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Halifax Regional Council
March 23, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Betty MacDonald
Betty MacDonald, Director, Governance & Strategic Initiatives

DATE: March 23, 2004

SUBJECT: Burnside Business Association Business Improvement District

INFORMATION REPORT

ORIGIN

The Burnside Business Association engaged in a public vote, asking all 1725 business occupancy and commercial accounts to approve a self imposed levy which would support a Business Improvement District for the area.

BACKGROUND

Under the Municipal Government Act, the Municipality has authority for business area improvements and promotions. The municipality may provide services in the following areas:

- to beautify and promote a business district,
- to identify and promote a business district as a place for retail and commercial activity,
- to establish or maintain parking facilities and/or to beautify, improve and maintain public property in the area.

To finance such initiatives, the Municipality may levy an area rate applicable to commercial property and business occupancy assessments in the area on those who benefit by the expenditures. The municipality may provide these services directly, contract the service, or provide grants to another body to support the promotion of the business district.

There are currently four Business Improvement Associations which operate within HRM's Capital District. The BIAs are supported by a tax levied on the commercial and business occupancy assessment of those businesses and commercial landowners located within Downtown Dartmouth, Downtown Halifax, Spring Garden Road, and Quinpool Road. The Municipality has by way of a management agreement, established a contract with these associations to provide services related to the beautification, promotions, and marketing for each of their respective districts.

In addition, the staff from Financial Services and the Capital District have been assisting communities outside of the Capital District with establishing business improvement districts. The Spryfield community was the first in HRM, to create a Business Improvement District (BID) outside of the Capital District.

DISCUSSION

The Burnside Business Association proposed a tax levy formula where \$0.000350 per \$100 of assessed value would be applied to all commercial accounts, and an area rate of \$0.000410 per \$100 of assessed value would be applied to all business occupancy accounts. The minimum suggested annual charge for any account was \$50, and the maximum suggested annual charge was \$500. This levy rate is comparable to other BID area rates within the Municipality.

The Association held several public meetings to provide information on the proposed BID and provided information on the BID through the Burnside News community newsletter and other print materials. The Association had the support of the area Councillor in accordance with the BID process (attached).

A registered letter was sent out from the Councillor's Support Office to every potential assessed member of the BID on January 19 and the assessed members had until Friday, February 20 to respond as to whether they supported the initiative or not, giving individuals four weeks to respond. In order for the BID to proceed, 51% of the votes received had to support the levy.

Of the 320 responses received, 71 (22%) supported the BID levy and 249 (78%) did not. The BID rate will, therefore, not be proceeding.

BUDGET IMPLICATIONS

There is no impact on the 2003-04 Operating Budget.

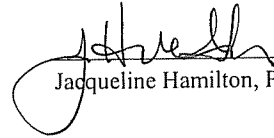
FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Marion Currie, Capital District Project Coordinator, 490-6735

Report Approved by:



Jacqueline Hamilton, Project Manager, Capital District 490-5685



Re:Info Item #2

Establishment of a
Business Improvement District (BID)

SUMMARY OF PROCESS

Provincial Legislation (section 56 - Municipal Government Act)

Under the Municipal Government Act (MGA), the Municipality has authority for business area improvements and promotions. The municipality may provide services in the following areas:

- to beautify and promote a business district,
- to identify and promote a business district as a place for retail and commercial activity,
- to establish or maintain parking facilities and/or to beautify, improve and maintain public property in the area.

To finance such initiatives, the Municipality may levy an area rate applicable to commercial property and business occupancy assessments in the area of those who benefit by the expenditures. The municipality may provide these services directly, contract the service, or provide grants to another body to support the promotion of the business district.

There are currently four Business Improvement Associations which operate within HRM's Capital District. The BIAs are supported by a tax levied on the commercial and business occupancy assessment of those businesses and commercial landowners located within Downtown Dartmouth, Downtown Halifax, Spring Garden Road, and Quinpool Road. The Municipality has by way of a management agreement, established a contract with these associations to provide services related to the beautification, promotions,

and marketing for each of their respective districts.

BID Consultation Process

Area rates for Business Improvement Districts (BID's) are intended for local business communities and are meant to be driven by business community stakeholders.

Objectives of the process:

- √ Encourage business community involvement
- √ Ensure broad support for the levy
- √ Communicate the process to stakeholders: community, Council, staff
- √ Ensure public meetings and votes are fair, open and conducted in a manner that ensures the wishes of the majority are followed
- √ Ensure accountability: before and after a levy is introduced

To build the public and business community support needed, the entire process may take a year or more to complete. The following steps should be completed to establish a BID (Business Improvement District):

1. Formation of a Non for Profit Society must be established in order to enter into a management agreement with HRM at a later date. This should be tackled in tandem with the following steps so it is in place once the BID is approved.

Contact:

Registry of Joint Stocks

PO Box 1529

Halifax NS

(T) 424-7770

www.gov.ns.ca/bacs/rjsc

2. A letter of request should be sent to the Councillor for the area advising their intent to establish a BID.

3. A business case prepared by the business association and reviewed by Capital District will outline the overall goals of the organization, geographic boundaries and proposed levy formula. HRM Finance will help to solidify assessment boundaries and the proposed levy formula. BID levies are only charged on commercial and business occupancy assessments. Non for profit agencies and some government offices are exempt from BID levies. (Contact: John Marsh - HRM Finance - 490-6473)
4. It is critical to mobilize the resources that will be necessary for a highly visible and political process. At least one public meeting must be advertised and held. The advertisement will include:
 - √ date, time, location
 - √ purpose
 - √ proposed levy formula
 - √ boundaries of the commission
5. Following the public process, a petition is then conducted by HRM's Councillor's Support Office wherein one questionnaire is sent to each proposed assessed member (those individuals paying business occupancy and or commercial taxes), providing information, cost estimates and details on the rate. 50% plus 1 of the returned ballots must agree with the establishment of the BID, otherwise the process stops. All administration costs associated with the petition are charged back to the proposed BID committee. The level of support is tabulated and a report is prepared for Council by HRM staff. Included in the report as a resolution of Council, the Business Association should be recognized as the body to be contracted.
6. A management agreement is written between the non for profit society and the Halifax Regional Municipality. It is signed by two authorities from the society and the Mayor and City Clerk on behalf of HRM. The management agreement along with the levy rate must be approved by Regional Council as part of the report.

7. Following approval, a letter is sent to each assessed members detailing the levy formula for the area.

Please Note: The process must follow the budget and business planning guidelines and timetables established by HRM. Processes which do not meet these time lines will be included in the next fiscal year.

8. Each year, as part of the fall business planning process, the Society must submit its annual financial statements, activity plan and budget to the Capital District Project Coordinator. In addition, these items will be presented to Community Council in an information report.

For more information on the process please contact:

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