TORONTO

REPORT FOR ACTION

Business Improvement Areas (BIAs) - 2024 Operating Budgets - Report 2

Date: March 14, 2024
To: Economic and Community Development Committee
From: Chief Financial Officer and Treasurer
Wards: 3, 5, 6, 7, 8, 9, 10, 11, 12, 14, 19, 20, 23

SUMMARY

This report brings forward Business Improvement Area (BIA) annual Operating Budget 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 levy on the rateable commercial and industrial properties within the respective BIA boundaries. Special levy rate reductions for the subclasses have been set out in Appendix C, for properties in the subclasses of the commercial and industrial property classes.

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. City Council previously approved the 2024 Operating Budgets for 60 BIAs through Report 1 at its meeting on February 6, 2024 (Item EC9.2). One BIA, Historic Queen East, is inactive. Included in this Report 2 is the 2024 Operating Budgets for the remaining 23 BIAs for City Council approval. No City funding is required since the financing of individual Business Improvement Area Operating Budgets is raised by a special levy on the rateable commercial and industrial properties within the respective BIA boundaries.

Under current Chapter 19 of the Toronto Municipal Code, the Business Improvement Areas By-law does not have specific provision requiring a BIA maintain a certain amount in their accumulated surplus. Should a BIA find itself in a deficit, be dissolved or becomes inactive, City Council has the authority to collect funds required and liabilities including interests, through the BIA levy as stipulated under the By-law. If a board is dissolved and the liabilities exceed the assets assumed by the City, Council shall recover the difference. As directed by City Council at its meeting on July 19, 2022, the General Manager, Economic Development and Culture will conduct additional review and consultation on other issues impacting BIAs. To ensure prudent stewardship of

public resources and further strengthen financial management and oversight, the issue of maintaining a minimum balance requirement in the BIA accumulated surplus reserves will be part of the By-law review. Based on the outcome of the review, City staff will present recommendations including the potential for amendment to the current Chapter 19 of the Toronto Municipal Code, and report back to Council by the second quarter of 2024.

The recommendation in this report reflects the board-adopted 2024 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 2024 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 2024 recommended Operating Budgets and Levy requirements of the following Business Improvement Areas:

Business Improvement Area	**2024 Operating Budget ($)**	**2024 Levy Funds Required ($)**
Bloorcourt Village	345,875	213,662
Bloordale Village	363,243	154,897
College West	59,601	23,502
Crossroads of the Danforth	326,506	189,489
Danforth Village	464,496	305,447
Dovercourt Village	22,869	8,305
DuKe Heights	7,155,457	3,135,318
Emery Village	2,666,591	2,288,562
Leslieville	314,667	188,305
Long Branch	190,487	167,846
Marketo District	168,699	109,221
Mount Dennis	204,627	34,427
Oakwood Village	112,972	41,343

Ossington Avenue	185,069	78,152
Pape Village	159,892	99,847
Queen Street West	629,267	322,070
Sheppard East Village	246,052	200,467
Shop the Queensway	170,128	159,517
The Beach	454,106	421,055
Trinity Bellwoods	81,724	57,573
Upper Village	145,785	135,873
Wilson Village	694,633	339,155
Yonge & St. Clair	1,162,873	656,212
Total	**16,325,619**	**9,330,245**

2. City Council elect to have the subclasses for the commercial and industrial property classes apply for 2024, and to apply the respective BIA special levy rate reductions to the subclasses, all as set out in Appendix C.

FINANCIAL IMPACT

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

The BIA operating budgets and changes in levies are board-adopted by the respective BIAs' Boards of Management and General Membership. The 2024 Operating Budgets for the 23 BIAs total $16.325 million which requires a special levy in the amount of $9.330 million reflecting a $0.137 million or 1.5% increase in the special levy from 2023. All of the 2024 BIA Operating Budgets submitted for consideration are balanced budgets that are managed independently by the BIAs 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 2023 or prior and carried forward into 2024, as well as new capital cost-share projects in the 2024-2033 Capital Budget and Plan for Economic Development and Culture through the 2024 Budget process.

The dates at which the 2024 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 February 6 and 7, 2024, City Council adopted the 2024 Operating Budget Report 1 for 60 of the 84 established BIAs.
https://secure.toronto.ca/council/agenda-item.do?item=2024.EC9.2

At its meeting on May 12, 2023, City Council voted in favour of bylaw 433-2023 to provide for the levy and collection of special charges for the year 2023 in respect of certain business improvement areas:
https://www.toronto.ca/legdocs/bylaws/2023/law0433.pdf

At its meeting on July 19, 2022, City Council directed the General Manager, Economic Development and Culture, to conduct additional review and consultation on other issues impacting Business Improvement Areas, including the potential for further amendments to the Municipal Code, Chapter 19, Business Improvement Areas, and report back on the outcomes of the By-law's review.
https://secure.toronto.ca/council/agenda-item.do?item=2022.EC31.12

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. 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 2024 Operating Budget, by BIA, with supplementary information detailing net change from 2023 as set out in Appendix A

Following the general membership approval and submission of the annual budgets to Council, Council approves to disburse funds 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 **Bloorcourt Village BIA** has proposed a 2024 Operating Budget of $345,875 with a levy of $213,662 which is 5% or $10,174 higher than 2023. The proposed budget has increased by 7% or $23,230 from prior year mainly driven by higher maintenance and administration expenditures (Appendix A, Table 1).

