



REPORT FOR ACTION

Business Improvement Areas (BIAs) – 2020 Operating Budgets - Report No. 1

Date: November 22, 2019

To: Economic and Community Development Committee

From: Chief Financial Officer and Treasurer

Wards: 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 19

SUMMARY

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 a special tax levy on the commercial and industrial properties within the respective BIA boundaries.

There are currently 83 established BIAs in the City of Toronto, of which 26 BIA 2020 Operating Budgets are submitted for City Council approval through this report.

The recommendation in this report reflects the board-adopted 2020 Operating Budgets by the respective BIAs' Boards of Management and General Membership. Complete budgets and supporting documentation have been reviewed by City staff to ensure that the 2020 Operating Budgets for BIAs reflect Council's approved policies and practices.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. The Economic and Community Development Committee adopt and certify to City Council the 2020 recommended Operating Budgets and Levy requirements of the following Business Improvement Areas:

Business Improvement Area	2020 Operating Budget (\$)	2020 Levy Funds Required (\$)
Bloor by the Park	110,985	107,085
Bloor West Village	435,793	412,293

Business Improvement Area	2020 Operating Budget (\$)	2020 Levy Funds Required (\$)
Broadview Danforth	418,415	315,562
Chinatown	656,197	459,162
Church-Wellesley Village	405,249	258,391
College West	32,472	22,384
Dupont by the Castle	179,456	137,842
Fairbank Village	386,228	299,786
Financial District	1,884,163	1,611,795
Forest Hill Village	445,552	196,931
Greektown on the Danforth	1,429,501	424,900
Kensington Market	211,127	168,338
Liberty Village	658,300	387,023
Little Italy	630,249	383,787
Mount Pleasant Village	257,980	227,438
Oakwood Village	60,842	29,058
Pape Village	121,703	99,933
Parkdale Village	281,234	250,536
Riverside District	319,104	200,239
Rogers Road	77,495	39,995
Roncesvalles Village	645,049	323,910
Rosedale Main Street	288,553	267,225
shoptheQueensway.com	408,917	159,501
The Beach	383,043	312,847
The Kingsway	540,091	345,740
West Queen West	379,292	353,848
Total	11,646,990	7,795,548

FINANCIAL IMPACT

No City funding is required since the financing of Business Improvement Area Operating Budgets is raised by a special levy on the commercial and industrial properties within the respective BIA boundaries. The 2020 Operating Budgets for the 26 BIAs totals \$11,646,990 which requires a special tax levy in the amount of \$7,795,548. All of the 2020 BIA Operating Budgets submitted for consideration are balanced budgets which are funded by levies, funds from the BIA's accumulated surplus, grants, donations, sponsorships, festival revenues, and other third party revenues. Detailed budgets of individual BIAs discussed in this report are set out in Appendix A.

The BIA Operating Budgets have provisions set aside for required capital cost-sharing contributions for those capital projects approved in 2019 or prior, and carried forward into 2020, as well as new capital cost-share projects submitted for consideration in the 2020-2029 Capital Budget and Plan for Economic Development and Culture, as part of the 2020 Budget process.

The dates at which the 2020 Operating Budgets were adopted by the respective BIAs' Boards of Management and General Membership are provided in Appendix B.

DECISION HISTORY

The approval by City Council of the 2019 Operating Budgets for 83 BIAs took place in three phases as follows:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC1.2>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC2.8>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC3.11>

COMMENTS

The Business Improvement Area (BIA) is a self-help program to allow local businesses and property owners to join together to organize, finance and deliver capital streetscape improvements, and to promote economic development in a district. Each BIA is governed by a board of management that serves its local membership, known as the general membership in this report, and follows the policies set out in Chapter 19 of the Toronto Municipal Code and the City of Toronto Act, 2006. On an annual basis, the board of management holds an annual general meeting to report on the BIA's accomplishments, status of current projects, forecasted revenues and expenditures for the current year, the budget for the following year, as well as appointments of an auditor and membership elections.

