



ADMINISTRATIVE REPORT

Report Date: November 10, 2017
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VanRIMS No.: 08-2000-20
Meeting Date: December 12, 2017

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Approval of Council Initiative - Proposed Creekside BIA

RECOMMENDATION

- A. THAT Council approve the Creekside Economic Development Association as sponsor for the proposed Creekside BIA.
- B. THAT Council approve the commencement of a Council Initiative to establish the proposed Creekside BIA, for a 5-year term commencing April 1, 2018;

FURTHER THAT Council forward the application of the Creekside Economic Development Association to a hearing of the Court of Revision.
- C. THAT the City notify property owners and tenants within the area (outlined in Appendix A) of the proposed BIA and BIA levy.
- D. THAT Council approve a 5-year (2018-2023) funding-ceiling of \$2,303,649 for the proposed Creekside BIA, subject to Council approval of the proposal.

REPORT SUMMARY

The Creekside Economic Development Association (CEDA) has applied to establish a new Business Improvement Area (BIA) for a 5-year term commencing April 1, 2018.

CEDA has completed the first step in the BIA establishment process. The purpose of this report is to commence the second step, which is to approve CEDA as sponsor of, and to commence a Council Initiative for, the proposed Creekside BIA, to notify affected property owners and businesses, and to forward the BIA application to Court of Revision.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Vancouver Charter section 506 sets out the threshold for Council approval of a Council Initiative as follows:

Council may, in its discretion, [approve a BIA Council Initiative] ... if, after notice of the Council's intention to undertake the project has been mailed to the assessed owners of the parcels liable to be specially assessed a sufficient number of notices of objection to the project has not been filed with the City Clerk during the period of one month after the mailing of such notice ... A sufficient number of notices of objection to a project shall be deemed to be filed if at least more than one-half in number of the then assessed owners, representing at least more than one-half of the value according to the last real-property assessment roll, of the parcels liable to be specially assessed have, in writing, given notice to the City Clerk within the time above prescribed that they object to the project.

Council policy for the renewal of a BIA was approved on July 30, 1992, and for the establishment and expansion of a BIA on October 14, 1997, as follows:

A BIA is established, renewed, and/or expanded by Council Initiative process; under a Council Initiative, affected property owners and commercial tenants receive a notification that sets out a description of the Initiative, the designated area, and the estimated annual charge and rate. The notification includes instructions for filing objections to the Initiative, which are reported to Council after they are received and tabulated. Council also hears delegations as to whether or not the Initiative should proceed. The Initiative generally will not be approved if one third or more of the owners, representing one third of the assessed property value, or one third of the tenants, counted separately, submit objections.

Proposed revisions to Council policy with regard to approval of BIA Council Initiatives are the subject of a companion Report 'Amendments to Business Improvement Area (BIA) Renewals Policy and Model Grant Allocation By-law' dated November 6, 2017. Should Council approve the recommendations in that Report, the following policy will apply to Council's approval of the renewal and expansion Initiatives referenced in the Recommendations to this Report, as follows:

- *BIA designation, re-designation (renewal) and expansion will continue to proceed by way of Council Initiative under Section 506 of the Vancouver Charter,*
- *In addition to notification of assessed property owners, the City will continue to notify all business tenants occupying parcels liable to be specially assessed,*
- *A BIA Council Initiative will not succeed if at least more than one-half in number of the then assessed owners, representing at least more than one-half of the value according to the last real property assessment roll, of the parcels liable to be specially assessed have, in writing, given notice to the City Clerk*

during the period of one month after the mailing of the notification, that they object to the BIA Initiative; and

- *A BIA Council Initiative will not succeed if, counted separately from the assessed owners, at least more than one-half of the business tenants occupying parcels liable to be specially assessed have, in writing, given notice to the City Clerk during the period of one month after the mailing of the notification, that they object to the BIA Initiative.*

Section 462 of the Vancouver Charter was amended on September 23, 1998, to permit BIA terms of up to 20 years, as opposed to the previous 5-year limitation. Council has exercised its authority under the amendment by previously approving seven-year and ten-year renewal terms. BIA applicants are encouraged to limit their first term to 5 years to allow property owners and businesses an opportunity to evaluate the benefits of a BIA in their area.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and the General Manager of Planning, Urban Design and Sustainability recommend APPROVAL of the foregoing.

