

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.1.4
Halifax Regional Council
December 1, 2020

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: October 23, 2020

SUBJECT: Special Grant Request – Greater Burnside Business Association (GBBA)

ORIGIN

August 18, 2020 – Regional Council Motion¹ THAT Regional Council request a staff report regarding providing a \$25,000 special grant to invest in the Greater Burnside Business Association's Open Burnside plan including possible funding sources.

LEGISLATIVE AUTHORITY

The Halifax Regional Municipality Charter², 2008, c. 39, s. 1. subclause 79(1)(av)(v) "The Council may expend money required by the Municipality for... av) a grant or contribution to ... (v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province."

Halifax Regional Municipality Charter, S.N.S. 2008. c. 39, section 70, Area Improvement and Promotion.

By-law B-700, the Business Improvement District By-Law (By-law B-700).

Administrative Order Number 47, Business Improvement District Administrative Order

RECOMMENDATION

It is recommended that Halifax Regional Council

1. Decline the Greater Burnside Business Association special grant request.
2. Direct staff to continue to provide monetary and in-kind (staff time) BID-formation support as described in the Discussion section of this report and Attachment 4.

¹ See [Item 14.1 Halifax Regional Council August 18, 2020](#).

² See [Halifax Regional Municipality Charter](#).

BACKGROUND

Business Improvement Districts

A Business Improvement District (BID) is a private-public mechanism that allows commercial property owners, and their commercial tenants, to make a collective contribution to the maintenance, development, and/or promotion of their business district.³ By working collectively, businesses have the organizational and funding capacity to enhance the quality of life in their neighbourhood and the City as a whole.⁴ Services provided by BIDs are supplemental to those already provided by the municipality. HRM's nine (9) existing BIDs are not official municipal boards/agencies but, rather, function as independent, non-profit organizations.⁵ Because they are self-managed, BIDs can respond quickly and creatively to the changing needs of the business community.

Business Parks

Halifax Regional Municipality owns six (6) business and industrial parks in the region.⁶ These parks are serviced building lots of varying sizes for companies looking to locate, expand or relocate.⁷ Burnside Business Park (Burnside Park) is the largest industrial park north of Boston and east of Montreal. Combined with the City of Lakes Business Park, Burnside Park contains 2,000+ enterprises that employ 30,000+ employees. Burnside Park and City of Lakes Business Park incorporate industrial and manufacturing facilities, Class-A office developments, hotels and meeting spaces, restaurants, retail outlets and natural park areas with walking trails and sport facilities.

Greater Burnside Business Association

Incorporated as a Society in 2004, the Greater Burnside Business Association (GBBA) is a volunteer organization that promotes, supports, and advocates for businesses and organizations within Burnside Business Park. As of the writing of this report, the Society is listed as 'active' with the Registry of Joint Stock Companies.⁸ GBBA's mandate is to support the needs of the greater Burnside business community for services, infrastructure, and activities that: (a) enhance the successful operation and growth of businesses; (b) increase satisfaction with greater Burnside as an employment location; (c) facilitate efficient customer and client access; and (d) are sensitive to the needs of the adjacent residential communities.⁹ GBBA has requested a \$25,000 grant to cover Burnside BID-formation related expenses, as outlined in Attachment 1.

DISCUSSION

PART I: BUSINESS IMPROVEMENT DISTRICT FORMATION

BID-Formation Process

[By-law B-700](#) governs the formation, expansion, contraction and dissolution of BIDs. Further to By-law B-700, BID formation must be: (a) initiated by a Steering Committee; (b) communicated to commercial

³ In other jurisdictions, BIDs may go by other names, such as business improvement area, business revitalization zone, community improvement district, special services area, or special improvement district.

⁴ BID revenues come (primarily) from a tax assessment on commercially assessed properties. All commercial properties within the BID's geographic boundaries are subject to a mandatory (municipal) area rate levy (tax).

⁵ See, for example, [Item No. 11.1.3 Halifax Regional Council August 18, 2020](#).

⁶ HRM's industrial parks include: [Aerotech Business Park](#); [Atlantic Gateway - Halifax Logistics Park](#); [Bayers Lake Business Park](#); [Burnside Business Park](#); [City of Lakes Business Park](#) and [Ragged Lake Business Park](#).

⁷ Business park land sales/transactions are [reported quarterly](#) for HRM. See [here](#) for details regarding the purchase process for HRM's business/industrial parks.

⁸ See [Registry of Joint Stock Companies](#) (Registry Id. No. 3093056).

⁹ See Greater Burnside Business Association's [web site](#).

property owners and business owners within the district's proposed boundary area; (c) approved, for the purposes of an BID formation vote, by one or more Community Councils; (d) voted on by commercial property owners and business owners within the proposed BID boundary area; and (e) approved by Regional Council. Council-recognized BIDs are listed under and [Administrative Order 47](#). See Attachment 4 for a detailed overview of the BID-formation process.

Wide-spread support for BID-formation is necessary to create a new BID. Creating grass-roots buy-in requires sustained engagement, often in the form of in-person interactions with commercial tenants and commercial property owners. Depending on the scope of the proposed BID (both in terms of geographic reach and commercial-property-density) this can involve interactions with hundreds of businesses and commercial property owners.¹⁰

Historical BID-Formation Attempts

Since By-law B-700 was passed, there have been three attempts to form new business improvement districts. Two of the BID-formation attempts have failed (Bedford and Clayton Park).¹¹ One BID-formation process was successful (Porters Lake).¹² Business community support for BID-formation (among eligible voters) has ranged significantly: 68.4% (Porters Lake); 15.9% (Clayton Park); and 11.4% (Bedford). The number of businesses and commercial property owners eligible to cast BID-formation ballots has likewise ranged considerably: 798 (Bedford); 240 (Clayton Park); 52 (Porters Lake).

