
Business Revitalization Zone Area Review

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Business Revitalization Zone Area Review

1. Introduction

The Office of the City Auditor's (OCA) Annual Work Plan included the Business Revitalization Zone (BRZ) area review project. The OCA's goal throughout this review was to provide a proactive and forward-looking focus to help bring about performance and overall effectiveness improvements in the BRZ program.

2. Background

The Province of Alberta passed legislation in June 1983 which permitted municipal governments, at the request of a business community, to establish a Business Revitalization Zone.

A BRZ is a non-profit association of business owners that join together to promote and improve the economic vitality of their business district. BRZs provide unique opportunities for businesses to accomplish mutual goals. Customers want safe, interesting, and attractive places to dine and conduct business. To attract these customers, a BRZ can be used to enhance streetscape improvements, carry out joint promotions and festivals, and promote economic development initiatives.

The City assists by helping merchants and landlords form BRZs. Once a BRZ is formed, it is managed by a volunteer board of directors comprised of property owners and tenants. BRZ funds are used to hire staff and implement BRZ plans. The City's role is to assist with contacts between the BRZ and City departments, facilitate the annual funding process, and monitor BRZ budgets. The Planning and Development Department – Strategic Services section provides consultative and planning services and prepares BRZ reports and bylaws for Council consideration.

A BRZ organization receives funding through a special levy added to each business tax assessment within the BRZ area. Each year, members of the BRZ approve its budget at an annual general meeting. The budget is then submitted to City Council for approval as required by legislation. Following Council approval of the budget, a special levy sufficient to raise the approved budget amount is approved and added to the Municipal Business Tax for all businesses within the BRZ area. This special levy is collected by the City through the normal business tax billings process and the full budget amount is turned over to the BRZ through quarterly payments. Each business owner's share of the annual BRZ budget is proportionate to their share of the total taxable value within the BRZ boundaries.

Worldwide, there are approximately 1200 Business Improvement Areas or like Business Improvement areas, of which, approximately 348 are in Canada and 429 in United States.

3. History

There are currently ten Business Revitalization Zone Areas in the City of Edmonton representing approximately 3800 businesses. Following is a brief history and background of each of those areas:

Alberta Avenue Business Association (AABA)

The AABA BRZ established in 1995 represents the businesses along 118th Avenue from the underpass at Northlands to 105 Street, north of NAIT. It is bordered by five Community Leagues with a population over 30,000. It represents over 180 businesses and services located within the BRZ boundaries, a high proportion of these businesses are family operations or single proprietorships that cater to the needs of the community.

Alberta Avenue is a historic commercial and social centre to the neighboring communities and City of Edmonton. The businesses reflect the areas unique ethnic diversity and community dynamics.

Beverly Business Association (BBA)

In September 12, 1995, the Beverly Business Revitalization Zone was established, with a mandate of advocating the long-term economic viability of the area. The BRZ encompasses approximately 150 businesses on 118th Avenue between Abbottsfield Road and 51st Street. To this end, the Beverly Business Association has developed a long-term plan for the revitalization of business activity on 118th Avenue between 32 and 51 Streets. This plan includes the development of a western frontier theme for promotional purposes, streetscape improvements along the Avenue, and a number of initiatives designed to encourage businesses to locate in Beverly Towne.

Downtown Business Association (DBA)

The Downtown Business Association (DBA) was established in 1985 and includes an area from 111 Street to 95 Street and from 105 Avenue to 97 Avenue; this association encompasses approximately 1,800 businesses. The DBA exists to effectively market the downtown and represent the interests of its members as they relate to the economic, political and social viability of the downtown business district. The DBA facilitates dialogue and partnerships among key stakeholders and conducts special events and activities to promote the downtown.

The Association's volunteer Board plays an active role in the governance of the operations, marketing, economic stability and development, infrastructure, safety and parking issues.

The DBA partners with external committees such as Edmonton Economic Development Corporation, Alberta Economic Development, Edmonton Chamber of Commerce, Urban Design Review Panel, Art and Design in Public Places, Downtown Advisory Committee, the Arts District and all City departments.

Fort Road Business Association (FRBA)

The Fort Road Business Association (FRBA) was established in 1991 by local businesses along Fort Road from the CN tracks to 137th Avenue. Between 1991 and 1998 the FRBA had some success in carrying out initiatives. In 1993 a master plan for the Fort Road was prepared and funded by the FRBA. The plan focused on economic and business development with some physical improvements, education programs, and marketing initiatives. In 1998/1999 the association ceased operation. In 2000 the Business Association began with renewed enthusiasm with approximately 100 business members. The Association completed a three-year business plan focusing on a new vision and plan for the Old Towne. In 2001, the Fort Road Old Towne Plan was initiated. The Fort Road Old Towne Master Plan is a City-led initiative to create a new transit-oriented urban village next to the Belvedere LRT station as a means to revitalize a historically vibrant business community.

Inglewood Business Association (IBA)

Inglewood is a small district that has seen substantial growth in the past couple of years. The Inglewood Business Association was established in 1995. The area is located between 122 Street and 129 Street along 118 Avenue and runs between 118 Avenue and 111 Avenue along 124 Street. There are approximately 66 businesses that are members of this association and are mainly owner operated. The recent move of St. John's ambulance to the business area has had a positive impact.

Kingsway Business Association (KBA)

The Kingsway Business Association (KBA) has been established in Edmonton since 1989. The membership consists of approximately 350 business members. KBA is a unique business area with a mix of publicly and privately owned properties, which require partnerships and participation from a number of stakeholders, including the City of Edmonton, Province of Alberta, Federal Government, Edmonton Public School Board and Capital Health, in order to achieve their goals. The continued support of the City Centre Airport is always at the forefront with the KBA.

Old Strathcona Business Association (OSBA)

The Whyte Avenue Commercial Area began to develop in the late 1800's as the main commercial thoroughfare in the town site of Strathcona. After Strathcona was incorporated into the City of Edmonton in 1912, the Whyte Avenue Commercial Area continued to be recognized as a major commercial centre. Over the years, the commercial area has undergone a number of changes. In the 1970's, this commercial area had a reputation for being rundown and seedy. In the 1980's, trendy shopping facilities started moving into the area and increased the interest of property owners, residents and interest groups in rehabilitating the commercial area.

The Old Strathcona Area Redevelopment Plan (ARP) was undertaken by the community of Strathcona in consultation with the City of Edmonton, and approved by City Council in September, 1981. By the mid-1980's, property owners had expressed their commitment to the future of this commercial area by funding streetscape improvements which would set the trend for commercial area streetscape improvement programs for years to come. This commitment led to the establishment of the Old Strathcona Business Association in 1983. The OSBA represents over 500 businesses in the area. In addition, business owners began working with property owners to improve building and property conditions.

