

# PUBLIC NOTICE OF INTENT

## Lower Lonsdale Business Improvement Area Service

### Council initiative to undertake a local area service -- Business Improvement Area (BIA)

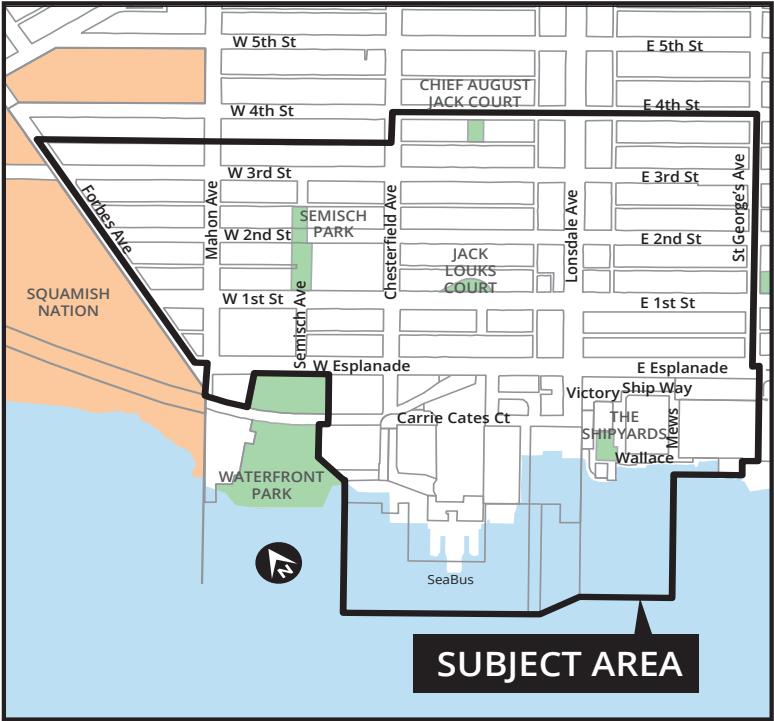
Public Notice is hereby given pursuant to section 213 of the *Community Charter* that the City of North Vancouver Council proposes to undertake a local area service on its own initiative, specifically the Lower Lonsdale Business Improvement Area Service.

**What is the Lower Lonsdale Business Improvement Area?** A Business Improvement Area (BIA) is a defined commercial area, where local business and property owners work together to promote the area to increase customer traffic and undertake a broad range of programs, including area branding, marketing, physical improvements, promotional events, commercial tenant recruitment and advocacy on behalf of the business community. A BIA is managed by a not-for-profit society and its operations are primarily funded through a special tax levy on all commercial properties within its boundaries. This is a self-funding mechanism in that 100 percent of the levy collected by the local government is granted to the BIA to fund its own programs.

The Lower Lonsdale Business Improvement Area Service is the provision of grants to the Lower Lonsdale Business Improvement Association (the Association) for the planning and implementation of a business promotion scheme as defined in Section 215(1) of the *Community Charter*. The Lower Lonsdale Business Improvement Area Service includes the development and undertaking of projects and initiatives to encourage business in the Lower Lonsdale commercial area.

**Boundaries of the service area (commercial properties subject to the annual BIA levy):**

The boundaries of the Lower Lonsdale Business Improvement Area are shown in heavy outline on the map.



**Estimated costs of the service:** Pursuant to Section 215(2) of the *Community Charter*, the estimated costs of the Lower Lonsdale Business Improvement Area Service are as follows: an amount not exceeding \$500,000 in 2017, and the aggregate amount of annual grants to the Association shall not exceed \$2,630,000 over the term of the service. The term of the service is 5 years, commencing January 1, 2017.

**Proposed Method of Cost Recovery:** For the purpose of recovering the monies granted to the Association, in any year, the City will impose a property value tax on land or improvements (or both where both are present) in the Lower Lonsdale Business Improvement Area that fall within the Class 6 (Business and Other) property classification under the *Assessment Act*, sufficient to yield the full amount of the grant in each calendar year.