REPORT

Background/Context

BIA Establishment Process Overview

The BIA establishment process has two basic steps as described below - the first is the BIA's role and the second is the City's role:

Step 1

The Creekside Economic Development Association (CEDA) has completed the first step in the BIA formation process. This step involves consultation with all affected commercial property owners and business tenants regarding the proposed BIA and cost ("BIA outreach").

The outreach process involves several iterations including:

- Property owner and business surveys to determine needs and priorities and to scope potential support or opposition
- Invitational meetings or open houses to introduce the proposal, review survey input, and explain the BIA approval process
- Direct engagement with business tenants and (where possible) property owners
- Distribution of a draft business plan and budget followed by further meetings for owner/business input and to provide individual cost estimates

- Revisions to the proposed plan and budget (Appendix B), followed by further meetings and/or a final survey to gauge support and opposition¹

The organizing group's outreach is summarized in this report based on an outline provided by the group, along with detailed documentation; the outline and documentation is attached to the Report as Appendix C.

Step 2

Step 2 requires Council approval of the recommendations in this report as follows: a) to confirm a society as sponsor of the BIA or expansion; b) to approve a Council Initiative to establish the BIA, which means the City will notify the affected property owners and tenants prior to Council approval or rejection of the Initiative; c) to forward the application to Court of Revision, and; d) subject to final Council approval, to approve a cumulative total levy ('funding ceiling') for the proposed BIA term.

If, after notification of owners and businesses, Council approves the proposed BIA, the year-1 budget will be reported along with all of the other BIAs' 2018 - 2019 budget requests. Although Council does not approve the proposed year-1 budget at this stage in the BIA process, a copy of the proposed budget is attached to this report for reference, to indicate the anticipated cost of the proposals. This addresses Vancouver Charter section 506(2), which requires the City's formal notification to include an estimate of each property owner's expected contribution.

Strategic Analysis

BACKGROUND

History of CEDA Proposal

Interest in establishing a BIA in the vicinity of the former Olympic Village (now Creekside) area began in 2013 when a group of businesses around the Olympic Village Square began exploring options to attract more customer traffic. In early 2014, at the group's request, a representative of the BIA Program presented to the group and provided cost estimates for potential BIA boundaries and budgets. The group did not proceed further at that time, opting to explore ways to promote the area through informal cooperation and the use of in-house resources.

Since 2014, the City has occasionally been contacted by other businesses wanting to know if they were in a BIA or how to start one. The City endeavoured to connect these businesses for mutual self-help, and to encourage the cooperation needed to promote local business and organize toward a future BIA initiative.

In June 2016, a different group of business owners and managers came together and reached out to the City for information about BIAs. That group was put in touch with

¹Unlike BIA renewals, proposed budgets are not formally approved by society memberships prior to commencement of a Council Initiative. Instead, membership approval of the budget occurs at a Special General Meeting held after Council approval of the BIA, but before Council approves the BIA budgets for the coming year.

previous contacts, including the group around Olympic Village Square that had organized in 2013. In October 2016 this new group began raising funds to implement business promotion programs, and in December 2016 registered a not-for-profit society, 'Creekside Economic Development Association' (CEDA). In June 2017, CEDA informed the City of its intention to commence a process toward establishing a 'Creekside' BIA.

After exploring various boundary and budget options, CEDA proposed a BIA boundary that includes approximately 350 property owners and 650 business tenants (combined total approximately 1,000 owners and businesses). The proposed BIA generally encompasses the area from False Creek to West Broadway between Cambie and Main, flanked by the Cambie Village and Mount Pleasant BIA boundaries (see Appendix A). The proposed Creekside BIA therefore includes the lower Mount Pleasant light industrial area, which CEDA sees evolving as a tech district that would benefit from the branding and other services a BIA could provide. As this proposed BIA would include a portion of West Broadway (between Alberta and Ontario streets), CEDA believes it could provide representation for businesses potentially affected during construction of the Millennium Line Broadway Extension.

