

NO: **R042**

COUNCIL DATE: **March 9, 2020**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **March 5, 2020**

FROM: **General Manager, Investment &
Intergovernmental Relations**

FILE: **0250-20**

SUBJECT: **Renewal of the Cloverdale Business Improvement Area**

RECOMMENDATION

The Investment & Intergovernmental Relations Department recommends that Council grant final adoption of *Bylaw No. 19942* (the “Bylaw”) that will renew the Cloverdale Business Improvement Area for a further five-year term that will take effect on March 15, 2020 and end on March 14, 2025.

INTENT

The purpose of this report is to obtain Council approval to adopt the Bylaw to renew the Cloverdale Business Improvement Area (“Cloverdale BIA”) for another five-year term.

BACKGROUND

On December 2, 2019, Council approved Corporate Report No. R230; 2019 (attached as Appendix “I”) authorizing staff to undertake the necessary actions to facilitate the renewal of the Cloverdale BIA using the Council Initiative process as requested by the Cloverdale BIA. Subsequently, *Bylaw No. 19942* (attached as Appendix “II”) was introduced and given three readings by Council.

On January 2, 2020, notices including the estimated tax levy amount and copy of a petition form were mailed out to the owner(s) of class 5 and 6 properties within the area shown in Schedule A of Appendix “II”, specifying the City’s intention to renew the Cloverdale BIA for the period of March 15, 2020 through to March 14, 2025. Each notice advised the owner that they had 30 days to petition against the renewal of the Cloverdale BIA. Public notification (attached as Appendix “III”) was placed in the January 3 and January 8, 2020 editions of the Surrey Now-Leader Newspaper, Peace Arch News and the Cloverdale Reporter.

The deadline for receiving petitions against the proposed Cloverdale BIA passed at 4:30 p.m. on Wednesday February 19, 2020.

DISCUSSION

There are approximately 156 property owners subject to the Cloverdale BIA tax levy within the Cloverdale BIA boundary. Collectively, these properties have a total assessed value of

\$431,628,500.00. A total of six (3.85%) negative petitions with a combined assessed value of \$16,839,500 were received by the deadline which represents 3.89% of the total assessed value.

Under the *Community Charter, S.B.C. 2003, c. 26 Section 212 (3)*, in order to halt the renewal of a BIA, petitions against the renewal of the BIA must:

1. Represent at least 50% of the land owners; and
2. These land owners must represent at least 50% of the total assessed value of the properties liable to be charged under the proposed BIA.

As such, there are insufficient petitions against the proposed Cloverdale BIA to halt the renewal of the Cloverdale BIA, as certified by the City Clerk (attached as Appendix "IV"). Given the lack of opposition, it is recommended that Council grant final adoption of the Bylaw.

Once Council adopts the Bylaw, the Finance Department will include the Cloverdale BIA assessment on the property taxes for each property within the specified area in order to collect the Cloverdale BIA revenues through an annual tax levy. The funds collected through the Cloverdale levy funds are then transferred to the legally constituted Cloverdale BIA Society (Association) subject to the requirements outlined in legislation having been met.

SUSTAINABILITY CONSIDERATIONS

The renewal of the Cloverdale BIA supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to Sustainability Charter 2.0 theme of Economic Prosperity and Livelihoods and Inclusion. Specifically, this project supports the following Desires Outcome ("DO") and Strategic Direction ("SD"):

- Innovation DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society; and
- Community Pride and Engagement SD19: Support placemaking opportunities at the neighbourhood level and the creation of community gathering spaces.

CONCLUSION

Based on the above discussion, the Investment & Intergovernmental Relations Department recommends that Council grant final adoption of *Bylaw No. 19942* that will renew the Cloverdale BIA for a further five-year term that will take effect on March 15, 2020 and terminate on March 14, 2025.