In all three cases, the BID-formation process has been business-community-driven.¹³ Each process was spearheaded by an individual who liaised with the BID-formation Steering Committee and the Municipality. To-date this liaising/coordination role has been unpaid/volunteer.¹⁴ Coordination of the BID-formation process is a substantial undertaking, spanning a long time-frame (~9-18 months) and requiring a significant time-commitment. In HRM, BID-formation proponents are responsible for the following:

- Forming a Steering Committee (commercial property owners and commercial tenants).
- Identifying the physical/geographic boundaries of the proposed BID.
- Developing a provisional activity plan and budget for the district.
- Recommending the initial BID area rate levy, minimum levy and maximum levy (based on the proposed budget).
- Creating an up-to-date list of commercial tenants within the proposed BID's boundaries.
- Canvassing commercial tenants/property owners to gauge receptiveness to BID-formation and build support for creating a BID.

BID-formation proponent responsibilities in HRM are consistent with proponent responsibilities in other Canadian jurisdictions (see Attachment 3).

PART II: CONTEXT FOR MUNICIPAL FUNDING

Municipal Funding Programs and Ad Hoc Contributions

The municipality funds grant programs which support projects/events that foster good community relations, support culture, develop the tourism industry, and/or enrich the quality of life of residents and

¹⁰ Proponents (by setting the prospective BID's geographic boundaries) dictate the scope of the BID-formation undertaking. Casting a wider net for the BID provides opportunities for increased area rate levy revenues but increases the number of eligible voters that need to be engaged and persuaded to vote in favor of forming the BID.

¹¹ See [Item No. Info Item 2 Halifax and West Community Council February 18, 2020](#) (Clayton Park) and [Item No. 14.1.10 Halifax Regional Council July 31, 2018](#) (Bedford)

¹² See [Item No. 15.1.6 Halifax Regional Council August 13, 2019](#) (Porters Lake).

¹³ This business-community led approach is consistent with the startup processes for BIDs in other jurisdictions.

¹⁴ Coordination of the BID-formation process is sometimes undertaken by a paid consultant in other jurisdictions.

visitors.¹⁵ Due to the amount and/or nature of the GBBA's contribution request, grant funding under the municipality's existing program streams is not available. Regional Council may consider ad hoc funding on a case-by-case basis. These grants should, however, be limited to circumstances which are "urgent" and/or "unique".¹⁶ Ultimately it is Council's decision as to what is "urgent" and "unique".

A funding request may be urgent in the sense that there is a clear time-sensitivity to what is being sought and that an opportunity will be lost. BID-formation can occur at any point in time. Proponents from the business community choose when to initiate the formal process and direct the timing and duration of stakeholder engagement. In staff's view, the GBBA funding request fails to meet the time-sensitivity test.

By "unique", staff refers to those potential grants which are of a scale and/or type that they could never qualify under any existing grant program. The GBBA is requesting a municipal contribution to fund an attempt to form a BID in Burnside. The GBBA contribution request does not, and could not, meet the broad purposes and requirements of HRM's existing grants programs. Therefore, GBBA's contribution request may be considered as meeting the uniqueness test.

Contribution Evaluation Criteria

For ad hoc contributions to be successful there are several key factors: (a) clearly articulated purposes; (b) advancement of Council's objectives; (c) motivation of grant recipient behaviour; (d) capacity to achieve the stated outcome; and (e) a sustainable result.¹⁷ These success factors are (on balance) met in the case of the GBBA's funding request (see Attachment 2). However, based on cross-jurisdictional research (see discussion below) staff are not recommending an ad hoc BID-formation grant.

PART III CROSS-JURISDICTIONAL ANALYSIS

Available Municipal Support for BID-Formation

Although HRM neither initiates nor leads the BID-formation process, it supports proponents by dedicating staff time and covering expenses associated with the following:

- Collating and sharing business district contact data, including a comprehensive list of all commercial property owners and a partial list of commercial tenants;
- Providing a tool to calculate area rate levy income for the proposed district (based on assessed property values and proponent-inputted area rate, minimums and maximums).
- Attending business-community led events and meetings to advise upon and/or clarify the BID-formation process.
- Placing publications/notices in one-or-more local newspapers to notify stakeholders of the ongoing BID-formation process.
- Printing proponent-designed communication/promotional materials for distribution to stakeholders.
- Coordinating, communicating and hosting a Public Meeting.
- Overseeing the area rate levy ballot/voting process, including drafting, printing, mailing and counting ballots.

¹⁵ The major programs include the [Community Grants Program](#), [Marketing Levy Special Events Reserve Grants](#), [Regional Event Grants](#), [Professional Arts Grant Program](#), [Rural Transit Funding Program](#), [Seniors Snow Removal Program](#), [District Capital Fund](#) and [District Activity Fund](#).

¹⁶ As articulated in staff's review of the approach to grants, non-profit taxation and the District Capital Fund Policy. See [Item No. 14.1.6 Halifax Regional Council August 1, 2017](#).

¹⁷ As articulated in staff's review of the approach to grants, non-profit taxation and the District Capital Fund Policy. See [Item No. 14.1.6 Halifax Regional Council August 1, 2017](#).

Staff have interviewed municipal employees from ten (10) cities across Canada to gather information on BID-formation processes. Collectively the data relates to 194 business districts. Staff have also contacted the [Ontario Business Improvement Area Association](#) (OBIAA), an umbrella organization representing over 100K businesses and 300+ business districts.¹⁸ See Attachment 3 for cross-jurisdictional BID-formation processes/practices

Canadian jurisdictions share a common approach to BID-formation (i.e. supporting but not initiating the process, providing direction and advice to proponents, and overseeing the process used to gauge stakeholder support/opposition). Typically, meeting-related and/or promotional and marketing related costs are borne exclusively by the BID-formation proponents.¹⁹ Most jurisdictions only cover balloting-related expenses. HRM's current contributions toward BID-formation expenditures are comparable to, or exceed, direct expenditures made by other (surveyed) municipalities.²⁰

Precedent for BID-Formation Municipal Funding

Two Canadian jurisdictions (London and Ottawa) make start-up grant money available to BID-formation proponents.²¹ Staff's pan-Canadian survey identified only two cases where business improvement districts were started with the help of ad hoc municipal funding. In the case of London, two grants were made following ad hoc motions of City Council.²² London's ad hoc grants represent ~1% of the 194 business district formations included in staff's survey.

