



## Governance and Priorities Committee Report

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**Date:** March 31, 2014      **From:** Christopher Paine, Manager-Revenue  
**Subject:** 2014 Business Improvement Area Bylaw

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### Executive Summary

In 2009, Council passed bylaw 09-041, Business Improvement Area Bylaw, 2009 (attached for reference only). This bylaw re-established the Downtown Victoria Business Improvement Area Service (DVBA), authorizing the granting of money to the DVBA and the imposition of taxes for that purpose. The bylaw established the improvement area for the years 2010-2014 inclusive.

Each year, Council must pass a bylaw prescribing the rates to be imposed on properties within the business improvement area. These rates are calculated to recover the amount of the grant authorized in subsection 4(2) of Bylaw 09-041. For 2014, the authorized grant amount is \$975,365. The Business Improvement Area Rate Bylaw 2014 has been drafted and is attached. The Business Improvement Area Rate Bylaw, 2014 must be passed prior to May 15<sup>th</sup>, and after the Financial Plan bylaw to be effective for the 2014 tax year.

Bylaw 09-041 will expire by the end of 2014. Consequently, the DVBA must petition its members to re-establish the improvement area. The DVBA has indicated their intention to re-establishing the improvement area and City staff is in the process of drafting a new re-establishment bylaw.

On October 3<sup>rd</sup>, 2013 the DVBA presented its 2014 Budget to the Governance and Priorities Committee. This budget was subsequently approved at the October 10, 2013 Council meeting. The 2014 DVBA budget is attached to this report.

### Recommendation:

That Council adopt the "Business Improvement Area Rate Bylaw, 2014".

Respectfully submitted

Handwritten signature of Christopher Paine in blue ink.

Christopher Paine  
Manager-Revenue

Handwritten signature of Brenda Warner in blue ink.

Brenda Warner  
Director of Finance

Report accepted and recommended by the City Manager:

Date:

Handwritten signature of the City Manager in blue ink.

April 3, 2014

## BUSINESS IMPROVEMENT AREA BYLAW, 2009

### A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to re-establish the Downtown Victoria Business Improvement Area Service, and to authorize the granting of money and the imposition of taxes for that purpose.

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Under its statutory powers, including sections 210, 211, 213, 215, and 216 of the *Community Charter* and B.C. Regulation 438/81, the Prescribed Classes of Property Regulation under the *Assessment Act*, the Municipal Council of the City of Victoria enacts the following provisions:

#### **Title**

- 1 This Bylaw may be cited as the "BUSINESS IMPROVEMENT AREA BYLAW, 2009".

#### **Definitions**

- 2 In this Bylaw,

"BIA"

means the business area designated as the Downtown Victoria Business Improvement Area under section 3;

"business area"

means an area in the City of Victoria where business or commerce is carried on;

"business promotion scheme"

means:

- (a) carrying out studies or making reports respecting the BIA,
- (b) the improving, beautifying, or maintaining streets, sidewalks, or municipally owned land, buildings, or structures in the BIA,
- (c) removing graffiti from buildings and other structures in the BIA,

- (d) conserving heritage property in the BIA, and
- (e) encouraging business in the BIA.

**"Director"**

means the City's Director of Finance;

**"Downtown Victoria Business Improvement Area Service"**

means the local service established under section 4(1), the purpose of which is to authorize the provision of grants under section 4(2);

**"DVBA"**

means the Downtown Victoria Business Association;

**"DVBA grant"**

means a grant to the DVBA authorized by Council in any year pursuant to section 4(2) of this Bylaw;

**"taxable property"**

means land and improvements within the Business Improvement Area that are classified as Class 5 [*light industry*] or 6 [*business and other*] property class, under the Prescribed Classes of Property Regulation under the *Assessment Act*, and which include

- (a) the parcels of land which are described in Schedule B to this Bylaw, and improvements on those parcels; and
- (b) any parcels into which the parcels described in Schedule B are subdivided, and improvements on those parcels.