Through the annual general meeting, the general membership approves the levy that is a key source of funding for the annual budgets. The levy is a special charge that is imposed on commercial and industrial rateable property in the business improvement area that is collected by the City through property taxes of the general membership and is disbursed to the BIA in three portions throughout the calendar year. A BIA may also

use funds previously set aside in their reserve, known as the accumulated surplus, to fund their annual operations to offset budget pressures, as well as third party funding such as grants, donations, sponsorships, and festival revenues.

The BIA Operating Budgets must be approved annually by City Council prior to collection of the special levy and spending of the budget. Below is the financial summary of the 2020 Operating Budget, by BIA, with supplementary information detailing net change from 2019 as set out in Appendix A.

The **Bloor by the Park BIA** has proposed a 2020 Operating Budget of \$110,985 with a levy of \$107,085. The proposed budget has decreased by 73% from prior year primarily due to the \$313,000 reduction in capital expenditures from completion of sidewalk restoration, new hanging baskets, decorative seasonal lighting, and banners (Appendix A, Table 1).

The **Bloor West Village BIA** has proposed a 2020 Operating Budget of \$435,793 with a levy of \$412,293. The proposed budget has decreased by 46% from prior year mainly due to completion of the capital project for pedestrian lighting with 100% reduction in the use of accumulated surplus and appeal provision surplus (Appendix A, Table 2).

The **Broadview Danforth BIA** has proposed a 2020 Operating Budget of \$418,415 with a levy of \$315,562. The proposed budget has increased by 8% from prior year with \$30,000 increase in the use of accumulated surplus and \$32,361 increase in the appeal provision surplus to partially offset its loss of revenue from cancelling Thrill of the Grill event for 2020 and fund operating costs (Appendix A, Table 3).

The **Chinatown BIA** has proposed a 2020 Operating Budget of \$656,197 with a levy of \$459,162. The proposed budget has increased by 7% from prior year mainly due to increased operational costs of the Toronto Chinatown Festival and Chinese New Year Celebration event. This is funded by \$38,300 increase in revenue from signature event and \$41,668 use of accumulated surplus reserve. Capital expenditures have decreased by \$52,000 due to completion of decorative lighting. Maintenance expenditure have increased by \$35,000 as new security cameras subsidy and new street cleaning programs are being proposed (Appendix A, Table 4).

The **Church-Wellesley Village BIA** has proposed a 2020 Operating Budget of \$405,249 with a levy of \$258,391. The proposed budget has increased by 34% from prior year as the BIA budgets \$60,800 for its capital projects of seasonal decorative lighting and undertaking a streetscape master plan for redesign and construction in 2021 and 2022. There is an additional \$22,701 increase in festivals and events expenditures due to return of VillageFest in the Park event, offset by increased event revenue, grants and sponsorships, as well as a 4% increase in the levy (Appendix A, Table 5).

The **College West BIA** has proposed a 2020 Operating Budget of \$32,472 with a levy of \$22,384. The proposed budget has increased by 18% from prior year, primarily due to an increase in capital costs to fund benches and murals, offset by 100% reduction in festival expenditures as the BIA has no plans to host an event (Appendix A, Table 6).

The **Dupont by the Castle BIA** has proposed a 2020 Operating Budget of \$179,456 with a levy of \$137,842. The proposed budget has decreased by 2% from prior year, primarily due to \$15,000 reduction in the use of accumulated surplus with 7% raise in levy. As well, the reduction of 73% in promotion expenditure and 50% reduction in festival expenditure offset the pressure of 67% increase in maintenance expenditures as a result of graffiti and snow removal activities (Appendix A, Table 7).

The **Fairbank Village BIA** has proposed a 2020 Operating Budget of \$386,228 with a levy of \$299,786. The proposed budget has increased by 17% from prior year as the BIA has increased its capital expenditures by 76% to account for the pedestrian poles and fencing projects (Appendix A, Table 8).

The **Financial District BIA** has proposed a 2020 Operating Budget of \$1,884,163 with a levy of \$1,611,795. The proposed budget has decreased by 3% from prior year mainly due to completion of capital expenditures for sidewalk improvement at Richmond Street West and Sheppard Street, reducing capital expenditures by \$114,996 (Appendix A, Table 9).

