

Business Improvement Areas (BIAs) - 2023 Operating Budgets - Report 2

Date: February 2, 2023

To: Economic and Community Development Committee

From: Chief Financial Officer and Treasurer

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

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 a special tax levy on the commercial and industrial properties within the respective BIA boundaries. The BIA is an association, independently managed from the City and operated by local businesses and property owners, joining together to organize, finance, and deliver capital streetscape improvements, and to promote economic development in a district with its own governance structure as set out in Chapter 19 of the Toronto Municipal Code and the City of Toronto Act, 2006.

There are currently 84 established BIAs in the City of Toronto. The Economic and Community Development Committee has previously approved the 2023 Operating Budgets for 50 BIAs through Report 1 at its meeting on January 11, 2023 and that report is currently with Council for approval on February 7-9, 2023. Included in this Report 2 is the 2023 Operating Budgets for 27 BIAs for City Council approval. Financing of individual Business Improvement Area Operating Budgets is raised by a special levy on the commercial and industrial properties within the respective BIA boundaries.

Council has not established a specific policy requiring a BIA maintain a certain amount in their accumulated surplus. Should a BIA find itself in a deficit, be dissolved or becomes inactive, Council has the authority to collect funds required and liabilities including interests, through the BIA levy under Chapter 19 of the Toronto Municipal Code. If a board is dissolved and the liabilities exceed the assets assumed by the City, Council shall recover the difference.

The recommendation in this report reflects the board-adopted 2023 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 2023 Operating Budgets for BIAs reflect Council's approved policies and practices.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council adopt and certify the 2023 recommended Operating Budgets and Levy requirements of the following Business Improvement Areas:

Business Improvement Area	2023 Operating Budget (\$)	2023 Levy Funds Required (\$)
Bloorcourt Village	322,645	203,488
Church-Wellesley Village	584,294	288,507
College West	44,684	22,384
Dovercourt Village	22,699	7,909
Dupont by the Castle	172,900	147,490
Emery Village	3,242,685	2,337,499
Harbord Street	33,680	14,221
Korea Town	163,254	77,163
Leslieville	352,392	183,064
Long Branch	183,531	166,704
Marketo District	157,046	109,221
Mimico by the Lake	64,658	52,826
Mimico Village	58,320	35,901
Mount Dennis	199,530	31,338
Ossington Avenue	190,814	74,430
Pape Village	148,132	99,587
Parkdale Village	277,949	234,150
Queen Street West	772,231	306,733
Rogers Road	80,202	39,996
Rosedale Main Street	329,763	239,022

Business Improvement Area	2023 Operating Budget (\$)	2023 Levy Funds Required (\$)
Sheppard East Village	217,381	197,779
shoptheQueensway.com	177,779	159,517
The Eglinton Way	781,320	290,037
Trinity Bellwoods	71,781	57,572
Upper Village	285,968	124,655
Wilson Village	829,112	316,867
Yonge & St Clair	1,007,965	596,556
Total	10,772,715	6,414,616

FINANCIAL IMPACT

Financing of the Business Improvement Area Operating Budgets is raised by a special levy on the commercial and industrial properties within the respective BIA boundaries, accumulated surplus, grants administered and funded by the city and/or external parties, donations, sponsorships, festival revenues, and other third-party revenues. The BIA Office works with the BIAs to ensure that all BIAs are aware of the available City grant programs.

The 2023 Operating Budgets for the 27 BIAs total \$10.773 million which requires a special tax levy in the amount of \$6.415 million reflecting a \$0.021 million or 0.3% increase in the special tax levy from 2022. All of the 2023 BIA Operating Budgets submitted for consideration are balanced budgets and not economically dependent on the City. 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 2022 or prior and carried forward into 2023, as well as new capital cost-share projects submitted for consideration in the 2023-2032 Capital Budget and Plan for Economic Development and Culture as part of the 2023 Budget process.

The dates at which the 2023 Operating Budgets were adopted by the respective BIAs' Boards of Management and General Membership are provided in Appendix B.

DECISION HISTORY

At its meeting on January 11, 2023, Economic and Community Development Committee adopted the 2023 Operating Budget Report 1 for 50 of the 84 established BIAs. <https://secure.toronto.ca/council/agenda-item.do?item=2023.EC1.2>

COMMENTS

The Business Improvement Area (BIA) is an association, managed and operated by local businesses and property owners, joining 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 on commercial and industrial rateable property in the business improvement area. This special charge, or levy, is identified as a separate line item on the final property tax bill. Following Council approval of the BIA's budget, the funds are disbursed to the BIA's Board of Management 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 through the BIA governance structure. Below is the financial summary of the 2023 Operating Budget, by BIA, with supplementary information detailing net change from 2022 as set out in Appendix A.