**Opportunity to Petition Against:** Council may proceed with the adoption of the proposed "Lower Lonsdale Business Improvement Area Service Bylaw, 2016, No. 8494", unless a sufficient number of petitions against the service are presented in writing to the City Clerk, City Hall, 141 West 14<sup>th</sup> Street, North Vancouver, BC V7M 1H9, no later than 4:00 pm, September 14, 2016.

**The petition may be in the form of a letter or petition that clearly states the opposition to the bylaw, the address and/or legal description of the property within the Lower Lonsdale Business Improvement Area, the names of all owners of the property, and must be signed by the majority of the property owners for each property.** If a sufficient petition(s) against the service are not received within the required time period, it is the intent of the City of North Vancouver Council to consider adoption of the proposed "Lower Lonsdale Business Improvement Area Service Bylaw, 2016, No. 8494" at its October 3, 2016 Regular meeting.

The proposed Bylaw and background material will be available for viewing at City Hall between 8:30 am and 5:00 pm, Monday to Friday, except Statutory Holidays, from August 5, 2016, and online at [www.cnv.org/LowerLonsdaleBIA](http://www.cnv.org/LowerLonsdaleBIA).

Please direct any inquiries to **Larry Orr**, Manager, Business Services, at [lorry@cnv.org](mailto:lorry@cnv.org) or 604-982-3913.

141 WEST 14TH STREET / NORTH VANCOUVER / BC / V7M 1H9  
T 604 985 7761 / F 604 985 9417 / CNV.ORG





The Corporation of **THE CITY OF NORTH VANCOUVER**  
**COMMUNITY DEVELOPMENT DEPARTMENT**

**REPORT**

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To: Mayor Darrell R. Mussatto and Members of Council

From: L. R. Orr, Manager, Business Services

SUBJECT: LOWER LONSDALE BUSINESS IMPROVEMENT AREA SERVICE  
BYLAW

Date: July 13, 2016 File No: 09-3900-02-0001/2016

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*The following is a suggested recommendation only. Please refer to Council Minutes for adopted resolution.*

**RECOMMENDATION:**

**PURSUANT** to the report of the Manager, Business Services, dated July 13, 2016, entitled "Lower Lonsdale Business Improvement Area Service Bylaw":

**THAT** "Lower Lonsdale Business Improvement Area Service Bylaw, 2016, No. 8494", be considered;

**AND THAT** staff be directed to initiate a petition process – Council Initiative Subject to Petition Against, in accordance with Section 213 of the *Community Charter*.

**ATTACHMENTS:**

1. "Lower Lonsdale Business Improvement Area Service Bylaw, 2016, No. 8494", (Document #1396327)
2. Letter to property owners and petition (Document #1397277).

## **PURPOSE:**

This report responds to Council's resolution of May 9, 2016, which stated, in part:

**AND THAT** staff be directed to work with the Lower Lonsdale Business Association to prepare a draft Business Improvement Area bylaw for Lower Lonsdale for Council's consideration and report back on the process to establish a Business Improvement Area on Council Initiative, subject to petition against, as set out in the *Community Charter*.

## **BACKGROUND:**

A delegation from the Lower Lonsdale Business Association (LLBA) presented to Council on May 9, 2016, on the merits of a Business Improvement Area (BIA) for Lower Lonsdale and requested Council proceed to a petition process by Council Initiative as outlined in the *Community Charter* to determine support to establish a BIA. Council subsequently resolved to direct staff to prepare a draft BIA bylaw for Council's consideration and report back on the process to establish a Business Improvement Area on Council Initiative.

The LLBA's efforts to establish a Lower Lonsdale Business Association began as early as 2010. The LLBA made a request to Council in 2010 to petition for a BIA which was subsequently withdrawn given opposition by a group of light industrial businesses in the 200 block of East 1<sup>st</sup> and Esplanade Street's. Another request was made in 2013 which was subsequently withdrawn due to the early stages of the Lot 5 development process and the desire to see the outcome of that process before deciding how to proceed.

