



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 13, 2007
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Meeting Date: November 27, 2007

TO: Vancouver City Council
FROM: Director of Planning
SUBJECT: Approval of Council Initiative - Proposed Dunbar Village BIA

RECOMMENDATION

- A. THAT Council approve the Dunbar Village Business Association as sponsor for the proposed Dunbar BIA.
- B. THAT Council approve commencement of a Council Initiative to establish the proposed Dunbar Village BIA, AND THAT Council forward the application of the Dunbar Village Business Association to a hearing of the Court of Revision.
- C. THAT the City notify the property owners and tenants in the area (outlined in Appendix A) of the proposed BIA and BIA levy.
- D. THAT Council approve a 5 year (2008 -2013) funding-ceiling of \$950,000 for the proposed Dunbar Village BIA, subject to Council approval of the BIA at the Court of Revision.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends APPROVAL of the foregoing.

COUNCIL POLICY

Section 456 of the Vancouver Charter gives Council the authority to create a Business Improvement Area (BIA). Council may grant money to a BIA for planning and implementation

of business promotion schemes provided that the money is recovered through a special property tax.

Council policy with respect to the establishment of a BIA was approved on October 14, 1997 as follows:

A BIA may be established by Council Initiative; property owners and commercial tenants receive notification of the Initiative. The BIA will generally not proceed if one-third or more of the owners representing one-third of the assessed property value, or one-third of the tenants, counted separately, are in opposition.

PURPOSE

The Dunbar Village Business Association (DVBA) has completed the first step in the process of establishing a new Business Improvement Area (BIA). The purpose of this report is to commence the second step, which is to approve the DVBA as sponsor of, and to commence a Council Initiative for, the proposed Dunbar Village BIA, and to forward the BIA application to Court of Revision.

BACKGROUND

Merchant Associations have existed along Dunbar from time to time. In 1997, the Dunbar Business Association (DBA) participated in development of the Dunbar Community Vision, but became largely inactive shortly after that. In 2000, the DBA formed a committee to work toward possible establishment of a BIA. In 2001, prior to commencement of business /owner outreach, the committee suspended the BIA process due to a leadership hiatus at the DBA Board. As pursuing a BIA was not a priority of the new DBA leadership, the committee did not reconvene.

Since then, the DBA has engaged in a number of activities to promote Dunbar businesses. The DBA periodically contributes business content to the Dunbar Residents Association Newsletter, advocates on behalf of businesses on traffic and other issues, and organizes sidewalk sales as part of the annual 'Salmonberry Days' festival. Around 2004, the Southlands Business Association was formed under the DBA umbrella to specifically promote the commercial node at 41st and Dunbar. In 2005, the 'Dunbar-Southlands Business Associations' website was launched to feature all three commercial areas along Dunbar. The website includes business directories for the areas.

In November 2006, representatives of interested Dunbar businesses contacted the City about the possibility of starting a BIA in the Dunbar area. In late January 2007, staff met with the group, explained the BIA formation process, and suggested they form a BIA steering committee as an initial step. An early issue was whether the group should focus only on the Central Dunbar area (as originally conceived) or whether other commercial nodes (North, South, and Mackenzie & 33rd) should be canvassed to test interest. The Committee decided to survey initially all three Dunbar Street nodes and Mackenzie & 33rd.

Also an issue was the new Committee's relation to the DBA which, at the time, was not involved in the discussions. The Committee subsequently approached the DBA for permission

to conduct outreach under the DBA banner. Permission was granted, although the DBA has not otherwise endorsed the BIA proposal. If approved, the BIA will be governed by a new society (the Dunbar Village Business Association) established by the Committee.

DISCUSSION

The proposed Dunbar Village BIA comprises three separate commercial nodes: North Dunbar, between 16th and 19th Avenues, Central Dunbar ('Dunbar Heights'), between 25th and 30th, and South Dunbar ('Southlands'), (Dunbar between 39th & 41st and Forty-first between Dunbar and Collingwood). The proposed BIA would extend 26 linear blocks, of which eleven would have businesses. A map of the proposed boundary is attached as Appendix A.

