TORONTO

STAFF REPORT
ACTION REQUIRED

Business Improvement Areas (BIAs) – 2012 Operating Budgets - Report No. 1

Date:	October 26, 2011
To:	Economic Development Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	14, 17, 18, 19, 20, 30, 32
Reference Number:	P:\2011\Internal Services\FP\ed11020fp (AFS#14255)

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 October 12, 2011 have been reviewed and are reported herein; BIA Operating Budgets received after this date will be brought forward in later reports. Of the 72 established BIAs, 7 BIA budgets are submitted for approval in this report.

The recommendations reflect 2012 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 2012 recommended expenditures and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2012 Expenditure Estimates ($)	2012 Levy Funds Required ($)
Bloor Annex	124,256	117,303
Bloorcourt Village	288,913	140,899
Corso Italia	306,532	249,059
Gerrard India Bazaar	295,675	218,037
Korea Town	117,913	61,612
Liberty Village	288,686	259,429
Parkdale Village	419,588	245,476

FINANCIAL IMPACT

No City funding is required since financing of Business Improvement Area budgets is raised by a special levy on members which totals $1,291,815 in this report.

All of the 2012 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 2012 Operating Budget. The BIA budgets have provisions for required capital cost-sharing contributions for those projects approved in 2011 or prior and carried forward into 2012, as well as new capital cost-share projects submitted for consideration in the 2012 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 2012 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Bloor Annex	September 13, 2011	October 11, 2011

Bloorcourt Village	August 24, 2011	October 5, 2011
Corso Italia	August 8, 2011	September 27, 2011
Gerrard India Bazaar	September 12, 2011	October 3, 2011
Korea Town	October 5, 2011	October 5, 2011
Liberty Village	August 18, 2011	September 27, 2011
Parkdale Village	September 12, 2011	October 11, 2011

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 2012 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 1, 2011 identified either a provision surplus or provision deficit. Since the appeal provisions are held by the City, any 2011 appeal provision surpluses will be returned to the respective BIAs in 2012, and any appeal provision deficits must be funded through the respective BIA's 2012 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 2012 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 2012 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 2011 or prior and carried forward into 2012, and new capital projects submitted for consideration in the 2012 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 2012 Operating Budget.

COMMENTS

The ***Bloor Annex BIA*** 2012 Operating Budget was approved at meetings of the BIA's Board of Management on September 13, 2011 and its general membership on October 11, 2011. The BIA proposes a balanced budget of capital and operating expenditures totalling $124,256 that is 8.9% higher than in 2011, which will be funded by revenues from a 6.0% increase in the levy requirement to $117,303, and the appeal provision surplus of $6,953 that the City is returning to the BIA. The incremental levy requirement will fund higher BIA administration expenses, and increased capital maintenance spending to purchase winter plants for the concrete tree planters. The budgets for advertising and promotion remain the same as in 2011. Streetscape improvement capital cost-shared projects to be undertaken in 2012 include banner hardware, tree planter upgrades and new decorative lighting. It is recommended that the Bloor Annex BIA's 2012 budget of gross expenditures totalling $124,256 and a BIA levy of $117,303 be approved.

The ***Bloorcourt Village BIA*** 2012 Operating Budget was approved at meetings of the BIA's Board of Management on August 24, 2011 and its general membership on October 5, 2011. The proposed budget reflects the BIA's 2012 priorities to implement the streetscape recommendations. The balanced budget with expenditures of $288,913 will be funded by revenues from a BIA levy of $140,899; the appeal provision surplus of $10,364 that the City is returning to the BIA; an anticipated grant of $5,000 from the City's Mural Program for a mural project; $1,500 of festival revenue and $150 of interest income. The proposed budget provides funding for advertising, marketing and promotional events such as the Bloorcourt Arts and Crafts Street Fair; capital maintenance; consulting and professional fees for the design of streetscape improvements; and general BIA administration. The streetscape improvement capital cost-shared project to be carried out in conjunction with the City's sidewalk reconstruction project is partly funded by $131,000 of funds already accumulated for this purpose. An operating surplus of $31,168 is forecasted in 2011 resulting from the delayed hiring of the BIA administrator and lower than anticipated capital maintenance

expense. It is recommended that the Bloorcourt Village BIA's 2012 budget of expenditures totalling $288,913 and a BIA levy of $140,899 be approved.

