



## STAFF REPORT ACTION REQUIRED

### 2007 Business Improvement Area Operating Budgets: Report No. 3

<b>Date:</b>	March 23, 2007
<b>To:</b>	Economic Development Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	11, 14, 15, 17 and 21
<b>Reference Number:</b>	P:\2007\Internal Services\FP\ed07011FP (AFS#3864)

#### **SUMMARY**

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This report brings forward Business Improvement Area (BIA) annual operating budgets for approval by Council as required by the *City of Toronto Act, 2006*. Council approval is required to permit the City to collect funds through the tax levy on behalf of the BIAs.

Complete budgets and supporting documentation received to-date have been reviewed and are reported herein; BIA budgets received after this date will be brought forward in later reports. Of the 61 established BIAs, a total of 55 BIA budgets have been approved by Council to-date; five BIA budgets are submitted for approval in this report; and one BIA have yet to submit its 2007 operating budget, as referred to in Appendix B.

The original Roncesvalles Village BIA 2007 operating budget that was adopted by Council on February 5 and 6, 2007 is being rescinded, to be replaced by the revised 2007 budget approved by the Board and general membership of the expanded Roncesvalles Village BIA recommended in this report.

## RECOMMENDATIONS

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The Deputy City Manager and Chief Financial Officer recommends that:

1. the original Roncesvalles Village BIA 2007 operating budget adopted by Council on February 5 and 6, 2007 be rescinded and replaced by the revised 2007 budget for the expanded Roncesvalles Village BIA recommended in this report;
2. the Economic Development Committee adopt and certify to City Council the 2007 expenditure requests and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2007 Expenditure Estimates (\$)	2007 Levy Funds Required (\$)
Mount Dennis	15,325	14,575
Wychwood Heights	90,190	60,767
York-Eglinton	125,717	123,826
Fairbank Village	82,742	79,003
Roncesvalles Village	247,764	155,808

3. authority be granted for the introduction of the necessary bill in Council; and
4. the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

## FINANCIAL IMPACT

No City funding is required since Business Improvement Area budgets are raised by a special levy on members. Approval of the three recommended BIA budgets in this report will generate a total of \$433,979 for the respective BIAs.

All of the 2007 BIA operating budgets submitted for consideration are balanced budgets. The appeal provision surplus or appeal provision deficit for each individual BIA, as determined by the Revenue Services Division, has been addressed by each BIA and incorporated into their 2007 Operating Budget. The BIA budgets have provided for required capital cost-sharing contributions for those projects approved in 2006 or prior and carried forward into 2007, as well as new capital cost-share projects approved in the 2007 Capital Budget for Economic Development, Culture and Tourism.

## DECISION HISTORY

### BIA Operating Budget Process:

The *Municipal Act, 2001* required that BIA operating budgets be approved by Council. This requirement is continued for existing BIAs under the *City of Toronto Act, 2006*. General membership and Board of Management meetings at which the BIA 2007 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Mount Dennis	January 23, 2007	February 22, 2007
Wychwood Heights	November 6, 2006	February 27, 2007
York-Eglinton	February 19, 2007	March 21, 2007
Fairbank Village	March 13, 2007	February 27, 2007
Roncesvalles Village	February 7, 2007	March 12, 2007

Appendix A includes a summary of the BIA budgets discussed in this report, including a calculation of their net levy requirements. Appendix B sets out the status of 2007 BIA operating budget submissions.

### Appeal Provision Review:

On July 30, 2002, City Council adopted a report entitled “Issues Related to Business Improvement Associations (BIA)”. Among other items, the Finance Department (currently the Revenue Services Division) was directed to conduct an annual review and analysis of the assessment appeal provision for each BIA, in order to determine if the provision is sufficient to meet expected revenue reductions from pending assessment appeals.

The assessment appeal provision is intended to protect the cashflows and revenues required by the BIAs to meet its operating obligations in the future, rather than BIAs directly compensating the City for assessment appeal reductions. The appeal provision provides a contingency, which is used to offset appeal reductions.

The result of the assessment appeal provision review and analysis for the individual BIA as of August 16, 2006 identified either a provision surplus or provision deficit. Each BIA is required to address the identified surplus or deficit amount within their respective operating budget for the following fiscal year. The recommended 2007 BIA Operating Budgets reflect the disposition of the resultant provision surplus or deficit accordingly.

