



REPORT

Report Date: November 8, 2021
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Meeting Date: December 8, 2021
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Approval of Council Initiative – Commercial Drive BIA Renewal 2022

RECOMMENDATIONS

- A. THAT Council confirm the Commercial Drive Business Society as sponsor for the Commercial Drive Business Improvement Area (BIA).
- B. THAT Council approve the commencement of a Council Initiative to re-establish (renew) the Commercial Drive BIA, for a further term (7 years) commencing April 1, 2022;

FURTHER THAT Council forward the application of the Commercial Drive Business Society 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 renewal and levy.
- D. THAT Council approve a 7-year (2022-2029) funding-ceiling of \$5,650,000 for the Commercial Drive BIA, subject to Council approval of the renewal.

REPORT SUMMARY

The current Commercial Drive BIA term will expire March 31, 2022. The Business Improvement Area must now be re-established (renewed) for a further term to continue to operate.

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 has adopted policy for approval of BIA Council Initiatives as follows:

- For BIA renewal, approved July 30, 1992;
- For BIA establishment and expansion, approved October 14, 1997; and
- Policy amendments for BIA renewal, establishment and expansion, approved November 28, 2017.

A BIA is established, renewed, and/or expanded by Council Initiative process; under a Council Initiative, affected property owners 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. Commercial tenants also receive a notification, and the Initiative generally will not be approved if one-half of the commercial tenants, counted separately from owners, submit objections.

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. As some BIAs have continued to apply for 5-year renewal terms, the range of BIA terms currently varies from 5 to 10 years.

CITY MANAGER'S COMMENTS

The City Manager recommends APPROVAL of the foregoing.

REPORT

Background/Context

BIA Renewal Process Overview

The renewal 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

Commercial Drive Business Society (CDBS) has completed the first step in the BIA Council Initiative process. This step involves consultation with all affected BIA property and business owners regarding BIA renewal and cost (“BIA outreach”).

The outreach process culminates in membership approval of renewal resolutions at the BIA’s Annual (or Special) General Meeting. Those resolutions include a) formally requesting the City to consider BIA renewal and b) stipulating a by-law term and funding-ceiling¹ for Council approval and c) approving a first-year renewal budget (Appendix B). The CDBS renewal outreach is summarized in this report based on an outline provided by CDBS (Appendix C). Detailed documentation is retained by the CDBS and is available at the City’s request.

Step 2

Step 2 requires Council approval of the recommendations in this report to:

- a. approve (confirm) the Commercial Drive Business Society as sponsor of the BIA renewal;
- b. approve a Council Initiative to renew the Commercial Drive BIA, which means the City will notify the affected property owners and tenants prior to Council approval or rejection of the Initiative;²
- c. forward the application to Court of Revision; and
- d. subject to final Council approval, approve the proposed funding ceiling for the proposed BIA renewal term.

If, after notification of owners and businesses, Council approves the BIA renewal, the year-1 budget will be reported along with all of the other BIAs’ 2022 - 2023 budget requests. Although Council does not approve the proposed year-1 budget at this stage in the process, a copy of the proposed budget is attached to this report for reference, to indicate the anticipated cost of the proposal. 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.

BIA Outreach Process – Additional Background

In this section, additional information is provided on the overall approach to outreach and reporting outlined as Step 1. The section that follows provides background and strategic analysis for the Commercial Drive BIA.

As part of the renewal process, BIAs are required to conduct outreach to the commercial property owners and business tenants within their respected areas, culminating in renewal resolutions at their Annual General Meeting, or at a General Meeting specifically held for the purpose. An outreach outline from the Commercial Drive Business Society is attached to this Report as Appendix C.

¹ *Vancouver Charter* section 456(2) (b) stipulates that Council, by by-law, must establish the maximum amount of money to be granted to a BIA applicant. A ‘funding ceiling’ is the cumulative maximum amount, over the current BIA term, which may be granted and then recovered by way of a levy on parcels of real property within a BIA.

