

HALIFAX

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Item No. 9.1.2
Halifax Regional Council
June 9, 2020

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: February 12, 2020

SUBJECT: Administrative Order 2019-006-ADM – Uniform Sum Amount

ORIGIN

January 28, 2020 – Adoption of Administrative Order 2019-006-ADM, the Business Improvement District Grants Program Administrative Order, effective on April 1, 2020.¹

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008. c. 39, section 70, Area Improvement and Promotion.

*By-law B-700, the Business Improvement District By-Law.*²

Administrative Order 47, the Business Improvement District Administrative Order (Administrative Order 47)

*Administrative Order 2019-006-ADM, the Business Improvement District Grants Program Administrative Order*³ (Administrative Order 2019-006-ADM).

RECOMMENDATION

It is recommended that Halifax Regional Council

1. set the uniform sum amount pursuant to clause 14(1)(c) of Administrative Order 2019-006-ADM, the *Business Improvement District Grants Program Administrative Order*, at a fixed dollar amount of \$5,000 for each business improvement district for fiscal year 2020-2021; and

RECOMMENDATION CONT'D ON PAGE 2...

¹ See [Item No. 15.1.4 Halifax Regional Council January 28, 2020](#).

² See [By-law B-700](#).

³ See [Administrative Order 47](#).

- direct the Chief Administrative Officer to include in the preparations of budget for fiscal years after 2021-2022, a uniform sum in the amount of \$5,000 for each business improvement district, and such inclusion continue until such time as Council directs otherwise.

BACKGROUND

On January 28, 2020, Regional Council adopted *Administrative Order 2019-006-ADM*, and repealed the *BID Contribution Fund Policy*.⁴ On February 12, 2020 Council approved an increase to the Business Improvement Grants Program in the amount of \$50,000.⁵

DISCUSSION

Administrative Order 2019-006-ADM is intended to: (a) provide for grants to eligible business improvement districts (districts) located within the geographic boundary of the Municipality; (b) promote and improve the economic vitality and attractiveness of the district; and (c) leverage private sector, philanthropic, or government investment, to contribute to the revitalization and growth of the district.⁶ Eligibility under *Administrative Order 2019-006-ADM* is restricted to areas designated as business improvement districts under *Administrative Order 47*.⁷ Nine BIDs are currently listed under *Administrative Order 47* and are eligible for funding in fiscal 2020-2021.⁸

The formula used to determine the value of a district grant incorporates a baseline or 'uniform sum' (a fixed dollar amount set by Council) allocated to each eligible district. The balance of grant funding is disbursed based on each district's proportional share of the cumulative levy. As set out in s.14(2) of *Administrative Order 2019-006-ADM*, an individual district's grant is calculated using the following formula:

$$\text{Uniform Sum}^9 + \left[\frac{\text{District Levy}^{10}}{\text{Cumulative Levy}^{12}} \times \text{Adjusted Program Budget}^{11} \right] = \text{District Grant}$$

⁴ See [Item No. 15.1.4 Halifax Regional Council January 28, 2020](#).

⁵ See [2020-2021 Budget Adjustment List for Consideration](#).

⁶ See *AO 2019-006-ADM*, section 3.

⁷ See *AO 2019-006-ADM*, section 4.

⁸ The districts listed prior to September 2019 are as follows: (1) Downtown Dartmouth Business Improvement District; (2) Main Street Dartmouth Business Improvement District; (3) Spring Garden Road Business Improvement District; (4) Downtown Halifax Business Improvement District; (5) Quinpool Road Business Improvement District; (6) North End Business Improvement District; (7) Spryfield Business Improvement District; (8) Sackville Business Improvement District; (9) Porters Lake Business Improvement District.

⁹ Uniform sum means a fixed dollar amount set by Council for each district for the fiscal year. See *AO 2019-006-ADM*, s. 14(1)(c).

¹⁰ District levy means the levy for a single district accounting for revised/appealed assessments and excluding federal and provincial payments/grants in lieu of taxes (PILT). See *AO 2019-006-ADM*, s. 2(e).

¹¹ Adjusted program budget means the program budget less the uniform sum amounts. See *AO 2019-006-ADM*, s. 14(1)(a).

¹² Cumulative levy means the combined (prior-year) levies for all the districts accounting for revised/appealed assessments and excluding federal and provincial payments/grants in lieu of taxes (PILT). See *AO 2019-006-ADM*, s. 2(c).

In fiscal year 2019-2020 the nine (9) eligible districts' cumulative area rate levy totalled \$2,692,984. Regional Council has approved a program budget of \$207K for the 2020-21 fiscal year.¹³ To date, Regional Council has not set the uniform sum amount. For illustrative purposes, a uniform sum amount of \$5,000 has been used in Table 1 (see Attachment 1).

Collectively, the nine eligible business districts would receive a combined total of \$45,000 in uniform sum allocations. The balance of \$162K comprising the districts' grants represents the adjusted program budget that would be allocated on a proportional share basis.¹⁴

A lower (or higher) baseline could be established by Regional Council, however, the \$5,000 uniform sum allocation amount has the support of the eligible business districts (see Attachment 2). Moreover, the \$5,000 uniform sum allocation would permit each business district to undertake a modest project, regardless of the district's levy. Staff, therefore, recommend that Regional Council set the uniform sum at \$5,000 until otherwise directed by Regional Council.

