

Item No. 10.1.10 (ii)

Halifax Regional Council

October 4, 2011

April 17, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Councillor Lorelei Nicoll, Chair
Community Planning & Economic Development Standing Committee

DATE: September 19, 2011

SUBJECT: **HRM Discretionary Funding to Business Improvement Districts:
Proposed BID Contributions Policy**

ORIGIN

Motion passed at CP & ED's August 11, 2011 meeting requesting "the Audit and Finance Standing Committee provide an update with regard to discussions on the Business Improvement Districts as a means of ensuring a unified approach."

RECOMMENDATION

The Community Planning & Economic Development Standing Committee:

1. Recommend Regional Council adopt the *HRM Business Improvement District Contributions Policy* as detailed in Attachment 1 and the proposed amendments of the Audit & Finance Standing Committee as described in the Background section of the July 17, 2011 staff report;
2. Recommend to Regional Council implementation of the proposed *HRM Business Improvement District Contributions Policy* effective April 1, 2012; and
3. Recommend that, to allow for greater transparency, the *HRM Business Improvement District Contributions Program* be identified as a separate line item under Fiscal Services in future HRM budgets.

BACKGROUND/DISCUSSION

At the September 15, 2011 meeting of the Community Planning and Economic Development Standing Committee, staff presented the report on HRM Discretionary Funding to Business Improvement Districts: Proposed BID Contributions Policy and responded to questions from the Committee. Subsequently, the Committee passed a motion approving the staff recommendation

BUDGET IMPLICATIONS

The attached staff report dated July 17, 2011 addresses budget implications.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

Not applicable with this report.

ALTERNATIVES

The attached staff report dated July 17, 2011 presents alternatives.

ATTACHMENTS

Attachment 'A': Staff report dated July 17, 2011.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Community Planning & Economic Development Standing Committee
September 15, 2011

TO: Chair and Members of Community Planning & Economic Development
Standing Committee

SUBMITTED BY: Original Signed
Mike Labrecque, Deputy Chief Administrative Officer, Operations

DATE: July 17, 2011

SUBJECT: HRM Discretionary Funding to Business Improvement Districts:
Proposed BID Contributions Policy

ORIGIN

June 13, 2011 – HRM Grants Committee approved in principle the recommendations contained in the staff report dated May 5, 2011, regarding the HRM Business Improvement District Contributions Policy.

June 27, 2011 – The Audit & Finance Standing Committee approved in principle the recommendations contained in the Grants Committee report dated June 14, 2011. Minor amendments were recommended by the Committee as detailed in the Discussion section of this report.

RECOMMENDATION

It is recommended that the Community Planning & Economic Development Standing Committee:

1. Recommend Regional Council adopt the *HRM Business Improvement District Contributions Policy* as detailed in Attachment 1 and the proposed amendments of the Audit & Finance Standing Committee as described in the Background section of this report;
2. Recommend to Regional Council implementation of the proposed *HRM Business Improvement District Contributions Policy* effective April 1, 2012; and
3. Recommend that, to allow for greater transparency, the *HRM Business Improvement District Contributions Program* be identified as a separate line item under Fiscal Services in future HRM budgets.

BACKGROUND

At the June 13, 2011, meeting of the HRM Grants Committee, the draft *HRM Business Improvement District Contributions Program* policy and procedures were approved without amendment and forwarded to the Audit & Finance Standing Committee.

At the June 27, 2011, meeting of the Audit & Finance Standing Committee, the Committee approved the draft policy and procedures with the following amendments:

"Moved by Councillor Mosher, seconded by Councillor Uteck, that the Audit and Finance Standing Committee request that the proposed HRM Discretionary Funding to Business Improvement Districts: Proposed BID Contributions Policy be amended as follows:

- *Section 20.2 Enhanced Maintenance & Beautification, page 9, sixth bullet: add the following "....in the absence of an HRM approved Streetscape Plan".*
- *Section 20.7 Advocacy, page 11, add the following to the last bullet: "....subject to liaising with HRM Visioning staff"*

Councillor Mosher requested further clarification, but not in the form of a formal motion, on the following items:

- *"Section 20.4 Safety & Security, last bullet on page 10, clarification be included on whether or not the cost of a Crime Prevention Through Environmental Design (CEPTED) audit would be over and above the grant awarded to the BID.*
- *Section 21, Eligible Expenditures, page 12, sixth bullet, in regards to construction of public amenities, clarification be included on eligible expenditures and that the following wording be added "....if it is on HRM property, it is subject to appropriate HRM staff approvals".*
- *Section 22, Ineligible Expenses, page 13, clarification requested on ineligible expenses be included due to one BID doing things beyond their scope such as hiring a motivational speaker".*

Councillor Uteck requested further clarity regarding eligible/ineligible expenses in relation to HRM's refusal to permit pole banners in one BID while other areas have them, and that any planters would have to be planted, maintained, removed and stored by the BID. This latter item appears to be an operational issue; banners and applicable hardware, and temporary planters remain eligible expenditures under the proposed policy.

DISCUSSION

Given the Community Planning & Economic Development Standing Committee's role in policy development and oversight in relation to HRM's Economic Strategy, the Committee's review of the proposed funding policy is required. Further, the Committee may wish to debate the

desirability of the existing funding program, program budget, scope or implementation of the proposed policy.

The staff recommendation to identify the program as a separate budget line item is intended to increase transparency. Further, the new descriptor would be more accurate than the prior reference as “special projects” given that funding has been recurring. The term “special project” could be misunderstood within this context as one-time only or non-recurring.

