



## STAFF REPORT ACTION REQUIRED

### 2008 Business Improvement Area Operating Budgets: Report No. 4

<b>Date:</b>	March 28, 2008
<b>To:</b>	Executive Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	11, 16, 22, 29, 30, 31 and 32
<b>Reference Number:</b>	P:\2008\Internal Services\FP\ec08006FP (AFS#6631)

#### 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 in February and March 2008 have been reviewed and are reported herein; BIA budgets received after this date will be brought forward in later reports. Of the 65 established BIAs, a total of 59 BIA budgets have been approved by Council to-date; four BIA budgets are submitted for approval in this report; and two BIAs are inactive. This is the final report for 2008.

The recommendations reflect 2008 approved budgets for BIAs and have been reviewed by City staff to ensure BIA budgets reflect Council's approved policies and practices.

#### RECOMMENDATIONS

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The Deputy City Manager and Chief Financial Officer recommends that:

1. the Executive Committee adopt and certify to City Council the 2008 expenditure requests and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2008 Expenditure Estimates (\$)	2008 Levy Funds Required (\$)
Midtown Danforth	254,128	254,128
Mount Dennis	15,050	13,063
The Eglinton Way	255,520	234,821
Wychwood Heights	123,545	67,950

2. authority be granted for the introduction of the necessary bill in Council.

## FINANCIAL IMPACT

No City funding is required since Business Improvement Area budgets are raised by a special levy on members which totals \$569,962 in this report.

All of the 2008 BIA operating budgets submitted for consideration are balanced budgets. The appeal provision surplus or appeal provision deficit for each BIA, as determined by the Revenue Services Division, has been addressed by the BIA and incorporated into their 2008 Operating Budget. The BIA budgets have provisions for required capital cost-sharing contributions for those projects approved in 2007 or prior and carried forward into 2008, as well as new capital cost-share projects approved in the 2008 Capital Budget for Economic Development, Culture and Tourism.

## DECISION HISTORY

BIA Operating Budget Process:

The City of Toronto Municipal Code Chapter 19 and the *City of Toronto Act, 2006* require that BIA operating budgets be approved by Council. General membership and Board of Management meetings at which the BIA 2008 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Midtown Danforth	March 20, 2008	March 20, 2008
Mount Dennis	January 24, 2008	January 24, 2008
The Eglinton Way	September 18, 2007	October 16, 2007
Wychwood Heights	November 22, 2007	February 5, 2008

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 2008 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 BIAs as of August 16, 2007 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 2008 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, Culture & Tourism (EDCT) 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 2008 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 2007 or prior and carried forward into 2008, and new capital projects approved in the 2008 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 2008 operating budget.

## COMMENTS

The first budget of the newly created *Midtown Danforth BIA* was approved at meetings of the BIA's Board of Management and its general membership on March 20, 2008. The BIA proposes a 2008 Operating Budget having expenditures of \$254,128 and revenues from a BIA levy of the same amount. Budget expenditures comprise of \$103,275 for general BIA administration including the hiring of a BIA coordinator and consultant; \$35,000 for streetscape improvement projects such as tree lighting, landscaping and planters; \$11,500 for flowers and floral care for the planters and graffiti removal; and \$81,250 for advertising, marketing and promotional events for the new BIA. The proposed operating budget reflects the BIA's priorities for its first year of operations to improve the commercial vitality and viability of the area through organization and collaboration, identity branding and marketing, and streetscape improvements. It is recommended that the Midtown Danforth BIA's 2008 budget of expenditures totalling \$254,128 and a BIA levy of \$254,128 be approved.

The *Mount Dennis BIA* 2008 Operating Budget was approved at meetings of the BIA's Board of Management and its general membership both held on January 24, 2008. The balanced budget includes revenues from a BIA levy of \$13,063 and the appeal provision surplus of \$1,987 that the City is returning to the BIA. Budget expenditures include \$2,862 for general BIA administration; \$9,000 for streetscape improvements; \$500 for anticipated maintenance; and \$1,500 for a planned summer festival. In 2007, the BIA received a grant of \$5,000 from the City's Mural Program, \$3,000 from the City's Clean & Beautiful Program, and a \$1,000 contribution from TEDCO to undertake a comprehensive outreach/communication program with property owners, merchants and residents to enable a strategic approach to revitalization with strong local support. These additional revenues combined with the \$9,000 of BIA funds raised in 2007 for its future streetscape improvement capital cost-share project contributed to the reported 2007 operating surplus of \$16,893. It is recommended that the Mount Dennis BIA's 2008 budget of expenditures totalling \$15,050 and a BIA levy of \$13,063 be approved.