### BIA Capital Cost-share Project Funding:

On July 22, 2003, City Council adopted a report entitled “Business Improvement Area (BIA) Capital Cost-Sharing Program Review” approving the BIA Capital Cost-Sharing

Program Guidelines. This program is part of the Economic Development Capital Budget. The program guidelines set out eligibility criteria that BIAs must satisfy in order to participate in the BIA Capital Cost-Sharing Program, including one criteria which requires the availability of the BIA's 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. Another eligibility criteria is that the BIA must 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.

A review of each of the BIA's 2007 Operating Budget supporting documentation by the BIA Office and Financial Planning Division staff shows that those BIAs with capital cost-share projects approved by the City in 2006 or prior and carried forward into 2007, and new capital projects approved in the 2007 Economic Development Capital Budget, have all met the program eligibility criteria of having in place its 50 percent share of the project funding. This share may be reflected in the BIA's prior years' accumulated surplus (cash in-hand reserved for specific capital cost-share projects) and/or shown as a capital expenditure item in the BIA's 2007 operating budget.

## COMMENTS

The **Mount Dennis BIA** 2007 Operating Budget was approved at meetings of the BIA's Board of Management on January 23, 2007 and its general membership held on February 22, 2007. The balanced budget includes revenues from a 2007 levy of \$14,575 and an anticipated grant of \$750 from the City's Community Festivals and Special Events Program to partly offset the cost of a planned summer festival. Expenditures include \$9,000 for a future streetscape improvement capital cost-share project, \$3,100 for general BIA administration, \$400 for anticipated maintenance and \$1,500 for a planned summer festival. It is recommended that the Mount Dennis BIA's 2007 budget of expenditures totalling \$15,325 and a BIA levy of \$14,575 be approved.

The **Wychwood Heights BIA** 2007 Operating Budget was approved at meetings of the BIA's Board of Management on November 6, 2006 and its general membership held on February 27, 2007. Budgeted expenditures comprise of \$19,116 for general administration; \$20,000 for streetscaping the completed TTC right-of-way areas, a capital project to be cost-shared with the City; \$1,000 for the road salt program and a spring environmental program; \$8,050 for advertising and marketing; \$30,000 for the BIA's participation in the Salsa on St. Clair Festival event and \$6,500 for the Artwalk community festival. The budget is balanced by revenues from a BIA levy requirement of \$60,767, utilization of \$20,000 of accumulated surplus funds for the Salsa Festival, an anticipated grant of \$6,500 from the City's "Shop St. Clair" Program, plus the appeal provision surplus of \$1,247 and other anticipated income of \$1,676. An operating surplus of \$6,529 is forecasted for 2006 as a result of not participating in the Salsa on St.

Clair Festival. It is recommended that the Wychwood Heights BIA's 2007 budget of expenditures totalling \$90,190 and a BIA levy of \$60,767 be approved.

On March 5 to 8, 2007, City Council adopted Economic Development Committee report ED2.4 (dated January 29, 2007) entitled "**York-Eglinton Business Improvement Area (BIA) Poll Results on New Boundary and the Creation of a New BIA**" splitting the York-Eglinton BIA into two BIAs, with the BIA area east of Dufferin Street designated as the reconfigured York-Eglinton BIA and the area west of Dufferin Street designated as the new Fairbank Village BIA, and established a process for the division of assets and liabilities. The assets and liabilities of the original York-Eglinton BIA as identified in its December 31, 2006 audited financial statements will be divided between the new Fairbank Village BIA and the newly configured York-Eglinton BIA based on their respective total assessed value of the business class properties used to calculate the 2006 BIA levy. All current capital/ fixed street assets shall be divided between the new Fairbank Village BIA and the newly configured York-Eglinton BIA based on the current location of the fixed assets. Due to York-Eglinton BIA's impending split, expenditures in 2006 were kept to a minimum, resulting in a projected operating surplus of \$24,549 at the end of 2006.