Next Steps:

Formal Adoption of Proposed Policy: The proposed amendments put forth by the Audit & Finance Standing Committee and any from the Community Planning & Economic Development Standing Committee will be identified in a revised draft of the proposed policy. If the scope or impact of the proposed amendments is modest, a report will be forwarded to Regional Council for approval. If proposed changes are substantive, a supplementary report to both the Audit & Finance and the Community Planning & Economic Development Standing Committees may be warranted.

Outcome Indicators: If the new policy is approved, HRM staff will consult with local BIDs and HRM economic development staff in the development of project/program indicators to gauge the impact of this program in relation to HRM’s Economic Strategy and/or Corporate Plan. A standardized reporting format will be developed and the results made publicly available.

BUDGET IMPLICATIONS

None. This is a policy document only. Any change in program budget is through the regular annual budget and business plan process.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

Not applicable. Representatives from seven BIDs unanimously endorsed the following motion at their meeting of April 28, 2011: “Moved by Kimberley Dossett and seconded by Bill Mills that the proposed BID Contributions Policy be endorsed”. Motion put and passed.

ALTERNATIVES

The Community & Economic Development Standing Committee could amend any aspect of the proposed policy and procedures.

ATTACHMENTS

1. Report from HRM Grants Committee dated June 14, 2011 and staff report dated May 5, 2011

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, HRM Community Development 490-5469

Original Signed

Report Approved by:

Andrew Whittemore, Manager, Community Relations & Cultural Affairs, HRM Community Development, 490-1585

Original Signed

Financial Approval by:

Bruce Fisher, A/Director of Finance/CFO 490-6308



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No.
Audit and Finance Standing Committee
June 15, 2011
27,

TO: Councillor Gloria McCluskey, Chair, and Members of the Audit & Finance Standing Committee

SUBMITTED BY: Original Signed
Councillor Russell Walker, Chair, Grants Committee

DATE: June 14, 2011

SUBJECT: HRM Discretionary Funding to Business Improvement Districts:
Proposed BID Contributions Policy

ORIGIN

The May 5, 2011 staff report and the June 13, 2011 meeting of the Grants Committee.

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee approve in principle:

1. The proposed *HRM Business Improvement District Contributions Policy* as detailed in Attachment 1 of the May 5, 2011 staff report and refer same to Halifax Regional Council;
2. Implementation of the proposed *HRM Business Improvement District Contributions Policy*, effective April 2, 2012;
3. Identification of the *HRM Business Improvement District Contributions Program* and respective budget, to be created under M311 – Fiscal Services.

BACKGROUND

As per the May 5, 2011 staff report.

DISCUSSION

The Grants Committee discussed the May 5, 2011 staff report at their June 13th meeting and agreed to approve in principle the recommendations presented and to forward the report to the Audit and Finance Standing Committee for their June 15th meeting.

BUDGET IMPLICATIONS

None associated with this report.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

The Grants Committee is comprised of six members at large and six elected officials. The Community Engagement requirement has been met.

ALTERNATIVES

1. The Audit and Finance Standing Committee may choose not to approve in principle the HRM Discretionary Funding to Business Improvement Districts Contributions Policy as detailed in Attachment 1 of the May 5, 2011 staff report. This is not the recommended option.

ATTACHMENTS

1. May 5, 2011 staff report.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: [Chris Newson, Legislative Assistant, 490-6732]



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
June 13, 2011

TO: Chair and Members HRM Grants Committee

SUBMITTED BY: Original Signed

Paul Dunphy, Director Community Development

DATE: May 5, 2011

SUBJECT: HRM Discretionary Funding to Business Improvement Districts:
Proposed BID Contributions Policy

ORIGIN

This report originates with staff, Grants & Contributions, HRM Community Development.

RECOMMENDATION

It is recommended that the HRM Grants Committee approve in principle:

1. The proposed *HRM Business Improvement District Contributions Policy* as detailed in Attachment 1 of this report and refer same to the HRM Audit & Finance Standing Committee;
2. Implementation of the proposed *HRM Business Improvement District Contributions Policy*, effective April 1, 2012;
3. Identification of the *HRM Business Improvement District Contributions Program* and respective budget, to be created under M311 - Fiscal Services.

BACKGROUND

There are currently seven (7) Business Improvement Districts (BIDs) located within HRM. Historically, each BID has been funded via three main sources:

- **Area Rate:** Individual BID area rates are set annually, subject to Regional Council's approval, as per Section 70 of the Halifax Charter (2008).
- **Discretionary Contributions:** HRM discretionary funding initiated under the former Capital District BIDs with a focus on joint marketing initiatives. The value of funding is set annually by Regional Council through the regular budget process. Funding is project-specific and matched by the BIDs with the intent of enhancing the profile of the BID as a destination for commercial activity. A focus on collaborative marketing has been challenged by the emergence of BID's outside the urban core and recognition of the potential to broaden the scope of mutual synergies.
- **Other:** Earned revenues, grants, sponsorship, and self-generated revenues.

In 2011, in consultation with the existing BIDs, staff advanced the concept of replacing the existing Service Agreement with (1) a proposed by-law to recognize a BID as both a geographic jurisdiction and the non-profit administration of same, and (2) policies and procedures to guide discretionary municipal funding. The aim is to provide greater clarity for existing and prospective BIDs and enhance public accountability. Details of the proposed by-law and administrative order will be advanced under a separate report. This report addresses only discretionary municipal contributions.

