Agenda – Executive Policy Committee – March 16, 2005

REPORTS

Item No. 7 2005 Zone Levy for Business Improvement Zones
File FL-7

The following proposed Program, Zone Levy and Budget Estimates for 2005, are before the Executive Policy Committee for favourable consideration and recommendation to Council for approval, namely:

- Academy Road Business Improvement Zone
- Corydon Avenue Business Improvement Zone
- Downtown Winnipeg Business Improvement Zone
- Exchange District Business Improvement Zone
- Mosaic Market Business Improvement Zone
- Norwood Grove Business Improvement Zone
- Old St. Vital Business Improvement Zone
- Osborne South Business Improvement Zone
- Osborne Village Business Improvement Zone
- St. James Village Business Improvement Zone
- Selkirk Avenue Business Improvement Zone
- Transcona Business Improvement Zone
- West Broadway-South Sherbrook Business Improvement Zone
- West End Business Improvement Zone
- ZAC Quartier Francais-French Quarter Business Improvement Zone

ADMINISTRATIVE RECOMMENDATION:

1. That Council approve the 2005 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.

ADMINISTRATIVE REPORT

RE: APPROVAL OF ZONE LEVY FOR BUSINESS IMPROVEMENT ZONES - 2005

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: March 7, 2005

RECOMMENDATION(S):

1. That Council approve the 2005 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.

REPORT SUMMARY:

Key Issue(s):

- The 2005 zone levy for each of the 16 established Business Improvement Zones is conditional upon Council approving the budgets adopted at the Annual General Meeting of each zone.

- Grosvenor Square Business Improvement Zone did not adopt a budget for 2005.

Implications of the Recommendation(s):

General Implications

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s): The adoption of the 2005 Business Improvement Zone levy rates will authorize the collection of the levy as determined by the City of Winnipeg.

Policy Implications

X	**No**
	Yes

Comment(s):

Environmental Implications:

X	**No**
	Yes
	Comment(s):

Human Resources Implications:

X	**No**
	Yes
	Comment(s):

Financial implications

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required
	Comment(s): There is no financial impact as the Business Improvement Zone levy is revenue neutral to the City of Winnipeg.

REASON FOR THE REPORT:

In order for each Business Improvement Zone (BIZ) to obtain the revenue required to meet its 2005 budget, Council must impose, by by-law, the zone levy rates (Exhibit "A") to be applied to the Business Tax Roll for each of the 16 Business Improvement Zones.

HISTORY:

Under the *City of Winnipeg Charter*, Council may by by-law, establish a BIZ as well as set the policies and procedures for Business Improvement Zones including, among other factors, the administrative process for reviewing and approving individual BIZ budgets.

DISCUSSION:

The City of Winnipeg has received the 2005 budgets from all but one of the established Business Improvement Zones. The Grosvenor Square Business Improvement Zone did not adopt a 2005 budget at its annual general meeting as the Board of Management was not prepared to carry on after December 31, 2004 and no new Board members were recruited.

For the purposes of raising sufficient money for each BIZ budget, a business improvement zone rate has been calculated and will be applied against the annual rental value of each business within the Business Improvement Zone (see Exhibit "A").

Additionally, Exhibit "B" provides a 2004/2005 comparison of each Business Improvement Zone's budget levy requirement and the levy tax rate.

Financial Impact Statement

There is no financial impact as the zone levy is revenue neutral to the City of Winnipeg.