In 2012 and 2013 the LLBA received \$60,000 in each year to be used to assist them in mobilising support for a BIA in Lower Lonsdale. This funding was used for a number of purposes including: hiring a P/T staff person, web site redesign, multiple brochure designs, information material distribution, video on BIAs, meeting costs and festival presence. In addition the LLBA have held five general informational meetings on BIAs, four visioning/brainstorming meetings with a core group of business owners, completed five mail outs or door to door deliveries including invitations to meetings, background information, providing links to informational web sites and offering to meet face to face with property and business owners. The LLBA have attempted to go door to door on a number of occasions but found this to be challenging and ineffective due to a number of factors including: lack of volunteers to commit the time to do the work, lack of availability of business owners, absentee landlords, business owners were too busy to talk and it was time consuming. The LLBA is currently preparing a revised information sheet that will be sent to all business and property owners in the proposed BIA.

The proposed boundaries of the BIA are slightly different from the previous proposed BIA in 2010 in that it excludes the light industrial area in the 200 block of East 1<sup>st</sup> and East Esplanade Streets. Previously many of the businesses in this area were opposed

to being included in a BIA as they couldn't see the benefit for light industrial type uses Given this the LLBA is proposing to exclude this area for the current initiative.

## DISCUSSION:

Attachment #1 is a draft bylaw for Council's consideration. The attached bylaw was prepared with input from the Lower Lonsdale Business Association (LLBA), City Clerk, the Finance Department and provincial staff. The LLBA has requested a \$500,000 budget for the BIA in the first year (2017); subsequent budgets to be determined by a vote of the BIA membership at their Annual General Meetings. The LLBA has requested a five year term with a total term budget not to exceed \$2,630,000. The bylaw is a standard BIA service bylaw that provides Council with the authority to collect the local area service levy based on a predetermined annual budget and expected funding needs over the term of the bylaw.

The levy is collected as a property value tax calculated per \$1,000 of assessed property value (land and improvements). Based on a budget of \$500,000, the annual tax levy would be \$1.00 - \$1.10 per \$1,000 of assessed value for 2017. The estimated median annual levy in the BIA would be \$440 based on the medium assessment value of \$430,000, including all the taxable properties. The estimated annual levy amount for some sample properties are shown in the following table:

| Business Taxable Assessment | Annual Levy |
|-----------------------------|-------------|
| \$500,000                   | \$510       |
| \$2,000,000                 | \$2,040     |
| \$5,000,000                 | \$5,100     |

In accordance with Section 211 of the *Community Charter*, establishment of a BIA as a local area service requires adoption of a municipal bylaw that must:

- Describe the services (business promotion scheme);
- Define the boundaries of the local area service (properties subject to an annual BIA levy); and
- Identify the methods of cost recovery for the service, including the form of local service tax (BIA tax levy)

In addition, the bylaw must name the "Society" that would oversee the BIA, set a maximum term for the BIA and establish the maximum funding amount to be collected over the term of the BIA.

Further, the proposed bylaw specifically recognizes the large assessment values for the Pinnacle Hotel, Lonsdale Quay Market and Hotel and the future retail area on Lot 5 that will be leased to Quay Property Management by providing these properties with a 50% reduction in the levy. This is a typical provision in BIA Service bylaws for properties such as hotels and large retail centres, otherwise they would pay a disproportionate

amount of levy. The bylaw also requires the BIA Society to submit annual budgets and audited financial statements for review by the Director of Finance, which provide ongoing municipal oversight. This oversight role will be supplemented by ongoing liaison with the Manager, Business Services.

If the bylaw is adopted, the Lower Lonsdale Business Association will fold and a new society will be formed – “The Lower Lonsdale Business Improvement Area Society”. The Board of the new society will be elected from the membership of the BIA, which would consist of property owners and businesses within the BIA.

### **Petition Process**

Section 213 of the *Community Charter* describes the process for petitioning for a local service area on Council Initiative – subject to petition against. Most, if not all, of the over 70 BIA's that are currently operating in BC were established using this process. Attachment #2 is the letter and petition that will be sent to all Class 6 commercial parcel owners within the proposed BIA. There are 320 Class 6 taxable parcels and 496 registered businesses within the proposed BIA, with an estimated total taxable figure of Class 6 assessments of \$490,813,300.

