

CITY OF SALMON ARM

TO: His Worship Mayor Harrison and Members of Council
 DATE: August 19, 2019
 SUBJECT: Downtown Salmon Arm – Business Improvement Area Bylaw

MOTION FOR CONSIDERATION:

THAT: Council authorize staff to undertake a Council Initiative process by giving notice of a petition against the proposed Downtown Salmon Arm Business Improvement Area bylaw in accordance with section 94 of the *Community Charter* and by mailing notice to all owners of parcels that would be subject to the local service tax;

AND THAT: the notice include information about the proposed business improvement area including boundaries and estimated cost.

BACKGROUND:

Downtown Salmon Arm (DSA) administers the downtown business improvement area (BIA) established by bylaw, in which owners finance activities to promote business within the designated area. Activities such as removing graffiti, holding events and beautifying the area can improve the local economy and advance the social well-being of the community. There are currently over 70 BIAs in the Province of BC.

At the August 12, 2019 Regular Meeting of Council, DSA staff and Board members presented their proposal for a new seven (7) year term with an expanded boundary (APPENDIX A). It is worth noting that the BIA is similar to the Downtown Specified Parking Area, but slightly different.

The current bylaw will expire on December 31, 2019 and the DSA is requesting the following requisition amounts in each year of the new bylaw. The estimated associated levy per \$1,000.00 of assessed value is noted beside the applicable requisition amount:

Year	Proposed Requisition	Percentage Change	Levy Per \$1,000
2019 (current)	\$179,267.00	-	1.3933
2020	\$188,230.00	2.73%	1.4314
2021	\$195,759.00	4.00%	1.4886
2022	\$203,589.00	4.00%	1.5482

2023	\$211,733.00	4.00%	1.6101
2024	\$220,201.00	4.00%	1.6745
2025	\$229,009.00	4.00%	1.7415
2026	\$238,170.00	4.00%	1.8111

For reference, APPENDIX B provides an analysis completed by the Chief Financial Officer that demonstrates the impact for business properties assessed at various levels at the above noted levies. The lower portion of the schedule reflects the impact to business properties if the levy increase approximated that of the 2018 BC Consumer Price Index.

The authority for a municipality to create a BIA is provided by the *Community Charter*, which also sets out the rules for the establishment and operation of such an area. In Salmon Arm, downtown business promotion activities in the specified area are financed through a special tax levy on all Class 6 properties within the boundaries of the BIA. Essentially, the City levies and collects this tax revenue on behalf of and for the DSA. In exchange, the DSA Board must meet certain obligations such as producing an annual budget for the review of Council.

The BIA levy is calculated based on each owner's share of the total assessed value of properties in the area. The amount for each owner varies because of the difference in assessed values and it is possible that each property's share of the DSA budget may change from year to year because it is reapportioned annually according to the assessed value determined by the BC Assessment Authority. DSA's seven (7) year budget is attached as APPENDIX C.

There are two ways in which to move forward with the new BIA bylaw, should Council choose to do so. The first is a petition for service which is typically initiated by the local business owners. The petition must be signed by the owners of at least 50 percent of the parcels (a lot in single ownership or under single control usually considered a unit for purposes of development and may include strata lots located on a single common property) that would be subject to the local area tax and those persons must be the owners of parcels that in total represent at least 50 percent of the assessed value of land and improvements that would be subject to the local service tax.

The second is the Council Initiative process, whereby all property owners within the proposed BIA that are assessed Class 6 - Business/Other are provided details and are asked for opposition and comments. The *Community Charter* gives Council the authority to charge this extra levy unless the bylaw is opposed by more than 50% of the owners, representing at least 50% of the assessed value of the parcels liable to be charged and that this opposition be declared within 30 days after the second publication notice.

It is recommended that a Council Initiative (subject to petition against the proposed bylaw) be initiated as soon as practicable. Unless Council receives a sufficient petition

against within 30 days it can proceed with the adoption of the proposed new bylaw which will be included on the October 15, 2019 Agenda for consideration of three readings.

