

Business Improvement Areas (BIAs) – 2010 Operating Budgets - Report No. 3

Date:	January 22, 2010
To:	Economic Development Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	11, 15, 17, 20, 21 and 28
Reference Number:	P:\2010\Internal Services\FP\ed10002FP (AFS#10843)

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 January 18, 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, 15 BIA budgets were approved by City Council on November 30 and December 1, 2009 in Report No. 1; 41 BIA budgets are pending Council approval on January 26, 2010 in Report No. 2; seven BIA budgets are submitted for approval in this report; six BIAs have yet to submit their operating budgets; 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. the Economic Development Committee adopt and certify to City Council the 2010 recommended expenditures and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2010 Expenditure Estimates (\$)	2010 Levy Funds Required (\$)
Annex-Dupont	38,881	32,681
Cabbagetown	254,099	197,990
Harbord Street	25,090	23,737
Mount Dennis	19,580	17,598
Oakwood Village	48,491	44,894
Queen Street West	202,517	167,492
Upper Village	89,693	64,475

FINANCIAL IMPACT

No City funding is required since financing of Business Improvement Area budgets is raised by a special levy on members which totals \$548,867 for seven 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
Annex-Dupont	December 3, 2009	December 3, 2009
Cabbagetown	November 10, 2009	December 15, 2009
Harbord Street	December 1, 2009	December 16, 2009
Mount Dennis	January 14, 2010	January 14, 2010
Oakwood Village	November 16, 2009	December 2, 2009
Queen Street West	September 24, 2009	January 11, 2010
Upper Village	October 8, 2009	November 26, 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 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 first budget of the newly established *Annex-Dupont BIA* was approved at meetings of the BIA's Board of Management and its general membership both held on December 3, 2009. The BIA proposes a 2010 Operating Budget having expenditures of \$38,881 and revenues from a BIA levy of \$32,681, an expected \$5,000 grant from the City's Mural Program to fund a planned mural project, estimated GST recoveries of \$1,000 and interest income of \$200. Budget expenditures include \$1,910 for general BIA administration; \$10,000 for proposed capital cost-shared projects for BIA banners, landscaping/planters and year-round lighting; \$10,000 to be reserved for future streetscape improvement capital cost-shared projects; \$5,000 for a mural project; and \$9,000 for advertising, marketing and promotional events for the new BIA. The proposed operating budget reflects the BIA's priorities for its first year of operation to undertake some small streetscape improvement projects to enhance the appearance of the area and to promote the businesses in the area. It is recommended that the Annex-Dupont BIA's 2010 budget of expenditures totalling \$38,881 and a BIA levy of \$32,681 be approved.

The *Cabbagetown BIA* 2010 Operating Budget was approved at meetings of the BIA's Board of Management on November 10, 2009 and its general membership on December 15, 2009. The BIA proposes to reduce the BIA levy by 2.4% to \$197,990 to assist its membership during the recession and reduce spending in 2010 by 7.3% with a proposed budget of expenditures that totals \$254,099. Planned expenditures include \$98,600 for general BIA administration and staffing; \$36,000 to implement a street landscaping capital cost-shared project that is part of the BIA's new Streetscape Master Plan (additional hanging flower baskets; a garden at Prospect Street; landscaping at Carlton Street); \$25,000 for increased capital maintenance and street cleaning; \$66,500 for

marketing and promotional activities including the two-day Cabbagetown Festival event; and \$10,000 for a market research study on the Festival to develop a plan to help focus and brand the Festival. To offset some of the costs of various BIA activities, the BIA expects other revenues of \$18,500 from festival sponsors and vendors, \$2,500 in federal government grants and \$1,000 of interest income. The BIA will also use the appeal provision surplus of \$11,109 to fund planned expenditures and \$23,000 of accumulated funds reserved for capital cost-shared projects. It is recommended that the Cabbagetown BIA's 2010 budget of expenditures totalling \$254,099 and a BIA levy of \$197,990 be approved.

The **Harbord Street BIA** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on December 1, 2009 and its general membership on December 16, 2009. The BIA proposes a balanced budget consisting of \$25,090 in expenditures and the same amount in revenues obtained from a BIA levy of \$23,737 and the appeal provision surplus of \$1,353 that the City will be returning to the BIA in 2010. Budget expenditures include \$2,002 for general BIA administration; \$500 for new flower pots, a non-cost-shared capital project; \$10,330 for capital maintenance; and \$10,100 for advertising, website maintenance, and a Fall street festival – The Great Harbord Street Pumpkin Festival. The BIA is partnering with the University of Toronto on various promotional joint ventures and new initiatives. It is recommended that the Harbord Street BIA's 2010 budget of expenditures totalling \$25,090 and a BIA levy of \$23,737 be approved.