The **Bloordale Village BIA** has proposed a 2024 Operating Budget of $363,243 with a levy of $154,897 which is 5% or $7,375 higher than 2023. The proposed budget has increased by 51% or $122,254 from prior year. Contribution to accumulated surplus reserves have increased by $48,930. Maintenance expenditures have increased by $38,400 for power washing, general cleanup, and overall maintenance of the area. Festival and events expenditures have increased by $26,500 for the cost escalations related to the Big on Bloor Street festival. Administration expenditures have increased by $10,975 for additional support. The above expenditures are offset by $188,917 increase from appeal provision surplus (Appendix A, Table 2).

The **College West BIA** has proposed a 2024 Operating Budget of $59,601 with a levy of $23,502 which is 5% or $1,118 higher than 2023. The proposed budget has increased by 33% or $14,918 from prior year mainly driven by higher capital, maintenance, and promotion and advertising expenditures (Appendix A, Table 3).

The **Crossroads of the Danforth BIA** has proposed a 2024 Operating Budget of $326,506 with a levy of $189,489 which is 4% or $7,665 lower than 2023. The proposed budget has increased by 2% or $6,207 from prior year mainly driven by higher promotions and advertisement, and festivals and events expenditures, and offset by reduced maintenance expenditures (Appendix A, Table 4).

The **Danforth Village BIA** has proposed a 2024 Operating Budget of $464,496 with a levy of $305,447 which is 15% or $40,535 higher than 2023. The proposed budget has increased by 28% or $102,084 from prior year. Capital expenditures have increased by $70,000 for the Gateway Sign project. Maintenance expenditures have increased by $52,500 for banner materials, streetscape maintenance and security. Promotion and advertising expenditures have increased by $10,500 for website development and sponsorship work. Festival and events have decreased by $27,150. Further offsets to the expenditure increases consist of $70,000 increase in withdrawals from accumulated surplus reserves and $40,535 increase in levy (Appendix A, Table 5).

The **Dovercourt Village BIA** has proposed a 2024 Operating Budget of $22,869 with a levy of $8,305 which is 5% or $396 higher than 2023. The proposed budget has increased by 1% or $170 from prior year (Appendix A, Table 6).

The **DuKe Heights BIA** has proposed a 2024 Operating Budget of $7,155,457 with a levy of $3,135,318 consistent with 2023. The proposed budget has increased by 95% or

$3,494,536 from prior year. Capital expenditures have increased by $3,563,728 for various projects including Streetscape Improvements, Chesswood, Historical Markers, DuKe marker, Connecting Communities and Steeles/Keele Street Corner projects. Maintenance expenditures have increased by $53,860 for capital improvements maintenance and warranty. Festivals and events expenditures have increased by $19,000. The above expenditures are offset by $3,443,706 increase in withdrawals from accumulated surplus reserves and $121,000 increase from other revenues (Appendix A, Table 7).

The **Emery Village BIA** has proposed a 2024 Operating Budget of $2,666,591 with a levy of $2,288,562 which is 2% or $48,937 lower than 2023. The proposed budget has decreased by 18% or $576,094 from prior year. Capital expenditures have decreased by $633,371 due to delays in projects. Promotion and advertising have decreased by $19,000. Administration expenditures have increased by $50,004 to fill out vacant positions. Festivals and events expenditures have increased by $33,400 for an additional signature event. Withdrawals from accumulated surplus have decreased by $494,371 and levy have decreased by $48,937 due to reduced budgeted capital expenditures (Appendix A, Table 8).

The **Leslieville BIA** has proposed a 2024 Operating Budget of $314,667 with a levy of $188,305 which is 3% or $5,241 higher than 2023. The proposed budget has decreased by 11% or $37,726 from prior year mainly due to reduced capital, and promotion and advertising expenditures offset by increased maintenance and administration (Appendix A, Table 9).

The **Long Branch BIA** has proposed a 2024 Operating Budget of $190,487 with a levy of $167,846 which is 1% or $1,142 higher than 2023. The proposed budget has increased by 4% or $6,956 from prior year mainly driven by higher maintenance and administration expenditures offset by reduced contribution to accumulated surplus and reduced capital spending (Appendix A, Table 10).

The **Marketo District BIA** has proposed a 2024 Operating Budget of $168,699 with a levy of $109,221 consistent with 2023. The proposed budget has increased by 7% or $11,653 from prior year mainly driven by higher maintenance, and festival and events expenditures (Appendix A, Table 11).

