**Agenda – Council – March 20, 2013**

**Report – Executive Policy Committee – March 13, 2013**

**Item No. 1 2013 Business Improvement Zone Levies**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 13, 2013, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the following 2013 Business Improvement Zone budgets be approved and that the necessary by-laws required to set and impose a zone levy to be applied to the annual rental value of each business within each zone in 2013 be adopted, namely:

    A. Academy Road Business Improvement Zone
    B. Corydon Avenue Business Improvement Zone
    C. Downtown Winnipeg Business Improvement Zone
    D. Exchange District Business Improvement Zone
    E. North End Business Improvement Zone
    F. Norwood Grove Business Improvement Zone
    G. Old St. Vital Business Improvement Zone
    H. Osborne South Business Improvement Zone
    I. Osborne Village Business Improvement Zone
    J. ZAC Boulevard Provencher Boulevard Business Improvement Zone
    K. Zone d'amélioration commerciale Saint-Norbert Business Improvement Zone
    L. Selkirk Avenue Business Improvement Zone
    M. St. James Village Business Improvement Zone
    N. Transcona Business Improvement Zone
    O. West Broadway Business Improvement Zone
    P. West End Business Improvement Zone

2. That the City Treasurer be directed 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.

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEEE RECOMMENDATION:

On March 13, 2013, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

# ADMINISTRATIVE REPORT

**Title:** **APPROVAL OF BUSINESS IMPROVEMENT ZONE LEVIES – 2013**

**Critical Path:** **Executive Policy Committee – Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| T. Austin | M. Chambers | Mike Ruta, CFO | D Joshi<br>COO |

## RECOMMENDATIONS

1. That Council approve the 2013 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 to obtain the revenue required to meet its 2013 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 2013.

## IMPLICATIONS OF THE RECOMMENDATIONS

The adoption of the 2013 Business Improvement Zone levy rates will authorize the collection of the levy as determined by the City of Winnipeg.

## HISTORY / DISCUSSION

Under the *City of Winnipeg Charter* Council may, by by-law, establish a Business Improvement Zone as well as set the policies and procedures for a Business Improvement Zone including, among other

factors, the administrative process for reviewing and approving individual Business Improvement Zone budgets. This authority is found in the Business Improvement Zone Procedures By-law No. 8111/2002.

The City of Winnipeg has received the 2013 budgets from all of the existing Business Improvement Zones; 16 zones in total.

For the purposes of raising sufficient money for each Business Improvement Zone budget, a Business Improvement Zone 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 2012/2013 comparison of each Business Improvement Zone budget levy requirement and the Business Improvement Zone levy rate. The Business Improvement Zone budget levy requirement changes for all zones ranged from a 7.9% decrease for Academy Road Business Improvement Zones to an increase of 28.4% for the Selkirk Avenue Business Improvement Zone. The Business Improvement Zone levy rate changes ranged from a decrease of 0.6% for the St. James Village Business Improvement Zone to an increase of 24.8% for the Selkirk Avenue Business Improvement Zone.

## FINANCIAL IMPACT

# Financial Impact Statement

**Date:** February 22, 2013

**Project Name:**

Approval of Zone Levy for Business Improvement Zones

**First Year of Program** **2013**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| **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 | $ 4,194,818 | $ - | $ - | $ - | $ - |
| Less: BIZ Levies Billed | 4,194,818 | - | - | - | - |
| 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: | T. Austin, Acting, Manager of Taxation and Finance |
| Date: | February 22, 2013 |
| File No. | n/a |