In the 1990's, the Whyte Avenue Commercial Area was deemed a success. Business and property owners, residents, interest groups began to reap the rewards of their hard work in making this area a special and unique commercial experience in Edmonton. With the increase in people visiting, working, living and opening businesses in the area, the entertainment and service industries moved into the area in increasing numbers. The increase in popularity resulted in increased traffic, parking, and pedestrian congestion, and further pressure for more change and redevelopment. The Community went through a three-year process to develop the new Area Redevelopment Plan (ARP) that was adopted by City Council in December 1998. The Old Strathcona Business Association works closely with City Council and the community to combine resources and to continue to restore the community. Important issues are development, maintenance of infrastructure and streetscape, and safety.

97 Street and Area Business Association

This BRZ was established in 2000 and represents approximately 234 businesses in the area that covers 105 Avenue and 110 Avenue from 95 to 101 Street. The BRZ continues to concentrate on economic development and job growth and in retaining businesses that are at risk of leaving the business area. The Business Association acts as the operating mechanism for funding programs. The Association is working on an ongoing basis to monitor and conduct year round street maintenance and beautification. The BRZ has focused increased attention on street maintenance and security, retail recruitment and retention, parking and transportation issues.

124 Street and Area Business Association

In 1986, the merchants of the business district located along 124th Street between Jasper Avenue to 111 Avenue in central Edmonton formed the 124 Street and Area Business Association. The purpose of this association was to work with the City of Edmonton to stimulate growth within the business district. Through the efforts of many members working with the Board over the years, 124th Street has physically improved with streetscaping and infrastructure work. Many businesses have seen the benefits of locating or expanding within the 124th Street business area and the vacancy rate remains at an all time low.

The business association currently represents approximately 300 businesses in the area. Many of the businesses have been on 124th Street for years, providing

specialty sales and service to Edmonton and surrounding areas. With easy access to 124th Street, the area has become a natural business district for specialty shops, professional services, fine restaurants, bistros and the well-known "Gallery Walk."

Northwest Industrial Business Association

The Northwest Industrial Business Association was incorporated in December 2001, located in the area West of 170 Street and north of 109 Avenue. The members are primarily larger industrial businesses, generally occupying large lots or large multi tenant buildings. There is a mix of locally owned, national and international business operations. Manufacturing, distribution and industrial sales make up the majority of the 120 members within this BRZ. Efficient transportation access and egress is a priority issue for the area.

4. Objectives

The general objective of this review was to assess the effectiveness of the overall BRZ program framework within the City. City policy C462A, *Establishment & Operation of Business Revitalization Zones in Edmonton* and the Municipal Government Act, *Business Revitalization Alberta Regulation 377/1994* are designed to support the BRZ program framework and to guide BRZs efforts in achieving their objectives. In addition, the Terms of Reference for this project was submitted to the Councilors for feed back. Input was received and incorporated in the audit objectives.

Specific objectives of this review included the following:

- To Identify and assess the issues, risks, challenges, and opportunities impacting BRZs in the achievement of their objectives.
- To review and report on the BRZs' annual activities and accomplishments, business taxes assessed and taxes collected for each BRZ area and funding assessment breakdown towards BRZ programs.
- To review the governance roles, responsibilities, and relationships of BRZ Areas and City departments as they relate to the BRZ process in Edmonton and to assess whether existing BRZ legislation, policy and bylaw information guide BRZ efforts in achieving the objectives and are established and communicated accordingly.
- To determine if other jurisdictions have Business improvement or revitalization areas and to provide any learnings gained from the administration practices in place.

5. Methodology

This evaluation was conducted within the context of the BRZ mandate provided by provincial legislation, City Policies, Administrative Directives and any related procedures. The OCA undertook the following work to support the audit objectives:

- Conducted interviews with City representatives from Planning and Development Department - Strategic Services section, Transportation and Streets, Corporate Finance, Office of the City Clerk, Old Strathcona Integrated Services Team, and Tax Assessment.
- Conducted interviews with all ten Business Area Executives to obtain first-hand insight into the opportunities, challenges, risks facing BRZs in the city and the benefits of BRZs to a municipality.
- Participated in tours of all ten BRZ areas. The OCA also attended and observed the process involved in the Old Fort Towne Road Master Plan visioning session.
- Conducted both telephone and personal interviews with business owners, BRZ board members, and attended BRZ board meetings.
- Submitted the project Terms of Reference to City Council for input and feedback.
- Consulted with external individuals with expertise in Business Improvement Area management, EEDC and had discussions with other municipalities on this topic.
- Reviewed City Council meeting minutes and agendas for the time period of 2000 to 2005 to acquire a familiarization of issues being brought forward by the various BRZs.
- Reviewed relevant legislation such as the *Municipal Government Act – Business Revitalization Zone Regulation 377/1994* and City Policy C462A, *Establishment and Operation of Business Revitalization Zones* and the respective City Bylaw (previous Bylaw 9747) that relates to each BRZ in Edmonton.
- Reviewed literature from across Canada and the United States that was obtained from the internet, Planning and Development library, and BRZ Executive Directors to understand legislation from other Business Improvement areas across North America and best practices used by other municipalities.
- Compiled and analyzed annual reports detailing accomplishments, revenues and expenses for all Edmonton BRZs.
- Conducted a site visit with Planning and Policy Branch Strategic Services representatives as they explored the possibility of future BRZ expansion of existing and new areas.

6. Observations and Analysis

This section of the report describes the work completed throughout the audit. It is organized into the following general categories: Challenges, Opportunities and

Risks; BRZ Activities and Accomplishments; Existing Support and Governance; Benefits and Expansion; and Other Jurisdictions.

6.1. Challenges, Opportunities and Risks

The OCA developed a questionnaire that asked key questions relating to challenges, opportunities and risks that are and could be encountered by BRZ business associations and city representatives involved with the BRZ process. The questions asked during the interviews focused on the BRZ purpose and objectives, governance processes, legislation, policies and plans, management processes, risk identification, strategic planning, and performance targets that promote service direction.