One Canadian jurisdiction (Ottawa) makes BID-formation money available to proponents using a policy-based approach.²³ Municipal funds are intended to assist proponents in gauging the business community's level of interest in forming a BIA. Ottawa's BIA grant-policy sets out allowable and prohibited expenditures and establishes a maximum allocation of \$5,000 per grant. Grants are provided not more than once in any twenty-four (24) month period (for any proposed district). Since its establishment in 2015, the Ottawa grant program has been offered to eight organizations, leading to the formation of two business districts. These City of Ottawa-funded BIA-formations, therefore, represent ~1% of the 194 business district formations included in staff's survey.

Among the balance of eight jurisdictions surveyed, BID-specific funding is either absent altogether or restricted to the post-formation period. Where dedicated, BID-specific funding is made available, municipalities typically support streetscaping, façade improvement and similar business attraction and/or area beautification activities undertaken by existing BIDs (see Attachment 3). Halifax's current BID-specific funding under [Administrative Order 2019-006-ADM](#) is consistent with this pan-Canadian approach of funding existing rather than nascent/developing BIDs

The lack of municipal BID-formation funding reflects a grass-roots and community-activism-based approach to creating districts. Cities across Canada largely rely on the business community to mobilize and self-fund the BID-formation process. BIDs can, and do, form without the benefit of municipal funding. Of the business districts represented in the survey, ~98% did not receive a municipal start-up grant. Consistent with the approach taken by most jurisdictions across Canada, staff are not recommending that Regional Council approve an ad hoc BID-formation contribution to GBBA.

¹⁸ Staff spoke with Kay Matthews, OBIAA's Executive Director. The telephone interview confirmed that the Table 1 (see Attachment 3) is representative of Ontario's 300+ BIAs. Ms. Mathews was not aware of any Canadian cases (aside from London and Ottawa) where an Ontario BIA was started with the assistance of a municipal grant. Ms. Mathews indicated that BID-formation-funding is available in the UK.

¹⁹ In some cases, Councilors in other jurisdictions have defrayed (or covered) meeting or marketing-related expenses using Councilor discretionary funding.

²⁰ HRM's BID-formation-related expenditures (printing, room bookings, ad placement, mailing etc.) have varied depending on the scope of the proposed BID and the duration of the BID-formation process.

²¹ In the case of London Ontario, three (3) out of the five (5) BIDs were created without a municipal grant.

²² In 2016 a \$50K grant was made to support the start-up of London's Hyde Park BID. In 2017 a \$50K grant was made to support the start-up of London's Hamilton Road BID.

²³ See Attachment 5 for a copy of Ottawa's grant program policy document.

Go-Forward Option

If Regional Council wishes to fund BID-formation efforts, staff recommend that a policy-based approach be taken. Developing a policy would: (a) eliminate the need to return to Council with future contribution requests; (b) enable Council to set an annual grant-envelope; (c) improve consistency; (d) increase transparency; (e) enhance accountability; (f) facilitate communication (i.e. with BID-formation proponents) and (g) align the funding process with HRM's existing and evolving grants and contributions practices. Assuming Regional Council wishes to adopt this go-forward option, a supplementary report could be requested to provide a draft BID-formation grant policy for Council's consideration.

Absent a policy, staff recommend that HRM continue to cover BID-formation expenses incidental to the process mandated under By-law B-700 (i.e. meeting space rentals, ad placements, marketing-material-printing and ballot printing and mailout).

FINANCIAL IMPLICATIONS

Current BID-formation related expenditures, as described in the Discussion section of this report, can be accommodated within existing budgets.

RISK CONSIDERATION

Low.

COMMUNITY ENGAGEMENT

Staff consulted with the Chair and Board members of the Greater Burnside Business Association (GBBA) in the preparation of this report. Staff also contacted municipal staff in ten (10) Canadian jurisdictions to determine whether other cities provide pre-start-up funding to support BID-formation. Staff also interviewed the Executive Director of the Ontario Business Improvement Area Association (OBIAA) which represents 300+ BIAs and over 100K businesses. The results of those pan-Canadian consultations are reflected in Attachment 3.

ENVIRONMENTAL IMPLICATIONS

There are no immediate environmental implications associated with this report.

ALTERNATIVES

1. Regional Council could defer the motion and request a supplementary report outlining a draft BID-Formation Grant Policy and identifying a funding source.

ATTACHMENTS

- Attachment 1 GBBA Grant Request
 - Attachment 2 Grants and Contributions Evaluation Criteria
 - Attachment 3 Cross-Jurisdictional Research – BID Formation Practices and Funding
 - Attachment 4 Halifax's BID Formation Process
 - Attachment 5 City of Ottawa BIA Formation/Expansion Grant
-

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Scott Sheffield, Government Relations and External Affairs 902.490.3941

ATTACHMENT 1 GBBA Funding Request and Quote

GBBA Grant Request to finance a BID application

BACKGROUND

GBBA was formed in 2002 and registered in 2004 as a Not for Profit association. We are a group of 12 dedicated volunteer Board members with one paid employee. We have had 5 Chairpersons and many dedicated board members in 18 years.

Our mandate is to Advocate on behalf of Burnside Businesses.

In 2006 there were 40 streets and approximately 1200 businesses. In 2020 we have over 55 streets and 1400 plus businesses. There are Corporate Head offices for Industrial and Manufacturing sectors and a Logistics park that serves Eastern Canada.

In our 17 years, the GBBA has become a part of the fabric of Burnside and has spearheaded many initiatives to make Burnside Better including sidewalks, bike lanes, ped-way and the Burnside Connector.

