

BYLAW 20705

2024 Business Improvement Area Assessment, Supplementary Assessment, Tax, Supplementary Tax and Tax Rate Bylaw

Recommendation

That Bylaw 20705 be given the appropriate readings.

Purpose

To allow for the 2024 annual and supplementary Business Improvement Area (BIA) assessment and taxation of businesses operating within a Business Improvement Area.

Readings

Bylaw 20705 is ready for three readings.

Passage of this bylaw by February 12, 2024, is required to facilitate the mailing of the Business Improvement Area assessment and tax notices on February 20, 2024, to meet the March 31, 2024, payment due date.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 20705 be considered for third reading.”

REPORT

A Business Improvement Area (BIA) is a specific geographic area of the city in which businesses combine resources and work together, through a formal association, to enhance the economic development of their area. The City of Edmonton is required by provincial legislation (*Municipal Government Act* and *Business Improvement Area Regulation, Alberta Regulation 93/2016*) as well as City Policy C462B, Business Revitalization Zone Establishment and Operation, to collect BIA taxes and distribute those funds to each BIA association for the purpose of implementing the specific improvements approved by the membership. Programs, services and operations in support of each business improvement area are financed largely through the BIA tax. Some BIAs also raise funds through other sources, such as grants and sponsorships.

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BIA associations operate as non-profit statutory corporations and submit operating budgets annually for review and approval by City Council. These BIA budgets were approved by City Council on December 12, 2023. Businesses within each BIA boundary make up the membership of a BIA, with each association governed by a member-nominated board. Businesses within a BIA, including professional corporations, pay a BIA tax which is remitted to each association to fund its operations.

Each BIA association has the ability to set the minimum and maximum amounts of BIA taxes within their respective area each year. The associations review these rates annually and make adjustments based on budget needs and resource demands to ensure an equitable distribution of support across their membership. The following BIA associations changed their minimum/maximum amounts in 2024:

- Downtown - Increase in the maximum from \$10,000 to \$15,000
- Kingsway - Increase in the minimum from \$0 to \$250, increase in the maximum from \$7,000 to \$7,500
- North Edge - Increase in the minimum from \$175 to \$200, increase in the maximum from \$4,000 to \$4,100

The method of assessment and taxation for BIAs has been in place since 2006. Assessments are based on the typical net annual rental value of the space occupied or used for the purpose of the business, or at a percentage of the property assessment.

Budget/Financial Implications

This Bylaw establishes the 2024 tax rates to achieve the annual BIA budgets totalling \$4.39 million.

Legal Implications

Passage of Bylaw 20705 will allow City to create a BIA assessment roll and impose a BIA tax, supplementary BIA assessment and tax, and set the 2024 tax rates to generate sufficient revenues to fund BIA operating budgets as approved by City Council.

Attachment

1. Bylaw 20705 - 2024 Business Improvement Area Assessment, Supplementary Assessment, Tax, Supplementary Tax and Tax Rate Bylaw

Others Reviewing the Report

- M. Plouffe, City Solicitor