*The Eglinton Way BIA* 2008 Operating Budget was approved at meetings of the BIA's Board of Management on September 18, 2007 and its general membership held on October 16, 2007. The BIA proposes a balanced budget of \$255,520 in expenditures and the same amount in revenues comprised of a BIA levy of \$234,821, interest income of \$1,700, GST recoveries of \$2,500 and the appeal provision surplus of \$16,499 that the City will be returning to the BIA. Budget expenditures include \$51,473 for general BIA administration; \$30,500 for continued implementation of its streetscape improvement capital program; \$43,400 for capital maintenance; and \$108,800 for advertising and promotion. The Gateways to The Eglinton Way – Phase 1 capital cost-share project is carried forward from 2007 into 2008; as a result, the BIA is projecting an operating surplus of \$33,621 in 2007. It is recommended that The Eglinton Way BIA's 2008 budget of expenditures totalling \$255,520 and a BIA levy of \$234,821 be approved.

The *Wychwood Heights BIA* 2008 Operating Budget was approved at meetings of the BIA's Board of Management on November 22, 2007 and its general membership on

February 5, 2008. The increased budget of expenditures of \$123,545 requiring a 12% increase in the BIA levy to \$67,950 will enable the BIA to implement planned capital improvements, increase focus on marketing and promotion and hire a consultant for the BIA coordinator position. Budgeted expenditures comprise of \$21,568 for general BIA administration; \$70,000 to implement Phase 1 of the Pedestrian Lighting Infrastructure Project, a capital cost-shared project with the City; \$1,000 for maintenance and graffiti removal; \$14,800 for advertising and marketing; and \$10,000 for the Artwalk community festival. In addition to the BIA levy, the budget is balanced by revenues from anticipated grants of \$2,500 from the Commercial Research Grant Program and \$6,500 from the City's "Shop St. Clair" Program; utilization of \$40,000 of accumulated funds reserved for the pedestrian lighting capital project; the appeal provision surplus of \$1,595 that the City is returning to the BIA; and other anticipated income of \$5,000. Due to the continued TTC right-of-way construction along St. Clair Avenue West in 2007, the BIA was unable to implement its proposed streetscaping initiative in 2007. An operating surplus of \$4,722 is reported for 2007 resulting from lower than anticipated Salsa on St. Clair Festival expenses. It is recommended that the Wychwood Heights BIA's 2008 budget of expenditures totalling \$123,545 and a BIA levy of \$67,950 be approved.

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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

Midtown Danforth BIA 2008 Budget Summary			
	2007 Approved Budget	2007 Projected Actual	2008 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	N/A	N/A	254,128
- Other Revenue	N/A	N/A	0
Total Revenues	N/A	N/A	254,128
Expenditures:			
- Administration	N/A	N/A	103,275
- Capital	N/A	N/A	35,000
- Maintenance	N/A	N/A	11,500
- Promotion & Advertising	N/A	N/A	81,250
- 10% Provision for Assessment Appeal Reductions and Write-offs	N/A	N/A	23,103
Total Expenditures	N/A	N/A	254,128
Surplus/(Deficit)	N/A	N/A	0

Mount Dennis BIA 2008 Budget Summary			
	2007 Approved Budget	2007 Projected Actual	2008 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	14,575	14,575	13,063
- Other Revenue	750	9,209	0
- Appeal Provision Surplus	N/A	N/A	1,987
Total Revenues	15,325	23,784	15,050
Expenditures:			
- Administration	3,100	3,885	2,862
- Capital	9,000	692	9,000
- Maintenance	400	989	500
- Promotion & Advertising	1,500	0	1,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	1,325	1,325	1,188
Total Expenditures	15,325	6,891	15,050
Surplus/(Deficit)	0	16,893	0

The Eglinton Way BIA 2008 Budget Summary			
	2007 Approved Budget	2007 Projected Actual	2008 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	245,124	245,124	234,821
- Other Revenue	5,000	3,908	4,200
- Appeal Provision Surplus	21,942	21,942	16,499
- Contribution from Accumulated Surplus	6,560	0	0
Total Revenues	278,626	270,974	255,520
Expenditures:			
- Administration	51,700	49,729	51,473
- Capital	57,442	22,384	30,500
- Maintenance	38,400	41,834	43,400
- Promotion & Advertising	108,800	101,122	108,800
- 10% Provision for Assessment Appeal Reductions and Write-offs	22,284	22,284	21,347
Total Expenditures	278,626	237,353	255,520
Surplus/(Deficit)	0	33,621	0

