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**TO:** GENERAL COMMITTEE

**SUBJECT:** 2021 DOWNTOWN BARRIE BUSINESS ASSOCIATION LEVY

**WARD:** 2

**PREPARED BY AND KEY CONTACT:** C. SMITH, SENIOR MANAGER OF ACCOUNTING AND REVENUE, EXT. 5128

**SUBMITTED BY:** C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

**GENERAL MANAGER APPROVAL:** D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That the City of Barrie establish a special charge of 0.344553% for 2021 to levy an amount of \$561,077 upon commercial and industrial properties in the Downtown Improvement Area.
2. That the Downtown Barrie Business Association (BIA) 2021 Operating and Capital budgets, as presented in Staff Report FIN009-21, be approved.
3. That the City Clerk be authorized to prepare the appropriate by-law authorizing this 2021 special charge rate and levy requirement.

**PURPOSE & BACKGROUND**

4. Under Section 205(2) of the *Municipal Act, 2001*, the Downtown Barrie Business Association (BIA) Board of Management is required to seek Council approval of the annual BIA budget in order that a levy for funds to cover their annual operating and capital costs can be made. Council may approve the budget submission in whole or in part, but may not add expenditures to it.
5. As per Section 205(3)(b) of the *Municipal Act, 2001*, the BIA is not permitted to "incur any indebtedness extending beyond the current year without the prior approval of the municipality".

**ANALYSIS**

6. The BIA levy is a special charge upon taxable commercial and industrial properties in the "Downtown" area of Barrie as defined by previous by-laws.



7. The 2021 BIA budget's proposed expenditures and use of funds are summarized as follows:

Organizational Management	\$259,604
Professional Fees	\$19,681
Community Safety	\$50,000
Marketing & Promotions	\$88,000
Events & Sponsorships	\$130,000
<u>Capital Commitments</u>	<u>\$13,792</u>
<u>Net Levy Required</u>	<u>\$561,077</u>

8. In 2020 the net levy requirement was \$556,000.

9. The total taxable assessment for 2021 for the BIA is \$162,841,800.

10. The proposed special charge for 2021 is 0.344553% compared to the 2020 special charge of 0.307777%.

11. The BIA Board of Management has passed several motions to approve the 2021 budget (see Appendix 'A'). In order to have the City's final tax bills issued in June and meet legislated timelines, Council will need to approve the BIA budget by Tuesday, May 25th.

#### BIA Commitments

12. The BIA, through the Contribution agreement with the City, committed to funding \$3,351,775 for the construction of the Memorial Square/Meridian Place project (comprised of fundraising of \$1,838,829 and a loan of \$1,512, 946). As of December 31, 2020, the BIA has fundraised \$1,205,862 of the project and needs to fundraise an additional \$632,967 over a 5-year period.

13. The remainder is to be funded by a loan from the City of Barrie, along with any fundraising shortfall. The loan currently totals \$1,512, 946 and is to be repaid over a 10-year period which was to start in 2020. City Council waived the 2020 payment in motion 20-A-053 because of the impacts of Covid-19. The BIA has not included any repayment amount in their budget for 2021.

14. The BIA also committed to fund \$300,000 of the Dunlop Streetscape project with payments over a ten-year period, beginning in 2022.

15. General Committee, on Monday May 3, 2021, has asked that staff prepare a memorandum on the status of current partnerships and joint programming with the BIA, as well as an understanding of Council's role and future options for the BIA, prior to the end of June 2021. Further details regarding the BIA commitments will be addressed in the information provided at that time.

#### ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

16. There are no environmental or climate change impact matters related to the recommendation.

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## **ALTERNATIVES**

17. There are three alternatives available for consideration by General Committee:

**Alternative #1**

General Committee could choose to approve only a portion of the budget to be included in the levy.

This alternative is not recommended as the budget submitted reflects the needs identified by the BIA for the Downtown Improvement Area.

**Alternative #2**

General Committee could choose not to approve the budget.

This alternative is not recommended as budget approval is required in order to apply the BIA levy on the final tax bills being mailed out in early June. A decision to delay budget approval would result in the City not meeting legislative billing timeline requirements.

**Alternative #3**

General Committee could choose to direct staff to add \$151,295 to the BIA levy (not the BIA budget) per the contribution agreement to recover the Capital costs payment related to Meridian square for 2021.

This alternative is not recommended as it was not included in the BIA's 2021 budget. As directed by Council, staff will be reporting back to Council in June on partnerships and joint programming with the BIA.

## **FINANCIAL**

18. There are no direct financial implications to the City related to the levy request as it is only applicable to those commercial and industrial properties within the designated improvement area boundaries.

## **LINKAGE TO 2018-2022 STRATEGIC PLAN**

19. This is an operational matter that is not specifically related to the goals identified in the 2018-2022 Strategic Plan.

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APPENDIX 'A'

**Downtown Barrie Business Association (BIA) Board of Management**

**December 8, 2020 Board Meeting**

**Motions to Approve Budget**

**ORGANIZATIONAL MANAGEMENT:**

**2020\_12\_08 BIA Motion #3:**

The Downtown Barrie (BIA) Board of Management moves a motion to accept the Organizational Management portion of the 2021 budget.

**PROFESSIONAL FEES:**

**2020\_12\_08 BIA Motion #4:**

The Downtown Barrie (BIA) Board of Management moves a motion to accept the Professional Fees portion of the 2021 budget.

**COMMUNITY SAFETY:**

**2020\_12\_08 BIA Motion #5:**

The Downtown Barrie (BIA) Board of Management moves a motion to allocate \$50,000 for the Community Safety portion of the 2021 budget.

**MARKETING & PROMOTIONS:**

**2020\_12\_08 BIA Motion #6a as Amended:**

The Downtown Barrie (BIA) Board of Management moves a motion to allocate \$15,000.00 in the Marketing & Promotions portion of the 2021 budget towards the Rebranding, Comms Strategy, and the Website redevelopment projects.

**2020\_12\_08 BIA Motion #6b as Amended:**

The Downtown Barrie (BIA) Board of Management moves a motion to allocate \$15,000.00, which would include \$10,000.00 for website and \$5,000.00 for web hosting, in the Marketing & Promotions portion of the 2021 budget.

**2020\_12\_08 BIA Motion as Amended #7:**

The Downtown Barrie (BIA) Board of Management moves a motion to allocate \$30,000.00 to the 2021 Marketing & Promotions budget.

**2020\_12\_08 BIA Motion #8:**

The Downtown Barrie (BIA) Board of Management moves a motion to allocate \$28,000 for the Beautification portion of the 2021 Marketing & Promotions budget.

**EVENTS:**

**2020\_12\_08 BIA Motion #9:**

The Downtown Barrie (BIA) Board of Management moves a motion to allocate \$130,000.00 Events portion of the 2021 budget.

**CAPITAL COMMITMENTS:**

**2018\_06\_19 BIA Motion:**

The Downtown Barrie (BIA) Board of Management moves a motion to support the SandBox Innovation Centre ask of \$50,000, or \$10,000 per year for five (5) years, BUT with an agreement to gain four business memberships a year for our membership (four \$3000 memberships = \$12,000) which can be used to fill vacancies within the downtown.