



**STAFF REPORT  
ACTION REQUIRED**

**Business Improvement Areas (BIAs) – 2013 Operating Budgets - Report No. 3**

<b>Date:</b>	February 19, 2013
<b>To:</b>	Economic Development Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	11, 17, 35
<b>Reference Number:</b>	P:\2013\Internal Services\Fp\Ed13007Fp

**SUMMARY**

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This report brings forward Business Improvement Area (BIA) annual operating budgets for approval by City Council as required by the *City of Toronto Act, 2006*. City 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 February 13, 2013 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 were approved by City Council on November 27-29, 2012 in Report No. 1; 64 BIA budgets are pending City Council approval on February 20-21, 2013 in Report No. 2 and a supplementary report; four 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 2013 Operating Budgets approved by the respective BIAs' Boards of Management and have been reviewed by City staff to ensure BIA budgets reflect City 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 2013 recommended expenditures and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2013 Expenditure Estimates (\$)	2013 Levy Funds Required (\$)
Corso Italia	505,271	183,395
Crossroads of the Danforth	114,225	100,137
Regal Heights	135,778	72,819
Weston Village	148,800	110,625

### 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 \$466,976 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. BIAs that have capital cost-share projects submitted for consideration in the 2013 Capital Budget for Economic Development and Culture (including new projects and projects approved in 2012 or prior, and carried forward into 2013) are required to provide necessary capital cost-sharing contributions for these projects in their 2013 budget.

### 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 City Council. General membership and Board of Management meetings at which the BIA 2013 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Corso Italia	January 7, 2013	February 11, 2013
Crossroads of the Danforth	November 1, 2012	February 11, 2013
Regal Heights	October 17, 2012	February 12, 2013
Weston Village	January 9, 2013	February 7, 2013

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, accumulated surplus, or other funding source. 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.

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, will only be eligible if it has in place its 50 percent share of the project funding. This share may be funded from the BIA's prior years' accumulated surplus (including cash in-hand reserved for specific capital cost-share projects) and/or from a BIA levy.

On October 30, 2012, City Council adopted a report entitled "Providing new BIA Streetscape Funding Opportunities" (EX23.12) approving amendments to the BIA Capital Cost-Sharing Program Guidelines. The intention of the amendments was to provide a new financing opportunity to respond to increasing demand for City funding. The recommended adjustments include the introduction of a "financing option" for BIAs undertaking larger streetscape projects whereby the City contributes a lower share of funding (35% instead of 50%) but provides financing for the BIAs' portion of costs.

Although BIAs who utilize the new financing option will pay for a higher portion of project costs, they will be able to complete streetscape improvements in one phase instead of piecemeal, minimize business disruption, and realize cost savings through larger contract tendering. BIAs who utilize the financing options will repay by way of City deduction from the annual BIA levy. These BIAs will be required to include an amount sufficient to cover the repayment obligations, including interest, in its annual budget. In Report No. 2, one BIA operating budget includes a capital project financed through this program.

## **COMMENTS**

The *Corso Italia BIA* 2013 Operating Budget was approved at meetings of the BIA's Board of Management on January 7, 2013 and its general membership on February 11, 2013. The BIA's primary focus in 2013 will be on two large festivals, one in the summer and one in the fall, as well as a new initiative to send newsletters to stakeholders on a regular basis; these will contribute to increased promotion and advertising expenditures of \$336,582. While the BIA had previously budgeted for an administrator's wage compensation under the promotion and advertising category in the 2012 budget, it is now budgeting for this item in the administration category in the 2013 budget, and this in part contributes to an increased administration allocation of \$68,027. The BIA has also budgeted \$16,140 for a non-cost-shared banner replacement project, and \$67,850 for maintenance. To fund these expenditures, the BIA proposes a levy of \$183,395, a decrease of 26.4% from 2012, and will use \$200,000 in accumulated surplus funds. The

BIA also anticipates \$100,000 in sponsorships for its two large festivals, and \$21,876 in appeal provision surplus funds to be returned from the City to the BIA. It is recommended that the Corso Italia BIA's 2013 Budget of expenditures totaling \$505,271 and a BIA levy of \$183,395 be approved.