The **Mount Dennis BIA** 2010 Operating Budget was approved at meetings of the BIA's Board of Management and its general membership both held on January 14, 2010. The BIA plans to be more active and engaging of its members with the objective of expanding its boundaries in 2010. Meanwhile, the BIA proposes to maintain a similar levy as in 2009 and use the appeal provision surplus of \$1,982 to fund planned activities in 2010. Proposed expenditures include \$8,000 for new seasonal banners that is part of the BIA's marketing initiative; \$1,500 for capital maintenance; and \$3,480 for general BIA administration. As part of the proposed budget, the BIA plans to raise \$5,000 through the 2010 BIA levy which will be reserved for future streetscape improvement capital cost-share projects. An operating surplus of \$13,323 expected in 2009 resulting from not undertaking various proposed marketing and capital projects, will be saved for future capital cost-share projects. It is recommended that the Mount Dennis BIA's 2010 budget of expenditures totalling \$19,580 and a BIA levy of \$17,598 be approved.

The **Oakwood Village BIA** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on November 16, 2009 and its general membership on December 2, 2009. The BIA proposes a similar budget as in 2009. Budget expenditures include \$4,310 for general BIA administration; \$14,000 for non-cost-shared capital projects to be undertaken by the BIA that include BIA banners to identify the new business improvement area and planters; \$2,000 for flowers and floral care for the planters; and \$24,100 for marketing initiatives and a promotional event for the new BIA. The proposed operating budget reflects the BIA's priorities to promote the businesses in the area, and to undertake some small streetscape improvements. Since the BIA's appeal

provision surplus of \$3,597 held by the City will be returned to the BIA, a reduced BIA levy requirement of \$44,894 is proposed for 2010. It is recommended that the Oakwood Village BIA's 2010 budget of expenditures totalling \$48,491 and a 2010 BIA levy of \$44,894 be approved.

The ***Queen Street West BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on September 24, 2009 and its general membership on January 11, 2010. The BIA proposes a 2010 Operating Budget having expenditures of \$202,517 and revenues from a BIA levy of \$167,492, an expected \$5,000 grant from the City's Mural Program to fund a planned mural project, estimated GST recoveries of \$2,750 and anticipated interest income of \$750. The BIA will also use \$25,000 of prior year's operating surplus and the appeal provision surplus of \$1,525 to fund 2010 initiatives. Budget expenditures include \$46,590 for general BIA administration including the hiring of a full-time BIA coordinator; \$10,000 for a streetscape design study; \$15,000 for phase 2 of the capital cost-shared projects for benches and custom bike posts; \$5,000 for a mural project; \$50,000 to be reserved for future streetscape improvement capital cost-shared projects; \$20,700 for graffiti removal; \$5,000 for website maintenance; \$20,000 to produce the Out of Site event that is held in conjunction with Nuit Blanche; and \$15,000 to develop a new signature event to promote the new BIA. The proposed operating budget reflects the BIA's priorities to undertake some small streetscape improvement projects to enhance the appearance of the area, to 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. The BIA is forecasting an operating surplus of \$26,837 in 2009, its first year of operation, as some proposed initiatives were deferred or changed. It is recommended that the Queen Street West BIA's 2010 budget of expenditures totalling \$202,517 and a BIA levy of \$167,492 be approved.

The ***Upper Village BIA*** 2010 Operating Budget was approved at meetings of the BIA's Board of Management on October 8, 2009 and its general membership on November 26, 2009. The BIA proposes to increase the levy requirement by 15% to \$64,475 in order to fund a 9% increase in spending driven mainly by the need to hire a BIA coordinator/projects administrator in 2010 and the appeal provision surplus that the BIA is getting back from the City is substantially less than in prior years. The BIA will also be using the remaining accumulated surplus funds of \$24,777 and the appeal provision surplus of \$441. Budget expenditures include \$23,532 for general BIA administration of which \$20,000 is allocated for the services of a BIA coordinator; \$29,800 for capital maintenance including flowers and floral care for the planters; and \$30,500 for advertising and a sidewalk sale event as part of its marketing and promotional initiatives.

