

PURPOSE

The purpose of this report is to seek Council's approval to proceed with an Alternative Approval Process for a boundary expansion of the Business Improvement Area managed by the Downtown Victoria Business Association.

BACKGROUND

The *Community Charter* establishes the authority to create and fund a Business Improvement Area (BIA). A BIA is a local area service (specified area) from which a special tax is levied against the specific properties designated, and used to fund a business improvement service area and/or business promotion scheme. The Downtown Victoria Business Association provides the services to the Business Improvement Area that was originally established by bylaw in 2005. The existing 5 year term of the BIA expires December 31, 2024 in accordance with the establishing Bylaw which is attached as Appendix B.

As noted in their correspondence, the DVBA is seeking approval for the expansion of the existing boundaries through a counter-petition process.

There are two process options, both of which require the consent of a majority of the owners who own a majority of the taxable assessed values of the properties. These options are Council Initiative or Land Owner Petition, which are highlighted in this Report. Each of the previous terms of the BIA were established by way of the Council Initiative process.

ISSUES & ANALYSIS

The DVBA is proposing an expansion of their boundaries. Council is being asked to consider whether the process should move forward and if so under which assent methodology. The DVBA correspondence indicates there have been inquiries from businesses and property owners about joining the DVBA.

As a part of their request, the DVBA proposes a 2022 levy request of \$1,694,000, and a budget increase of 2% in each of the remaining three years.

The City's role in the process is administering the counter-petition process, and in the event of the Council initiative assent method, sending out the notices of the proposed levy and providing information as to how to object.

In relation to informing property owners about the marketing scheme and other services, the DVBA would take on any promotion or information sessions with the affected businesses and property owners. The City's responses would be more limited to any technical inquiries about the counter-petition process and specific taxation information.

OPTIONS AND IMPACTS

As noted there are two ways to obtain "assent", by way of an Alternative Approval Process from affected property owners. The following options are represented for Council's consideration:

Option 1 – Proceed on Council Initiative (*Recommended*)

This option would see the City mailing notice of the proposed renewal to all affected property owners in the local area service. A minimum of thirty days must be provided for the opportunity to oppose. In order to halt the imposition of the BIA levy, at least 50% of the owners with at least 50% of the taxable

assessment that is proposed to be added to the BIA must formally register their objection. Once the counter petition process is complete staff would report back to Council seeking direction to introduce the required bylaw if assent is achieved. Draft of the new Bylaw is attached as Appendix C.

Option 2 – Proceed on Land Owner Petition for Service

This option would necessitate a majority of the land owners with a majority of the taxable assessed value that wish to be added to the BIA to petition Council to impose the local area service. The petition would be verified upon receipt of the majority petition. There is minimal staff time involved in this method.

Option 3 - Decline Proceeding

This option would not enable the expansion of the BIA area as requested by the DVBA. There is a history of success with this program and a high degree of support in the past. Property owners have the ability to object and Council to make a subsequent decision informed by the degree of support or objection to the proposal.

2019-2022 Strategic Plan

The BIA is consistent with overarching goals of the **Strategic Plan Object 4: Prosperity and Economic Inclusion**.

Impacts on Financial Plan

There are no specific impacts on the Financial Plan for the expansion of the BIA. The funding comes directly from the local area service tax levy and the request can be implemented with existing staff resources.

Accessibility Impact Statement

The funds collected through the local area service levy would be managed by an external organization for marketing and promotion purposes. There are no accessibility impacts relative to the City's role in this process.

CONCLUSIONS

The success of the BIA since 2005 could reasonably be measured by the degree of support for the tax levy over the last 15 years. The opportunity for property owners to object, provides Council with insight into the degree of support that exists for expansion of the BIA and would be provided to Council in a report back once the assent process is complete.

Respectfully submitted,

Curt Kingsley
City Clerk

Susanne Thompson
Deputy City Manager/Chief Financial Officer

Report accepted and recommended by the City Manager.

List of Attachments

Attachment A – DVBA Correspondence

Attachment B – 2020-2024 BIA Bylaw

Attachment C – Draft Bylaw