

DATE OF MEETING OCTOBER 06, 2025

AUTHORED BY ANA FRANCISCO, ASSISTANT MANAGER, REVENUE SERVICES

SUBJECT DOWNTOWN NANAIMO BUSINESS ASSOCIATION BUSINESS IMPROVEMENT AREA

OVERVIEW

Purpose of Report

To provide information regarding the proposed Downtown Nanaimo Business Improvement Area bylaw and obtain Council approval to draft a bylaw to establish a business improvement area in Downtown Nanaimo for a further five-year term.

Recommendation

That Council:

1. Direct staff to work with the Downtown Nanaimo Business Association to establish a business improvement area for a term of five years starting in 2026; and
2. Undertake the establishment of the Downtown Nanaimo Business Association Business Improvement Area as a Council initiative.

BACKGROUND

Pursuant to Part 7 – Municipal Revenue, Division 5 – Local Area Service of the *Community Charter* municipalities have the authority to provide services such as water and sewer or business improvement to specific areas within the community. These local area services are paid for in whole or in part by property owners within the local area.

A Local Area Service may be initiated either by the property owners in the proposed area or by the municipal Council.

A business improvement area (BIA) may be established by a municipal council where business and light industry property owners finance activities to promote business. The *Community Charter* provides the authority for a municipality to create a business improvement area by bylaw and establishes the rules for the establishment and operation of such an area. The BIA is financed through property taxes.

For property owners and businesses, a BIA is a way to improve business success by organizing and financing support programs otherwise not available.

Before a BIA can be created, the property owners in the area must indicate whether they favour or oppose its establishment. This can be accomplished in one of two ways:

Petition for service

Generally initiated by the local business owners, the petition must include information about the proposed business improvement area including boundaries and estimated costs. The petition must be signed by the owners of at least fifty percent (50%) of the parcels that would be subject to the local area tax, and those persons must be the owners of parcels that in total represent at least fifty percent (50%) of the assessed value of land and improvements that would be subject to the local service tax.

Council initiative – subject to petition against

Council may initiate the establishment of a business improvement area by proposing the service and providing an opportunity for affected property owners to submit a petition against it. In accordance with Section 94 of the *Community Charter*, notice of the proposed BIA must be published and mailed to all owners of parcels subject to the local service tax. The notice must include details such as the proposed boundaries and estimated costs.

If Council does not receive a sufficient petition against the proposal within 30 days of notice, the BIA may be established by bylaw. The criteria for a sufficient petition against are the same as those for a petition in favour of the service.

DISCUSSION

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 petition against process was successful. A BIA was established for a five-year term covering January 1, 2021 to December 31, 2025 and is administered by the DNBA.

Staff have been approached by the DNBA requesting support for the renewal of the business improvement area for a five-year term from 2026 through 2030.

The following are highlights of the proposed BIA terms:

- 5-year term from 2026 through 2030
- 1.01% annual tax requisition increase from properties within the catchment
- 2026 requisition of \$160,000
- No changes to the existing boundary

It has been determined that the petition against process is preferred, as this is the most commonly used provision in the *Community Charter* to successfully create a business improvement area.

Timeline

The current “Downtown Nanaimo Business Association Business Improvement Area Bylaw 2022, No. 7317” expires on 2025-DEC-31. The timeline for this proposed renewal process is as follows:

Date	Description
2025-OCT-20	Council meeting: introduction and consideration of first three readings of “Downtown Nanaimo Business Association Business Improvement Area Bylaw 2025, No. 7395” bylaw
2025-OCT-22	Notice of Bylaw published

	Mail petition package to catchment properties
2025-NOV-03 to 2025-DEC-05	Petition against period
2025-DEC-15	Council meeting: consider certified results and adoption of bylaw

The DNBA would continue to administer the BIA. |

OPTIONS

1. That Council:

1. Direct staff to work with the Downtown Nanaimo Business Association to establish a business improvement area for a term of five years starting in 2026; and
2. Undertake the establishment of the Downtown Nanaimo Business Association Business Improvement Area as a Council initiative.

Advantages: This would allow a petition against process to be used and would likely result in a successful outcome for the DNBA.

Disadvantages: Additional administrative support is required when a Council initiative – petition against process is undertaken.

Financial Implications: There would be no financial implications to the City as the City would receive a one-time 2.5% administration fee (\$4,000), to administer the petition against process, to be deducted from the 2026 levy payment to the DNBA.

2. That Council direct staff to advise the DNBA to conduct a petition for service, whereby the DNBA will be renewed if at least fifty percent of the property owners within the catchment, representing at least fifty percent of the assessed value, sign a petition.

Advantages: This would allow a petition for service to be used which could result in the renewal of the DNBA.

Disadvantages: Petition for service processes generally tend to be less successful than a petition for process. Additionally, the City is the keeper of all property information and would need to determine what information can be shared with the DNBA for them to administer the petition for service process. Staff would need to perform administrative tasks related to gathering and sharing this property and ownership information which would be time consuming.

Financial Implications: There would be no financial implications to the City as the City would not be administering the petition for service.

3. That Council deny the request from the Downtown Nanaimo Business Association.

Disadvantages: The programs and services the DNBA provides to the businesses and the community that are in addition to the services the City provides would no longer exist.

Financial Implications: There would be no financial implications to the City.

4. That Council provide alternative direction. |

SUMMARY POINTS

- The Downtown Nanaimo Business Association has asked that Council establish a business improvement area in the downtown core.
- The existing Downtown Nanaimo Business Association Improvement Area bylaw expires on 2025-DEC-31.
- The requisition request has an annual increase of 1.01%.
- The bylaw would be in effect for five years (2026 – 2030).
- Adoption of the bylaw requires the completion of a petition for service or a petition against process.

ATTACHMENTS:

ATTACHMENT A: Downtown Nanaimo Association Renewal Request Letter. |

Submitted by:

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Concurrence by:

Wendy Fulla
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Laura Mercer
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