

Business Improvement Areas (BIAs) – 2010 Operating Budgets - Report No. 4

Date:	March 17, 2010
To:	City Council
From:	Deputy City Manager and Chief Financial Officer
Wards:	18, 19 and 21
Reference Number:	P:\2010\Internal Services\FP\Cc10007Fp (AFS#10844)

SUMMARY

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 10, 2010 have been reviewed and are reported herein; BIA Operating Budgets received after this date will be brought forward in later reports. Of the 70 established BIAs, a total of 63 BIA budgets have been approved by City Council to-date; five 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 2010 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

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council approve the 2010 recommended expenditures and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2010 Expenditure Estimates (\$)	2010 Levy Funds Required (\$)
Dovercourt Village	7,205	6,812
Dundas West	178,310	52,800
Little Italy	409,384	404,869
Little Portugal	52,885	49,730
Wychwood Heights	149,136	69,699

Financial Impact

No City funding is required since financing of Business Improvement Area budgets is raised by a special levy on members which totals \$583,910 for five BIAs addressed in this report.

All of the 2010 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 2010 Operating Budget. The BIA budgets have provisions for required capital cost-sharing contributions for those projects approved in 2009 or prior and carried forward into 2010, as well as new capital cost-share projects approved in the 2010 Capital Budget for Economic Development and Culture.

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 2010 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Dovercourt Village	November 25, 2009	January 20, 2010
Dundas West	January 12, 2010	February 23, 2010
Little Italy	September 30, 2009	December 22, 2009
Little Portugal	September 17, 2009	January 20, 2010
Wychwood Heights	January 12, 2010	January 27, 2010

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 2010 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 cash flows and revenues required by the BIAs to meet its operating obligations in the future, rather than the 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 19, 2009 identified either a provision surplus or provision deficit. Since the appeal provisions are held by the City, any 2009 appeal provision surpluses will be returned to the respective BIAs in 2010, and any appeal provision deficits must be funded through the respective BIA’s 2010 levy. Therefore, each BIA is required to address the identified surplus or deficit amount within its respective operating budget for the following fiscal year. The recommended 2010 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 and Culture 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 2010 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 2009 or prior and carried forward into 2010, and new capital projects in the 2010 Approved Economic Development and Culture 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 2010 Operating Budget.

COMMENTS

The ***Dovercourt Village BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on November 25, 2009 and its general membership on January 20, 2010. The BIA proposes to increase the levy by 9% to \$6,812 to fund increased capital maintenance, create a newsletter, and general BIA administration expenditures. From these 2010 levy funds, \$1,790 is to be reserved for a future streetscape improvement capital cost-share project. To provide a balanced budget, the BIA plans to utilize the appeal provision surplus of \$193 and \$200 of expected interest income. In 2009 the BIA did not proceed with the planned banner installation project and promotion and advertising initiatives due to lack of resources; as a result, an operating surplus of \$3,031 is forecasted at year-end. It is recommended that the Dovercourt Village BIA's 2010 budget of expenditures totalling \$7,205 and a BIA levy of \$6,812 be approved.

The ***Dundas West BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on January 12, 2010 and its general membership on February 23, 2010. The BIA proposes a balanced budget having expenditures of \$178,310 and revenues from a BIA levy requirement of \$52,800, the appeal provision surplus of \$3,510 that the City is returning, anticipated festival revenue of \$1,400 and interest income of \$600. The BIA will also use \$120,000 of funds reserved for future streetscape improvement capital projects for street planters, hanging baskets, plants and flowers to beautify the area and to improve the existing installations. Budget expenditures include \$90,000 for streetscape improvement projects, \$30,000 for capital maintenance, \$20,000 for marketing and promotion, and \$33,510 for general BIA administration. The 2009 proposed streetscape improvements to be undertaken in conjunction with the City's sidewalk reconstruction project has been deferred until 2010, resulting in a projected operating surplus of \$69,104 at year-end 2009. It is recommended that the Dundas West

BIA's 2010 budget of expenditures totalling \$178,310 and a BIA levy of \$52,800 be approved.

The ***Little Italy BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on September 30, 2009 and its general membership on December 22, 2009. The proposed expenditure budget of \$409,384 will require a levy of \$404,869 in 2010 which is 38% higher than in 2009. The increased levy requirement in 2010 is to replace the lack of third-party sponsorship of the BIA's Taste of Little Italy and Fiera festival events in these challenging economic times, to compensate for less GST recoveries in 2010 estimated at only \$3,000 and a smaller appeal provision surplus of \$1,515 being returned to the BIA from the City, and to fund an outstanding net deficit of \$6,573. The proposed operating budget and levy requirement will enable the BIA to continue with advertising and marketing initiatives, promotional events and festivals, capital maintenance, and general BIA administration. Proposed capital expenditures include \$10,000 for Christmas decorations and \$35,000 to be set aside for future capital cost-share projects. In 2009 the BIA put on bigger festival events (Taste of Little Italy and Fiera street festival) than the budget provided for; this resulted in a projected year-end actual operating deficit of \$29,740. The BIA will fund a large portion of this operating deficit from its remaining accumulated surplus funds of \$23,167 and fund the balance of the deficit from its 2010 levies. These two festivals will be scaled back in 2010. It is recommended that the Little Italy BIA's 2010 budget of expenditures totalling \$409,384 and a BIA levy of \$404,869 by approved.

