**Agenda - Executive Policy Committee - March 18, 2003**

## REPORTS

**Item No. 19 Approval of Zone Levy for Business Improvement Zones - 2003**
**File FL-7 (Vol. 5)**

ADMINISTRATIVE RECOMMENDATION:

1. That, contingent upon the approval of the 2003 Business Improvement Zone (BIZ) budgets, the attached by-law setting the zone levy applicable to each BIZ be adopted and that Council impose the zone levy for collection.

2. That the 2003 zone levy rates, as indicated in Exhibit A, be applied to the annual rental value of individual properties on the Business Tax Roll.

3. That Council direct the City Treasurer to make payment to the Board in each zone in accordance with By-law 8111/2002.

## REPORT

**RE:** **APPROVAL OF ZONE LEVY FOR BUSINESS IMPROVEMENT ZONES – 2003**

**FOR SUBMISSION TO:** Executive Policy Committee

**ORIGINAL REPORT SIGNED BY:** Chief Financial Officer

**REPORT DATE:** March 6, 2003

**RECOMMENDATION(S):**

1. That, contingent upon the approval of the 2003 Business Improvement Zone (BIZ) budgets, the attached by-law setting the zone levy applicable to each BIZ be adopted and that Council impose the zone levy for collection.

2. That the 2003 zone levy rates, as indicated in Exhibit A, be applied to the annual rental value of individual properties on the Business Tax Roll.

3. That Council direct the City Treasurer to make payment to the Board in each zone in accordance with By-law 8111/2002.

## REPORT SUMMARY

**Key Issue(s):**

The attached by-law imposing the 2003 zone levy for each of the 16 established Business Improvement Zones is conditional upon Council approving the budgets adopted at the Annual General Meetings of each BIZ.

**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 2003 BIZ levy rates will authorize the collection of the levy as requested by each Zone.

**Policy Implications**

☒ **No**
☐ **Yes**

**Comment(s):**

**Environmental Implications:**

☒ **No**
☐ **Yes**

**Comment(s):**

**Human Resources Implications:**

☒ **No**
☐ **Yes**

**Comment(s):**

**Financial implications**

☒ **Within approved current and/or capital budget**
☐ **Current and/or capital budget adjustment required**

**Comment(s):** There is no financial impact as the zone levy is revenue neutral to the City of Winnipeg.

## Report

**REASON FOR THE REPORT:**

In order for each of the 16 Business Improvement Zones to obtain the revenue required to meet their 2003 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 Zones.

**HISTORY:**

In prior years, the *City of Winnipeg Act* governed the administrative process with respect to Business Improvement Zones. The new *City of Winnipeg Charter* has transferred this responsibility to the City of Winnipeg wherein Council, on September 25, 2002, passed By-law 8111/2002.

Under this by-law, the policies and procedures for the Zones have been streamlined with some responsibilities being transferred between civic departments. As an example, it is now the responsibility of the City Clerk to arrange Council's review and approval of budgets set at the Zone's Annual General Meeting. The City Treasurer has maintained the responsibility for setting and collecting the individual Zone levies.

**DISCUSSION:**

Pursuant to the former City of Winnipeg Act, Community Committees and the Executive Policy Committee were required to review the programs and budgets approved at the Annual General Meeting of the Zones before coming to Council. Council then typically adopted each Business Improvement Zone program, proposed budget and the zone levy necessary to meet that budget.

By-law 8111/2002 has streamlined this process. There is no automatic review of BIZ programs and budgets by Community Committees with the City Clerk reporting on responses from BIZ members (if any) to published notices concerning the BIZ budgets and programs. At a single meeting, Council may now pass by-laws approving both the BIZ budgets and a separate by-law imposing the zone levy applicable to each Zone.

Based on the 2003 zone levy requirement received from each of the 16 established Business Improvement Zones, the administration has calculated the zone levy rate to be applied to the Business Tax Roll (see Exhibit A). Additionally, Exhibit B provides details with respect to budget, zone levy, annual rental value, and zone levy rate changes for individual zones.

Consultation has occurred with the City Clerks Department regarding the process of obtaining approval for the zone budgets. Furthermore, this report was submitted to Legal Services for review and concurrence with its content.

## Financial Impact Statement

**No financial impact**

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

**Exhibit "A"**

**BUSINESS IMPROVEMENT ZONES**
**LEVY RATES**
**FOR THE YEAR 2003**

| *ANNUAL RENTAL VALUES (A.R.V.) AND LEVY RATES* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **ZONE** | | **BUDGET** | | | **BUDGET REQUIRED THROUGH LEVY** | | **A.R.V.** | **LEVY RATE** |
| ACADEMY ROAD | $ | 21,210 | | $ | 21,210 | | $ 1,580,880 | 1.342% |
| CORYDON AVENUE | | 86,600 | | | 86,600 | | 3,073,140 | 2.818% |
| DOWNTOWN WINNIPEG | | 1,596,425 | | | 1,143,450 | | 83,953,240 | 1.362% |
| EXCHANGE DISTRICT | | 285,170 | | | 206,920 | | 14,932,500 | 1.386% |
| FRENCH QUARTER | | 24,650 | | | 24,650 | | 2,476,308 | 0.995% |
| GROSVENOR SQUARE | | 5,521 | | | 5,521 | | 391,500 | 1.410% |
| MOSAIC MARKET | | 37,225 | | | 37,225 | | 2,775,972 | 1.341% |
| NORWOOD GROVE | | 134,643 | | | 88,129 | | 6,201,332 | 1.421% |
| OLD ST.VITAL | | 69,653 | | | 60,183 | | 4,456,900 | 1.350% |
| OSBORNE SOUTH | | 24,400 | | | 24,400 | | 1,259,640 | 1.937% |
| OSBORNE VILLAGE | | 109,396 | | | 99,896 | | 3,798,890 | 2.630% |
| ST. JAMES VILLAGE | | 46,000 | | | 46,000 | | 2,739,660 | 1.679% |
| SELKIRK AVENUE | | 15,500 | | | 15,500 | | 854,760 | 1.813% |
| TRANSCONA | | 150,000 | | | 150,000 | | 7,665,266 | 1.957% |
| WEST BROADWAY / SOUTH SHERBROOK | | 70,296 | | | 70,296 | | 6,025,524 | 1.167% |
| WEST END WINNIPEG | | 262,400 | | | 262,400 | | 22,409,308 | 1.171% |

**Note –** The budget amount to be collected through the BIZ levy can be less than the Zone budget due to a prior years surplus.