In order for a petition for a local area service to be certified as sufficient and valid using the Council Initiative – subject to petition against approach, a minimum of 50% of the parcel owners representing a minimum of 50% of the assessed value of land and improvements in the defined area must register their opposition to the initiative (by returned petition) within the 30 day notice period.

Should Council support the recommendation in this report, staff will also send information letters to the 496 businesses in the proposed BIA advising them of this initiative and a City BIA web page will be launched to provide general background information. At the end of the 30 day response period (to begin after the second newspaper notice), the City Clerk's Department will tally up the results and report back to Council.

### **Next Steps**

If Council approves the recommendation in this report, there are a number of follow-up steps to be taken:

- A list of Class 6 property owners in the BIA will be compiled;
- Finance staff will calculate 2017 levy value estimates for each property based on the proposed first year budget (this information to be included in the petition);
- The Clerk's Department will send out the covering letter and petition to each property owner;
- The Clerk's Department will place two notices in the North Shore News - notices must be placed in the newspaper one each week for 2 consecutive weeks;
- The background information web page will be launched on the City web page;

- The Manager, Business Services, will send information letters to all businesses in the BIA; and
- At the end of the 30 day response period (to begin after the second notice), the Clerk's Department will tabulate the results and report to Council.

#### **FINANCIAL IMPLICATIONS:**

The financial implications to the City resulting from this initiative are the administrative costs of implementing the petition process, the cost of postage and the cost for the newspaper notices.

#### **INTER-DEPARTMENTAL IMPLICATIONS:**

This report has been prepared with input from the Finance Department and the City Clerk's Department. The recommendation in this a report was supported by the Directors' Team at their June 21, 2016 meeting.

#### **CORPORATE PLAN AND/OR POLICY IMPLICATIONS:**

Establishment of a Business Improvement Area in Lower Lonsdale will contribute to Goals A-3, A-4 and B-5 of the City's Economic Development Strategy, which encourages collaboration with other groups on issues of common interest, to pursue business retention and expansion programs and to support enhancement of diverse and unique shopping, dining and entertainment opportunities.

#### **CONCLUSION:**

This report provides the documents necessary for Council to proceed with notification and petition for a proposed Business Improvement Area Service to the affected property owners in the Lower Lonsdale area.

RESPECTFULLY SUBMITTED:

  
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L.R. Orr  
Manager, Business Services

Attachments

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# THE CORPORATION OF THE CITY OF NORTH VANCOUVER

## BYLAW NO. 8494

### A Bylaw to establish the Lower Lonsdale Business Improvement Area Service

**WHEREAS** Section 215 of the *Community Charter* authorizes Council to establish, by bylaw, a local service area to provide funding to a Business Improvement Area (BIA);

**WHEREAS** the Council of the Corporation of the City of North Vancouver has received a request to establish a BIA by way of the Council initiative (subject to petition against) approval process as outlined in Section 213 of the *Community Charter*;

**AND WHEREAS** the owners of certain properties in the City of North Vancouver will form the Lower Lonsdale Business Improvement Area Society, a registered non-profit society in the Province of British Columbia, to market and promote businesses within the designated BIA;

**NOW THEREFORE** the Council of The Corporation of the City of North Vancouver enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Lower Lonsdale Business Improvement Area Service Bylaw, 2016, No. 8494**”.

#### 2. Severability

If a portion of this bylaw is held invalid by a court of competent jurisdiction, then the invalid portion must be severed and the remainder of this bylaw is deemed to have been adopted without the severed section, subsection, paragraph, subparagraph, clause or phrase.

#### 3. Definitions

- A. “**City**” means The Corporation of the City of North Vancouver;
- B. “**Council**” means Council of The Corporation of the City of North Vancouver;
- C. “**Lower Lonsdale Business Promotion Scheme**” means the development and undertaking of projects and initiatives to encourage business in the Lower Lonsdale commercial district, including:
  - (1) creating a strong ‘Lower Lonsdale’ brand and distinct identity for Lower Lonsdale businesses;
  - (2) developing and implementing a marketing strategy to promote Lower Lonsdale goods and services to local, regional and tourist markets;
  - (3) enhancing the existing business mix and actively recruiting new commercial tenants that can capitalize on the market opportunities afforded by a Lower Lonsdale location and improve the quality of local offerings;
  - (4) promoting new investment in commercial, residential and mixed-use developments that support the viability of local businesses;

- (5) representing business community interests in local government processes;
- (6) participating in established major events in the community, planning and implementing other special events and promotions; and
- (7) promoting and implementing streetscape improvements and public amenities to enhance the visitor experience in Lower Lonsdale.