A revised **York-Eglinton BIA** 2007 Operating Budget was approved at meetings of the BIA's Board of Management on February 19, 2007 and its general membership held on March 21, 2007. The BIA proposes a balanced budget having expenditures of \$125,717 and revenues from a BIA levy of \$123,826 and an appeal provision surplus allocation of \$1,891 relating to the properties in this BIA area. Budget expenditures include \$56,460 for general BIA administration and a full-time BIA coordinator, \$3,000 for capital maintenance and \$55,000 for advertising and marketing the newly configured York-Eglinton BIA as well as a proposed promotional event for the area. It is recommended that the York-Eglinton BIA's 2007 budget of expenditures totalling \$125,717 and a BIA levy of \$123,826 be approved.

The new **Fairbank Village BIA** was created on March 5-8, 2007 from the split of the former York-Eglinton BIA and comprises that BIA area west of Dufferin Street. The Fairbank Village BIA 2007 Operating Budget was approved at meetings of the BIA's general membership held on February 27, 2007 and its Board of Management on March 13, 2007. The BIA proposes a balanced budget having expenditures of \$82,742 and revenues from a BIA levy of \$79,003 and an appeal provision surplus allocation of \$3,739 relating to the properties in this BIA area. Budget expenditures include \$12,910 for general BIA administration, raising \$15,000 for a future streetscape improvement capital cost-share project, \$13,000 for capital maintenance and \$34,650 for advertising and marketing the new BIA as well as a proposed promotional event for the area. It is recommended that the Fairbank Village BIA's 2007 budget of expenditures totalling \$82,742 and a BIA levy of \$79,003 be approved.

The **Roncesvalles Village BIA** Board of Management received interest from businesses north and south of its boundary to be included in the BIA. The schedule of major work by the TTC and Transportation Services on Roncesvalles Avenue in 2008, presented an

opportunity for the BIA to carry out streetscape enhancements beyond the City's standard treatment. By becoming members of the BIA, these properties to the north and south of the BIA, along Roncesvalles Avenue, would also benefit from streetscape enhancements.

The Roncesvalles Village BIA Board of Management effectively carried out the process for expanding a BIA as set out in the Municipal Code. Public consultation included a formal meeting hosted by the BIA and attended by City's BIA Office staff. Those business operators and commercial property owners who participated in the public meetings demonstrated strong interest in becoming part of the BIA. The results of a statutory poll, conducted by the City Clerk's Office and adopted by City Council on March 5 and 6, 2007, supported the Roncesvalles Village BIA boundary expansion.

The original Roncesvalles Village BIA 2007 Operating Budget was adopted by Council on February 5 and 6, 2007. On February 7, 2007 the Board of Management of the Roncesvalles Village BIA sent a letter to the City Clerk requesting that their original budget approved by Council on February 5 and 6, 2007 be withheld pending approval of their expanded BIA and submission of a revised budget approved by the expanded BIA membership and Board of Management. Section 19-13, Post City Election Budget, of the City of Toronto Municipal Code Chapter 19, Business Improvement Areas, permits a BIA to request that "the Board's final budget approval be withheld pending further consideration by the Board and the Business Improvement Area general membership".

A general meeting was held on March 12, 2007 to consider a revised budget for the expanded Roncesvalles Village BIA. On March 13, 2007, the Board of Management submitted a revised 2007 BIA Operating Budget to City staff for Council's consideration.

It is recommended that the original Roncesvalles Village BIA 2007 Operating Budget of expenditures of \$224,814 and a BIA levy of \$122,258 adopted by Council on February 5 and 6, 2007 be rescinded and replaced by the revised 2007 budget for the expanded Roncesvalles Village BIA submitted on March 13, 2007.

The **Roncesvalles Village BIA's** revised 2007 Operating Budget was approved at meetings of the BIA's Board of Management on February 7, 2007 and its general membership held on March 12, 2007. The expanded BIA proposes an expenditure budget of \$247,764 comprised of \$42,100 for general BIA administration; \$16,000 for a pilot project to install decorative wrought iron planters and hanging baskets and a mural; \$46,000 for capital maintenance and graffiti removal; and \$129,500 for advertising, marketing and promotional events that includes the popular Roncesvalles Festival. The budget is balanced with revenues from a BIA levy requirement of \$155,808, the appeal provision surplus of \$11,656, an anticipated \$10,000 from the provincial Ministry of Tourism, Celebrate Ontario Festival and Event Enhancement Initiative, an expected grant of \$2,500 from the City's Community Festivals and Special Events Program, festival/event sponsorships of \$44,000, festival revenue and external participant fees of \$20,000, and other miscellaneous revenue of \$3,800. In order to service the larger Roncesvalles BIA area and additional BIA membership, the expanded BIA proposes a revised expenditure budget of \$247,764 that is \$22,950 or 10% greater than the original approved

