Agenda – Executive Policy Committee – March 14, 2012

REPORTS

Item No. 3 2012 Business Improvement Zone Levies
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2012 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
- North End Business Improvement Zone
- Norwood Grove Business Improvement Zone
- Old St. Vital Business Improvement Zone
- Osborne South Business Improvement Zone
- Osborne Village Business Improvement Zone
- ZAC Boulevard Provencher Boulevard Business Improvement Zone
- Zone d'amélioration commerciale Saint-Norbert 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 2012 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 – 2012**

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	D Joshi COO

RECOMMENDATIONS

1. That Council approve the 2012 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 2012 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 2012.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

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

Comment(s): The adoption of the 2012 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 2012 budgets from all of the existing Business Improvement Zones; 16 zones in total. Note the following changes in 2011:

- Mosaic Market BIZ was renamed to North End BIZ per North End Business Improvement Zone By-law No. 136/2011 approved by Council on November 16, 2011, and
- Saint-Norbert BIZ was created per Zone d'amélioration commerciale Saint-Norbert Business Improvement Zone By-law No. 137/2011 approved by Council on November 16, 2011.

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 2011/2012 comparison of each BIZ budget levy requirement and the BIZ levy rate. The BIZ budget levy requirement changes for all zones ranged from a nil increase for Corydon Avenue, North End, Norwood Grove, and Selkirk Avenue Business Improvement Zones to an increase of 22.1% for the Osborne South BIZ. The BIZ levy rate changes ranged from a decrease of 17.3% for the Academy Road BIZ to an increase of 8.6% for the Osborne South BIZ. Note that, all things being equal, there should be a natural decrease in the BIZ levy rates for 2012 due to the 2012 General Assessment.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 2, 2012

Project Name:

Approval of Zone Levy for Business Improvement Zones

First Year of Program **2012**

	2012	2013	2014	2015	2016
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	$ 3,906,057	$ -	$ -	$ -	$ -
Less: BIZ Levies Billed	3,906,057	-	-	-	-
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
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, 2012
File No. n/a

SCHEDULE A

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (ARV) and LEVY RATES
FOR THE YEAR 2012

	Zone	2012 BIZ Budget	Budget Required Through Levy	Levy as % of Budget	2012 ARV	Required Levy Rate	2012 BIZ Levies to be Collected
1	**Academy Road**	$ 54,850	$ 54,850	100%	$ 2,661,420	2.061%	$ 54,852
2	**Corydon Avenue**	$ 199,000	$ 199,000	100%	$ 6,188,520	3.216%	$ 199,023
3	**Downtown Winnipeg**	$ 3,113,590	$ 1,789,156	57%	$ 117,465,240	1.524%	$ 1,790,170
4	**Exchange District**	$ 549,450	$ 350,000	64%	$ 23,407,320	1.496%	$ 350,174
5	**North End** *(former Mosaic Market)*	$ 67,350	$ 45,350	67%	$ 3,531,240	1.285%	$ 45,376
6	**Norwood Grove**	$ 136,600	$ 136,600	100%	$ 9,237,420	1.479%	$ 136,621
7	**Old St. Vital**	$ 242,650	$ 188,650	78%	$ 7,093,740	2.660%	$ 188,693
8	**Osborne South**	$ 48,550	$ 48,550	100%	$ 1,980,420	2.452%	$ 48,560
9	**Osborne Village**	$ 153,500	$ 115,000	75%	$ 5,715,900	2.012%	$ 115,004
10	**Provencher Boulevard**	$ 66,069	$ 50,309	76%	$ 3,902,160	1.290%	$ 50,338
11	**St. James Village**	$ 80,500	$ 80,500	100%	$ 4,431,180	1.817%	$ 80,515
12	**Saint-Norbert** *(new)*	$ 23,500	$ 21,000	89%	$ 1,017,900	2.064%	$ 21,009
13	**Selkirk Avenue**	$ 20,500	$ 20,500	100%	$ 1,431,480	1.433%	$ 20,513
14	**Transcona**	$ 232,885	$ 177,885	76%	$ 10,261,140	1.734%	$ 177,928
15	**West Broadway**	$ 158,100	$ 117,538	74%	$ 11,046,000	1.065%	$ 117,640
16	**West End**	$ 509,625	$ 509,625	100%	$ 32,052,880	1.590%	$ 509,641
	TOTAL	$ 5,656,719	$ 3,904,513	69%	$ 241,423,960		$ 3,906,057

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
2011 / 2012 COMPARISON
BUDGET LEVY REQUIREMENTS and LEVY RATES

	Zone	Budget Levy Requirements				BIZ Levy Rates		
				Change				Change
		2011	2012	Amount	%	2011	2012	%
1	**Academy Road**	$ 51,050	$ 54,850	$ 3,800	7.4%	2.491%	2.061%	-17.3%
2	**Corydon Avenue**	$ 199,000	$ 199,000	$ -	0.0%	3.727%	3.216%	-13.7%
3	**Downtown Winnipeg**	$ 1,741,156	$ 1,789,156	$ 48,000	2.8%	1.631%	1.524%	-6.6%
4	**Exchange District**	$ 329,175	$ 350,000	$ 20,825	6.3%	1.550%	1.496%	-3.5%
5	**North End** *(former Mosaic Market)*	$ 45,350	$ 45,350	$ -	0.0%	1.447%	1.285%	-11.2%
6	**Norwood Grove**	$ 136,600	$ 136,600	$ -	0.0%	1.653%	1.479%	-10.5%
7	**Old St. Vital**	$ 171,173	$ 188,650	$ 17,477	10.2%	2.658%	2.660%	0.1%
8	**Osborne South**	$ 39,750	$ 48,550	$ 8,800	22.1%	2.258%	2.452%	8.6%
9	**Osborne Village**	$ 110,000	$ 115,000	$ 5,000	4.5%	2.221%	2.012%	-9.4%
10	**Provencher Boulevard**	$ 46,450	$ 50,309	$ 3,859	8.3%	1.275%	1.290%	1.2%
11	**St. James Village**	$ 71,000	$ 80,500	$ 9,500	13.4%	1.988%	1.817%	-8.6%
12	**Saint-Norbert** *(new)*	$ -	$ 21,000	$ 21,000	-	-	2.064%	-
13	**Selkirk Avenue**	$ 20,500	$ 20,500	$ -	0.0%	1.682%	1.433%	-14.8%
14	**Transcona**	$ 170,900	$ 177,885	$ 6,985	4.1%	1.938%	1.734%	-10.5%
15	**West Broadway**	$ 110,807	$ 117,538	$ 6,731	6.1%	1.183%	1.065%	-10.0%
16	**West End**	$ 481,369	$ 509,625	$ 28,256	5.9%	1.604%	1.590%	-0.9%
	TOTAL	$ 3,724,280	$ 3,904,513	$ 180,233	4.8%			