Donna Jones
GM, Investment & Intergovernmental Relations

Attachments:

Appendix "I": Corporate Report No. R230; 2019
Appendix "II": Cloverdale BIA *Bylaw No. 19942*
Appendix "III": Cloverdale BIA Notice of Intention
Appendix "IV": Certificate of Sufficiency

CORPORATE REPORT

NO: R230

COUNCIL DATE: December 2, 2019

REGULAR COUNCIL

TO: Mayor & Council

DATE: December 2, 2019

FROM: General Manager, Investment &
Intergovernmental Relations

FILE: 0250-20

SUBJECT: Renewal of the Cloverdale Business Improvement Area

RECOMMENDATION

The Investment & Intergovernmental Relations Department recommends that Council:

1. Approve the use of the "Council Initiative" process as the means by which to measure property owner support for the renewal of the Cloverdale Business Improvement Area ("Cloverdale BIA");
2. Authorize the City Clerk to bring forward *Cloverdale Business Improvement Area Bylaw, 2020, No. 19942* (the "Bylaw") for the required readings and authorize staff to undertake all the necessary related actions; and
3. Request that staff proceed with the formal property owner notification process related to the renewal of the Cloverdale BIA and submit a further report on the matter complete with recommendations for Council's consideration after the expiry of the "Council Initiative" notice period.

BACKGROUND

A Business Improvement Area "BIA" is similar to a Local Service Area where funds are collected for specific purposes through a rate levied against benefitting properties in a specified area. The establishment of a BIA is an effective means for businesses in an area to finance programs to help keep the catchment area healthy and prosperous. In most circumstances such collaboration between businesses is not possible by other means.

In 1995, Council approved the initial Cloverdale BIA Bylaw No. 12551 creating the BIA. The current Bylaw expires on March 14, 2020. The Cloverdale Business Improvement Association (the "Association"), would like to renew their BIA for a further five years and has advised that there is continued support for the BIA by its members.

The area covered by the Cloverdale BIA is illustrated in Appendix "1" attached to this report. The Association is not seeking to expand their boundaries during this renewal period.

DISCUSSION

Under the *Community Charter*, the level of support for the establishment or renewal of a BIA may be determined using either of the following means of consultation with the property owners within the area proposed to be covered by the BIA:

- i. **Council Initiative:** Under this approach at least half of the property owners, representing at least 50% of the assessed value of land and improvements that would be subject to the BIA tax levy, register their dissent within 30 days of notification; and
- ii. **Petition Process:** Under this approach at least half of the property owners, representing at least 50% of the assessed value of land and improvements that would be subject to the BIA tax levy, must sign a petition indicating their support for the establishment of a BIA.

Local governments may select either approach. The City has received a letter, dated October 29, 2019, (attached as Appendix "II") as part of the renewal package from the Association requesting the City use the "Council Initiative" approach to formally assess the level of support for the renewal of the Cloverdale BIA. The vast majority of BIAs in British Columbia have been established or renewed using the Council Initiative process to measure business support.

As part of the process of establishing a BIA under the Council Initiative process, Council must introduce and give three readings to a BIA Bylaw for the area that will be subject to the BIA tax levy. The Bylaw:

- Identifies the organization representing the BIA;
- Defines the geographic area covered by the BIA and specifies the funding formula to be used in establishing the BIA tax levy that will be paid by each property that is covered by the BIA; and
- Establishes the term that the Bylaw will be in effect.

A draft of the proposed Bylaw, including Schedule "A" and Schedule "B", is attached as Appendix "III" to this report.

After the Bylaw is given three readings, formal notification of the proposed BIA is to be sent by the City to all property owners within the area that is covered by the Bylaw. If using the Council Initiative process, property owners not in favour of proceeding with the BIA renewal are advised that they have 30 days to petition Council not to proceed. Unless a sufficient petition against the BIA is received, the BIA Bylaw can proceed to final adoption. A sufficient petition against proceeding with the BIA requires at least half of the land owners, representing at least 50% of the total assessed value of the properties liable to be charged under the proposed BIA. Following the requisite notifications, a further report will be brought back to Council with recommendations regarding the next steps in the process.