DISCUSSION

With the transfer of the BID support function from Planning & Development to Community Relations & Cultural Affairs (Grants & Contributions), staff established a schedule of quarterly meetings to address issues of common concern. The 2010-2011 budget cut to the BID discretionary funding (formerly known as the *Joint Marketing Initiatives Funding*) prompted a request from HRM staff to the BIDs to recommend an equitable method for the distribution of HRM's discretionary funding (July 22, 2010). The BIDs unanimously passed a motion to distribute discretionary funding according to their respective percent of the total area rate levy. Staff concur that this is an equitable approach given that each BID sets its own rates. HRM staff committed to review the *Joint Marketing Initiatives Program's* purpose and related policy. The draft *HRM Business Improvement District Contributions Policy* has been developed further to that commitment.

The purpose of the *HRM Business Improvement District Contributions Policy* is to enhance policy and procedures initially set out in the annual Service Agreement and to guide public investment in accordance with provincial legislation, municipal goals and financial capacity. The proposed policy supports the principles of self-sufficiency, public accountability for the expenditure of public money, and measurable outcomes.

Expanded Scope of Eligible Projects: The *HRM Business Improvement District Contributions Policy* represents a change in scope from the previous *Joint Marketing Initiatives Program* insofar as HRM's contribution would no longer be restricted to marketing initiatives. The proposed policy includes the addition of:

- Business Recruitment & Retention;
- Enhanced Maintenance and Beautification;
- Safety and Security;
- Heritage Conservation and Cultural Districts;
- Governance and Membership.

Expanded Scope of Collaboration: If approved, the proposed policy changes would enable BIDs to collaborate freely to facilitate strategic partnerships aligned with HRM's economic development interests and/or strategic priorities. The *Joint Marketing Initiatives Program*, as previously administered, required that a BID partner only with another BID.

Funding Eligibility: Discretionary funding is to be restricted to formally recognized business improvement districts and their respective managing associations. This restriction is recommended so as to protect funding from a dilution of impact. Currently, there is no policy to prevent an entity from applying to the fund, irrespective of its lack of BID standing. The draft policy also calls for a one year moratorium on accessing discretionary municipal funding for any newly created BID. This approach will afford Regional Council time to consider any increase to the value of the Contribution Fund.

Implementation: Staff recommend that, if approved, the *HRM Business Improvement District Contributions Policy* be implemented as of April 1, 2012, to enable policy to be incorporated into the planning and approval process for BID budgets and activity plans.

Proposed Indexing for New BIDs: It is anticipated that the number of BIDs could increase in the short to medium term. Conceivably, HRM's impact in leveraging investment from third parties could diminish to the point of negligible impact if, using a proportional share of total levy formulae, the fund does not increase proportional to the value of levy created by a new BID. Hence, the proposed policy recommends that the fund be indexed to respond to the addition of a new BID. In effect, indexing protects against any adverse funding impact to existing BIDs through the creation of a new BID.

Proposed Change to Funding Identification: Currently the funds for BID Contributions are in the operating budget of C771-BIDs Contributions, in an account described as "Special Projects" (6919). Arguably, this form of collaborative, project-specific matching funding is not intended as a non-recurring or one-time only expenditure. Therefore, for consistency and ease of program identification, staff recommend that funds designated for the purpose of leveraging investment in local BIDs be reallocated to HRM Fiscal Services (M311) and clearly identified as per other transfers to third parties.

BUDGET IMPLICATIONS

The adoption of formal policy and procedures has no direct impact on the budget allocation in the current BID's Contributions Fund operating account #C771-6919.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

Staff met with representatives from all seven BIDs on April 28, 2011. The BID representatives unanimously endorsed the following motion: Moved by Kimberly Dosset and seconded by Bill Mills that the proposed BID Contributions Policy be endorsed. Motion carried unanimously.

ALTERNATIVES

1. The HRM Grants Committee could amend any aspect of the proposed policy and procedures.

ATTACHMENTS

1. Draft *HRM Business Improvement District Contributions Policy*

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Scott Sheffield, Community Developer, Community Relations & Cultural Affairs, 490-3941;
Peta-lane Temple, Team Lead Grants & Contributions, HRM Community Development.

Report Approved by:

Original signed

Andrew Whittemore, Manager Community Relations & Cultural Affairs, HRM Community Development, 490-1585

Financial Approval by:

