

REPORT

Office of the Chief Administrative Officer

To: Mayor Cote and Members of Council **Date:** December 13, 2021

From: Lisa Spitale,
Chief Administrative Officer **File:**

Item #: 2021-661

Subject: Downtown New Westminster BIA Extension: 2022 – 2025 - Revised

RECOMMENDATION

THAT third reading of the following bylaws be rescinded:

Downtown New Westminster Business Improvement Area
(Primary Area) Bylaw No. 8288, 2021

Downtown New Westminster Business Improvement Area (Secondary
Area) Bylaw No. 8289, 2021

That third reading be given to the revised versions of the bylaws below as
attached in Attachments 1 and 2 of this report:

Downtown New Westminster Business Improvement Area
(Primary Area) Bylaw No. 8288, 2021

Downtown New Westminster Business Improvement Area (Secondary
Area) Bylaw No. 8289, 2021

PURPOSE

To update Council on the renewal of the Downtown Business Improvement Area, and to recommence the process.

BACKGROUND

A business improvement area (BIA) is a local service area established by a municipal council where business and light industry property owners finance activities to promote business. Activities can include graffiti removal, planning and holding events, and conserving heritage property which can improve the local economy and advance the social well-being of the community.

The *Community Charter* provides the authority for a municipality to create a business improvement area by bylaw, and establishes the rules for the establishment and operation of such a service. Business promotion activities in a business improvement service area are financed through a local service property tax scheme.

In New Westminster, the Downtown BIA (DBIA) has been in existence since December of 1989, initially for a three year period and then renewed in 1993, 1998 and 2002 for consecutive five year renewal periods, 2007 for a ten year period and most recently in 2018 for a four year period, ending in 2021.

On October 4th Council received the report “Downtown New Westminster BIA Extension: 2022 – 2025”, and directed staff to begin the renewal of the BIA and gave first, second and third reading to bylaws:

- Downtown New Westminster Business Improvement Area (Primary Area) Bylaw No. 8288, 2021
- Downtown New Westminster Business Improvement Area (Secondary Area) Bylaw No. 8289, 2021

When staff came to prepare the documents for the renewal, staff could not replicate the logic used in previous calculations of frontage. Upon a deeper exploration of the properties and improvements staff realized that with the complex developments now occupying the downtown area such as air space parcels the old mechanism of taxation based on frontage did not suit this type of development. Staff surveyed other municipalities and discovered that all other Business Improvement levies are calculated based on property tax and not on frontage. Staff contacted the DBIA to discuss the situation and to ask if the mechanism for the levy could be transitioned from frontage to assessed value. The DBIA agreed with this approach and requested that staff consult with them throughout the process.

Assessed value as the measure of the levy has the following advantages over frontage:

- Is considered best practice in assessing BIA levies and to be the most fairly distributed and administratively easy to oversee and implement;
- Uses an independent value determined by BC Assessment;
- Explicitly includes vacant properties in the levy;
- Is a less complex approach for those developments with air space parcels;
- Does not penalize corner lots;

- Removes opportunity for data input errors and recalculation errors when land and improvements are subdivided or have complex ownership structures.

With the change to assessed values property owners may see a change in their BIA levy: in the primary area approximately 65% of properties will receive a decreased levy, while in the secondary area, roughly 50% will see an increase and 50% a decrease.

ANALYSIS

As part of the change to the new method of assessment, the bylaws that Council had given first and second reading to, require modification. The red lined bylaws for the Primary and Secondary areas can be found in Attachments 3 and 4.

The changes to the bylaw includes:

- Changing the nature of the levy in the bylaw from Parcel tax to a Property Value Tax;
- Update language for clarity; and
- Clarifies the role of Council each year in granting the monies to the BIA.

In recommending the BIA renewal, staff are again placing before Council for clarity the BIA’s funding request. This has not changed since the October 4th Meeting.