The ***Corso Italia BIA*** 2012 Operating Budget was approved at meetings of the BIA's Board of Management on August 8, 2011 and its general membership on September 27, 2011. As many capital projects and streetscape improvements have been completed within the Corso Italia BIA over the last few years, the focus of the BIA Board of Management has shifted to the promotion and marketing of the representative merchants and businesses of the Corso Italia BIA. The 2012 proposed budget of $306,532 in expenditures reflects the BIA's priorities. Budget allocations include $47,390 for general BIA administration; $10,000 for new banners; $57,000 for capital maintenance and graffiti removal; and $169,500 for increased marketing, advertising and to create a series of seasonal promotional events and festivals. The BIA proposes to maintain the same levy as in 2011, and use $25,000 of accumulated funds and the appeal provision surplus of $20,473 that the City is returning to the BIA in 2012, as well as $12,000 of expected GST recoveries. A projected operating surplus of $12,553 is forecasted for 2011, resulting from lower than anticipated spending for advertising. It is recommended that the Corso Italia BIA's 2012 budget of expenditures totalling $306,532 and a BIA levy of $249,059 be approved.

City Council on September 21-22, 2011 approved the expansion of the ***Gerrard India Bazaar BIA*** boundaries. The 2012 Operating Budget of the expanded Gerrard India Bazaar BIA was approved at meetings of the BIA's Board of Management on September 12, 2011 and its general membership on October 3, 2011. The 2012 priorities of the newly-expanded BIA will be street maintenance, the Festival of South Asia, and the establishment of a capital reserve fund for future lighting projects. The expanded BIA requires a larger operating budget for 2012 of $295,675 in gross expenditures that will be funded by a BIA levy requirement of $218,037, anticipated festival sponsorship revenue of $66,000, interest income of $100 and the appeal provision surplus of $11,538 that the City is returning to the BIA. The proposed budget provides for marketing and advertising, numerous promotional events/festivals including the BIA's signature event, Festival of South Asia; a capital cost-shared project for custom street signs; ongoing capital maintenance; street maintenance and graffiti removal; and general BIA administration. An initial allocation of $20,000 in funds raised from the 2012 BIA levy will be set aside and earmarked for future capital cost-shared lighting projects. It is recommended that the Gerrard India Bazaar BIA's 2012 budget of expenditures totalling $295,675 and a BIA levy of $218,037 be approved.

The ***Korea Town BIA*** 2012 Operating Budget was approved at meetings of the BIA's Board of Management and its general membership both held on October 5, 2011. The proposed budget supports the BIA's 2012 priorities of improving the streetscape and promoting the area's businesses through the Korean Dano Spring Festival. The budget of expenditures totalling $117,913 includes $24,514 for general BIA administration; $36,998 for capital maintenance, flowers and floral care for the street planters; $50,000 for the annual Korean Dano Spring Festival event; and $800 for marketing. In addition to a levy requirement of $61,612, the BIA expects $50,000 in sponsorships of the Spring

Festival, the appeal provision surplus of $6,151 that the City is returning, and other revenues of $150 to provide a balanced budget. It is recommended that the Korea Town BIA's 2012 budget of expenditures totalling $117,913 and a BIA levy of $61,612 be approved.

The ***Liberty Village BIA*** 2012 Operating Budget was approved at meetings of the BIA's Board of Management on August 18, 2011 and its general membership on September 27, 2011. With the Gateway Project, a capital cost-shared project with the City, completed in 2011, the Liberty Village BIA will focus on general area promotion and ongoing maintenance in 2012. The balanced budget of $288,686 in proposed expenditures will be funded by revenues derived from a levy requirement of $259,429, expected festival revenue of $20,000 and interest income of $2,500. In addition, the BIA will utilize its remaining accumulated funds of $6,757. Budget expenditures include $149,400 for general BIA administration; $35,000 to complete streetscape improvements carried forward from 2011; $19,000 for capital maintenance; and $47,700 for marketing, advertising and promotional activities, including the expanded annual Give Me Liberty event. The BIA's appeal provision deficit of $14,002 will be funded from the 2012 levy. It is recommended that the Liberty Village BIA's 2012 budget of expenditures totalling $288,686 and a BIA levy of $259,429 be approved.

