

**2009 Business Improvement Area Operating Budgets:  
Report No. 4**

<b>Date:</b>	April 2, 2009
<b>To:</b>	Economic Development Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	11, 20, 22
<b>Reference Number:</b>	P:\2009\Internal Services\FP\ed09009FP (AFS#9159)

**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 by March 30, 2009 have been reviewed and are reported herein; BIA Operating Budgets received after this date will be brought forward in later reports. Of the 68 established BIAs, a total of 63 BIA budgets have been approved by City Council to-date; three BIA budgets are submitted for approval in this report; one BIA has yet to submit an operating budget; and one BIA is inactive.

The recommendations reflect 2009 Operating Budgets approved by the respective BIAs' Boards of Management 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 Economic Development Committee adopt and certify to City Council the 2009 expenditure requests and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2009 Expenditure Estimates (\$)	2009 Levy Funds Required (\$)
Mount Dennis	18,471	17,378
Mount Pleasant	153,390	153,390
Queen Street West	171,039	165,539

## FINANCIAL IMPACT

No City funding is required since financing of Business Improvement Area budgets is raised by a special levy on members which totals \$336,307 in this report.

All of the 2009 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 2009 Operating Budget. The BIA budgets have provisions for required capital cost-sharing contributions for those projects approved in 2008 or prior and carried forward into 2009, as well as new capital cost-share projects approved in the 2009 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 2009 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Mount Dennis	November 19, 2008	January 29, 2009
Mount Pleasant	January 27, 2009	March 2, 2009
Queen Street West	March 23, 2009	February 10, 2009

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 2009 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 their 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 18, 2008 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 2009 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 and Tourism’s annual 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 2009 Operating Budget’s 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 2008 or prior and carried forward into 2009, and new capital projects approved in the 2009 Economic Development, Culture and Tourism 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 2009 Operating Budget.

## COMMENTS

The **Mount Dennis BIA** 2009 Operating Budget was approved at meetings of the BIA's Board of Management on November 19, 2008 and its general membership on January 29, 2009. The BIA plans to be more active in 2009 and undertake more beneficial activities that require a 22% increase in the budget of expenditures and a 33% increase in the levy requirement from 2008 levels. Proposed expenditures include \$9,000 for additional Astral street furniture; \$1,500 for capital maintenance; \$2,500 for marketing and promotion including starting a newsletter and holding a sidewalk sale for BIA merchants; and \$3,891 for general BIA administration. To balance the budget, the BIA will use the appeal provision surplus of \$1,093 that the City will be returning to the BIA in 2009. Due to the BIA's inactivity in 2008, very few expenses were incurred; as a result, the BIA is projecting an operating surplus of \$11,880. It is recommended that the Mount Dennis BIA's 2009 budget of expenditures totalling \$18,471 and a BIA levy of \$17,378 be approved.

The first budget of the newly created **Mount Pleasant BIA** was approved at meetings of the BIA's Steering Committee on January 27, 2009 and its general membership on March 2, 2009. The BIA proposes a 2009 Operating Budget having expenditures of \$153,390 and revenues from a BIA levy of the same amount. Budget expenditures comprise of \$18,945 for general BIA administration including the hiring of a temporary part-time BIA coordinator; \$35,000 for BIA banners and benches - capital projects not cost-shared with the City; and \$85,500 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 promote the businesses in the area, and undertake some small streetscape improvements. It is recommended that the Mount Pleasant BIA's 2009 budget of expenditures totalling \$153,390 and a BIA levy of \$153,390 be approved.

The newly established **Queen Street West BIA**'s first budget was approved at the BIA's inaugural general membership meeting on February 10, 2009 and then by the recently appointed Board of Management on March 23, 2009. The BIA proposes a 2009 Operating Budget having expenditures of \$171,039 and revenues from a BIA levy of \$165,539, an expected \$5,000 grant from the City's Mural Program to fund a planned mural project, and estimated interest income of \$500. Budget expenditures include \$30,990 for general BIA administration including the hiring of a part-time BIA coordinator; \$25,000 for proposed landscaping/planters and custom bike posts; \$50,000 to be earmarked for future streetscape improvement capital cost-shared projects; \$25,000 for graffiti removal; \$5,000 to create a website for the new BIA; and \$15,000 to participate in the Nuit Blanche event. The proposed operating budget reflects the BIA's priorities for its first year of operations to undertake some small streetscape improvement projects to enhance the appearance of the area, promote the businesses in the area and capitalize upon the area's profile as a tourist destination through participation in City-

wide events such as Nuit Blanche. It is recommended that the Queen Street West BIA's 2009 budget of expenditures totalling \$171,039 and a BIA levy of \$165,539 be approved.

