TORONTO

STAFF REPORT
ACTION REQUIRED

Business Improvement Areas (BIAs) – 2011 Operating Budgets - Report No. 3

Date:	April 4, 2011
To:	City Council
From:	Deputy City Manager and Chief Financial Officer
Wards:	Ward 7 – York West
Reference Number:	P:\2011\Internal Services\FP\cc11010fp (AFS#12992)

SUMMARY

This report brings forward one (Emery Village) Business Improvement Area (BIA) annual operating budget 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 BIA.

All active BIAs have submitted complete budgets and supporting documentation received have been reviewed in prior reports. Of the 71 established BIAs, 36 BIA budgets were approved by City Council on February 7-8, 2011 in Report No. 1; 33 BIA budgets are pending Council approval on April 12-13, 2011 in Report No. 2; one BIA budget (Emery Village BIA) is submitted for approval in this report; and one BIA is inactive.

The recommendation reflects the 2011 Operating Budget approved by the Emery Village BIA's Boards of Management and has been reviewed by City staff to ensure it reflects Council's approved policies and practices.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council approve the 2011 recommended expenditures and levy requirement of the following Business Improvement Area:

Business Improvement Area	2011 Expenditure Estimate	2011 Levy Funds Required
Emery Village	$2,252,949	$2,086,139

FINANCIAL IMPACT

No City funding is required since financing of the Emery Village Business Improvement Area budget is raised by a special levy on members which totals $2,086,139 in this report.

The 2011 BIA operating budget submitted for consideration is a balanced budget. The appeal provision surplus or appeal provision deficit for the BIA, as determined by the Revenue Services Division, has been addressed by the BIA and incorporated into their 2011 Operating Budget. The BIA budget has provisions for required capital cost-sharing contributions for those projects approved in 2010 or prior and carried forward into 2011, as well as new capital cost-share projects approved in the 2011 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 2011 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
Emery Village	September 27, 2010	March 22, 2011

Appendix A includes a summary of the BIA budget discussed in this report, including a calculation of its net levy requirement. Appendix B sets out the status of 2011 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 3, 2010 identified either a provision surplus or provision deficit. Since the appeal provisions are held by the City, any 2010 appeal provision surpluses will be returned to the respective BIAs in 2011, and any appeal provision deficits must be funded through the respective BIA's 2011 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 2011 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 2011 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 2010 or prior and carried forward into 2011, and new capital projects in the 2011 Approved 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 2011 Operating Budget.

COMMENTS

The ***Emery Village BIA*** 2011 Operating Budget was approved at meetings of the BIA's Board of Management on September 27, 2010 and its general membership on March 22, 2011. The proposed budget reflects the expanded BIA's priority to implement the same streetscape improvements, sidewalk maintenance, security program, marketing and promotional initiatives to the expanded area as in the original BIA boundary. This is a "business as usual" operating budget; there are no items budgeted towards the Flag Pole Project as it has not been approved by the general membership of the Emery Village BIA.

The BIA proposes a balanced budget having increased capital and operating expenditures of $2,252,949 and revenues from a BIA levy of $2,086,139 that is 18% more than in 2010 due to additional levies obtained from the new BIA members and impact from a smaller appeal provision surplus of only $11,810 that will be returned to the BIA in 2011. The BIA also expects other revenues including a grant of $5,000 from the City's Mural Program for a mural project, $50,000 of interest income and $100,000 in HST recoveries to help offset expenses.

Planned capital expenditures include $300,000 to implement the next phase of the streetscape improvement capital cost-share project (mixed use corridor enhancements – Sheppard (east of Samba to Arrow Road); Plunkett Drive and corner of Millwick Drive); non-cost-shared capital projects of $30,000 for street furniture, $70,000 for consulting surveys and architectural drawings and site supervision, and $70,000 for the construction of historical markers.

The budget also includes $235,000 for capital maintenance, flowers and floral care for the planters, and sidewalk cleaning; $400,000 for the ongoing security program; $92,500 for advertising, marketing and promotion of the expanded BIA; $30,000 for market research/landscape architects to update the Streetscape Manual for Landowners; and $535,800 for general BIA administration that includes hiring additional staff to coordinate the projects and activities of the expanded Emery Village BIA.

The BIA will be raising $300,000 through the 2011 levy for future streetscape improvement capital cost-share projects that are part of the BIA's landscape/urban design Master Plan.

An operating surplus of $26,298 is forecasted in 2010 resulting from lower than anticipated spending in administration, marketing and advertising.

It is recommended that the Emery Village BIA's 2011 budget of expenditures totalling $2,252,949 and a BIA levy of $2,086,139 be approved.