# SCHEDULE A

## BUSINESS IMPROVEMENT ZONES
## ANNUAL RENTAL VALUES (ARV) and LEVY RATES
## FOR THE YEAR 2013

| | Zone | 2013 BIZ Budget | Budget Required Through Levy | Levy as % of Budget | 2013 ARV | Required Levy Rate | 2013 BIZ Levies to be Collected |
|---|---|---|---|---|---|---|---|
| 1 | **Academy Road** | $ 50,500 | $ 50,500 | 100% | $ 2,374,260 | 2.127% | $ 50,501 |
| 2 | **Corydon Avenue** | $ 199,000 | $ 199,000 | 100% | $ 5,799,540 | 3.432% | $ 199,040 |
| 3 | **Downtown Winnipeg** | $ 3,206,604 | $ 1,943,514 | 61% | $ 116,631,200 | 1.667% | $ 1,944,242 |
| 4 | **Exchange District** | $ 594,830 | $ 375,000 | 63% | $ 25,053,168 | 1.497% | $ 375,046 |
| 5 | **North End** *(former Mosaic Market)* | $ 55,350 | $ 45,350 | 82% | $ 3,444,780 | 1.317% | $ 45,368 |
| 6 | **Norwood Grove** | $ 189,100 | $ 140,000 | 74% | $ 8,878,896 | 1.577% | $ 140,020 |
| 7 | **Old St. Vital** | $ 243,450 | $ 208,400 | 86% | $ 7,134,288 | 2.922% | $ 208,464 |
| 8 | **Osborne South** | $ 52,600 | $ 52,600 | 100% | $ 1,890,840 | 2.782% | $ 52,603 |
| 9 | **Osborne Village** | $ 178,500 | $ 131,000 | 73% | $ 5,803,848 | 2.258% | $ 131,051 |
| 10 | **Provencher Boulevard** | $ 73,133 | $ 55,311 | 76% | $ 4,059,600 | 1.363% | $ 55,332 |
| 11 | **St. James Village** | $ 113,405 | $ 80,500 | 71% | $ 4,458,720 | 1.806% | $ 80,524 |
| 12 | **Saint-Norbert** *(new)* | $ 28,000 | $ 21,000 | 75% | $ 983,940 | 2.135% | $ 21,007 |
| 13 | **Selkirk Avenue** | $ 26,326 | $ 26,326 | 100% | $ 1,472,940 | 1.788% | $ 26,336 |
| 14 | **Transcona** | $ 253,400 | $ 198,400 | 78% | $ 9,993,140 | 1.986% | $ 198,464 |
| 15 | **West Broadway** | $ 160,000 | $ 137,000 | 86% | $ 11,076,960 | 1.237% | $ 137,022 |
| 16 | **West End** | $ 761,485 | $ 529,645 | 70% | $ 31,554,376 | 1.679% | $ 529,798 |
| | TOTAL | $ 6,185,683 | $ 4,193,546 | 68% | $ 240,610,496 | | $ 4,194,818 |

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
## 2012 / 2013 COMPARISON
## BUDGET LEVY REQUIREMENTS and LEVY RATES

| | Zone | Budget Levy Requirements | | | | BIZ Levy Rates | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Change | | | | Change |
| | | 2012 | 2013 | Amount | % | 2012 | 2013 | % |
| 1 | **Academy Road** | $ 54,850 | $ 50,500 | $ (4,350) | -7.9% | 2.061% | 2.127% | 3.2% |
| 2 | **Corydon Avenue** | $ 199,000 | $ 199,000 | $ - | 0.0% | 3.216% | 3.432% | 6.7% |
| 3 | **Downtown Winnipeg** | $ 1,789,156 | $ 1,943,514 | $ 154,358 | 8.6% | 1.524% | 1.667% | 9.4% |
| 4 | **Exchange District** | $ 350,000 | $ 375,000 | $ 25,000 | 7.1% | 1.496% | 1.497% | 0.1% |
| 5 | **North End** *(former Mosaic Market)* | $ 45,350 | $ 45,350 | $ - | 0.0% | 1.285% | 1.317% | 2.5% |
| 6 | **Norwood Grove** | $ 136,600 | $ 140,000 | $ 3,400 | 2.5% | 1.479% | 1.577% | 6.6% |
| 7 | **Old St. Vital** | $ 188,650 | $ 208,400 | $ 19,750 | 10.5% | 2.660% | 2.922% | 9.8% |
| 8 | **Osborne South** | $ 48,550 | $ 52,600 | $ 4,050 | 8.3% | 2.452% | 2.782% | 13.5% |
| 9 | **Osborne Village** | $ 115,000 | $ 131,000 | $ 16,000 | 13.9% | 2.012% | 2.258% | 12.2% |
| 10 | **Provencher Boulevard** | $ 50,309 | $ 55,311 | $ 5,002 | 9.9% | 1.290% | 1.363% | 5.7% |
| 11 | **St. James Village** | $ 80,500 | $ 80,500 | $ - | 0.0% | 1.817% | 1.806% | -0.6% |
| 12 | **Saint-Norbert** | $ 21,000 | $ 21,000 | $ - | 0.0% | 2.064% | 2.135% | 3.4% |
| 13 | **Selkirk Avenue** | $ 20,500 | $ 26,326 | $ 5,826 | 28.4% | 1.433% | 1.788% | 24.8% |
| 14 | **Transcona** | $ 177,885 | $ 198,400 | $ 20,515 | 11.5% | 1.734% | 1.986% | 14.5% |
| 15 | **West Broadway** | $ 117,538 | $ 137,000 | $ 19,462 | 16.6% | 1.065% | 1.237% | 16.2% |
| 16 | **West End** | $ 509,625 | $ 529,645 | $ 20,020 | 3.9% | 1.590% | 1.679% | 5.6% |
| | **TOTAL** | $ 3,904,513 | $ 4,193,546 | $ 289,033 | 7.4% | | | |