

**BIA Capital Cost-Sharing  
Program Guidelines (Amended)**

**i) Program Goals**

The BIA Capital Cost-Sharing Program is an incentive program offered to the City's BIAs. The Program leverages investments from BIAs to improve, beautify, enhance and brand Toronto's unique neighbourhoods. The goals of the program are as follows:

- To encourage BIAs to take advantage of work scheduled by City Divisions and Agencies to make improvements to their streetscapes.
- To ensure that capital improvements are completed in a timely and cost-effective manner.
- To ensure that BIAs undertake long term capital planning to identify overall design concepts and priorities and ensure work is implemented with minimal disruption to local businesses.
- To take advantage of opportunities to leverage investment from BIAs, City Divisions and Agencies and through Planning Act Revenues to secure the greatest impact for City funds invested.
- To support small-scale projects which allow BIAs to establish their own look and feel for their area, supporting the City's identity as a collection of vibrant and unique neighbourhoods.

**ii) Capital Request and Application Process**

The BIA Capital Cost-Sharing Program shall provide funding and/or financing for BIA streetscaping projects only. The Program consists of a two-step submission process that provides greater detail regarding project description, cost and accumulated funding:

The two steps are as follows:

A completed capital cost-sharing request project information form (supplied by the City) shall be submitted by the BIA in accordance with a submission deadline established by the City that takes into account the City's capital budget approval process.

The Economic Development and Culture Division (EDC) will review all capital cost-share requests, review and rank the requests in accordance with the prioritization criteria identified below, and submit the Program's capital budget request for consideration through the City's capital budget approval process.

### **iii) Definition of Capital**

The BIA Capital Cost-Sharing Program is to include the following streetscaping elements (those beyond standard City treatments) that assist BIAs to enhance their physical environment and “brand” their business area:

- all permanent streetscaping elements such as - decorative sidewalk treatments, underground conduits/infrastructure, in-ground planters, trees, shrubs;
- all fastened, anchored or affixed streetscaping elements such as - pedestrian lights, street tree lights, benches, planters, banner poles, anti-graffiti, anti-postering pole wraps, wayfinding signage, special street signage, directory kiosks;
- all reusable streetscaping elements such as - banners, hanging planter baskets, supporting brackets/hardware (one time purchases only); and
- infrastructure to provide free public wireless internet service, if such infrastructure is located on municipally-owned property.

The Program will provide cost-share funding for the production of working drawings for streetscaping projects requiring civil, structural or electrical engineering approval. The Program will also cover project-related surveying and inspection costs, permit and fee charges, paver maintenance fees, and project administration charges.

Items excluded from the BIA Capital Cost-Sharing Program include: annual/perennial flowers, or potting soil (except as part of one time purchase noted above), maintenance equipment, conceptual streetscaping plans, and any equipment, signage, banners or decoration associated with a specific festival or special event.

### **iv) Program Eligibility**

In order for a BIA to be eligible to participate in the BIA Capital Cost-Sharing Program, the BIA must:

- have in place a Board of Management approved by the current Council;
- agree to assume all project maintenance and operating costs;
- 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;
- be in good standing with the City Auditor and the City’s Finance Department with respect to the preparation and audit of the BIA annual financial statements; and
- be in good standing with respect to capital cost-share invoices.

**v) Planning Act Revenues and Contributions from Other City Divisions or Agencies**

From time to time, Council may allocate revenues collected under Section 37, Section 41, or Section 45 of the Planning Act to BIA streetscaping projects. If Section 37, Section 41 or Section 45 funds are being accessed, it will be subject to coordination with City Planning.

Other City Divisions or Agencies may also contribute funds to a BIA Streetscaping project.

Planning Act Revenues allocated to BIA streetscaping projects and contributions from other City Divisions or Agencies shall be applied to the gross project value and the balance may be funded by any of the four Project Funding Options set out below.