The results identified from the consolidated analysis indicate the following points as some of the key challenges, opportunities and risks impacting BRZs:

Some of the key **Challenges** identified were as follows:

- Providing and obtaining business information required by BRZ management in performing program service delivery effectively.
- Tracking of businesses within the BRZ along with obtaining information on new businesses setting up in the BRZ area.
- Development of strategic planning for all BRZs.
 - Currently there are ten BRZs in the City of Edmonton. Edmonton appears to have the most established BRZ program in Alberta. There is a definite opportunity and need to establish a strategic plan to address global vision and priorities for all BRZs, ongoing revitalization, and expansion of existing and new BRZs. The infrastructure and maintenance challenges and initiatives in all BRZs need to be identified and prioritized to provide future direction.
- Dealing with the diversity of industry issues relative to hours of operation, e.g., twenty-four hours a day versus day time only.
- Need to obtain standardized information from the City such as:
 - Consistency in economic information by BRZ;
 - Total assessment for the area, composition of area changes, infrastructure and maintenance of high use area;
 - People and traffic congestion statistics.
- BRZs are volunteer organizations with no consistent formalized structure among the BRZs. The managing executive director is either contract, salaried or part-time. The number of members on the Board varies among each BRZ, each Board consists of mainly business owners located in the BRZ and availability is limited.
- Difficult to demonstrate the economic impact of BRZ activities, such as advertising and to measure performance.
- Legislation has not been updated since the 1980's. There is some opportunity to review legislation and make changes.

- Determining the costs associated with providing local government services to BRZs is challenging.
- Streetscape improvement projects which have completed their lifecycle of 20 years or more now require rehabilitation and renewal. However, a lifecycle costing program to fund current replacement is not available to replace or renew these projects.

Some of the key **Opportunities** identified were as follows:

- Continued promotion of BRZ areas and their valued attractions such as music shops, auto dealerships, ethnic food stores and bakeries.
- Partnering with other levels of government, Capital Health, Northlands, NAIT, and Community Leagues.
- Some BRZs partner with EPS on a number of program initiatives to provide for safer streets through anti-crime programs (citizen radio patrols, security network data base, etc.). There may be an opportunity for all BRZs to get involved in these types of programs
- Partnering with the Provincial Government on infrastructure projects for all Alberta BRZs focusing on industry growth. For example, the major project of the North West BRZ is supporting the City in funding the CN Rail grade separation overpass on 184 Street, south of Yellow head Trail. BRZ members committed funds (\$795,000) in order to make amendments to this infrastructure project.
- Increase awareness of BRZs through the city's licensing process.
- Other businesses want to be a member of a BRZ but are not in the BRZ area at this time. There may be an opportunity for possible expansion of existing BRZs.
- To improve on providing business information to the BRZs to help BRZ Management in providing more efficient program delivery services to the business community. Business information would include the business name, address and phone number. Currently, the BRZs provide a stamped envelope to Planning and Development and the department in turn places the business label on the envelope and forwards to the business.
- Many of the business areas receive a lot of tourists. If the BRZ areas are further enhanced, urban tourism in Edmonton may be further increased.
- Standardization of BRZ practices and nominations process. A review of regulations may be required.

The following high level **Risks** were identified through discussions with those involved in managing and assisting BRZs on behalf of the City:

- Accountability measurement can be problematic, including tracking and monitoring of local government service costs relative to the provision and delivery of basic services city-wide between BRZ and non-BRZ areas.
- There is a potential for conflict with local Government on initiatives involving social issues such as prostitution, group homes, detox centres, and homelessness. The BRZ community objective may be to move those issues

out of their area, whereas, this move may be in conflict or not in alignment with the approach the City is taking toward the issues.

- There is a lack of strategic vision and priorities identified among all BRZs and for the BRZ program as a whole.
- There is the possibility of a downward spiral and negative perception from the public in certain BRZ areas unless the City is committed to revitalization. This could lead to a decrease in businesses and services, a loss of historical character and a decrease in tax dollars collected. One business area stated that there has been an 18% decrease in 10 years from 220 businesses to 180.
- Absentee landlords may result in neglect of property.
- Lack of beat officers and a patrol program to help increase safety and security in the area.
- Graffiti issues are a problem among all BRZs which, if not addressed, could lead to deterioration of property values.

6.2. Key Risks and Challenges

In the OCA's opinion, the following key risks and challenges should be considered further:

6.2.1. Strategic Planning

Although there is some strategic planning done on an individual BRZ basis, there is no overall strategic plan developed that identifies the vision and priorities for each BRZ or for the City's BRZ program as a whole. A detailed planning document is needed that outlines the assessment of needs for all business areas, prioritization of those needs, policy and program development and the costs associated with implementation for these BRZs.

Initiatives have been undertaken in areas on a more adhoc basis rather than as a part of a strategically planned process. A BRZ strategic plan is required in order to identify and prioritize infrastructure and maintenance needs of the BRZ areas in the long term, to target efforts in high priority areas and to find ways to strengthen community engagement. This plan could link very well with Council's initiative on Neighbourhood Revitalization. There is currently a lot of assistance provided through City support for BRZs and some beneficial strategic planning has been developed for the larger BRZs. However, a well crafted strategic plan needs to be developed that would assist in providing future direction and viability of BRZs as a whole.

Recommendations:

1. That BRZs (Boards and Management) develop a strategic plan for their respective business areas and update it annually.
2. That the City (Policy and Planning – Strategic Services Section) develop an overall strategic document outlining the vision, infrastructure and maintenance needs of the individual BRZs, the priorities and costs, possible growth and expansion of the BRZ program, and the future direction of the BRZ program in Edmonton.

3. That the City produce a BRZ annual report that includes BRZ accomplishments and the City's contribution to BRZ infrastructure improvements for the period.

Response and Action Plan:

Accepted by Strategic Services section and BRZ Council Chair

The Strategic Services section will assist the Council of BRZs so that, in turn they will assist their respective Board of Directors in the development of a strategic document that identifies the infrastructure needs and priorities of the business area. Implementation Date: Spring 2006

Accepted by Planning and Development – Strategic Services Section

The Strategic Services will develop an overall strategic plan for the BRZ program in consultation with key City representatives. The Strategic Services Section will have to address the resources required in the terms of reference of this plan. Implementation Date: Start time - Fall 2006

Accepted by Planning and Development – Strategic Services Section

The Strategic Services section will prepare a BRZ annual report that presents the accomplishments and overall performance of both the BRZ's and the City's contributions annually. Implementation Date: November 2006

6.2.2. Accountability

An accountability measurement framework is not clearly established for the BRZ program. Once a BRZ is established, special levy assessments fund additional services to fill the gap between the level of service provided by the City and those required by the business and property owners of the area. The monitoring of service, costs and oversight provided in pursuing those additional services from the City to the Business areas needs to be addressed. A framework is needed for tracking and monitoring of local government service costs relative to the provision and delivery of basic services citywide between BRZ and non BRZ areas. Without the establishment of an oversight and evaluation framework, it is difficult to determine if fair representation, accountability and equity are being provided in the delivery of municipal services.