Because the proposed Creekside BIA is significantly larger than the previously-considered areas adjacent to, or in the vicinity of, Olympic Village Square, the cost per owner/business in the proposed Creekside BIA would be proportionally smaller, but providing equal value to the larger diverse area will be more challenging for a number of reasons, including a) the Olympic Village area and lower Mount Pleasant light industrial area are different in character and therefore would require different identities (or 'brands') for promotional purposes and b) it may be easier for the proposed BIA to provide value to retail/commercial businesses in the Olympic Village area, than to light industrial businesses in lower Mount Pleasant, because retail/commercial businesses generally benefit more from the on-street customer traffic generated by BIA promotions.

Competing Proposals

CEDA commenced outreach to businesses and commercial property owners in July 2017, and notified the adjacent Cambie Village and Mount Pleasant BIAs. The City requests BIA organizers to inform existing adjacent BIAs to determine whether the existing BIAs have been considering expansions that might be impacted by a new proposed BIA in their area. This provides an opportunity for representatives of the existing and proposed BIA to negotiate boundary adjustments or, alternatively, to put forward competing applications.

Cambie Village BIA Response

The Cambie Village Business Association (CVBA) has been engaging property owners and businesses as part of its currently-proposed Cambie Village BIA expansion. Part of CVBA's expansion involves an eastward addition bounded by W. Broadway and W. 6th Avenue, between the Cambie Village eastern boundary and Alberta Street (see Appendix A). The CVBA requested CEDA to adjust its proposed BIA boundary to skirt the proposed expansion, and CEDA has agreed to the adjustment.

Mount Pleasant BIA Response

The Mount Pleasant BIA (MPBIA) has been exploring expansion options for several years. In 2016, Council approved a small expansion north along Main Street to E. 2nd Avenue. In response to CEDA's proposal, MPBIA indicated its intention to explore expanding its BIA boundaries to include a portion of CEDA's proposed Creekside BIA². The proposed MPBIA expansion would have included a portion of the Creekside area located in the former Olympic Village precinct, bounded roughly by False Creek, 2nd Avenue, Columbia and Main (see shaded area, Appendix A). As MPBIA had already expanded north to 2nd Ave., the BIA viewed a further expansion west along 2nd Ave. and north to False Creek as a logical extension benefitting both the Olympic Village area and MPBIA. This area included 39 property owners and 98 business tenants (total 137 owners and tenants).

City's Process to Manage Competing Proposals

The overlapping CEDA and MPBIA proposals marked the first time in the history of the City's BIA Program where a geographic area was contested. Therefore, in order to better coordinate the two competing proposals, and to afford a neutral forum for both proposals to be heard together with City staff as moderator, a series of four City-hosted information meetings were arranged. The meetings took place during one week in October at the Creekside Community Recreation Centre. Affected businesses and property owners, in the contested-area only, received a mailed explanatory letter/meeting invitation that included a one-page survey ('Preliminary Survey'). The survey asked respondents whether or not they supported the idea of a BIA in their area and, if so, which of the two proposals they preferred. The invitation package included materials provided by CEDA and MPBIA outlining their respective proposals and costs. The invitation letter and survey are attached as Appendix D.

In addition, CEDA held two separate meetings, at the local TD Bank branch, in the same week as the City-held meetings. Those meetings were only for owners/businesses in the 'uncontested' area between 2nd Ave. and Broadway.

Only two persons attended the City's meetings, and only one person attended the CEDA meetings. To date, the City has received only 9 of 137 survey returns in response to the Preliminary Survey. MPBIA interprets the low response as indicating little interest in, or potential opposition to, a BIA at this time. In addition, some owners/businesses located immediately adjacent to Olympic Village square have voiced opposition to having their area's identity subsumed under the larger 'Mount Pleasant' BIA identity/brand.