The ***Crossroads of the Danforth BIA*** 2013 Operating Budget was approved at meetings of the BIA's Board of Management on November 1, 2012 and its general membership on February 11, 2013. The BIA's primary focus in 2013 is to expand and increase the number of promotional events with the help of a new event coordinator, as reflected in increased promotion and advertising allocations of \$43,160, an increase of 74.0% from 2012. Although the BIA has no capital projects planned for 2013, it has allocated \$25,066 for general repair and maintenance of current assets, including the purchase and maintenance of flowers, and has also allocated \$36,896 for general administration. To fund these expenditures, the BIA proposes a 12.7% increase of its BIA levy to \$100,137, and will also use \$5,687 in appeal provision surplus funds expected to be returned from the City to the BIA. With the growth of its promotional events, the BIA is also expecting to receive increased sponsorships and festival revenues of \$8,401. It is recommended that the Crossroads of the Danforth BIA's 2013 Budget of expenditures totalling \$114,225 and a BIA levy of \$100,137 be approved.

The ***Regal Heights BIA*** 2013 Operating Budget was approved at meetings of the BIA's Board of Management on October 17, 2012 and its general membership on February 12, 2013. In 2013, the BIA plans to implement a marketing plan and hire an administrator, possibly jointly with Wychwood Heights BIA and Hillcrest BIA; this is reflected in the BIA's administration budget allocation of \$19,158. The BIA will also increase marketing activities and promotional events in 2013, as reflected in the increased promotion and advertising budget allocation of \$54,000. The BIA has also allocated \$32,000 to capital projects, \$30,000 of which will be used towards a cost-shared capital project to install year-round lighting, while ongoing capital maintenance is expected to cost \$24,000, slightly higher than the 2012 level. Funding for these activities will mostly come from a BIA levy of \$72,819, similar to 2012, and a draw on accumulated surplus funds of \$58,301. The BIA is also expecting \$4,658 in appeal provision surplus funds to be returned from the City to the BIA. It is recommended that the Regal Heights BIA's 2013 Budget of expenditures totaling \$135,778 and a BIA levy of \$72,819 be approved.

The ***Weston Village BIA*** 2013 Operating Budget was approved at meetings of the BIA's Board of Management on January 9, 2012 and its general membership on February 7, 2013. The BIA has proposed a 2013 budget that is similar to 2012, with \$73,693 allocated for general administration, \$37,250 allocated for promotion and advertising including the large annual Santa Claus Parade and the Best of Weston festival, \$24,300 allocated for maintenance including floral purchases, and \$3,500 allocated for a non-cost-shared banner replacement project. To fund expenditures, the BIA proposes a 2.7% increase to its levy to \$110,625 and use appeal provision surplus funds of \$2,175. This BIA also organizes an annual farmer's market that operates from May to October. The BIA expects that revenues from this event will total \$26,000 in 2013, slightly higher than in 2012. The BIA also expects to receive sponsorships of \$10,000 for the Santa Claus

Parade, bringing total event-related revenues to \$36,000. It is recommended that the Weston Village BIA's 2013 Budget of expenditures totalling \$148,800 and a BIA levy of \$110,625 be approved.

## **CONTACT**

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## **SIGNATURE**

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Deputy City Manager and Chief Financial Officer

## **ATTACHMENTS**

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

## APPENDIX A

Note: Starting with 2012 Projected Actual and 2013 Budget Request, *AGM expenses* are included in the *Administration* expenditure category. For the 2012 Approved Budget and prior years' reporting, AGM costs were included in the *Promotion & Advertising* expenditure category.