Through using an accountability framework the City could track the level of maintenance and costs associated with those additional services and ensure that equality of service is being provided.

Recommendation:

That the construction of a comprehensive framework be developed for the oversight and evaluation of BRZs to ensure representation, accountability and equity.

Response and Action Plan:

Accepted by Planning and Development – Strategic Services Section

The Planning and Development (Strategic Services) with assistance from other civic departments will initiate and develop this framework to track and monitor

costs of urban infrastructure improvements, streetscape maintenance and all other costs associated with the physical improvements provided by the City to the BRZ program. Implementation Date: Fall 2006

6.2.3. Partnerships

Partnerships between BRZ Management and City representatives appear to be strong and more emphasis is being placed on working together. As a result of these partnerships, a lot has been accomplished in streetscape improvements, improved parking, policing, security, general clean up, and hosting of festivals and events. However, there is a possibility that conflict could occur between the City and BRZs on such initiatives involving social issues as homelessness, group homes, detox centres, and prostitution. The BRZ community objective may be to move these social issues out of their boundary, but such a response may be in conflict or not in alignment with the City's work on such initiatives. Increased partnerships are therefore required between the City and BRZ management groups to address the social issues facing their area in conjunction with the issues for the City overall.

Recommendations:

1. That strong partnerships continue between the city and the BRZs on increased urban design improvements maintenance, cleanliness and security.
2. That the City ensures development of increased partnerships with the BRZ management groups through increased knowledge and involvement in committees addressing global social issues facing the City as well as their individual business areas.

Response and Action Plan:

1. Accepted.

2. Accepted by Community Services – Social, Recreation and Cultural Branch and BRZ Council Chair.

Community Service departmental representatives can assist by increasing the awareness and knowledge of ongoing social initiatives through presentations at BRZ Council committee meetings. In addition to providing contact information for consultation on such issues facing the business areas.

The BRZ Council Chair will contact the Branch Manager of Social, Recreation and Cultural Branch to request such assistance. Implementation Date: Fall 2005

6.2.4. Access to Business Information

During this review, it was noted on a number of occasions that there was a definite frustration among BRZ management in accessing information that is business-related.

Business areas require access to business Information for purposes of effective program delivery. Throughout the year, BRZ management groups require business addresses, names and phone numbers for the purposes of delivering newsletters, annual reports, and correspondence. However, due to the restrictions

of legislation the BRZs currently provide stamped envelopes to Planning and Development Policy Branch, who in turn print address labels and place them on the envelopes for mailing.

During this review, the OCA in conjunction with Planning and Development Management developed a workable solution to this issue. Planning and Development will now provide business information such as business name, address and phone number by BRZ electronically on a monthly basis to the respective BRZ area executive directors. Regarding accounts where personal information is included, consent will be requested in accordance with FOIP legislation.

6.2.5. Statistical Information

Currently there is an abundance of information on the Planning and Development website relating to City of Edmonton plans and initiatives, economic information and demographic profile by Ward for 2001 such as neighbourhood population and household income. However, the BRZ management requires more specific and timely economic information from the City in promoting their respective business area, such as the number of businesses in the area, how many retail establishments, office vacancy rates, leaseable office space, assessed value of properties, land area, population, apartment vacancy numbers, number of dwelling units, city businesses by type, etc. Having such statistical information available through a website or other means would assist BRZ management in promoting the business area more effectively.

Recommendation:

That Planning and Development provide the BRZs with access to statistical economic information such as the numbers of businesses and retail establishments in the area, and listings of businesses by type. This information could be linked to the City BRZ website that Planning and Development plans to develop.

Response and Action Plan:

Accepted by Planning and Development – Strategic Services Section

The City will provide information that is currently available or that can be disseminated by BRZ boundaries to BRZ management that will help in program service delivery effectiveness.

The City (Strategic Services) will consult with BRZ management as to the exact needs and value of the information and obtain assistance from other City representatives to develop a data base. Implementation Date: Spring 2006

6.3. BRZ Accomplishments and Activities

During this review, it was clear to the OCA that many BRZs have made innovative and creative contributions to their communities. Appendix 1 lists the activities and/or accomplishments by the following categories: Promotion, Economic Development and Physical Improvements, Security and Community services, Sanitation and Maintenance. This list identifies some of the BRZs successes and

creative solutions being applied by BRZs that may serve as models for existing BRZs and for the possible expansion of new BRZs throughout the City. In most activities identified it is difficult to determine the overall economic and quality of life outcome to the business community. There are opportunities to further link these activities to established performance targets in the future.

6.3.1. Performance Measurement

The OCA's review of BRZ activities and accomplishments obtained from the 2003 and 2004 BRZ reports are impressive, however, some of the events are listed as activities with no quantifiable measure of outcome related to the impact on business area viability. Most BRZs have difficulty establishing and utilizing performance indicators that specifically measure BRZ performance. This was identified as a challenge by BRZ management during this review. Many BRZs rely on informal, visual assessment of performance rather than any quantifiable measurement. In most cases, the information required determining the outcome of a program activity or task is not readily available since it is not always possible to obtain economic information from the business owners. In addition, not all BRZs have a business plan developed or have the resources to complete them; therefore, no performance measurement indicators or targets have been identified to measure performance. The larger BRZs do have business plans and have obtained assistance from Planning and Development during their creation. However, assistance has not yet been rolled out to the smaller BRZs.

It is difficult to measure the performance impact of some program efforts unless more effort is put forth during the planning stages and those performance indicators and targets are identified. For example:

- Measuring the impact of anti-crime programs in relation to decrease in criminal activity in the area, resulting in an increase in quality of life.
- Measuring the impact of promotional programs in relation to the amount of business generated for the business area, e.g., percentage increase in hotel business.
- Measuring the impact of an active business recruitment campaign for the business area, e.g., number of employees hired in the area.
- Measuring the impact of publishing a newsletter 3 times a year versus 1 to 5 times.
- Measuring the streetscape maintenance program (how many dead trees were removed, how many metres of sidewalk were repaired in the area, how many broken benches replaced, etc.)

Recommendation:

That increased assistance be provided to all BRZs in developing a set of clearly understood and adequate performance indicators that can be used to measure the success of a BRZ program delivery.

Response and Action Plan:

Accepted by BRZ Council Chair and Strategic Services

The Strategic Services section will assist the Council of BRZs so that, in turn they will assist their respective Board of Directors in the development of performance targets and measures during their strategic/business planning process.