Burnside now has sidewalks on the major streets and bike lanes. A pedway cross the Circumferential Hwy to Highfield and the Burnside Connector to Bedford is now under constructions.

The GBBA connects Burnside businesses with our networking, educational presentations, political forums and special events.

- Every year we host 10 luncheons that offer valued information for businesses.
- The Mayor joins us for an annual luncheon every June.
- We have hosted several 'Candidate' events and were proud to televise the 2019 election with Eastlink as our partner.
- We were featured on Discover Dartmouth and had our First Billboard in 2019.
- We have published our second annual Burnside Directory which is the most accurate list of businesses in Burnside.
- We launched a new website in the spring of 2019

What has become evident is that Burnside is growing and needs more.... more communication between businesses, more unity, more input from the businesses, more of a voice.

Our operating revenue comes from membership support and Business Sponsorship. This year that income has been affected by Covid 19. We are concerned that we will no longer have the resources to provide Burnside with the support needed.

The Association has voted to apply for a Business Improvement District application.

WHY A BID?

As a BID we would be the largest BID east of Montreal. Burnside provides more than a significant contribution to the tax base for HRM with 1400 businesses and more than 25,000 employees. Some of the largest industrial/ manufacturing companies in Eastern Canada reside here and for the most part did not close during Covid, but managed to change the way they do business. HRM would benefit greatly by having a strong voice and leadership to bring to the table when planning the growth of our city.

OUR BLUE SKY

A successful BID vote by Dec 2021

- BID with a board comprised of Burnside Business owners, leaders in the Burnside Business community
- A paid Executive Director and an EA to do what a group of dedicated volunteers do now
- A office in Burnside to welcome all business, new and existing to answer questions and help with concerns
- A small transit service to assist our employers to get staff to work safely and run back shifts
- Increase and manage park space for quality of living and working in the park
- Work with HRM on an evacuation plan especially for Burnside
- Promote Burnside as the largest industrial park east of Montreal internationally to invite more businesses.

It is in the cities best interest to have a BID in Burnside and we need your help to get there.

We have requested a grant of \$25,000 from HRM to market the BID application to Burnside Businesses and prepare them for a vote in 2021.

BUDGET

Marketing and promotion

ATTACHMENT 2

Grants and Contributions Evaluation Criteria

Clearly Articulated Purpose

GBBA is proposing to use the requested contribution to support an effort to form a Business Improvement District (see Attachment 1).

Link to Council Objectives

Ad hoc funding may be approved if an expenditure results in a benefit to citizens and is linked to Regional Council's strategic goals and priority areas. HRM's 2020-21 Strategic Priorities Plan was ratified by Regional Council in November of 2019.²⁴ The plan reflects the municipality's key areas of focus, by setting out six (6) priority areas and identifying twenty-four (24) priority outcomes.²⁵ Economic Development is one of Council's stated priorities, specifically making HRM a sought-after business destination where the entrepreneurial spirit thrives and the needs of the community are met.

BIDs can leverage funding to catalyze growth and regeneration. Research has established that well-managed BIDs contribute to a higher number of building permits, growth in employment, increased property values, improved sales for local retailers, and decreased commercial vacancy rates.²⁶ HRM's nine (9) existing BIDs help identify business development opportunities, resolve service delivery issues, and make business districts more attractive to visitors/tourists, investors, developers and local clientele.²⁷ They work in partnership with HRM to enhance and promote business areas as safe, vibrant places to do business, unique destinations for tourists and focal points for neighbourhood activity.

HRM's BIDs have also played an important role in responding to Covid-19. Health measures to delay and reduce the pandemic have had substantial economic consequences regionally, nationally, and internationally. In Atlantic Canada, the economic decline has been both the largest (in terms of initial magnitude) and the fastest to unfold in recent history.²⁸ BIDs have played a pivotal role in helping commercial property owners and business owners to understand and access government-implemented support programs designed to mitigate job loss and sustain incomes. As Atlantic Canada's economy reopens BIDs have helped businesses adjust to health measures and restrictions that remain in place.²⁹ BIDs have also assumed a leadership role in bolstering overall consumer and business confidence, which remain weak and threaten to slow or stall recovery.

Motivation of Behaviour

Research suggests that BIDS are more likely to form when there is more commercial space over which the BID benefits can be capitalized and when there is homogeneity in service and spending preferences. BIDs also tend to form in neighborhoods experiencing appreciation and growth.³⁰ Given the

²⁴ See [Item No. 15.2.1 Halifax Regional Council November 12, 2019](#).

²⁵ For a detailed overview of the strategy, see the [Strategic Priorities Plan 2020/21 Report](#). The report consolidates the work of nine Council and Administrative Priority Areas into one document providing for a unified view of Regional Council's 2017-21 Strategic Plan.

²⁶ See [Return on Investments BIA Report](#) co-authored by the Ontario BIA Association (OBIAA) and the Toronto and the Association of BIAs (TABIA) which collectively represent over 300 business districts in Ontario. The research was funded by Ontario's Ministry of Municipal Affairs.

²⁷ HRM's nine BIDs are as follows: [Downtown Halifax](#), [Downtown Dartmouth](#), [Spring Garden](#), [Sackville](#), [Spryfield](#), [Quinpool](#), [Main Street Dartmouth](#), [North End Halifax](#), and [Porters Lake](#).

²⁸ See [Covid-19 Key Issues for Atlantic Canada's Economy](#) by Atlantic Provinces Economic Council (APEC).

²⁹ See, for example, the DHBC's [eCommerce Assistance Program](#) and [Back to Business Material Assistance Program](#).

³⁰ See Meltzer, R. (2012) Understanding Business Improvement District formation: An analysis of neighborhoods and

heterogeneous make-up of the prospective Burnside district, BID-formation may prove challenging. Although GBBA has discussed BID-formation over the past decade, to-date the association has not proceeded.

