Agenda – Executive Policy Committee – March 16, 2016

REPORTS

Item No. 2 2016 Business Improvement Zone Levies

The following proposed Program, Zone Levy and Budget Estimates for 2016 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 Village Business Improvement Zone
- ZAC Boulevard Provencher Boulevard Business Improvement Zone
- Zone d'amélioration commerciale Saint-Norbert Business Improvement Zone
- St. James Village Business Improvement Zone
- Selkirk Avenue Business Improvement Zone
- South Osborne 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 2016 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 Chief Financial Officer (CFO) 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 – 2016**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
T. Austin	M. Chambers	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That Council approve the 2016 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 Chief Financial Officer (CFO) 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 2016 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 2016.

EXECUTIVE SUMMARY

This Administration Report provides information regarding the setting of the 2016 Business Improvement Zone Levy Rates.

This report addresses the 2016 budget levy requirements based on the budget submissions from the 16 business improvement zones.

The Public Service in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002 is recommending that Council approve the 2016 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.

IMPLICATIONS OF THE RECOMMENDATIONS

The adoption of the 2016 Business Improvement Zone Levy Rates will authorize the collection of the levy as determined by the City of Winnipeg. 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 2016 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 2015/2016 comparison of each BIZ budget levy requirement and the BIZ levy rate. The BIZ budget levy requirement changes ranged from a decrease of 16.9% for the Old St. Vital BIZ to an increase of 8.7% for the Saint Norbert BIZ. The BIZ levy rate changes ranged from decreases of 1.3% to 25.3% for the Exchange District BIZ and St. James Village BIZ respectively.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 22, 2016

Project Name:

Approval of Zone Levy for Business Improvement Zones

First Year of Program **2016**

	2016	2017	2018	2019	2020
Capital					
Capital Cost of Proposed Projects	$ -	$ -	$ -	$ -	$ -
Less: Costs paid by Developer	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other -	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
BIZ Levy Payments Required	$ 4,928,063	$ -	$ -	$ -	$ -
Less: BIZ Levies Billed	4,928,063	-	-	-	-
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

Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Internal:

City Clerks Department
Economic Development Branch, Planning, Property and Development Department
Legal Services (for by-law preparation only)

OURWINNIPEG POLICY ALIGNMENT

The Business Improvement Zones are generally aligned with the enabling strategies provided for in OurWinnipeg Policy 01-3: Direction 2.

SUBMITTED BY

Department: Assessment and Taxation
Division: Taxation and Finance
Prepared by: T. Austin, Manager of Taxation and Finance Services
Date: February 22, 2015
File No. n/a

SCHEDULE A

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (ARV) and LEVY RATES
FOR THE YEAR 2016

	Zone	2016 BIZ Budget	Budget Required Through Levy	Levy as % of Budget	2016 ARV	Required Levy Rate	2016 BIZ Levies to be Collected
1	Academy Road	$ 213,008	$ 67,138	32%	$ 2,623,560	2.560%	$ 67,163
2	Corydon Avenue	$ 211,000	$ 211,000	100%	$ 6,529,920	3.232%	$ 211,047
3	Downtown Winnipeg	$ 4,270,560	$ 2,462,359	58%	$ 131,355,720	1.875%	$ 2,462,919
4	Exchange District	$ 761,050	$ 460,000	60%	$ 26,767,980	1.719%	$ 460,142
5	North End	$ 81,350	$ 49,350	61%	$ 4,517,100	1.093%	$ 49,372
6	Norwood Grove	$ 271,400	$ 150,000	55%	$ 10,634,700	1.411%	$ 150,056
7	Old St. Vital	$ 572,450	$ 258,540	45%	$ 8,424,000	3.070%	$ 258,617
8	Osborne South	$ 51,965	$ 51,965	100%	$ 2,436,300	2.133%	$ 51,966
9	Osborne Village	$ 309,394	$ 127,840	41%	$ 6,904,380	1.852%	$ 127,869
10	Provencher Boulevar	$ 81,920	$ 58,220	71%	$ 4,449,600	1.309%	$ 58,244
11	St. James Village	$ 122,189	$ 80,547	66%	$ 5,375,640	1.499%	$ 80,581
12	Saint-Norbert	$ 94,690	$ 25,000	26%	$ 1,321,440	1.892%	$ 25,002
13	Selkirk Avenue	$ 52,000	$ 25,000	48%	$ 1,544,280	1.619%	$ 25,002
14	Transcona	$ 310,145	$ 208,645	67%	$ 12,573,600	1.660%	$ 208,722
15	West Broadway	$ 246,000	$ 155,000	63%	$ 11,710,260	1.324%	$ 155,044
16	West End	$ 713,900	$ 536,095	75%	$ 34,962,000	1.534%	$ 536,317
	TOTAL	$ 8,363,022	$ 4,926,699	59%	$ 272,130,480		$ 4,928,063

Note: The *'budget'* amount could be different from the *'budget required through levy'* as a Business

- 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
2015 / 2016 COMPARISON
BUDGET LEVY REQUIREMENTS and LEVY RATES

	Zone	Budget Levy Requirements				BIZ Levy Rates		
				Change				Change
		2015	2016	Amount	%	2015	2016	%
1	Academy Road	$ 67,200	$ 67,138	$ (62)	-0.1%	2.628%	2.560%	-2.6%
2	Corydon Avenue	$ 211,000	$ 211,000	$ -	0.0%	3.507%	3.232%	-7.8%
3	Downtown Winnipeg	$ 2,421,126	$ 2,462,359	$ 41,233	1.7%	2.069%	1.875%	-9.4%
4	Exchange District	$ 440,000	$ 460,000	$ 20,000	4.5%	1.741%	1.719%	-1.3%
5	North End	$ 49,350	$ 49,350	$ -	0.0%	1.284%	1.093%	-14.9%
6	Norwood Grove	$ 140,000	$ 150,000	$ 10,000	7.1%	1.478%	1.411%	-4.5%
7	Old St. Vital	$ 310,989	$ 258,540	$ (52,449)	-16.9%	3.982%	3.070%	-22.9%
8	Osborne South	$ 56,800	$ 51,965	$ (4,835)	-8.5%	2.629%	2.133%	-18.9%
9	Osborne Village	$ 131,000	$ 127,840	$ (3,160)	-2.4%	2.060%	1.852%	-10.1%
10	Provencher Boulevard	$ 60,000	$ 58,220	$ (1,780)	-3.0%	1.499%	1.309%	-12.7%
11	St. James Village	$ 80,547	$ 80,547	$ -	0.0%	2.006%	1.499%	-25.3%
12	Saint-Norbert	$ 23,000	$ 25,000	$ 2,000	8.7%	1.923%	1.892%	-1.6%
13	Selkirk Avenue	$ 27,464	$ 25,000	$ (2,464)	-9.0%	1.971%	1.619%	-17.9%
14	Transcona	$ 210,500	$ 208,645	$ (1,855)	-0.9%	1.819%	1.660%	-8.7%
15	West Broadway	$ 150,000	$ 155,000	$ 5,000	3.3%	1.406%	1.324%	-5.8%
16	West End	$ 535,015	$ 536,095	$ 1,080	0.2%	1.690%	1.534%	-9.2%
	TOTAL	$ 4,913,991	$ 4,926,699	$ 12,708	0.3%			