Corso Italia BIA 2013 Budget Summary			
	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
<b>Revenue:</b>			
- Levy Funds Required (incl. 10% provision)	249,059	249,060	183,395
- Other Revenue	12,000	5,000	100,000
- Appeal Provision Surplus	20,473	20,473	21,876
- Contribution from Accumulated Surplus	25,000	0	200,000
<b>Total Revenues</b>	<b>306,532</b>	<b>274,533</b>	<b>505,271</b>
<b>Expenditures:</b>			
- Administration	47,390	63,834	68,027
- Capital	10,000	8,000	16,140
- Maintenance	57,000	59,000	67,850
- Promotion & Advertising	169,500	76,400	336,582
- 10% Provision for Assessment Appeal Reductions	22,642	22,642	16,672
<b>Total Expenditures</b>	<b>306,532</b>	<b>229,876</b>	<b>505,271</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>44,657</b>	<b>0</b>

Crossroads of the Danforth BIA 2013 Budget Summary			
	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
<b>Revenue:</b>			
- Levy Funds Required (incl. 10% provision)	88,823	88,823	100,137
- Other Revenue	7,000	7,902	8,401
- Appeal Provision Surplus	5,501	5,501	5,687
<b>Total Revenues</b>	<b>101,324</b>	<b>102,226</b>	<b>114,225</b>
<b>Expenditures:</b>			
- Administration	32,473	44,556	36,896
- Capital	13,395	16,870	0
- Maintenance	22,281	19,823	25,066
- Promotion & Advertising	25,100	29,833	43,160
- 10% Provision for Assessment Appeal Reductions	8,075	8,075	9,103
<b>Total Expenditures</b>	<b>101,324</b>	<b>119,157</b>	<b>114,225</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>(16,932)</b>	<b>0</b>

Regal Heights Village BIA 2013 Budget Summary			
	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	72,834	72,834	72,819
- Appeal Provision Surplus	3,387	3,387	4,658
- Contribution from Accumulated Surplus	3,000	15,185	58,301
Total Revenues	79,221	91,406	135,778
Expenditures:			
- Administration	18,500	23,914	19,158
- Capital	15,000	28,871	32,000
- Maintenance	26,000	19,000	24,000
- Promotion & Advertising	13,100	13,000	54,000
- 10% Provision for Assessment Appeal Reductions	6,621	6,621	6,620
Total Expenditures	79,221	91,406	135,778
Surplus/(Deficit)	0	0	0