Withdrawal of MPBIA Proposal

Considering the low survey and meeting participation, MPBIA wrote the City to advise that it would not be pursuing expansion in the Olympic Village area at this time. However, CEDA has expressed its intention to proceed with its proposed Creekside BIA application, and has formally requested that Council consider its request to commence

² The MPBIA's intention to explore expansion was formalized by vote of the society's membership at its Annual General Meeting in September, 2017

a Council Initiative to establish the BIA for a 5-year term (Appendix C). If Council agrees to commence the Initiative, all commercial property owners and business tenants in the proposed Creekside BIA would be notified and would have the opportunity to register objections.

DISCUSSION

The proposed Creekside BIA generally comprises the area from False Creek to West Broadway between Cambie and Main, flanked by irregular Cambie Village and Mount Pleasant BIA boundaries that extend as far east as Alberta Street (Cambie Village proposed expansion), and as far west as Ontario Street (existing Mt. Pleasant BIA). (See map in Appendix A).

If approved by Council, the proposed funding-ceiling of \$2,303,649 will define the maximum amount that may be levied over the proposed Creekside BIA 5-year term. As the ceiling functions as a cumulative 'cap' rather than as a budget, the cumulative maximum does not necessarily reflect BIA annual expenditures.

CEDA proposes a Year 1 BIA budget of \$438,262, representing an annual levy rate of \$0.22 per \$1,000.00 of assessed property value or 1.3% of commercial property taxes. If, after owner and business notifications, Council approves the proposed Creekside BIA, the BIA's year-1 budget will be reported along with all of the other BIAs' 2018 - 2019 budget requests (See budget in Appendix B).

Outreach Activities

Outreach activities to approximately 350 commercial property owners and 650 business tenants extended from June to October 2017, and included the following steps:

Introductory Survey

- Initial outreach package sent by mail, enclosing the City's BIA Program brochure, a BIA information flyer, and a survey asking respondents to indicate issues, priorities and whether they were interested in a BIA; the survey was also posted on line.
- Follow-up by e-mail, telephone or voice mail, and in-person door-to-door contact.

Introductory Outreach Meeting

- Outreach meeting held September 7, 2017, reporting survey results, providing information on BIAs and BIA funding, and receiving property owner and business feedback.

Budget Survey

- Proposed budget package and survey sent by mail, enclosing the BIA information flyer, three proposed budget options and cost estimates, upcoming outreach meeting dates, and a survey asking recipients for their preference and input; The survey was also available on-line.

- CEDA's proposed budget options and cost estimates were also included in a brochure CEDA provided for insertion in the mailed invitations for the City-led information meetings for the contested area.

City's 'Preliminary' Survey

- The mailed invitations for the City-led information meetings included a 'preliminary' survey to assess levels of support/non-support for a BIA in the contested area, and to determine preference for either the CEDA or MPBIA proposal. This survey was not available on line.

Meetings - Alternative BIA Proposals and Budget Options

- Uncontested area: Two outreach meetings held by CEDA on October 26, 2017 to review budget options and receive feedback from owners and businesses.
- Contested area: Four City-hosted information meetings on October 23 and October 25, 2017; CEDA and MPBIA presented their respective proposals and solicited feedback.

Final Survey

- Final budget option selected, based on owner/business feedback
- On-line survey, with information page, final proposed budget, and cost estimates, asked recipients to indicate whether or not they 'support creation of a Creekside BIA'

CEDA's request letter, an outline of its outreach process, and a compilation of its outreach materials are attached as Appendix C.

Comments

CEDA confirms it has notified all commercial property owners and tenants within the proposed Creekside BIA area. As required, CEDA has provided a summary of its outreach process and a compilation of outreach materials.

Introductory Survey

CEDA received 142 returns in response to its introductory survey (14% of total property owners and business tenants. 32 property owners responded (9% of total owners) and 110 business tenants responded (16% of total businesses). These are reasonable response rates for BIA materials.

Of the responses to the question 'Do you support creation of a Creekside BIA?', 86 (60%) indicated 'yes', 25 (18%) responded 'no', and 31 (22%) responded 'not sure'. If the 'no' and 'not sure' responses translate as objections filed in response to City notification, the level of objections could be somewhere between 18% (the 'no' responses) and 40% (if the 'not sure' responses are all resolved as negative). Council's current policy sets the objections needed to defeat a BIA Council Initiative at 33.3%. The Vancouver Charter threshold for objections needed to defeat a Council Initiative is 50%.