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## **SIGNATURE**

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Cam Weldon  
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 2009 Budget Summary			
	2008 Approved Budget	2008 Projected Actual	2009 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	13,063	13,063	17,378
- Other Revenue	0	0	0
- Appeal Provision Surplus	1,987	1,987	1,093
Total Revenues	15,050	15,050	18,471
Expenditures:			
- Administration	2,862	1,482	3,891
- Capital	9,000	0	9,000
- Maintenance	500	500	1,500
- Promotion & Advertising	1,500	0	2,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	1,188	1,188	1,580
Total Expenditures	15,050	3,170	18,471
Surplus/(Deficit)	0	11,880	0

Mount Pleasant BIA 2009 Budget Summary			
	2008 Approved Budget	2008 Projected Actual	2009 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	N/A	N/A	153,390
- Other Revenue	N/A	N/A	0
Total Revenues	N/A	N/A	153,390
Expenditures:			
- Administration	N/A	N/A	18,945
- Capital	N/A	N/A	35,000
- Maintenance	N/A	N/A	0
- Promotion & Advertising	N/A	N/A	85,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	N/A	N/A	13,945
Total Expenditures	N/A	N/A	153,390
Surplus/(Deficit)	N/A	N/A	0

Queen Street West BIA 2009 Budget Summary			
	2008 Approved Budget	2008 Projected Actual	2009 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	N/A	N/A	165,539
- Other Revenue	N/A	N/A	5,500
Total Revenues	N/A	N/A	171,039
Expenditures:			
- Administration	N/A	N/A	30,990
- Capital	N/A	N/A	80,000
- Maintenance	N/A	N/A	25,000
- Promotion & Advertising	N/A	N/A	20,000
- 10% Provision for Assessment Appeal Reductions and Write-offs	N/A	N/A	15,049
Total Expenditures	N/A	N/A	171,039
Surplus/(Deficit)	N/A	N/A	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 December 1-3, 2008
Bloor Annex	Council adopted December 1-3, 2008
Bloor by the Park	Council adopted January 27-28, 2009
Bloorcourt Village	Council adopted December 1-3, 2008
Bloordale Village	Council adopted December 1-3, 2008
Bloor Street	Council adopted January 27-28, 2009
Bloor West Village	Council adopted December 1-3, 2008
Bloor-Yorkville	Council adopted January 27-28, 2009
Chinatown	Council adopted December 1-3, 2008
Church-Wellesley Village	Council adopted January 27-28, 2009
College Promenade	Council adopted December 1-3, 2008
Corso Italia	Council adopted December 1-3, 2008
Crossroads of the Danforth	Council adopted January 27-28, 2009
Danforth Mosaic (formerly Midtown Danforth)	Council adopted December 1-3, 2008
Danforth Village	Council adopted January 27-28, 2009
Dovercourt Village	Council adopted January 27-28, 2009
Downtown Yonge	Council adopted January 27-28, 2009
Dundas-Bathurst	Council adopted January 27-28, 2009
Dundas West	Council adopted December 1-3, 2008
Eglinton Hill	Council adopted January 27-28, 2009
Emery Village	Council adopted December 1-3, 2008
Fairbank Village	Council adopted February 23-25, 2009
Forest Hill Village	Council adopted January 27-28, 2009
Gerrard India Bazaar	Council adopted January 27-28, 2009
Greektown on the Danforth	Council adopted January 27-28, 2009
Harbord Street	Council adopted January 27-28, 2009
Hillcrest Village	Council adopted January 27-28, 2009
Historic Queen East (formerly Old Queen Street)	No 2007 or 2008 budget. No AGM scheduled. Inactive.
Junction Gardens	Council adopted December 1-3, 2008
Kennedy Road	Council adopted February 23-25, 2009
Korea Town	Council adopted December 1-3, 2008
Lakeshore Village	Council adopted December 1-3, 2008
Liberty Village	Council adopted January 27-28, 2009
Little Italy	Council adopted February 23-25, 2009
Little Portugal (formerly Dundas-Ossington)	Council adopted December 1-3, 2008
Long Branch	Council adopted January 27-28, 2009
Mimico by the Lake	Council adopted January 27-28, 2009
Mimico Village	Council adopted January 27-28, 2009
Mirvish Village	Council adopted December 1-3, 2008



Mount Dennis	Included in this report
Mount Pleasant	Included in this report
Oakwood Village	Inaugural AGM held January 20, 2009. Budget to be submitted in June 2009.
Old Cabbagetown	Council adopted January 27-28, 2009
Pape Village	Council adopted January 27-28, 2009
Parkdale Village	Council adopted December 1-3, 2008
Queens Quay Harbourfront	Council adopted December 1-3, 2008
Queen Street West	Included in this report
Regal Heights Village (formerly St. Clair Avenue West)	Council adopted December 1-3, 2008
Riverside District	Council adopted January 27-28, 2009
Roncesvalles Village	Council adopted January 27-28, 2009
Rosedale Main Street	Council adopted January 27-28, 2009
St. Clair Gardens	Council adopted January 27-28, 2009
St. Lawrence Market Neighbourhood	Council adopted January 27-28, 2009
Sheppard East Village	Council adopted January 27-28, 2009
The Beach	Council adopted December 1-3, 2008
The Danforth	Council adopted January 27-28, 2009
The Eglinton Way	Council adopted February 23-25, 2009
The Kingsway	Council adopted January 27-28, 2009
Toronto Entertainment District	Council adopted January 27-28, 2009
Upper Village	Council adopted January 27-28, 2009
Uptown Yonge	Council adopted January 27-28, 2009
Village of Islington	Council adopted December 1-3, 2008
West Queen West	Council adopted January 27-28, 2009
Weston Village	Council adopted January 27-28, 2009
Wexford Heights	Council adopted January 27-28, 2009
Wychwood Heights	Council adopted January 27-28, 2009
Yonge-Lawrence Village	Council adopted December 1-3, 2008
York-Eglinton	Council adopted February 23-25, 2009