



To: COUNCIL

Meeting Date: 8/6/2024

Subject: 24-074-CRS Appendix A.24-036-CRS Proposed Expansion for Downtown Cambridge Business Improvement Area - 24-036-CRS (004).docx

Submitted By: Danielle Manton, City Clerk

Prepared By: Danielle Manton, City Clerk

Report No.: 24-036-CRS

File No.: C1101

Wards Affected: Ward 4

RECOMMENDATION(S):

THAT Report 24-036-CRS Proposed Expansion for Downtown Cambridge Business Improvement Area be received; and

That Council authorize the Clerk to provide a notice of intention to enact a by-law to expand the boundary of the Downtown Cambridge Business Improvement Area as shown in Appendix A of report 24-036-CRS Proposed Expansion for Downtown Cambridge Business Improvement Area; and

That the Clerk be directed to provide a summary report with results from the notice of intention to enact a by-law to expand the boundary of the Downtown Cambridge Business Improvement Area following the conclusion of the legislated timeframe as per the *Municipal Act, 2001*.

EXECUTIVE SUMMARY:

Purpose

The Downtown Cambridge Business Improvement Area (BIA) passed a motion at their March 2023 meeting to move forward with a request to Council to expand the current boundary to include the Galt core area in its entirety, following working with City staff on a finalized map the Board's motion was reinforced at a meeting of September 12, 2024.

The *Municipal Act, 2001*, (“the Act”) requires that council follow regulated steps when looking to expand boundaries that are established by a Council by-law.

The steps to expand a BIA’s boundary begin with a motion passed by the board of management and a request to Council to authorize the Clerk to provide notice to all parties impacted by the expansion that are considered rateable business properties within the current and expanded boundaries providing opportunity for all entitled parties to be made aware and object if they are not supportive of the proposed expansion.

Following the notice provisions as per the Act, Council may consider passing a by-law to permit a proposed expansion of a BIA’s boundary.

Following the legislated timeline for objections to be received by the Clerk, Council will receive a summary report outlining the findings and proposing options and next steps related to the request for expansion.

Key Findings

The Downtown Cambridge BIA has expressed interest in expanding the boundary of the BIA as outlined in Appendix A.

Staff have reviewed the request for expansion and will provide Council with further details related to cost analysis and service delivery to the proposed expanded area in the summary report from the Clerk once the notice requirements of the *Municipal Act* are met.

Financial Implications

Currently all businesses within the BIA catchment area pay an annual BIA levy for membership which provides an enhanced level of service including beautification, marketing and engagement for example. Each property within the prescribed business class within a BIA is required to pay a BIA levy in addition to their property taxes.

An expansion to the boundary of a BIA would impact all rateable business properties in the expanded area and may also place additional pressure on City resources to adequately support a proposed expanded boundary.

STRATEGIC ALIGNMENT:

Strategic Action

Objective(s): STRONG CORES - Create an inviting downtown that connects and complements core areas and neighbourhoods where people want to live and visit

Strategic Action: Establish our core areas as attractive destinations

OR

Core Service

Program: Choose a Program

Core Service: Choose a Core Service

The request for expansion of the Downtown Cambridge BIA is seeded in a desire to continue to enhance the vibrancy of the Downtown Galt area of Cambridge. The hope of the expansion is to foster inclusion of businesses that are beyond the current boundaries and that are already contributing to making the Downtown Galt area one that serves and supports the surrounding neighborhoods and visitors. This report highlights the first step in the legislative process for the request to expand as per the Act.

BACKGROUND:

Section 204 of the Act states that a municipality may, by by-law, designate an area as an improvement area for the following purposes:

- Improvement of beautification
- maintenance of municipally owned property in the area
- promotion of the area as a business or shopping area

Further the Act provides that a local municipality may designate an area as an improvement area and may establish a board of management to oversee the improvement, beautification and maintenance of municipally owned land, buildings and structures in the area beyond that provided at the expense of the municipality generally, and to promote the area as a business or shopping area.

Membership

Members of an improvement area consist of persons who are assessed, on the last returned assessment roll, with respect to rateable business property in the area that is in a prescribed business property class and tenants of such property.