Subsequent to a BIA Bylaw being adopted by Council, BIA revenues are collected by the City through an annual tax levy on each property within the BIA area and are transferred to the BIA Society subject to the requirements outlined in the *Community Charter* having been met. Based on the Extraordinary General Meeting (EGM) held by the Association on October 21, 2019, the 2020 tax levy for the Association would be \$221,300 (a 16.5% initial increase at renewal over the 2019 tax levy) followed by a 3% increase each year between years two to five.

The proposed initial tax levy increase is lower compared to the Newton Business Improvement Association (Newton BIA) which saw an increase of 25% at their renewal in 2018 and more in line with the Downtown Surrey Business Improvement Association (DSBIA) which saw a 15% increase at renewal in 2017. These increases are typically initiated by the BIAs to develop new programs and activities to promote businesses in their area.

Outreach

The Association conducted outreach to their membership using various methods to gauge support for the renewal and to determine priority areas for the five-year term as reflected in their strategic plan and renewal survey, a copy of which is attached in Appendix "IV." The Association made reasonable efforts to engage the property and business owners in the area as demonstrated in the chart below. According to the Association, they have access to the contact information of 158 property owners at the time of survey in the designated area for the purpose of survey outreach.

Membership Outreach	
Survey	
Mail	158 property owners
Email	257 business; 2 reminders
Phone & In person	1 staff member made 30 in-person visits
Extraordinary General Meeting Notification	
Mail	158 property owners
Email	158 property owners; 2 reminders
Newspaper ad	Full page ad in October issue of Shop Cloverdale Magazine

* Some businesses and property owners had multiple contact email addresses on file.

Overall, the Association received 49 completed surveys (representing 15.8% of the Association membership) and all respondents were in favour for the renewal of the Association. The Association board developed the new proposed budget for the five-year term utilizing the feedback from the surveys and the strategic plan. The proposed budget was voted on unanimously at the EGM by the 20 attendees (representing 27 businesses and 20 property owners), to proceed with the BIA renewal and the budget for the next five years.

Businesses are included in the consultation process and the vote on budget as the BIA tax levy is typically passed on by property owners to tenants (either whole or in part). As such, it is important that business tenants be part of the process, even though legislation directs that approval for the BIA be sought solely from the property owners.

Finance Department

Finance Department has reviewed this report and the revised budget and have no concerns.

Legal Services

Legal Services has reviewed this report and has no concerns.

SUSTAINABILITY CONSIDERATIONS

The renewal of the Cloverdale BIA supports the objectives of the City's Sustainability charter 2.0. In particular, this work relates to Sustainability Charter 2.0 theme of Economic Prosperity and Livelihoods and Inclusion. Specifically, this project supports the following Desired Outcomes (DO) and Strategic Direction (SD):

- Innovation DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society; and
- Community Pride and Engagement SD19: Support placemaking opportunities at the neighbourhood level and the creation of community gathering spaces.

CONCLUSION

The Investment & Intergovernmental Relations Department is requesting Council approve the proposed recommendations in this report to use the "Council Initiative" to renew the Cloverdale BIA for a further five-year period from March 2020 to March 2025.



Donna Jones
GM, Investment & Intergovernmental Relations

Attachments:

Appendix "I": Boundaries of the Cloverdale Business Improvement Area

Appendix "II": Letter, dated October 29, 2019, from Cloverdale Business Improvement Association

Appendix "III": Draft *Cloverdale Business Improvement Area Bylaw, 2020, No. 19942*

Appendix "IV": Cloverdale Business Improvement Association 2020 – 2025 Strategic Plan including the 2020-2025 Renewal Package