It is recommended that the Upper Village BIA's 2010 budget of expenditures totalling \$89,693 and a BIA levy of \$64,475 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

Annex-Dupont BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	N/A	N/A	32,681
- Other Revenue	N/A	N/A	6,200
Total Revenues	N/A	N/A	38,881
Expenditures:			
- Administration	N/A	N/A	1,910
- Capital	N/A	N/A	20,000
- Maintenance	N/A	N/A	5,000
- Promotion & Advertising	N/A	N/A	9,000
- 10% Provision for Assessment Appeal Reductions and Write-offs	N/A	N/A	2,971
Total Expenditures	N/A	N/A	38,881
Surplus/(Deficit)	N/A	N/A	0

Cabbagetown BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	202,884	202,884	197,990
- Other Revenue	46,000	18,827	22,000
- Appeal Provision Surplus	11,160	11,160	11,109
- Use of Funds Reserved for Capital Projects	13,968	4,000	23,000
Total Revenues	274,012	236,871	254,099
Expenditures:			
- Administration	100,100	98,213	98,600
- Capital	53,968	4,000	36,000
- Maintenance	14,000	18,175	25,000
- Promotion & Advertising	87,500	70,163	76,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	18,444	18,444	17,999
Total Expenditures	274,012	208,995	254,099
Surplus/(Deficit)	0	27,876	0

Harbord Street BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	15,500	15,500	23,737
- Other Revenue	0	0	0
- Appeal Provision Surplus	1,174	1,174	1,353
- Contribution from Accumulated Surplus	5,903	8,842	0
Total Revenues	22,577	25,516	25,090
Expenditures:			
- Administration	2,045	2,219	2,002
- Capital	400	3,395	500
- Maintenance	8,973	10,245	10,330
- Promotion & Advertising	9,750	8,248	10,100
- 10% Provision for Assessment Appeal Reductions and Write-offs	1,409	1,409	2,158
Total Expenditures	22,577	25,516	25,090
Surplus/(Deficit)	0	0	0

Mount Dennis BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	17,378	17,378	17,598
- Other Revenue	0	0	0
- Appeal Provision Surplus	1,093	1,093	1,982
Total Revenues	18,471	18,471	19,580
Expenditures:			
- Administration	3,891	3,168	3,480
- Capital	9,000	0	5,000
- Maintenance	1,500	400	1,500
- Promotion & Advertising	2,500	0	8,000
- 10% Provision for Assessment Appeal Reductions and Write-offs	1,580	1,580	1,600
Total Expenditures	18,471	5,148	19,580
Surplus/(Deficit)	0	13,323	0

Oakwood Village BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	48,851	48,851	44,894
- Other Revenue	0	0	0
- Appeal Provision Surplus	N/A	N/A	3,597
Total Revenues	48,851	48,851	48,491
Expenditures:			
- Administration	4,310	4,310	4,310
- Capital	14,000	14,000	14,000
- Maintenance	2,000	2,000	2,000
- Promotion & Advertising	24,100	24,100	24,100
- 10% Provision for Assessment Appeal Reductions and Write-offs	4,441	4,441	4,081
Total Expenditures	48,851	48,851	48,491
Surplus/(Deficit)	0	0	0

Queen Street West BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	165,539	165,539	167,492
- Other Revenue	5,500	0	8,500
- Appeal Provision Surplus	N/A	N/A	1,525
- Contribution from Accumulated Surplus	N/A	N/A	25,000
Total Revenues	171,039	165,539	202,517
Expenditures:			
- Administration	30,990	9,451	56,590
- Capital	80,000	67,500	70,000
- Maintenance	25,000	21,702	20,700
- Promotion & Advertising	20,000	25,000	40,000
- 10% Provision for Assessment Appeal Reductions and Write-offs	15,049	15,049	15,227
Total Expenditures	171,039	138,702	202,517
Surplus/(Deficit)	0	26,837	0

Upper Village BIA 2010 Budget Summary			
	2009 Approved Budget	2009 Projected Actual	2010 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	56,150	56,150	64,475
- Other Revenue	0	5,000	0
- Appeal Provision Surplus	5,117	5,117	441
- Contribution from Accumulated Surplus	21,138	23,474	24,777
Total Revenues	82,405	89,741	89,693
Expenditures:			
- Administration	4,300	3,498	23,532
- Capital	0	8,500	0
- Maintenance	45,000	45,887	29,800
- Promotion & Advertising	28,000	26,751	30,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	5,105	5,105	5,861
Total Expenditures	82,405	89,741	89,693
Surplus/(Deficit)	0	0	0

