



Business Improvement Areas (BIAs) – 2021 Operating Budgets – Report 2

Date: December 15, 2020

To: Economic and Community Development Committee

From: Chief Financial Officer and Treasurer

Wards: 3, 4, 6, 8, 9, 11, 12, 13, 14, 15, 19, 20, 21, and 22

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 84 established BIAs in the City of Toronto. The approval by City Council of the 2021 Operating Budgets for 84 BIAs takes multiple phases. City Council previously approved the 2021 Operating Budgets for 23 BIAs through Report 1 (Item 2020.EC18.11) at its meeting on December 16, 17, and 18, 2020. Included in this Report 2 are the 2021 Operating Budgets for 21 BIAs for City Council approval.

The recommendation in this report reflects the Board-adopted 2021 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 2021 Operating Budgets for BIAs reflect Council's approved policies and practices.

Two COVID-19 related themes emerge in these budget submissions: a number of BIAs are specifically attempting to reduce financial demands on their memberships and a number of BIAs are exercising caution by postponing festivals and events.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council adopt and certify the 2021 recommended Operating Budgets and Levy requirements of the following Business Improvement Areas:

Business Improvement Area	2021 Operating Budget (\$)	2021 Levy Funds Required (\$)
Bayview Leaside	261,500	193,579
Broadview Danforth	323,777	304,508
Cabbagetown	775,035	306,310
Crossroads of the Danforth	257,903	144,000
Downtown Yonge	3,637,967	2,995,325
DuKe Heights	3,823,550	3,483,687
Fairbank Village	360,980	213,776
Hillcrest Village	181,720	158,923
Junction Gardens	439,263	340,673
Kennedy Road	282,598	256,136
Kensington Market	201,543	155,880
Lakeshore Village	110,648	102,309
Midtown Yonge	174,125	163,824
Mount Pleasant Village	248,378	217,132
Oakwood Village	65,467	31,837
St. Clair Gardens	105,771	90,881
The Beach	423,463	366,178
The Kingsway	522,685	308,279
West Queen West	378,406	344,117
Wexford Heights	407,070	242,332
Yonge Lawrence Village	257,831	209,968
Total	13,239,680	10,629,654

FINANCIAL IMPACT

No City funding is required since the financing for Business Improvement Area Operating Budgets is raised by a special levy on the commercial and industrial properties within the respective BIA boundaries. The 2021 Operating Budgets for the 21 BIAs totals \$13,239,680 million, which requires a special tax levy in the amount of \$10,629,654 million. All of the 2021 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 2020 or prior and carried forward into 2021, as well as new capital cost-share projects submitted for consideration in the 2021-2030 Capital Budget and Plan for Economic Development and Culture as part of the 2021 Budget process.

The dates at which the 2021 Operating Budgets were adopted by the respective BIAs' Boards of Management and General Membership are provided in Appendix B.

DECISION HISTORY

At its meeting on December 7, 2020, Economic and Community Development Committee adopted the 2021 Operating Budget Report 1 for 23 of the 84 established BIAs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC18.11>

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 on commercial and industrial rateable property in the business improvement area. This special charge, or levy, is identified as a separate line item on the final property tax bill. Once collected by the City, the funds are disbursed to the BIA's Board of Management

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 2021 Operating Budget, by BIA, with supplementary information detailing net change from 2020 as set out in Appendix A.

The **Bayview Leaside BIA** has proposed a 2021 Operating Budget of \$261,500 with a levy of \$193,579. The proposed budget has decreased by 1% from prior year, primarily due to \$26,250 lower expenditure in capital spending for Parkettes phase 2. This is partially offset by an increase of \$21,620 in promotion and advertising expenditures to support extensive marketing initiatives (Appendix A, Table 1).

The **Broadview Danforth BIA** has proposed a 2021 Operating Budget of \$323,777 with a levy of \$304,508. The proposed budget has decreased by 23% from prior year, due to the uncertainty of COVID-19 resulting in lower overall anticipated expenditures for 2021, primarily a \$17,820 decrease in festival and events, as well as \$26,000 lower withdrawals from its accumulate surplus reserves, and the required levy has gone down by \$11,054 (Appendix A, Table 2).