Original Signed

for Bruce Fisher, MPA, CMA, A/Director of Finance/CFO, 490-6308

Attachment 1

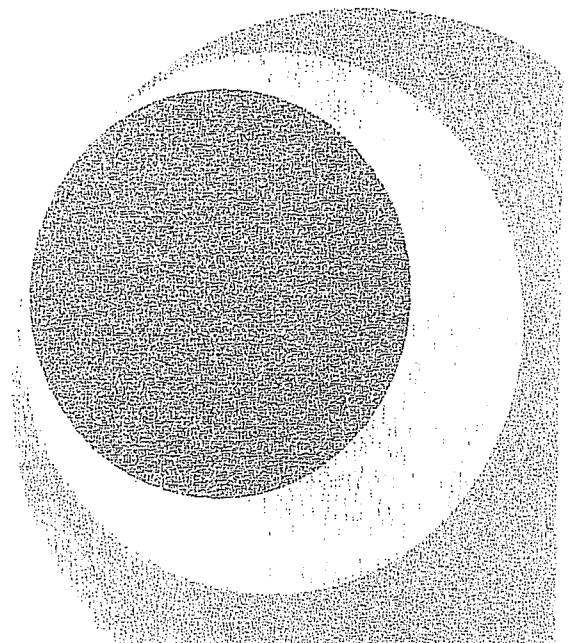
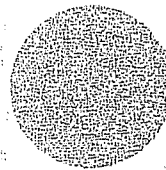
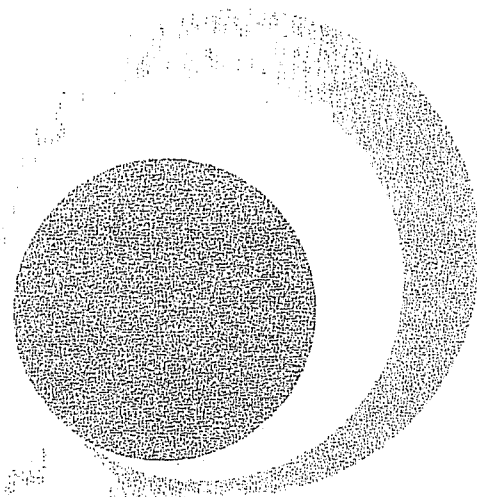
Draft Contributions Policy
HRM Business Improvement
Districts

Contributions Policy

HRM Business Improvement Districts

This policy outlines Business Improvement District discretionary funding eligibility and reporting.

HRM Community Development



Overview

Business Improvement District Concept

A Business Improvement District (BID) is a special assessment district where business people join together to promote and improve the economic vitality of the area. The establishment of a BID provides a unique opportunity for business owners, and commercial property owners, to promote their mutual goals of creating safe, attractive and interesting commercial places aimed at stimulating business.

Rationale for Public Investment

HRM is committed to supporting BIDs because they strengthen the business community, create new jobs, attract new businesses, expand the commercial tax base and revitalize commercial districts across the municipality. A BID provides a business area with the resources to develop marketing campaigns, increase awareness and lobbying efforts, secure additional funding and undertake improvement and beautification projects. An organized business community can work more effectively to create positive change and increase support for businesses in the area. In HRM, BIDs work closely with elected officials and municipal staff to voice their collective concerns, monitor business regulations, and obtain support for their business development projects.

HRM Discretionary Funding

Funds raised by a BID through an area rate may be supplemented by discretionary municipal financial support in the form of grants, project-specific contracts, fee-for-service agreements, incentives, or concessions. HRM may also initiate or partner with BIDs in the development and execution of submissions to non-municipal funding sources, for example provincial or federal government programs, government agencies, philanthropic foundations, or corporate initiatives.

The source of discretionary funding shapes decision-making authority and permissible expenses. Hence, this policy has two categories:

- ***HRM BID Investment Fund.***

Designated discretionary contributions funded through the region's general tax rate and distributed to eligible BIDs in proportion to their area rate revenue. The Fund is a recurring annual program, subject to approval of HRM's annual operating budget, and requires matching (non-municipal) funds from the recipient BID.

- ***Special Projects Funding.***

An internal transfer of funds from an HRM departmental operating or capital account, or reserve, for a designated project or type of program, subject to approval of HRM's

annual budget. Or, a flow-through of funds received by HRM from a non-municipal source for a designated project, program or service. Matching funds or cost-sharing may or may not be required and applicant/project eligibility will be case-specific.

BID Contributions Policy

The purpose of formal policy is to guide public investment in accordance with provincial legislation, municipal goals and financial capacity. The BID Contributions Policy supports the principles of self-sufficiency, public accountability for the expenditure of public money, and measurable outcomes resulting from specific initiatives undertaken to promote a BID as a business, employment, tourist and/or shopping area. The BID Contributions Policy shall be reviewed every three (3) years, or upon request, to reflect substantive changes in legislation, municipal policy or strategic priorities, and budget capacity.

HRM BID Investment Fund

1. Objectives

The *BID Investment Fund* has the following primary objectives:

- Support local economic development through investment in business districts to enhance their attractiveness to citizens, prospective investors, entrepreneurs, and employees thereby enhancing the municipality's reputation as a vibrant place to live and work.
- Facilitate projects and collaborative partnerships that realize measurable outcomes aligned with HRM's economic development interests and/or strategic priorities;
- Enhance HRM's connectedness to the local business community.

Public investment shall leverage, to the greatest extent possible, private sector, philanthropic, or government investment, to contribute to the revitalization and growth of local business districts.

2. Source of Funds

The *BID Investment Fund* is financed through the municipal general tax rate. In accordance with legislation, funding from this source cannot be spent on private property. The availability and value of the Fund shall be determined annually through the regular HRM budget process.

3. Fiscal Year

HRM's fiscal year is April 1st to March 31st.

4. Applicant Eligibility Criteria

Eligibility for discretionary funding under the *BID Investment Fund* shall be restricted to a business improvement association, defined as an organization incorporated to carry out business improvement activities within a designated geographic BID by an administrative order pursuant to HRM By-law X-XXX.

- 4.1. *Initial Year.* The BID association shall have been recognized, by way of Administrative Order, at least one (1) year prior to the date of application to the *BID Investment Fund*. Delayed eligibility affords Regional Council time to consider any increase the value of the Fund if a new business improvement district is formed during the course of the fiscal year. The aim is to prevent dilution of the Fund's impact as a consequence of growth in the number of BIDs.

A one-year requirement provides reviewers with some indication of the financial status of the applicant and their ability to match funds and/or deliver a program or service. The deferred eligibility also affords the applicant sufficient time to gauge the needs of their district and develop an application that addresses those needs in accordance with the Fund's objectives.