Weston Village BIA 2013 Budget Summary			
	2012 Approved Budget	2012 Projected Actual	2013 Budget Request (\$)
Revenue:			
- Levy Funds Required (incl. 10% provision)	107,733	107,733	110,625
- Other Revenue	32,000	35,000	36,000
- Appeal Provision Surplus	9,394	9,394	2,175
- Contribution from Accumulated Surplus	0	0	0
Total Revenues	149,127	152,127	148,800
Expenditures:			
- Administration	64,683	50,785	73,693
- Capital	8,900	6,575	3,500
- Maintenance	28,500	21,480	24,300
- Promotion & Advertising	37,250	33,660	37,250
- 10% Provision for Assessment Appeal Reductions	9,794	9,794	10,057
Total Expenditures	149,127	122,294	148,800
Surplus/(Deficit)	0	29,833	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	Pending Council approval on February 20-21, 2013
Baby Points Gates	Pending Council approval on February 20-21, 2013
Bloor Annex	Pending Council approval on February 20-21, 2013
Bloor by the Park	Pending Council approval on February 20-21, 2013
Bloorcourt Village	Pending Council approval on February 20-21, 2013
Bloordale Village	Pending Council approval on February 20-21, 2013
Bloor Street	Pending Council approval on February 20-21, 2013
Bloor West Village	Pending Council approval on February 20-21, 2013
Bloor-Yorkville	Pending Council approval on February 20-21, 2013
Cabbagetown	Pending Council approval on February 20-21, 2013
Chinatown	Pending Council approval on February 20-21, 2013
Church-Wellesley Village	Pending Council approval on February 20-21, 2013
College Promenade	Pending Council approval on February 20-21, 2013
<b>Corso Italia</b>	<b>Included in this report</b>
<b>Crossroads of the Danforth</b>	<b>Included in this report</b>
Danforth Mosaic	Pending Council approval on February 20-21, 2013
Danforth Village	Pending Council approval on February 20-21, 2013
Dovercourt Village	Pending Council approval on February 20-21, 2013
Downtown Yonge	Pending Council approval on February 20-21, 2013
Dundas West	Pending Council approval on February 20-21, 2013
Eglinton Hill	Pending Council approval on February 20-21, 2013
Emery Village	Pending Council approval on February 20-21, 2013
Fairbank Village	Adopted by City Council on November 27-29, 2012
Financial District	Pending Council approval on February 20-21, 2013
Forest Hill Village	Pending Council approval on February 20-21, 2013
Gerrard India Bazaar	Adopted by City Council on November 27-29, 2012
Greektown on the Danforth	Pending Council approval on February 20-21, 2013
Harbord Street	Pending Council approval on February 20-21, 2013
Hillcrest Village	Pending Council approval on February 20-21, 2013
Historic Queen East	Inactive
Junction Gardens	Pending Council approval on February 20-21, 2013
Kennedy Road	Pending Council approval on February 20-21, 2013
Kensington Market	Pending Council approval on February 20-21, 2013
Korea Town	Pending Council approval on February 20-21, 2013
Lakeshore Village	Pending Council approval on February 20-21, 2013
Liberty Village	Pending Council approval on February 20-21, 2013
Little Italy	Pending Council approval on February 20-21, 2013
Little Portugal	Pending Council approval on February 20-21, 2013
Long Branch	Pending Council approval on February 20-21, 2013
Mimico by the Lake	Pending Council approval on February 20-21, 2013

Mimico Village	Pending Council approval on February 20-21, 2013
Mirvish Village	Pending Council approval on February 20-21, 2013
Mount Dennis	Pending Council approval on February 20-21, 2013
Mount Pleasant	Pending Council approval on February 20-21, 2013
Oakwood Village	Pending Council approval on February 20-21, 2013
Pape Village	Pending Council approval on February 20-21, 2013
Parkdale Village	Pending Council approval on February 20-21, 2013
Queen Street West	Pending Council approval on February 20-21, 2013
<b>Regal Heights Village</b>	<b>Included in this report</b>
Riverside District	Pending Council approval on February 20-21, 2013
Roncesvalles Village	Pending Council approval on February 20-21, 2013
Rosedale Main Street	Pending Council approval on February 20-21, 2013
Sheppard East Village	Pending Council approval on February 20-21, 2013
St. Clair Gardens	Pending Council approval on February 20-21, 2013
St. Lawrence Market Neighbourhood	Pending Council approval on February 20-21, 2013
The Beach	Pending Council approval on February 20-21, 2013
The Danforth	Pending Council approval on February 20-21, 2013
The Dupont Strip	Pending Council approval on February 20-21, 2013
The Eglinton Way	Pending Council approval on February 20-21, 2013
The Kingsway	Pending Council approval on February 20-21, 2013
The Queensway	Adopted by City Council on November 27-29, 2012
The Waterfront	Pending Council approval on February 20-21, 2013
Toronto Entertainment District	Pending Council approval on February 20-21, 2013
Trinity Bellwoods	Pending Council approval on February 20-21, 2013
Upper Village	Pending Council approval on February 20-21, 2013
Uptown Yonge	Pending Council approval on February 20-21, 2013
Village of Islington	Pending Council approval on February 20-21, 2013
<b>Weston Village</b>	<b>Included in this report</b>
West Queen West	Pending Council approval on February 20-21, 2013
Wexford Heights	Pending Council approval on February 20-21, 2013
Wychwood Heights	Pending Council approval on February 20-21, 2013
Yonge-Lawrence Village	Pending Council approval on February 20-21, 2013
York-Eglinton	AGM scheduled for March 18, 2013