



**STAFF REPORT
ACTION REQUIRED**

Business Improvement Areas (BIAs) – 2013 Operating Budgets - Report No. 1

Date:	October 24, 2012
To:	Economic Development Committee
From:	Acting Deputy City Manager and Chief Financial Officer
Wards:	5, 15, 17, 30, 32
Reference Number:	P:\2012\Internal Services\Fp\Ed12027Fp (AFS #16593)

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 1, 2012 have been reviewed and are reported here; BIA Operating Budgets received after this date will be brought forward in later reports. Of the 73 established BIAs, 3 BIA budgets are submitted for approval in this report.

The recommendations reflect 2013 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 Acting Deputy City Manager and Chief Financial Officer recommends that:

1. The Economic Development Committee adopt and certify to City Council the 2013 recommended expenditures and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2013 Expenditure Estimates (\$)	2013 Levy Funds Required (\$)
Fairbank Village	229,515	221,112
Gerrard India Bazaar	305,344	223,601
The Queensway BIA	117,596	99,596

Financial Impact

No City funding is required since financing of Business Improvement Area operating budgets is raised by a special levy on members which totals \$544,309 in this report.

All of the 2013 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 2013 Operating Budget. The BIA budgets have provisions for required capital cost-sharing contributions for those projects approved in 2012 or prior, and carried forward into 2013, as well as new capital cost-share projects submitted for consideration in the 2013 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
Fairbank Village	July 30, 2012	September 12, 2012
Gerrard India Bazaar	August 7, 2012	September 24, 2012
The Queensway	September 10, 2012	September 10, 2012

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 2013 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 July 31, 2012 identified either a provision surplus or provision deficit. Since the appeal provisions are held by the City, any 2012 appeal provision surpluses will be returned to the respective BIAs in 2013, and any appeal provision deficits must be funded through the respective BIA’s 2013 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 2013 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 2013 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 2012 or prior, and carried forward into 2013, and new capital projects submitted for consideration in the 2013 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 2013 Operating Budget.

COMMENTS

The *Fairbank Village BIA* 2013 Operating Budget was approved at meetings of the BIA's Board of Management on July 30, 2012 and its general membership on September 12, 2012. The 2013 priority is to make the area more attractive to potential tenants and customers that will support the local businesses. This will be achieved through seasonal promotions, advertising, and beautification and streetscaping. The BIA is also reserving capital funds for expected future capital projects that are to be determined in 2014 or after. Proposed expenditures of \$229,515 will provide for general administration, maintenance including floral purchases and maintenance, advertising and marketing, a summer festival, and \$50,000 reserved for future capital projects. To fund these initiatives, the BIA has budgeted for a 34% increase in the BIA levy requirement to \$221,112, and will be using appeal provision surplus funds (from accumulated surplus) of \$8,403 expected to be returned from the City to the BIA. It is recommended that the Fairbank Village BIA's 2013 Budget of expenditures totalling \$229,515 and a BIA levy of \$221,112 be approved.

The *Gerrard India Bazaar BIA* 2013 Operating Budget was approved at meetings of the BIA's Board of Management on August 7, 2012 and its general membership on September 24, 2012. The 2013 priority of this BIA is to enhance the beauty and landscape of the BIA. As the BIA was expanded by about 4 blocks in 2012, the BIA will be providing clamp-on decorative lights in the expanded areas so that the entire BIA will have decorative lighting. The BIA will also be adding floral planters along the sidewalks. The balanced budget with expenditures of \$305,344 will be funded from revenues from a BIA levy of \$223,601, anticipated festival sponsorship revenues of \$70,000, interest income of \$200, and the appeal provision surplus (from accumulated surplus) of \$11,543 that the City is returning to the BIA. The BIA has budgeted for capital cost-shared projects; the execution phase of the clamp-on lights, and floral planters. The proposed budget also provides for general administration, general marketing and advertising, and numerous promotional events/festivals including the BIA's signature event, the Festival of South Asia, and maintenance of floral planters. It is recommended that the Gerrard India Bazaar BIA's 2013 Budget of expenditures totalling \$305,344 and a BIA levy of \$223,601 be approved.