"Original Signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

EXHIBIT "A"

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (A.R.V.) AND LEVY RATES
FOR THE YEAR 2005

Zone	Budget	Budget Required Through Levy	A.R.V.	Levy Rate
Academy Road	$ 27,410	$ 27,410	1,650,960	1.660%
Corydon Avenue	$ 88,600	$ 88,600	3,147,960	2.815%
Downtown Winnipeg	$ 2,252,039	$ 1,225,985	83,464,288	1.469%
Exchange District	$ 307,972	$ 215,000	15,067,620	1.427%
French Quarter	$ 24,200	$ 24,200	2,413,028	1.003%
Grosvenor Square	$ -	$ -	-	-
Mosaic Market	$ 38,796	$ 38,796	2,475,312	1.567%
Norwood Grove	$ 100,308	$ 83,130	5,856,482	1.419%
Old St. Vital	$ 99,000	$ 87,800	4,158,400	2.111%
Osborne South	$ 24,150	$ 24,150	1,195,440	2.020%
Osborne Village	$ 103,396	$ 105,896	3,977,350	2.662%
St. James Village	$ 50,000	$ 50,000	2,562,780	1.951%
Selkirk Avenue	$ 15,500	$ 15,500	831,900	1.863%
Transcona	$ 142,700	$ 140,000	7,082,426	1.977%
West Broadway / South Sherbrook	$ 54,050	$ 54,050	5,815,704	0.929%
West End Winnipeg	$ 262,400	$ 262,400	21,357,724	1.229%

Note: The *'budget'* amount could be different than the *'budget required through levy'* as a Bushiness Improvement Zone:

- may have revenue from other sources;
- may be operating using a prior years surplus; or
- is required to recover a deficit from the previous year.

EXHIBIT "B"

BUSINESS IMPROVEMENT ZONES
2004/2005 COMPARISON
BUDGET LEVY REQUIREMENTS & LEVY RATES

Zone	Budget Levy Requirements				BIZ Levy Rates		
			Change				Change
	2004	2005	Amount	%	2004	2005	%
Academy Road	$ 24,306	$ 27,410	$ 3,104	12.8%	1.419%	1.660%	17.0%
Corydon Avenue	$ 83,800	$ 88,600	$ 4,800	5.7%	2.715%	2.815%	3.7%
Downtown Winnipeg	$ 1,225,985	$ 1,225,985	$ -	0.0%	1.455%	1.469%	1.0%
Exchange District	$ 210,000	$ 215,000	$ 5,000	2.4%	1.349%	1.427%	5.8%
French Quarter	$ 24,650	$ 24,200	$ (450)	-1.8%	1.003%	1.003%	0.0%
Grosvenor Square	$ 6,196	$ -	$ (6,196)	-100.0%	1.550%	0.000%	-100.0%
Mosaic Market	$ 38,796	$ 38,796	$ -	0.0%	1.547%	1.567%	1.3%
Norwood Grove	$ 86,747	$ 83,130	$ (3,617)	-4.2%	1.422%	1.419%	-0.2%
Old St. Vital	$ 77,800	$ 87,800	$ 10,000	12.9%	1.781%	2.111%	18.5%
Osborne South	$ 24,400	$ 24,150	$ (250)	-1.0%	1.990%	2.020%	1.5%
Osborne Village	$ 105,896	$ 105,896	$ -	0.0%	2.700%	2.662%	-1.4%
St. James Village	$ 46,000	$ 50,000	$ 4,000	8.7%	1.650%	1.951%	18.2%
Selkirk Avenue	$ 15,500	$ 15,500	$ -	0.0%	1.759%	1.863%	5.9%
Transcona	$ 150,000	$ 140,000	$ (10,000)	-6.7%	2.025%	1.977%	-2.4%
West Broadway / South Sherbrook	$ 75,200	$ 54,050	$ (21,150)	-28.1%	1.288%	0.929%	-27.9%
West End Winnipeg	$ 262,400	$ 262,400	$ -	0.0%	1.231%	1.229%	-0.2%
TOTAL	$ 2,457,676	$ 2,442,917	$ (14,759)	-0.6%			

IN PREPARING THIS REPORT, THERE WAS CONSULTATION AND CONCURRENCE BY:

City Clerks Department

THIS REPORT SUBMITTED BY:

Corporate Finance Department, Taxation and Revenue Division
Prepared by: Robert Weselowski, Manager, Taxation and Revenue Division
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