Agenda – Council – March 26, 2014

Report – Executive Policy Committee – March 19, 2014

Item No. 1 2014 Business Improvement Zone Levies

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 19, 2014, The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service, as amended, and submitted the following to Council:

1. That the following 2014 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 2014 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 a standardized reporting format be implemented for all future Business Improvement Zone budget submissions.

4. 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.

Report – Executive Policy Committee – March 19, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 19, 2014, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Add the following Recommendation No. 3:

    "3. That a standardized reporting format be implemented for all future Business Improvement Zone budget submissions."

and submitted the matter to Council.

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 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%			