



REPORT

Report Date: February 4, 2022
Contact: Chris Robertson
Contact No.: 604.873.7684
RTS No.: 14892
VanRIMS No.: 08-2000-20
Meeting Date: March 2, 2022
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Approval of Commercial Drive Business Improvement Area (BIA) Renewal 2022

RECOMMENDATION

THAT Council approve the application of the Commercial Drive Business Society (CDBS) as described in this report;

FURTHER THAT Council instruct the Director of Legal Services, in consultation with the Director of Planning, Urban Design and Sustainability, to bring forward by-laws to re-establish the Commercial Drive BIA, to establish a new funding ceiling, and to remit monies for the business promotion scheme.

REPORT SUMMARY

This report provides background information on the overall BIA creation, renewal and expansion process, the procedure for property-owner and business notifications, an analysis of objections received in response to the notifications distributed in December 2021, an overview of possible Council actions, and recommendations based on objections received as of January 28, 2022.

Commercial Drive BIA Renewal Council Initiative

The Commercial Drive BIA must be re-designated (renewed) by Council in order to continue for a further 7-year term. Council must first approve re-designation (renewal) of the business improvement area before it can approve the proposed budget. This report recommends that Council approve the proposed renewal and instruct staff to prepare a by-law to re-establish the BIA, to establish a new funding ceiling, and to remit monies for a business improvement scheme.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

BIA Council Initiatives

Vancouver Charter

Sections 455 through 463 of the *Vancouver Charter* make provision for the creation, renewal, expansion and funding of Business Improvement Areas (BIAs). *Vancouver Charter* Section 506 (Local Improvements) provides requirements for approval of a BIA Council Initiative. In addition, Council has adopted policy for the approval of a Council Initiative. Further information is provided in Appendix A.

Commencement of Council Initiative

On December 8, 2021 (*Approval of Council Initiative – Commercial Drive BIA Renewal 2022*), Council considered the CDBS application for renewal of the Commercial Drive BIA. Council approved commencement of the Council Initiative, referred the application to Court of Revision, and instructed staff to notify affected property owners and businesses prior to a decision on the Initiative.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

Before a BIA designation, expansion or renewal application can be approved, the proposal must be considered by Council:

- Prior to considering the BIA application, the Council directs staff to notify all commercial property owners and business tenants in the affected area, providing information on the proposed levy, and details on filing objections;
- After the one-month period for objections, Council is advised of the numbers and commercial assessed value of objections received, and also hears delegations, if any. Per *Vancouver Charter* s. 506(2)(b) if more than one-half of the property owners, representing one-half of the commercial assessed property value **or**, per Council policy, more than one half of business tenants, counted separately, object, the BIA proposal will be defeated.
- If approved, Council directs that a by-law be prepared:
 - Establishing or re-establishing (renewing) the BIA or,
 - Establishing an expansion BIA or expanding existing BIA boundaries; and
 - Establishing a funding ceiling.

Appendix B provides an overview of common issues and considerations relevant to the tabulation of objections. Further explanation of the notification and approval process follows.

Process for Notification of Property Owners and Business Tenants

Applicant Outreach to Affected Owners and Businesses

As outlined in the Commercial Dr. BIA council initiative report dated November 8, 2021, BIA sponsors (applicant groups) are required to conduct an extensive outreach process to engage affected commercial property owners and business tenants within the proposed BIA, BIA Expansion, or BIA renewal, area. If, after completion of outreach, the BIA proposal appears to be generally supported, Council may approve commencing a BIA Council Initiative, forward the application to a Court of Revision, and instruct staff to notify the affected owners and tenants prior to Council deciding whether or not to approve the application.