D. **“Society”** means Lower Lonsdale Business Improvement Area Society.

#### **4. Business Improvement Area Service**

- A. Those lands shown in heavy black outline on the map in Schedule A, attached hereto and forming part of this bylaw, are collectively designated as the Lower Lonsdale Business Improvement Area.
- B. The service established by this bylaw is the provision of grants to the Society for the planning and implementation of a business promotion scheme, as defined in Section 215(1) of the *Community Charter*, and in particular, the Lower Lonsdale Business Promotion Scheme as defined in this bylaw.

#### **5. Grants**

- A. Pursuant to Section 215(2) of the *Community Charter* and for the purposes of planning and implementation of the Lower Lonsdale Business Promotion Scheme:
  - (1) Council may grant to the Society an amount not to exceed \$500,000 in 2017;
  - (2) For each subsequent year, the Society shall submit to Council, on or before September 1<sup>st</sup>, a budget that contains information, to the satisfaction of the Director of Finance of the City, in sufficient detail to describe all anticipated expenses and revenues, and which has been approved by a majority of the members present at an annual general meeting of the Society;
  - (3) All annual grants to the Society will be provided in two instalments; one-half at the start of the calendar year and one-half following collection of municipal taxes in mid-year.
- B. The term of the service established by this bylaw is five years, commencing January 1, 2017.
- C. The aggregate amount of annual grants to the Society shall not exceed \$2,630,000 over the term of the service.

#### **6. General Conditions and Limitations**

- A. Monies granted to the Society pursuant to this bylaw must only be expended by the Society in accordance with Schedule B, attached to and forming part of this bylaw, in the case of monies granted in 2017, and in accordance with the budget submitted to and approved by Council in the case of monies granted in 2018 and subsequent years.



- B. The Society must not incur any indebtedness or other obligations in respect of the Lower Lonsdale Business Promotion Scheme beyond the sum granted by Council for each calendar year.
- C. It is a condition on the receipt and expenditure of monies granted under this bylaw that the Society is in compliance with Parts 8 through 10 of the bylaw.

## **7. Recovery and Tax Levy**

- A. All of the monies granted to the Society shall be recovered in the form of a property value tax as provided for under Section 216 of the *Community Charter*.
- B. For the purpose of recovering the monies granted to the Society, in any year, the City will impose a property value tax on land or improvements, or both, that fall within the Class 6 (Business and Other) property classification under the *Assessment Act*, sufficient to yield the full amount of the grant.
- C. The property value tax imposed on the Pinnacle at the Pier Hotel, the Lonsdale Quay Market and Hotel, and the Class 6 parcels on Lot 5 in The Shipyards (Lot 5, Block 176, DL 274, Plan BCP39824, PID 027-842-233) will be 50% of the tax charged other parcels in the BIA.

## **8. Financial Statements**

- A. Notwithstanding any provisions of the Society's bylaws concerning its fiscal year, the Society must submit to the City, on or before April 1<sup>st</sup> each year, an audited annual financial statement for the previous calendar year, prepared in accordance with generally accepted accounting principles and including a balance sheet and a statement of revenue and expenditures in respect of the Lower Lonsdale Business Promotion Scheme.
- B. The financial statements submitted by the Society must also be prepared in accordance with the requirements of the *Society Act*.
- C. The Society must permit the Director of Finance for the City, or his or her nominee, to inspect during normal business hours on reasonable notice, all books of account, receipts, invoices and other financial position records that the Director of Finance of the City deems advisable for the purposes of verifying and obtaining further particulars of the budget and any financial statements of the Society as they relate to monies granted to the Society by Council pursuant to this bylaw.