The **Forest Hill Village BIA** has proposed a 2020 Operating Budget of \$445,552 with a levy of \$196,931. The proposed budget has increased by 41% from prior year mainly due to increase of \$202,500 in capital project for implementation of bumpouts and street trees to the village as part of the final stages of the streetscape masterplan. This is offset by a withdrawal of \$230,500 from its accumulated surplus (Appendix A, Table 10).

The **Greektown on the Danforth BIA** has proposed a 2020 Operating Budget of \$1,429,501 with a levy of \$424,900. The proposed budget has increased by 24% from prior year for capital cost of \$400,000 to redesign of Alexander the Great Parkette, install lighting and a fountain. Capital cost is funded by the BIA's accumulated surplus and appeal provision surplus (Appendix A, Table 11).

The **Kensington Market BIA** has proposed a 2020 Operating Budget of \$211,127 with a levy of \$168,338. The proposed budget has increased by 18% from prior year primarily due to increase of \$33,141 in administration expenditure for hiring an extra consultant to expand their marketing presence, as well as increasing maintenance expenditure by \$2,600 for cleaning streets and maintaining holiday decorations. To fund these initiatives, the BIA will use \$6,628 from their appeal provision of surplus. Furthermore, the BIA will acquire \$25,000 grant towards Streetscape Master Plan Program (Appendix A, Table 12).

The **Liberty Village BIA** has proposed a 2020 Operating Budget of \$658,300 with a levy of \$387,023. The proposed budget has decreased by 67% from prior year primarily due to discontinuing of its subsidized Toronto Transit Commission (TTC) passes program to its BIA members as an incentive, reducing administration expenditures by \$1,395,965 to reflect lower revenue. Lower than expected number of sponsorship programs have resulted in 31% decrease in festival revenues. Maintenance expenditure increased by 93% to account for banner replacements, graffiti removal, planting and floral displays and streetscape improvements. The BIA continues to work on two parkette capital projects with an increase of \$50,000 in capital expenditures for potential cost overruns (Appendix A, Table 13).

The **Little Italy BIA** has proposed a 2020 Operating Budget of \$630,249 with a levy of \$383,787. The proposed budget has increased by 14% from prior year primarily due to \$60,000 increase in capital expenditure for implementing the College Street Walk of Fame project, creating streetscape master plan with consultants and installation of new mural, partially offset by \$25,000 increase from grants and \$10,894 increase in the use of appeal provision surplus. The \$47,700 increase in signature events revenue is due to increased sponsorship goals for all festival and events (Appendix A, Table 14).

The **Mount Pleasant Village BIA** has proposed a 2020 Operating Budget of \$257,980 with a levy of \$227,438. The proposed budget has increased by 12% from prior year primarily due to \$15,741 increase in maintenance expenditures for cost of weed removal, flowers, planters, decoration and security. The BIA has increased its capital expenditure by \$15,000 for the replacement of garbage bins as well as, an increase of \$3,800 in their promotion and advertising expenditure to promote events and new businesses, funded its accumulated surplus and other revenues (Appendix A, Table 15).

The **Oakwood Village BIA** has proposed a 2020 Operating Budget of \$60,842 with a levy of \$29,058. The proposed budget has decreased by 4% from prior year as the Cultural HotSport funding is no longer available in York for 2020 resulting in 100% decrease in other revenue. Levy increase of 121% or \$15,904 is required to fund its operations. Other changes include reduction in marketing projects by \$5,100 and lower spending of \$2,390 on festivals and events. Capital expenditures have increased by \$3,000 for planters and hanging baskets project (Appendix A, Table 16).

The **Pape Village BIA** has proposed a 2020 Operating Budget of \$121,703 with a levy of \$99,933. The proposed budget has increased by 9% from prior year mainly due to \$12,500 increase in capital expenditure for installation of pedestrian lighting and \$8,865 increase in maintenance expenditure for better street cleaning services. The BIA continues to enhancing its marketing strategy by increasing its expenditures by \$5,000 for rebranding, new banners, website revamping and better advertising, partially offset through the use of appeal provision surplus (Appendix A, Table 17).