In this document, any reference to project costs, is to the value of that project's costs net of any Planning Act Revenues or contributions from others. Any reference to the EDC contribution or EDC share of costs excludes Planning Act Revenues or contributions from others.

**vi) Project Funding Options**

There are four project funding options available. The funding option to be used will be based on the following criteria:

	Funding Option 1: Equal Share	Funding Option 2: Equal Share Loan	Funding Option 3: Hybrid	Funding Option 4: City Managed
Eligibility	Small and medium-sized projects	Medium-sized projects requiring City loan	Large projects	Projects that, based on prioritization criteria, do not receive City funding under Options 1, 2 or 3
Project Costs	Up to \$700,000	Up to \$700,000	Over \$700,000	Any
Cost-Sharing	50% City; 50% BIA (from BIA contributions)	50% City; 50% BIA (from some combination of BIA contributions and City loan)	\$350,000 City; Remainder BIA (from some combination of BIA contributions and City loan)	100% BIA (from BIA recoveries or some combination of City loan and BIA up-front contribution)

	Funding Option 1: Equal Share	Funding Option 2: Equal Share Loan	Funding Option 3: Hybrid	Funding Option 4: City Managed
Maximum Combined City Contribution	Up to \$350,000 annually per BIA, \$1,050,000 per BIA over any 5 year period			No City funding
Minimum Loan	Not applicable	\$200,000	\$200,000	\$200,000
Maximum Loan	Not applicable	\$2,000,000 per BIA total City loans outstanding at any one time, subject to \$10,000,000 program limit	\$2,000,000 per BIA total City loans outstanding at any one time, subject to \$10,000,000 program limit	\$2,000,000 per BIA total City loans outstanding at any one time, subject to \$10,000,000 program limit
Loan Repayment	Not applicable	Repaid with interest over 3-10 year period.	Repaid with interest over 3-10 year period.	Repaid with interest over 3-10 year period.
BIAs with Outstanding Loan Balance	Eligible based upon prioritization criteria	Eligible up to the maximum loan amount above	Eligible up to the maximum loan amount above	Eligible up to the maximum loan amount above

**vii) BIA Contributions**

BIA Contributions under any of the Project Funding Options above will be invoiced to the BIA on a twice-annual basis as costs are incurred, or in the case of an up-front payment according to the terms of a loan financing agreement, may be paid by way of cheque payable upon execution of the loan financing agreement.

To be eligible for funding the required amount for BIA Contributions must be held by the BIA in a reserve fund dedicated to the project or included in the BIA's Operating Budget for the year in which the capital project is to be implemented.

**viii) City Loan Financing**

BIA's making use of City loan under Project Funding Options 2, 3 or 4 above shall enter into a loan financing agreement with the City. Terms of the loan shall include repayment, including interest compounded annually at a fixed interest rate at the City's cost of borrowing as determined at the time of the agreement, over a 3-10 year timeframe. Payments will be withheld from the BIA's levy instalments.

The term of the City loan shall commence upon the date of issuance of the certificate of substantial completion of the project.

The BIA must agree to include an amount sufficient to cover the repayment obligations, including interest, in its annual budget. If the BIA fails to meet its repayment obligations the City has the authority to collect the funds through levies, even if the BIA is dissolved, through its priority lien status on property.

The total amount of all outstanding City loans to BIA's at any time under this Program is limited to \$10,000,000 in aggregate. Requests for City loan financing will be evaluated on a first-come, first-serve basis.