- 4.2. *Debts or Claims:* Applicants in debt to the municipality, or party to a legal claim, shall be ineligible for consideration pending:

- a signed payment plan and compliance with same, and/or
- settlement of the claim.

At its discretion, Regional Council may waive applicant ineligibility determined under clause 4.2.

5. Duplication of (Municipal) Funding

The recipient BID shall be required to identify any contribution from the *BID Investment Fund*, and any other form of municipal financial assistance, as separate line items in their annual financial statement, or as a separate schedule in the financial statement. The purpose of this requirement is to distinguish HRM funding from the BID's area rate and other self-generated revenues, and to distinguish the source(s) of any HRM funding. For example, to distinguish a contribution under the *BID Investment Fund* and an *HRM Festivals & Events Program* grant.

6. Application Process

As part of the regular submission of BID business plans, budget and levy rates, eligible BIDs shall identify the intended use of any discretionary contribution from the *BID Investment Fund* using an application form provided by HRM.

Submissions shall be received by the deadline stated. Late or incomplete applications shall not be considered.

7. Project Modification

Where necessary, changes in approved, contribution-supported activities may be initiated due to changes in personnel, changes in the status or organization, or changes in the objectives or timeframe of the approved project. Minor changes in methodology, approach, or other aspects of the project objectives can be made. However, prior approval from HRM must be given for changes in scope, direction, type of service delivery or training, or other areas that constitute a substantive change from the objectives or purposes of the approved project.

8. Substitute Project

Where an approved project can not proceed, the Applicant may, make application to substitute a new project for a previously approved project. Where a substitute project is ongoing prior to HRM's approval, HRM may cover incurred project costs. Incurred expenses relating to a substitute project are evaluated on a case-by-case basis in accordance with the following criteria:

- they must be "eligible expenses" as per sections 20,21,22 and 23 of this policy;
- they must relate to the substituted project which has been approved for funding; and
- the cost must be incurred after April 1st of the current fiscal year and before March 31st of the current fiscal year.

HRM will not assume any responsibility for any expenses in the event that the substitute project is not approved.

9. Changes in Expenditures

A degree of latitude is allowed in making post-award budget revisions to an approved budget. Re-budgeting within, and between, budget categories in the approved total project budget, is permitted to meet unanticipated requirements or to accomplish programmatic changes. In using this authority, proper stewardship must be exercised over Municipal funds and all costs charged to HRM must be allowable, allocable, and reasonable.

10. Inability to Proceed & Carry Forward of Funds

If a commitment or contribution to a project that relies upon third party funding, such as fundraising or a government grant, proves not to be feasible (i.e. lacks the necessary funding), unused funds shall be returned to HRM.

If an extension is needed, applicants shall submit a request in writing. HRM staff will provide a written response. Funds committed to a project may be carried forward, by the grant recipient, to the next fiscal year. The balance of any un-spent funds (i.e. the project is completed under

budget or the funds are not utilized within the fiscal year) shall be deposited into a designated reserve. Reserve funds shall be noted as such in the organization's audited financial statement.

11. Confirmation of Matching Funds

HRM's total contribution (from all sources) shall not exceed 50% of total project costs. Applicants are encouraged to cost-share or seek assistance from other sources (e.g. program fees, charge-backs, fundraising etc.).

Confirmation of matching, non-municipal funds, shall be provided at the time of application. Unconfirmed commitments shall be clearly identified and may warrant a conditional award. For example, payment may be withheld pending confirmation or issued in instalments.

At a minimum, applicants shall identify:

- Cash contributed by the BID itself (levy monies are eligible as matching funds);
- In-kind contributions provided by the BID or a third party (these do not qualify as monetary value for the purpose of "matching funds" but are an indication of partnership development) and/or different forms of 'project investment' or collaboration;
- Estimated revenue (if any) created by the project (e.g. admission charges, registration fees, product sales);
- Other forms of confirmed financial assistance (e.g. private donation, corporate donation, foundation grant, donation of goods and services, federal or provincial contribution).

12. Value of Contribution

The Fund is allocated on the basis of each BID's proportional share of the combined area rate levied for all eligible BIDs in the current fiscal year. This approach recognizes that each BID's percentage of the total levy, and by extension, their proportional share of the Fund, is largely self-determined. Individual BIDs are autonomous in establishing individual area rates, including minimum and maximum thresholds.

13. Proportional Share Formula

Each eligible BID's proportional share of the Fund shall be calculated as follows:

$$\frac{\text{Applicant Levy}}{\text{Cumulative Levy}} \times \text{Fund Value}$$

Cumulative Levy
Applicant Levy
Fund Value

Total area rate levy raised by all HRM BIDs (expressed as dollar value)
Area rate levy raised by applicant BID (expressed as dollar value)
Annual value of the Fund as approved by Regional Council (expressed as dollar value)

14. Indexing the Value of the Fund

Because a BID's proportional share is tied to the collective value of all BID levies, the addition of any new BID impacts existing BIDs' proportional share of the Fund. Therefore, the value of the Fund shall be indexed to prevent dilution of impact.

The Fund shall use the following indexing formula:

$$\frac{\text{Current Fund Value}}{\text{Current Levy}} \times \text{New BID Levy} = \text{Fund Increase}$$

$$\text{Fund Increase} + \text{Current Fund Value} = \text{New Fund Value}$$

15. Payment Schedule

Notwithstanding any unforeseen circumstances, awards shall be paid in one instalment. There shall be no supplementary or incremental commitment from HRM.