Respectfully submitted,





Erin Jackson
Director of Corporate Services

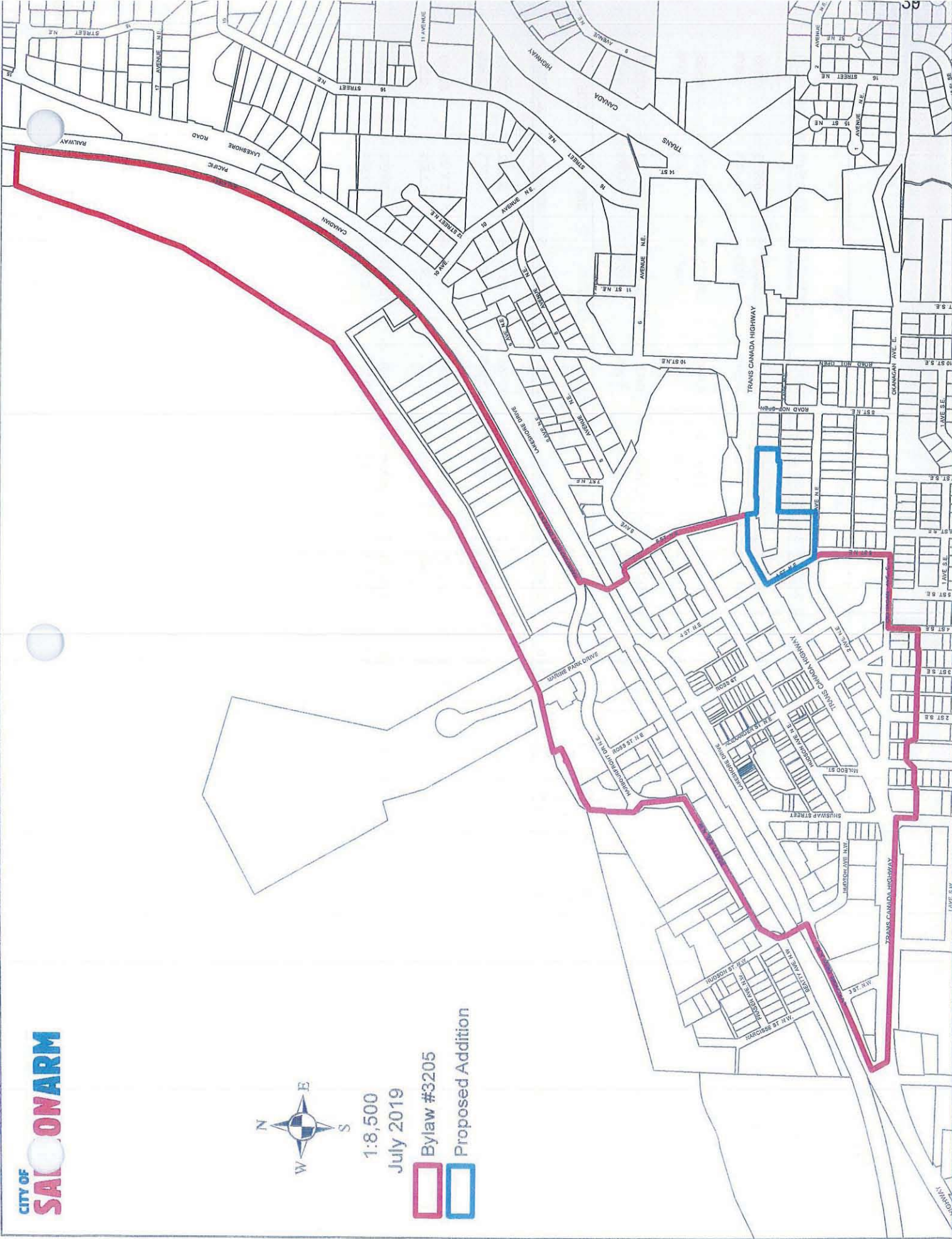
APPENDICES:

- A - Business Improvement Area Map
- B - Tax Analysis
- C - Downtown Salmon Arm Budget



1:8,500
July 2019

-  Bylaw #3205
-  Proposed Addition



Downtown Salmon Arm
 2020 Business Improvement Area Renewal
 Tax Analysis - Expanded Boundary

	2019	2020	2021	2022	2023	2024	2025	2026
Existing	\$ 179,267.00	\$ 188,230.00	\$ 195,759.00	\$ 203,589.00	\$ 211,733.00	\$ 220,201.00	\$ 229,009.00	\$ 238,170.00
DIA Proposal								

Business - Assessed \$350,000.00	\$ 487.66	\$ 500.99	\$ 521.01	\$ 541.87	\$ 563.54	\$ 586.08	\$ 609.53	\$ 633.89
		2.73%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Business - Assessed \$500,000.00	\$ 696.65	\$ 715.70	\$ 744.30	\$ 774.10	\$ 805.05	\$ 837.25	\$ 870.75	\$ 905.55
		2.73%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Business - Assessed \$1,000,000.00	\$ 1,393.30	\$ 1,431.40	\$ 1,488.60	\$ 1,548.20	\$ 1,610.10	\$ 1,674.50	\$ 1,741.50	\$ 1,811.10
		2.73%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

	2019	2020	2021	2022	2023	2024	2025	2026
Existing	\$ 179,267.00	\$ 183,748.68	\$ 188,342.39	\$ 193,050.95	\$ 197,877.23	\$ 202,824.16	\$ 207,894.76	\$ 213,092.13
Option No. 3 - 2.50%								

Business - Assessed \$350,000.00	\$ 487.66	\$ 489.06	\$ 501.27	\$ 513.80	\$ 526.65	\$ 539.81	\$ 553.32	\$ 567.14
		0.29%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business - Assessed \$500,000.00	\$ 696.65	\$ 698.65	\$ 716.10	\$ 734.00	\$ 752.35	\$ 771.15	\$ 790.45	\$ 810.20
		0.29%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business - Assessed \$1,000,000.00	\$ 1,393.30	\$ 1,397.30	\$ 1,432.20	\$ 1,468.00	\$ 1,504.70	\$ 1,542.30	\$ 1,580.90	\$ 1,620.40
		0.29%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