Notifications

BIA applications are a form of Local Improvement. As such, the City is required to mail to the owners of parcels liable to be assessed: (a) notification of the project, (b) the designated area, and (c) the estimated annual rate. Council may approve a BIA if, within one month of the notification, the requisite number of property-owner objections have not been received. While the *Vancouver Charter* does not require notification of tenants, it is City policy to notify business owners of a BIA proposal. Property owners and business tenants in the Commercial Drive BIA have been notified as follows:

- Individually addressed letters (Appendix C) were mailed to all property owners affected by the BIA applications. All letters were postmarked on or before the date shown in the table below;
- Due to business turnover, and to ensure all affected business owners were notified, unaddressed letters (Appendix D) were hand delivered to all businesses affected by the BIA application. All deliveries were made on or before the date shown in the table below.

Notification Data

BIA	Property Owners Postmarked on or before	# Owners	# Assessed Properties	Business Tenants Delivery on or before	# Businesses
Commercial Drive	December 10, 2021	170	267	December 17, 2021	386

Strategic Analysis

Tabulation of Objections - Results

Notification letters sent to affected property owners/ business tenants specified that objections to the BIA application may be submitted in the form of a letter or email to the City Clerk, with the letter being received by 5:00 pm on January 28, 2022.

The following section provides information for the Commercial Drive BIA Renewal Initiative, including notification data for the application, and tabulations of objections received as of 5:00 pm, January 28, 2022.

If significant objections or counter-petitions arrive after the submission deadline, a supplementary memo with updated opposition data will be distributed should Council wish to consider late objections or other correspondence such as petitions. Council will also have an opportunity to hear delegations, if any.

COMMERCIAL DRIVE BIA RENEWAL APPLICATION: Analysis and Results

Application to Re-establish (Renew) BIA

On December 8, 2021, Council considered an application by the Commercial Drive Business Society (CDBS) to commence a Council Initiative to re-establish (renew) the Commercial Drive BIA (map, Appendix D). Council referred the application to Court of Revision and directed staff to notify affected owners and businesses prior to considering the Initiative.

Notifications were mailed to 170 property owners on or before December 10, 2021 and hand-delivered to 386 businesses on or before December 17, 2021.

The proposed BIA charge, per property, ranges from \$45.05 to \$64,917.19 annually, depending upon the assessed value of the property. Seventy-eight properties will have a levy under \$500, 106 properties will have a levy between \$500 and \$2,000, and 83 properties will be charged over \$2,000 annually.¹

Letters of Objection

The table below shows the letters of objection, by number and assessed value, received as of 5:00 pm, January 28, 2022. For information, based on the *Vancouver Charter* threshold of 50% +1 and Council policy, the centre column shows the numbers and assessed value of objections (subject to adjustments) needed to defeat the proposed BIA renewal based on the notification data provided in this Report.

¹ As the BIA levies will be based on the 2022 BC Assessment Authority (BCA) property assessment, the actual BIA levies may differ slightly from the estimates provided in the City's property-owner notifications, which was based on the 2021 BCA assessment.

Objection Categories	Needed to defeat BIA renewal (50%+1 opposed)	Letters of objection as of January 28, 2022	
		#	% of total
# of property owners	86	0	0%
# of assessed properties ²	134	0	0%
Total assessed value	\$446,693,903	\$0	0%
OR # of business tenants	194	0	0%

Results

As of January 28, 2022, neither the number of business tenants, nor the number and assessed value of properties /property owners is sufficient to defeat the proposed BIA renewal (no objections have been received).

Implications/Related Issues/Risk

Financial

There are no financial implications.

CONCLUSION

The Commercial Drive Business Society has applied to renew the Commercial Drive BIA for a further 7-year term.

In December 2021, Council approved commencement of a Council Initiative and instructed staff to notify affected commercial property owners and business tenants.

As of January 28, 2022, no objections had been received in response to property-owner and business notifications; therefore, this report recommends approval of the Commercial Drive BIA renewal.

* * * * *

² As there are owners with multiple properties, the number of assessed properties in each BIA is always greater than the number of actual owners.