The **Parkdale Village BIA** has proposed a 2020 Operating Budget of \$281,234 with a levy of \$250,536. The proposed budget has decreased by 16% from prior year primarily due to \$16,967 reduction in administration expenditure and \$37,500 reduction in festival and events as the BIA will be cancelling its Spring into Parkdale & Night Market Sidewalk Sale event to focus on ensuring the long term success of capital projects such as revitalizing the West Lodge Garden, the second phase of gateway signage and clean streets (Appendix A, Table 18).

The **Riverside District BIA** has proposed a 2020 Operating Budget of \$319,104 with a levy of \$200,239. The proposed budget has increased by 31% from prior year as the BIA has budgeted \$105,000 for its tree planting and murals capital projects, funded by a draw of \$78,000 from the BIA's accumulated surplus with an additional 2% increase in levy (Appendix A, Table 19).

The **Rogers Road BIA** has proposed its first 2020 Operating Budget of \$77,495 with a levy of \$39,995. The BIA was recently established on October 29 and 30, 2019 through City Council's adoption on consent of the report entitled "*Proposed Rogers Road Business Improvement Area EC8.11*". For 2020, the BIA has budgeted administrative expenditures of \$32,759 to retain part time staff and establish its office. The streetscape master plan will be developed, requiring a budget of \$27,500. This initiative is funded through \$12,500 streetscape master plan program grant and \$25,000 from capacity development grant (Appendix A, Table 20).

The **Roncesvalles Village BIA** has proposed a 2020 Operating Budget of \$645,049 with a levy of \$323,910. The proposed budget has decreased by 5% from prior year as the BIA changed its strategy from hiring freelancers for marketing to hiring full time staff resulting in \$30,000 reduction in promotion and advertising expenditures and an increase of \$25,511 in its administration expenditures. Capital expenditures have increased by \$34,750 to implement winter decorations, IT hardware replacement and a onetime purchase of hanging basket banners for streetscape improvement that is offset by \$35,844 reduction in Roncesvalles Polish Festival event expenditures (Appendix A, Table 21).

The **Rosedale Main Street BIA** has proposed a 2020 Operating Budget of \$288,553 with a levy of \$267,225. The proposed budget has increased by 2% from prior year due to \$9,054 increase in administration expenditure for new hires and an additional \$4,018 increase in maintenance expenditure for web hosting cost (Appendix A, Table 22).

The **shoptheQueensway.com BIA** has proposed a 2020 Operating Budget of \$408,917 with a levy of \$159,501. The proposed budget has increased by 112% from prior year primarily due to an increase of \$225,000 in capital cost to fund development of Streetscape Master Plan. To fund the BIA's capital cost, the BIA will withdraw \$212,500 from its accumulated surplus reserve (Appendix A, Table 23).

The Beach BIA has proposed a 2020 Operating Budget of \$383,043 with a levy of \$312,847. The proposed budget has increased by 6% from prior year mainly due to \$23,550 increase in promotion and advertising expenditure to create comprehensive marketing plan for 2020, as well as \$11,550 increase in maintenance expenditure for additional flower and planter, banner replacement and graffiti removal. In addition, the levy was increased by 8% to fund the BIA's operations and reduce the draw from the accumulated surplus reserve (Appendix A, Table 24).

The Kingsway BIA has proposed a 2020 Operating Budget of \$540,091 with a levy of \$345,740. The proposed budget has decreased by 38% from prior year due to completion of the pedestrian lighting capital project, reducing capital budget and usage of accumulated surplus reserves by 100% (Appendix A, Table 25).

The **West Queen West BIA** has proposed a 2020 Operating Budget of \$379,292 with a levy of \$353,848. The proposed budget has increased by 6% from prior year to account for \$15,700 increase in festival and events expenditure to improve Queen Street West and HalloQueen events and increase engagement with more members, partially offset by 6% increase in levy (Appendix A, Table 26).

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SIGNATURE

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ATTACHMENTS

Appendix A – Summary of 2020 Operating Budget by BIA
Appendix B – Status of BIA 2020 Operating Budget Approvals