Agenda – Executive Policy Committee – March 15, 2006

REPORTS

Item No. 6 2006 Zone Levy for Business Improvement Zones
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2006, are before the Executive Policy Committee for consideration and recommendation to Council for approval, namely:

- Academy Road Business Improvement Zone
- Corydon Avenue Business Improvement Zone
- Downtown Winnipeg Business Improvement Zone
- Exchange District Business Improvement Zone
- Mosaic Market Business Improvement Zone
- Norwood Grove Business Improvement Zone
- Old St. Vital Business Improvement Zone
- Osborne South Business Improvement Zone
- Osborne Village Business Improvement Zone
- St. James Village Business Improvement Zone
- Selkirk Avenue Business Improvement Zone
- Transcona Business Improvement Zone
- West Broadway-South Sherbrook Business Improvement Zone
- West End Business Improvement Zone
- ZAC Quartier Francais-French Quarter Business Improvement Zone

ADMINISTRATIVE RECOMMENDATION:

1. That Council approve the 2006 Business Improvement Zone budgets and set and impose a zone levy to be applied to the annual rental value of each business within each zone.

2. That Council direct the City Treasurer to make payment to the Board of each zone in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002.

ADMINISTRATIVE REPORT

RE: APPROVAL OF ZONE LEVY FOR BUSINESS IMPROVEMENT ZONES - 2006

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: ACTING CHIEF FINANCIAL OFFICER

REPORT DATE: March 8, 2006

RECOMMENDATION(S):

1. That Council approve the 2006 Business Improvement Zone budgets and set and impose a zone levy to be applied to the annual rental value of each business within each zone.

2. That Council direct the City Treasurer to make payment to the Board of each zone in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002.

REPORT SUMMARY:

Key Issue(s):

- The 2006 zone levy for each of the 16 established Business Improvement Zones is conditional upon Council approving the budgets adopted at the Annual General Meeting of each zone.

- Grosvenor Square Business Improvement Zone did not adopt a budget for the second consecutive year in 2006.

- Due to the 2006 general assessment and the change a zone may have experienced in the annual rental values used for setting the zone's levy rates, the levy rate changes range from a decrease of 20.8% in the French Quarter zone to an increase of 52.0% in the West Broadway/South Sherbrook zone.

Implications of the Recommendation(s):

General Implications

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s): The adoption of the 2006 Business Improvement Zone levy rates will authorize the collection of the levy as determined by the City of Winnipeg.

Policy Implications

X	**No**
	Yes
	Comment(s):

Environmental Implications:

X	**No**
	Yes
	Comment(s):

Human Resources Implications:

X	**No**
	Yes
	Comment(s):

Financial implications

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required
	Comment(s): There is no financial impact as the Business Improvement Zone levy is revenue neutral to the City of Winnipeg.

REASON FOR THE REPORT:

In order for each Business Improvement Zone (BIZ) to obtain the revenue required to meet its 2006 budget, Council must impose, by by-law, the zone levy rates (Exhibit "A") to be applied to the Business Tax Roll for each of the 16 Business Improvement Zones.

HISTORY:

Under the *City of Winnipeg Charter*, Council may by by-law, establish a BIZ as well as set the policies and procedures for Business Improvement Zones including, among other factors, the administrative process for reviewing and approving individual BIZ budgets.

DISCUSSION:

The City of Winnipeg has received the 2006 budgets from all but one of the established Business Improvement Zones.

The Grosvenor Square Business Improvement Zone did not adopt a budget for the second consecutive year in 2006. The Board of Management has submitted a letter advising the City Clerk of its intention to review its options with regard to zone boundary changes, which may help permit the continued existence of the zone. If the review does not provide the Board of Management with feasible options to continue operations, it is prepared to terminate the zone.

For the purposes of raising sufficient money for each BIZ budget, a business improvement zone rate has been calculated and will be applied against the annual rental value of each business within the Business Improvement Zone (see Exhibit "A").

Exhibit "B" provides a 2005/2006 comparison of each Business Improvement Zone's budget levy requirement and the levy tax rate.

As 2006 is a general assessment year, increases or decreases to the BIZ levy rates do not necessarily result in a corresponding revenue change for a business improvement zone. Of the 15 zones with a 2006 levy, two zones had their 2006 annual rental value (ARV) decrease from the ARV used to establish their tax rate in 2005. These were West Broadway/South Sherbrook and St. James Village. All other zones had increases in their ARV's used to calculate their levy rates.

It is further noted that the budget requirement changes for all zones ranged from a decrease of 3.7% for the Norwood Grove BIZ to an increase of 22.2% for the Corydon Avenue BIZ. However, the levy rate changes ranged from a decrease of 20.8% for the French Quarter BIZ to an increase of 52.0% for the West Broadway/South Sherbrook BIZ. Again, the BIZ levy rate changes were significantly affected by the 2006 general assessment and the change in the zones ARV.