Implementation Date: Fall 2005

In addition, in the development of the overall BRZ Program Strategic Plan, Strategic Services will identify performance targets on economic and quality of life outcomes that relate to those identified by the individual BRZ strategic plans.

Implementation Date: Fall 2006

6.3.2. Fiscal Management and Reporting

The OCA reviewed the reporting responsibilities and requirements of BRZs in relation to the Annual Reporting and Audited Financial Statements. The OCA reviewed the correspondence forwarded from Planning and Development to the BRZs explaining the annual process and the annual timetable for the administration of BRZs including key Council dates. The instructions were clear and followed by BRZ Board and Management for 2003 and 2004. All financial information was received from the BRZ Board and Management and reviewed by Corporate Finance and Planning and Development.

The OCA compiled and analyzed the financial data detailing operations and expenses for all ten BRZs. This data was taken from the budgets and annual reports submitted by the BRZs to City Council. Overall, the results show that BRZs do not have a problem obtaining their assessment from the City on a timely fashion. Funding is received on a quarterly basis from the City and all BRZs conduct contractually mandated audits.

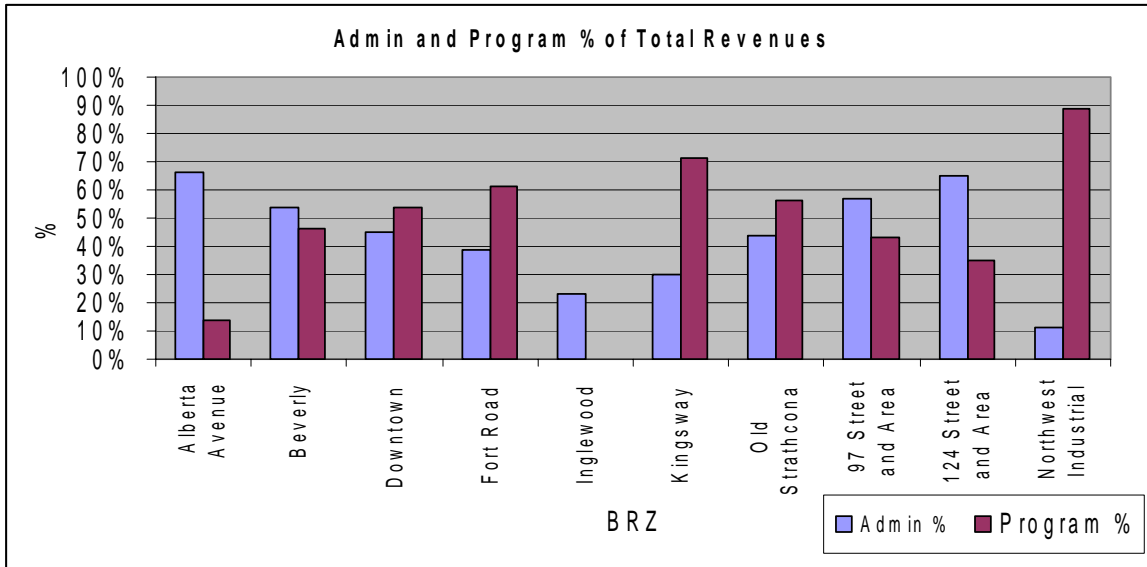
The total special business levy budgeted to be collected in 2005 for all ten BRZs amounted to \$1.66 million which represents 71% of the total revenues collected by the BRZs.

The Administrative and Program costs and percentage breakdown varies amongst all ten BRZs (refer to Chart 1 below). The highest administrative costs (personnel costs, office equipment, office supplies, rent, utilities, etc.) by percentage appear to be incurred by those BRZs with the smallest budget. Four of the ten BRZs have high administrative costs that are greater than 54% (ranging from 54% to 86%) of the total revenues which include the special business levy plus other revenue. While it is clear that those BRZs are trying to re-establish the program in their areas, it does tend to raise questions regarding the BRZ primary mission when such a high percentage of the special tax levy goes towards administrative costs. BRZ Board and Management in those areas are trying to re-establish the BRZ program in the area after some changes have taken place in the past either with management or through dissolution of the business area. In addition, these BRZs currently have small budgets and a low number of member businesses that contribute to the special tax levy.

The managing director positions are contracted, part-time or salaried full-time depending on the size of budget, size of the BRZ and the issues it faces.

Five out of ten BRZs contribute more than 54% of their revenues collected towards programming (beautification of the area, security, sanitation and maintenance) in their respective area.

Chart 1 – Administration and Program Percentage of Total BRZ Revenues



NOTE: Both Alberta Avenue and Inglewood transfer a portion of the special levy finding to program reserves for future use.

The BRZ Council (made up of all the BRZ executive directors) meets periodically throughout the year to discuss issues, transfer ideas and knowledge to all BRZ members present during these meetings. In one case, during a BRZ Council meeting the OCA observed that the larger BRZs launched a promotional campaign that could provide indirect spin-off advantages for the smaller BRZs regarding business area awareness. The smaller BRZs could not contribute financially to this campaign due to funding restraints. However, this type of assistance to the smaller BRZs is very helpful and should continue to be encouraged where possible.

Recommendation:

That all parties (BRZ Board, BRZ Council and City Management) monitor situations where administration costs are higher than programming cost in order to ensure that the BRZ mission remains viable.

Response and Action Plan:

Accepted by BRZ Council Chair

In order to maintain due diligence, the BRZ Board of Directors and Council will continue to monitor administration versus programming costs associated with their respective BRZs in order to ensure that the BRZ mission remains viable.

Accepted by Planning and Development – Strategic Services Section

Strategic Services during their review of financial statements and annual reports will discuss operational concerns that may provide further assistance to BRZ Management and Board. Implementation Date: Ongoing.

6.3.3. Tax Assessments

The OCA compiled and analyzed the total business taxes (see Chart 2 below), BRZ special levy and the property taxes collected from each of the business areas. The years chosen for comparison were 1999 or the year after in which the BRZ was established and the current year 2005. Total tax collected in 1999 or first year of operation for all ten BRZ areas amounted to \$61,875,391. 2005 total tax dollars collected amounted to \$79,442,203, an increase of 28% over that period. The data also demonstrated that six out of ten BRZs increased in overall tax value from 1999. Many factors contribute to the 28% increase in taxes collected over the 7 year period, however the BRZ contribution to the area beautification and promotion programs do help to increase values within a BRZ.