Wychwood Heights BIA 2008 Budget Summary			
	2007 Approved Budget	2007 Projected Actual	2008 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	60,767	60,767	67,950
- Other Revenue	8,176	8,506	14,000
- Appeal Provision Surplus	1,247	1,247	1,595
- Contribution from Accumulated Surplus	20,000	0	40,000
Total Revenues	90,190	70,520	123,545
Expenditures:			
- Administration	19,116	18,340	21,568
- Capital	20,000	0	70,000
- Maintenance	1,000	1,190	1,000
- Promotion & Advertising	44,550	40,744	24,800
- 10% Provision for Assessment Appeal Reductions and Write-offs	5,524	5,524	6,177
Total Expenditures	90,190	65,798	123,545
Surplus/(Deficit)	0	4,722	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 January 29-30, 2008
Bloor Annex	Council adopted January 29-30, 2008
Bloor by the Park	Council adopted December 11-13, 2007
Bloor Street	Council adopted January 29-30, 2008
Bloor West Village	Council adopted January 29-30, 2008
Bloor-Yorkville	Council adopted December 11-13, 2007
Bloorcourt Village	Council adopted December 11-13, 2007
Bloordale Village	Council adopted January 29-30, 2008
Chinatown	Council adopted January 29-30, 2008
Church-Wellesley Village	Council adopted January 29-30, 2008
College Promenade	Council adopted December 11-13, 2007
Corso Italia	Council adopted December 11-13, 2007
Danforth Village	Council adopted January 29-30, 2008
Dovercourt Village	Council adopted January 29-30, 2008
Downtown Yonge	Council adopted January 29-30, 2008
Dundas-Bathurst	Council adopted January 29-30, 2008
Dundas Ossington	Council adopted January 29-30, 2008
Dundas West	Council adopted December 11-13, 2007
Eglinton Hill	Council adopted January 29-30, 2008
Emery Village	Council adopted January 29-30, 2008
Fairbank Village	Council adopted January 29-30, 2008
Forest Hill Village	Council adopted January 29-30, 2008
Gerrard India Bazaar	Council adopted December 11-13, 2007
Greektown on the Danforth	Council adopted January 29-30, 2008
Harbord Street	Council adopted March 3-4, 2008
Hillcrest Village	Council adopted January 29-30, 2008
Junction Gardens	Council adopted December 11-13, 2007
Kennedy Road	Council adopted January 29-30, 2008
Knob Hill Plaza	Inactive
Korea Town	Council adopted January 29-30, 2008
Lakeshore Village	Council adopted January 29-30, 2008
Liberty Village	Council adopted December 11-13, 2007
Little Italy	Council adopted January 29-30, 2008
Long Branch	Council adopted January 29-30, 2008
Midtown Danforth	Included in this report
Mimico by the Lake	Council adopted December 11-13, 2007
Mimico Village	Council adopted January 29-30, 2008
Mirvish Village	Council adopted January 29-30, 2008
Mount Dennis	Included in this report
Old Cabbagetown	Council adopted January 29-30, 2008



Historic Queen East (formerly Old Queen Street)	AGM held Jan. 30, 2008; no 2008 operating budget. Inactive
Pape Village	Council adopted January 29-30, 2008
Parkdale Village	Council adopted December 11-13, 2007
Queens Quay Harbourfront	Council adopted January 29-30, 2008
Riverside District	Council adopted December 11-13, 2007
Roncesvalles Village	Council adopted January 29-30, 2008
Rosedale Main Street	Council adopted January 29-30, 2008
St. Clair Avenue West	Council adopted January 29-30, 2008
St. Clair Gardens	Council adopted January 29-30, 2008
St. Lawrence Market Neighbourhood	Council adopted January 29-30, 2008
Sheppard East Village	Council adopted December 11-13, 2007
The Beach	Council adopted December 11-13, 2007
The Danforth	Council adopted January 29-30, 2008
The Eglinton Way	Included in this report
The Kingsway	Council adopted January 29-30, 2008
Toronto Entertainment District	Council adopted March 3-4, 2008
Upper Village	Council adopted March 3-4, 2008
Uptown Yonge	Council adopted December 11-13, 2007
Village of Islington	Council adopted January 29-30, 2008
West Queen West	Council adopted December 11-13, 2007
Weston Village	Council adopted January 29-30, 2008
Wexford Heights	Council adopted December 11-13, 2007
Wychwood Heights	Included in this report
Yonge-Lawrence Village	Council adopted December 11-13, 2007
York-Eglinton	Council adopted January 29-30, 2008