The Dunbar Village Business Association proposes a Year 1 budget of \$142,400 representing an annual levy rate of \$1.21 per \$1,000.00 of assessed property value, or approximately 5% of commercial property taxes. A copy of the proposed budget is attached for information as Appendix B. If Council approves the BIA at the Court of Revision, staff will report back for approval of the Year 1 budget along with all of the other BIAs' 2008 - 2009 budget requests.

The proposed funding-ceiling of \$950,000 is the maximum amount that may be levied over the proposed Dunbar Village BIA 5-year term.

Outreach Activities

Outreach Process Overview

The City requires groups wishing to establish a BIA to first conduct an 'Outreach' process designed to inform potentially affected commercial property owners and business tenants about the proposed BIA and possible costs, to engage owners and tenants in development of the proposal, to build consensus regarding BIA priorities and expenditures, and to gauge level of support. City staff participate by guiding and monitoring the process, and by explaining the BIA process at public meetings.

BIA Outreach follows a fairly standard chronology, beginning with distribution of an 'issues' survey to determine owner and business priorities, and to scope local interest in the idea of a BIA. The survey is generally followed by three Outreach meetings open to all owners and businesses. The meetings take place over the course of several months, building towards a finalized BIA proposal. At the first meeting, the BIA concept is introduced, along with a review and discussion of business-area priorities. A draft budget is generally introduced and discussed at the second meeting, and a revised, completed budget is presented for informal assent at the final meeting. The Outreach process generally concludes with a follow-up survey to gauge owner and tenant support or opposition, and to determine whether to proceed to Council.

The Outreach process for the proposed Dunbar Village BIA generally parallels the standard chronology as follows:

Issues Survey

In February 2007, a Steering Committee of was formed to commence Outreach for a proposed BIA for Dunbar. With permission of the existing Dunbar Business Association, all Outreach materials were distributed under DBA letterhead.

In April 2007, the Steering Committee developed a survey of business issues intended for distribution to all 380 property owners and business tenants in Dunbar (130 owners and 250 businesses) and 20 property owners and tenants (3 owners and 17 businesses) in the Mackenzie & 33rd area. The survey package included the survey questionnaire, a cover letter introducing the idea of a BIA, and the City's BIA Program brochure. The survey asked respondents to mark their priorities for Dunbar, and to indicate whether or not they were interested in a BIA. On or after April 26 2007, survey packages were mailed to all property owners. The balance of the packages were delivered to representatives for each of the three areas for distribution to the business tenants in those areas. Due to communication problems, few survey packages were delivered beyond the Central Dunbar node (48 owners and about 100 businesses) and MacKenzie/33rd.

Thirty-seven completed survey responses were received from businesses in the Central area (37% of those businesses). Of these responses, 19 respondents (51%) were interested, 6 respondents (16%) were not interested, and 12 respondents (32%) were either uncertain or did not answer the question. Only two responses were received from businesses in the MacKenzie/33rd node, both of which were uncertain.

(In early June, the Steering Committee surveyed the North and South areas which had by error been missed during the April survey. The initial survey results were revised to reflect responses from the two other areas. Eleven completed survey responses were received from businesses in the North area (20% of those businesses). Of these responses, 8 respondents (73%) were interested, one respondent (9%) was not interested, and 2 respondents (18%) were uncertain. Thirty-five completed survey responses were received from businesses in the Southlands area (37% of those businesses). Of these responses, 22 respondents (63%) were interested, 5 respondents (14%) were not interested, and 8 respondents (23%) were uncertain. The Committee also surveyed, for information, the priorities and issues of approximately 5,000 Dunbar households through an insert in the Dunbar Residents Association Newsletter. Results of the residential survey are not included in this Report, as residents do not contribute to a BIA levy and are not part of the Council Initiative process).

Initial Outreach Meeting

On May 16, invitation letters and flyers were distributed to all property owners and business tenants in all four commercial areas including Mackenzie & 33rd. The invitation packages included blank copies of the previously-distributed survey questionnaire and the City's BIA brochure, and provided particulars of the BIA Outreach meeting to be held May 29 at the Dunbar Community Centre.