## **9. Insurance**

- A. The Society must carry at all times a policy of comprehensive general liability insurance in the amount of \$5,000,000:
  - (1) with the City added as an additional named insured;
  - (2) containing a cross coverage provision; and
  - (3) containing an endorsement to provide the City Clerk with 30 days' notice of change or cancellation.

- B. The Society must deliver a copy of each insurance policy or a certificate of insurance to the City Clerk within 60 days of payment of the premiums for the insurance policy.

**10. Alterations to the Society’s Constitution and Bylaws**

The City may withhold any payments of the grant referred to in Part 5 if the Society alters its constitution or bylaws in such a manner as to, in the opinion of Council, impair its ability to plan and implement the Lower Lonsdale Business Promotion Scheme. The Society must provide written notice of every meeting of the Society’s members, annual or general, at least 14 days prior to the meeting, to the City Clerk.

**11. No Joint Venture**

Nothing in this bylaw makes the City a joint venturer with the Society in the planning or implementation of the Lower Lonsdale Business Promotion Scheme or for any other purpose.

**12. Schedules**

- A. Schedule A – Lower Lonsdale Business Improvement Area Boundaries
- B. Schedule B – Proposed Year One (2017) Budget

READ a first time by the Council on the 18<sup>th</sup> day of July, 2016.

READ a second time by the Council on the 18<sup>th</sup> day of July, 2016.

READ a third time and passed by the Council on the 18<sup>th</sup> day of July, 2016.

ADOPTED by the Council, signed by the Mayor and City Clerk and affixed with the Corporate Seal on the <> day of <>, 2016.

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MAYOR

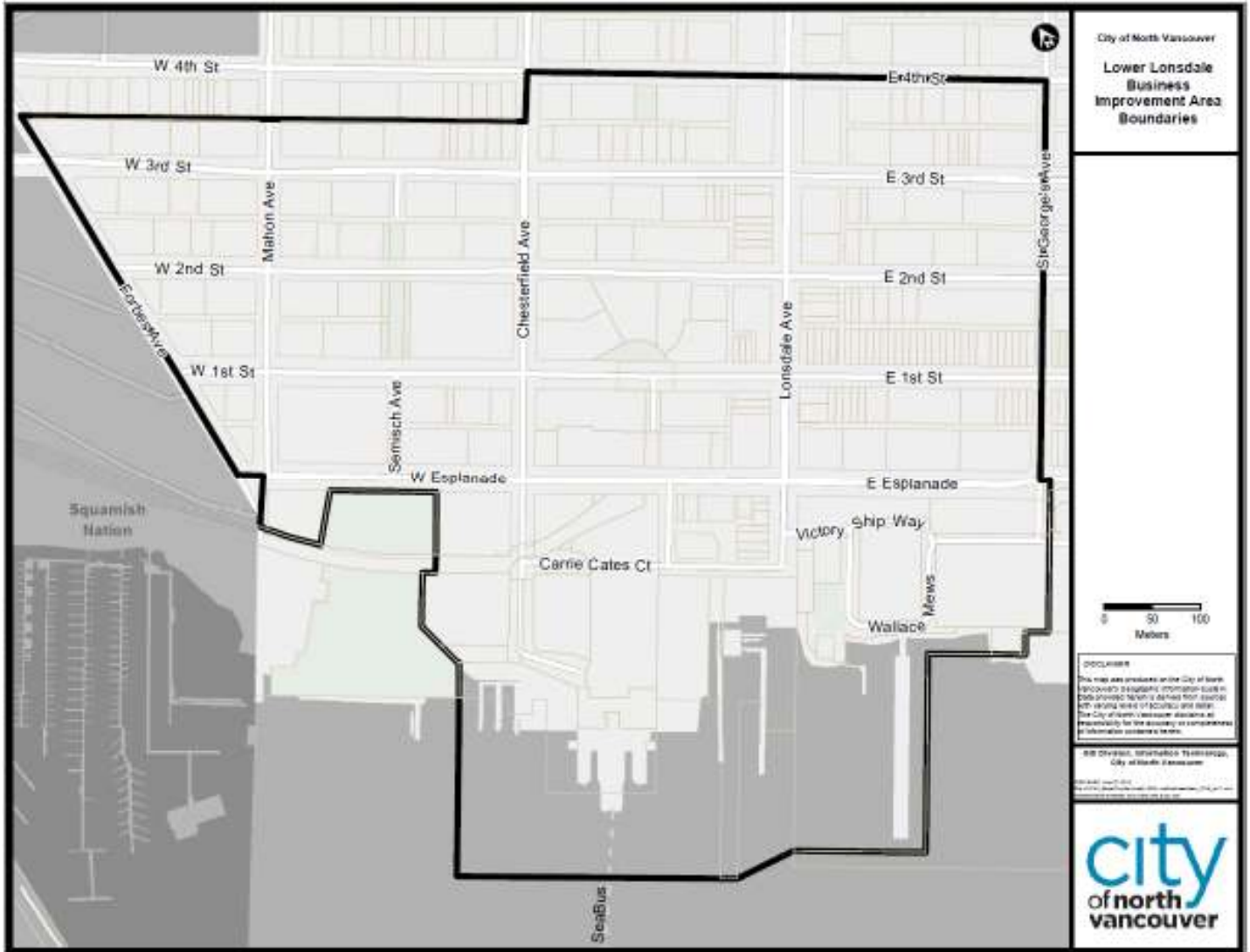
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CITY CLERK