16. Reporting

A project final report shall be submitted on or before April 30th of the fiscal year in which the contribution was made, using a form provided by HRM. As a condition of funding, all grant recipients shall agree to report on project-specific measurable outcomes. Outcomes must be articulated in the proponent's rational for public funding and must align with HRM's funding rationale. Such outcomes may include, but are not limited to:

- level of public and private investment;
- program and service impact;
- employment;
- sectoral development opportunities.

17. Public Notice of Contributions

In accordance with the provisions of the Halifax Charter (2008), a list of all contributions awarded under the *BID Investment Fund* shall be sent by HRM to a newspaper that circulates throughout the municipality. A formal Information Report shall be submitted to Regional Council listing the individual BID allocations and a brief summary of individual project outcomes.

18. Funding Acknowledgement

Funding recipients are expected to provide the appropriate public acknowledgement. Guidelines regarding government protocols shall be provided by HRM.

19. Indemnification, Insolvency and Guarantor Status

The funding recipient(s) shall indemnify HRM against all claims and losses. In the event of bankruptcy, insolvency or dissolution of the business improvement association, HRM shall not be required to complete payment to the project. HRM shall not serve as a guarantor of a project, nor shall there be any implied or expressed, direct or indirect liability.

20. Eligible Funding Categories

Applicants are encouraged to identify, plan and implement business improvement projects that will have demonstrable benefits for district constituents and HRM. Contributions are intended to help develop a new project or enhance existing programming.

20.1. *Business Recruitment & Retention:* Applicants may engage in projects that promote a desirable business and service mix, achieve vacancy reduction, market to investors, and attract financial incentives for new and expanding businesses. The following list is provided for illustrative purposes and is not meant to be exhaustive:

- Undertake a retail study to assess the current retail mix, identify the district's trade area, develop a shopper profile and identify gaps where the retail mix can be improved;
- Work with appropriate agencies and other district stakeholders to change zoning in order to realize the full economic potential of the district;
- Conduct commuter surveys, employer consultations and parking analyses;
- Create media kit/collateral and/or loyalty programs that attract new businesses and/or property developers to the district;
- Conduct retailer outreach to attract new businesses that match the demographic profile of the area;
- Complete a commercial use study to obtain information about commercial space and its use including information on vacant square footage, number of businesses, and business use categories;
- Promote major construction or revitalization projects in partnership with government agencies and elected officials that promote economic vitality;
- Collect data on commercial leases in the district to detect and interpret current trends and to help accurately guide the expectations of both property owners and prospective retail tenants;
- Implement a strategy to mitigate any negative effects of construction within the district.

20.2. *Enhanced Maintenance & Beautification:* Applicants may implement maintenance and beautification initiatives that enrich the experiences of neighbourhood visitors, enhance pride of place, discourage vandalism and improve the street-level image of the district. The following list is provided for illustrative purposes and is not meant to be exhaustive:

- Provide enhanced sanitation services including neighbourhood clean-up event, street and sidewalk cleaning, actions to discourage illegal dumping, cleaning of street furniture, graffiti and sticker removal;
- Provide enhanced seasonal maintenance including power washing sidewalks and snow and ice removal;
- Work with relevant agencies and organizations to encourage active transportation (e.g. encouraging the placement of bike racks and installation of bike lanes);
- Launch an initiative to bring public art into the public realm, attract new pedestrian traffic and expand the district's reputation for supporting and exhibiting art (e.g. temporary art installations and functional art, sculpture, murals);
- Design and install banners to brand the BID and promote the district;
- Develop a streetscape design plan that will strengthen the overall sense of place in the district, attract more people and increase 'dwell' times;
- Strengthen, expand and support the business community's commitment to green solutions (e.g. recycling, waste reduction, solar lighting, anti-littering campaign etc.).

20.3. *Marketing and Promotions:* Applicants may pursue projects that enhance the branding and marketing of the district and bring more pedestrian traffic into the area. The following list is provided for illustrative purposes and is not meant to be exhaustive:

- Develop or re-brand the district's print collateral and online media in order to strengthen the BID/BIA brand and establish a coordinated and unified presentation;
- Strengthen ties to organizations and events that expand the district's reach to new audiences;
- Promote the district's arts and entertainment uses to the greater public through promotional giveaways and media placements (advertisements, direct mails and other marketing efforts);
- Design and distribute district asset marketing materials (e.g. business directory, walking tour postcard, district maps, restaurant guide, promotional brochures) promoting the district to specific target audiences e.g. tourists, visitors and shoppers;
- Sponsor activities and events, hosted by partner organizations, that take place in the district;
- Implement way-finding and/or directional signage to highlight businesses and destinations within the district;
- Develop or host a regionally/nationally-recognized event (conference, symposium etc.) to profile the district;
- Establish/expand annual, BID-led, public events, programs and outdoor performances that highlight the district's restaurants, retailers, artists, cultural organizations, and public spaces (e.g. restaurant tours, block parties, farmers' market, holiday festivals, street fairs, parades).