The City of Cambridge has three (3) business improvement areas (BIA's)

1. Preston Towne Centre, established in 1976
2. Downtown Cambridge, established in 1976
3. Hespeler Village, established in 1977

The Downtown Cambridge BIA was established by By-law No. 902 in 1976.

ANALYSIS:

MUNICIPAL ACT POWERS AND PROCESS:

Section 209 of the Act provides that a municipality may alter the boundaries of an improvement area.

The steps regulated through the Act to alter boundaries of an improvement area are as follows:

Step 1 – Motion from BIA to expand

When a BIA's Board of Management is interested in expanding their boundary, the Board is encouraged to pass a motion communicating their interest in pursuing an expansion of the current boundaries to Council and request Council establish a new by-law to include the expanded area.

Step 2 – Direction to Clerk for Notice of Intent to Pass a By-law to Expand

Before a by-law may be passed to alter the boundaries of the BIA, the Clerk is required to provide notice of the request to expand and a map of the expanded and current boundary by prepaid mail to every person who is assessed for rateable business property that is in a prescribed business property class which is located within the existing boundaries of the BIA; as well as in the geographic area the proposed by-law would add to the improvement area. All notified parties have 60 days to provide written objections to the Clerk. A copy of the draft notice is attached as Appendix B.

Within thirty (30) days all persons who received the notice are required to provide a copy of the notice to each tenant of the property to which the notice relates who is required to pay all or part of the taxes on the property; and within that thirty (30) day timeframe they are required to provide the Clerk with a list of all such tenants and the share of the taxes that each tenant is required to pay; as well as the share that the property owner is required to pay.

Step 3 – Objections

All recipients of the notice are only obligated to provide notice to the Clerk in writing if they object to the proposed expansion. If they do not object, no action is required of those notified.

The Clerk is required to collect all written objections and prepare a summary report to Council following the conclusion of the 60 day notice period which commences the day after the prepaid notice is mailed.

A municipality is not permitted to pass a by-law to expand the boundaries of an improvement area if written objections are received by the Clerk within sixty (60) days after the last day of mailing of the notices; and, those objections have been signed by at

least one-third of the total number of persons entitled to notice and/or those tenants that pay all or part of the taxes of an effected property.

To prevent the passage of the boundary expansion by-law, those objectors must account for at least one-third of the taxes levied for purposes of the general local municipal levy on rateable business property in all prescribed business property classes in the improvement area; or at least one-third of the taxes levied in the geographic area the proposed by-law would add to the existing improvement area.

The Municipal Act assigns responsibility to the Clerk to determine as to whether the objections to the proposed boundary expansion meet the stipulated thresholds. If the prescribed thresholds are met, then the by-law would not be put forward for Council's consideration and the BIA's boundaries would retain their existing configuration.

Step 4 – Summary of Notice of Intent to Pass a By-law to Expand

Once the outcome for the prescribed timeline has concluded the Clerk will prepare a summary report on the final outcome of the notifications.

If no objections are received, or the number of objections does not meet the requirements set out in the Act, then Council may consider options that include passing a by-law for expansion. The summary report will also provide further details related to cost analysis for the expansion and other options available to Council related to the expansion request.

it is anticipated that the summary report following the notice process will be brought forward in late 2024 or early 2025.

Step 5 – Passing of By-law to Expand

Following receipt of the summary report from the Clerk, should the number of objections not prohibit Council from passing a by-law, Council may direct the Clerk to prepare a by-law to expand the proposed boundary.

EXISTING POLICY / BY-LAW(S):

Municipal Act, 2001

By-law No. 903 - a By-law to establish the Downtown Business Improvement Area

FINANCIAL IMPACT:

Currently all businesses within the current Downtown Cambridge BIA boundary area pay an annual BIA levy for membership which provides an enhanced level of service including beautification, marketing and engagement for example. Each property within

the prescribed business class (as defined by the Municipal Property Assessment Corporation) within a BIA is required to pay a BIA levy in addition to their property taxes.