Further Information – Approval of Council Initiatives

Vancouver Charter

BIAs are a form of Local Improvement. Taxation of properties in an area pays for a variety of programs to promote and enhance the area as part of a business improvement scheme. Under *Vancouver Charter* Section 506(2)(a), approval of a Local Improvement Council Initiative requires a resolution passed by at least two-thirds of all the Council members present. Section 506(2)(b) provides that a “sufficient number” of notices of objection to defeat a Council Initiative is deemed to be more than *one-half* of the assessed property owners, representing more than *one-half* of the value according to the last revised real-property assessment roll, of the parcels liable to be assessed.

Under most commercial lease agreements, property owners pass the cost of a BIA levy to their business tenants. As the Charter makes no provision for the notification of business tenants, Council has adopted policy to determine the wishes of affected businesses.

Council Policy

Council has adopted policy for approval of BIA Council Initiatives at various times 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.

Council policy for approval of BIA Council Initiatives may be summarized as follows:

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.

Tabulation of Objections - Issues and Considerations

Distinguishing Property-Owner and Business-Tenant Objections

The *Vancouver Charter* requires the City to tabulate all property-owner objections to determine whether or not a BIA application is defeated. However, it is Council policy to also receive and tabulate objections from business tenants. The two tabulations would produce duplication where letters are received from businesses who also *own* the property or commercial strata unit they occupy (i.e. are not tenants). Therefore, past practice has been to count all objection letters from property-owner businesses as 'property owner' objections rather than as 'business tenant' objections.

Petitions and Form-letters

The City's notification instructs recipients to register objections in the form of an original letter because the identity and authority of the writer is more readily discernible than a signature on a mass petition. Also, with a mass petition, there is uncertainty around the degree to which petitioners are influenced by information from petition organizers. Similar considerations apply to mass-reproduced 'form-letters' that have been collected by opposition organizers in the same way as petitions.

Privacy Issues

To protect the confidentiality of respondents, under the provisions of the *Freedom of Information and Protection of Privacy Act*, the identity of persons submitting objections is not made available to BIA applicants, supporters, opponents, or the public. However, the City Clerk will have available for Council copies of all objections received prior to the meeting date.

December 8, 2021

Name of Property Owner
Street Address
CITY, PROVINCE VXX XXX

RE: PROPOSED RENEWAL OF
COMMERCIAL DRIVE BUSINESS IMPROVEMENT AREA (BIA)
SPECIAL ASSESSMENT NOTIFICATION

COORDINATE: 000-000-00-0000

PROPERTY ADDRESS: STREET ADDRESS, VANCOUVER

Dear [Property Owner]

This 'Special Assessment Notification' relates to the proposed Commercial Drive Business Improvement Area (BIA) renewal. This Notification and the enclosed materials include:

1. A map of the BIA boundary
2. A letter from the City of Vancouver about BIAs and the BIA approval process
3. A brochure from the Commercial Drive Business Society outlining the programs and services they provide to commercial owners and their business tenants, as well their ongoing and proposed renewal programs and budget.

You're receiving this Notification because City of Vancouver records indicate you are the owner of the property at the above address.

BIA programs and services are funded through a special BIA levy billed annually with the property taxes. Your property contributes a share of the levy based on its commercial value. If Council approves the proposed BIA renewal, a BIA levy would continue to be assessed.

If the BIA renewal is approved, your estimated share would be: \$0,000.00

Based on your included commercial assessed property value of³: \$0,000,000.00

A Court of Revision⁴ will be held on Tuesday, February 1, 2022 at 4:00 p.m. in Council Chambers, 3rd floor, City Hall. At that time Council will hear complaints from property owners concerning errors only with respect to the names of the assessed owners and the length of the

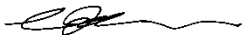
³ As 2022 assessed property values are not yet available, your property's share of the annual BIA levy in 2022 is an estimate based on the **2021** taxable assessed commercial value of your property proportionate to the 2021 value of all the other commercial properties in the BIA. When billed in May 2022, your property's share would be calculated using the 2022 BC Assessment values. Over the 7 year BIA renewal term, your share of the BIA budget would be reapportioned annually to reflect any further changes in the assessed value of your property compared with other commercial properties in the BIA.