The **Cabbagetown BIA** has proposed a 2021 Operating Budget of \$775,035 with a levy of \$306,310. The proposed budget has increased by 83% from prior year, mainly due to \$320,975 increase in festival and events expenditures for expanding the City's CafeTO outdoor dining program well into the coming winter months and Natural Playgrounds event. This is partially offset by \$276,000 from sponsorships through signature events revenue (Appendix A, Table 3).

The **Crossroads of the Danforth BIA** has proposed a 2021 Operating Budget of \$257,903 with a levy of \$144,000. The proposed budget has increased by 1% from prior year, due to \$11,548 in administration expenditures to account for higher salary rates. 2020 expenditure for the BIA's annual festival was 75,672 under budget, contributing to a 2020 increase in accumulated surplus reserves of 76,949. The use of \$70,000 of its accumulated surplus reserves in 2021 contributes to a decrease in the requested levy for 2021 of \$71,281 (Appendix A, Table 4).

The **Downtown Yonge BIA** has proposed a 2021 Operating Budget of \$3,637,967 with a levy of \$2,995,325. The proposed budget has decreased by 9% from prior year, mainly due to \$144,000 reduction in festivals and events expenditures as a result of the pandemic. The BIA will focus more towards its capital projects of Streetscape implementation resulting in an increase of \$107,000 in capital expenditures (Appendix A, Table 5).

The **DuKe Heights BIA** has proposed a 2021 Operating Budget of \$3,823,550 with a levy of \$3,483,687. The proposed budget has decreased by 1% from prior year due to \$94,125 decrease in capital costs as a result of lower expenditures for Streetscape

Improvements project. Administration expenditures has decreased by \$31,792 as lower office and storage rent is anticipated for 2021 (Appendix A, Table 6).

The **Fairbank Village BIA** has proposed a 2021 Operating Budget of \$360,980 with a levy of \$213,776. The proposed budget has decreased by 7% from prior year, mainly due to \$70,000 decrease in capital expenditures as the next phase of the pedestrian pole project is uncertain due to incompleteness of Eglinton Connects project and COVID-19, and the Streetscape project is being held up until the timing of the next phases is determined to save significant costs. Festival and events expenditures have decreased by \$46,645 due to uncertainty of the pandemic (Appendix A, Table 7).

The **Hillcrest Village BIA** has proposed a 2021 Operating Budget of \$181,720 with a levy of \$158,923. The proposed budget has increased by 19% from prior year, primarily due to \$17,500 increase in promotion and advertising expenditures to account for its Shop and Win contest marketing initiatives. Furthermore, maintenance expenditures have increased by \$13,294 due to a greater focus on beautification and planting of the area and administration expenditures have increased by \$7,848 to account for higher work demand (Appendix A, Table 8).

The **Junction Gardens BIA** has proposed a 2021 Operating Budget of \$439,263 with a levy of \$340,673. The proposed budget has decreased by 3% from prior year, due to \$37,000 decrease in capital expenditures as the Streetscape Improvement project will not be taking place in 2021. Also, festivals and events expenditures have decreased by \$21,000 due to cancellation of Solstice Festival (Appendix A, Table 9).

The **Kennedy Road BIA** has proposed a 2021 Operating Budget of \$282,598 with a levy of \$256,136. The proposed budget has net 0% change from prior year. The BIA will continue to focus on maintenance of the area and its capital projects (Appendix A, Table 10).

The **Kensington Market BIA** has proposed a 2021 Operating Budget of \$201,543 with a levy of \$155,880. The proposed budget has decreased by 5% from prior year, as the BIA has decreased its levy by \$12,458 due to lower administration expenditures of \$7,752 and an increase of \$7,500 in grants from Innovation Fund (Appendix A, Table 11).

