Financial District BIA 2012 Operating Budget

<table>
<thead>
<tr>
<th>Date:</th>
<th>November 10, 2011</th>
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<tbody>
<tr>
<td>To:</td>
<td>Economic Development Committee</td>
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<tr>
<td>From:</td>
<td>Deputy City Manager and Chief Financial Officer</td>
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<tr>
<td>Wards:</td>
<td>20, 28</td>
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<td>Reference Number:</td>
<td>P:\2011\Internal Services\FP\Ed11022Fp (AFS#14846)</td>
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SUMMARY

This report brings forward the Financial District Business Improvement Area’s (BIA) 2012 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.

The Financial District BIA has requested Council consideration of its 2012 Operating Budget at its meeting of November 29-30, 2011 to make it possible for the newly created BIA to receive its first levy instalment by the end of February 2012. Unlike established BIAs, the newly created Financial District BIA has no cash reserve to draw upon while they are awaiting the first levy instalment.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. the Economic Development Committee adopt and certify to City Council the 2012 expenditure request of the Financial District BIA totalling $949,300 and a 2012 BIA levy requirement of $949,300.

FINANCIAL IMPACT

No City funding is required since financing of the Business Improvement Area budget is raised by a special levy on members of the Financial District BIA which totals $949,300.
DECISION HISTORY

City Council at its meeting of September 21-22, 2011 designated the Financial District as a Business Improvement Area (BIA) by City of Toronto By-law No. 1126-2011 enacted September 22, 2011.

The new BIA held its inaugural Annual General Membership meeting on November 9, 2012 to nominate Board members and adopt a 2012 Operating Budget.

Toronto and East York Community Council will be considering recommendations to establish a Board of Management for the Financial District BIA and appointing nominees to the Financial District BIA Board of Management on January 10, 2012.

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.

COMMENTS

The Steering Committee of the Financial District BIA was not able to schedule its First Annual General Meeting in time for inclusion into BIA Budget Report No. 1, as the deadline for inclusion was September 30, 2011 and notice must be provided to BIA members at least 15 business days in advance.

BIAs whose budgets are included in Budget Report No. 1 should receive their first levy instalment by the end of February 2012. If the Financial District BIA is included in Budget Report No. 2, the organization will not receive its first instalment of funds until March 2012 or later.

The BIA Steering Committee has laid out an aggressive plan for year 1 which will be delayed if their budget does not proceed with the Business Improvement Areas (BIAs) – 2012 Operating Budgets – Report No. 1. Unlike established BIAs, the Financial District BIA has no cash reserve to draw upon while they are awaiting the first levy instalment.

The BIA Steering Committee anticipates that year 1 will focus on building the capacity of the organization, developing a vision and strategy, and completing some small-scale but highly visible projects within the district.

Funds will be required early in 2012 to hire staff to administer the organization as well as begin the RFP process to engage a consulting firm to work on the strategy and 3-year plan. A two month delay in receiving the first levy instalment could jeopardize the organization's ability to deliver concrete results to its membership before its second AGM in the fall of 2012.
2012 Operating Budget:

The first budget of the newly created Financial District BIA was approved at meetings of the BIA’s Steering Committee on November 2, 2011 and its general membership on November 9, 2011.

The BIA proposes a 2012 Operating Budget having expenditures of $949,300 and revenues from a BIA levy of the same amount, as summarized in Appendix A to this report. Budgeted expenditures include $350,500 for general BIA administration which includes the hiring of BIA staff and the establishment of a BIA office; $425,000 to engage a consulting firm to support the development of a vision and strategy and create a 3-year plan; $85,000 for advocacy work; and $2,500 for other marketing initiatives. The proposed budget includes a provision for assessment appeal reductions of 10% of the 2012 BIA levy or $86,300.

It is recommended that the Financial District BIA’s 2012 budget of expenditures totalling $949,300 and a 2012 BIA levy of $949,300 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
<table>
<thead>
<tr>
<th></th>
<th>2011 Approved Budget</th>
<th>2011 Projected Actual</th>
<th>2012 Budget Request ($)</th>
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<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Levy Funds Required (incl. 10% provision)</td>
<td>N/A</td>
<td>N/A</td>
<td>949,300</td>
</tr>
<tr>
<td>- Other Revenue</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>949,300</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Administration</td>
<td>N/A</td>
<td>N/A</td>
<td>350,500</td>
</tr>
<tr>
<td>- Capital</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td>- Maintenance</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td>- Strategic Planning &amp; Advocacy</td>
<td>N/A</td>
<td>N/A</td>
<td>512,500</td>
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<tr>
<td>- 10% Provision for Assessment Appeal Reductions and Write-offs</td>
<td>N/A</td>
<td>N/A</td>
<td>86,300</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>949,300</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
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