APPENDIX B

Status of Business Improvement Area Budget Submissions	
Business Improvement Area	Stage in Budget Process
Albion-Islington	Pending Council approval on January 26, 2010
Annex-Dupont	Included in this report
Bloor Annex	Pending Council approval on January 26, 2010
Bloor by the Park	Pending Council approval on January 26, 2010
Bloorcourt Village	Pending Council approval on January 26, 2010
Bloordale Village	Pending Council approval on January 26, 2010
Bloor Street	Pending Council approval on January 26, 2010
Bloor West Village	Pending Council approval on January 26, 2010
Bloor-Yorkville	Pending Council approval on January 26, 2010
Cabbagetown (formerly Old Cabbagetown)	Included in this report
Chinatown	Pending Council approval on January 26, 2010
Church-Wellesley Village	Pending Council approval on January 26, 2010
College Promenade	Pending Council approval on January 26, 2010
Corso Italia	Council adopted November 30, 2009
Crossroads of the Danforth	Pending Council approval on January 26, 2010
Danforth Mosaic (formerly Midtown Danforth)	Council adopted November 30, 2009
Danforth Village	Council adopted November 30, 2009
Dovercourt Village	AGM scheduled for January 20, 2010
Downtown Yonge	Pending Council approval on January 26, 2010
Dundas West	AGM scheduled for February 16, 2010
Eglinton Hill	Pending Council approval on January 26, 2010
Emery Village	Pending Council approval on January 26, 2010
Fairbank Village	Pending Council approval on January 26, 2010
Forest Hill Village	Pending Council approval on January 26, 2010
Gerrard India Bazaar	Council adopted November 30, 2009
Greektown on the Danforth	Council adopted November 30, 2009
Harbord Street	Included in this report
Hillcrest Village	Pending Council approval on January 26, 2010
Historic Queen East (formerly Old Queen Street)	Inactive
Junction Gardens	Council adopted November 30, 2009
Kennedy Road	Pending Council approval on January 26, 2010
Kensington Market	Newly created BIA. AGM not scheduled.
Korea Town	Council adopted November 30, 2009
Lakeshore Village	Pending Council approval on January 26, 2010
Liberty Village	Pending Council approval on January 26, 2010
Little Italy	AGM held Dec. 21, 2009. Budget not submitted.
Little Portugal (formerly Dundas-Ossington)	AGM scheduled for January 20, 2010
Long Branch	Pending Council approval on January 26, 2010
Mimico by the Lake	Pending Council approval on January 26, 2010
Mimico Village	Council adopted November 30, 2009

Mirvish Village	Pending Council approval on January 26, 2010
Mount Dennis	Included in this report
Mount Pleasant	Pending Council approval on January 26, 2010
Oakwood Village	Included in this report
Pape Village	Council adopted November 30, 2009
Parkdale Village	Pending Council approval on January 26, 2010
Queen Street West	Included in this report
Regal Heights Village (formerly St. Clair Avenue West)	Pending Council approval on January 26, 2010
Riverside District	Pending Council approval on January 26, 2010
Roncesvalles Village	Pending Council approval on January 26, 2010
Rosedale Main Street	Pending Council approval on January 26, 2010
St. Clair Gardens	Pending Council approval on January 26, 2010
St. Lawrence Market Neighbourhood	Council adopted November 30, 2009
Sheppard East Village	Pending Council approval on January 26, 2010
The Beach	Council adopted November 30, 2009
The Danforth	Pending Council approval on January 26, 2010
The Eglinton Way	Pending Council approval on January 26, 2010
The Kingsway	Pending Council approval on January 26, 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)	Pending Council approval on January 26, 2010
Upper Village	Included in this report
Uptown Yonge	Pending Council approval on January 26, 2010
Village of Islington	Council adopted November 30, 2009
West Queen West	Pending Council approval on January 26, 2010
Weston Village	Pending Council approval on January 26, 2010
Wexford Heights	Pending Council approval on January 26, 2010
Wychwood Heights	AGM scheduled for January 27, 2010
Yonge-Lawrence Village	Council adopted November 30, 2009
York-Eglinton	Pending Council approval on January 26, 2010