20.4. *Safety and Security:* Applicants may implement initiatives that improve the sense of security and well-being in the district and surrounding area to keep the community safer. The following list is provided for illustrative purposes and is not meant to be exhaustive:

- Seek a coordinated, sustained, informed response from relevant agencies and stakeholders to address any security concerns regarding loitering for illegal or undesirable purposes (e.g. drug trafficking, under-age or public alcohol consumption, sale of contraband or stolen goods etc.);
- Implement security patrols and/or video surveillance program;
- Participate in local traffic management initiatives to relieve congestion and improve the environment for pedestrians;
- Work with local public authorities to keep crime at a minimum and ensure safe, well-lit streets for pedestrians;
- Serve the district's population of homeless persons through a BID coordinated/sponsored outreach program in partnership with relevant public and non-profit agencies;
- Partner with governmental agencies and non-profit organizations that enhance public safety;
- Conduct a safety audit – crime prevention through environmental design (CPTED).

20.5. *Heritage Conservation and Cultural Districts:* Applicants may pursue projects that advance public understanding of neighbourhood, district or regional history through the restoration, preservation, public display and/or interpretation of buildings, sites, and artefacts of historical significance. The following list is provided for illustrative purposes and is not meant to be an exhaustive:

- Support the conservation of artefacts (e.g. monuments, markers, memorials, interpretation panels) - an accredited conservator and use of authentic restoration/preservation methods and materials is recommended;
- Promote major structural/façade repairs to heritage buildings (e.g. streetscape façade, walls, foundation, roof, windows, exterior doors);
- Commission photography, photo-reproduction, or illustration of historic buildings, sites, landscapes, streetscapes, artefacts, people, and events of neighbourhood significance;
- Produce educational/promotional materials (e.g. book, booklet, walking map, poster, cd, video, film, interpretation panel, exhibition catalogue, interpretive markers etc.). Excludes commercial, for-profit publishing by individuals or commercial interests.
- Develop mobile exhibition, permanent display, or web site to explain the significance of an historic neighbourhood streetscape, building, site, or artefact;
- Development and implementation of a strategy for (re)development of registered heritage properties to facilitate adaptive re-use of underutilized spaces;
- As applicable, facilitate the identification of a locale within the BID's catchment area as heritage district;
- Identify and brand a cultural district for the purpose of creating a distinct destination.

Note: The expenditure of public funds on private property is permitted under Section 22 of the Heritage Property Act. Such properties must be municipally registered heritage properties (building or site) pursuant to HRM By-law H-200 or be properties situated within a designated municipal Heritage Conservation District.

20.6. *Governance and Membership:* Applicants can undertake initiatives that build organizational capacity and strengthen their ability to be responsive to constituents. The following list is provided for illustrative purposes and is not meant to be exhaustive:

- Develop a master contact list/database containing data for all commercial property owners and businesses in the district;
- Increase membership outreach and engagement (e.g. project updates, feedback forms, one-on-one meetings, roundtable discussions, Town Hall meetings, speaker series, newsletter, flyers, news and events calendar, etc.);
- Complete district survey of stakeholders to ascertain priorities and perceived association/district strengths and weaknesses;
- Diversify the BIA's revenue streams through sponsorship opportunities (e.g. sponsored trash receptacles on private property, streetlamp banner, map advertising, web site);
- Identify and attain new sources of governmental funding to support district programming;
- Improve the business association's service delivery to district constituents by implementing systems to identify and resolve problems as quickly and efficiently as possible;
- Conduct organizational development to expand the capacity of the BIA (e.g. staff training, strategic planning);
- Foster board development and board leadership and identify members of the community to serve on management or project committees.

20.7. *Advocacy:* Applicants may implement initiatives that are designed to provide their constituents with a medium/mechanism for communicating collective concerns and interests to relevant parties and effecting positive change. The following list is provided for illustrative purposes and is not meant to be an exhaustive:

- Assist BID merchants and property owners obtain information regarding non-municipal financing to renovate private property (including vacant land);
- Sponsor merchant breakfasts where representatives from government agencies conduct outreach to district constituents;
- Advocate for enhanced/expanded public spaces, including parks, located in the district, to make them more user-friendly and appealing to visitors and locals;
- Encourage members to participate in municipal public hearings, public information meetings, consultations, and surveys;
- Facilitate visioning sessions with stakeholders regarding the redevelopment of the district or a portion thereof.

20.8. *Other and Sundry:* Applicants may undertake initiatives that meet the goals of the *BID Investment Fund* but are not otherwise specified under this policy. Applicants will be expected to articulate the rationale for funding in relation to existing legislation and the Fund's objectives.

21. Eligible Expenditures

The following are examples of eligible expenses. The list is for illustration purposes only. Applicants are advised to contact HRM staff for guidance if their specific requirement is not noted.

- Purchase/rental of specialized equipment or computer software (e.g. database management, inventory control, telecommunications, audio-visual equipment, public address system, portable lights);
- Facility rental;
- Purchase/rental of landscape and maintenance equipment and/or materials for site remediation or beautification;
- Purchase/rental of specialized heavy equipment (e.g. trailer, transmission system);
- Purchase/rental of specialized exhibition or performance equipment (e.g. display unit, portable stage, storage containers, tent);
- Construction of public amenities (e.g. gazebo, outdoor seating, raised beds, observation platform, lighting, fencing, gates etc.);
- Purchase and installation of public amenities (e.g. water fountain, bike rack);
- Interpretation panels or markers;
- Production of educational, self-promotional, marketing, or information materials (including web site development or interactive upgrades);
- Volunteer or membership identification program (excludes personal apparel or uniforms, or awards);
- Graffiti removal and prevention (e.g. exterior lighting, video monitoring, fencing, specialized equipment).

