

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

**SUBJECT DOWNTOWN BUSINESS IMPROVEMENT AREA**

## **OVERVIEW**

### **Purpose of Report**

To outline the process and considerations in establishing a new business improvement area in the Downtown core.

### **Recommendation**

That the Finance and Audit Committee recommend that Council:

1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
2. Undertake the new Downtown Business Improvement Area as a Council initiative.

## **BACKGROUND**

The Downtown Nanaimo Business Association has requested that Council establish a business improvement area (BIA) as a Council initiative in the Downtown core. The Downtown Nanaimo Business Association was created in 2020 for the purpose of administering a BIA in the downtown core.

In 2013, at the request of the Downtown Nanaimo Business Improvement Association (DNBIA), the City initiated the establishment of two Business Improvement Areas within the City to enable the Association to conduct Five Year Business Promotion Schemes. After following the provisions in the *Community Charter*, Bylaws 2013 No. 7168 and 7169 were adopted to create two (2) Business Improvement Areas and impose local area service taxes to be paid over to the DNBIA, the Applicant, to implement the Business Promotion Schemes for 2014 – 2018.

At a special general meeting held 2017-MAR-22, the DNBIA voted to dissolve their organization. With that action the Applicant to administer the Business Promotion Schemes no longer existed. There were two (2) years remaining of the BIA levy under the Bylaws at that time. With the dissolution of the DNBIA, the City repealed Bylaws No. 7168 and 7169 on 2017-MAY-01 so that no tax levy was collected in 2017 and 2018.

After the DNBIA dissolution in 2017, the Old City Quarter Association (OCQA) requested that Council establish a business improvement area (BIA) as a Council initiative in the former BIA #2 area. On 2017-MAY-08 Council adopted "OLD CITY QUARTER BUSINESS IMPROVEMENT AREA NO. 2017 NO. 7245". The Bylaw is in effect from 2017 to 2021.

A BIA was never re-established for the area identified in BIA1. The area in BIA1 covered a large portion of the Downtown Core.

## **DISCUSSION**

BIAs are provided for in the *Community Charter* Sections 210 through 215. BIAs can be established through one of two ways as Council initiatives; 'petition - against' or 'petition - for'.

In a 'petition for' process, owners of at least 50% of the parcels in the area representing at least 50% of the assessed value of land and improvements must sign a petition in favour of the local area service tax. A 'petition for' can be done by Council or an organization wishing to set up a BIA.

In a 'petition-against' process, owners of least 50% of the parcels in the area representing at least 50% of the assessed value of land and improvements must sign a petition in opposition to the local area service tax. A 'petition against' process can only be used when it is a Council initiated BIA.

Staff have been working with the Downtown Nanaimo Business Association representatives to map the area of the proposed BIA and identify the required steps to move forward. The map has been drafted (see Attachment A) and a petition will need to go out to all of the applicable properties to determine if there is enough support for a BIA to be created. If the petition is successful, then a bylaw is created and a BIA levy will appear on the applicable property tax notices for the term of the bylaw.

In summary, the following are highlights of the proposed BIA terms:

- 5 year term from 2021 through 2025;
- The resultant tax will be subject to a 1% increase per annum;
- The estimated total taxes to be collected in 2021 are yet to be determined.

The Downtown Nanaimo Business Association would administer the new BIA. Due to the resources required to administer the Council Initiative - Petition Against process, City staff will facilitate and oversee the administration of this process. Staff have the current capacity to undertake this project.

## **OPTIONS**

1. That Finance and Audit Committee recommend that Council:
  1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
  2. Undertake the new Downtown Business Improvement Area as a Council initiative.
    - **The advantages of this option:** This would allow a "petition against" process to be used and would likely result in a successful outcome for the Downtown Nanaimo Business Association.

- **The disadvantages of this option:** Additional administrative are required when a Council initiative – petition against process is used
  - **Financial Implications:** There would be no financial implications to the City as the City would receive an administration fee for administering the BIA petition process. The City would not provide a matching grant.
2. That Finance and Audit Committee recommend that Council:
1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
  2. Undertake the new Downtown Business Improvement Area as a Downtown Nanaimo Business Association initiative.
    - **The advantages of this option:** This would allow a “petition for” process to be used to create a new BIA in the downtown core.
    - **The disadvantages of this option:** Using the “petition for” process could make it more difficult to achieve a successful outcome for the Downtown Nanaimo Business Association. The City of Nanaimo is the keeper of all property information; therefore, City Staff would have to determine what could and could not be shared with the Downtown Nanaimo Business Association in order for them to administer the program. Staff would need to perform administrative tasks related to gathering and sharing this information which would be time consuming.
    - **Financial Implications:** There would be no financial implications to the City as the City would receive an administration fee for administering the BIA petition process. The City would not provide a matching grant.
3. Council may deny the request from the Downtown Nanaimo Business Association. |

#### **SUMMARY POINTS**

- The Downtown Nanaimo Business Association has requested that Council establish a new BIA in the Downtown core.
- The estimated tax to be collected Starting in 2021 and will be valid for 5 years.
- There will be no matching grant from the City of Nanaimo.

#### **ATTACHMENTS:**

- Attachment A – Downtown Business Association Information Package |

**Submitted by:**

Laura Mercer  
Director, Finance

**Concurrence by:**

Shelley Legin  
General Manager, Corporate Services

Sheila Gurrie  
Director, Legislative Services

Dale Lindsay  
General Manager, Development Services

Richard Harding  
General Manager, Parks, Recreation &  
Culture