Appendices to be provided upon request

CITY OF SURREY

BYLAW NO. 19942

A Bylaw to establish the Cloverdale Business Improvement Area

WHEREAS a City Council may pursuant to Section 215 of the Community Charter, S.B.C. 2003, c.323, as amended, grant money to an applicant that has as one of its aims, functions and purposes, the planning and implementation of a Business Promotion Scheme;

AND WHEREAS a City Council may propose on its own initiative that a Business Promotion Scheme be undertaken;

AND WHEREAS before a City Council grants money for a Business Promotion Scheme, the City Council shall pass a Bylaw pursuant to Section 215 of the Community Charter, S.B.C. 2003, c. 323, as amended;

NOW, therefore, the City Council of the City of Surrey, in meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw be cited for all purposes as "Cloverdale Business Improvement Area Bylaw, 2020, No. 19942"

2. For the purpose of this Bylaw:

"Association" means the Cloverdale Business Improvement Association, or any other name that the members of the Association may approve.

"Business Promotion Scheme" means:

- (a) carrying out studies and making reports respecting the advancement of project plans and improvements designed to benefit the Cloverdale Business Improvement Area and carrying out all of the studies incidental to the objectives of the Association and to further these goals, and all management and administration necessary to implement the scheme of the Association;
- (b) the improvement, beautification or maintenance of the streets and sidewalks in the Cloverdale Business Improvement Area;
- (c) the conservation of heritage property in the Cloverdale Business Improvement Area;
- (d) the encouragement and promotion of commercial business development and encouragement of entertainment, sports and cultural activities within the Cloverdale Business Improvement Area in furtherance of its economic and commercial welfare; and
- (e) the creation of a pleasant environment in the Cloverdale Business Improvement Area.

“City” means the City of Surrey.

“City Council” means the Council of the City of Surrey.

“Cloverdale Business Improvement Area” means the area of the City designated by Section 3 of this Bylaw.

“Taxable Property” means land or improvements, or both, that fall within Class 5 or 6 of the Assessment Act - Prescribed Classes of Property Regulation, B.C. Regulation 438/81.

3. City Council hereby designates for a term of five (5) years those lands shown in heavy outline on Schedule “A” attached to this Bylaw as Cloverdale Business Improvement Area.
4. City Council hereby approves a grant to the Association of an amount not exceeding five hundred thousand dollars (\$221,300) in Year 1 (2020). The amount shall increase year over year as follows:

(a)	Year 2	2021	\$227,939
(b)	Year 3	2022	\$234,777
(c)	Year 4	2023	\$241,820
(d)	Year 5	2024	\$249,075
5. Monies granted to the Association under this Bylaw must be expended only by the Association and in accordance with the conditions and limitations set out in this Bylaw and for the planning and implementation of a Business Promotion Scheme.
6. Monies granted to the Association pursuant to this Bylaw shall be for projects provided for in the annual budget submitted by the Association and approved by City Council pursuant to Section 9 of this Bylaw.
7. All of the money granted to the Association pursuant to this Bylaw shall be recovered within the Cloverdale Business Improvement Area from the owners of land or improvements, or both, or from persons from whom charges provided in the Community Charter, S.B.C. 2003, c.323, as amended, may be collected in the Cloverdale Business Improvement Area.
8. For the purpose of recovering the monies granted to the Association an annual tax shall be imposed on the Taxable Property within the Cloverdale Business Improvement Area and such tax shall be based on the assessed value of the land, improvements, or both.
9. The Association shall submit annually to the City Council for approval, on or before April 1st in each year, a budget for the purpose of the Business Promotion Scheme based on a fiscal year commencing April 1st which contains information sufficient in detail to describe all anticipated expenses and revenues and which have been approved by a majority of the members present at the annual general meeting of the Association.
10. The Association shall keep separate from any other accounts, the account used for money granted to the Association by the City pursuant to this Bylaw, and shall cause the revenue and expenditures resulting from the use of that separate account to be an audited schedule to the financial statements of the Association and reported separately as required by Section 19 of this Bylaw.