Professional Fees

The following are examples of eligible professional expenses. This list is for illustration purposes only. Applicants are advised to contact HRM staff for advice on their specific request:

- Consultant (e.g. feasibility study, market analysis, marketing plan, consumer surveys, program evaluation, program design, policy, organizational review, needs assessment, asset mapping, report, test, drafting);
- Computer programmer (e.g. web site design, database design, information management system);
- Financial consultant (e.g. financial plan, capital plan, debt re-structuring, investment plan);
- Graphic designer, illustrator, photographer; artist or artisan, animator, photographer, signage design and/or fabrication, videographer, recording technician (production of project-specific cd), event design or management;
- Writer or editor (preparation of copy, editor, proofreading), publisher (marketing plan, project management);

- Lawyer (property title search, contract, articles of incorporation -- excludes litigation);
- Statistician (demographic, trends analysis);
- Architect or landscape architect;
- Engineer (geotechnical/structural, civil, mechanical, electrical);
- Conservator (building or artefact), curator (collections management, exhibit design);
- Environmental engineer (tests for air quality, soil contamination, water course or quality, hazardous materials), energy efficiency auditor, laboratory fees (tests);
- Horticulturalist, arborist, landscape architect;
- Planner (land use, regulations, conceptual design) or surveyor.

22. Ineligible Expenses

- 22.1. Core Operating Assistance:** The program does not provide core operating assistance (i.e. excludes salaries and wages, rent, office supplies, insurance). Project-specific professional fees are eligible. These are fees paid for services that require accreditation or technical knowledge and experience that exceeds the capacity of volunteers or an organization's own staff.
- 22.2. Gifts or Awards:** The program does not sponsor personal gifts or awards, social events (banquets, receptions), or hospitality.
- 22.3. Debt Repayment:** Debt repayment for work completed or in progress, or prior losses or cost overruns, is ineligible for funding.
- 22.4. Private Interests:** Projects that accrue wholly, or in large measure, to the benefit to a proportionately small number of private interests are not permitted.
- 22.5. Prepaid Expenses:** Applicants may not prepay expenses (i.e. claim costs incurred in the current fiscal year that relate to goods or services to be delivered or provided in the following fiscal year).

23. Repayment of Ineligible Expenses

Funds disbursed under the auspices of this policy are public monies. HRM is obliged to ensure that expenditures are applied to approved projects and for eligible expenses. At Regional Council's discretion, any unauthorized or ineligible expenditure may be re-payable.

24. Application Review

HRM staff review applications to confirm eligibility with respect to BID eligibility, permissible expenditures, and matching funds. The applicant's proportional allocation from the Fund is calculated as per the formula set out in subsections 13 and 14.

25. Approval Process: Contributions

A staff report is prepared for the HRM Grants Committee. The committee provides oversight in terms of monitoring adherence to formal policies and procedures. The staff/committee report is then forwarded to Regional Council for approval.

- The HRM Grants Committee is a standing committee of Regional Council and comprises six (6) members of Regional Council, one per Community Council, and six (6) members of the public. The HRM Grants Committee may initiate a review of policy and procedures.

26. Approval Process: Policy Amendments

Proposed amendments to the BID Contributions Policy shall be reviewed by HRM and a staff report prepared for the HRM Grants Committee's consideration. The staff/committee report is then sent to the HRM Audit & Finance Committee which provides policy development oversight for municipal grants and contributions programs. The staff/committee report is then forwarded to Regional Council for approval.

- The HRM Audit & Finance Committee comprises eight members of Regional Council, one per Community Council, and two at-large appointments. The HRM Audit & Finance Committee may initiate a review of policy and procedures.

27. Freedom of Information (FOIPOP) Disclosure

The provisions of the Halifax Charter (2008) shall be followed with respect to freedom of information and the right to privacy (FOIPOP). Funding applicants/recipients are advised that information pertaining to a request for funding may be shared with staff reviewers, HRM committees (including members of the public serving on same), or may be requested by third parties through a formal FOIPOP request. The Municipal Auditor may also request material in the course of a random or non-randomized financial audit of the *BID Investment Fund* or an internal service review.

The standard FOIPOP protocol directs the initial inquiry to departmental staff. If the request is not met to the satisfaction of the applicant, or not routinely available, the request shall be forwarded to the Director. Any grievance should be directed to the FOIPOP Coordinator of HRM who shall be responsible for the review and resolution of requests.

28. Records

Applications and applicable evaluation forms and reports are retained on file and held by HRM for a period of seven (7) years.

Special Projects Funding

- HRM may, at its sole discretion, allocate funding by way of an internal transfer of funds from HRM departmental operating or capital account, or reserve, for a designated project, program or service.
- HRM may allocate funds received by HRM from a non-municipal source for a designated project, program or service.
- Matching funds or cost-sharing may or may not be required on a program-specific basis.
- Eligibility for special project funding shall be dictated by the terms and conditions of the applicable project, program or service agreement.
- HRM shall encourage equitable access to opportunity through an open call for submissions as per the applicable funding program eligibility criteria and timelines.
- HRM staff review applications to confirm eligibility with respect to BID eligibility, permissible projects and expenditures. Applications are evaluated and prioritized by a staff review team, and external reviewer where appropriate, to assess the respective merit of a project relative to the applicable funding criteria and make recommendations regarding any allocation or award(s).
- HRM may, at its sole discretion, convene a project-specific review process to assist in a merit-based evaluation or competition. For example, members of the general public, a peer jury, technical advisory committee, presentation panel etc.
- The HRM Grants Committee provides oversight in terms of monitoring compliance with the applicable program's funding criteria and the adjudication of any appeals. A staff/committee report is then forwarded to Regional Council for approval.