expenditure budget of \$224,814 for increased BIA administration and coordination, increased capital and area maintenance, increased advertising and marketing and larger promotional events. To fund the incremental expenditures for the expansion area, a revised BIA levy requirement of \$155,808 or \$33,550 more than the original approved BIA levy of \$122,258 will be required, with the incremental levy raised from the expansion area of the BIA. The revised balanced budget includes an adjustment of other revenues to \$80,300 from the original forecast of \$90,900. It is recommended that the Roncesvalles Village BIA's revised 2007 Operating Budget of expenditures totalling \$247,764 and a BIA levy of \$155,808 be approved for the expanded BIA.

## **LINKS TO BACKGROUND INFORMATION**

<http://www.toronto.ca/legdocs/mmis/2007/ed/bgrd/backgroundfile-1575.pdf>  
<http://www.toronto.ca/legdocs/mmis/2007/ed/bgrd/backgroundfile-1576.pdf>  
<http://www.toronto.ca/legdocs/mmis/2007/ed/bgrd/backgroundfile-1577.pdf>

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## **SIGNATURE**

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Joseph P. Pennachetti  
Deputy City Manager and Chief Financial Officer

## **ATTACHMENTS**

Appendix A – BIA Budget Summary  
Appendix B – Status of BIA Budget Submission

## APPENDIX A

Mount Dennis BIA 2007 Budget Summary			
	2006 Approved Budget	2006 Projected Actual	2007 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	12,738	12,738	14,575
- Other Revenue	1,000	0	750
Total Revenues	13,738	12,738	15,325
Expenditures:			
- Administration	2,280	2,180	3,100
- Capital	9,000	9,000	9,000
- Maintenance	1,300	300	400
- Promotion & Advertising	0	0	1,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	1,158	1,158	1,325
Total Expenditures	13,738	12,638	15,325
Surplus/(Deficit)	0	100	0

Wychwood Heights BIA 2007 Budget Summary			
	2006 Approved Budget	2006 Projected Actual	2007 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	36,772	36,772	60,767
- Other Revenue	8,250	9,626	8,176
- Appeal Provision Surplus	389	389	1,247
- Contribution from Accumulated Surplus	15,767	0	20,000
Total Revenues	61,178	46,787	90,190
Expenditures:			
- Administration	19,035	18,115	19,116
- Capital	0	0	20,000
- Maintenance	2,000	500	1,000
- Promotion & Advertising	36,800	18,300	44,550
- 10% Provision for Assessment Appeal Reductions and Write-offs	3,343	3,343	5,524
Total Expenditures	61,178	40,258	90,190
Surplus/(Deficit)	0	6,529	0



York-Eglinton BIA 2007 Budget Summary			
	2006 Approved Budget	2006 Projected Actual	2007 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	58,685	58,685	123,826
- Other Revenue	700	0	0
- Appeal Provision Surplus	4,310	4,310	1,891
Total Revenues	63,695	62,995	125,717
Expenditures:			
- Administration	58,360	15,012	56,460
- Capital	0	6,356	0
- Maintenance	0	11,493	3,000
- Promotion & Advertising	0	250	55,000
- 10% Provision for Assessment Appeal Reductions and Write-offs	5,335	5,335	11,257
Total Expenditures	63,695	38,446	125,717
Surplus/(Deficit)	0	24,549	0

Fairbank Village BIA 2007 Budget Summary			
	2006 Approved Budget	2006 Projected Actual	2007 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	N/A	N/A	79,003
- Appeal Provision Surplus	N/A	N/A	3,739
Total Revenues	N/A	N/A	82,742
Expenditures:			
- Administration	N/A	N/A	12,910
- Capital	N/A	N/A	15,000
- Maintenance	N/A	N/A	13,000
- Promotion & Advertising	N/A	N/A	34,650
- 10% Provision for Assessment Appeal Reductions and Write-offs	N/A	N/A	7,182
Total Expenditures	N/A	N/A	82,742
Surplus/(Deficit)	N/A	N/A	0