### **Designation of Business Improvement Area**

- 3 That part of the City that is shown as "Business Improvement Area" on the map in Schedule A is designated as a business improvement area to be known as the Downtown Victoria Business Improvement Area.

### **Grant of money for Business Improvement Area Service**

- 4
  - (1) The Downtown Victoria Business Improvement Area Service is re-established.
  - (2) The Council may grant up to a total amount of \$4,644,665.00 to the DVBA in accordance with the following maximum grants for the years indicated during the operation of this Bylaw:
    - (a) \$883,633 for the year 2010;



- (b) \$905,724 for the year 2011;
  - (c) \$928,367 for the year 2012;
  - (d) \$951,576 for the year 2013;
  - (e) \$975,365 for the year 2014.
- (3) Subject to subsection (4), the Director may pay a DVBA grant to the DVBA before July 10 in each of the years 2010 to and including 2014, from the taxes imposed and collected under a bylaw for that purpose.
  - (4) The Director must not pay a DVBA grant to the DVBA until Council has approved the DVBA's budget for that year.
  - (5) The Director may withhold payment of all or part of a DVBA grant if the DVBA is in default of any of the conditions and limitations set out in section 5 of this Bylaw.

#### Conditions on use of grants

- 5 A DVBA grant is paid to the DVBA subject to the following conditions and limitations:
- (a) the DVBA must have as one of its aims, functions or purposes the planning and implementation of a business promotion scheme;
  - (b) the money must be expended only by the DVBA;
  - (c) the money must be expended by DVBA only for a business promotion scheme;
  - (d) before October 31 in each year the DVBA must submit a budget
    - (i) to the Director for approval by the Council,
    - (ii) based on a fiscal year beginning on January 1,
    - (iii) containing information sufficient in detail to describe all anticipated expenses and revenues,
    - (iv) approved by a majority of the members of its Board of Directors, and
    - (v) if not then approved by the DVBA Society members, that will be submitted for approval by the DVBA Society's members, who are qualified under paragraph (I), at the DVBA's next annual general meeting;
  - (e) as an exception to subsection (d), a preliminary budget for the year 2010 must be submitted to the City within thirty days of the adoption of this Bylaw, and a final budget that meets all of the requirements of subsection (d) must be submitted to the City within 120 days of adoption of this Bylaw;

- (f) at intervals not exceeding 3 months following approval of the DVBA's budget by Council, the DVBA must submit to the Director the DVBA's statements of revenues and expenditures;
- (g) on or before March 31 of every year, the DVBA, at its own expense, must cause its auditor to prepare and deliver to the Director audited financial statements of the DVBA, including a balance sheet, a statement of revenue and expenditures, a statement of change in financial position, and a schedule of change in financial reserves;
- (h) the DVBA must not carry out any borrowing that results in an indebtedness or other obligation as to money granted to it by Council under this Bylaw, extending beyond the fiscal year in which that money was granted;
- (i) the DVBA's directors must permit the Director, or the Director's representative, to inspect, during normal business hours on reasonable notice, all of the DVBA's records of account, receipts, invoices, and other financial position records that the Director considers to be advisable for the purposes of verifying and obtaining further particulars of the budgets and any financial statements of the DVBA as they relate to money granted to the DVBA under this Bylaw;
- (j) if not required for the DVBA's immediate use, money granted to the DVBA must be invested only in securities in which trustees are authorized by law to invest;
- (k) the DVBA must keep separate from any other accounts the account or accounts used for money granted by the City of Victoria under this Bylaw;
- (l) at all times the DVBA must take out and maintain a policy of comprehensive general liability insurance in the amount of \$2,000,000.00 that names the City as an additional insured, that contains a cross coverage provision, and that contains an endorsement to provide the Director with 30 days notice of change or cancellation;
- (m) the DVBA must give at least 14 days notice if delivered by hand or facsimile, or 21 days notice if delivered by other means, of each of its general meetings to all of the following persons:
  - (i) the Director;
  - (ii) all persons who own taxable property, delivered to their address ascertained from the most recent property tax roll of the City;
  - (iii) all persons who lease or occupy taxable property, and from which they carry on a business, to their address as determined by directories, visual inspection, or any other information system agreed to by the Director;
- (n) the DVBA must give to the Director, not less than 7 days before the date scheduled for a general meeting of the DVBA, a declaration stating that all persons eligible to be DVBA members were notified of the general meeting;