11. The Association shall not carry out any borrowing that results in indebtedness or other obligation as to money granted to it by the City pursuant to this Bylaw which extends beyond the fiscal year in which the money was granted.
12. The directors of the Association shall permit the General Manager, Finance of the City, or a nominee of the General Manager, Finance, to inspect during normal business hours on reasonable notice, all books of account, receipts, invoices, and other financial position records which the General Manager, Finance deems advisable for the purpose of verifying and obtaining further particulars of the budget and any financial statements of the Association as they relate to money granted to the Association by the City pursuant to this Bylaw.
13. Any money granted to the Association by the City pursuant to this Bylaw shall, if not required for immediate use, be invested in only such securities in which trustees, by law, are authorized to invest.
14. The Association shall at all times carry a policy of comprehensive general liability insurance in the amount of five million dollars (\$5,000,000) with the City added as an additional named insured and containing a cross coverage provision, and such policy shall also contain an endorsement to provide that the policy shall not be cancelled, lapsed or materially altered without giving thirty (30) days' notice in writing to the General Manager, Finance.
15. The Association shall give notice of every general meeting not less than fourteen (14) days prior to the date scheduled for the meeting if delivered by hand or transmitted via facsimile or e-mail, twenty-one (21) days by other means to:
 - (a) the General Manager, Finance;
 - (b) all persons who own Taxable Property within the Cloverdale Business Improvement Area, to their addresses as ascertained from the most recent assessment rolls for the City; and
 - (c) all persons who lease Taxable Property within the Cloverdale Business Improvement Area and from which they carry on business, to their address as determined by directories, visual inspections or any other information system.
16. For the purposes of Section 15(b), the City will provide to the Association upon request the name and address of every owner of Taxable Property within the Cloverdale Business Improvement Area according to the most recent assessment information provided to the City by the Assessment Authority.
17. The bylaws of the Association must include the provisions set out in Schedule "B" to this Bylaw.
18. The Association shall not alter or approve amendments to its constitution or bylaws without providing the General Manager, Finance with two (2) months' notice in writing of its intentions to make such alteration or amendment, and where any alteration or amendment is made without such notice the City may withhold any payments of the grant referred to in this Bylaw.

19. The Association shall account for the money approved by City Council for the previous year by submitting to the City on or before May 15th in each of the years 2021, 2022, 2023 2024 and 2025, an annual audited financial statement of the Association which shall be prepared in accordance with generally accepted accounting principles and shall include a balance sheet and a statement of revenue and expenditure. The financial statement shall be prepared on a calendar year basis.
20. The Association shall not incur any indebtedness or other obligations beyond each budget year.
21. This Bylaw shall be in effect until March 31, 2025.

PASSED FIRST READING on the 2nd day of December, 2019.

PASSED SECOND READING on the 2nd day of December, 2019.

PASSED THIRD READING on the 2nd day of December, 2019.

NOTICE OF INTENTION

ADVERTISED on the 3rd day of January, 2020 and 8th day of January, 2020.

