



City of
Prince Albert

RPT 23-140

TITLE: Year 2023 - Business Improvement District (BID) Levy - Bylaw No. 9 of 2023

DATE: **March 28, 2023**

TO: City Council-Special

PUBLIC: X

INCAMERA:

RECOMMENDATIONS:

1. That the Business Improvement District (BID) Levy Bylaw No. 9 of 2023 be amended as follows:

i. Delete Section 2 in its entirety and replace with the following wording:

“The estimated cost of the service referred to in Section 1 is \$78,000, pursuant to the approved budget. Subsection 278(2) of the *Cities Act* then states, the City shall give public notice of the use to which it proposes to put the excess revenue.”;

ii. Replace 5.9% in Section 3 with the rate of **6.4%**; and,

iii. Replace 5.9% in **Calculating Amount of Property Tax** to the following:

General Municipal Rate x **6.4%** - BID Rate

2. That the Business Improvement District (BID) Levy Bylaw No. 9 of 2023, as amended, be given three readings; and,

3. That as per Subsection 278(2) of the *Cities Act*, the City give public notice of the use to which it proposes to put the excess revenue for Year ending 2023.

TOPIC & PURPOSE:

To consider the Business Improvement District (BID) Levy Bylaw No. 9 of 2023 for three readings.

BACKGROUND:

The Property Tax Bylaws were forwarded to the March 27, 2023 City Council meeting for consideration of first and second reading.

City Council, at the meeting on March 27, 2023, defeated the 1st reading of the proposed Business Improvement District (BID) Levy Bylaw No. 9 of 2023 and requested that the levy rate remain the same as approved in 2022 and not reflect the approved 2023 PADBID Board Budget.

PROPOSED APPROACH AND RATIONALE:

The budget for the Prince Albert Downtown Business Improvement District was approved at the December 12, 2022 City Council meeting in the amount of \$140,000.

As requested by the Prince Albert Downtown Business Improvement District at the 2023 Budget Deliberations, the amount of \$75,000 was approved to fund Downtown Security. As well, the amount of \$5,000 was approved for additional subcontractors to provide music and partnerships for various events.

The total of **\$80,000** in addition to the \$140,000 requested was approved to be funded from the **Prince Albert Downtown Business Improvement District Operating Reserve**.

The \$220,000 expenditures for the Prince Albert Downtown Business Improvement District is funded as follows:

Prince Albert Business Improvement Tax Levy	\$78,000
City of Prince Albert Grant In Lieu of Taxes	\$22,000
Reserve Funding for Programs and Projects	\$40,000
Prince Albert Downtown Business Improvement Reserve	\$80,000
Total Funding	\$220,000

\$40,000 under Grants and Donations is regarding the Grants paid as follows funded from the Downton Improvement Reserve:

- \$20,000 for Downtown Events
- \$10,000 for Façade Grants
- \$10,000 for Mini Façade Grants

The amount to be levied to fund the Prince Downtown Business Improvement District's budget is \$78,000. As presented above, the remaining amounts are funded by different sources.

Once the Budget is approved by City Council, a Special Tax, which is a specific amount of money raised to be used for a specific service or purpose within the taxation year and is required to be passed by City Council.

A municipality may pass a special tax bylaw and Subsection 278(1) of the *Cities Act* provides that the use of the revenue raised by a special tax must be used for that specific service or purpose stated in the bylaw. Subsection 278(2) of the *Cities Act* then states that when there is excess revenue generated from the special tax (i.e. actual expenses are less than the actual revenue from the special tax), the City shall give public notice of the use to which it proposes to put the excess revenue. This requirement in subsection 278(2) will allow for transparency between the City and residents as to what their tax dollars are being used for.

The BID Levy is specific to geographical location as established by Bylaw No. 4 of 2005.

The purpose of the Business Improvement District (BID) Levy Bylaw No. 9 of 2023 is to authorize a special levy to be paid by the taxable and grant in lieu properties for those businesses defined in the Prince Albert Downtown Business Improvement District area at a uniform rate sufficient to raise the amount required in 2023 for the proposed expenditures of the business improvement district.

The Bylaw presented at the March 27, 2023 City Council meeting set the Business Improvement District Levy to raise the funds of the approved Budget of \$78,000. As a result of changes in assessment, the levy was suggested to be reduced in order to fund the approved budgeted amount.

As the Bylaw was defeated by City Council, this report is forwarding an amended Business Improvement District Bylaw No. 9 of 2023 to keep the BID Levy the same as Year 2022 as follows:

Levy	Year 2022	Year 2023
Business District Improvement Levy (BID)	0.064 mills	0.064 mills

The BID Levy is based on taxable assessment values. The levy is not a fixed amount like the Base Tax, Roadways Special Tax, Police Special Tax, or Snow Special Tax. The BID Levy is based on taxable value and each business in the Downtown Improvement District pays differently based on their assessment.

Due to changes in assessment values, the BID Levy at the same rate of Year 2022 will generate funds in the approximate amount of \$85,000. That will generate excess revenue of \$7,000 over the approved 2023 Budget of \$78,000.

Subsection 278(2) of the *Cities Act* then states that when there is excess revenue generated from the special tax (i.e. actual expenses are less than the actual revenue from the special tax), the City shall give public notice of the use to which it proposes to put the excess revenue.

A report will be forwarded to Council at Yearend 2023 based on the actual levy funds generated from the Business Improvement District (BID) Levy and the City will give Public Notice of the use to which it proposes to put the excess revenue.

CONSULTATIONS:

The City of Prince Albert downtown businesses are involved with the planning and activities of the PADBID Board and creation of its budget for consideration by City Council in its determination of the required levies to be applied to Downtown businesses.

City Council, at its meeting of March 27, 2023 requested that the Business Improvement District (BID) Levy remain the same levy as Year 2022 and not reflect the approved 2023 PADBID Budget.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Once approved by City Council, the Bylaw will be placed on the City's Website.

Administration has communicated with the Executive Director of the Prince Albert Downtown Business Improvement District the contents of this report.

POLICY IMPLICATIONS:

The attached Business Improvement District (BID) Levy Bylaw No. 9 of 2023 will repeal Bylaw No. 11 of 2022. The Bylaw shall come into force and take effect January 1, 2023.

FINANCIAL IMPLICATIONS:

Due to changes in assessment values, the BID Levy at the same rate of Year 2022 will generate funds in the approximate amount of \$85,000. That will generate excess revenue of \$7,000 over the 2023 approved budget of \$78,000.

As per Subsection 278(2) of the *Cities Act*, a report will be forwarded to Council at Yearend 2023 based on the actual funds generated from the BID Levy and the City will give Public Notice of the use to which it proposes to put the excess revenue.

STRATEGIC PLAN:

The creation of an equitable taxation structure promotes community growth and maintains new and existing amenities and infrastructure. The Business Improvement District (BID) Levy is to generate revenue to fund downtown initiatives.

PUBLIC NOTICE:

Public Notice is required for consideration of this matter, pursuant to Section 4(e) of Public Notice Bylaw No. 24 of 2015. The following notice was undertaken:

- Published in local newspaper (Prince Albert Daily Herald) circulated in the City: March 16, 2023
- Posted on the bulletin board at City Hall: March 16, 2023
- Posted on the City's website: March 16, 2023

ATTACHMENTS:

1. Business Improvement District (BID) Levy Bylaw No. 9 of 2023.
2. Public Notice posted March 16, 2023.

Written by: Melodie Boulet, Finance Manager

Approved by: Senior Accounting Manager, Director of Financial Services and City Manager