The **Bloorcourt Village BIA** has proposed a 2023 Operating Budget of \$322,645 with a levy of \$203,488 consistent with 2022. The proposed budget has increased by 19% or \$52,353 from prior year. Maintenance expenditures have increased by \$36,000 for planting, floral displays and graffiti removal. Festivals and events expenditures have increased by \$26,500 for the Pop-up Markets and other seasonal events. The above expenditures are offset by increased withdrawals of \$89,779 from accumulated surplus reserves (Appendix A, Table 1).

The **Church-Wellesley Village BIA** has proposed a 2023 Operating Budget of \$584,294 with a levy of \$288,507 which is 7% or \$18,755 higher than 2022. The proposed budget has increased by 3% or \$17,879 from prior year mainly driven by maintenance and festival and events expenditures (Appendix A, Table 2).

The **College West BIA** has proposed a 2023 Operating Budget of \$44,684 with a levy of \$22,384 consistent with 2022. The proposed budget has increased by 19% or \$7,075 from prior year. Maintenance expenditures have increased by \$6,000 for banner

replacements. Promotion and advertising expenditures have increased by \$2,000 for consultant work related to marketing. The above expenditures are offset by increased withdrawals of \$8,230 from accumulated surplus reserve (Appendix A, Table 3).

The **Dovercourt Village BIA** has proposed a 2023 Operating Budget of \$22,699 with a levy of \$7,909 consistent with 2022. The proposed budget has decreased by 4% or \$1,044 from prior year mainly driven by lower administration and promotion and advertising expenditures (Appendix A, Table 4).

The **Dupont by the Castle BIA** has proposed a 2023 Operating Budget of \$172,900 with a levy of \$147,490 which is 7% or \$9,649 higher than 2022. The proposed budget has increased by 17% or \$25,515 from prior year. Maintenance expenditures have increased by \$31,585 for planting, floral displays, and Wendat square maintenance. Capital expenditures have increased by \$11,970 for a seasonal lighting project and purchase of hanging baskets. The above expenditures are offset by a decreased contribution of \$30,591 to accumulated surplus reserves and an increased appeal provision surplus of \$15,366 (Appendix A, Table 5).

The **Emery Village BIA** has proposed a 2023 Operating Budget of \$3,242,684 with a levy of \$2,337,499 which is 4% or \$109,254 lower than 2022. The proposed budget has decreased by 1% or \$17,862 from prior year mainly driven by lower contribution to accumulated surplus reserves (Appendix A, Table 6).

The **Harbord Street BIA** has proposed a 2023 Operating Budget of \$33,680 with a levy of \$14,221 which is 9% or \$1,197 higher than 2022. The proposed budget has increased by 1% or \$231 from prior year (Appendix A, Table 7).

The **Korea Town BIA** has proposed a 2023 Operating Budget of \$163,254 with a levy of \$77,163 consistent with 2022. The proposed budget has increased by 4% or \$6,727 from prior year mainly driven by capital expenditures (Appendix A, Table 8).

The **Leslieville BIA** has proposed a 2023 Operating Budget of \$352,392 with a levy of \$183,064 which is 9% or \$15,564 higher than 2022. The proposed budget has increased by 27% or \$75,452 from prior year. Promotion and advertising expenditures have increased by \$72,800 for marketing initiatives strategies. Festivals and events expenditures have increased by \$26,060 for Wanderlust event. This is offset by reduced administration expenditures of \$26,223 due to decreased office rent and storage. To further offset the increases in the expenditures, withdrawals of \$25,000 from accumulated surplus reserves and increased grants of \$24,500 from the Main Street Innovation Fund, signature events revenue of \$22,000 and levy of \$15,564 are budgeted (Appendix A, Table 9).

The **Long Branch BIA** has proposed a 2023 Operating Budget of \$183,531 with a levy of \$166,704, which is 4% or \$6,412 higher than 2022. The proposed budget has increased by 2% or \$3,459 from prior year mainly driven by capital and maintenance expenditures (Appendix A, Table 10).