- (o) at least 15 members must constitute a quorum for general meetings of the DVBA;
- (p) the DVBA's board of directors must be comprised of property owners and business owners who are eligible to be members of the DVBA, as well as one director appointed by the City of Victoria;
- (q) the DVBA must provide to the Director copies of the minutes of the DVBA's general meetings and director's meetings within 30 days from the date of each of the meetings;
- (r) the DVBA must not alter or approve amendments to its constitution or bylaws without providing the Director with
  - (i) 2 months notice of the DVBA's intention to do that, and
  - (ii) the substance of the proposed alteration or amendment;
- (s) the DVBA must not charge an annual membership fee of more than \$5.00;
- (t) subject to sub-paragraph (u) any portion of a DVBA grant received by the DVBA under this Bylaw that remains unspent at the earlier of the expiry of this Bylaw, or the dissolution of the DVBA, must be returned to the City of Victoria after the payment of any debts lawfully incurred by the DVBA in relation to a business promotion scheme, and the constitution and bylaws of the DVBA must provide for the return of the grant money to the City in those circumstances;
- (u) despite sub-paragraph (t), if the Downtown Victoria Business Improvement Area Service is renewed or extended beyond the term provided for under this Bylaw, and if the DVBA continues to comply with the conditions set out in this Bylaw, the DVBA may request of the Council that any unexpended portion of a DVBA grant be retained by the DVBA to use for a business promotion scheme after the expiry of this Bylaw, subject to any terms and conditions Council may impose.

#### **Tax levy for recovery of grants**

- 6
- (1) The total amount of each DVBA grant authorized by Council under section 4 must be recovered by the City by the imposition of a tax on all taxable property, at the rate of no more than \$0.35 per \$1,000.00 of assessed value of land and improvements for taxable property that is a hotel or part of a hotel, and no more than \$0.70 per \$1,000.00 of assessed value of land and improvements for all other taxable property.
  - (2) For the purposes of subsection (1) and section 4(3), in each of the years 2010 to and including 2014, taxes in the amounts that will recover the amount of the DVBA grant, for that year must be imposed by bylaw, provided that such taxes must not exceed the maximum rates established under subsection (1).
  - (3) The taxes imposed under a bylaw referred to in subsection (2) must be included in the City's real property tax roll for the year in which the taxes are imposed and

are payable to, and must be collected by the City's Collector in the same manner as other rates shown on the real property tax roll.

- (4) In the event the City is unable to collect the total taxes imposed under a bylaw referred to in subsection (2) in any year, as a result of the reduction in the assessed value of a taxable property following an assessment appeal, or due to any other eventuality that is beyond the City's control, and that results in a shortfall of tax revenue to the City in relation to a grant to the DVBA, the City may in the following year levy against the taxable properties an increased amount equal to the aforesaid shortfall.

**Period during which Bylaw has effect**

- 7** (1) Sections 1 to 6 come into effect on the later of the following dates:

- (a) January 1, 2010;
- (b) the date that this Bylaw is adopted.