The **Mount Dennis BIA** has proposed a 2024 Operating Budget of $204,627 with a levy of $34,427 which is 10% or $3,089 higher than 2023. The proposed budget has increased by 3% or $5,097 from prior year mainly driven by higher capital and maintenance expenditures offset by reduced spending on promotion and advertising, and festivals and events (Appendix A, Table 12).

The **Oakwood Village BIA** has proposed a 2024 Operating Budget of $112,972 with a levy of $41,343 which is 9% or $3,414 higher than 2023. The proposed budget has increased by 35% or $29,046 from prior year mainly driven by $46,400 increase in promotion and advertising expenditures. Administration, maintenance, and festival and events expenditures have decreased by $10,714, $4,500, and $2,200 respectively. Further offsets to the expenditure increases consist of $15,750 increase in grant revenue from Main Street Innovation Fund, $5,000 increase in other revenues, $4,946 increase withdrawals from accumulated surplus reserves and $3,414 increase in levy (Appendix A, Table 13).

The **Ossington Avenue BIA** has proposed a 2024 Operating Budget of $185,069 with a levy of $78,152 which is 5% or $3,722 higher than 2023. The proposed budget has decreased by 3% or $5,745 from prior year mainly due to reduced capital expenditures partially offset by increased spending on festivals and events (Appendix A, Table 14).

The **Pape Village BIA** has proposed a 2024 Operating Budget of $159,892 with a levy of $99,847 consistent with 2023. The proposed budget has increased by 8% or $11,760 from prior year mainly due to higher capital, promotion and advertising, and festivals and events expenditures partially offset by increased spending on maintenance and administration (Appendix A, Table 15).

The **Queen Street West BIA** has proposed a 2024 Operating Budget of $629,267 with a levy of $322,070 which is 5% or $15,337 higher than 2023. While the levy has increased by 5%, overall expenditures in the proposed budget has decreased 19% or $142,964 from prior year mainly driven by $268,500 reduction in capital expenditures and $15,000 reduction in festivals and events, partially offset by increases in administration, and promotion and advertising (Appendix A, Table 16).

The **Sheppard East Village BIA** has proposed a 2024 Operating Budget of $246,052 with a levy of $200,467 which is 1% or $2,688 higher than 2023. The proposed budget has increased by 13% or $28,671 from prior year mainly due to higher administration and promotion and advertising expenditures, partially offset by grants (Appendix A, Table 17).

The **Shop the Queensway BIA** has proposed a 2024 Operating Budget of $170,128 with a levy of $159,517 consistent with 2023. The proposed budget has decreased by 4% or $7,651 from prior year mainly due to reduced maintenance, administration and promotion and advertising expenditures (Appendix A, Table 18).

The Beach BIA has proposed a 2024 Operating Budget of $454,106 with a levy of $421,055 which is 1% or $5,643 higher than 2023. The proposed budget is consistent with prior year ,with increases in promotion and advertising, and maintenance, offset by decreases in capital spending and festivals and events (Appendix A, Table 19).

The **Trinity Bellwoods BIA** has proposed a 2024 Operating Budget of $81,724 with a levy of $57,573 consistent with 2023. The proposed budget has increased by 14% or $9,943 from prior year mainly driven by higher maintenance, promotion, and advertising expenditures (Appendix A, Table 20).

The **Upper Village BIA** has proposed a 2024 Operating Budget of $145,785 with a levy of $135,873 which is 9% or $11,218 higher than 2023. The proposed budget has decreased by 49% or $140,183 from prior year. Administration expenditures have decreased by $83,208 for changing the coordinator position from full time to part time. Promotion and advertising have decreased by $21,550 for eliminating social media and promotional events expenditures, and $16,500 for festivals and events. Capital and maintenance expenditures have decreased by $21,000 and $7,400 respectively. Grant revenues have decreased by $150,000 due to uncertainty in finalizing grant applications (Appendix A, Table 21).

The **Wilson Village BIA** has proposed a 2024 Operating Budget of $694,633 with a levy of $339,155 which is 7% or $22,288 higher than 2023. While the levy has increased by 7%, overall expenditures in the proposed budget has decreased by 16% or $134,479 from prior year mainly driven by $142,000 reduction in capital expenditures resulting in $144,028 lower withdrawals from the accumulated surplus reserves (Appendix A, Table 22).

The **Yonge & St. Clair BIA** has proposed a 2024 Operating Budget of $1,162,873 with a levy of $656,212 which is 10% or 59,656 higher than 2023. The proposed budget has increased by 15% or $154,908 from prior year mainly driven by $97,500 and $45,000 increase in capital and festivals and events expenditures respectively. The above expenditures are offset by $131,351 increase in withdrawals from accumulated surplus reserves and $59,656 increase in levy (Appendix A, Table 23).

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SIGNATURE

Stephen Conforti
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ATTACHMENTS

Appendix A - Summary of 2024 Operating Budget by Business Improvement Area
Appendix B - Status of Business Improvement Area 2024 Operating Budget Approvals
Appendix C - 2024 BIA Special Levy Rate Reductions for Subclasses