The ***Little Portugal BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on September 17, 2009 and its general membership on January 20, 2010. The balanced budget comprises of \$52,885 in expenditures and revenues from a BIA levy of \$49,730, the appeal provision surplus of \$2,455 and an expected \$100 in GST recovery and \$600 of interest income. Budget expenditures include \$13,410 for general BIA administration including a part-time BIA coordinator; introduction of a graffiti removal program at a cost of \$20,000; \$6,854 for a BIA capital project; and \$8,100 for marketing and promotion of the new BIA. In 2009, the BIA did not apply for a Commercial Research Investment Program grant nor proceed with market research to develop a strategic plan for the new BIA, and did not proceed with the proposed streetscape improvement capital cost-share project. As a result, an operating surplus of \$38,009 is projected at year-end 2009. It is recommended that the Little Portugal BIA's 2010 budget of expenditures totalling \$52,885 and a BIA levy of \$49,730 be approved.

The ***Wychwood Heights BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on January 12, 2010 and its general membership on January 27, 2010. The proposed expenditure budget of \$149,136 requiring a BIA levy of \$69,699 reflects the BIA's priorities to implement planned streetscape improvement capital projects that include clamp-on pedestrian lights, planter boxes, hanging baskets and banners now that the TTC right-of-way road construction along St. Clair Avenue West is completed; purchase flowers and plant material for the planters and baskets; and to increase focus on marketing and promotion of the Wychwood Heights BIA area along St. Clair West. In addition to the BIA levy, the budget is balanced by revenues from an

anticipated grant of \$6,666 from the City's "Shop St. Clair" Program; utilization of \$68,771 of accumulated funds reserved for the pedestrian lighting capital project; anticipated event sponsorships of \$2,000; estimated GST recoveries of \$1,000 and interest income of \$1,000. The BIA's 2009 appeal provision deficit of \$1,079 will be funded from the 2010 levies. It is recommended that the Wychwood Heights BIA's 2010 budget of expenditures totalling \$149,136 and a BIA levy of \$69,699 be approved.

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SIGNATURE

Cam Weldon
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

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

APPENDIX A

Dovercourt Village BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	6,240	6,240	6,812
- Other Revenue	165	0	200
- Appeal Provision Surplus	458	458	193
Total Revenues	6,863	6,698	7,205
Expenditures:			
- Administration	946	810	946
- Capital	2,290	2,290	1,790
- Maintenance	1,850	0	2,350
- Promotion & Advertising	1,210	0	1,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	567	567	619
Total Expenditures	6,863	3,667	7,205
Surplus/(Deficit)	0	3,031	0

Dundas West BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	111,619	111,619	52,800
- Other Revenue	10,535	15,525	2,000
- Appeal Provision Surplus	4,691	4,691	3,510
- Contribution from Accumulated Surplus	123,204	0	120,000
Total Revenues	250,049	131,835	178,310
Expenditures:			
- Administration	32,655	30,466	33,510
- Capital	190,000	861	90,000
- Maintenance	1,622	2,690	30,000
- Promotion & Advertising	15,625	18,567	20,000
- 10% Provision for Assessment Appeal Reductions and Write-offs	10,147	10,147	4,800
Total Expenditures	250,049	62,731	178,310
Surplus/(Deficit)	0	69,104	0

Little Italy BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	292,374	292,374	404,869
- Other Revenue	79,000	84,503	3,000
- Appeal Provision Surplus	20,501	20,501	1,515
Total Revenues	391,874	397,378	409,384
Expenditures:			
- Administration	21,795	22,286	22,505
- Capital	39,000	14,252	45,000
- Maintenance	31,000	26,201	19,000
- Promotion & Advertising	273,500	337,800	279,500
- Net Deficit Outstanding	N/A	N/A	6,573
- 10% Provision for Assessment Appeal Reductions and Write-offs	26,579	26,579	36,806
Total Expenditures	391,874	427,118	409,384
Surplus/(Deficit)	0	(29,740)*	0

*To be partially funded from the BIA's accumulated surplus of \$23,167.