⁴ The purpose of the Court of Revision hearing is to report errors in the Special Assessment information respecting this property. There is no need to attend the Court of Revision unless you wish to report an error. If there is no error, but you wish to address Council about whether the proposed BIA renewal should proceed, please note that a different meeting will be scheduled later for Council to make a decision on the proposed renewal. If you wish to be notified of that meeting, please write to the City Clerk as instructed in the enclosed letter. If you have questions, the attached materials provide phone numbers to contact the Commercial Drive Business Society and the City of Vancouver BIA Program.

frontage or other measurements of the parcel, and any variation applied pursuant to section 508 (g) and (j) of the *Vancouver Charter*.

A copy of the Special Assessment Roll, which includes the names of property owners, is filed in the office of the Collector of Taxes, ground floor of City Hall, and is available for inspection during office hours.

Yours truly,



Peter Vaisbord, BA, LLB, MA (PIn)
Coordinator, BIA Program

453 w. 12th Avenue, Vancouver, BC V5Y 1V4
604-871-6304
peter.vaisbord@vancouver.ca

December 8, 2021

Notice of Proposed Commercial Drive Business Improvement Area (BIA) Renewal

Dear Property Owner(s):

Why are you receiving this notification?

The City's records show that you own commercial property within the Commercial Drive Business Improvement Area (BIA). The City encourages BIAs as a way for commercial property owners and business tenants to effectively promote business, enhance services, and make their area more attractive for customers. The BIAs allocate funds for the purpose of improving commercial area profile, through various marketing, beautification, revitalization, safety and advocacy initiatives on behalf of their members.

The BIA movement in the City of Vancouver has a very long history starting with the first associations being formed in Gastown and Mt. Pleasant in 1989. I would like to take this opportunity to acknowledge the contribution that your BIA and the many other BIAs located across Vancouver have made to the continued success and sustainability of our City and its business districts.

Provincial legislation requires that BIAs be established with expiry dates. Commercial Drive BIA's current term will expire early in 2022. Therefore, in order to continue to provide programs and services to its membership, the BIA will need to be 'renewed' for a further term. This letter explains your role in the renewal approval process.

How do BIAs work?

The BIAs are associations managed by a Board of local owners and business tenants elected by their fellow owners and tenants. Funding for BIA programs and activities comes from a

special BIA levy paid by all commercial property owners in the BIA, based on each owner's share of the total BIA commercial assessed property value. As part of an existing BIA, your property has been paying a BIA levy annually along with the property taxes. That levy is based on a budget approved every year by BIA members at their association's annual general meeting (AGM).

After the City receives the BIA levy from the property owners, it turns all of the money over to each BIA association to fund activities on behalf of both the owners and their business tenants.

As most of the property owners pass the cost of the levy to their business tenants, most of the businesses indirectly contribute their share of the cost to promote and improve the business district. As BIA expenses are spread out among all the businesses, the cost per business is small, but the total funding is large enough to impact potential customer traffic and area appeal.

What's been happening?

Earlier this year, the Commercial Drive Business Society (CDBS) reached out to businesses and commercial property owners to receive input on member needs and priorities, to solicit comments on the BIA renewal proposal and budget, and to assess support for the proposal. As part of its Annual General Meeting (AGM), CDBS notified all property owners and business tenants of a proposed resolution to renew the BIA. The proposed resolution was approved by the association's membership.

Please read the enclosed information from CDBS which outlines all their programs and activities, the benefits provided, and their proposed renewal plan and budget. The enclosed materials also include contact information in case you have questions about BIA activities or the renewal proposal.

What happens next?

CDBS has submitted a BIA renewal application to the City. Before the BIA renewal can be approved, the proposal must be considered by City Council. If approved by Council, the BIA will continue to provide area-wide benefits through an annual property levy.

The attached Notice of Special Assessment estimates the amount to be charged to your property in 2022 should the BIA renewal be approved. The estimate is based on 2021 assessed values. Over the program's lifespan, it is possible your share of the BIA budget may change. Each property owner's share will be reapportioned annually according to the assessed values determined by the BC Assessment Authority.

