



STAFF REPORT ACTION REQUIRED

Business Improvement Areas (BIAs) – 2015 Operating Budgets - Report No. 3

Date:	March 31, 2015
To:	Economic Development Committee
From:	Deputy City Manager & Chief Financial Officer
Wards:	15, 18, 19
Reference Number:	P:\2015\Internal Services\Fp\Ed15007Fp

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 the tax levy on behalf of the BIAs.

Complete budgets and supporting documentation received by March 27, 2015 have been reviewed and are reported here. BIA Operating Budgets received after this date will be brought forward in later reports. Of the 81 established BIAs, 50 BIA Budgets were approved by City Council on February 10, 2015 (ED1.5); 27 BIA Budgets are pending approval by City Council on March 31, 2015; two BIA Budgets are submitted for approval in this report; one BIA Budget will be brought forward as a supplementary report on April 16, 2015; and one BIA is inactive.

The recommendations in this report reflect 2015 Operating Budgets approved by the respective BIAs' Boards of Management and have been reviewed by City staff to ensure BIA budgets reflect Council's approved policies and practices.

RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer recommends that:

1. The Economic Development Committee adopt and certify to City Council the 2015 recommended expenditures and levy requirements of the following Business Improvement Areas:

Business Improvement Area	2015 Expenditure Estimates (\$)	2015 Levy Funds Required (\$)
College Promenade	150,931	137,412
Dufferin-Wingold	100,000	100,000

Financial Impact

No City funding is required since financing of Business Improvement Area operating budgets is raised by a special levy on members. The total 2015 levy for the 2 BIAs included in this report is \$237,412. The total 2014 levy for the College Promenade BIA included in this report was \$124,920 and Dufferin-Wingold BIA was approved for formation in 2015 (ED1.9). For 2014, the total BIA levy was \$26,112,371 for all 81 BIAs with 76 BIAs reported active.

All of the 2015 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 2015 Operating Budgets. The BIA budgets have provisions for required capital cost-sharing contributions for those projects approved in 2014 or prior, and carried forward into 2015, as well as new capital cost-share projects submitted for consideration in the 2015 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 2015 budgets were approved are set out below:

Business Improvement Area	Approved by Board of Management	Approved by Membership
College Promenade	January 22, 2015	February 26, 2015
Dufferin-Wingold	February 19, 2015	March 26, 2015

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 2015 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, 2014 identified either a provision surplus or provision deficit. Since the appeal provisions are held by the City, any 2014 appeal provision surpluses will be returned to the respective BIAs in 2015, and any appeal provision deficits must be funded through the respective BIA’s 2015 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 2015 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 and includes an “Equal Share Funding” option whereby capital costs are shared 50%/50% between the City and the BIA.

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030722/edp6rpt/cl014.pdf>

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 “Financed Funding” option for BIAs undertaking larger streetscape projects whereby the City contributes a lower share of funding (35% instead of 50%) but provides financing for up to 100% of the BIAs’ portion of costs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.12>

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.

The BIA Capital Cost-Share program guidelines set out eligibility criteria that BIAs must satisfy in order to participate. For the Equal Share Funding option, the BIA must have in place its share of the project funding (50 percent) prior to making a capital cost-sharing request. 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.

BIAs with capital cost-share projects approved by the City in 2014 or prior, and carried forward into 2015, and new capital projects submitted for consideration in the 2015 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.

For the Financed Funding option, BIAs are required to enter into a loan agreement with the City. For the purpose of their annual budgeting, they are required to include an amount sufficient to cover loan repayment obligations for the year, including interest, and indicate its future repayment obligations. BIAs that wish to participate in this program but have not yet finalized a loan agreement with the City are required to provide estimates of these figures. In this report, there are no BIAs with financed funding options for any capital projects.

Another eligibility criterion for the BIA Capital Cost-Share program 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.

COMMENTS

The *College Promenade BIA* 2015 Operating Budget was approved at meetings of the BIA's Board of Management on January 22, 2015 and its general membership on February 26, 2015. In 2015, the BIA is planning 2016 major capital projects for parkettes, tree plantings and tree lightings on College Street. The BIA's administration expenditures remain unchanged from its 2014 level at \$4,962 which will provide funds for general expenses such as office supplies and staffing costs. Capital expenditures are budgeted for \$118,977 which consist of a cost-shared streetscaping capital project of \$12,500 with Toronto Water Services, and a contribution to capital reserve for \$106,477.

