

To: COUNCIL

Meeting Date: 10/19/2021

Subject: Economic Recovery - Financial Assistance for Cambridge's Three (3) Business Improvement Areas (BIAs) – Banners, Holiday Decorations, and Associated Electrical Costs

Submitted By: James Goodram, Director of Economic Development
Kevin De Leebeeck, Director Engineering

Prepared By: Laura Pearce, Senior Economic Development Officer
Shannon Noonan, Manager of Transportation Engineering

Report No.: 21-247(CRE)

File No.: C1101

Recommendation(s)

THAT Report 21-247(CRE), re: Economic Recovery – Financial Assistance for Cambridge's Three (3) Business Improvement Areas (BIAs)-Banners, Holiday Decorations, and Associated Electrical Costs be received;

AND THAT Council supports the continued Economic Recovery of Cambridge's BIAs by hereby approving the following:

1. The City of Cambridge exempting all three (3) BIAs from City of Cambridge permit fees relating directly to the installation and removal of banners and holiday decorations for 2021/2022 holiday season;
2. The City of Cambridge provides additional funding in the amount of \$12,792 in 2021 (Downtown \$7,291, Preston \$3,636, Hespeler \$1,865) to the BIA's to assist in offsetting the costs of installation and removal of decorations to be paid from the Transportation street lighting cost centre and from the Economic Development Reserve Fund for the 2021/2022 holiday season.
3. The City pay for the electrical costs associated with the operating of holiday lights in the three BIA Areas for the 2021/2022 holiday season.

AND THAT Council approve a transfer from the Economic Development Reserve Fund in the amount of \$13,624 to cover the additional costs as outlined in this report.

AND THAT Council direct City Staff to enter into a dialogue with the Region of Waterloo to discuss the possible waiving of any proposed future Regional fees for permits regarding the installation of banners and holiday decorations for Cambridge's three (3) BIAs.

AND FURTHER THAT Council direct staff to work with the three BIA's to develop a Memorandum of Understanding (MOU) with each BIA with respect to the holiday decoration and banner programs and associated fees and costs, as well as other items such as flower baskets, plantings, street maintenance, snow removal, etc. in the core areas.

Executive Summary

Purpose

- To provide Council with an alternative to financially assist Cambridge's BIAs in matters directly related to the hanging and removal of banners and holiday decorations, and associated electrical costs within the three (3) BIAs, for the 2021/2022 holiday season.
- To receive direction to develop a Memorandum of Understanding with each BIA for future years.

Key Findings

- As an economic recovery initiative, staff is proposing that the City could assume the electrical costs for the 2021/2022 holiday season, as well as exempt the BIAs from banner and permit fees for the remainder of 2021 and entirety of 2022.
- For plans beyond these time frames, staff is seeking direction to enter into discussions with the BIAs to develop a Memorandum of Understanding to outline respective roles and responsibilities for downtown programs in the future.

Financial Implications

- Costs for 2021/22 programs include \$680 for the banner program, \$13,152 for the holiday decoration program with associated permit fees and \$2,666 for the electrical costs. Estimated total cost for the 2021/2022 season is \$16,498 as further described in the comments section below and summarized in Table A.
- Funding provided by the City will be budgeted by the respective department(s) that currently oversee the hanging of banners and holiday decorations, including the electrical costs associated with these activities. The funds are proposed to be taken from the Transportation street lighting budget and additional remaining funds are proposed to be taken from Economic Development Reserve. For

subsequent years, it should be noted that staff will be seeking council direction from where funds should be drawn from.

Background

For many years, it has been the City of Cambridge's policy to have the three (3) Business Improvement Areas (BIAs) cover permit fees and pay a portion of the cost of installation/removal of banners and holiday decorations with the BIA areas. This also includes the electrical costs associated with holiday decorations within the BIAs.

In 2013/14, the Downtown Cambridge BIA chose to coordinate and use their own budget for the entire holiday decoration program including installation, removal, storage and maintenance. Currently, the Preston Towne Centre and Hespeler Village BIAs have the City coordinate the contractor for such installations/removals. Both BIAs would now like to adopt the same model as Downtown Cambridge for the 2021/2022 season and beyond.

Given that the BIAs have limited budgets and that such banners and decorations beautify the Core Areas for everyone to enjoy, City Staff is proposing that certain related costs be covered by the City of Cambridge for the 2021/2022 holiday season as an economic recovery initiative. The proposed related costs to the City are to cover all permit fees (permits will still be required to be obtained), all hydro costs and a contribution of 50% of the program costs for each BIA towards the installation, removal, storage and maintenance of the decorations.

With the on-set of the pandemic which effectively curtailed many small businesses in the BIAs in March 2020, Staff is attempting to assist the BIAs financially by assuming the costs detailed in this report. Each respective BIA Board passed a motion, as attached in Appendix A requesting financial assistance to help offset some of the costs related to the 2021/2022 program including covering permit fees, electrical costs and 50% of the program costs for installation, removal, storage and maintenance of the holiday decorations.