On May 29, 2007, the Steering Committee convened the first of three BIA outreach meetings, to which all property owners and business tenants were invited. (All three meetings were

attended by the City's BIA Coordinator, who explained the BIA formation process, answered questions, and monitored the proceedings). Twenty-one business tenants and property owners attended the initial meeting, including steering committee members. The Steering Committee summarized the results of the April survey, explained how the results would be used to develop a BIA proposal, and invited discussion. Representatives of the Marpole, Davie Village and Point Grey Village BIAs spoke about the BIA experience in their areas. An informal show of hands indicated general support for continuing the BIA process. Subsequently, Mackenzie & 33rd was dropped from consideration because of lack of interest or attendance.

Second Outreach Meeting

On June 13, a second set of packages were distributed. The packages included a notice and flyer for meeting #2 to be held on June 25, a FAQ sheet including the revised business survey (and resident survey) results, and the City's BIA pamphlet.

The second BIA Outreach meeting - held on June 25, 2007 at St. Philip's Anglican Church - was attended by 11 business and property owners. Although attendance was significantly lower than the first meeting, the invitation attracted several new participants. Revised survey results were summarized, and three draft BIA budget options were presented for discussion. Levy estimates were available on request, with generally favourable responses. An informal show of hands indicated support to continue developing the BIA proposal and budget.

Final Outreach Meeting

Due to the absence of staff during the labour dispute, and the absence of business owners during the summer season, Outreach activities were suspended until October. In mid-October, a final meeting invitation was distributed to property owners and businesses in the North, Central and South business areas. The invitation included a summary of the process to date, survey results previously distributed, and copies of the proposed BIA budget. A supplementary mailing to property-owners included a copy of the proposed budget omitted from the initial mailing.

The final BIA outreach meeting was held at St. Philips Church on October 25, 2007. Ten property owners and business tenants attended - eight from the Central node and one each from the North and South nodes.

An informal show of hands indicated general support for the proposed budget of \$142,400, a 5-year funding ceiling of \$950,000, and proceeding with a BIA application subject to results of a follow-up survey.

Follow-up Survey

Following the October 25 meeting, a follow-up survey was distributed to all three areas to gauge support for the completed BIA proposal. The survey could be dropped off or faxed back, (Due to a transposition error in the faxback number, faxed survey responses may not have been received, although some were forwarded). The survey was headed by information about individual costs of the proposed BIA levy, and asked respondents whether or not they supported the BIA proposal. The survey package included an explanatory cover letter, a copy of the proposed budget, and a map of the proposed BIA areas.

Fifty-six completed surveys (15% of all owners and tenants) were returned. The respondents included 13 property owners (10% of owners) and 43 tenants (17% of tenants). Of the property owner responses, 8 (61%) supported the BIA proposal and 5 (38%) opposed. Of the tenant responses, 25 (58%) supported the BIA proposal, 12 tenants (28%) opposed, with 6 (14%) uncertain.

Based on their surveys and general outreach, the Steering Committee (now the Dunbar Village Business Association) believes the BIA proposal is generally supported.

The Dunbar Village Business Association formally applied to the City for consideration of a BIA on November 13, 2007. A copy of their application letter and documentation of their outreach activities is attached as Appendix C.

Staff Comments - Outreach and Support

Staff are satisfied that the Dunbar Village Business Association has notified all property owners and tenants within the proposed BIA boundaries, despite a few distribution glitches affecting earlier notification of the North and South nodes, and a misprint in the fax return number on the follow-up survey. Minor mistakes are to be expected considering that BIA Outreach is conducted by volunteers juggling other life and work commitments. Staff do not consider the errors to be significant. The Steering Committee successfully re-surveyed the North and South areas, and those areas were included in all correspondence from June forward. The fax error on the follow-up survey may well have prevented some persons from submitting their completed survey, particularly property owners outside the area who would have been most likely to respond by fax. However, staff have no reason to believe that, on average, those responses would have been substantially different from those received by other means.