The **Marketo BIA** has proposed a 2023 Operating Budget of \$157,046 with a levy of \$109,221 which is 3% or \$3,182 higher than 2022. While the levy has increased by 3%,

overall expenditures in the proposed budget have decreased by 39% or \$99,142 from prior year mainly due to deferring pedestrian lighting capital project which accounts for \$97,500 decrease in the capital expenditures. Maintenance expenditures have decreased by \$12,274 for not installing summer floral displays. Withdrawals from accumulated surplus reserves have decreased by \$110,847 to account for lower expenditures and to start replenishing the reserves for future projects (Appendix A, Table 11).

The **Mimico by the Lake BIA** has proposed a 2023 Operating Budget of \$64,658 with a levy of \$52,826 consistent with 2022. The overall expenditures in the proposed budget are consistent with prior year (Appendix A, Table 12).

The **Mimico Village BIA** has proposed a 2023 Operating Budget of \$58,320 with a levy of \$35,901 consistent with 2022. The proposed budget has increased by 1% or \$301 from prior year (Appendix A, Table 13).

The **Mount Dennis BIA** has proposed a 2023 Operating Budget of \$199,530 with a levy of \$31,338 which is 4% or \$1,206 higher than 2022. The proposed budget has increased by 31% or \$47,621 from prior year. Capital expenditures have increased by \$38,761 for pedestrian scale lighting project. Administration expenditures have increased by \$27,953 for the hiring of two part time staff. The above expenditures are offset by \$33,750 increase in grants revenue from the City's Capacity Building Fund and Outdoor Mural & Street Art Program, \$7,834 increase in withdrawals from accumulated surplus reserves and \$7,167 increase in other revenue (Appendix A, Table 14).

The **Ossington BIA** has proposed a 2023 Operating Budget of \$190,814 with a levy of \$74,430 which is 5% or \$3,544 higher than 2022. The proposed budget has increased by 34% or \$48,497 from prior year. Capital expenditures have increased by \$30,000 for Parkette project. Festivals and events have increased by \$12,700 to account for scale increase of the Ossington Street Festival. Promotion and advertising and maintenance expenditures have increased by \$4,200 and \$2,000 respectively. The above expenditures are offset by \$37,500 increase in grants revenue from Canada Healthy Communities grant and the City's Outdoor Mural & Street Art Program, and \$19,622 increase in withdrawal from accumulated surplus reserves (Appendix A, Table 15).

The **Pape Village BIA** has proposed a 2023 Operating Budget of \$148,132 with a levy of \$99,587 which is 4% or \$3,547 higher than 2022. The proposed budget has increased by 21% or \$25,603 from prior year. Festival and events have increased by \$15,200 to account for scale increase of the summer festival. Maintenance expenditures have increased by \$7,000 for banner replacements. Promotion and advertising expenditures have increased by \$5,000 for billboard advertisement. The above expenditures are offset by increased withdrawals of \$36,450 from accumulated surplus reserves (Appendix A, Table 16).

The **Parkdale Village BIA** has proposed a 2023 Operating Budget of \$277,949 with a levy of \$234,150 which is 1% or \$1,243 higher than 2022. The proposed budget has increased by 3% or \$9,305 from prior year mainly due to maintenance and festival and events expenditures (Appendix A, Table 17).

The **Queen Street West BIA** has proposed a 2023 Operating Budget of \$772,231 with a levy of \$306,733 consistent with 2022. The proposed budget has decreased by 3% or \$27,077 from prior year mainly for maintenance and promotion and advertising expenditures (Appendix A, Table 18).

The **Rogers Road BIA** has proposed a 2023 Operating Budget of \$80,202 with a levy of \$39,996 consistent with 2022. The proposed budget has increased by 12% or \$8,881 from prior year mainly due to contribution to accumulated surplus reserves partially offset by the completion of the capital project (Appendix A, Table 19).

The **Rosedale Main Street BIA** has proposed a 2023 Operating Budget of \$329,763 with a levy of \$239,022 consistent with 2022. The proposed budget has increased by 19% or \$52,595 from prior year. Festival and events have increased by \$57,000 for ArtFair and Cavalcade of Lights events. This is offset by \$30,000 increase in signature events revenue and \$27,827 increase in withdrawals from accumulated surplus reserves (Appendix A, Table 20).

The **Sheppard East Village BIA** has proposed a 2023 Operating Budget of \$217,381 with a levy of \$197,779 which is 3% or \$6,180 higher than 2022. The proposed budget has increased by 1% or \$2,140 from prior year largely related to promotion and advertising (Appendix A, Table 21).