In addition, there is currently no agreement or memorandum of understanding (MOU) that defines the City's and the BIA's respective roles and responsibilities related to the core areas. Staff will be working with various City Departments and the three BIAs to develop a comprehensive MOU to address these issues. This document will be brought back to Council for review, including any budget considerations necessary.

Analysis

Strategic Alignment

PROSPERITY: To support and encourage the growth of a highly competitive local economy where there is opportunity for everyone to contribute and

succeed. PROSPERITY: To support and encourage the growth of a highly competitive local economy where there is opportunity for everyone to contribute and succeed.

Goal #6 - Economic Development and Tourism

Objective 6.3 Identify local economic strengths and leverage opportunities through collaboration with our partners.

Cambridge's BIAs are an integral part of the city and are a key component of City staff's marketing efforts not only for the respective downtowns but City wide as a whole. Removing incidental fees and charges will allow the BIAs to concentrate more of their budgets on their specific mandate, namely beautification and marketing.

Comments

Banners and Holiday Decorations in the BIAs

From time to time the BIAs install banners on light posts in the downtown cores, to promote special events or other initiatives. When such banners are installed, the BIA must obtain a highway occupancy permit from the City of Cambridge and a work permit from the Region of Waterloo for regional roads to allow contractors to work within City and Regional right-of-way for the installation and removal of banners. The BIA's are not exempt from the permit fee requirement under the Municipal fees and charges bylaw, and therefore council approval is required for waiving of said fees.

Table A describes the current and proposed fees as related to the banner program and holiday décor program:

Current Costs to City	Banner	Electrical	Holiday Décor	Holiday Décor Permits	Total
Downtown	\$ -	\$ -	\$ -	\$ 180	\$ 180
Preston	\$ -	\$ -	\$ 1,469	\$ -	\$ 1,469
Hespeler	\$ -	\$ -	\$ 1,045	\$ 180	\$ 1,225
Total	\$ -	\$ -	\$ 2,514	\$ 360	\$ 2,874

Proposed Costs to City	Banner	Electrical	Holiday Décor	Holiday Décor Permits	Total
Downtown	\$ 265	\$ 938	\$ 7,291	\$ 180	\$ 8,674
Preston	\$ 150	\$ 783	\$ 3,636	\$ -	\$ 4,569

Hespeler	\$ 265	\$ 945	\$ 1,865	\$ 180	\$ 3,255
Total	\$ 680	\$ 2,666	\$ 12,792	\$ 360	\$ 16,498

The banner permit fee for 2021 is \$75 plus HST. The highway occupancy permit fee for 2021 is \$95 plus HST for each installation and removal. Currently the Region of Waterloo does not charge a fee for a Work Permit, as such Preston BIA is only responsible for the banner permit fee. The fees in the table above represent one banner program each for Downtown and Hespeler BIA and two programs for the Preston BIA.

For the holiday décor program, only highway occupancy permit fees apply for the Downtown and Hespeler BIAs.

Electrical Costs for Holiday Décor Program

Historically, all electrical costs associated with holiday decorations within the BIAs have been paid for by the individual BIAs themselves. Given that such decorations are for the enjoyment of the entire population of Cambridge and visitors therein, Staff is recommending that said electrical costs be paid by the City for the 2021/2022 holiday season as an economic recovery initiative and future years.

In 2019/2020 the costs were \$938 for Downtown Cambridge \$945 for Hespeler Village and \$783 for Preston Towne Centre totalling \$2,666.

It is reasonable to expect similar costs for 2021/2022.

Therefore, the total anticipated costs of this funding support to the BIAs for the 2021-2022 holiday season is forecasted at \$16,498, a net increase to the City of \$13,624 (\$16,498 - \$2,874 = \$13,624).

Possible Future Regional Fees

It was further noted that while the Region does not currently have a fee for their Work Permits (equivalent of City Highway Occupancy Permits), the Region is working towards charging a fee that may be significantly higher than the City fee. This fee, when it comes into effect, will impact the BIAs. Consequently, staff is requesting Council permission to open a dialogue with the Region to discuss any future Regional fees that may be applicable to the BIA's.

Memorandum of Understanding (MOU)

In order to establish a defined working partnership/relationship that clearly outlines roles, responsibilities and financial accountability between the City and each BIA, it is recommended that staff be directed to work with the BIAs to develop a Memorandum of

Understanding (MOU). The MOU will ensure that all parties are in agreement and assist with managing expectations.

This MOU would also address the costs borne by the BIAs for the holiday décor program. Currently the Downtown Cambridge BIA coordinates its own holiday décor program at its own cost. These costs include storage and installation of items such as lights and decorations. The Preston Towne Centre and Hespeler Village BIAs' storage, installation and removal are managed by the City and the costs are shared 50/50 for installation and removal, as described above.