At the September 8, 2021 BIA board meeting, the membership unanimously passed a resolution to request a four-year renewal term for the Downtown Business Improvement Areas. This request was presented to Council on October 4th and Council at that time granted staff the permission to begin the renewal process. In summary, the request includes the following parameters for the renewal:

BIA Primary Area

Term: 4 Years
No changes from 2018 established boundaries.

BIA Secondary Area

Term: 4 Years
No changes from 2018 established boundaries.

| Grant Amount | Year | Primary | Secondary | Total |
|---------------------|-------------|----------------|------------------|-------------------|
| | 2022 | 161,912.41 | 133,857.52 | 295,769.93 |
| | 2023 | 166,769.78 | 137,873.25 | 304,643.03 |
| | 2024 | 171,772.87 | 142,009.45 | 313,782.32 |
| | 2025 | 176,926.06 | 146,269.73 | 323,195.79 |

Renewal Process

The process of renewal under the initiative plan is reasonably intensive, as summarized by the following steps:

| | | |
|----|--|-----------------------------|
| 1 | BIA establishing bylaws delineating primary and secondary area, and establishing total dollar amount for each area, given 3 readings, not adopted until after the report on sufficiency of petition against. | Dec 13, 2021 |
| 2 | First notice to all property owners and notice in newspapers of intention to establish BIA for a four year period commencing January 1, 2022. Property owners are given one month to respond to notice. | Jan 6, 2022 |
| 3 | Second notice in newspaper giving one month to respond to notice. | Jan 13, 2022 |
| 4 | Documentation of responses by property owners (report on sufficiency of petition against) by the City Clerk. The petition against must be signed by property owners representing at least 50% of the number of property owners and 50% of the assessed values in the designated areas in order to be successful. | Feb 14, 2022 |
| 5 | BIA establishing bylaws adopted if petition against is not successful. | Feb 28 th , 2022 |
| 6 | Council bylaw directing staff to prepare BIA Assessment Roll and set time of Assessment Roll Review Panel. | Spring 2022 |
| 7 | Parcel Tax Roll Review Panel advertised, and detailed notices mailed to all property owners. | Spring 2022 |
| 8 | Review Panel held to confirm Parcel tax Roll. | Spring 2022 |
| 9 | Local Service Parcel Tax bylaws prepared and adopted. | Spring 2022 |
| 10 | Levy calculated and billed with normal property tax notices. | Spring 2022 |

FINANCIAL IMPLICATIONS

Annual BIA budgets are funded through a local area service property tax on business and light industry properties (BC Assessment Class 5 and Class 6 properties) within the boundaries established by the BIA bylaw. Through that tax, the grant provided by the municipality for the business promotion schemes of the business improvement area is recovered. Since BIAs are funded through a special property levy on commercial properties within the designated BIA boundaries, there are no financial implications to the City of New Westminster.

INTERDEPARTMENTAL LIAISON

This report has been prepared by Office of the CAO and Finance Department staff.

OPTIONS

The following options are presented for Council’s consideration:

1. THAT third reading of the following bylaws be rescinded:
 - Downtown New Westminster Business Improvement Area (Primary Area) Bylaw No. 8288, 2021
 - Downtown New Westminster Business Improvement Area (Secondary Area) Bylaw No. 8289, 2021And
2. THAT third reading be given to the revised versions of the bylaws below as attached in Attachments 1 and 2 of this report:
 - Downtown New Westminster Business Improvement Area (Primary Area) Bylaw No. 8288, 2021
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3. That Council provide staff with alternative direction.

Staff recommends Options 1 and 2.

ATTACHMENTS

Attachment 1: Downtown New Westminster Business Improvement Area (Primary Area) Bylaw No. 8288, 2021

Attachment 2: Downtown New Westminster Business Improvement Area (Secondary Area) Bylaw No. 8289, 2021

Attachment 3: Redlined version of Downtown New Westminster Business Improvement Area (Primary Area) Bylaw No. 8288, 2021

Attachment 4: Redlined version of Downtown New Westminster Business Improvement Area (Secondary Area) Bylaw No. 8289, 2021

This report was prepared by:

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This report was approved by:

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