Roncesvalles Village BIA 2007 Budget Summary			
	2006 Approved Budget	2006 Projected Actual	Revised 2007 Budget Request
Revenue:			
- Levy Funds Required (incl. 10% provision)	114,485	114,485	155,808
- Other Revenue	52,000	69,414	80,300
- Appeal Provision Surplus	8,728	8,728	11,656
- Contribution from Accumulated Surplus	31,240	0	0
Total Revenues	206,453	192,627	247,764
Expenditures:			
- Administration	30,805	29,220	42,100
- Capital	68,840	0	16,000
- Maintenance	30,700	20,108	46,000
- Promotion & Advertising	65,700	102,775	129,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	10,408	10,408	14,164
Total Expenditures	206,453	162,511	247,764
Surplus/(Deficit)	0	30,116	0

## APPENDIX B

<b>Status of Business Improvement Area Budget Submissions</b>	
<b>Business Improvement Area</b>	<b>Stage in Budget Process</b>
Albion-Islington	Council adopted February 5-6, 2007
The Beach	Council adopted February 5-6, 2007
Bloor Annex	Council adopted February 5-6, 2007
Bloor by the Park	Council adopted February 5-6, 2007
Bloor West Village	Council adopted February 5-6, 2007
Bloorcourt Village	Council adopted February 5-6, 2007
Bloordale Village	Council adopted February 5-6, 2007
Bloor Street	Council adopted February 5-6, 2007
Bloor-Yorkville	Council adopted February 5-6, 2007
Chinatown	Council adopted March 5-6, 2007
Church-Wellesley Village	Council adopted February 5-6, 2007
College Promenade	Council adopted February 5-6, 2007
Corso Italia	Council adopted February 5-6, 2007
The Danforth	Council adopted February 5-6, 2007
Danforth Village	Council adopted February 5-6, 2007
Dovercourt Village	Council adopted February 5-6, 2007
Downtown Yonge	Council adopted February 5-6, 2007
Dundas West	Council adopted February 5-6, 2007
Eglinton Hill	Council adopted March 5-6, 2007
The Eglinton Way	Council adopted February 5-6, 2007
Emery Village	Council adopted February 5-6, 2007
Fairbank Village	Included in this report
Forest Hill Village	Council adopted February 5-6, 2007
Gerrard India Bazaar	Council adopted February 5-6, 2007
Greektown on the Danforth	Council adopted February 5-6, 2007
Harbord Street	Council adopted March 5-6, 2007
Hillcrest Village	Council adopted February 5-6, 2007
Junction Gardens	Council adopted February 5-6, 2007
Kennedy Road	Council adopted February 5-6, 2007
The Kingsway	Council adopted February 5-6, 2007
Knob Hill Plaza	BIA to be repealed.
Korea Town	Council adopted February 5-6, 2007
Lakeshore Village	Council adopted February 5-6, 2007
Liberty Village	Council adopted February 5-6, 2007
Little Italy	Council adopted February 5-6, 2007
Long Branch	Council adopted February 5-6, 2007
Mimico by the Lake	Council adopted February 5-6, 2007
Mimico Village	Council adopted February 5-6, 2007
Mirvish Village	Council adopted February 5-6, 2007
Mount Dennis	Included in this report

Old Cabbagetown	Council adopted February 5-6, 2007
Old Queen Street	AGM held Jan. 31, 2007. Budget not submitted.
Pape Village	Council adopted February 5-6, 2007
Parkdale Village	Council adopted February 5-6, 2007
Queens Quay Harbourfront	Council adopted February 5-6, 2007
Riverside	Council adopted February 5-6, 2007
Roncesvalles Village	Included in this report
Rosedale Main Street	Council adopted February 5-6, 2007
St. Clair Avenue West	Council adopted February 5-6, 2007
St. Clair Gardens	Council adopted February 5-6, 2007
St. Lawrence Market Neighbourhood	Council adopted February 5-6, 2007
Sheppard East Village	Council adopted February 5-6, 2007
Upper Village	Council adopted February 5-6, 2007
Uptown Yonge	Council adopted February 5-6, 2007
Village of Islington	Council adopted February 5-6, 2007
West Queen West	Council adopted February 5-6, 2007
Weston Village	Council adopted February 5-6, 2007
Wexford Heights	Council adopted February 5-6, 2007
Wychwood Heights	Included in this report
Yonge-Lawrence Village	Council adopted February 5-6, 2007
York-Eglinton	Included in this report