The ***Parkdale Village BIA*** 2012 Operating Budget was approved at meetings of the BIA's Board of Management on September 12, 2011 and its general membership on October 11, 2011. The proposed budget reflects the BIA's priorities to complete the next phase of the pedestrian scale lighting project and continue to develop its existing special events and festivals to attract more patrons to the area. The balanced budget of expenditures and revenues of $419,588 will require a 2012 BIA levy of $245,476 which is 5.2% less than in 2011 due in part to a larger appeal provision surplus of $16,512 being returned to the BIA from the City than that in the previous year. In addition to the levy, the BIA expects to receive a grant of $5,000 from the City's Mural Program for a mural project, and $1,500 in interest income. The capital cost-shared project for pedestrian lights – Phase 2 will be funded by $151,100 of BIA funds already accumulated for this purpose. Budget expenditures include $89,672 for general BIA administration; $74,200 for capital maintenance and graffiti removal; $62,300 for advertising, marketing and promotion; $156,100 in capital expenditures and reserving $15,000 of the 2012 levies for future capital projects. With the postponement of the pedestrian lights capital project to 2012 and some proposed marketing activities not implemented in 2011, a projected

operating surplus of $28,633 is forecasted at 2011 year-end. It is recommended that the Parkdale Village BIA's 2012 budget of expenditures totalling $419,588 and a BIA levy of $245,476 be approved.

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SIGNATURE

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Cam Weldon
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ATTACHMENTS

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

APPENDIX A

Bloor Annex BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	110,692	110,692	117,303
- Other Revenue	300	1,554	0
- Appeal Provision Surplus	3,147	3,147	6,953
Total Revenues	114,139	115,393	124,256
Expenditures:			
- Administration	24,575	24,857	28,075
- Capital	36,000	36,000	36,000
- Maintenance	15,714	15,764	21,730
- Promotion & Advertising	27,787	27,787	27,787
- 10% Provision for Assessment Appeal Reductions and Write-offs	10,063	10,063	10,664
Total Expenditures	114,139	114,471	124,256
Surplus/(Deficit)	0	922	0

Bloorcourt Village BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	140,076	140,076	140,899
- Other Revenue	11,750	6,421	6,650
- Appeal Provision Surplus	5,868	5,868	10,364
- Contribution from Accumulated Surplus	0	0	131,000
Total Revenues	157,694	152,365	288,913
Expenditures:			
- Administration	31,460	23,523	29,604
- Capital	10,000	5,100	190,000
- Maintenance	72,000	52,362	20,000
- Promotion & Advertising	31,500	27,478	36,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	12,734	12,734	12,809
Total Expenditures	157,694	121,197	288,913
Surplus/(Deficit)	0	31,168	0

Corso Italia BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	248,856	248,856	249,059
- Other Revenue	12,000	12,000	12,000
- Appeal Provision Surplus	23,692	23,692	20,473
- Contribution from Accumulated Surplus	38,000	0	25,000
Total Revenues	322,548	284,548	306,532
Expenditures:			
- Administration	43,650	65,929	47,390
- Capital	43,000	10,000	10,000
- Maintenance	58,975	55,500	57,000
- Promotion & Advertising	154,300	117,943	169,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	22,623	22,623	22,642
Total Expenditures	322,548	271,995	306,532
Surplus/(Deficit)	0	12,553	0

Gerrard India Bazaar BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	137,338	137,338	218,037
- Other Revenue	74,300	90,252	66,100
- Appeal Provision Surplus	10,122	10,122	11,538
Total Revenues	221,760	237,712	295,675
Expenditures:			
- Administration	62,275	65,348	71,853
- Capital	6,000	0	22,000
- Maintenance	6,000	3,562	23,500
- Promotion & Advertising	135,000	146,485	158,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	12,485	12,485	19,822
Total Expenditures	221,760	227,880	295,675
Surplus/(Deficit)	0	9,832	0