# Schedule A

## Lower Lonsdale Business Improvement Area Boundaries

Those lands shown in heavy outline below are designated as the Lower Lonsdale Business Improvement Area.



## Schedule B

### Proposed Year One (2017) Budget

| CATEGORY                            | KEY STRATEGIES / FUNCTIONS   | AMOUNT    |
|-------------------------------------|--|-----------|
| Marketing and Promotions            | <ul style="list-style-type: none"> <li>• Strategic planning, including building a brand for the Lower Lonsdale business district</li> <li>• Develop marketing strategies targeted to local and Metro residents and visitors</li> <li>• Marketing via website, on-line services, brochures, flyers, broadcast, billboards, video, etc.</li> <li>• Attracting patrons by promoting the unique features of Lower Lonsdale and The Shipyards</li> <li>• Collective business advertising and promotions</li> <li>• Seasonal shopping promotions, lights, competitions, etc.</li> <li>• Local-area brochure and map highlighting businesses and hotels (printed and on website)</li> <li>• Customer parking research, strategies and solutions</li> <li>• Graffiti and other clean-up</li> <li>• Street ambassadors, hand-distribution of promotional materials and displays</li> <li>• Tourism promotion complementary to Destination BC and VNSTA</li> </ul> | \$220,000 |
| Community and Street Enhancements   | <ul style="list-style-type: none"> <li>• Signage (way-finding, Esplanade pedestrian overpass, business), lighting and street banners, unique Lower Lonsdale place-making features and public art pieces</li> </ul>   | \$75,000  |
| Festivals and Special Events        | <ul style="list-style-type: none"> <li>• Build on existing popular events like Slide the City / Car-Free Day, Friday Night Market, Christmas Festival and prior events like Party at The Pier and Fall Festival</li> <li>• Expand these events throughout the business district in addition to the Shipyards</li> <li>• Special promotional events</li> <li>• Event insurance</li> </ul>   | \$100,000 |
| Liaising with Commercial Properties | <ul style="list-style-type: none"> <li>• Developing with building owners leasing strategies and promotion to bring a more diverse mix of businesses to the area</li> <li>• Business recruitment activities</li> </ul>  | \$20,000  |
| Member Services                     | <ul style="list-style-type: none"> <li>• BIA Association and other membership dues</li> <li>• Professional consulting and promotion</li> <li>• Economic development</li> </ul>   | \$35,000  |
| Administration                      | <ul style="list-style-type: none"> <li>• Directors' and Officers' insurance</li> <li>• Accounting and audit, Board meetings and governance, office costs, internet, website</li> </ul> <p>(Staff costs directly incurred on other budget category work is allocated to those budget categories)</p>  | \$45,000  |
| Start-up                            |  | \$5,000   |
| Total                               |  | \$500,000 |