



## REPORT FOR ACTION

### **Business Improvement Areas (BIAs) – 2020 Operating Budgets – Report 3**

Date: February 25, 2020

To: Economic and Community Development Committee

From: Chief Financial Officer and Treasurer

Wards: 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 19, and 23

#### **SUMMARY**

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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 a special tax levy on the commercial and industrial properties within the respective BIA boundaries.

There are currently 83 established BIAs in the City of Toronto. The approval by City Council of the 2020 Operating Budgets for 83 BIAs takes multiple phases. City Council previously approved the 2020 Operating Budgets for 55 BIAs through Reports 1 and 2 at its meetings on December 17-18, 2019 and January 29, 2020, respectively. One BIA, Historic Queen East, is inactive. Included in this Report 3 is the 2020 Operating Budgets for 24 BIAs for City Council approval.

Three BIAs remain outstanding subject to the BIAs' Board of Management and General Membership decisions. City staff will bring forward a final report at the next opportunity to conclude the approval of the 2020 Operating Budgets for the BIAs.

The recommendation in this report reflects the Board-adopted 2020 Operating Budgets by the respective BIAs' Boards of Management and General Membership. Complete budgets and supporting documentation have been reviewed by City staff to ensure that the 2020 Operating Budgets for BIAs reflect Council's approved policies and practices.

#### **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer recommends that:

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

<b>Business Improvement Area</b>	<b>2020 Operating Budget (\$)</b>	<b>2020 Levy Funds Required (\$)</b>
Albion Islington Square	263,680	195,863
Baby Point Gates	95,834	71,303
Bloor Annex	311,370	296,387
Danforth Village	529,355	251,360
Eglinton Hill	50,123	28,483
Emery Village	3,808,557	2,661,313
Gerrard India Bazaar	358,500	165,923
Korea Town	173,158	77,164
Markham District	131,830	106,000
Midtown Yonge	195,012	185,214
Mimico Village	43,814	31,857
Mirvish Village	120,046	68,649
Mount Dennis	66,958	32,772
Ossington Avenue	117,793	69,496
Queen Street West	500,087	306,733
Regal Heights Village	170,635	72,660
Sheppard East Village	212,110	191,517
The Eglinton Way	443,857	314,934
Upper Village	186,410	112,225
Uptown Yonge	266,070	252,097
Weston Village	260,739	143,713
Wilson Village	850,239	279,565
Wychwood Village	101,161	36,161
Yonge + St. Clair	756,175	539,415
<b>Total</b>	<b>10,013,513</b>	<b>6,490,804</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 Budgets for the 24 BIAs total \$10,013,513 which requires a special tax levy in the amount of \$6,490,804. All of the 2020 BIA Operating Budgets submitted for consideration are balanced budgets which are funded by levies, funds from the BIA's accumulated surplus, grants, donations, sponsorships, festival revenues, and other third party revenues. Detailed budgets of individual BIAs discussed in this report are set out in Appendix A.

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 Council Approved Capital Budget and Plan for Economic Development and Culture, during the 2020 Budget process.

The dates at which the 2020 Operating Budgets were adopted by the respective BIAs' Boards of Management and General Membership are also provided in Appendix B.

## 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

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The Business Improvement Area (BIA) is a self-help program to allow local businesses and property owners to join together to organize, finance and deliver capital streetscape improvements, and to promote economic development in a district. Each BIA is governed by a board of management that serves its local membership, known as the general membership in this report, and follows the policies set out in Chapter 19 of the Toronto Municipal Code and the City of Toronto Act, 2006. On an annual basis, the board of management holds an annual general meeting to report on the BIA's accomplishments, status of current projects, forecasted revenues and expenditures for the current year, the budget for the following year, as well as appointments of an auditor and membership elections.

Through the annual general meeting, the general membership approves the levy that is a key source of funding for the annual budgets. The levy is a special charge that is imposed on commercial and industrial rateable property in the business improvement

area that is collected by the City through property taxes of the general membership and is disbursed to the BIA in three portions throughout the calendar year. A BIA may also use funds previously set aside in their reserve, known as the accumulated surplus, to fund their annual operations to offset budget pressures, as well as third party funding such as grants, donations, sponsorships, and festival revenues.

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 summary of the 2020 Operating Budget, by BIA, with supplementary information detailing net change from 2019 as set out in Appendix A.

The **Albion Islington Square BIA** has proposed a 2020 Operating Budget of \$263,680 with a levy of \$195,863. The proposed budget has increased by 7% from prior year primarily due to \$30,500 increase in use of accumulated surplus reserve to fund its capital expenditure of \$15,000 for decorative lighting and promotion and advertising expenditure of \$12,800 for its marketing campaign to promote the area (Appendix A, Table 1).

The **Baby Point Gates BIA** has proposed a 2020 Operating Budget of \$95,834 with a levy of \$71,303. The proposed budget has decreased by 38% from prior year due to \$84,798 reduction in capital expenditures from completion of Terrace project on Windermere Ave and Annette Street. On the revenue side, changes include a decrease of \$40,133 in grants and a decrease of \$42,665 in other revenue sources for failing to receive the anticipated grants from section 37 and securing sponsorships (Appendix A, Table 2).

