

DATE OF MEETING MARCH 1, 2021

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

SUBJECT DOWNTOWN NANAIMO BUSINESS ASSOCIATION BUSINESS IMPROVEMENT AREA

OVERVIEW

Purpose of Report

To provide information regarding the proposed new Business Improvement Area bylaw and obtain Council approval to conduct a local area service on a Council initiative utilizing the 'petition-against' process.

Recommendation

1. That "Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317" (To establish a Business Improvement Area in the downtown Nanaimo area), pass first reading;
2. That "Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317" pass second reading; and,
3. That "Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317" pass third reading.
4. Direct Staff to proceed with notice of intention to conduct a local area service on a Council initiative, subject to a petition against process; and,
5. Direct Staff to carry out the petition against process.

BACKGROUND

In 2020, The Downtown Nanaimo Business Association (DNBA) 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 With the dissolution of the DNBIA, the City repealed Bylaws No. 7168 and 7169 on 2017-MAY-01 so that no tax levy was collected in 2017 and 2018.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.

At the 2020-NOV-18 Finance and Audit Committee meeting, the Committee received a report on the DNBA request and the Business Improvement Area process. The Committee directed Staff to proceed with undertaking a new BIA as a Council initiative 'petition-against' process and draft a bylaw for the proposed area. (Attachment A).

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.

In a 'petition-against' 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 opposition to the local area service tax.

Staff have been working with the Downtown Nanaimo Business Association representatives to undertake the most inclusive and least time demanding process. If the 'petition-against' is successful, then the bylaw will be adopted 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 \$150,000.

The Downtown Nanaimo Business Association would administer the new BIA.

If Council proceeds with three (3) readings of the BIA bylaw, the following is the proposed process:

Task	Dates
Mail out petition process	March 3, 2021
Advertise in Week 1 (Public Notice)	March 3, 2021
Advertise in Week 1 (Public Notice)	March 10, 2021
Deadline for receipt of petitions	April 12, 2021
Consideration for Adoption of the Bylaw	April 19, 2021

OPTIONS

1. That "Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317" (To establish a Business Improvement Area in the downtown Nanaimo area), pass first reading;
 - **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 "Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317" pass second reading; and,
3. That "Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317" pass third reading.
4. Direct Staff to proceed with notice of its intention to conduct a local area service on a Council initiative, subject to 'petition-against' process; and,
5. Direct Staff to carry out the 'petition-against' process.
6. Council may deny the request from the Downtown Nanaimo 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 in 2021 is \$150,000.
- The bylaw will be valid for 5 years.
- There will be no matching grant from the City of Nanaimo.

ATTACHMENTS:

- Attachment A: 2020-NOV-18 – Downtown Business Improvement Area Report
- “Downtown Nanaimo Business Association Business Improvement Area Bylaw 2021 No. 7317”

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