



## REPORT FOR ACTION

### **Additional Business Improvement Areas (BIAs) – 2020 Operating Budgets**

Date: April 27, 2020

To: City Council

From: Chief Financial Officer and Treasurer

Wards: 3, 9, 10, 11

#### **SUMMARY**

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This supplementary report responds to the three Business Improvement Areas (BIAs) previously identified in the Business Improvement Areas (BIAs) - 2020 Operating Budget - Report 3 as outstanding.

The 2020 operating budgets for the BIAs were set prior to the State of Emergency being declared on March 23, 2020 and the City's COVID-19 pandemic response and restrictions. Staff will continue to work with BIAs in the future to assess the impacts of COVID-19 on local improvements projects and plans as well as its corresponding property tax levies.

Included in this report is the 2020 Operating Budget of Dovercourt Village BIA for City Council approval.

The Long Branch BIA was not able to hold its General Membership meeting within a reasonable timeline for 2020 budget cycle and due to COVID-19 postponing the meeting was not an option for the BIA. However, they have a healthy reserve balance and do not require a special levy for the current year.

The CityPlace and Fort York BIA budget remains outstanding. In 2019, appeal adjustments for a single major property within this BIA converted its use from commercial to multi-residential. As multi-residential properties are not subject to a BIA levy, these appeals resulted in an average downward adjustment of just under 42% to the BIA levies issued from 2016 to 2019. As a result, the appeal provision deficit that is required in the 2020 budget is approximately \$290,550. If this BIA requires the same level of funding to meet operation needs in 2020 as required in 2019; and is also required to include the appeal provision deficit, the impact on BIA levies for the remaining properties is identified as a percentage below:

- 71% increase to offset the reduction conversion of the single property;
- 193% increase to offset the appeal provision deficit; and
- 364% total overall increase

An increase in the BIA rates to address the provision deficit as well as to deal with the reduction to the overall properties subject to a BIA in 2020 is not feasible to the members of the BIA. City staff will work with the BIA to explore other options and will bring back to City Council on a solution at a future date.

## RECOMMENDATIONS

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The Chief Financial Officer and Treasurer recommends that:

1. City Council adopt and certify the 2020 recommended Operating Budget and Levy requirements of the following Business Improvement Area:

<b>Business Improvement Area</b>	<b>2020 Operating Budget (\$)</b>	<b>2020 Levy Funds Required (\$)</b>
Dovercourt Village BIA	12,182	8,359
<b>Total</b>	<b>12,182</b>	<b>8,359</b>

## FINANCIAL IMPACT

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No City funding is required since the financing of Business Improvement Area Operating Budgets is raised by a special levy on the commercial and industrial properties within the respective BIA boundaries.

The 2020 Operating Budget for the Dovercourt Village BIA totals \$12,182 which requires a special tax levy in the amount of \$8,359. The 2020 BIA Operating Budget submitted for consideration is a balanced budget, which is funded by levies, funds from the BIA's accumulated surplus, grants, donations, sponsorships, festival revenues, and other third-party revenues.

The BIA Operating Budgets have provisions set aside for required capital cost-sharing contributions for those capital projects approved in 2019 or prior, and carried forward into 2020, as well as new capital cost-share projects included in the 2020-2029 Capital Budget and Plan for Economic Development and Culture.

## DECISION HISTORY

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At its meeting on December 17-18, 2019, City Council approved the 2020 Operating Budget Report 1 for 26 of the 83 established BIAs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC10.16>

At its meeting on January 29-30, 2020, City Council approved the 2020 Operating Budget Report 2 for 29 of the 83 established BIAs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC11.6>

## COMMENTS

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 details of the 2020 Operating Budget for Dovercourt BIA.

The **Dovercourt Village BIA** has proposed a 2020 Operating Budget of \$12,182 with a levy of \$8,359. The proposed budget has decreased by 46% from prior year as the BIA has no capital plans until the solar powered streetlamps project is complete resulting in \$15,000 decrease in capital expenditure and corresponding decrease is use of accumulated surplus.

Table 1: Dovercourt Village BIA 2020 Operating Budget

Dovercourt Village BIA 2020 Operating Budget	2019 Approved Budget	2019 Projected Actuals	2020 Budget	Net Change
<b>Revenue</b>				
BIA Levy (incl. 10% provision)	8,234	8,234	8,359	2%
Grants	-	-	3,000	0%
Signature Events Revenue	-	-	-	0%
Other Festival Revenues	-	-	-	0%
Other Revenue	-	-	-	0%
Contribution from Accumulated Surplus Reserves	14,000	-	823	-94%
Appeal Provision Surplus	534	534	-	-100%
<b>Total Revenue</b>	<b>22,768</b>	<b>8,768</b>	<b>12,182</b>	<b>-46%</b>
<b>Expenditures</b>				
Administration	2,434	2,321	2,480	2%
Capital	15,000	-	-	-100%
Financed Project Loan Payments for Capital Projects (Withheld from levy)	-	-	-	0%
Maintenance	3,945	-	2,200	-44%
Promotion and Advertising	106	-	1,120	957%
Festivals and Events	-	-	-	0%
Provision for Tax Appeal Expenditures & Write Off	749	705	760	1%
Appeal Provision Deficit	-	-	371	0%
Contribution to Accumulated Surplus Reserves	534	5,742	5,250	883%
<b>Total Expenditures</b>	<b>22,768</b>	<b>8,768</b>	<b>12,182</b>	<b>-46%</b>
<b>Net Surplus/Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	

The 2020 Operating Budget for the CityPlace and Fort York BIA remains outstanding as there is an Appeal Provision Deficit of \$290.250 as a result of the 40% loss in its assessment base due to a change of use of one major property for residential use within its boundary. Calculation of the special levy is based on the proportionate value of each property's commercial and/or industrial assessment.

An increase of special tax levy to address the deficit in one single year is not feasible to the members of the BIA. City staff will work with the BIA to explore other options to address the deficit by finding revenue sources through sponsorship, grants or other funds, decreasing their expenditures or find other alternatives and will bring back to City Council on a solution at a future date.

## **CONTACT**

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## **SIGNATURE**

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Chief Financial Officer and Treasurer