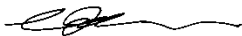
A BIA renewal Initiative will not proceed if, within one month of mailing the notification, more than one-half of the assessed property owners, representing more than one-half of the value according to the last real-property assessment roll, of the parcels liable to be specially assessed have, in writing, given notice to the City Clerk that they object to the BIA Renewal Initiative. Further, Council's policy is to also notify business tenants, and to consider rejection of a BIA Renewal initiative if one-half or more of the businesses (counted separately) object in writing.

If you support the proposed BIA renewal, you need not respond to this letter. **If you wish to object, please submit your objection in writing to the City Clerk, Vancouver City Hall, 453 West 12th Avenue, Vancouver, BC, V5Y 1V4, or by e-mail to ccclerk@vancouver.ca. The letter or e-mail should include the writer's name and position, (e.g., owner or property**

manager), the property owner's name, and the address, folio number and/or legal description of the property. Written objections should be filed with the City Clerk *before 5pm on Friday January 28, 2022.*

If you wish further information about the City's role in the BIA renewal process, please call me at (604) 871-6304.

Yours truly,



Peter Vaisbord, BA, LLB, MA (PIn)
Coordinator, BIA Program

453 w. 12th Avenue, Vancouver, BC V5Y 1V4
604-871-6304
peter.vaisbord@vancouver.ca

December 8, 2021

Notice of Proposed Commercial Drive Business Improvement Area (BIA) Renewal

Dear Business Owner/Manager:

Why are you receiving this notification?

The Commercial Drive Business Society (CDBS) is proposing to renew its BIA mandate as required at the end of its current term. Since most lease agreements allow property owners to pass the cost of a BIA levy to their business tenants, this letter provides information about the renewal proposal, possible costs, and the procedure for telling the City whether or not you support the proposed renewal. As the letters are being hand delivered, please check the enclosed map to confirm that your business is within the BIA area.

The City encourages BIAs as a way for commercial property owners and business tenants to effectively promote business, enhance services, and make their area more attractive for customers. The BIAs allocate funds for the purpose of improving commercial area profile, through various marketing, beautification, revitalization, safety and advocacy initiatives on behalf of their members.

The BIA movement in the City of Vancouver has a very long history starting with the first associations being formed in Gastown and Mt. Pleasant in 1989. I would like to take this opportunity to acknowledge the contribution that your BIA and the many other BIAs located across Vancouver have made to the continued success and sustainability of our City and its business districts.

Provincial legislation requires that BIAs be established with expiry dates. Commercial Drive BIA's current term will expire early in 2022. Therefore, in order to continue to provide programs and services to its membership, the BIA will need to be 'renewed' for a further term. This letter explains your role in the renewal approval process.

How do BIAs work?

The BIAs are associations managed by a Board of local owners and business tenants elected by their fellow owners and tenants. Funding for BIA programs and activities comes from a special BIA levy paid by all commercial property owners in the BIA, based on each owner's share of the total BIA commercial assessed property value. As part of an existing BIA, your landlord has been paying a BIA levy annually along with the property taxes. That levy is based on a budget approved every year by BIA members at their association's annual general meeting (AGM).

After the City receives the BIA levy from the property owners, it turns all of the money over to each BIA association to fund activities on behalf of both the owners and their business tenants. As most of the property owners pass the cost of the levy to their business tenants, most of the businesses indirectly contribute their share of the cost to promote and improve the business district. As BIA expenses are spread out among all the businesses, the cost per business is small, but the total funding is large enough to impact potential customer traffic and area appeal.

What's been happening?

Earlier this year, CDBS reached out to businesses and commercial property owners to receive input on member needs and priorities, to solicit comments on the BIA renewal proposal and

budget, and to assess support for the proposal. As part of its Annual General Meeting (AGM), CDBS notified all property owners and business tenants of a proposed resolution to renew the BIA. The proposed resolution was approved by the association's membership.