**ix) Capital Request Evaluation/Prioritization**

City staff shall evaluate capital cost-sharing requests based on the following ranking criteria:

Primary Criteria

“A” Rank:

1. Projects that can be implemented in concert with capital projects undertaken by other City divisions or City agencies or Toronto Hydro;
2. Minor projects with gross cost of no greater than \$40,000 per BIA, not including technical design services for future projects;

“B” Rank:

1. Projects which implement, at least in-part, a comprehensive streetscape plan developed and adopted by the BIA, including technical design services for future projects;
2. Projects which help to achieve initiatives or objectives established by Council;

“C” Rank:

1. Projects not covered by “A” or “B”.

Secondary Criteria:

1. Projects which represent the second phase (or greater) of multi-phase projects;
2. Projects which involve a significant level of sidewalk replacement, thereby maximizing the scope and impact of the BIA streetscape initiative;
3. Projects which represent a new or creative approach to streetscape enhancement;
4. Projects located in areas that are to host an up-coming special or tourist event; and
5. Projects which help achieve an equitable distribution of scarce funding resources among the City's BIAs.

In order to receive a ranking, staff must be satisfied that the project design has advanced to a stage whereby the implementation of the project within the budget year is considered feasible.

**x) Conceptual Design**

Conceptual design drawings will not be funded under the BIA Capital Cost-Sharing Program, but will instead be prepared by BIA Office staff, where resources permit, or by a consultant hired and paid for by the BIA. Comprehensive streetscape plans may be eligible for funding under the BIA Streetscape Master Plan Funding Program.

**xi) Project Tendering/Purchasing**

The City has purchasing/tendering policies that must be followed for all capital cost-sharing projects. All tender and purchasing documents for BIA capital cost-share projects will contain sufficient detail, specifications and deadlines to ensure that those goods and services procured are suitable for the intended use, delivered in accordance with project timelines, and guaranteed for a reasonable period.

The City is responsible for all purchasing and tendering associated with BIA Capital Cost-Sharing projects. Should a BIA purchase goods or services instead of proceeding through proper City purchasing/tendering channels, the costs associated with that good or service purchased directly by the BIA shall not be eligible for capital cost-sharing.

Before a project proceeds from the tendering/purchasing phase to the construction/installation phase the BIA must sign a Capital Project Pricing Approval (CPPA) form committing the BIA to pay a lump amount as its share of the project costs as well as budget for the long-term maintenance of the completed streetscape elements.

### **xii) Project Co-ordination**

The project application form shall identify the BIA representative assigned to the project and the EDC staff assigned to the project.

EDC Staff will take the lead in communicating project status to the BIA, liaison with staff from other City Divisions and Agencies, and addressing BIA issues/concerns during implementation. For complex projects, EDC staff will be responsible for organizing staff/BIA meetings where appropriate/necessary.

The BIA is responsible to present all project costs at a meeting of the BIA Board of Management. A motion of the Board is required to acknowledge and approve all costs.

### **xiii) Capital Maintenance**

BIAs are responsible for 100% of the maintenance and operating costs of all streetscaping and streetscaping infrastructure developed under the Capital Cost-Sharing Program, except where alternate arrangements are agreed upon with City Divisions or Agencies.

Maintenance requirements may include, for example, scheduled cleaning and inspection services, planting watering and weeding services, electricity charges, graffiti and poster removal, purchase of replacement materials to be kept in storage, payment of a one-time paver maintenance fee established by Transportation Services, and the establishment of reserve for scheduled maintenance and replacement once assets have reached the end of their life-cycle.

To be eligible for funding under the Capital Cost-Sharing Program a BIA must comply with the following maintenance requirements:

1. The maintenance obligations and associated short-term and long term costs will be identified in a Capital Project Pricing Approval (CPPA) form which is provided to the BIA before a contract is awarded.
2. The required maintenance obligations contained in the CPPA must be reflected in the BIA's annual operating budget.
3. The BIA's annual operating budget must include a schedule identifying capital projects completed in previous years and the annual maintenance budget, expenditures and reserves associated with each.
4. The BIA may be required to enter into an encroachment agreement with Transportation Services and submit fees prior to ROW Permit issuance.

The City is required to provide the BIA with written confirmation that all civil and electrical work associated with a BIA Capital Cost-Sharing Project has been undertaken and inspected, and that the work meets all City standards/requirements.