**Agenda – Executive Policy Committee – March 19, 2014**

## REPORTS

### Item No. 1 2014 Business Improvement Zone Levies

The following proposed Program, Zone Levy and Budget Estimates for 2014 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 2014 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 – 2014**

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

## AUTHORIZATION

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

## RECOMMENDATIONS

1. That Council approve the 2014 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 2014 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 2014.

## IMPLICATIONS OF THE RECOMMENDATIONS

**General Implications**

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

Comment(s): The adoption of the 2014 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 2014 budgets from all of the existing Business Improvement Zones; 16 zones in total.

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 2013/2014 comparison of each BIZ budget levy requirement and the BIZ levy rate. The BIZ budget levy requirement changes for all zones ranged from a 23.8% decrease for Saint-Norbert BIZ to an increase of 11.7% for the Academy Road BIZ. The BIZ levy rate changes ranged from a decrease of 34.7% for the Saint-Norbert BIZ to an increase of 8.1% for the Selkirk Avenue BIZ. Note that, all things being equal, there should be a natural decrease in the BIZ levy rates for 2014 due to the 2014 General Assessment.

## FINANCIAL IMPACT

# Financial Impact Statement

**Date:** February 26, 2014

**Project Name:**

Approval of Zone Levy for Business Improvement Zones

**First Year of Program** 2014

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **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 | $ 4,358,911 | $ - | $ - | $ - | $ - |
| Less: BIZ Levies Billed | 4,358,911 | - | - | - | - |
| 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 Planning Division of Planning, Property and Development Department

## SUBMITTED BY

| | |
|---|---|
| Department: | Assessment and Taxation |
| Division: | Taxation and Finance |
| Prepared by: | T. Austin, Manager of Taxation and Finance |
| Date: | February 26, 2014 |
| File No. | n/a |

# SCHEDULE A

**BUSINESS IMPROVEMENT ZONES**
**ANNUAL RENTAL VALUES (ARV) and LEVY RATES**
**FOR THE YEAR 2014**

| | Zone | 2014 BIZ Budget | Budget Required Through Levy | Levy as % of Budget | 2014 ARV | Required Levy Rate | 2014 BIZ Levies to be Collected |
|---|---|---|---|---|---|---|---|
| 1 | **Academy Road** | $ 56,400 | $ 56,400 | 100% | $ 2,691,060 | 2.096% | $ 56,405 |
| 2 | **Corydon Avenue** | $ 199,000 | $ 199,000 | 100% | $ 6,190,320 | 3.215% | $ 199,019 |
| 3 | **Downtown Winnipeg** | $ 3,674,516 | $ 2,058,816 | 56% | $ 119,136,412 | 1.729% | $ 2,059,868 |
| 4 | **Exchange District** | $ 639,232 | $ 405,000 | 63% | $ 25,543,890 | 1.586% | $ 405,126 |
| 5 | **North End** | $ 61,350 | $ 48,350 | 79% | $ 3,799,200 | 1.273% | $ 48,364 |
| 6 | **Norwood Grove** | $ 179,100 | $ 140,000 | 78% | $ 9,568,524 | 1.464% | $ 140,083 |
| 7 | **Old St. Vital** | $ 254,295 | $ 220,795 | 87% | $ 7,978,620 | 2.768% | $ 220,848 |
| 8 | **Osborne South** | $ 53,500 | $ 53,500 | 100% | $ 2,272,140 | 2.355% | $ 53,509 |
| 9 | **Osborne Village** | $ 377,200 | $ 131,000 | 35% | $ 6,363,180 | 2.059% | $ 131,018 |
| 10 | **Provencher Boulevard** | $ 79,027 | $ 55,559 | 70% | $ 4,105,140 | 1.354% | $ 55,583 |
| 11 | **St. James Village** | $ 112,006 | $ 80,525 | 72% | $ 4,302,720 | 1.872% | $ 80,547 |
| 12 | **Saint-Norbert** | $ 23,000 | $ 16,000 | 70% | $ 1,147,080 | 1.395% | $ 16,002 |
| 13 | **Selkirk Avenue** | $ 27,000 | $ 27,000 | 100% | $ 1,397,100 | 1.933% | $ 27,006 |
| 14 | **Transcona** | $ 258,600 | $ 201,600 | 78% | $ 10,702,740 | 1.884% | $ 201,640 |
| 15 | **West Broadway** | $ 164,650 | $ 128,650 | 78% | $ 10,832,220 | 1.188% | $ 128,687 |
| 16 | **West End** | $ 766,270 | $ 535,015 | 70% | $ 33,139,700 | 1.615% | $ 535,206 |
| | TOTAL | $ 6,925,146 | $ 4,357,210 | 63% | $ 249,170,046 | | $ 4,358,911 |

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**
**2013 / 2014 COMPARISON**
**BUDGET LEVY REQUIREMENTS and LEVY RATES**

| | | Budget Levy Requirements | | | | BIZ Levy Rates | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Change | | | | Change |
| | Zone | 2013 | 2014 | Amount | % | 2013 | 2014 | % |
| 1 | **Academy Road** | $ 50,500 | $ 56,400 | $ 5,900 | 11.7% | 2.127% | 2.096% | -1.5% |
| 2 | **Corydon Avenue** | $ 199,000 | $ 199,000 | $ - | 0.0% | 3.432% | 3.215% | -6.3% |
| 3 | **Downtown Winnipeg** | $ 1,943,514 | $ 2,058,816 | $ 115,302 | 5.9% | 1.667% | 1.729% | 3.7% |
| 4 | **Exchange District** | $ 375,000 | $ 405,000 | $ 30,000 | 8.0% | 1.497% | 1.586% | 5.9% |
| 5 | **North End** | $ 45,350 | $ 48,350 | $ 3,000 | 6.6% | 1.317% | 1.273% | -3.3% |
| 6 | **Norwood Grove** | $ 140,000 | $ 140,000 | $ - | 0.0% | 1.577% | 1.464% | -7.2% |
| 7 | **Old St. Vital** | $ 208,400 | $ 220,795 | $ 12,395 | 5.9% | 2.922% | 2.768% | -5.3% |
| 8 | **Osborne South** | $ 52,600 | $ 53,500 | $ 900 | 1.7% | 2.782% | 2.355% | -15.3% |
| 9 | **Osborne Village** | $ 131,000 | $ 131,000 | $ - | 0.0% | 2.258% | 2.059% | -8.8% |
| 10 | **Provencher Boulevard** | $ 55,311 | $ 55,559 | $ 248 | 0.4% | 1.363% | 1.354% | -0.7% |
| 11 | **St. James Village** | $ 80,500 | $ 80,525 | $ 25 | 0.0% | 1.806% | 1.872% | 3.7% |
| 12 | **Saint-Norbert** | $ 21,000 | $ 16,000 | $ (5,000) | -23.8% | 2.135% | 1.395% | -34.7% |
| 13 | **Selkirk Avenue** | $ 26,326 | $ 27,000 | $ 674 | 2.6% | 1.788% | 1.933% | 8.1% |
| 14 | **Transcona** | $ 198,400 | $ 201,600 | $ 3,200 | 1.6% | 1.986% | 1.884% | -5.1% |
| 15 | **West Broadway** | $ 137,000 | $ 128,650 | $ (8,350) | -6.1% | 1.237% | 1.188% | -4.0% |
| 16 | **West End** | $ 529,645 | $ 535,015 | $ 5,370 | 1.0% | 1.679% | 1.615% | -3.8% |
| | **TOTAL** | $ 4,193,546 | $ 4,357,210 | $ 163,664 | 3.9% | | | |