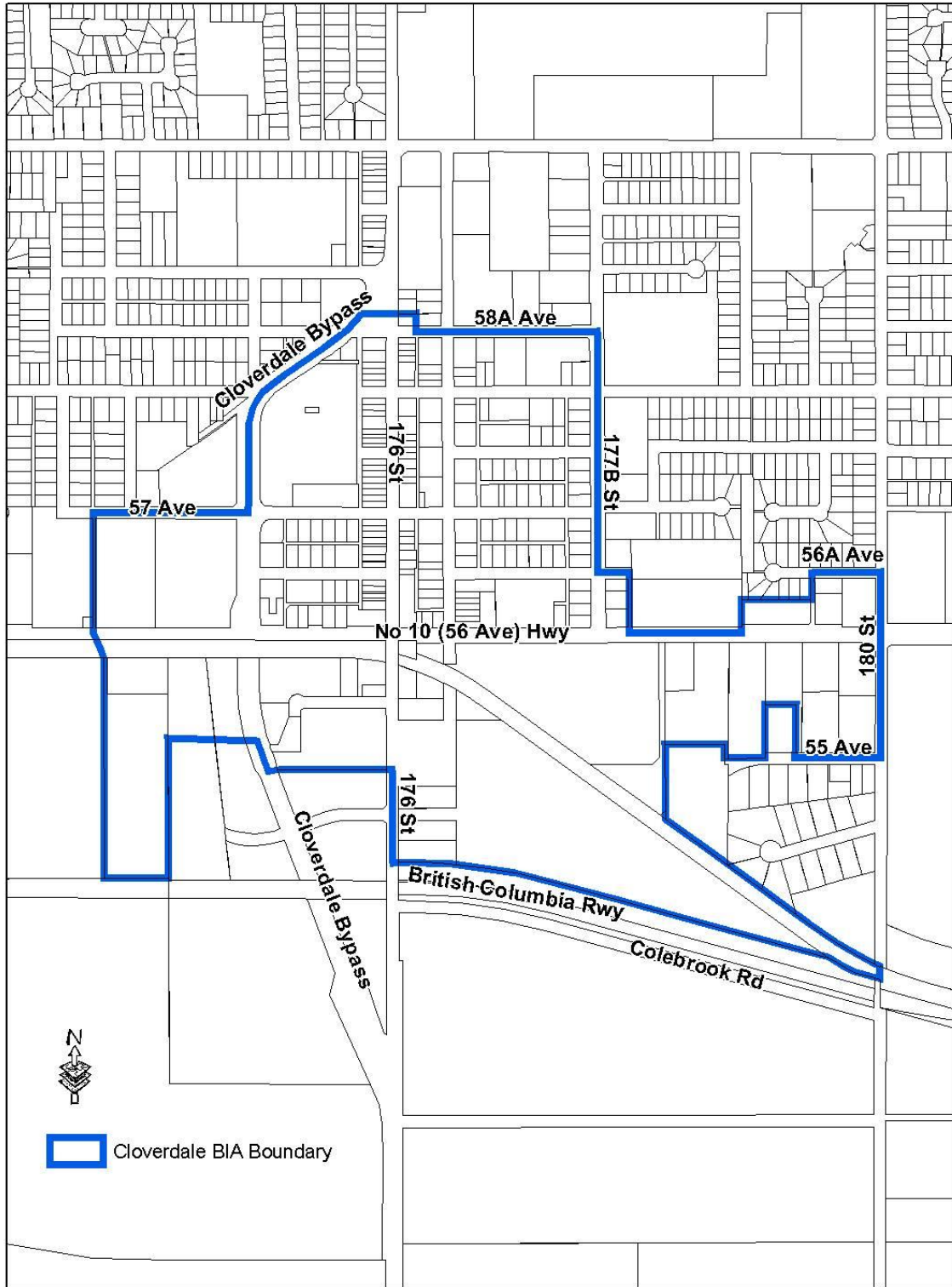
RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the

Corporate Seal on the _____th day of _____, 2020.

_____MAYOR

_____CLERK

CLOVERDALE BIA BYLAW SCHEDULE "A"



CLOVERDALE BIA BYLAW SCHEDULE "B"

The Bylaws of the Association must include the following provisions:

Definitions

1. "Authorized Representative" to be defined as follows:

"Authorized Representative" means a person who has authority to act on behalf of a member of the Association in its day to day operations and who is authorized in writing by that member to represent the member at any meeting of the Cloverdale BIA.

2. "Property Owner" to be defined as follows:

"Property Owner" means a person who is:

- i. registered in the Land Title Office as the fee simple owner, or the purchaser under a registered agreement for sale; or
- ii. a tenant,

of Class 5 or Class 6 real property as described in *Prescribed Classes of Property Regulation*, B.C. Reg. 438/81 that is located within the Cloverdale Business Improvement Area.