Financial Impact Statement

There is no financial impact as the zone levy is revenue neutral to the City of Winnipeg.

"Original Signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

EXHIBIT "A"

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (A.R.V.) AND LEVY RATES
FOR THE YEAR 2006

Zone	Budget	Budget Required Through Levy	2006 A.R.V.	Levy Rate	2005 A.R.V.
Academy Road	$ 27,760	$ 27,760	1,989,300	1.395%	1,650,960
Corydon Avenue	$ 108,250	$ 108,228	4,290,240	2.523%	3,147,960
Downtown Winnipeg	$ 1,968,945	$ 1,225,985	97,576,620	1.256%	83,464,288
Exchange District	$ 307,440	$ 235,615	17,601,480	1.339%	15,067,620
French Quarter	$ 32,000	$ 24,000	3,021,780	0.794%	2,413,028
Grosvenor Square	$ -	$ -	-	-	-
Mosaic Market	$ 40,119	$ 40,119	2,494,500	1.608%	2,475,312
Norwood Grove	$ 108,358	$ 80,083	6,390,240	1.253%	5,856,482
Old St. Vital	$ 116,798	$ 85,189	4,813,120	1.770%	4,158,400
Osborne South	$ 25,500	$ 25,500	1,548,420	1.647%	1,195,440
Osborne Village	$ 104,288	$ 103,788	4,178,880	2.484%	3,977,350
St. James Village	$ 50,000	$ 50,000	2,514,540	1.988%	2,562,780
Selkirk Avenue	$ 15,500	$ 15,500	893,640	1.734%	831,900
Transcona	$ 146,200	$ 141,700	7,845,600	1.806%	7,082,426
West Broadway / South Sherbrook	$ 63,393	$ 63,393	4,489,800	1.412%	5,815,704
West End Winnipeg	$ 295,950	$ 295,950	24,410,520	1.212%	21,357,724
TOTAL	$ 3,410,501	$ 2,522,810	$ 184,058,680		$ 161,057,374

Note: The *'budget'* amount may be different than the *'budget required through levy'* as a Business Improvement Zone:

- may have revenue from other sources;
- may be operating using a prior years surplus; or
- is required to recover a deficit from the previous year.

EXHIBIT "B"

BUSINESS IMPROVEMENT ZONES
2005/2006 COMPARISON
BUDGET LEVY REQUIREMENTS & LEVY RATES

Zone	Budget Levy Requirements				BIZ Levy Rates		
	2005	2006	Change Amount	Change %	2005	2006	Change %
Academy Road	$ 27,410	$ 27,760	$ 350	1.3%	1.660%	1.395%	-15.9%
Corydon Avenue	$ 88,600	$ 108,228	$ 19,628	22.2%	2.815%	2.523%	-10.4%
Downtown Winnipeg	$ 1,225,985	$ 1,225,985	$ -	0.0%	1.469%	1.256%	-14.5%
Exchange District	$ 215,000	$ 235,615	$ 20,615	9.6%	1.427%	1.339%	-6.2%
French Quarter	$ 24,200	$ 24,000	$ (200)	-0.8%	1.003%	0.794%	-20.8%
Grosvenor Square	$ -	$ -	$ -	-	-	-	-
Mosaic Market	$ 38,796	$ 40,119	$ 1,323	3.4%	1.567%	1.608%	2.6%
Norwood Grove	$ 83,130	$ 80,083	$ (3,047)	-3.7%	1.419%	1.253%	-11.7%
Old St. Vital	$ 87,800	$ 85,189	$ (2,611)	-3.0%	2.111%	1.770%	-16.2%
Osborne South	$ 24,150	$ 25,500	$ 1,350	5.6%	2.020%	1.647%	-18.5%
Osborne Village	$ 105,896	$ 103,788	$ (2,108)	-2.0%	2.662%	2.484%	-6.7%
St. James Village	$ 50,000	$ 50,000	$ -	0.0%	1.951%	1.988%	1.9%
Selkirk Avenue	$ 15,500	$ 15,500	$ -	0.0%	1.863%	1.734%	-6.9%
Transcona	$ 140,000	$ 141,700	$ 1,700	1.2%	1.977%	1.806%	-8.6%
West Broadway / South Sherbrook	$ 54,050	$ 63,393	$ 9,343	17.3%	0.929%	1.412%	52.0%
West End Winnipeg	$ 262,400	$ 295,950	$ 33,550	12.8%	1.229%	1.212%	-1.4%
TOTAL	$ 2,442,917	$ 2,522,810	$ 79,893	3.3%			

IN PREPARING THIS REPORT, THERE WAS CONSULTATION AND CONCURRENCE BY:

City Clerks Department

THIS REPORT SUBMITTED BY:

Corporate Finance Department, Taxation and Revenue Division
Prepared by: Robert Weselowski, Manager, Taxation and Revenue Division
File No. V:\Admin\FILES\BOBW\Bob's\BIZ\BIZ Levy Rpt 2006.doc