Agenda - Executive Policy Committee - March 12, 2008

REPORTS

Item No. 5 2008 Business Improvement Zone Levies
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2008, 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
- Selkirk Avenue Business Improvement Zone
- St. James Village Business Improvement Zone
- Transcona Business Improvement Zone
- West Broadway Business Improvement Zone
- West End Business Improvement Zone
- Provencher Boulevard Business Improvement Zone

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council approve the 2008 Business Improvement Zone budgets and adopt the necessary by-laws required to set and impose a zone levy to be applied to the annual rental value of each business within each zone in 2008.

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 - 2008

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: February 29, 2008

RECOMMENDATION:

1. That Council approve the 2008 Business Improvement Zone budgets and adopt the necessary by-laws required to set and impose a zone levy to be applied to the annual rental value of each business within each zone in 2008.

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 2008 zone levy for fifteen (15) 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- Grosvenor Square Business Improvement Zone By-law No. 8116/2002 was repealed and the Grosvenor Square Business Improvement Zone was terminated by Council on June 20, 2007.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 18% in the Old St. Vital zone to an increase of 23.7% in the Corydon Avenue 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 2008 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 2008 budget, Council must impose, by by-law, the zone levy rates (Attachment "A") to be applied to the Business Tax Roll for each of the Business Improvement Zones that have submitted a budget for 2008.

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. Council has enacted by-laws establishing Business Improvement Zones as well as the Business Improvement Zone Procedures By-law No. 8111/2002. The Grosvenor Square Business Improvement Zone By-law No. 8116/2002 was repealed and the Zone was terminated by Council on June 20, 2007, reducing the number of Business Improvement Zones from 16 to 15.

DISCUSSION:

The City of Winnipeg has received the 2008 budgets from all of the existing Business Improvement Zones. Each of the budgets includes projected revenue from a zone levy imposed by the City and remitted to the BIZ.

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

Attachment "B" provides a 2007/2008 comparison of each Business Improvement Zone's budget levy requirement and the levy tax rate.

Of the eight (8) zones with a decrease in the 2008 annual rental value (ARV), the most significant change was in the Downtown Winnipeg zone. While the other seven (7) zones' ARV increased, the most notable increase occurred in the Old St. Vital zone.

It is further noted that the budget requirement changes for all zones ranged from a decrease of 6.7% for the Selkirk Avenue BIZ to an increase of 17.9% for the Corydon Avenue BIZ. However, the levy rate changes ranged from a decrease of 18% to an increase of 23.7% for the Old St. Vital BIZ and Corydon Avenue BIZ, respectively.

Financial Impact Statement

Date: February 29, 2008

Project Name:

Approval of Zone Levy for Business Improvement Zones

First Year of Program

	0	1	2	3	4
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: There is no financial impact as the Business Improvement Zone levy is revenue neutral to the City of Winnipeg.

original signed by Brad Cull

Manager of Administration & Finance

ATTACHMENT "A"

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (A.R.V.) AND LEVY RATES
FOR THE YEAR 2008

Zone	Budget	Budget Required Through Levy	2008 A.R.V.	Levy Rate	2007 A.R.V.
Academy Road	$ 38,000	$ 38,000	1,963,740	1.935%	1,978,680
Corydon Avenue	$ 165,000	$ 165,000	4,593,780	3.592%	4,819,860
Downtown Winnipeg	$ 2,526,311	$ 1,401,042	94,181,300	1.488%	95,045,780
Exchange District	$ 371,925	$ 262,100	17,113,500	1.532%	17,201,880
Provencher Boulevard	$ 51,135	$ 29,460	2,887,020	1.020%	2,782,560
Mosaic Market	$ 95,550	$ 40,550	2,492,784	1.627%	2,512,464
Norwood Grove	$ 130,302	$ 88,779	6,583,440	1.349%	6,321,900
Old St. Vital	$ 135,260	$ 105,100	5,718,640	1.838%	4,827,160
Osborne South	$ 32,500	$ 32,500	1,492,740	2.177%	1,476,660
Osborne Village	$ 118,778	$ 111,778	4,681,620	2.388%	4,679,760
St. James Village	$ 50,000	$ 50,000	2,388,240	2.094%	2,397,060
Selkirk Avenue	$ 14,000	$ 14,000	834,060	1.679%	852,300
Transcona	$ 162,100	$ 139,300	7,520,700	1.852%	7,460,400
West Broadway	$ 63,730	$ 63,730	7,556,220	0.843%	7,366,320
West End Winnipeg	$ 385,913	$ 385,913	23,357,224	1.652%	24,154,096
TOTAL	$ 4,340,504	$ 2,927,252	$ 183,365,008		$ 183,876,880

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.

ATTACHMENT "B"

BUSINESS IMPROVEMENT ZONES
2007/2008 COMPARISON
BUDGET LEVY REQUIREMENTS & LEVY RATES

Zone	Budget Levy Requirements				BIZ Levy Rates		
			Change				Change
	2007	2008	Amount	%	2007	2008	%
Academy Road	$ 38,000	$ 38,000	$ -	0.0%	1.920%	1.935%	0.8%
Corydon Avenue	$ 140,000	$ 165,000	$ 25,000	17.9%	2.905%	3.592%	23.7%
Downtown Winnipeg	$ 1,354,922	$ 1,401,042	$ 46,120	3.4%	1.426%	1.488%	4.4%
Exchange District	$ 262,100	$ 262,100	$ -	0.0%	1.524%	1.532%	0.5%
Provencher Boulevard	$ 28,846	$ 29,460	$ 614	2.1%	1.037%	1.020%	-1.6%
Mosaic Market	$ 40,550	$ 40,550	$ -	0.0%	1.614%	1.627%	0.8%
Norwood Grove	$ 90,961	$ 88,779	$ (2,182)	-2.4%	1.439%	1.349%	-6.3%
Old St. Vital	$ 108,149	$ 105,100	$ (3,049)	-2.8%	2.240%	1.838%	-18.0%
Osborne South	$ 32,500	$ 32,500	$ -	0.0%	2.201%	2.177%	-1.1%
Osborne Village	$ 116,438	$ 111,778	$ (4,660)	-4.0%	2.488%	2.388%	-4.0%
St. James Village	$ 50,000	$ 50,000	$ -	0.0%	2.086%	2.094%	0.4%
Selkirk Avenue	$ 15,000	$ 14,000	$ (1,000)	-6.7%	1.760%	1.679%	-4.6%
Transcona	$ 148,100	$ 139,300	$ (8,800)	-5.9%	1.985%	1.852%	-6.7%
West Broadway	$ 59,730	$ 63,730	$ 4,000	6.7%	0.811%	0.843%	4.0%
West End Winnipeg	$ 339,430	$ 385,913	$ 46,483	13.7%	1.405%	1.652%	17.6%
TOTAL	$ 2,824,726	$ 2,927,252	$ 102,526	3.6%			

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

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

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Assessment and Taxation Department
Prepared by: Nelson Karpa, City Assessor
File No. BIZ Levy Report 2008.doc