3. "Tenant" to be defined as follows:

"Tenant" means a person who is a tenant pursuant to a lease or rental agreement for a term of years which, including all options to renew, is less than 60 years in aggregate, of Class 5 or Class 6 real property as described in *Prescribed Classes of Property Regulation*, B.C. Reg. 438/81 that is located within the Cloverdale Business Improvement Area.

Members and Meetings of Members

4. There will be only two classes of members: voting members and associate members.
5. Only a Property Owner or a Tenant may be a voting member.
6. The number of associate members must not exceed the number of voting members.
7. Voting by proxy is not permitted at meetings of members.

Directors

8. No person may be elected or appointed as a director unless that person is a voting member of the Association or an Authorized Representative of a member.
9. A maximum of two directors may be elected or appointed who are associate members of the Association.

CITY OF SURREY

NOTICE

CLOVERDALE BUSINESS IMPROVEMENT AREA (BIA)

TAKE NOTICE THAT: The Council of the City of Surrey proposes to renew for a further five-year period, a Business Improvement Area (BIA) for the Cloverdale area. The purpose of the BIA is to promote, stimulate and improve the economic viability of the area.

The BIA is to be funded by a local service tax levy on Commercial and Industrial properties prescribed as Class 5 (Light Industry) or Class 6 (Business or other) within the shaded area shown on the map below. The estimated total cost of the work is \$1,174,911 over the following five years: 2020, 2021, 2022, 2023 and 2024. The affected property owners will pay 100% of the cost. The estimated levy of \$0.51 per \$1,000 of assessed value, will be included on your 2020 tax statement and must be paid in full by the tax due date.

FURTHER, TAKE NOTICE THAT pursuant to Section 213 of the Community Charter, S.B.C. 2003, c.26, as amended, the BIA may proceed unless Council receives sufficient petition against the service within 30 days after the second date of this publication. A sufficient petition must:

1. be signed by the owners of at least 50% of the parcels that would be subject to the local service tax, and
2. the persons signing must be the owners of parcels that in total represent at least 50% of the assessed value of land and improvements that would be subject to the local service tax.

This notice will appear in the Surrey Now Leader on January 3, 2020 and in the Surrey Now Leader and the Cloverdale Reporter on January 8, 2020. Owners desiring to petition against the undertaking of the renewal of the Cloverdale Business Improvement Area must do so by submitting their petition, in writing, within 30 days of the second date of publication of the "Notice of Intention". The final date for the acceptance of petitions will be Friday, February 7, 2020 at 4:30 pm.

If you wish to petition against the renewal of the Cloverdale Business Improvement Area, the petition can be obtained from the Office of the City Clerk, Surrey City Hall, 13450 104 Avenue, Surrey, BC, V3T 1V8, telephone (604) 591- 4132, fax (604) 591-8731, or email: clerks@surrey.ca.

Jennifer Flocell
CITY CLERK





Certificate of Sufficiency
 Formal Petition for Local Area Service

I, Jennifer Ficocelli, City Clerk for the City of Surrey, British Columbia, certify that that I have given notice of Council's intention to undertake the following work as a Local Area Service as required by Section 213 of the *Community Charter* and that sufficient petition against the Local Area Service has **NOT** been received.

General Description: **Renewal of Cloverdale Business Improvement Area - Local Area Service**

The following table contains the details regarding this Petition:

Number of Properties within Petition Area	156	100%
Petitions Received stating "Do Not Agree"	6	3.85%

The total assessment of the defined boundary of the local service area is \$431,628,500 (100%). The 6 Petitions received stating "Do Not Agree", have a total assessment value of \$16,839,500 (3.89%) and do not meet the requirement that the Petitions signed must represent at least 50% of the assessed value of the defined boundary.

The Council may, by bylaw, renew the Local Service Area (Cloverdale Business Improvement Area) described above.


 Jennifer Ficocelli
 City Clerk

Date: February 20, 2020