The **Bloor Annex BIA** has proposed a 2020 Operating Budget of \$311,370 with a levy of \$296,387. The proposed budget has decreased by 56% from prior year mainly due to \$526,042 reduction in capital expenditure from completion of five Parkettes projects and partial completion of the Streetscape Revitalization project resulting in \$381,042 reduction in the use of accumulated surplus (Appendix A, Table 3).

The **Danforth Village BIA** has proposed a 2020 Operating Budget of \$529,355 with a levy of \$251,360. The proposed budget has increased by 14% from prior year due to \$74,000 increase in capital expenditure for installing gateway signs and other entry signs throughout the BIA and \$34,504 increase in levy to account for the increase cost of Streetscape maintenance. Other changes include decrease of promotion and advertising expenditures by \$19,100 for not purchasing branded tote bags and an increase of grants and other revenue sources by \$33,495 from insurance claims, DMS grants and anticipated sponsorship from 2020 Danforth Rocks Event series (Appendix A, Table 4).

The **Eglinton Hill BIA** has proposed a 2020 Operating Budget of \$50,123 with a levy of \$28,483. The proposed budget has increased by 58% from prior year primarily due to \$7,500 increase in festival and events expenditure and \$1,000 increase in promotion and advertising expenditure to promote Shop the Hill brand. Maintenance and capital expenditures have increased by \$9,100 to fund more general cleaning of the main street and to put more banners and benches in the area (Appendix A, Table 5).

The **Emery Village BIA** has proposed a 2020 Operating Budget of \$3,808,557 with a levy of \$2,661,313. The proposed budget has decreased by 2% from prior year due to \$35,000 decrease in promotion and advertising expenditure as some of the marketing will be done through the hire of new marketing and communication staff (Appendix A, Table 6).

The **Gerrard India Bazaar BIA** has proposed a 2020 Operating Budget of \$358,500 with a levy of \$165,923. The proposed budget has increased by 33% from prior year as a result of \$55,000 increase in capital expenditures for installment of banner poles, \$20,000 increase in festival and events expenditures, and \$16,552 increase in maintenance expenditure that are partially funded by \$73,000 increase in the use of accumulated surplus. On the revenue side, grants and other revenue streams will be decreased by \$25,000 and \$75,000 respectively. These decreases are offset by an increase of \$105,000 in revenue from signature events (Appendix A, Table 7).

The **Korea Town BIA** has proposed a 2020 Operating Budget of \$173,158 with a levy of \$77,164. The proposed budget has decreased by 2% from prior year as the capital expenditure has decreased by \$15,000 pending Master Plan Study results, which have deferred the Welcome signage project. With lower expenditures planned for the year, the BIA is not expecting to utilize any funds from the accumulated surplus resulting in a decrease of \$22,667 (Appendix A, Table 8).

The **Marketo District BIA** has proposed a 2020 Operating Budget of \$131,830 with a levy of \$106,000. The proposed budget has decreased by 32% from prior year as the BIA has no capital plans until the Streetscape project is complete resulting in \$52,538 decrease in capital expenditure and corresponding decrease in use of accumulated surplus (Appendix A, Table 9).

The **Midtown Yonge BIA** has proposed a 2020 Operating Budget of \$195,012 with a levy of \$185,214. The proposed budget has decreased by 27% from prior year due to \$55,000 decrease in capital expenditure for completion of Bridge Art project, \$22,754 decrease in administration expenditure and \$18,000 decrease in festival and events expenditure in order to contribute \$40,000 towards future streetscape improvement projects reserves. With lower expenditures planned for the year, the BIA is not expecting to utilize any funds from the accumulated surplus (Appendix A, Table 10).

The **Mimico Village BIA** has proposed a 2020 Operating Budget of \$43,814 with levy of 31,857. The proposed budget has decreased by 1% from prior year due to replacement of Lakeshore Villages Newspaper from its marketing strategy (Appendix A, Table 11).

The **Mirvish Village BIA** has proposed a 2020 Operating Budget of 120,046 with a levy of \$68,649. The proposed budget has increased by 59% from prior year mainly due to an increase of \$25,000 in capital expenditure for Streetscape Master Plan project, funded by grants (Appendix A, Table 12).

The **Mount Dennis BIA** has proposed a 2020 Operating Budget of \$66,958 with a levy of \$32,772. The proposed budget has decreased by 5% from prior year mainly due to a decrease of \$23,045 in promotion and advertising expenditures for posters and postcards. Other changes include an increase of \$14,226 in administration expenditure

for consultant fees and an increase of \$3,476 for adding an annual Holiday Pop-Up and Dance Party to its festival and events expenditure (Appendix A, Table 13).

