Agenda – Executive Policy Committee – March 16, 2011

REPORTS

Item No. 1 2011 Business Improvement Zone Levies
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2011 are submitted to the Executive Policy Committee for consideration and recommendation to Council for approval:

- 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
- 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

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council approve the 2011 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

Title: **APPROVAL OF BUSINESS IMPROVEMENT ZONE LEVIES – 2011**

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 Acting CAO	M. Ruta Acting CAO

RECOMMENDATIONS

1. That Council approve the 2011 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.

REASON FOR THE REPORT

In order for each Business Improvement Zone (BIZ) to obtain the revenue required to meet its 2011 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 2011.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

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

Comment(s): The adoption of the 2011 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 / DISCUSSION

Under the *City of Winnipeg Charter* Council may, by by-law, establish a Business Improvement Zone (BIZ) as well as set the policies and procedures for a BIZ 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 2011 budgets from all of the existing Business Improvement Zones; 15 zones in total. Note that the Selkirk Avenue BIZ has resumed operations for the 2011 fiscal year since its last budget submission in 2008.

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 (ARV) of each business within the Business Improvement Zone (see Schedule A).

Schedule B provides a 2010/2011 comparison of each BIZ budget levy requirement and the BIZ levy rate. The BIZ budget levy requirement changes for all zones ranged from a decrease of 0.5% for the Mosaic Market BIZ to an increase of 29.1% for the Academy Road BIZ. The BIZ levy rate changes ranged from a decrease of 3.4% for the West Broadway BIZ to an increase of 50.8% for the Academy Road BIZ.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 10, 2011

Project Name: **First Year of Program** **2011**

Approval of Zone Levy for Business Improvement Zones

	2011	2012	2013	2014	2015
Capital					
Capital Cost of Proposed Projects	$ -	$ -	$ -	$ -	$ -
Less: Costs paid by Developer	-	-	-	-	-
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					
BIZ Levy Payments Required	$ 3,725,554	$ -	$ -	$ -	$ -
Less: BIZ Levies Billed	3,725,554	-	-	-	-
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

Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Internal:

City Clerks Department
Legal Services Department (as to legal matters only)
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:	February 10, 2011
File No.	n/a

SCHEDULE A

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (ARV) and LEVY RATES
FOR THE YEAR 2011

	Zone	2011 BIZ Budget	Budget Required Through Levy	Levy as % of Budget	2011 ARV	Required Levy Rate	2011 BIZ Levies to be Collected
1	**Academy Road**	$ 51,050	$ 51,050	100%	$ 2,049,540	2.491%	$ 51,054
2	**Corydon Avenue**	$ 199,000	$ 199,000	100%	$ 5,340,300	3.727%	$ 199,033
3	**Downtown Winnipeg**	$ 3,372,571	$ 1,741,156	52%	$ 106,792,358	1.631%	$ 1,741,783
4	**Exchange District**	$ 498,225	$ 329,175	66%	$ 21,247,260	1.550%	$ 329,333
5	**Mosaic Market**	$ 113,350	$ 45,350	40%	$ 3,135,924	1.447%	$ 45,377
6	**Norwood Grove**	$ 136,600	$ 136,600	100%	$ 8,268,032	1.653%	$ 136,671
7	**Old St. Vital**	$ 219,150	$ 171,173	78%	$ 6,440,660	2.658%	$ 171,193
8	**Osborne South**	$ 39,750	$ 39,750	100%	$ 1,760,460	2.258%	$ 39,751
9	**Osborne Village**	$ 145,700	$ 110,000	75%	$ 4,954,620	2.221%	$ 110,042
10	**Provencher Boulevard**	$ 55,486	$ 46,450	84%	$ 3,645,485	1.275%	$ 46,480
11	**St. James Village**	$ 71,000	$ 71,000	100%	$ 3,572,520	1.988%	$ 71,022
12	**Selkirk Avenue**	$ 20,500	$ 20,500	100%	$ 1,218,800	1.682%	$ 20,500
13	**Transcona**	$ 225,325	$ 170,900	76%	$ 8,821,560	1.938%	$ 170,962
14	**West Broadway**	$ 163,077	$ 110,807	68%	$ 9,372,020	1.183%	$ 110,871
15	**West End Winnipeg**	$ 481,369	$ 481,369	100%	$ 30,017,580	1.604%	$ 481,482
	TOTAL	$ 5,792,153	$ 3,724,280	64%	$ 216,637,119		$ 3,725,554

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 year's surplus; or
- is required to recover a deficit from the previous year.

SCHEDULE B

BUSINESS IMPROVEMENT ZONES
2010/2011 COMPARISON
BUDGET LEVY REQUIREMENTS and LEVY RATES

	Zone	Budget Levy Requirements				BIZ Levy Rates		
				Change				Change
		2010	2011	Amount	%	2010	2011	%
1	**Academy Road**	$ 39,550	$ 51,050	$ 11,500	29.1%	1.652%	2.491%	50.8%
2	**Corydon Avenue**	$ 178,700	$ 199,000	$ 20,300	11.4%	3.234%	3.727%	15.2%
3	**Downtown Winnipeg**	$ 1,488,993	$ 1,741,156	$ 252,163	16.9%	1.345%	1.631%	21.3%
4	**Exchange District**	$ 315,700	$ 329,175	$ 13,475	4.3%	1.437%	1.550%	7.9%
5	**Mosaic Market**	$ 45,600	$ 45,350	$ (250)	-0.5%	1.383%	1.447%	4.6%
6	**Norwood Grove**	$ 120,000	$ 136,600	$ 16,600	13.8%	1.460%	1.653%	13.2%
7	**Old St. Vital**	$ 146,457	$ 171,173	$ 24,716	16.9%	2.229%	2.658%	19.2%
8	**Osborne South**	$ 31,950	$ 39,750	$ 7,800	24.4%	1.714%	2.258%	31.7%
9	**Osborne Village**	$ 110,000	$ 110,000	$ -	0.0%	2.110%	2.221%	5.3%
10	**Provencher Boulevard**	$ 37,244	$ 46,450	$ 9,206	24.7%	1.069%	1.275%	19.3%
11	**St. James Village**	$ 66,000	$ 71,000	$ 5,000	7.6%	1.875%	1.988%	6.0%
12	**Selkirk Avenue** (Note 1)	$ -	$ 20,500	$ 20,500	-	-	1.682%	-
13	**Transcona**	$ 143,700	$ 170,900	$ 27,200	18.9%	1.624%	1.938%	19.3%
14	**West Broadway**	$ 110,807	$ 110,807	$ -	0.0%	1.225%	1.183%	-3.4%
15	**West End Winnipeg**	$ 452,468	$ 481,369	$ 28,901	6.4%	1.498%	1.604%	7.1%
	TOTAL	$ 3,287,169	$ 3,724,280	$ 437,111	13.3%			

Note 1: The Selkirk Avenue BIZ Levy Rate was 1.679% when last approved for the 2008 tax year.