Arguably, a municipal grant would provide the GBBA with additional resources to support BID-formation efforts and more effectively articulate/communicate the benefits of creating a Burnside BID. As such, the proposed municipal grant may motivate GBBA to commit to the BID-formation process where it otherwise would not do so. Staff note that in the current Covid-19 climate, resources are more likely to be a limiting factor. Owing to the pandemic, financial support from the business community is less likely to be forthcoming to contribute to costs associated with formulating and/or executing a BID-formation strategy.

Achieving Sustainable Outcome

With or without a BID-formation grant there is no guarantee that a Burnside BID will form. In this sense, achieving a 'sustainable outcome' is at issue. Even where favourable startup conditions exist, BID-formation can be controversial. Prospective BID members may perceive the proposed BID's strategic/programming goals as providing little or no benefit while imposing an unfair tax burden that eats into meager profit margins.

Assuming eligible voters support forming a business district in Burnside, the long-term sustainability of the business district is guaranteed. Among the benefits of the BID structure is the creation of a reliable funding source for supplemental services and programs. Halifax's Charter allows our municipality to levy an area rate on commercial properties in support of a business district, and to pay grants for beautification or the promotion of a business district.

HRM's nine (9) existing BIDs submit their proposed BID area rate levies for Regional Council's consideration. Levies may change year-to-year and are subject to Council's approval. All BID-levy revenue is disbursed to the BID (per the terms and conditions of a Service Agreement). No funds are retained by HRM to cover costs associated with administering the BID levies. In fiscal 2019-20, the BIDs collectively received over \$2.692 Million in area rate levies. Although BIDs are funded primarily through a levy, most BIDs also draw on other public and private funding streams.³¹ These levy and non-levy funds provide a high level of fiscal stability and allow BIDs to focus on supporting member businesses and property owners.

boundaries. *Journal of Urban Economics*. Volume 71, Issue 1 (pages 66-78).

³¹ Historically, supplemental municipal funding has been provided to BIDs under other municipal funding streams. For a detailed breakdown of municipal funding support provided to BIDs see [Item No. 15.1.4 Halifax Regional Council January 28, 2020](#) (Attachment 1).

ATTACHMENT 3

Cross-Jurisdictional Research – BID Formation Practices and Funding

Table 1: Cross-Jurisdictional Research – BID Formation Practices and Funding											
City	Halifax	London	Vancouver	Victoria	Toronto	Mississauga	Hamilton	Calgary	Edmonton	Ottawa	Winnipeg
No. of BIDs	9	5	22	1	85	5	13	15	13	19	16
Governance Relationship											
Independent BID Board	✓	✗	✓	✓	✗	✗	✓	✗	✗	✓	✗
Board of City	✗	✓	✗	✗	✓	✓	✗	✓	✓	✗	✓
Voting Process											
Pre-Vote Survey/Poll	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓
Positive Vote	✓	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗
Objection Based Vote	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Eligible Voters – Owners	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗
Eligible Voters – Tenants	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Periodic Renewal Vote	✗	✗	✓	✓	✗	✗	✗	✗	✗	✗	✗
Promotion of BID Concept											
Canvassing by Proponent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Canvassing by City Staff	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Start-up Expenses – Covered by City											
Ballots – Owners	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗
Ballots – Tenants	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Marketing Materials	✓	✗	✓ ¹	✗	✗	✓	✓	✗	✗	✗	✓
Notices in Newspapers	✓	✓	✗	✗	✗	✓	✓	✗	✗	✗	✗
Meeting Space	✓	✗	✓ ²	✗	✗	✓	✓	✗	✗	✗	✗
Pre-Formation Meetings (Open Houses and Public Mtgs/Hearings)											
Attend Mtgs – Proponent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Host Mtgs – Proponent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Attend Mtgs – City Staff	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓
Host Mtgs – City Staff	✓	✗	✓	✗	✗	✗	✓	✗	✓	✓	✗
Start-up Grants to Proponents											
Annual Allocation	\$0	Ad Hoc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Per District Allocation	\$0	\$50K ³	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5K	\$0
Post-Startup Grants to Existing BIDs											
Funding Availability	Yes	No	No	No	Yes ⁴	No	Yes ⁵	No	Yes ⁶	Yes ⁷	Yes ⁸

¹ Black and white printing of BID-formation marketing materials.
² City of Vancouver-owned/operated meeting spaces.
³ Funding has been made available on **two** occasions. The allocations were withdrawn from an economic contingency reserve.
⁴ Financial assistance is available to Toronto BIAs to implement [mural projects](#); [commercial façade improvements](#) and [streetscape master plans](#).
⁵ Financial assistance is available to Edmonton BIA member businesses through a [Storefront Improvement Grant](#) and a [Development Incentive Program](#).
⁶ Note these grants are available to only businesses located with a BIA’s boundary and are payable directly to businesses.
⁷ Financial assistance is available to Ottawa BIAs to implement [mural/design projects](#), [graffiti programs](#) and [research projects](#).
⁸ Financial assistance is available to Winnipeg’s BIZs to implement streetscaping projects.

ATTACHMENT 4

Halifax's BID Formation Process

Steering Committee and Notice of Intent to Create BID

At the Interest stage, a group of potential area rate levy payers in a location spend time building their knowledge and understanding of the BID concept. Interest in a BID must come from the potential levy payers in the location. This initial stage provides an opportunity to gauge interest in the principle of a BID and perhaps identify possible priorities of action, the proposed boundary of the BID.

By-law B-700 stipulates that a request to form a BID must originate with a Steering Committee. For the purposes of a newly forming BID, a Steering Committee must include five or more members and must include commercial property owners and commercial tenants. Once formed, the Steering Committee is required to write to notify HRM's Acting Chief Administrative Officer (CAO) and the Municipal Clerk of the Steering Committee's intention to proceed with the creation of a new BID.

Proposed Boundary, Area Rate, Minimum Levy and Maximum Levy

Assuming there is enough initial interest at the feasibility assessment stage, the potential levy payers must establish the BID's priorities and develop a critical mass of support. Under By-law B-700, the Steering Committee for the proposed BID must define a geographic boundary for the business district. For purposes of the desired business district formation, the Steering Committee is also responsible for proposing an area rate, minimum levy and maximum levy.