The **shoptheQueensway.com BIA** has proposed a 2023 Operating Budget of \$177,779 with a levy of \$159,517 consistent with 2022. The proposed budget has decreased by 20% or \$44,712 from prior. Festival and events expenditures have decreased by \$72,113 for not hosting a signature event. This decrease is partially offset by \$17,650 increase in maintenance for floral displays and banner replacements and \$9,700 increase in promotion and advertising expenditures for rebranding. Withdrawals from accumulated surplus have decreased by \$38,329 and signature events revenue have decreased by \$15,000 due to less festivals and events than 2022 (Appendix A, Table 22).

The **Eglinton Way BIA** has proposed a 2023 Operating Budget of \$781,320 with a levy of \$290,037 consistent with 2022. The proposed budget has increased by 88% or \$365,794 from prior year. Capital expenditures have increased by \$151,644 for Street Art Sculpture project. Festival and events have increased by \$124,169 for Holiday Fashion Show, International Women's Day, and Vintage Car Show events. Administration expenditures have increased by \$94,931 to hire event/marketing staff and consultant. The above expenditures are offset by \$307,346 increase in grants from Art Walk Grant, Canada Community Revitalization Fund, the Main Street Innovation Fund and CafeTO grant, \$45,822 increase in withdrawals from accumulated surplus reserve, and \$15,000 increase in signature events revenue (Appendix A, Table 23).

The **Trinity Bellwoods BIA** has proposed a 2023 Operating Budget of \$71,781 with a levy of \$57,572 consistent with 2022. The proposed budget has decreased by 37% or \$42,947 from prior year. Maintenance expenditures have decreased by \$68,420 due to the discontinuation of pressure washing and garbage cleaning. This is partially offset by \$25,000 increase in festival and events for additional local events. Further reduction

includes \$44,267 decrease in withdrawals from accumulated surplus reserves due to lower operational needs (Appendix A, Table 24).

The **Upper Village BIA** has proposed a 2023 Operating Budget of \$285,968 with a levy of \$124,655, which is 12% or \$13,356 higher than 2022. The proposed budget has increased by 101% or \$143,987 from prior year. Administration expenditures have increased by \$95,773 for additional staff to support members and initiatives. Maintenance expenditures have increased by \$26,000 for street cleaning program. Promotion and advertising expenditures have increased by \$20,000 for additional social media presence and marketing. Capital expenditures have increased by \$11,000 for seasonal lighting and signs. The above expenditures are offset by \$120,000 increase in grants from Metrolinx Construction Mitigation and Winter Main Street Innovation, \$13,356 increase in levy, \$8,896 increase in provision surplus and \$1,735 increase in withdrawals from accumulated surplus reserves (Appendix A, Table 25).

The **Wilson Village BIA** has proposed a 2023 Operating Budget of \$829,112 with a levy of \$316,867, which is 10% or \$28,806 higher than 2022. The proposed budget has increased by 77% or \$361,852 from prior year mainly due to \$347,000 increase in capital expenditures for Ancaster Extension Project. This is partially offset by increased withdrawal of \$312,028 from accumulated surplus reserves. Further offsets to the expenditures increase consist of \$28,806 increase in levy and \$21,018 in appeal provision surplus (Appendix A, Table 26).

The **Yonge & St. Clair BIA** has proposed a 2023 Operating Budget of \$1,007,965 with a levy of \$596,556 which is 3% or \$17,732 higher than 2022. The proposed budget has increased by 36% or \$268,918 from prior year. Capital expenditures have increased by \$107,500 for Streetscape Master Plan Phase 2 project. Administration expenditures have increased by \$90,806 for additional staff to assist with priority projects. Maintenance expenditures have increased by \$41,500 for banner replacement and maintenance and consultant for amenity and other maintenance projects. Promotion and advertising expenditures have increased by \$27,500 for shopping campaign and other advertising strategy. The above expenditures are offset by \$172,500 increase in grants from the Main Street Innovation Fund, Canada Summer Jobs, CafeTo and PollinateTo, \$28,686 increase in appeal provision surplus, \$25,000 increase in other festival revenues, \$25,000 increase in withdrawals from accumulated surplus reserves, and \$17,732 increase in levy (Appendix A, Table 27).

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SIGNATURE

Heather Taylor
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ATTACHMENTS

Appendix A - Summary of 2023 Operating Budget by Business Improvement Area
Appendix B - Status of Business Improvement Area 2023 Operating Budget Approvals