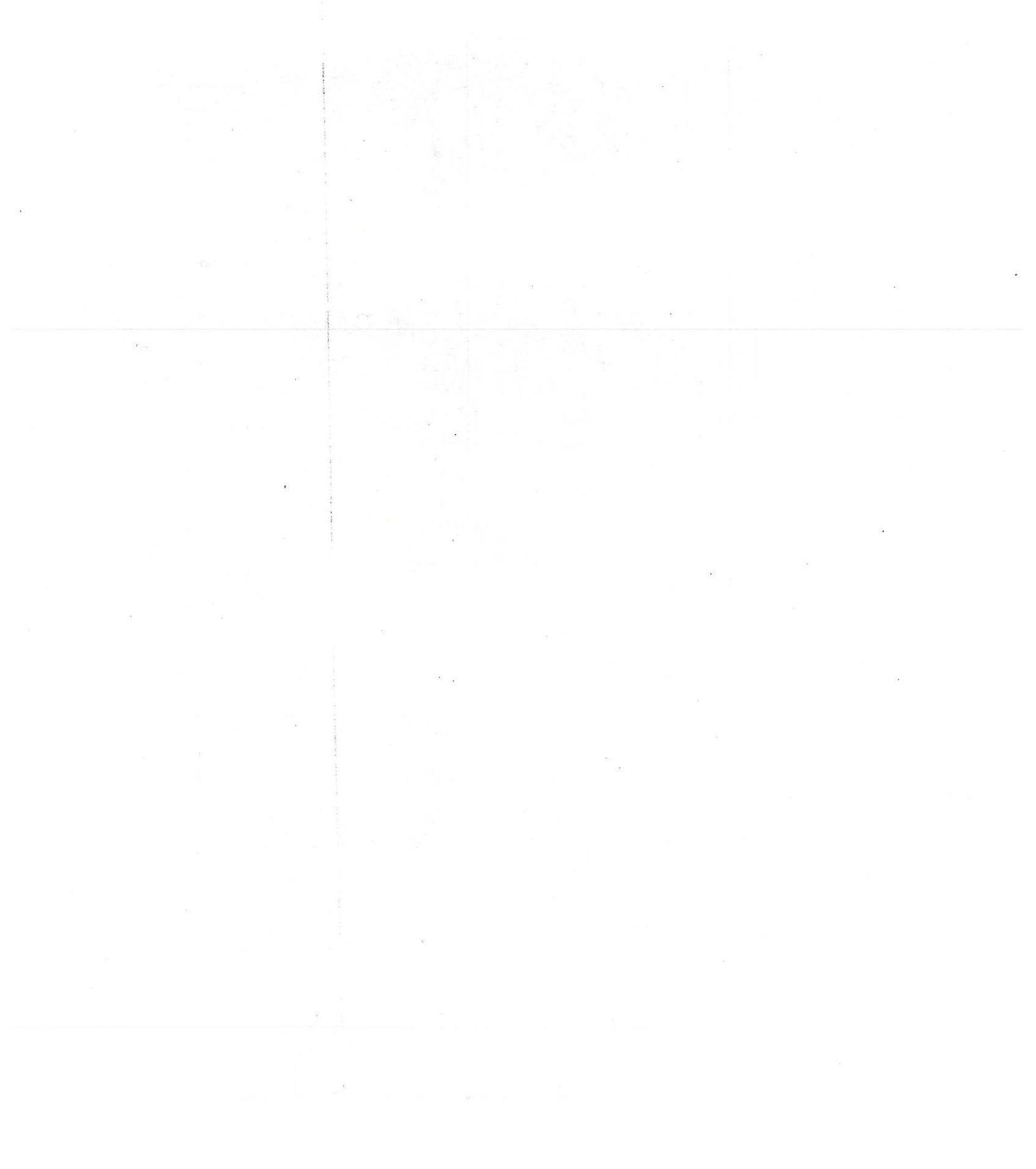
- (2) This Bylaw, except for section 5(t), expires and has no effect after the year 2014.

READ A FIRST TIME the	11 <sup>th</sup>	day of	<b>June,</b>	2009.
READ A SECOND TIME the	11 <sup>th</sup>	day of	<b>June,</b>	2009.
READ A THIRD TIME the	11 <sup>th</sup>	day of	<b>June,</b>	2009.
ADOPTED on the	16 <sup>th</sup>	day of	<b>July,</b>	2009.

**"ROBERT G. WOODLAND"**  
CORPORATE ADMINISTRATOR

**"DEAN FORTIN"**  
MAYOR

## Schedule A – Map of Downtown Victoria Business Improvement Area





## BUSINESS IMPROVEMENT AREA BOUNDARIES

All boundaries include both sides of the street with the exception of:

- Ocean Pointe Resort
- Kingston St. west of Montreal St.
- 500 and 600 blocks of Belleville St.

