Agenda – Executive Policy Committee – March 19, 2009

REPORTS

Item No. 7 2009 Business Improvement Zone Levies
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2009, 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
- 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 2009 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 - 2009

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: February 26, 2009

RECOMMENDATION:

1. That Council approve the 2009 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 2009 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.

- Selkirk Avenue Business Improvement Zone did not adopt a budget for 2009.

- 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 28.1% in the Transcona zone to an increase of 32.9% in the Norwood Grove 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 2009 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 2009 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 2009.

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 2009 budgets from all but one of the existing Business Improvement Zones.

The Selkirk Avenue Business Improvement Zone did not adopt a 2009 budget. The Board of the Selkirk BIZ has submitted a letter advising the City Clerk of the need to review its options with regard to Board development and recruitment, which may help permit the continued existence of the zone.

For the purposes of raising sufficient money for each BIZ budget, a business improvement zone levy 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 2008/2009 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 2009 annual rental value (ARV), the most significant change was in the Downtown Winnipeg zone. While the other four (4) zones' ARV increased, the most notable increase occurred in the Transcona zone.

It is further noted that the budget levy requirement changes for all zones ranged from a decrease of 18.2% for the Transcona BIZ to an increase of 32.1% for the Norwood Grove BIZ. The levy rate changes ranged from a decrease of 28.1% to an increase of 32.9% for the Transcona BIZ and Norwood Grove BIZ, respectively.

Financial Impact Statement Date: February 26, 2009

Project Name:

Approval of Zone Levy for Business Improvement Zones

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 Taxation and Finance

EXHIBIT "A"

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (A.R.V.) AND LEVY RATES
FOR THE YEAR 2009

Zone	Budget	Budget Required Through Levy	2009 A.R.V.	Levy Rate	2008 A.R.V.
Academy Road	$ 38,000	$ 38,000	$ 1,911,300	1.988%	$ 1,963,740
Corydon Avenue	$ 160,000	$ 160,000	$ 4,564,380	3.505%	$ 4,593,780
Downtown Winnipeg	$ 2,668,015	$ 1,455,142	$ 89,423,424	1.627%	$ 94,181,300
Exchange District	$ 426,578	$ 279,021	$ 17,040,300	1.637%	$ 17,113,500
Mosaic Market	$ 74,600	$ 44,600	$ 2,577,144	1.731%	$ 2,492,784
Norwood Grove	$ 128,089	$ 117,314	$ 6,544,920	1.792%	$ 6,583,440
Old St. Vital	$ 149,941	$ 119,100	$ 5,773,180	2.063%	$ 5,718,640
Osborne South	$ 32,500	$ 32,500	$ 1,484,400	2.189%	$ 1,492,740
Osborne Village	$ 140,500	$ 109,000	$ 4,578,000	2.381%	$ 4,681,620
Provencher Boulevard	$ 40,150	$ 32,349	$ 2,842,260	1.138%	$ 2,887,020
St. James Village	$ 50,000	$ 50,000	$ 2,374,440	2.106%	$ 2,388,240
Selkirk Avenue	$ -	$ -	$ -	-	$ 834,060
Transcona	$ 157,000	$ 114,000	$ 8,564,100	1.331%	$ 7,520,700
West Broadway	$ 73,913	$ 73,913	$ 7,607,160	0.972%	$ 7,556,220
West End Winnipeg	$ 410,425	$ 410,425	$ 23,222,524	1.767%	$ 23,357,224
TOTAL	$ 4,549,711	$ 3,035,364	$ 178,507,532		$ 183,365,008

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"

BUSINESS IMPROVEMENT ZONES
2008/2009 COMPARISON
BUDGET LEVY REQUIREMENTS & LEVY RATES

Zone	Budget Levy Requirements				BIZ Levy Rates		
			Change				
	2008	2009	Amount	%	2008	2009	Change %
Academy Road	$ 38,000	$ 38,000	$ -	0.0%	1.935%	1.988%	2.7%
Corydon Avenue	$ 165,000	$ 160,000	$ (5,000)	-3.0%	3.592%	3.505%	-2.4%
Downtown Winnipeg	$ 1,401,042	$ 1,455,142	$ 54,100	3.9%	1.488%	1.627%	9.4%
Exchange District	$ 262,100	$ 279,021	$ 16,921	6.5%	1.532%	1.637%	6.9%
Mosaic Market	$ 40,550	$ 44,600	$ 4,050	10.0%	1.627%	1.731%	6.4%
Norwood Grove	$ 88,779	$ 117,314	$ 28,535	32.1%	1.349%	1.792%	32.9%
Old St. Vital	$ 105,100	$ 119,100	$ 14,000	13.3%	1.838%	2.063%	12.3%
Osborne South	$ 32,500	$ 32,500	$ -	0.0%	2.177%	2.189%	0.6%
Osborne Village	$ 111,778	$ 109,000	$ (2,778)	-2.5%	2.388%	2.381%	-0.3%
Provencher Boulevard	$ 29,460	$ 32,349	$ 2,889	9.8%	1.020%	1.138%	11.5%
St. James Village	$ 50,000	$ 50,000	$ -	0.0%	2.094%	2.106%	0.6%
Selkirk Avenue	$ 14,000	$ -	$ (14,000)	-100.0%	1.679%	-	-100.0%
Transcona	$ 139,300	$ 114,000	$ (25,300)	-18.2%	1.852%	1.331%	-28.1%
West Broadway	$ 63,730	$ 73,913	$ 10,183	16.0%	0.843%	0.972%	15.2%
West End Winnipeg	$ 385,913	$ 410,425	$ 24,512	6.4%	1.652%	1.767%	7.0%
TOTAL	$ 2,927,252	$ 3,035,364	$ 108,112	3.7%			

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Assessment and Taxation Department
Prepared by: Nelson Karpa, City Assessor
File No. BIZ Levy Report 2009.doc