Chart 2 – Business Taxes, Property Taxes and BRZ Levy Collected

BRZ Location	Date Established	Number of Businesses (Approx.)	2005 (BRZ Levy Only)	Business, Property, and BRZ Levy Collected	
				1999	2005
Alberta Avenue Business Association	1995	180	\$ 68,796	\$ 1,377,144	\$ 1,213,735
Beverly Business Association	1995	150	\$ 48,366	\$ 1,062,986	\$ 1,138,774
Downtown Business Association	1985	1800	\$678,202	\$37,343,273	\$48,695,612
Fort Road Business & Community association	1991	100	\$ 49,236	\$ 1,063,302	\$ 1,401,959
Inglewood Business Association	1995	66	\$ 25,215	\$ 339,198	\$ 392,928
Kingsway Business Association	1989	350	\$ 186,985	\$ 7,332,448	\$ 9,185,794
Old Strathcona Business Association	1983	500	\$ 231,216	\$ 3,948,171	\$ 5,111,635
97 Street and Area Business Association	2000	234	\$ 58,573 2001 BRZ levy	\$ 1,322,526	\$ 1,593,284
124 Street and Area Business Association	1986	300	\$126,193	\$ 1,426,019	\$ 1,832,965
184 Street Business Association	2001	120	\$190,110 2002 BRZ Levy	\$ 6,660,324	\$ 8,875,517
Total		3800	\$1,662,913	\$61,875,391	\$79,442,203
Total taxes collected increased by 28% from 1999 – 2005					

6.4. Existing Support and Governance

6.4.1. Roles and Responsibilities

City Support to BRZs:

The establishment of a BRZ normally occurs after business community representatives perform the following steps:

- Approach the Planning and Development Department for information and advice regarding BRZs and the process for establishing or amending them;
- Develop the rationale for creating or amending a BRZ including its size, compatibility of its business mix, goals and objectives, and public consultation process;
- Hold meetings with affected business operators to provide information and receive feedback; and
- Complete the application to establish or amend the BRZ.

The Board of Directors of each BRZ further coordinate the establishment of a BRZ by:

- Preparing and submitting the BRZ's annual budget for Council approval;
- Notifying all businesses within the BRZ that are listed in the current assessment roll of the proposed budget and the date and place when City Council will consider approval of the proposed budget;
- Providing the Planning and Development Department and BRZ membership with quarterly "budget to actual" financial reports and an annual report and audited financial statement;
- Providing the BRZ members with written notice of the annual meeting at least 14 days prior to the meeting date.

Once a BRZ is established, the city provides support to the BRZ in accordance with City Policy C462C.

The following areas provide support to the BRZ program:

Planning and Development Department - Strategic Services Section

The Strategic Services section is the primary coordinator for BRZs and assists with addressing the needs of the ten existing business areas and performs the primary function of providing consultation to the business communities in establishment, application, petition, bylaw amendments, and streetscape design. They also provide assistance to BRZ management in the ongoing administrative operations of the program. Within Planning and Development, one Planner deals with BRZ issues on an ongoing basis.

Many other City staff are consulted on an ongoing basis by the BRZs regarding the BRZs' needs for City services. They are as follows:

Tax Assessment Section, Planning and Development

The Tax Assessment Section follows the direction set out in Bylaw 13868 - *Business Revitalization Zone Tax Bylaw and Tax Rate Bylaw* and calculates the annual assessment for the businesses within a BRZ as per the bylaw. Tax Assessment can provide such information as description of BRZ accounts, number of accounts in the business area, and annual assessment.

Finance Branch

The Finance Branch provides the Office of the City Clerk and the Planning and Development Department with current business assessment and financial information. They ensure the business assessment tax roll is current and complete. They also provide the Office of the City Clerk and the Planning and Development Department with current lists of the names, addresses, business assessments; assist in the verification of any application or petitions; collect and review audited financial statements and quarterly updates; apply the annual levy rate to the business assessment roll for tax purposes; mail notification to all businesses within the zone; monitor and collect the BRZ special levy; and forward funds to the Planning and Development Department for payment to the BRZ Associations.

Office of the City Clerk

Receives all applications and petitions, notifies City Council of the receipt of applications, and refers the applications to the Planning and Development Department. It also determines the validity of applications and sufficiency of any petitions, in accordance with provincial legislation, and advises Council whether all requirements have been met.

Law Branch

Provides consultative services to the Planning and Development Department and the Office of the City Clerk, reviews and approves all Bylaws for BRZs prior to submission to City Council, and facilitates insurance coverage for BRZs throughout the City.

Old Strathcona Integrated Services Team

OSIST provides ongoing leadership in the provision and facilitation of community-based service delivery within the Old Strathcona area. The members of OSIST come from several City departments and community agencies. The team works across organizational boundaries, solving problems, implementing solutions and supporting community development initiatives in the historic Old Strathcona area. An Integrated Services Team has also been established for the Alberta Avenue Business Area.

Transportation Planning Branch

The Transportation Planning Branch performs streetscape planning to help revitalize the BRZ area. Transportation Planning relies on BRZ management as the focal point on street development. BRZ management represents and communicates on behalf of the many businesses in the respective business areas.

Transportation Roadways Branch

The Transportation Roadways Branch performs maintenance clean up, snow removal, sidewalk maintenance. It also informs BRZs of issues facing larger projects.

Community Services

Community Services are primarily involved in tree and plant watering services, etc.

Asset Management and Public Works

Asset Management and Public Works are primarily involved in drainage and waste management service, etc.

Other Support Provided by:**EPCOR**

EPCOR deals with street lighting issues.

Edmonton Economic Development Corporation

The EEDC does not provide services to the BRZ's except to the DBA relating to business recruitment. The Downtown Business Association BRZ has developed a Business Recruitment Committee to work in partnership with EEDC and Planning and Development to create business recruitment packages for pro active retail, commercial, and restaurant services and to promote and encourage business development in that area.

Edmonton Police Service

BRZs work in partnership with EPS in developing anti-crime campaigns and beat patrols to increase safety and security in the area.

Summary of City Support

Planning and Development is the primary coordinator of BRZs and performs thorough work to assist the needs of the ten existing business areas and the new BRZ currently being proposed on Stony Plain Road. One Planner communicates with BRZs on a regular basis, attends meetings, monitors budgets and annual reports, prepares Council reports, monitors policy and bylaws, and provides guidance to any proposed BRZs that are going through the establishment process. The assistance currently provided to those existing BRZs, the one currently being established, and other BRZs being considered in Edmonton will stretch the degree of service that the current staffing level can provide. This situation will require further consideration and increased coordination among existing staff in order to provide an adequate level of service to BRZs in the future.

