



ADMINISTRATIVE REPORT

Report Date: May 20, 2009
Contact: Peter Vaisbord
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RTS No.: 08109
VanRIMS No.: 08-2000-20
Meeting Date: May 21, 2009

TO: Standing Committee on Planning and Environment

FROM: Penny Ballem, City Manager

SUBJECT: Approval of 2009-10 Cambie Village Business Improvement Area (BIA) Budget

RECOMMENDATION

- A. THAT Council approve the Cambie Village BIA Budget for the 2009-10 fiscal year, as described in this Report
- B. THAT Council approve a grant to the Cambie Village Business Association (CVBA) of \$250,000, on condition that no portion of the grant monies be used to fund a lawsuit as described in this Report, AND THAT prior to disbursement of funding, staff obtain the appropriate agreements in writing from the CVBA
- C. THAT Council instruct staff to bring forward the appropriate rating by-law to recover the full amount of this grant (\$250,000).
- D. THAT Council instruct staff to withhold \$150,000, pending CVBA membership approval of a revised budget that does not include expenditures for, or in aid of, the lawsuit described in this Report.

COUNCIL POLICY

Council policy in relation to approval of BIA annual budgets and recoverable grants is outlined in Council Report (RTS 07941, March 10, 2009) Approval of 2009-2010 Business Improvement Area (BIA) Budgets.

Under Section 456 of the *Vancouver Charter*, Council may by majority vote grant money to an applicant that has as one of its aims, functions or purposes the planning and implementation of a business promotion scheme. Section 455 defines 'business promotion scheme' as:

- carrying out studies or making reports respecting one or more business areas,

- the improvement, beautification or maintenance of streets, sidewalks or city owned land, buildings or structures in one or more business improvement areas,
- the removal of graffiti from buildings or structures in one or more business improvement areas,
- the conservation of heritage property in one or more business improvement areas, and
- the encouragement of business in one or more business improvement areas.

PURPOSE

The purpose of this report is to request Council's approval of the 2009-10 budget for the Cambie Village BIA, to approve a recoverable grant to the BIA with a specific prohibition on the expenditure of the grant money, to instruct staff to prepare the appropriate rating by-law to recover the grant, and to require that a certain portion of the grant be withheld pending CVBA membership approval of a revised budget.

BACKGROUND

The Cambie Village Business Association (CVBA) has submitted its 2009-2010 BIA budget for Council approval (Appendix A) and has requested a recoverable grant in the amount of \$250,000. The CVBA's proposed 2009-2010 budget includes an expenditure that reflects its intention to contribute funding in furtherance of a proposed class action lawsuit.

DISCUSSION

In April 2009, the CVBA budget was submitted to Council for approval along with all the other BIA budgets and grant requests (RTS 07941). That Report discusses the CVBA budget in detail. The proposed BIA budget includes an expenditure line-item titled '*Legal Expenses*' in the amount of \$150,000. Staff have been informed that this line-item reflects the BIA's intention to provide financial assistance to the plaintiffs in a proposed class action litigation to recover damages for nuisance related to the Canada Line construction along Cambie Street.

Council decided not to approve the CVBA's budget and grant request at that time, and instead approved a general commitment of \$250,000 to the BIA, and instructed staff to resolve appropriate means of recovering the amount of the grant.

Staff advise that approval by Council of the expenditure of the \$150,000 budget amount earmarked by the CVBA for the class action lawsuit presents significant risk to the City. The balance of the budget, representing the BIA's normal \$100,000 operating expenditures, presents no issues as long as the funds are not re-purposed to fund the lawsuit.

The BIA has indicated to staff that they will bring forward a revised budget for the \$250,000 expenditure. Therefore, if Council wishes to provide funding to the CVBA in the amount of \$250,000, staff recommend the following:

- that Council approve the CVBA's total budget expenditure and grant request (\$250,000), and recover the grant by enactment of the appropriate BIA rating by-law,
- that approval of the grant be subject to a condition prohibiting the CVBA from expending any grant money to fund the proposed class action or any other related legal action,

- that prior to disbursement of the grant, the CVBA agree in writing not to expend any grant money in a manner prohibited by the condition, and
- that the City withhold \$150,000 (representing that portion of the CVBA budget earmarked for litigation) until the CVBA membership approves a revised budget that does not include expenditures related to funding the class action lawsuit.

BIA's are required to submit budgets and audited financial statements on an annual basis. Staff will review CVBA budgets and financial statements for this and future years to ensure that the CVBA continues to adhere to the conditions and agreements outlined.

FINANCIAL IMPLICATIONS

The recommended funding for the Cambie Village BIA is \$250,000. Should Council approve the grant and staff prepare rating by-law for Council's enactment, these funds will be recovered through subsequent property taxes. There is no net impact to the 2009 operating budget.

CONCLUSION

The proposed 2009-10 Cambie Village BIA budget and grant request of \$250,000 included \$150,000 that the BIA intended to use to provide financial assistance to the plaintiffs in a proposed class action lawsuit to recover business losses related to the Canada Line construction along Cambie Street. If Council approves the BIA's proposed use of funds for litigation, there could be significant negative implications to the City. Therefore, staff recommend that approval of the BIA budget and grant be subject to a condition prohibiting the CVBA from expending any grant money to fund the proposed class action, that adherence be secured by way of a written agreement from the CVBA, and that \$150,000 be held back until the CVBA membership approves a revised budget that complies with the condition and meets the BIA program criteria. Staff will monitor future budgets and audited financial statements to ensure that the conditions and agreements continue to be met.

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**Cambie Village BIA
Proposed Budget 2 2009/2010**

REVENUE	2009/10
City Tax Levy	250000
Directory Advertising Sales	13000
Banners sponsorship	12000
	275000
EXPENSES	
Administration	
Audit	1200
Insurance	1800
Legal	150000
Meetings	500
Administration	22000
Misc./office supplies	1000
	176500
Marketing and Promotion	
Advertising	15000
Business Directory	20000
Website	2500
	37500
Special Events and Street Festivals (Xmas, Summer, Easter, Halloween)	18500
Crime Prevention	
Bike and foot safety	18000
	18000
Street Enhancement/Amenities	
Anti-graffiti program	1000
Banners - design, installation, production	17000
Sidewalk cleanup	1500
	19500
Contingency	5000
TOTAL EXPENSES	275000