Please read the enclosed information from CDBS which outlines all their programs and activities, the benefits provided, and their proposed renewal plan and budget. The enclosed materials also include contact information in case you have questions about BIA activities or the renewal proposal.

What happens next?

CDBS has submitted a BIA renewal application to the City. Before the BIA renewal can be approved, the proposal must be considered by City Council. If approved by Council, the BIA will continue to provide area-wide benefits through an annual property levy.

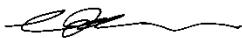
The City has mailed a letter to each property owner estimating their share of the proposed 2022 BIA levy. The amount of each property owner's BIA levy will be different because the levies are based on the commercial property assessment value. Over the BIA's lifespan, it is possible that your share of the BIA budget may change because each property owner's share will be reapportioned annually according to the assessed values determined by the BC Assessment Authority. To estimate your 2022 BIA contribution, consider contacting your landlord or property manager, or contact CDBS.

A BIA renewal Initiative will not proceed if, within one month of mailing the notification, more than one-half of the assessed owners, representing 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 that they object to the BIA Renewal Initiative. Further, Council's policy is to also notify business tenants, and to consider rejection of a BIA Renewal initiative if one-half or more of businesses (counted separately) object in writing.

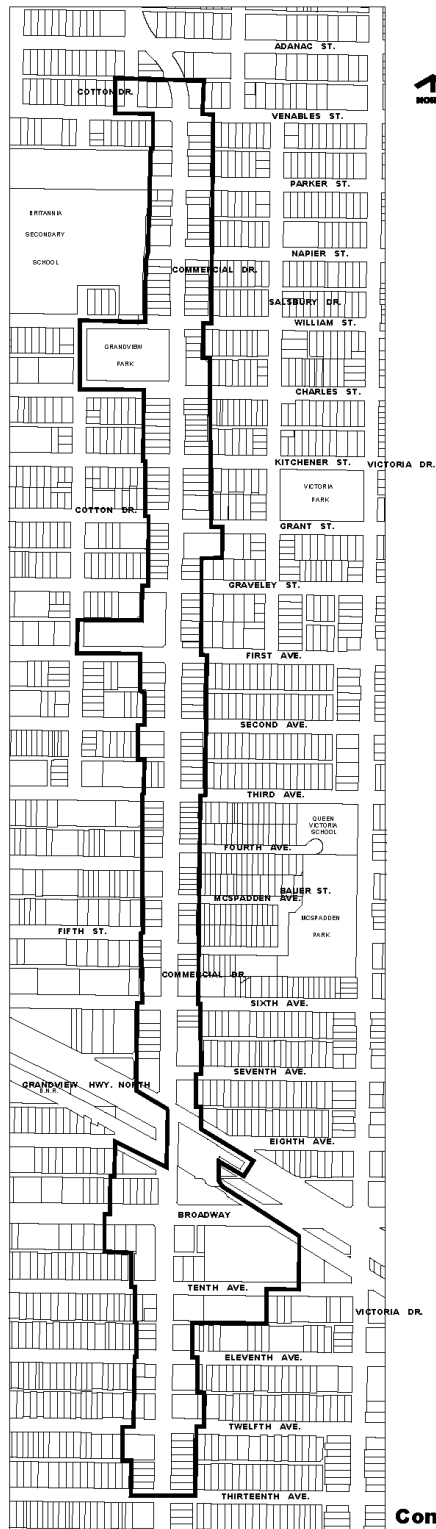
If you support the proposed BIA renewal, you need not respond to this letter. **If you wish to object, please submit your objection in writing to the City Clerk, Vancouver City Hall, 453 West 12th Avenue, Vancouver, BC, V5Y 1V4, or by e-mail to ccclerk@vancouver.ca. The letter or e-mail should include the writer's name and position, (e.g. business owner or manager), and the business name and street address. Written objections should be filed with the City Clerk *before 5pm on Friday January 28, 2022.***

If you wish further information about the City's role in the BIA renewal process, please call me at (604) 871-6304.

Yours truly,



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Commercial Drive BIA