Recommendations:

1. That Planning and Development ensure that adequate resources are in place to effectively service the program requirements of BRZs.
2. That Planning and Development develop a website to incorporate BRZ information in one place that will have such information as BRZ bylaws, key City contacts, legislation, handbook, questions and answers, and other related

links such as information and contacts for banners, street furniture, murals, graffiti, garbage, etc. This website will help in providing assistance and accessibility to existing and future BRZ Boards and Management.

Response and Action Plan:

Accepted by Planning and Development – Strategic Services Section

The Planning and Development Department acknowledges that the demands of this program and the assistance required to enhance program effectiveness will require additional resources. This will be considered during the budget and prioritization process. Implementation date: Ongoing.

Accepted by Planning and Development – Strategic Services Section

The development of a website is currently in progress and will be completed by the end of 2005 and updated accordingly on an ongoing basis. Implementation date: December 2005.

BRZ Handbook

The OCA noted during this review that it would be beneficial if a handbook (reference guide) was made available to BRZ Boards and Management and other interested parties to provide direction on establishing and managing a BRZ.

The OCA found four good examples of handbooks developed in other jurisdictions that provide important guidance information such as:

- Introduction to business Improvement Areas: What is a BRZ? What does it do? What are the benefits?
- Role of Municipal Council: Establishing a BRZ, managing and operating a BRZ, financial management, BRZ contact information, legislation, sample budget, checklist to identify business area needs, etc.

During the interview process, this handbook proposal was discussed further with Executive Directors of the BRZs and they indicated that there was value to having such a document developed.

The OCA attended a BRZ council meeting and provided some handbook examples from other jurisdictions to the BRZ Council. All parties agreed that a handbook would be very beneficial to those individuals currently managing BRZs and for those that manage the new BRZs of the future. A motion was put forth by the DBA Executive Director to establish a committee to include Kingsway Business Association (KBA) and Old Strathcona Association Business Association (OSBA) Executive Directors with assistance from Strategic Services Section to develop a handbook for BRZs. Both parties agreed to the motion to establish a committee to develop a handbook and for Strategic Services Section to provide assistance during development of the handbook.

6.4.2. Legislation

The *Municipal Government Act* and *Business Revitalization Zone Regulations* (Alta. Reg. 377/94) and *City Policy C462A* regulate the establishment, financial matters, BRZ tax, and disestablishment of BRZs and Council's roles and obligations regarding these matters. Both legislation and policy provide Council with specific requirements for the establishment (supported by at least 25% of the businesses), opposition to establishment (opposed by more than 50% of the businesses), and disestablishment (supported by more than 50% of the businesses through a vote) of a BRZ, along with applicable procedural timelines. These documents also provide Council with some latitude in setting/approving municipal procedures and policies for the establishment and operation of BRZs, and boundary changes.

The Provincial legislation Alberta Regulation 377/94 has not been reviewed since the 1980's. OCA analysis revealed in researching other jurisdiction legislation that there is some opportunity to review and make changes to existing legislation that could increase the effectiveness of BRZs in Edmonton, specifically, boards, terms, vacancies, etc.

Recommendation:

That a committee be established consisting of BRZ Council members, Law Branch and Planning and Development representatives to compare current legislation and regulations with that of other municipalities and other provinces and to propose changes as appropriate to contribute to and increase BRZ effectiveness overall.

Response and Action Plan:

Accepted by Planning and Development – Strategic Services Section

Planning and Development – Strategic Services section will take action to implement this recommendation by Spring 2006.

6.4.3. Possible Expansion of New and Existing BRZs

The benefits that a BRZ provides to an area helps contribute to the value of the property and businesses in the area. All parties involved with BRZs (City Officials and Administration, business and property owners) realize that the expansion of infrastructure itself is only a part of what attracts and retains businesses in an area. The establishment of locally based organizations such as BRZs that are responsive to the areas' needs and satisfy community needs are essential in the promotion and establishment of new business areas and the expansion of existing areas as viable sites for ongoing investment.

The qualitative benefits, challenges and risks that have been outlined in previous sections of this review should be considered when further expansion of existing and new BRZs is being considered in the City.

The map developed by Planning and Development at the request of OCA and included as Appendix 2 identifies the ten existing BRZs in the City by ward and a number of additional areas which could be explored for future establishment of new BRZs.

6.5. Other Jurisdictions

The OCA researched legislation and best practices used by other municipalities as well as information received from other Business Improvement areas across North America. Leading practices observed in other jurisdictions included:

- Business Improvement Districts (BIDs) in San Diego work closely with elected officials and city staff to voice collective concerns, monitor business regulations and obtain funding and support for their business development projects. The City also has an office of small business that is established to maximize benefits and to improve and diversify the economic base of each district. The small business commission assists BID's with the following information: market assessments, sales tax revenue assessments, business and strategic plans, property owner assistance, retail recruiting, and a data base to measure neighbourhood economic activity. San Diego also has a BID Council whose purpose is to disseminate information, resources and expertise to its member districts and is funded by the City.
- The State of New York has an Accountability Framework for the Cities to monitor BRZ infrastructure and maintenance requirements and costs. It also has 34 business improvement districts representing 6000 businesses and split into three organizational forms of BIDs, they are: Corporate BIDs that contain large amounts of office and retail space and operate in wealthier parts of the City; main street BIDs that operate in areas of the city that have lost commercial and retail business to the suburbs; and community BIDs that cover small neighbourhoods and offer limited services.
- Ontario (Toronto) and BC (Vancouver) have handbooks for BRZ Management to assist in managing BRZs. Examples to those handbooks have been provided to BRZ Council in Edmonton.
- City of Vancouver has a separate Charter in place for BIAs.

7. Conclusion

Overall, the Business Revitalization Zone area program provides major benefits to the City. The City benefits from the pride and satisfaction which results from the willingness of the diverse business communities throughout the City to assume an increased level of authority regarding the improvement of their own business. Moreover, BRZ initiatives and improvements may lead to strengthening the small business community, creating new jobs, attracting new businesses, revitalizing older neighborhood commercial districts across the City and increasing property values that leads to an eventual increase in tax dollars collected. Non-retailers also benefit as a more vibrant community attracts visitors and retains customers for all types of services, including dining, entertainment, and professional services.

An organized business community can work more effectively to create positive change and increased support for businesses in their area. BRZs can work closely with elected officials and city staff to voice collective concerns, monitor business regulations and obtain funding and support for their business

development projects. Businesses within a BRZ benefit from the on going co-operation among members of the business community. This cooperation may provide a business area with the resources to develop marketing campaigns and increase awareness of issues and lobbying efforts. The urban design infrastructure improvements completed by the City over the years have created character areas for shoppers and tourists. Businesses may also secure additional funding to enhance public improvement and beautification projects in partnership with the City. For example, in 2005, the City launched a \$500,000 façade improvement program that is available to BRZs in Edmonton.

