



Corporate NO: R015

Report COUNCIL DATE: February 3, 2003_

REGULAR COUNCIL

TO: Mayor & Council DATE: **January 25, 2003**

FROM: Manager, Economic Development Office FILE: **6930-20**

SUBJECT: Whalley Business Improvement Area (BIA)

RECOMMENDATION

That Council:

1. approve the 'Council Initiative' process as the measure of property owner support for the creation of the Whalley Business Improvement Area (BIA), and
2. authorize staff to introduce the required By-law and undertake the necessary actions to continue with the Council Initiative process.

BACKGROUND

A Business Improvement Area (BIA) is similar to a Local Improvement Area where funds are collected for specific purposes through a rate levied against properties in the specified area.

In 2002, the Whalley Business Association received funding for a start-up grant to subsidize the cost of information brochures, meetings and hiring of a consultant to facilitate the process and events to establish a BIA.

To date, several meetings have been held, with notification going to all businesses and property owners within the proposed BIA area. A copy of the most recent notice has been attached for information.

DISCUSSION

Under Provincial legislation, BIA's may be established through one of two different means: (i) Council Initiative or (ii) Petition. Municipalities have the discretion to select which process they wish to follow. The Whalley Business Association has proposed using the 'Council Initiative' process to initiate this BIA. A copy of the letter requesting the Council Initiative process is attached for information. In any case, the outcome will ultimately reflect the wishes of the majority of the property owners (and their tenants).

i. Council Initiative - BIA will proceed unless a majority of owners, representing at least 50% of the value of the parcels, petition Council not to proceed.

i. Petition Process - requires support of 2/3 of the property owners representing at least 1/2 of the property values.

In British Columbia, virtually all of the BIA's have been established via the Council Initiative process. This process places the onus on those opposed to the BIA to make those views known.

There are inherent administrative difficulties with the alternative process, or the petition process. While it is possible to obtain support for a majority of property owners, it may not be possible to reach 2/3 of owners if there is a significant degree of absentee ownership. In addition, apathy, indecision, and noncommittal responses work against success in the petition process.

A BIA By-law identifies the organization representing the BIA, defines the geographical boundaries, sets a budget for the expenditure of the funds collected and outlines a time frame for the By-law to be in effect.

In order to meet the legal requirements for establishment of the BIA, Council must introduce and give Three Readings to the By-law, and send out formal notification of the proposed Business Improvement Area to the property owners within the specified area. Property owners not in favour of proceeding with the BIA initiative have one month to petition Council not to proceed with the BIA. The petition against proceeding with the BIA must represent at least 50% of the value of the parcels liable to be charged. If not, the BIA By-law may then proceed to Final Adoption. Following the requisite notification, a further report will be brought back to Council to obtain approval for the next steps in the process.

After property owner support has been demonstrated and a By-law adopted, an annual general meeting is held where Directors are elected and the first year's budget is approved by the property owners. In this proposed BIA, the first year budget is \$500,000 which represents a charge of approximately \$1.32 per \$1000 of assessed value (a commercial property with an assessed value of \$350,000 would pay approximately \$460.00). The City collects the BIA funds through an annual tax levy and releases the funds to a legally constituted BIA Society only after the requirements outlined in the legislation have been met.

CONCLUSION

The Whalley Business Association has embarked on an information campaign to present the BIA proposal to affected individuals, property owners and organizations within the proposed BIA boundaries. There are approximately 320 property owners and 825 businesses. The information campaign included preparation and mail-out of a BIA brochure, a questionnaire, a visioning meeting, Public Information Meetings (held on November 7, 2002 and January 15, 2003) and direct meetings with commercial property owners and business operators. It is assumed that the BIA levy will be passed on from property owners to tenants (in whole or in part) and it is important that the businesses are a part of the process, although the legislation is directed at the exclusive approval of the property owners. These meetings have outlined community concerns regarding the area and objectives that could be achieved through the BIA endeavour. A BIA in Whalley would also complement Council's current efforts in the clean-up endeavour in this area of Surrey.

Council's authorization is needed to:

1. approve the 'Council Initiative' process in order to meet the legislative requirements of the proposed BIA,

2. authorize staff to introduce the required by-law and undertake the necessary actions to continue with the Council Initiative process.

Linda Hepner, Manager
Economic Development Office

Vc/lmh

Attachments

c.c. General Manager, Finance & Technology

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