CONTACT

Judy Skinner
Manager, Financial Planning
Financial Planning Division
Phone: 416-397-4219
Fax: 416-392-3649
e-mail: jskinne1@toronto.ca

Mike Major
Manager, Business Improvement Areas
Economic Development and Culture
Phone: 416-392-0623
Fax: 416-392-1380
e-mail: mmajor@toronto.ca

Nick Naddeo
Manager, Revenue Accounting & Collection
Revenue Services Division
Phone: 416-395-6789
Fax: 416-395-6703
e-mail: nnaddeo@toronto.ca

SIGNATURE

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Cam Weldon
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

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

APPENDIX A

Emery Village BIA 2011 Budget Summary			
	2010 Approved Budget	2010 Projected Actual	2011 Budget Request ($)
Revenue:			
- Levy Funds Required (incl. 10% provision)	1,767,335	1,767,335	2,086,139
- Other Revenue	90,000	93,998	155,000
- Appeal Provision Surplus	117,632	117,632	11,810
Total Revenues	1,974,967	1,978,965	2,252,949
Expenditures:			
- Administration	451,800	441,600	535,800
- Capital	715,000	715,000	770,000
- Maintenance	195,000	194,800	235,000
- Promotion & Advertising	452,500	440,600	522,500
- 10% Provision for Assessment Appeal Reductions and Write-offs	160,667	160,667	189,649
Total Expenditures	1,974,967	1,952,667	2,252,949
Surplus/(Deficit)	0	26,298	0

APPENDIX B

Status of Business Improvement Area Budget Submissions	
Business Improvement Area	**Stage in Budget Process**
Albion-Islington	Council adopted February 7-8, 2011
Baby Points Gates	Pending Council approval on April 12-13, 2011
Bloor Annex	Council adopted February 7-8, 2011
Bloor by the Park	Council adopted February 7-8, 2011
Bloorcourt Village	Council adopted February 7-8, 2011
Bloordale Village	Pending Council approval on April 12-13, 2011
Bloor Street	Council adopted February 7-8, 2011
Bloor West Village	Pending Council approval on April 12-13, 2011
Bloor-Yorkville	Council adopted February 7-8, 2011
Cabbagetown	Pending Council approval on April 12-13, 2011
Chinatown	Council adopted February 7-8, 2011
Church-Wellesley Village	Pending Council approval on April 12-13, 2011
College Promenade	Pending Council approval on April 12-13, 2011
Corso Italia	Council adopted February 7-8, 2011
Crossroads of the Danforth	Council adopted February 7-8, 2011
Danforth Mosaic	Pending Council approval on April 12-13, 2011
Danforth Village	Pending Council approval on April 12-13, 2011
Dovercourt Village	Council adopted February 7-8, 2011
Downtown Yonge	Council adopted February 7-8, 2011
Dundas West	Pending Council approval on April 12-13, 2011
Eglinton Hill	Pending Council approval on April 12-13, 2011
Emery Village	**Included in this report**
Fairbank Village	Pending Council approval on April 12-13, 2011
Forest Hill Village	Pending Council approval on April 12-13, 2011
Gerrard India Bazaar	Council adopted February 7-8, 2011
Greektown on the Danforth	Council adopted February 7-8, 2011
Harbord Street	Council adopted February 7-8, 2011
Hillcrest Village	Pending Council approval on April 12-13, 2011
Historic Queen East	Inactive
Junction Gardens	Pending Council approval on April 12-13, 2011
Kennedy Road	Council adopted February 7-8, 2011
Kensington Market	Pending Council approval on April 12-13, 2011
Korea Town	Council adopted February 7-8, 2011
Lakeshore Village	Council adopted February 7-8, 2011
Liberty Village	Pending Council approval on April 12-13, 2011
Little Italy	Pending Council approval on April 12-13, 2011
Little Portugal	Council adopted February 7-8, 2011
Long Branch	Pending Council approval on April 12-13, 2011
Mimico by the Lake	Pending Council approval on April 12-13, 2011
Mimico Village	Council adopted February 7-8, 2011

Mirvish Village	Council adopted February 7-8, 2011
Mount Dennis	Pending Council approval on April 12-13, 2011
Mount Pleasant	Council adopted February 7-8, 2011
Oakwood Village	Pending Council approval on April 12-13, 2011
Pape Village	Council adopted February 7-8, 2011
Parkdale Village	Pending Council approval on April 12-13, 2011
Queen Street West	Council adopted February 7-8, 2011
Regal Heights Village	Pending Council approval on April 12-13, 2011
Riverside District	Council adopted February 7-8, 2011
Roncesvalles Village	Council adopted February 7-8, 2011
Rosedale Main Street	Council adopted February 7-8, 2011
St. Clair Gardens	Pending Council approval on April 12-13, 2011
St. Lawrence Market Neighbourhood	Pending Council approval on April 12-13, 2011
Sheppard East Village	Council adopted February 7-8, 2011
The Beach	Council adopted February 7-8, 2011
The Danforth	Council adopted February 7-8, 2011
The Dupont Strip (formerly Annex-Dupont)	Pending Council approval on April 12-13, 2011
The Eglinton Way	Council adopted February 7-8, 2011
The Kingsway	Council adopted February 7-8, 2011
The Waterfront	Council adopted February 7-8, 2011
Toronto Entertainment District	Council adopted February 7-8, 2011
Trinity Bellwoods	Pending Council approval on April 12-13, 2011
Upper Village	Pending Council approval on April 12-13, 2011
Uptown Yonge	Council adopted February 7-8, 2011
Village of Islington	Council adopted February 7-8, 2011
West Queen West	Pending Council approval on April 12-13, 2011
Weston Village	Pending Council approval on April 12-13, 2011
Wexford Heights	Pending Council approval on April 12-13, 2011
Wychwood Heights	Pending Council approval on April 12-13, 2011
Yonge-Lawrence Village	Council adopted February 7-8, 2011
York-Eglinton	Pending Council approval on April 12-13, 2011