Commercial Tenant Data

Since the municipality no longer applies business occupancy taxes (BOT), it does not have access to up-to-date/accurate commercial tenancy data. Proponents are provided with a partial/dated list of commercial tenants using data available to the municipality. By-law B-700 requires that the proponents generate a list of commercial tenants currently occupying commercial properties located within the proposed business district boundary. Business names and civic addresses for the impacted commercial tenants are provided to the municipality to serve as the basis for the commercial tenant voter list.

Community Council Role – Authority to Review

Prior to a public hearing being held or a BID formation vote being conducted, any proposed BID must be reviewed by the Community Council(s) responsible for the District(s) containing the proposed Business Improvement District. Community Council must review the proposed area rate, minimum levy, and maximum levy (based on the budget and activity plan provided). Community Council may, for the purposes of conducting an area rate vote and public meeting, approve, approve with amendment, or reject the proposed boundary, area rate, minimum levy, and/or maximum levy.

Proponent-Led Consultation with Commercial Property Owners and Business Owners

To satisfy By-law B-700's consultation requirements, the proponents must consult with stakeholders in the proposed BID boundary area and garner support for the business district's formation. Typically, this involves inviting commercial property owners and commercial tenants to attend information meetings. Historically, proponents will also meet with individual stakeholders to explain the BID concept and promote the idea. In most cases, proponents also develop promotional materials, logos and/or social media channels (Facebook, Twitter etc.) to help with communication efforts.

HRM Conducted Public Meeting

By-law B-700 specifies that, where the municipality gives its authorization to proceed with the BID formation process, a public meeting must be held. The public meeting is conducted by HRM staff to give stakeholders a chance to ask questions about the proposed business district formation and the voting process. Meeting attendees can publicly express either support for, or opposition to, the proposed BID.

HRM Conducted BID Formation Vote

To gauge support for BID-formation a vote must be conducted. Area rate ballot packages go out to all commercial tenants and commercial property owners in the proposed District. Ballot package must include an explanatory letter advising stakeholders of the implications of the prospective BID formation, an area rate ballot; and a map defining the proposed boundaries of the District.

Ballot Count Results and Role of Council

If 50%+1 of the area rate ballots returned are marked in favour of forming a new BID, the proposed BID is then reviewed by Council.³² If the 50%+1 threshold is not met, the process is considered defeated and no BID is created. If Council approves the proposed District's formation, an amendment to Administrative Order 47 is made to add the newly formed BID to Schedule 1 of the AO.

³² Further to By-law B-700, Regional Council may approve, approve with amendment or reject the proposed BID.

ATTACHMENT 5

City of Ottawa BIA Formation/Expansion Grant



TERMS AND CONDITIONS

Economic Development Services

City of Ottawa

(Pour obtenir la version française de ce document, veuillez composer le 613-580-2424, poste 22441)

Table of Contents

2020 BUSINESS IMPROVEMENT AREA (BIA) FORMATION/EXPANSION GRANT ... **Error! Bookmark not defined.**

TERMS AND CONDITIONS	15
PROGRAM OBJECTIVES	15
ELIGIBILITY	16
FUNDING	17
2020 FUNDING SCHEDULE	17
APPLICATION AND ASSESSMENT PROCESS	17
RELEASE OF FUNDS	18
ROLES AND RESPONSIBILITIES	18
REPORTING AND FOLLOW-UP	19
TIME FRAME	20
ASSIGNMENT	20
LIMITATION OF LIABILITY AND INDEMNIFICATION	20
RECIPIENT RESPONSIBILITY	20
NON-CITY EMPLOYEES	20
PROHIBITED ACTIVITIES	20
ADDITIONAL TERMS	20
CONTACT INFORMATION	20
SUBMISSION OF APPLICATIONS	20

PROGRAM OBJECTIVES

The City of Ottawa BIA Formation/Expansion Grant Program provides funding grants of up to \$5,000 to business groups that have expressed a formal interest to the City in creating a Business Improvement Area (BIA) for their commercial district, or to existing BIAs wishing to expand their boundaries.

Prospective applicants may find it useful to discuss their concepts with Economic Development Services (ED) staff prior to submitting their application to ensure their project fits within the scope of this funding program.

The program is consistent with the objectives of "Partnerships for Innovation," Ottawa's four-year economic development strategy, adopted by Ottawa City Council on May 13, 2015. Additionally, the Term of Council priority

“EP3 – Support growth of local economy” orients programs toward investing in organizations that support the local economy, both urban and rural, by promoting local industry. These activities are clearly supported and undertaken by BIAs.

ELIGIBILITY

WHO CAN APPLY?

Formation Grants

City of Ottawa BIA Formation Grants are available to business groups who have formed a Steering Committee and who can provide evidence of significant initial interest in forming a BIA for their commercial district and have expressed a formal interest in doing so to the City.

The decision to start a BIA can only be made by people who own or lease commercial property in the area.

A Steering Committee made up of about 6 to 10 members is formed and should be representative of both commercial property owners and tenants, the various types of businesses in the area, and the various geographic sections of the area. The role of the Steering Committee is to gauge interest in forming a BIA and define the geographic area of the BIA by consulting with local business tenants and property owners.

A Steering Committee will be ineligible for a City of Ottawa BIA Formation Grant if any of its members are participant in active litigation which involves the City of Ottawa as a defendant.

City of Ottawa BIA Formation Grants are available, not more than once in any twenty-four (24) month period, for any proposed Business Improvement Area in the City of Ottawa. The Steering Committee must make a formal request to the City confirming intent to form a BIA and setting out the rationale for the proposed BIA and its suggested boundary. This request should be accompanied by a duly completed Ottawa BIA Formation/Expansion Grant application.

Expansion Grants

City of Ottawa BIA Expansion Grants are available, not more than once in any twenty-four (24) month period, to any existing Business Improvement Area designated by a City of Ottawa Business Improvement Area By-law; with an active Board of Management.