Staff attended three Outreach meetings held on May 29, June 25, and October 25, 2007, respectively. The initial Outreach meeting was relatively well-attended, with 21 owners/business tenants at the meeting. Despite best efforts on the part of the organizers, attendance at the remaining two meetings was disappointing, with only 11 and 10 persons respectively at each meeting, including only one representative from each of the North and South nodes. Maintaining strong participation throughout a BIA Outreach process can be challenging. It is difficult to schedule meeting dates and times that work for all property owners and businesses, and most property owners reside outside proposed BIA areas. Business tenants may also live outside the area in which their business is located, and may find it difficult to spend additional time away from home. In the present case, staff attribute the higher attendance at the first meeting both as an indication that some people were favourably interested in the prospect of a BIA and wanted to get involved, and that other people were apprehensive about a BIA and wanted to know how it might affect them. Depending on the individual, diminished interest in later meetings could reflect either a comfort level (support), or continued discomfort and disengagement leading to possible opposition.

Although participants at Outreach meetings were generally supportive of the BIA proposal, a significant number of property owners and business tenants appear to be opposed to, or have concerns about, the proposed BIA. Staff are aware of two main issues /concerns:

- First, whether the BIA is a 'good investment' given estimated costs in the order of \$550 per year for 5 years, for a standard 16.5' frontage; will the returns justify the investment? Although the projected Dunbar BIA costs are comparable to other BIA areas, the process allows each business owner to come to their own conclusions, for their type of business, regarding the relative costs and benefits of the proposed BIA.
- The second concern is whether a BIA would create a business climate that would see small businesses displaced through rent increases and competition from chains. Some business owners cited Robson Street, South Granville and West 4th Avenue as examples. While rents could increase somewhat as the street becomes economically more vibrant, Dunbar will continue to be primarily a neighbourhood-serving small-business area due to its fragmented commercial nodes and remote location. It is worth noting that similar concerns were raised in 2003 during Outreach for the nearby Point Grey Village BIA (Upper 10th Avenue) - a BIA area which continues to be predominantly small-business.

Results from the Steering Committee's follow-up survey indicate that negative responses from property owners and tenants were 38% and 28% respectively. As responses were received from only 13 property owners (10% of all owners), the results may not give a reliable indication of owner opposition. On the other hand, the 43 business responses (17% of businesses) likely provide a reasonable forecast of tenant opposition in response to a Council Initiative. Twenty-eight percent of business tenants do not support the BIA proposal, not far below Council's 'one-third' policy. Because opposing businesses can be hesitant about expressing opposition to BIA organizers, the actual numbers against the proposal could be higher than 28%. In fact, many of the businesses who have expressed concern in other ways appear not to have completed a follow-up survey, but may later register objection to the Council Initiative.

It should be noted that Outreach survey results showing significant opposition do not necessarily forecast one-third or greater objections to the Council Initiative. In Point Grey, a survey negative response of 15% was followed by 27% - 35% opposed to the Council Initiative (depending on how counted) close to defeating the BIA. For the Cambie Village BIA, a 13% survey negative response was followed by a mere 0.25% opposed to the Council Initiative. For the Fraser Street BIA, a survey negative response of 12% (and a merchant opposition-petition of 28%) was followed by 23% opposed to the Council Initiative, insufficient to defeat the BIA.

At the instruction of staff, the Steering Committee notices contained the name and telephone number of the City's BIA Coordinator. As of the date of this report, the Coordinator has received calls from some individuals opposed to, or concerned about, the proposed BIA. One of the callers has asked what information the City requires in a letter registering opposition to a BIA. Staff's impression is that the caller was likely inquiring on behalf of several others who have expressed concern, and that should Council approve proceeding with the Initiative, a significant number of objections could be registered in response to the City's formal notification.

