



## **Staff Report for Council Meeting**

**Date of Meeting:** July 9, 2019

**Report Number:** SRCFS.19.028

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** **SRCFS.19.028 – Dissolution of the Village of Richmond Hill Business Improvement Area**

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### **Purpose:**

To repeal By-law 170-08 and dissolve the Village of Richmond Hill Business Improvement Area.

### **Recommendation(s):**

- a) That By-law 170-08 be repealed in order to dissolve the Village of Richmond Hill Business Improvement Area board of management; and
- b) That the Mayor and City Clerk be authorized to approve and execute any agreements or documentation, as necessary to implement the dissolution of the Village of Richmond Hill Business Improvement Area board of management, upon the recommendation of the City Treasurer.

### **Contact Person:**

David, Dexter, Director of Financial Services/Treasurer, Extension 2484

Meeta Gandhi, Director, Strategic Initiatives and Communication Services,  
Extension 6311

### **Report Approval:**

**Submitted by:** Mary-Anne Dempster, Commissioner of Corporate and Financial Services

**Approved by:** Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

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### Background:

In 2008, the City of Richmond Hill re-established a Business Improvement Area (BIA) for the downtown business area, primarily along Yonge Street, north of Major Mackenzie Drive and south of Benson Avenue (as per Bylaw 170-08 in Appendix “A”). The goal of the BIA being re-established was to help promote business in the area and attract people to the Downtown core.

In the past, the BIA was one of the sponsors for a number of events in the area such as the Festival of Lights, Santa Claus Parade, and Heritage Day Festival. The BIA has also made efforts to establish greater exposure to businesses in the Downtown area through a website, social media, and a business directory. However, in recent years the BIA’s efforts at promoting the Village District have been minimal and have not met the expectations of City staff and many businesses in the area. The BIA website and social media accounts lack regular updates and are very much out of date. Additionally, aside from the Village Pages Directory and several online videos, there is a lack of publications and community activities originating from the BIA, which are needed to attract more visitors to the area.

Also in recent years, staff have experienced significant frustration trying to work with the BIA through the following administrative challenges:

1. Inability to maintain timely and accurate financial records with supporting documentation. Annually, as part of the year-end audit, the City’s auditors have been unable to receive all supporting documentation to support transactions. This has led to documented concerns presented to Audit Committee each year; and
2. Annually unable to have a Board approved budget to present to Council as part of the City’s regular budget process, despite ongoing reminders to meet these timelines. Staff believe that the inability to attain regular quorum at Board meetings has contributed to this poor timing. It is not uncommon for BIA budget requests to appear before Council in late spring/early summer, less than a month before tax billings are mailed out.

City staff spend significant amounts of unproductive time attempting to deal with the above challenges. As staff go forward to find efficiencies in their daily work efforts as well as promote this important part of the City, within constrained budgets, the use of staff time in this inefficient way cannot be maintained.

In efforts to improve the promotion of businesses and activities in the Village District, the Richmond Hill Board of Trade made a proposal to the BIA Board for management of these efforts on the BIA’s behalf going forward. The Board of Trade has a good track record of promoting these type of activities for businesses throughout the City. The BIA Board rejected this proposal at their June 26, 2019 meeting.

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### Dissolution Process

With the recommendation to dissolve the BIA, the Municipal Act (Section 214) prescribes that:

Dissolution of board

214 (1) Upon the repeal of a by-law under subsection 204 (1), the board of management is dissolved and the assets and liabilities of the board become the assets and liabilities of the municipality. 2001, c. 25, s. 214 (1).

Liabilities exceed assets

(2) If the liabilities assumed under subsection (1) exceed the assets assumed, the Council may recover the difference by imposing a charge on all rateable property in the former improvement area that is in a prescribed business property class. 2001, c. 25, s. 214 (2).

At present, the BIA has two significant commitments:

- i. One administrative employee; and
- ii. Office Lease for 10097 Yonge Street, Unit 1 that expires September 6, 2021 (\$1,800 per month or \$21,600 per year).

The BIA also has bank accounts with a financial institution in the area with small balances. With Council approval of the recommendations to this report, staff will proceed to ensure transferring of these funds to the City and will move to discontinue commitments where possible.

If Council chooses not to adopt the dissolution recommendation in this report, then a 2020 budget for the BIA needs to be adopted. Appendix “B” provides a recently Board approved request which reflects 13.5% Levy increase.

### Going Forward

Dissolving the BIA provides the Economic Development Section with the opportunity to conduct more comprehensive engagement in the Village District to build and strengthen relationships between the City and businesses/landowners. It also provides an opportunity to have an increased presence in this important part of the City.

Previously, the lack of engagement with the BIA Chair and Economic Development resulted in limited efforts in the revitalization of the Village district.

### Financial/Staffing/Other Implications:

The financial impacts of dissolving the BIA will involve the City taking on their office lease commitment and attaining the bank account balances.

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### **Relationship to the Strategic Plan:**

Dissolving the Village of Richmond Hill Business Improvement Area demonstrates responsible municipal management in which the following objectives are being met:

- a) Wise management of resources in Richmond Hill; and
- b) Ensure open information flow and accessible decision-making.

### **Conclusion:**

That Council repeal By-law 170-08 and dissolve the Village of Richmond Hill Business Improvement Area. Staff will proceed to give notice to the landowners and BIA Board members.

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Appendix A – By-law 170-08 Richmond Hill Business Improvement Area.
- Appendix B – Village of Richmond Hill BIA Budget 2018 and 2019 Expenses

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### Report Approval Details

Document Title:	SRCFS.19.028 Dissolution of the Village of Richmond Hill Business Improvement Area.docx
Attachments:	- SRCFS.19.028 Appendix A - By-law 170-08 Business Improvement Area.pdf - SRCFS.19.028 Appendix B - Village of Richmond Hill BIA Budget.pdf
Final Approval Date:	Jul 4, 2019

This report and all of its attachments were approved and signed as outlined below:

**David Dexter - Jul 3, 2019 - 4:06 PM**

**MaryAnne Dempster - Jul 4, 2019 - 7:42 AM**

**Neil Garbe - Jul 4, 2019 - 8:46 AM**