FINANCIAL IMPLICATIONS

A sum of \$50,000 from R723 – 6906 was added to \$107,000 in C771 – 6919 for a combined total of \$157,000. This was an inter-departmental budget transfer, with no financial implications to the change. On February 12, 2020, Regional Council approved an increase of \$50,000 for a revised AO 2019-006-ADM program budget of \$207,000 in fiscal 2020/2021.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low.

COMMUNITY ENGAGEMENT

Staff have received correspondence from eight (8) of the eligible business improvement districts regarding setting the uniform sum amount at \$5,000 (see Attachment 2). Staff have spoken with the Porters Lake Business District's Chair to confirm support of the recommended \$5,000 uniform sum allocation.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

1. Regional Council could set the uniform sum amount at a fixed dollar amount other than \$5,000. This is not recommended for the reasons outlined in the report.

¹³ Program budget means the budget amount allocated to the grant program for a fiscal year for all the districts through the annual municipal budget process. See AO 2019-006-ADM, s. 2(j).

¹⁴ Assuming a uniform sum of \$5K, the adjusted program budget is equal to the program budget (\$207K) minus the combined total of all uniform sum amounts (\$45K) for a balance of \$162K.

ATTACHMENTS

1. Table 1: District Grant Calculation | \$5K Uniform Sum.
2. Correspondence to the Mayor Savage and Halifax Regional Municipality Councillors dated January 27, 2020.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Scott Sheffield, Government Relations and External Affairs 902.490.3941

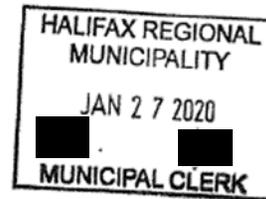
ATTACHMENT 1

Table 1: District Grant Calculation | \$5K Uniform Sum

Business District	2019-20 District Levy	Proportion of Cumulative	Uniform Sum Amt	Proportional Share Amt	District Grant Amt
Downtown Dartmouth	\$307,666	11.43%	\$5,000	\$18,508	\$23,508
Downtown Halifax	\$1,190,664	44.21%	\$5,000	\$71,626	\$76,626
Mainstreet Dartmouth	\$127,638	4.74%	\$5,000	\$7,678	\$12,678
North End Halifax	\$191,867	7.12%	\$5,000	\$11,542	\$16,542
Porters Lake	\$10,455	0.39%	\$5,000	\$629	\$5,629
Quinpool	\$140,205	5.21%	\$5,000	\$8,434	\$13,434
Sackville	\$205,198	7.62%	\$5,000	\$12,344	\$17,344
Spring Garden	\$418,529	15.54%	\$5,000	\$25,177	\$30,177
Spryfield	\$100,762	3.74%	\$5,000	\$6,062	\$11,062
Totals	\$2,692,984	100.00%	\$45,000	\$162,000	\$207,000

ATTACHMENT 2

Re: item No. 15.1.4



27 January, 2020

Mayor Savage
Halifax Regional Municipality
PO Box 1749
Halifax, NS B3J 3A5

Re: Proposed Administrative Order 2019-006-ADM Respecting Grants to Business Improvement Districts

Dear Mayor Savage and Halifax Regional Municipality Councilors,

Our organizations transform the local business improvement districts into vibrant communities where people work, live, and play. BIDs are important economic partners of HRM as we leverage government funding, the private sector, and philanthropy to support local economic growth and the expansion of the commercial tax base.

The January 28th Staff Report **Re: Proposed Administrative Order 2019-006-ADM Respecting Grants to Business Improvement Districts** proposes significant changes to the current BID grant program. We applaud staff on this report, and are happy to see the proposed changes to increase efficiencies and recognize our economic development partnership with HRM. We also welcome the recommendation for increased funding (pre TWP).

In previous years, the BID Contribution Fund was reduced from \$157,000 to \$107,000, the BIDs support the staff report's recommendation to restore this fund for the 2020-2021 budget. This \$50,000 would be in addition to the enhanced maintenance funding of \$50,000, which the staff report proposes to merge with the BID Grants Program. For BIDs to be viable economic development partners of HRM, the newly merged BID Grant Program should be funded to a minimum of \$207,000.

The BID Contribution Fund is already drawn on by eight BIDs in urban and suburban areas of HRM. The Porters Lake Business Association recently formed and is eligible to apply to the 2020-2021 BID Contribution Fund, and there is the possibility of another BID forming in the Clayton Park area. With a growing region, it is likely the number of BIDs will continue to increase throughout the HRM and stretch an already insufficient fund.

There is also a disparity between BIDs, with the smaller BIDs, mainly in suburban areas, unable to adequately fund their responsibilities under the maintenance and contribution agreements.

We support the staff recommendation to establish a minimum allocation per BID, and recommend a minimum of \$5000. As per staff recommendations, we support the balance of the BID Grant Program being distributed in accordance with the current funding formula. It is crucial this recommendation occur concurrently with an increase to the overall amount available in the fund though, so as to ensure no BID loses funding.

In closing, we urge Regional Council to support staff recommendations and increase the 2020-2021 BID Contribution Fund Budget by \$50,000, with a minimum of \$5000 granted to each BID and the balance distributed in accordance with the current funding formula. This would be in addition enhanced maintenance funding. We also recommend the reinstatement of the \$30,000 discretionary fund available for smaller BIDs. This would enable sufficient funding for BIDs to fulfill their roles as economic partners.

Sincerely,

Downtown Halifax Business Commission
Downtown Dartmouth Business Commission
Main Street Dartmouth Business Improvement Association
North End Business Association
Quinpool Road Mainstreet District Association
Sackville Business Association
Spring Garden Area Business Association
Spryfield Business Commission