City Council on July 11, 2012 approved the formation of the *Queensway BIA*. The Steering Committee approved the Operating Budget on August 14, 2012 and did not have an approved BIA Board of Management until September 10, 2012. Consequently, the BIA's 2013 Operating Budget was approved at meetings of the BIA's Board of

Management as well as its general membership on September 10, 2012. The focus of the 2013 Budget will be to promote the area to make it more attractive to merchants and members to support the local business community. Expenditures of \$117,596 will provide for capital cost-share projects for the initial set-up of banners and street signs, as well as general administration, maintenance work, and \$52,300 in promotion and advertising activities including the Queensway Fall Festival. These expenditures are expected to be funded primarily from levies of \$99,596, as well as \$8,000 from anticipated City grants and \$10,000 from anticipated donations. It is recommended that the Queensway BIA's 2013 Budget of expenditures totalling \$117,596 and a BIA levy of \$99,596 be approved.

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SIGNATURE

Giuliana Carbone
Acting Deputy City Manager and Chief Financial Officer

ATTACHMENTS

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

APPENDIX A

Fairbank Village BIA 2013 Budget Summary			
	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	165,586	165,586	221,112
- Other Revenue	0	1,500	0
- Contribution from Accumulated Surplus	0	6,638	0
- Appeal Provision Surplus (from Accum. Surplus)	1,548	1,548	8,403
Total Revenues	167,134	175,272	229,515
Expenditures:			
- Administration	34,841	38,613	41,869
- Capital	0	13,000	50,000
- Maintenance	25,350	18,346	26,618
- Promotion & Advertising	91,890	90,260	90,927
- 10% Provision for Assessment Appeal Reductions and Write-offs	15,053	15,053	20,101
Total Expenditures	167,134	175,272	229,515
Surplus/(Deficit)	0	0	0

Gerrard India Bazaar BIA 2013 Budget Summary			
	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	218,037	218,037	223,601
- Other Revenue	66,100	73,200	70,200
- Appeal Provision Surplus (from Accum. Surplus)	11,538	11,538	11,543
Total Revenues	295,675	302,775	305,344
Expenditures:			
- Administration	71,853	72,194	71,517
- Capital	22,000	13,437	38,000
- Maintenance	23,500	21,582	32,000
- Promotion & Advertising	158,500	142,601	143,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	19,822	19,822	20,327
Total Expenditures	295,675	269,636	305,344
Surplus/(Deficit)	0	0	0

The Queensway BIA 2013 Budget Summary

	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)			99,596
- Other Revenue			18,000
Total Revenues			117,596
Expenditures:			
- Administration			7,192
- Capital			41,050
- Maintenance			8,000
- Promotion & Advertising			52,300
- 10% Provision for Assessment Appeal Reductions and Write-offs			9,054
Total Expenditures			117,596
Surplus/(Deficit)			0

APPENDIX B

Status of Business Improvement Area Budget Submissions	
Business Improvement Area	Stage in Budget Process
Albion-Islington	
Baby Points Gates	
Bloor Annex	
Bloor by the Park	
Bloorcourt Village	
Bloordale Village	
Bloor Street	
Bloor West Village	
Bloor-Yorkville	
Cabbagetown	
Chinatown	
Church-Wellesley Village	
College Promenade	
Corso Italia	
Crossroads of the Danforth	
Danforth Mosaic	
Danforth Village	
Dovercourt Village	
Downtown Yonge	
Dundas West	
Eglinton Hill	
Emery Village	
Fairbank Village	Included in this report
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	
Lakeshore Village	
Liberty Village	
Little Italy	
Little Portugal	
Long Branch	
Mimico by the Lake	

Mimico Village	
Mirvish Village	
Mount Dennis	
Mount Pleasant	
Oakwood Village	
Pape Village	
Parkdale Village	
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 Queensway	Included in this report
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	