Little Portugal BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	49,730	49,730	49,730
- Other Revenue	7,500	0	700
- Appeal Provision Surplus	4,521	4,521	2,455
Total Revenues	61,751	54,251	52,885
Expenditures:			
- Administration	3,410	3,005	13,410
- Capital	37,520	6,363	6,854
- Maintenance	0	0	20,000
- Promotion & Advertising	16,300	2,353	8,100
- 10% Provision for Assessment Appeal Reductions and Write-offs	4,521	4,521	4,521
Total Expenditures	61,751	16,242	52,885
Surplus/(Deficit)	0	38,009	0

Wychwood Heights BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	69,678	69,678	69,699
- Other Revenue	13,000	8,166	10,666
- Appeal Provision Surplus	10,682	10,682	N/A
- Contribution from Accumulated Surplus	70,000	21,720	68,771
Total Revenues	163,360	110,246	149,136
Expenditures:			
- Administration	23,275	21,775	23,621
- Capital	92,451	51,850	44,600
- Maintenance	0	9,917	27,000
- Promotion & Advertising	41,300	20,370	46,500
- Appeal Provision Deficit	N/A	N/A	1,079
- 10% Provision for Assessment Appeal Reductions and Write-offs	6,334	6,334	6,336
Total Expenditures	163,360	110,246	149,136
Surplus/(Deficit)	0	0	0

APPENDIX B

Status of Business Improvement Area Budget Submissions	
Business Improvement Area	Stage in Budget Process
Albion-Islington	Council adopted January 26-27, 2010
Annex-Dupont	Council adopted February 22-23, 2010
Bloor Annex	Council adopted January 26-27, 2010
Bloor by the Park	Council adopted January 26-27, 2010
Bloorcourt Village	Council adopted January 26-27, 2010
Bloordale Village	Council adopted January 26-27, 2010
Bloor Street	Council adopted January 26-27, 2010
Bloor West Village	Council adopted January 26-27, 2010
Bloor-Yorkville	Council adopted January 26-27, 2010
Cabbagetown (formerly Old Cabbagetown)	Council adopted February 22-23, 2010
Chinatown	Council adopted January 26-27, 2010
Church-Wellesley Village	Council adopted January 26-27, 2010
College Promenade	Council adopted January 26-27, 2010
Corso Italia	Council adopted November 30, 2009
Crossroads of the Danforth	Council adopted January 26-27, 2010
Danforth Mosaic (formerly Midtown Danforth)	Council adopted November 30, 2009
Danforth Village	Council adopted November 30, 2009
Dovercourt Village	Included in this report
Downtown Yonge	Council adopted January 26-27, 2010
Dundas West	Included in this report
Eglinton Hill	Council adopted January 26-27, 2010
Emery Village	Council adopted January 26-27, 2010
Fairbank Village	Council adopted January 26-27, 2010
Forest Hill Village	Council adopted January 26-27, 2010
Gerrard India Bazaar	Council adopted November 30, 2009
Greektown on the Danforth	Council adopted November 30, 2009
Harbord Street	Council adopted February 22-23, 2010
Hillcrest Village	Council adopted January 26-27, 2010
Historic Queen East (formerly Old Queen Street)	Inactive
Junction Gardens	Council adopted November 30, 2009
Kennedy Road	Council adopted January 26-27, 2010
Kensington Market	Newly created BIA. AGM not scheduled.
Korea Town	Council adopted November 30, 2009
Lakeshore Village	Council adopted January 26-27, 2010
Liberty Village	Council adopted January 26-27, 2010
Little Italy	Included in this report
Little Portugal (formerly Dundas-Ossington)	Included in this report
Long Branch	Council adopted January 26-27, 2010
Mimico by the Lake	Council adopted January 26-27, 2010
Mimico Village	Council adopted November 30, 2009

Mirvish Village	Council adopted January 26-27, 2010
Mount Dennis	Council adopted February 22-23, 2010
Mount Pleasant	Council adopted January 26-27, 2010
Oakwood Village	Council adopted February 22-23, 2010
Pape Village	Council adopted November 30, 2009
Parkdale Village	Council adopted January 26-27, 2010
Queen Street West	Council adopted February 22-23, 2010
Regal Heights Village (formerly St. Clair Avenue West)	Council adopted January 26-27, 2010
Riverside District	Council adopted January 26-27, 2010
Roncesvalles Village	Council adopted January 26-27, 2010
Rosedale Main Street	Council adopted January 26-27, 2010
St. Clair Gardens	Council adopted January 26-27, 2010
St. Lawrence Market Neighbourhood	Council adopted November 30, 2009
Sheppard East Village	Council adopted January 26-27, 2010
The Beach	Council adopted November 30, 2009
The Danforth	Council adopted January 26-27, 2010
The Eglinton Way	Council adopted January 26-27, 2010
The Kingsway	Council adopted January 26-27, 2010
The Waterfront (formerly Queens Quay Harbourfront)	Council adopted November 30, 2009
Toronto Entertainment District	Council adopted November 30, 2009
Trinity Bellwoods (formerly Dundas-Bathurst)	Council adopted January 26-27, 2010
Upper Village	Council adopted February 22-23, 2010
Uptown Yonge	Council adopted January 26-27, 2010
Village of Islington	Council adopted November 30, 2009
West Queen West	Council adopted January 26-27, 2010
Weston Village	Council adopted January 26-27, 2010
Wexford Heights	Council adopted January 26-27, 2010
Wychwood Heights	Included in this report
Yonge-Lawrence Village	Council adopted November 30, 2009
York-Eglinton	Council adopted January 26-27, 2010