Introductory Outreach Meeting

This initial information meeting was poorly attended, with only 3 business owners present and no property owners. Low attendance numbers can be interpreted as a low level of interest, or possibly as a sign the BIA proposal is not supported.

Budget Survey

CEDA received 58 returns in response to its budget survey (6% of total property owners and business tenants). This indicates a downward trend in responses as compared with the introductory survey (14%).

Forty-two respondents (72% of total respondents) were supportive of a BIA, 12 (21%) were not supportive, and 4 (7%) were not sure. Level of support at this stage was 12% higher than in response to the introductory survey, declared non-support was 3% higher, but the 'not-sure' group was much smaller. If the 'no' and 'not sure' responses translate as objections filed in response to City notification, the level of objections could be somewhere between 21% (the 'no' responses) and 28% (if the 'not sure' responses are all resolved as negative).

City's Preliminary Survey

The City received 9 returns (6.6% of 137 total owners/businesses in contested area) in response to its Preliminary Survey included with the materials mailed to this sub-set of owners and businesses. Four respondents (44.5%) replied 'yes' in favour of a BIA, and 5 respondents (55.5%) replied 'no'. These results are not reliable due to the low response rate, but as three of the 'no' responses are from businesses located adjacent to Olympic Village Square, the responses could reflect localized opposition to inclusion in the proposed BIA.

Of the 4 respondents in favour of a BIA, 3 (75%) favoured the CEDA proposal, with one (25%) favouring the MPBIA proposal.

Meetings - Alternative BIA Proposals and Budget Options

Meetings for both the contested and uncontested areas were poorly attended, with only two persons attending the contested-area meetings and only one person attending the uncontested-area meetings. The low attendance numbers at this second iteration parallel the numbers attending the initial information meetings.

Final Survey

CEDA received 23 returns in response to its final survey (only 2% of owners and businesses). Eighteen respondents (78%) were supportive of a BIA, 3 respondents (13%) were not supportive, and 2 respondents (9%) were not sure. If the 'no' and 'not sure' responses translate as objections filed in response to City notification, the level of objections could be somewhere between 13% (the 'no' responses) and 22% (if the 'not sure' responses are all resolved as negative). Although the final results cannot be relied upon due to the low response rate, the general consistency of support/non-

support over the three CEDA survey iterations is notable, as well as a gradual decline in the 'no' and 'not sure' percentages over the course of the outreach process.

Overall response

Response to CEDA's print and on-line surveys was significantly higher than attendance at BIA outreach meetings. This is fairly typical of BIA outreach, except that the attendance rate at outreach meetings for the proposed Creekside BIA is at the lower end of the scale compared with BIA outreach historically. However, considering the survey responses, there appears to be sufficient owner/business interest to justify proceeding with a Council Initiative. Note that potential levels of opposition to the proposed BIA vary depending on the various survey results and how they are interpreted, but the results generally indicate a moderate level of opposition at this point in the process.

The City has been contacted by owners and businesses both for and against the proposed BIA, including calls or e-mails from several businesses adjacent to Olympic Village Square.

Based on the outreach input received to date, the CEDA believes that the BIA 5-year term, the proposed 5-year funding ceiling, and the Year-1 budget are generally supported. After owner and business notifications, if the proposed BIA is approved by Council, CEDA will hold a Special General Meeting for membership approval of the proposed budget and funding ceiling prior to Council approval of the BIA budget.

Implications/Related Issues/Risk (if applicable)

Financial

There are no financial implications.

CONCLUSION

The Creekside Economic Development Association (CEDA) is requesting that Council consider approval of the proposed Creekside BIA, and has asked that its application be forwarded by way of Council Initiative to a Court of Revision. The results of CEDA's outreach activities indicate moderate opposition at this stage in the process. It is recommended that Council approve commencement of a Council Initiative to establish the proposed Creekside BIA, that affected property owners and businesses be notified of the Initiative, and that the application be forwarded to Court of Revision.

If Council approves the BIA application, the proposed Creekside BIA year-1 budget will be reported along with all of the other BIAs' 2018 - 2019 budget requests.

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