## Exhibit "B"

**BUSINESS IMPROVEMENT ZONES**
**2002/2003 COMPARISON**

| *ZONE* | *YEAR* | BUDGET ($) | *CHANGE (%)* | ZONE LEVY ($) | *CHANGE (%)* | A.R.V. ($) | *CHANGE (%)* | *ZONE LEVY RATE (%)* | *CHANGE (%)* |
|---|---|---|---|---|---|---|---|---|---|
| Academy Road | 2002 | 21,400 | | 21,400 | | 1,673,268 | | 1.279% | |
| | 2003 | 21,210 | -0.9% | 21,210 | -0.9% | 1,580,880 | -5.5% | 1.342% | 4.9% |
| Corydon Avenue | 2002 | 81,750 | | 81,750 | | 3,149,414 | | 2.596% | |
| | 2003 | 86,600 | 5.9% | 86,600 | 5.9% | 3,073,140 | -2.4% | 2.818% | 8.6% |
| Downtown Winnipeg | 2002 | 1,495,554 | | 1,068,490 | | 85,837,075 | | 1.245% | |
| | 2003 | 1,596,425 | 6.7% | 1,143,450 | 7.0% | 83,953,240 | -2.2% | 1.362% | 9.4% |
| Exchange District | 2002 | 248,639 | | 218,089 | | 15,836,973 | | 1.377% | |
| | 2003 | 285,170 | 14.7% | 206,920 | -5.1% | 14,932,500 | -5.7% | 1.386% | 0.6% |
| French Quarter | 2002 | 23,600 | | 23,600 | | 2,489,188 | | 0.948% | |
| | 2003 | 24,650 | 4.4% | 24,650 | 4.4% | 2,476,308 | -0.5% | 0.995% | 5.0% |
| Grosvenor Square * | 2002 | 0 | | 0 | | 0 | | 0.000% | |
| | 2003 | 5,521 | N/A | 5,521 | N/A | 391,500 | N/A | 1.410% | N/A |
| Mosaic Market | 2002 | 34,494 | | 34,494 | | 2,743,378 | | 1.257% | |
| | 2003 | 37,225 | 7.9% | 37,225 | 7.9% | 2,775,972 | 1.2% | 1.341% | 6.7% |
| Norwood Grove | 2002 | 120,083 | | 78,740 | | 6,735,225 | | 1.169% | |
| | 2003 | 134,643 | 12.1% | 88,129 | 11.9% | 6,201,332 | -7.9% | 1.421% | 21.6% |
| Old St. Vital | 2002 | 60,705 | | 53,438 | | 4,507,928 | | 1.185% | |
| | 2003 | 69,653 | 14.7% | 60,183 | 12.6% | 4,456,900 | -1.1% | 1.350% | 13.9% |
| Osborne South | 2002 | 22,500 | | 22,500 | | 1,274,425 | | 1.766% | |
| | 2003 | 24,400 | 8.4% | 24,400 | 8.4% | 1,259,640 | -1.2% | 1.937% | 9.7% |
| Osborne Village | 2002 | 100,396 | | 86,896 | | 3,865,989 | | 2.248% | |
| | 2003 | 109,396 | 9.0% | 99,896 | 15.0% | 3,798,890 | -1.7% | 2.630% | 17.0% |
| St. James Village | 2002 | 41,100 | | 41,100 | | 3,082,305 | | 1.333% | |
| | 2003 | 46,000 | 11.9% | 46,000 | 11.9% | 2,739,660 | -11.1% | 1.679% | 25.9% |
| Selkirk Avenue | 2002 | 18,200 | | 18,200 | | 1,148,581 | | 1.585% | |
| | 2003 | 15,500 | -14.8% | 15,500 | -14.8% | 854,760 | -25.6% | 1.813% | 14.4% |
| Transcona | 2002 | 150,000 | | 150,000 | | 7,931,856 | | 1.891% | |
| | 2003 | 150,000 | 0.0% | 150,000 | 0.0% | 7,665,266 | -3.4% | 1.957% | 3.5% |
| West Broadway/ South Sherbrook | 2002 | 82,680 | | 67,680 | | 6,215,320 | | 1.089% | |
| | 2003 | 70,296 | -15.0% | 70,296 | 3.9% | 6,025,524 | -3.1% | 1.167% | 7.1% |
| West End Winnipeg | 2002 | 225,000 | | 225,000 | | 24,253,212 | | 0.928% | |
| | 2003 | 262,400 | 16.6% | 262,400 | 16.6% | 22,409,308 | -7.6% | 1.171% | 26.2% |

* Budget was defeated in 2002.

**In preparing this report, there was consultation with and concurrence by:**

City Clerks Department
Corporate Services Legal Services Division

**This Report Submitted By:**

| | |
|---|---|
| Department: | Corporate Finance Department |
| Division: | Taxation & Revenue |
| Prepared by: | Robert Weselowski |
| File No. | BIZ REPORT 2003.doc |