The **Lakeshore Village BIA** has proposed a 2021 Operating Budget of \$110,648 with a levy of \$102,309. The proposed budget has decreased by 30% from prior year, mainly due to \$69,750 decrease in festivals and events expenditures as the Grilled Cheese event will not be taking place in 2021 due to uncertainty of the pandemic (Appendix A, Table 12).

The **Midtown Yonge BIA** has proposed a 2021 Operating Budget of \$174,125 with a levy of \$163,824. The proposed budget has decreased by 11% from prior year, mainly due to a lower levy request of \$21,390 to decrease financial burden on local businesses during the pandemic. Furthermore, capital expenditures have decreased by \$10,000 as the BIA will only be taking on minor projects in 2021, and administration expenditures have decreased by \$7,842 as less demand for consultant and seasonal work will be needed (Appendix A, Table 13).

The **Mount Pleasant Village BIA** has proposed a 2021 Operating Budget of \$248,378 with a levy of \$217,132. The proposed budget has decreased by 4% from prior year, due to \$15,000 decrease in capital expenditures as no provisions are being made for 2021. The BIA has decreased its levy by \$10,306 and used \$9,000 from its accumulated surplus reserves to reduce pressure on local businesses during the pandemic (Appendix A, Table 14).

The **Oakwood Village BIA** has proposed a 2021 Operating Budget of \$65,467 with a levy of \$31,837. The proposed budget has increased by 8% from prior year, primarily due to \$3,430 increase in maintenance expenditures as higher demand for creating a safe and clean environment for more foot traffic and visitors is needed in the area (Appendix A, Table 15).

The **St. Clair Gardens BIA** has proposed a 2021 Operating Budget of \$105,771 with a levy of \$90,881. The proposed budget has decreased by 8% from prior year, primarily due to \$11,440 reduction in maintenance expenditures to adjust for a more accurate estimate of the holiday decoration costs (Appendix A, Table 16).

The Beach BIA has proposed a 2021 Operating Budget of \$423,463 with a levy of \$366,178. The proposed budget has increased by 11% from prior year, primarily due to \$53,331 increase in levy to account for the expansion area with 27 additional businesses. The expanded area will receive banners, hardware and planters that have increased the maintenance expenditures by \$17,574 as well as increased administration cost by \$24,198 (Appendix A, Table 17).

The Kingsway BIA has proposed a 2021 Operating Budget of \$522,685 with a levy of \$308,279. The proposed budget has decreased by 3% from prior year, as the BIA will be contributing \$34,073 in accumulated surplus reserves as contingency for emergency funds and lowering its levy by \$37,461. Festival and events expenditures have decreased by \$18,500 as less focus will be on advertising and entertainers for its Taste of the Kingsway Festival in 2021 (Appendix A, Table 18).

The **West Queen West BIA** has proposed a 2021 Operating Budget of \$378,406 with a levy of \$344,117. The proposed budget has a net 0% change from prior year. The BIA will continue to support its members and focus on safety and artistic experience of the environment (Appendix A, Table 19).

The **Wexford Heights BIA** has proposed a 2021 Operating Budget of \$407,070 with a levy of \$242,332. The proposed budget has decreased by 7% from prior year, mainly due to \$236,100 reduction in festivals and events expenditures as Taste of Lawrence Festival will be cancelled in 2021. The BIA will focus more towards its Parkettes project by contributing \$200,000 in capital expenditures (Appendix A, Table 20).

The **Yonge Lawrence Village BIA** has proposed a 2021 Operating Budget of \$257,831 with a levy of \$209,968. The proposed budget has decreased by 3% from prior year, due to \$28,515 reduction in administration expenditures as \$30,000 Strategic Plan cost that was budgeted for 2020 is no longer needed in 2021. Capital expenditures have increased by \$12,172 to account for the hanging baskets and hardware projects (Appendix A, Table 21).

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SIGNATURE

Heather Taylor
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ATTACHMENTS

Appendix A – Summary of 2021 Operating Budget by Business Improvement Area
Appendix B – Status of Business Improvement Area 2021 Operating Budget Approvals