An expansion to the boundary of a BIA would impact all rateable business properties in the expanded area and may also place additional pressure on City resources to adequately support a proposed expanded boundary.

PUBLIC VALUE:

The requirement under the Act as it relates to establishment for a BIA within a municipality and the areas for which a Board of Management may be responsible for align with values within the City of Cambridge's Strategic Plan.

Staff have collaborated with the Downtown Cambridge BIA following the request for this expansion and have greatly appreciated the Boards patience as various areas of the City have been required to consider this request. Should Council wish to provide a notice of intent for this expansion request, the Clerk will provide a summary report on the outcome of the notice and further analysis on expectations for service delivery to support a proposed expansion.

The prescribed engagement process of the Act for Council to provide notice of a request for a boundary expansion to a BIA and then outline how those in the existing and proposed expanded areas may be engaged to inform Council of their preference around the proposed expansion ensures that transparency and engagement are paramount throughout legislative processes and further aligns with the City's Strategic Plan.

ADVISORY COMMITTEE INPUT:

No advisory committees were consulted in preparation of this report

PUBLIC INPUT:

This report has provided notice through the agenda for the Council meeting of September 17, 2024, and next steps related to the outcome of the recommendations within this report will provide further public awareness through publishing of future agendas following the prescribed notice period.

The Board of Management for the current Downtown Cambridge BIA has been consulted since 2019 on the interest to expand, steps involved in expanding and received training on requesting an expansion.

Should Council approve the direction in this report, the Board of Management for the Downtown Cambridge BIA is encouraged to launch awareness activities to further share the notice period with their members and their proposed expanded boundary businesses to further amplify the intention of the proposed expanded boundary.

Should Council direct the Clerk to carry out the statutory requirements as per the Act, all rateable business properties and tenants within the current Downtown Cambridge BIA boundary and the proposed expanded boundary would be contacted to provide notice of the intention to pass a by-law to expand the boundary for the Downtown Cambridge BIA. This notice would provide the opportunity for all rateable business property owners and tenants of such properties to indicate if they object to such an expansion as required through the Act. The statutory requirement of providing notice does not establish a by-law but only requests that those notified indicate their preference for Council to establish a by-law at a future time.

INTERNAL / EXTERNAL CONSULTATION:

Following notice from the Downtown Cambridge BIA of the request for an expansion, multiple staff have been consulted and informed of the request to expand. Staff in Technology Services assisted with confirming the proposed expanded boundary map as attached in Appendix A and Finance staff have provided financial information related to the properties in the prescribed business class within the current assessment roll. Additional consultation will continue with staff in preparation for the summary report to be provided to Council before the end of 2024.

Council will receive a report in the next couple of months to provide further information around a proposed initiative to explore the modernization of the framework in which the City and the three BIAs operate as partners. The initiative will outline a proposal to review current practices and processes and identify new strategies to enhance collaboration between the City of Cambridge and the City's three BIAs.

CONCLUSION:

Business Improvement Areas provide many benefits for local businesses and neighbouring residential areas, including making the area more attractive to visit and shop, promoting businesses and assisting in revitalization.

The Downtown Cambridge BIA has requested that Council approve the initial step of a proposed expansion for their boundary. Should Council support this first step of providing notice of the request to expand, the Clerk will provide notice and report back following the outcome of the prescribed notice period. A By-law approving the requested expansion would not come into effect until the Clerk provides a summary of the findings

of the notification and outlining next steps for Council. It is recommended that Council initiate the statutory process required to expand the Downtown Cambridge BIA boundary specifically, by providing notice of Council's intention to enact a by-law to expand the Downtown Cambridge BIA boundary to all affected land and business owners to determine their support for the proposal.

REPORT IMPACTS:

Agreement: **No**

By-law: **Yes**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

When naming attachments please use the following format:

1. 24-036-CRS Appendix A - Proposed Expansion for Downtown Cambridge Business Improvement Area – Proposed Expanded Boundary Map
3. 24-036-CRS Appendix B – Proposed Expansion for Downtown Cambridge Business Improvement Area – Draft Letter of Notice of Intent