In 2014, the BIA committed to the installation of a pedestrian scale lighting capital cost-shared project which drives the 2015 Budget down by \$106,367 or 47.2% over the 2014 level. Maintenance expenditures of \$13,500 are budgeted to maintain its horticulture and provide general repair work for the holiday decorations. Promotion and advertising expenditures remain unchanged from the 2014 level at \$1,000 which will fund website

development and the BIA's newsletter. The BIA will receive an appeal provision surplus of \$9,004 and proposes a levy of \$137,412. Other sources of revenue include \$4,515 of interest revenue. It is recommended that the College Promenade BIA's 2015 Budget of expenditures totalling \$150,931 and a BIA levy of \$137,412 be approved.

City Council on February 10, 2015 approved the formation of *Dufferin-Wingold BIA* (ED1.9). The BIA's 2015 Operating Budget was approved at meetings of the BIA's Board of Management on February 19, 2015 and its general membership on March 26, 2015. In 2015, the BIA will focus on the appointment and formation of the Board, and developing a Capital Plan for 2016 to beautify the area. The BIA's administration expenditures of \$56,799 will provide funds for general expenses such as office supplies and staffing costs. In 2015, there will not be any capital projects and thus, maintenance expenses are not required. Promotion and advertising expenditures of \$34,110 will fund website development, development of promotion and advertising events, and the BIA's newsletter. It is recommended that the Dufferin-Wingold BIA's 2015 Budget of expenditures totalling \$100,000 and a BIA levy of \$100,000 be approved.

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SIGNATURE

Roberto Rossini
Deputy City Manager & Chief Financial Officer

ATTACHMENTS

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

APPENDIX A

College Promenade BIA 2015 Budget Summary				
	2014 Approved Budget	2014 Projected Actual	2015 Budget Request (\$)	Budget Change (%)
Revenue:				
- Levy Funds Required (incl. 10% provision)	124,920	124,920	137,412	10%
- Other Revenue	8,063	6,961	4,515	(44%)
- Appeal Provision Surplus	8,204	8,204	9,004	10%
- Contribution from Accumulated Surplus	114,475	63,256	0	(100%)
Total Revenues	255,662	203,341	150,931	(41%)
Expenditures:				
- Administration	4,962	4,803	4,962	0%
- Capital	225,344	182,970	118,977	(47%)
- Maintenance	13,000	13,275	13,500	4%
- Promotion & Advertising	1,000	0	1,000	0%
- Provision for Assessment Appeal Reductions and Write-offs	11,356	2,293	12,492	10%
Total Expenditures	255,662	203,341	150,931	(41%)
Surplus/(Deficit)	0	0	0	N/A

Dufferin-Wingold BIA 2015 Budget Summary				
	2014 Approved Budget	2014 Projected Actual	2015 Budget Request (\$)	Budget Change (%)
Revenue:				
- Levy Funds Required (incl. 10% provision)	0	0	100,000	N/A
Total Revenues	0	0	100,000	N/A
Expenditures:				
- Administration	0	0	56,799	N/A
- Capital	0	0	0	N/A
- Maintenance, Clean & Safe Streets	0	0	0	N/A
- Marketing, Promotion & Advertising	0	0	34,110	N/A
- Provision for Assessment Appeal Reductions and Write-offs	0	0	9,091	N/A
Total Expenditures	0	0	100,000	N/A
Surplus/(Deficit)	0	0	0	N/A