Recently, all three BIAs have passed motions to request the City of Cambridge reimburse the hydro and permit fees for the holiday décor and banner programs and cover 50% of the holiday décor program costs for installation, removal, storage and maintenance of the decorations as part of our ongoing recovery efforts. Additionally, Hespeler Village and Preston Towne Centre BIA's have requested to manage the holiday décor program in its entirety, similar to how the Downtown Cambridge BIA has functioned for the last several years.

Should staff be directed to proceed with MOU discussions, the arrangements and costs related to the holiday décor program would be incorporated into such an agreement.

Discussion

As Council is aware municipal investments into holiday decorations can return dividends. The most obvious benefit is the joy and goodwill the City can generate among residents and visitors. It's very simple: holiday decorations make people happy and brings the public to the Core Areas. In addition, such investments support Cambridge's current and very successful Christmas in Cambridge holiday events.

Municipalities that invest in public displays of holiday decorations are also rewarded with something far more substantial than appreciation from their citizens. Publicly funded holiday displays can bring attention to our community itself. Holiday displays can generate lots of free publicity, attract visitors, and increase profits for businesses during the holiday seasons. It also furthers Council's recent emphasis upon Placemaking, as well as the Cambridge Strategic Plan objective of establishing the core areas as attractive destinations.

Further, coverage of the associated costs will greatly assist the BIAs with their respective budgets and simplify the process with obtaining permissions from the City and the Region. The BIA's will still be responsible for obtaining permits but will not be responsible for payment of fees.

For clarity, the request to council is to cover permit fees and for financial assistance to the BIA's Holiday Décor program is for the 2021/2022 season only. The request to enter

into an MOU will provide staff with future direction for ongoing years regarding potential funding to the BIA's respective holiday décor programs.

Should council not approve the recommendations in this report, the BIA's will continue to be responsible for their respective banner costs, permit fees and hydro costs. The holiday décor programs for all 3 BIA's will remain status quo.

Existing Policy/By-Law

Municipal fees and charges bylaw 20-109.

Financial Impact

Estimated total cost for the 2021/2022 season is \$16,498 as described in the comments above. Funds will be paid from the Transportation street lighting budget and a one-time cost from the Economic Development Reserve Fund of \$13,624.

Public Input

Posted publicly as part of the report process.

Internal/External Consultation

Comprehensive discussions were had with each of Cambridge's three (3) BIA's. Consultation took place with the Director of Engineering, the Manager of Transportation, Financial Services Staff, and Economic Development.

Conclusion

Staff recommends approval of additional economic recovery measures to assist Cambridge's three Business Improvement Areas as referenced in this report. These measures include exempting permit fees related to installation and removal of banners and holiday décor and associated electrical costs and providing additional funding for the respective BIA holiday décor programs for the 2021/2022 season only. By approving these recovery measures, the City is continuing to support the BIAs so they may concentrate more of their budgets on their specific mandate, namely beautification and marketing.

Signature

Division Approval



Reviewed by the CFO

Reviewed by Legal Services

Name: James Goodram
Title: Director of Economic Development

Division Approval



Name: Kevin De Leebeeck
Title: Director of Engineering

Departmental Approval



Name: Cheryl Zahnleiter
Title: Deputy City Manager



Name: Hardy Bromberg
Title: Deputy City Manager

City Manager Approval



Name: David Calder
Title: City Manager

Attachments

Appendix A – BIA Requests

Appendix A - BIA Requests

DOWNTOWN

THAT the Downtown Cambridge BIA respectfully asks the City of Cambridge to waive the hydro and permit fees associated with the holiday lighting installations as provided through the BIA's ongoing work order with Classic Displays.

AND FURTHER THAT the City of Cambridge covers 50% of the work order costs associated with the install, removal, and storage of the holiday decor by Classic Displays as part of our ongoing recovery efforts.

Motion by Shane Murphy

Seconded by Omar Kaake

CARRIED.

HESPELER

THAT the Hespeler Village BIA approve quote #603 from Shear Displays for the 2021-2022 work order for the installation, removal and storage of the BIA's streetscape holiday decor as detailed.

AND THAT the BIA respectfully asks the City of Cambridge to waive the hydro and permit fees associated with the work order.

AND FURTHER, THAT the City of Cambridge covers 50% of the work order cost as part of our ongoing recovery efforts.

Motion by Cory DeVilliers

Seconded by: Dave Olesen

CARRIED.

PRESTON:

THAT the BIA respectfully asks the City of Cambridge to waive the hydro and permit fees associated with the work order for any Christmas decor program for 2021/22.

AND FURTHER THAT the City of Cambridge covers 50% of the work order cost as part of our ongoing recovery efforts.

Motion by Courtney Hodgson

Seconded by Kendra Brough

CARRIED.