² The City’s notification is to the owners of BC Assessment Authority Class 5 (light industry) and Class 6 (business/other), and to business tenants occupying Class 5 and Class 6 properties within the BIA area.

BIAs determine generally how they fulfill their requirement to conduct outreach, and have agreed to include, with their AGM notification (sent to all property and business owners), a letter from the City about business improvement areas. The letter includes information about how BIAs are funded through a special tax levy, explains how the BIA and levy are renewed for a further term, and alerts the reader that proceedings at the BIA AGM will set directions about continuance of the BIA levy and its cost to owners.

The above self-reported outreach is the first step of the BIA renewal process. Subsequently, as part of the Council Initiative (Step 2), all BIA property owners and business tenants will receive a notification from the City, if approved in the Recommendations in this report, to which they can respond before a final decision on BIA renewal is made by Council.

Strategic Analysis

BACKGROUND

The Commercial Drive BIA was one of four BIAs established in 2000, along with the Chinatown, Marpole and Strathcona BIAs. The BIA was last renewed in 2015 for a fourth term which expires at the end of March 2022. The Commercial Drive Business Society (CDBS) wishes to renew the BIA for a further term (7-years) (April 1, 2022 - March 31, 2029).

DISCUSSION

BIA Renewal Proposal

The Commercial Drive BIA boundary roughly comprises 22 linear blocks of Commercial Drive between Venables Street and E.13th Avenue (See map in Appendix A).

When approved by Council, the proposed funding-ceiling of \$5,650,000 will define the maximum amount that may be levied over the Commercial Drive BIA 7-year renewal term, and reflects an increase of 47% over the previous 7-year ceiling. As the ceiling functions as a cumulative 'cap' rather than as a budget, a ceiling-increase does not necessarily reflect BIA annual expenditure increases. By comparison, the proposed 2022-23 annual budget represents an increase of 9.4% over the current 2021-22 budget, reflecting the cost of services and programs requested by members during the renewal outreach process.

The CDBS proposes a Year 1 renewal budget of \$650,750, representing an annual levy rate of \$0.82 per \$1,000.00 of assessed property value. If, after owner and business notifications, Council approves the Commercial Drive BIA renewal, a report for approval of the Year 1 budgets will include the CDBS Year 1 budget with all of the other BIAs' 2022 - 2023 budget requests (See budget in Appendix B).

Renewal Outreach Activities

Renewal outreach activities extended from June to October 2021. Renewal outreach activities with property owners and businesses included:

- mailed and emailed notifications, including a renewal information primer;
- online survey (members by mail and email);
- July 21, 2021 online town hall meeting (discussion of CDBS services, priorities and budget);

- distribution of AGM package with survey results and renewal materials; and
- CDBS AGM held online September 29th, 2021. The 7-year renewal and budget were discussed and approved during the AGM.

The CDBS renewal request letter and an outline of its outreach process are attached as Appendix C.

Comments

The CDBS confirms it has notified all commercial property owners and tenants within the proposed renewal area. As required, the CDBS has provided a summary of its outreach process, and has included the City's information letter in its AGM materials.

On September 29th, 2021, at a duly constituted AGM, the CDBS membership unanimously approved BIA renewal, a new 7-year funding ceiling, and the 2022-2023 budget.

CDBS reports that it has received no opposition in response to its member outreach. To date, staff have received no communication from CDBS members expressing opposition to BIA renewal.

Based on the AGM results and member input received to date, the CDBS believes that the BIA 7-year renewal, the proposed 7-year funding ceiling, and the Year-1 budget are generally supported.

Financial

There are no financial implications.

CONCLUSION

The Designation By-law for the Commercial Drive Business Improvement Area is set to expire at the end of March 2022. The Commercial Drive Business Society has asked that its application be forwarded by way of Council Initiative to a Court of Revision. The results of the BIA outreach activities indicate little or no opposition at this stage in the process. It is recommended that Commercial Drive Business Society renewal application be forwarded to Court of Revision.

If Council approves the renewal application, the year-1 budget will be reported along with all of the other BIAs' 2022-2023 budget requests.

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