Korea Town BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	65,964	65,964	61,612
- Other Revenue	52,100	58,192	50,150
- Appeal Provision Surplus	3,236	3,236	6,151
Total Revenues	121,300	127,392	117,913
Expenditures:			
- Administration	24,449	23,884	24,514
- Capital	0	0	0
- Maintenance	39,504	39,504	36,998
- Promotion & Advertising	51,350	57,392	50,800
- 10% Provision for Assessment Appeal Reductions and Write-offs	5,997	5,997	5,601
Total Expenditures	121,300	126,777	117,913
Surplus/(Deficit)	0	615	0

Liberty Village BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	254,857	254,857	259,429
- Other Revenue	16,000	68,250	22,500
- Contribution from Accumulated Surplus	118,838	193,728	6,757
Total Revenues	389,695	516,835	288,686
Expenditures:			
- Administration	152,818	137,258	149,400
- Capital	138,000	280,000	35,000
- Maintenance	28,000	17,000	19,000
- Promotion & Advertising	31,500	43,200	47,700
- Appeal Provision Deficit	16,208	16,208	14,002
- 10% Provision for Assessment Appeal Reductions and Write-offs	23,169	23,169	23,584
Total Expenditures	389,695	516,835	288,686
Surplus/(Deficit)	0	0	0

Parkdale Village BIA 2012 Budget Summary			
	2011 Approved Budget	2011 Projected Actual	2012 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	258,966	258,966	245,476
- Other Revenue	7,743	9,800	6,500
- Appeal Provision Surplus	720	720	16,512
- Contribution from Accumulated Surplus	175,806	0	151,100
Total Revenues	443,236	269,486	419,588
Expenditures:			
- Administration	87,387	87,841	89,672
- Capital	197,806	4,870	171,100
- Maintenance	72,200	65,800	74,200
- Promotion & Advertising	62,300	58,800	62,300
- 10% Provision for Assessment Appeal Reductions and Write-offs	23,542	23,542	22,316
Total Expenditures	443,236	240,853	419,588
Surplus/(Deficit)	0	28,633	0

APPENDIX B

Status of Business Improvement Area Budget Submissions	
Business Improvement Area	**Stage in Budget Process**
Albion-Islington	
Baby Points Gates	
Bloor Annex	Included in this report
Bloor by the Park	
Bloorcourt Village	Included in this report
Bloordale Village	
Bloor Street	
Bloor West Village	
Bloor-Yorkville	
Cabbagetown	
Chinatown	
Church-Wellesley Village	
College Promenade	
Corso Italia	Included in this report
Crossroads of the Danforth	
Danforth Mosaic	
Danforth Village	
Dovercourt Village	
Downtown Yonge	
Dundas West	
Eglinton Hill	
Emery Village	
Fairbank Village	
Financial District	
Forest Hill Village	
Gerrard India Bazaar	Included in this report
Greektown on the Danforth	
Harbord Street	
Hillcrest Village	
Historic Queen East	
Junction Gardens	
Kennedy Road	
Kensington Market	
Korea Town	Included in this report
Lakeshore Village	
Liberty Village	Included in this report
Little Italy	
Little Portugal	
Long Branch	
Mimico by the Lake	

Mimico Village	
Mirvish Village	
Mount Dennis	
Mount Pleasant	
Oakwood Village	
Pape Village	
Parkdale Village	Included in this report
Queen Street West	
Regal Heights Village	
Riverside District	
Roncesvalles Village	
Rosedale Main Street	
St. Clair Gardens	
St. Lawrence Market Neighbourhood	
Sheppard East Village	
The Beach	
The Danforth	
The Dupont Strip	
The Eglinton Way	
The Kingsway	
The Waterfront	
Toronto Entertainment District	
Trinity Bellwoods	
Upper Village	
Uptown Yonge	
Village of Islington	
West Queen West	
Weston Village	
Wexford Heights	
Wychwood Heights	
Yonge-Lawrence Village	
York-Eglinton	