Each BRZ is a desirable vehicle for providing certain beneficial services to its members. The use of volunteer and self-funded resources reduces costs borne by taxpayers and is responsive to the desires of the businesses. However, as pointed out in this review, some major issues do require attention. There is a need for a strategic plan to identify the vision, needs, costs and priorities for each BRZ and for the BRZ program as a whole. An accountability framework needs to be developed by the City to ensure greater representation, equality and accountability to taxpayers. The City should continue ongoing assistance and support by providing the necessary business, economic information and guidelines required by BRZs to ensure accomplishment of business objectives, effective performance and long term viability.

The OCA would like to acknowledge all those who provided input into this review. The Planning and Development Department – Strategic Services Section representatives who provided a lot of literature, contact information and invitations to informative meetings to help in this program review and the BRZ Executive Directors, who provided much insight into the challenges facing the BRZ program.

8. Appendix 1 – BRZ Activities and Accomplishments¹

Promotion/Economic Development/Physical

1. Completion of mural project – 13 murals in one business area
2. Marketing and Public Relations of the business area
3. Increase Business Area visibility
4. Hosted the weekly Farmers Market
5. Hosted cruise night with classic cars
6. Hosted golf tournament for business owners and their customers
7. Supported the Outdoor hockey tournament
8. Supported the Beverly Heights Variety show, to promote an urban village
9. Increased signage with cooperation of Transportation and Streets Department
10. Large vertical banners were put in place to increase awareness
11. Downtown Family Festival drew 6000 people
12. Santa Claus parade with 16,000 people in attendance
13. Promotional partnerships with CBC Radio and Edmonton Journal supplement
14. Business Recruitment Committee partnered with Economic Development, Planning and Development and BRZ on an initiative to create business recruitment packages for proactive retail, commercial services, and restaurant recruitment to encourage business development in the downtown
15. The Urban Design Review Panel works with Planning and Development in the review of development plans and initiatives
16. Finance committee carries out such activities as the AGM, the annual spring luncheon
17. LRT Station Business area advertising
18. Design and completion of landscaping at 136th Ave
19. Marketing Tourism – partnership between hotels, business association and the Kingsway Garden mall actively market to out of town visitors. The association places advertising with several visitor oriented publications and promotions
20. City Centre Airport: to provide continued support for the Airport to remain as an airport in the business community
21. Edmonton Arts Council awarded \$2,500 grant for a major event
22. Member Service, newsletter published, website developed in some BRZ's
23. Promote tourism
24. Advertising and support materials produced
25. Community programs; festivals, parades, Community in Bloom
26. Resources and community networking and connections such as: Old Strathcona Area Community Council
27. Gallery Walk partnership
28. Town Hall meetings
29. Commercials on CHED radio

¹ The information on these pages was provided by BRZs in Edmonton.

30. Christmas Window Decorating Contest
31. Thirty-four new businesses on 124 Street in 2003
32. Affordable housing project was approved for development on 97 Street and 108 Avenue
33. CN Rail grade separation on 184 Street
34. Roadway projects monitoring the demand for public transportation in the area
35. Develop a productive working relationship with community organizations
36. Assist members in dealing with various levels of government
37. Shop and Stay promotional program
38. Yellowhead highway signage completed
39. Northern Alberta Promotion campaign conducted
40. Aviation Heritage Walkway – new bush plane was added on site
41. Creating a digital archive
42. To ensure businesses within the area stay vital and to increase the number of people who shop and visit the BRZ
43. Strive to market a positive image
44. Continue to attract multicultural businesses
45. To develop cooperative ventures with community groups
46. Continue to work with and gain support from the Planning and Development and Councilors on various issues
47. Implement BRZ Business Plan and Service Directory
48. Enhanced Marketing Plan to increase awareness of unique shopping area
49. Businesses featured in local community publications
50. Historical week promote shopping area and history of Edmonton
51. Façade improvement program planning with Planning and Development

Security/Community Service

1. Partnering with EPS and Prostitution Awareness and Action Foundation have helped to decrease this social issue
2. Implemented a comprehensive security network database involving EPS and all major buildings and complexes downtown
3. Safety and Security initiatives
4. Homeless and Panhandling initiatives
5. Policing initiatives
6. Bars, Pubs and Clubs Overlay
7. Complaints to EPS for increase patrol in the area
8. Hope Mission Project – staff are willing to mediate minor disputes between businesses and transients
9. Pawn Shop Restrictions
10. Transportation initiatives, signage, lighting, etc
11. Crime Patrols program was successful, that is, providing patrollers with a gas coupon each time they patrolled the area. In addition, EPS has indicated that criminal activity was down the nights that patrollers are in the area
12. Anti-crime program - Citizen radio patrol, develop signage through Roadways, incentive program – gas coupons
13. To work on crime, safety, and security initiatives with surrounding communities
14. Develop and encourage strong area safety through adding lights

15. Safety and Security from Neighbourhood and EPS
16. Continue to work with existing community awareness and action groups on prostitution issues, business members, residents, EPS to combat crime and prostitution through business/community action
17. To deter vandalism from homeless people and deter more social problems coming to the area
18. Some BRZ's partner with EPS on such program initiatives as the Safer Street initiative, Anti-crime program which involves Citizen radio patrol, the development of signage through Roadways, an incentive program in place to provide gas coupons to those that patrol the area after hours).
19. Traffic volumes statistics requested and got new signals installed on 178St and 114 Avenue
20. Annual Klondike Breakfast for the community
21. Christmas Bureau funded Christmas Dinner in the community

Sanitation/Maintenance

1. Ensure streetscape is maintained: 29 dead trees were replaced, one broken park bench, all tree lighting was repaired or rebuilt
2. Forty-five flower boxes were placed on the avenue
3. Clean Sweep program was a success
4. Encouraged businesses to evaluate and take part in a cleanliness program
5. Capital projects completed: Old Strathcona Archway, streetscape improvements
6. Clean up of garbage and unwanted furniture was picked up
7. Streetscape improvements were completed
8. Flower Barrels "Communities in Bloom" program with Community Services, flower barrel on every corner, this enhances area
9. Parkland Project to increase green space in the area was initiated
10. To continue murals in action program
11. To lobby for local improvements
12. Continue to beautify neighbourhood.

9. Appendix 2 – Potential and Existing Business Revitalization Zones

