Agenda – Executive Policy Committee – March 17, 2010

REPORTS

Item No. 1 2010 Business Improvement Zone Levies
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2010, are submitted to 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
- Provencher Boulevard Business Improvement Zone
- St. James Village Business Improvement Zone
- Transcona Business Improvement Zone
- West Broadway Business Improvement Zone
- West End Business Improvement Zone

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council approve the 2010 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.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the submission of the necessary by-law.

ADMINISTRATIVE REPORT

ISSUE: APPROVAL OF BUSINESS IMPROVEMENT ZONE LEVIES – 2010

CRITICAL PATH: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Cull Manager of Taxation and Finance	N. Karpa Director of Assessment and Taxation	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. That Council approve the 2010 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.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the submission of the necessary by-law.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

(X) For the community and/or organizations external to the City

Comment(s): The adoption of the 2010 Business Improvement Zone levy rates will authorize the collection of the levy as determined by the City of Winnipeg.

Financial Implications

(X) Within approved current and/or capital budget

Comment(s): There is no financial impact as the Business Improvement Zone levy is revenue-neutral to the City of Winnipeg.

HISTORY

In order for each Business Improvement Zone (BIZ) to obtain the revenue required to meet its 2010 budget, Council must impose, by by-law, the zone levy rates (Schedule "A") to be applied to the Business Tax Roll for each Business Improvement Zone that submitted a budget for 2010.

DISCUSSION:

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.

The City of Winnipeg has received the 2010 budgets from all but one of the existing Business Improvement Zones.

The Selkirk Avenue BIZ did not adopt a budget for the second consecutive year in 2010. The Board of the Selkirk Avenue BIZ verbally advised of the need to review its options with regard to Board development and recruitment, which may help permit the continued existence of the zone. Discussions are ongoing with regard to resolving this situation, and if necessary, a future report with respect to termination of the Selkirk Avenue BIZ will be forthcoming.

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

Schedule "B" provides a 2009/2010 comparison of each BIZ budget levy requirement and the BIZ levy rate.

As 2010 is a general assessment year, decreases in BIZ levy rates do not necessarily result in a corresponding revenue decrease due to the increase in annual rental values (ARV). The Downtown Winnipeg zone experienced the most significant ARV increase while the lowest ARV increase was in the Transcona zone.

It is further noted that the budget levy requirement changes for all zones ranged from a decrease of 1.7% for the Osborne South BIZ to an increase of 49.9% for the West Broadway BIZ. The levy rate changes ranged from a decrease of 21.7% to an increase of 26.1% for the Osborne South BIZ and West Broadway BIZ, respectively.

FINANCIAL IMPACT

Financial Impact Statement **Date:** February 22, 2010

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]
Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this Report, there was consultation with:

Internal

City Clerks Department
Legal Services Division of Corporate Support Service Department
Urban & Neighbourhood Planning Branch of Planning, Property and Development Department

SUBMITTED BY

Department: Assessment and Taxation
Division: Taxation and Finance
Prepared by: B. Cull, Manager of Taxation and Finance
Date: March 2, 2010
File No. : N/A

SCHEDULE "A"

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (A.R.V.) AND LEVY RATES
FOR THE YEAR 2010

Zone	2010 BIZ Budget	Budget Required Through Levy	2010 A.R.V.	Required Levy Rate	2010 BIZ Levies to be Collected
Academy Road	$ 39,550	$ 39,550	$ 2,395,380	1.652%	$ 39,572
Corydon Avenue	$ 178,700	$ 178,700	$ 5,526,900	3.234%	$ 178,740
Downtown Winnipeg	$ 2,843,932	$ 1,488,993	$ 110,786,460	1.345%	$ 1,490,078
Exchange District	$ 450,700	$ 315,700	$ 21,974,240	1.437%	$ 315,770
Mosaic Market	$ 75,600	$ 45,600	$ 3,297,240	1.383%	$ 45,601
Norwood Grove	$ 124,250	$ 120,000	$ 8,219,820	1.460%	$ 120,009
Old St. Vital	$ 177,453	$ 146,457	$ 6,572,280	2.229%	$ 146,496
Osborne South	$ 31,950	$ 31,950	$ 1,864,200	1.714%	$ 31,952
Osborne Village	$ 110,000	$ 110,000	$ 5,213,520	2.110%	$ 110,005
Provencher Boulevard	$ 49,225	$ 37,244	$ 3,484,445	1.069%	$ 37,249
St. James Village	$ 66,000	$ 66,000	$ 3,521,520	1.875%	$ 66,029
Selkirk Avenue	$ -	$ -	$ -	-	$ -
Transcona	$ 160,700	$ 143,700	$ 8,853,720	1.624%	$ 143,784
West Broadway	$ 139,980	$ 110,807	$ 9,047,700	1.225%	$ 110,834
West End Winnipeg	$ 452,468	$ 452,468	$ 30,208,640	1.498%	$ 452,525
TOTAL	$ 4,900,508	$ 3,287,169	$ 220,966,065		$ 3,288,644

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.

SCHEDULE "B"

BUSINESS IMPROVEMENT ZONES
2009/2010 COMPARISON
BUDGET LEVY REQUIREMENTS & LEVY RATES

Zone	Budget Levy Requirements				BIZ Levy Rates		
			Change				Change
	2009	2010	Amount	%	2009	2010	%
Academy Road	$ 38,000	$ 39,550	$ 1,550	4.1%	1.988%	1.652%	-16.9%
Corydon Avenue	$ 160,000	$ 178,700	$ 18,700	11.7%	3.505%	3.234%	-7.7%
Downtown Winnipeg	$ 1,455,142	$ 1,488,993	$ 33,851	2.3%	1.627%	1.345%	-17.3%
Exchange District	$ 279,021	$ 315,700	$ 36,679	13.1%	1.637%	1.437%	-12.2%
Mosaic Market	$ 44,600	$ 45,600	$ 1,000	2.2%	1.731%	1.383%	-20.1%
Norwood Grove	$ 117,314	$ 120,000	$ 2,686	2.3%	1.792%	1.460%	-18.5%
Old St. Vital	$ 119,100	$ 146,457	$ 27,357	23.0%	2.063%	2.229%	8.0%
Osborne South	$ 32,500	$ 31,950	$ (550)	-1.7%	2.189%	1.714%	-21.7%
Osborne Village	$ 109,000	$ 110,000	$ 1,000	0.9%	2.381%	2.110%	-11.4%
Provencher Boulevard	$ 32,349	$ 37,244	$ 4,895	15.1%	1.138%	1.069%	-6.1%
St. James Village	$ 50,000	$ 66,000	$ 16,000	32.0%	2.106%	1.875%	-11.0%
Selkirk Avenue	$ -	$ -	$ -	-	-	-	-
Transcona	$ 114,000	$ 143,700	$ 29,700	26.1%	1.331%	1.624%	22.0%
West Broadway	$ 73,913	$ 110,807	$ 36,894	49.9%	0.972%	1.225%	26.1%
West End Winnipeg	$ 410,425	$ 452,468	$ 42,043	10.2%	1.767%	1.498%	-15.2%
TOTAL	$ 3,035,364	$ 3,287,169	$ 251,805	8.3%			