The BIA Board of Management must make a formal request to the City confirming the intent to alter the boundaries of their BIA and setting out the rationale for the change and a suggested new boundary. This request should be accompanied by a duly completed Ottawa BIA Formation/Expansion Grant application.

PURPOSE OF GRANT

The purpose of the BIA Formation/Expansion Grant is to assist the business group or BIA to conduct thorough investigative research in their respective business area to gauge the level of interest in the business community in forming a BIA, or supporting an expansion of an existing BIA.

Examples of possible activities include performing individual interviews with all property owners of prescribed business property classes and all tenants of such properties within the subject area, plus coordinating one or more public meetings, etc. The research should provide documented and quantitative results that conclusively determine the level of support for the BIA.

Activities must meet all of the following eligibility criteria to be considered for funding:

- 1) BIA Expansion Grants are available not more than once in any twenty-four (24) month period to any Business Improvement Area designated under a City of Ottawa Business Improvement Area By-law with an active Board of Management, selected by a vote of the membership of the improvement area and appointed by City Council.
- 2) Eligible expenses may include:
 - a) Reasonable administration expenses for implementation of research projects, including office supplies; photocopying; fax transmissions; postage; publicity; telephone; transportation.
 - b) Consultant(s) and/or contractor services
 - c) Funding must be used for activities and/or purchases made in that calendar year.
- 3) The BIA Formation/Expansion Grant Program funding will NOT fund:
 - a) Projects that do not include investigative research to gauge the level of interest in a business community in forming a BIA, or supporting an expansion of an existing BIA;
 - b) Capital costs such as fixed assets, the purchase of buildings, vehicles or equipment;

- c) Business recruitment;
- d) Ongoing operating costs;
- e) BIA staff salaries and benefits;
- f) Website development and/or social media programs; and,
- g) Projects receiving other City of Ottawa grants.

WHAT ACTIVITIES ARE ELIGIBLE

Activities must include one or more of the following eligible activities to be considered for funding:

- Business/property owner surveys;
- Property owner and commercial tenant interviews;
- Public meetings; and,
- Feasibility studies.

WHAT ACTIVITIES ARE NOT ELIGIBLE

- Retroactive costs – any costs incurred before a funding decision is made
- Costs that are the responsibility of another City program or level of Government
- Costs for which an organization might reasonably be expected to make provisions for in the general daily administration of their organization (e.g. accountancy or legal costs, organizational planning, staffing), and which are separate from the project
- Capital expenditures
- Leasehold improvements
- Sponsorships
- Professional development/training
- Production of marketing materials
- Projects or activities that have been completed on or before the application deadline date

FUNDING

Funding will be provided for approved projects up to a maximum of five thousand dollars (\$5,000), which may represent 100% of the project cost.

Payment of funds for a project is subject to approval of the Economic Development Services (ED) and successful negotiation of a funding agreement between the applicant and ED. Starting work on a project before funds have been approved and execution of a funding agreement may make the application ineligible for funding.

2020 FUNDING SCHEDULE

CONTINUOUS INTAKE PROGRAM

This grant program will be available after **January 1, 2020** to eligible BIAs, for eligible projects throughout the year, subject to available funding at time of application.

APPLICATION DEADLINE AND PROJECT COMPLETION

Applications will not be accepted after **September 1, 2020**.

All projects must be fully complete on or before **November 30, 2020**.

APPLICATION AND ASSESSMENT PROCESS

All applicants must complete the application form and attach all required documentation. Two authorized members including the Chair of the Board of Management must sign the application. Applications must be received by Economic Development Services by **September 1, 2020** to be considered.

The City of Ottawa is subject to the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.M.56, as amended (“MFIPPA”). Accordingly, all application and activity report documentation provided to the City are subject to MFIPPA.

Staff process and categorize all applications. An Economic Development Officer reviews each application to ascertain eligibility and funding request. During this process, the Economic Development Officer may contact your organization for additional information or clarification on certain items. Applications will be reviewed through a formal grant review process according to the criteria outlined in the application form.

ASSESSMENT CRITERIA

The merit of the project is the principal assessment criterion. The research plan must indicate the approach, methodology and set out clear goals, objectives and outcomes. The plan should reflect the organization's intent to accurately gauge the level of interest in the business community in forming a BIA, or supporting an expansion of an existing BIA.

Funding can only be used for the purposes specified in the original application. Any changes to the scale or activities, including changes in budget, program and other aspects, must be reported in writing and receive approval of the Economic Development Officer.

ALLOCATION OF FUNDING

An applicant's success in obtaining BIA Formation/Expansion Grant Program funding depends upon staff's final evaluation and the funding available within the program.

FUNDING RECEIVED FROM THE BIA FORMATION/EXPANSION GRANT PROGRAM MAY NOT BE USED TO INCREASE A SURPLUS OR OFFSET AN EXISTING FINANCIAL DEFICIT.

RIGHT TO RECONSIDERATION

All results are final. There is no appeal of evaluators' decisions regarding the merit of a proponent's activities or their recommendation of an award amount. Formation/Expansion Grant Program allows for reconsideration, but only in specific cases where there is substantial evidence of procedural errors and/or when the original application was not assessed according to the publicly stated evaluation criteria.

RELEASE OF FUNDS

If you are awarded funding you will receive a letter informing you of the amount funded, and the Terms and Conditions that describe conditions attached to your grant:

Funds will be released only upon completion of the work and receipt of a detailed statement of expenditures for the project accompanied by the required Report and supporting documentation as noted below.

The deadline for completing all work is **November 30, 2020**.

In the event that the entire grant is not used, or the work is not complete by **November 30, 2020**, Economic Development Services will assess the work completed against the proposal in the application form and determine a pro-rated release of funds. This decision is final and shall not exceed 90% of the approved contribution.

