request was approved. This form will require greater project detail (project description, cost-estimates). For projects requiring civil or electrical engineering approvals, preliminary meetings with City staff will be required (to discuss project timing, design issues, etc.) prior to application submission.

Since the BIA Capital Cost-Sharing Program is a partnership initiative, all application forms will require "sign-off" from the BIA Office. For projects involving civil or electrical engineering, application "sign-off" will also be required from the Works and Emergency Services Department.

(ii) Definition of Capital

BIA Capital Cost-Sharing Program is to include the following streetscaping elements that assist BIAs enhance their physical environment and "brand" their business area:

- all permanent streetscaping elements such as - decorative sidewalk treatments (beyond City standard treatments), underground conduits/infrastructure, in-ground planters, trees, shrubs;
- all fastened, anchored or affixed streetscaping elements such as - pedestrian lights, street tree lights, benches, planters, banner poles, special street signage, directory kiosks; and
- all re-usable streetscaping elements such as - banners, holiday decorations, hanging planter baskets, supporting brackets/hardware; and

The Program will provide cost-share funding for the production of working drawings for streetscaping projects requiring civil or electrical engineering approval, but only in situations where such drawings may not be prepared by City staff within project deadlines. The Program will also cover project-related surveying and inspection costs.

Items excluded from the BIA Capital Cost-Sharing Program include: annual/perennial flowers, potting soil, maintenance equipment, conceptual streetscaping plans, and any equipment, signage, banners or decoration associated with a specific festival or special event.

(iii) Program Eligibility

In order for a BIA to be eligible to participate in the BIA Capital Cost-Sharing Program, the BIA must:

- have in place the BIA portion (50 percent) of the estimated project cost (see “BIA Share of Funding” section)
- have in place a Board of Management approved by the current Council;
- agree to assume all project maintenance and operating costs;
- have an operating budget, adopted at a general meeting of the BIA and approved by Council, for the year the project is to be implemented; and
- be in good standing with the City Auditor and the City’s Finance Department with respect to the preparation and audit of the BIA annual financial statements.

(iv) Maximum Annual Request

The maximum annual cost-sharing request from an individual BIA is not to exceed \$600,000.00 gross. However, staff may bring forward for Council’s consideration, through the City’s budget approval process, capital cost-sharing requests that exceed the \$600,000.00.

(v) Capital Request Evaluation/Prioritization

City staff shall evaluate capital cost-sharing requests based on the ranking criteria listed below.

“A” Rank:

- (1) Projects to be implemented in concert with Works and Emergency Services Department, Toronto Hydro, Parks and Recreation, or TTC capital projects that affect the right-of-way;
- (2) Second phase (or greater) of multi-phase projects; and
- (3) Minor projects with gross cost of no greater than \$10,000.00 (no more than one “A”-rank minor project per BIA).

“B” Rank:

- (1) Projects which implement, at least in-part, a multi-year, comprehensive streetscaping program developed and adopted by the BIA;

“C” Rank:

- (1) New projects not covered by “A” or “B”

(vi) BIA Share of Funding

Prior to making a capital cost-sharing request, the BIA must have in place its share of the project funding (50 percent). If the project is to be phased-in over a period of years, the BIA must have in place 50 percent of the cost of each individual phase prior to making a capital request for matching funds for that phase.

For the purposes of this requirement, the BIA will be allowed to include capital funding to be budgeted for the year in which the capital project is to take place. For example, a BIA has \$50,000.00 in the bank in 2003 and wants to make a 2004 capital cost-sharing request for a project with a gross cost of \$150,000.00 (\$75,000.00 City/\$75,000.00 BIA). Provided the BIA commits to including the outstanding \$25,000.00 capital funding in its 2004 budget, the request will be considered.

(vii) Project Design

Conceptual landscaping drawings will not be funded under the BIA Capital Cost-Sharing Program but will instead be prepared by BIA Office staff, where resources permit, or by a consultant hired and paid for by the BIA.

The Program will provide cost-share funding for the production of working drawings for streetscaping projects requiring civil or electrical engineering approval but only in situations where such drawings may not be prepared by City staff within project deadlines.

(viii) Project Tendering/Purchasing

The City has purchasing/tendering policies that must be followed for all capital cost-sharing projects. All tender and purchasing documents for BIA capital cost-share projects will contain sufficient detail, specifications and deadlines to ensure that those goods and services procured are suitable for the intended use, delivered in accordance with project timelines and guaranteed for a reasonable period.

The City is responsible for all purchasing and tendering associated with BIA Capital Cost-Sharing projects. Should a BIA purchase goods or services instead of proceeding through proper City purchasing/tendering channels, the costs associated with that good or service purchased directly by the BIA shall not be eligible for capital cost-sharing.

(ix) Project Co-ordination

The project application form shall identify the BIA representative assigned to the project and the BIA Office staff assigned to the project.

The BIA Office representative will take the lead in communicating project status to the BIA, liaison with staff from other involved Departments, and addressing BIA issues/concerns during implementation. For complex projects, the BIA Office representative will be responsible for organizing staff/BIA meetings where appropriate/necessary.

(x) Capital Maintenance

BIAs are responsible for 100 percent of the maintenance and operating costs of all streetscaping and streetscaping infrastructure developed under the Capital Cost-Sharing Program.

The City will consider possible approaches to formalizing the BIA's maintenance responsibilities, including:

- (i) a blanket contract executed with each BIA to cover all streetscaping/infrastructure undertaken by the BIA/City under the capital cost-sharing program; or
- (ii) requiring BIAs to "sign-off" on a statement, included in the project application form, confirming the BIAs responsibility for maintaining the proposed streetscaping.

The City will be required to provide the BIA with written confirmation that all civil and electrical work associated with a BIA Capital Cost-Sharing Project has been undertaken and inspected and that the work meets all City standards/requirements.