APPENDIX B

Status of Business Improvement Area Budget Submissions	
Business Improvement Area	Stage in Budget Process
Albion Islington	Approved by Council on February 10, 2015
Baby Point Gates	Approved by Council on February 10, 2015
Bayview Avenue (name pending)	IGM scheduled for April 8, 2015
Bloor Annex	Approved by Council on February 10, 2015
Bloor By The Park	Approved by Council on February 10, 2015
Bloor Street	Approved by Council on February 10, 2015
Bloor West Village	Approved by Council on February 10, 2015
Bloorcourt Village	Approved by Council on February 10, 2015
Bloordale Village	Approved by Council on February 10, 2015
Bloor-Yorkville	Approved by Council on February 10, 2015
Cabbagetown	Pending Council approval on March 31, 2015
Chinatown	Approved by Council on February 10, 2015
Church Wellesley Village	Approved by Council on February 10, 2015
College Promenade	Included in this report
College West	Approved by Council on February 10, 2015
Corso Italia	Pending Council approval on March 31, 2015
Crossroads of the Danforth	Approved by Council on February 10, 2015
Danforth Mosaic	Approved by Council on February 10, 2015
Danforth Village	Approved by Council on February 10, 2015
Dovercourt Village	Approved by Council on February 10, 2015
Downtown Yonge	Pending Council approval on March 31, 2015
Dufferin-Finch	Pending Council approval on March 31, 2015
Dufferin-Wingold	Included in this report
Dundas West	Pending Council approval on March 31, 2015
Dupont by the Castle	Approved by Council on February 10, 2015
Eglinton Hill	Pending Council approval on March 31, 2015
Emery Village	Pending Council approval on March 31, 2015
Fairbank Village	Approved by Council on February 10, 2015
Financial District	Approved by Council on February 10, 2015
Forest Hill Village	Pending Council approval on March 31, 2015
Gerrard India Bazaar	Pending Council approval on March 31, 2015
Greektown on the Danforth	Approved by Council on February 10, 2015
Harbord Street	Approved by Council on February 10, 2015
Hillcrest Village	Approved by Council on February 10, 2015
Historic Queen East	Inactive
Junction Gardens	Approved by Council on February 10, 2015
Kennedy Road	Pending Council approval on March 31, 2015
Kensington Market	Approved by Council on February 10, 2015
Korea Town	Approved by Council on February 10, 2015
Lakeshore Village	Pending Council approval on March 31, 2015

Leslieville	Pending Council approval on March 31, 2015
Liberty Village	Approved by Council on February 10, 2015
Little Italy	Pending Council approval on March 31, 2015
Little Portugal	Pending Council approval on March 31, 2015
Long Branch	Approved by Council on February 10, 2015
Midtown Yonge	Pending Council approval on March 31, 2015
Mimico by the Lake	Approved by Council on February 10, 2015
Mimico Village	Pending Council approval on March 31, 2015
Mirvish Village	Approved by Council on February 10, 2015
Mount Dennis	Pending Council approval on March 31, 2015
Mount Pleasant	Approved by Council on February 10, 2015
Oakwood Village	Approved by Council on February 10, 2015
Ossington Avenue	Approved by Council on February 10, 2015
Pape Village	Approved by Council on February 10, 2015
Parkdale Village	Approved by Council on February 10, 2015
Queen Street West	Pending Council approval on March 31, 2015
Regal Heights Village	Approved by Council on February 10, 2015
Riverside District	Approved by Council on February 10, 2015
Roncesvalles Village	Approved by Council on February 10, 2015
Rosedale Main Street	Pending Council approval on March 31, 2015
Sheppard East Village	Pending Council approval on March 31, 2015
shoptheQueensway.com	Pending Council approval on March 31, 2015
St. Clair Gardens	Pending Council approval on March 31, 2015
St. Lawrence Market Neighbourhood	Approved by Council on February 10, 2015
The Beach	Approved by Council on February 10, 2015
The Danforth	Approved by Council on February 10, 2015
The Eglinton Way	Approved by Council on February 10, 2015
The Kingsway	Pending Council approval on March 31, 2015
The Waterfront	Approved by Council on February 10, 2015
Toronto Entertainment District	Approved by Council on February 10, 2015
Trinity Bellwoods	Pending Council approval on March 31, 2015
Upper Village	Approved by Council on February 10, 2015
Uptown Yonge	Approved by Council on February 10, 2015
Village of Islington	Approved by Council on February 10, 2015
West Queen West	Approved by Council on February 10, 2015
Weston Village	Pending Council approval on March 31, 2015
Wexford Heights	Approved by Council on February 10, 2015
Wilson-Keele	Pending Council approval on March 31, 2015
Wychwood Heights	Pending Council approval on March 31, 2015
Yonge-Lawrence Village	Approved by Council on February 10, 2015
York-Eglinton	Approved by Council on February 10, 2015