ROLES AND RESPONSIBILITIES

The City will:

- 1) Pay to the BIA or business organization or its designate, the requested sum, not exceeding Five Thousand Dollars (\$5,000) or the total project cost, whichever is the lesser, within thirty (30) days following receipt of a statement of expenditures (invoice) from the BIA or business organization or its designate together with the required Activity Report, supporting third party material and cost verification documentation.
- 2) Review the statement of expenditures and associated receipts and back up documentation submitted by the BIA or business organization or its designate, confirming that adequate supporting documentation is provided to confirm the cost of the project and if required, to request that any unused portion of the grant be returned to the City.
- 3) Review the Activity Report to confirm that the work has been completed and confirm that the project has been completed in conformity with the proposal from the BIA.

The BIA will:

- 1) Ensure that the funding is used only for the purpose of gauging the level of interest in the business community in forming a BIA or supporting an expansion of an existing BIA conformity with these guidelines and the grant application previously submitted by the BIA.
- 2) Publicly acknowledge the support of the City of Ottawa in print and verbally in all publicity, promotional materials, information materials, press materials and at public occasions relating to the program for which funds have been provided as detailed in the sections entitled "Acknowledgement in Print Materials" and "Acknowledgement in Verbal Announcements."

ACKNOWLEDGEMENT IN PRINT MATERIALS

Reproduce the City of Ottawa logo or make a written acknowledgement using the following formulation:
"**[BIA Name] gratefully acknowledges the financial support of the City of Ottawa.**"

Acknowledgement should appear in or on:

- Publicity materials (posters, flyers, postcards), with the exception of advertisements
- Promotional materials (giveaways, novelties)
- Informational materials (newsletter, prospectus, program, agenda, schedule)
- Press materials (press release, press kit)
- Signage where appropriate

ACKNOWLEDGEMENT IN VERBAL ANNOUNCEMENTS

Mention support verbally in:

- Public announcements and presentations
- Press conferences and/or speeches

An electronic version of the City logo can be obtained by contacting Economic Development Services at Mike.Bureau5@ottawa.ca or by calling (613) 580-2424 ext. 22441.

REPORTING AND FOLLOW-UP

All successful applicants are required to submit an activity report detailing how they used the funding granted to them. This report must be submitted within two (2) months of project completion and in any event not later than **November 30, 2020**, and will include the following:

- 1) A summary of the research initiatives undertaken, including conclusions and outcomes and any implementation plans;
- 2) Where applicable, a copy of any report(s) submitted by consultants and/or contractors;
- 3) Where applicable, claims must be supported by a copy of the invoice(s) from the supplier providing material or services to the BIA, which should detail:
 - a) suppliers name, address;
 - b) date of invoice and service;
 - c) cost of service;
 - d) detailed description of service/material supplied.
- 4) Expenses such as car mileage and petty cash must be supported by a voucher for each claim detailing:
 - a) name of claimant;
 - b) date of claim;
 - c) amount reimbursed;
 - d) purpose of business;
 - e) type of expenditure(e.g. office supplies, mileage, etc.); and,
 - f) the rate of reimbursement, (e.g., amount per mile, etc.)
- 5) Any cash payment must be supported by a receipt.
- 6) Activity Reports will be submitted to: Mike.Bureau5@ottawa.ca

FAILURE TO PROVIDE AN ACTIVITY REPORT BY NOVEMBER 30, 2020 WILL RESULT IN YOUR ORGANIZATION BEING INELIGIBLE FOR SUBSEQUENT CITY OF OTTAWA FUNDING FROM THIS PROGRAM.

TIME FRAME

These terms and conditions shall be in effect until December 31, 2020.

ASSIGNMENT

The Recipient shall not assign any rights or obligations hereunder without the prior written consent of the City.

LIMITATION OF LIABILITY AND INDEMNIFICATION

The Recipient hereby agrees that the City shall not be liable for any incidental, indirect, special or consequential damages, injury or any loss of use, revenue or profit of the Recipient, its members and project participants arising out of, or in any way related to the program.

The Recipient hereby agrees that it shall indemnify and save harmless the City, its employees and agents, against all demands, causes of action, loss, costs or damages that the City may suffer, incur or be liable for in respect of any loss, damage, injury or death to any person or property, directly or indirectly resulting from the performance of the Recipient including its members, project participants, employees, contractors or volunteers, of its obligations hereunder.

RECIPIENT RESPONSIBILITY

The Recipient shall obtain any permits or approvals necessary for the implementation of the project and shall be responsible for ongoing maintenance of the approved project.

The Recipient shall be fully responsible for the activities of its employees, members and contractors, and shall provide all appropriate supervision while they are performing Services.

NON-CITY EMPLOYEES

Participation in the BIA Formation/Expansion Grant Program by the Recipient and its members does not make them employees, agents or contractors of or for the City. The City does not assume any responsibility for loss, damages, claims, liabilities, or suits whatsoever arising from the Services and such shall be responsibility of the Recipient and its members.

PROHIBITED ACTIVITIES

The Recipient shall, and shall ensure that its members and project participants shall not perform the following prohibited activities during the execution of Services, which are grounds for termination of the Agreement:

- 1) Contravening any City of Ottawa Policy or By-law;
- 2) Engaging in illegal activity; or,
- 3) Acting as media representative/spokesperson on behalf of the City.

ADDITIONAL TERMS

The City shall be entitled to amend or impose such additional terms and conditions in its letter of agreement, in its sole discretion as it deems necessary, and shall be entitled to impose such terms and conditions on any consent granted pursuant to this application, as it deems necessary.

CONTACT INFORMATION

To request the terms and conditions of the program, application forms or for specific inquiries about the program, please contact:

Mike Bureau
Economic Development Officer
613-580-2424, extension 22441
Mike.Bureau5@ottawa.ca

SUBMISSION OF APPLICATIONS

APPLICATIONS SHOULD BE EMAILED TO:

Mike Bureau, Economic Development Officer

Planning, Infrastructure and Economic Development Department

Email: Mike.Bureau5@ottawa.ca