The **Ossington Avenue BIA** has proposed a 2020 Operating Budget of \$117,793 with a levy of \$69,496. The proposed budget has increased by 16% from prior year as a result of higher expenditure spending to improve Ossington festival. Promotion and advertising expenditures has increased by \$4,900 to fund its second community Ossington Marketing campaign. Maintenance expenditures have also increased by \$5,000 that is offset by a decrease of \$5,000 in capital expenditures as the Street Sign project will be carry forwarded in the future year (Appendix A, Table 14).

The **Queen Street West BIA** has proposed a 2020 Operating Budget of \$500,087 with a levy of \$306,733. The proposed budget has decreased by 1% from prior year mainly due to a decrease of \$29,500 in capital expenditure as section 37 funds will be covering the rest of the projects and a decrease of \$24,416 in administration expenditure for lower consultant and honorarium fees; partially offset by \$27,500 increase in festival and events expenditure for improvements of the events, \$15,200 increase promotion and advertising and \$4,000 increase in maintenance expenditures (Appendix A, Table 15).

The **Regal Heights Village BIA** has proposed a 2020 Operating Budget of \$170,635 with a levy of \$72,660. The proposed budget has increased by 4% from prior year mainly due to \$32,000 increase in festival and events expenditures for hosting more events than previous years to increase traffic and celebrating 20<sup>th</sup> anniversary of Regal Heights Village BIA. Capital expenditure has decreased by \$25,000 due to cancellation of Streetscape project in 2019 and reducing the draw from the accumulated surplus reserve by \$28,000 (Appendix A, Table 16).

The **Sheppard East Village BIA** has proposed a 2020 Operating Budget of \$212,110 with a levy of \$191,517. The proposed budget has net 0% change from prior year (Appendix A, Table 17).

The **Eglinton Way BIA** has proposed a 2020 Operating Budget of \$443,857 with a levy of \$314,934. The proposed budget has increased by 18% from prior year mainly due to an increase of \$89,118 in grants since the BIA was successful in securing grants in 2019. Festival and events expenditure has increased by \$27,385 due to introduction of more events and activities to increase foot traffic in the area. Capital expenditures has also increased by \$7,500 to improve the Streetscape appearance by increasing summer power washing treatments (Appendix A, Table 18).

The **Upper Village BIA** has proposed a 2020 Operating Budget of \$186,410 with a levy of \$112,225. The proposed budget has decreased by 4% from prior year primarily due to a decrease of \$50,000 in capital expenditure as there are no capital projects planned for 2020 resulting in an associated reduction in the use of accumulated surplus. Festival and events expenditures have increased by \$39,750 for turning Upper Village Market into a signature event, partially offset from an increase of \$25,000 in grants and an increase of \$10,000 in other revenue sources (Appendix A, Table 19).

The **Uptown Yonge BIA** has proposed a 2020 Operating Budget of \$266,070 with a levy of \$252,097. The proposed budget has decreased by 3% from prior year due to a decrease of \$14,000 in festival and event and a decrease of \$8,340 in maintenance expenditures based on the anticipation that some of the event and maintenance spending will not be getting approved by the board. Promotion and advertising expenditure has increased by \$13,525 to continue to elevate its marketing strategies (Appendix A, Table 20).

The **Weston Village BIA** has proposed a 2020 Operating Budget of \$260,739 with a levy of \$143,713. The proposed budget has increased by 10% from prior year mainly due to \$30,000 increase in capital expenditure for cost sharing project of installing Streetscape features in Weston Road Reconstruction, which is funded through the use of accumulated surplus. Maintenance expenditure has increased by \$14,000 for graffiti removal and security (Appendix A, Table 21).

The **Wilson Village BIA** has proposed a 2020 Operating Budget of \$850,239 with a levy of \$279,565. The proposed budget has increased by 77% from prior year due to \$368,000 increase in capital expenditure for Masterplan Pedestrian Polls and furniture phase 1 project and Ancaster Streetscape project. These projects are funded through the use of \$401,000 accumulated surplus reserves (Appendix A, Table 22).

The **Wychwood Heights BIA** has proposed a 2020 Operating Budget of \$101,161 with a levy of \$36,161. The proposed budget has decreased by 20% from prior year mainly due to a decrease of \$25,000 in capital expenditure as there are no capital projects planned for 2020. Maintenance expenditure has also decreased by \$11,600 due to lower cost of floral display and graffiti removal in 2019 and promotion and advertising expenditure has decreased by \$9,639 to reflect a more accurate budget as compared to 2019 (Appendix A, Table 23).

The **Yonge + St. Clair BIA** has proposed a 2020 Operating Budget of \$756,175 with a levy of \$539,415. The proposed budget has increased by 13% from prior year primarily due to an increase of \$138,033 in capital expenditure for Phase 1 Streetscape Master Plan projects, which was deferred in 2019. Administration expenditure has also increased by \$60,653 to account for a full time Marketing and Events Coordinator staff and larger office space (Appendix A, Table 24).

## CONTACT

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## SIGNATURE

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Heather Taylor  
Chief Financial Officer and Treasurer

## ATTACHMENTS

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Appendix A – Summary of 2020 Operating Budgets by Business Improvement Area  
Appendix B – Status of Business Improvement Area 2020 Operating Budget Approvals