Agenda – Executive Policy Committee – March 14, 2007

REPORTS

Item No. 6 2007 Business Improvement Zone Levies
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2007, 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 Français-French Quarter Business Improvement Zone

ADMINISTRATIVE RECOMMENDATION:

1. That Council approve the 2007 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.

RE: APPROVAL OF BUSINESS IMPROVEMENT ZONE LEVIES - 2007

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: ACTING CHIEF FINANCIAL OFFICER

REPORT DATE: March 7, 2007

RECOMMENDATION:

1. That Council approve the 2007 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 Issues:

- The 2007 zone levy for fifteen (15) of the sixteen (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 third consecutive year in 2007; therefore, a zone levy will not be imposed for 2007.

- Due to 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 42.6% in the West Broadway zone to an increase of 37.6% in the Academy Road 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 2007 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):

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

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.

Report

REASON FOR THE REPORT:

In order for each Business Improvement Zone (BIZ) to obtain the revenue required to meet its 2007 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 Business Improvement Zones that have submitted a budget for 2007.

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. This authority was accomplished by enacting the Business Improvement Zone Procedures By-law No. 8111/2002.

DISCUSSION:

The City of Winnipeg has received the 2007 budgets from all but one of the established Business Improvement Zones.

The Grosvenor Square Business Improvement Zone did not adopt a budget for the third consecutive year in 2007. In 2006, The Board of Management 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. The Board also stated its intention to terminate the zone if the review did not provide feasible options to continue operations.

The Administration worked with the Board to resolve its boundary issues but was unsuccessful. At its meeting on September 21, 2006, the Executive Policy Committee concurred with the following Administrative recommendations:

1. That the Administration send a registered letter to the Grosvenor Square Business Improvement Zone (BIZ):

A. Reminding the BIZ that no Budget has been submitted for two years;

B. Requesting that a 2007 budget be submitted to Council by December 31, 2006; and

C. Advising the BIZ that, if a 2007 budget is not submitted by December 31, 2006, the City may enact a by-law dissolving the Grosvenor Square Business Improvement Zone.

2. *That if the BIZ fails to submit the requested budget by December 31, 2006, the Administration be authorized to prepare and present to Council a By-law dissolving the Grosvenor Square Business Improvement Zone.*

In accordance with the Business Improvement Zone Procedures By-Law 8111/2002, if a BIZ fails to submit an annual budget to Council for approval in two consecutive years, this may be a cause for terminating the zone. A final report will be prepared by the Planning, Property and Development Department requesting a by-law for the dissolution of the Grosvenor Square BIZ.

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 2006/2007 comparison of each Business Improvement Zone's budget levy requirement and the levy tax rate.

Of the ten (10) zones with a decrease in the 2007 annual rental value (ARV), the most significant change was in the Downtown zone. While the other five (5) zones' ARV increased, the most notable increase occurred in the West Broadway zone.

It is further noted that the budget requirement changes for all zones ranged from a decrease of 5.8% for the West Broadway BIZ to an increase of 36.9% for the Academy Road BIZ. However, the levy rate changes ranged from a decrease of 42.6% to an increase of 37.6% for the West Broadway BIZ and Academy Road BIZ respectively.

FINANCIAL IMPACT STATEMENT

There is no financial impact as the Business Improvement 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 2007

Zone	Budget	Budget Required Through Levy	2007 A.R.V.	Levy Rate	2006 A.R.V.
Academy Road	$ 38,000	$ 38,000	1,978,680	1.920%	1,989,300
Corydon Avenue	$ 140,000	$ 140,000	4,819,860	2.905%	4,290,240
Downtown Winnipeg	$ 2,371,493	$ 1,354,922	95,045,780	1.426%	97,576,620
Exchange District	$ 322,925	$ 262,100	17,201,880	1.524%	17,601,480
French Quarter	$ 49,950	$ 28,846	2,782,560	1.037%	3,021,780
Grosvenor Square	$ -	$ -	-	-	-
Mosaic Market	$ 40,550	$ 40,550	2,512,464	1.614%	2,494,500
Norwood Grove	$ 115,865	$ 90,961	6,321,900	1.439%	6,390,240
Old St. Vital	$ 122,107	$ 108,149	4,827,160	2.240%	4,813,120
Osborne South	$ 32,500	$ 32,500	1,476,660	2.201%	1,548,420
Osborne Village	$ 118,938	$ 116,438	4,679,760	2.488%	4,178,880
St. James Village	$ 50,000	$ 50,000	2,397,060	2.086%	2,514,540
Selkirk Avenue	$ 15,000	$ 15,000	852,300	1.760%	893,640
Transcona	$ 182,100	$ 148,100	7,460,400	1.985%	7,845,600
West Broadway	$ 59,730	$ 59,730	7,366,320	0.811%	4,489,800
West End Winnipeg	$ 339,430	$ 339,430	24,154,096	1.405%	24,410,520
TOTAL	$ 3,998,588	$ 2,824,726	$ 183,876,880		$ 184,058,680

Note: The *'budget'* amount could be different from 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"

BUDGET LEVY REQUIREMENTS & LEVY RATES

Zone	Budget Levy Requirements				BIZ Levy Rates		
	2006	2007	Change Amount	Change %	2006	2007	Change %
Academy Road	$ 27,760	$ 38,000	$ 10,240	36.9%	1.395%	1.920%	37.6%
Corydon Avenue	$ 108,228	$ 140,000	$ 31,772	29.4%	2.523%	2.905%	15.1%
Downtown Winnipeg	$ 1,225,985	$ 1,354,922	$ 128,937	10.5%	1.256%	1.426%	13.5%
Exchange District	$ 235,615	$ 262,100	$ 26,485	11.2%	1.339%	1.524%	13.8%
French Quarter	$ 24,000	$ 28,846	$ 4,846	20.2%	0.794%	1.037%	30.5%
Grosvenor Square	$ -	$ -	$ -	-	-	-	-
Mosaic Market	$ 40,119	$ 40,550	$ 431	1.1%	1.608%	1.614%	0.4%
Norwood Grove	$ 80,083	$ 90,961	$ 10,878	13.6%	1.253%	1.439%	14.8%
Old St. Vital	$ 85,189	$ 108,149	$ 22,960	27.0%	1.770%	2.240%	26.6%
Osborne South	$ 25,500	$ 32,500	$ 7,000	27.5%	1.647%	2.201%	33.6%
Osborne Village	$ 103,788	$ 116,438	$ 12,650	12.2%	2.484%	2.488%	0.2%
St. James Village	$ 50,000	$ 50,000	$ -	0.0%	1.988%	2.086%	4.9%
Selkirk Avenue	$ 15,500	$ 15,000	$ (500)	-3.2%	1.734%	1.760%	1.5%
Transcona	$ 141,700	$ 148,100	$ 6,400	4.5%	1.806%	1.985%	9.9%
West Broadway	$ 63,393	$ 59,730	$ (3,663)	-5.8%	1.412%	0.811%	-42.6%
West End Winnipeg	$ 295,950	$ 339,430	$ 43,480	14.7%	1.212%	1.405%	15.9%
TOTAL	$ 2,522,810	$ 2,824,726	$ 301,916	12.0%			

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

City Clerks Department
Corporate Services Department, Legal Services Division
Planning, Property and Development Department

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Corporate Finance
Division: Taxation and Revenue
Prepared by: Mel Chambers, Acting Manager of Taxation and Revenue
File No. BIZ Levy Report 2007.doc