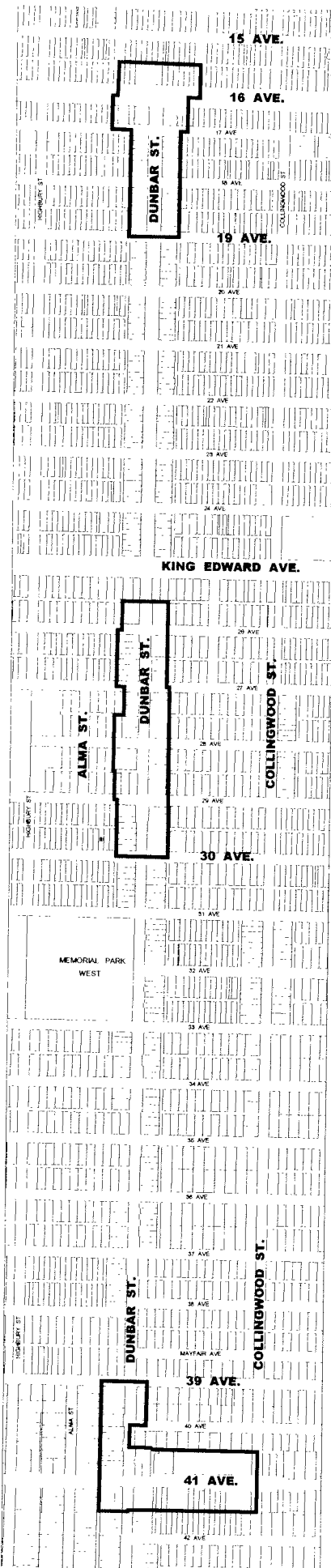
FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

The Dunbar Village Business Association is requesting that Council consider approval of the proposed Dunbar Village BIA and 5 year funding ceiling of \$950,000, and has asked that their application be forwarded by way of Council Initiative, to a Court of Revision, in order that the BIA may commence operations in April 2008. The results of the DVBA's outreach activities demonstrate a significant core of support but also significant opposition: their recent follow-up survey shows negative responses near the 'one-third' threshold needed to defeat a BIA proposal. Staff recommend that Council proceed with the Initiative, noting that there will likely be some opposition to the BIA proposal. If Council approves the Dunbar Village BIA at the Court of Revision, staff will report back for approval of the Year 1 budget along with all of the other BIAs' 2008 - 2009 budget requests.

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BIA Proposed Budget \$1.50/day *	
	16th to 41st
Coordinator	\$ 15,000.00
Street Beautification	
Banners (\$1500 design/\$100 production per pole/\$100 hardware per pole/\$300 installation per pole x approx 90 poles)	\$ 46,500.00
Planters (\$200 per flower pot/\$300 per pot for installation/Maintenance \$4500 x approx 30 pots)	\$ 19,500.00
Power Washing (approx \$200 per storefront block x 22 blocks)	\$ 4,400.00
Subtotal	\$ 70,400.00
Maintenance	
Graffiti removal (\$1750/month*12 months = \$21,000)	
Security	
Overnight security patrol (\$17/hr x 5hrs/night/365 days/year = \$31,025)	
Marketing/Promo	
Dunbar Days Street Festival, sidewalk sale promo, Xmas Charity window contest	\$ 10,000.00
Website Development	\$ 10,000.00
Business Directory	\$ 15,000.00
Consulting Sevices	\$ 1,000.00
Coop Advertising	\$ 10,000.00
Subtotal	\$ 46,000.00
Administration	
audit, insurance, agm, office	\$ 5,000.00
expenses, miscellaneous	
Contingency	
	\$ 6,000.00
Total	\$ 142,400.00

DRAFT FOR DISCUSSION PURPOSES

* Note that the business owners' share of the budget is determined by the formula the City uses to determine their landlord's share, which is based on each property's share of the total commercial property value in the BIA: the landlord pays his/her share, then divides their share among their business tenants.

Based on this budget, this would be approximately 5% of property owners' commercial property taxes. For businesses, this would be approximately 5% of the property tax portion of their lease/rent payments".

Based on this budget, the property owner's Rate per \$1,000 of assessed commercial property value would be \$1.21.