

From: "Mochrie, Paul" <Paul.Mochrie@vancouver.ca>
To: "Direct to Mayor and Council - DL"
Date: 7/24/2023 10:27:05 AM
Subject: Council Memo - Relief for Commercial Properties Impacted by the Broadway Subway Construction - RTS#15271
Attachments: FRS - Memo to Mayor & Council - Relief for Commercial Properties Impacted by the Broadway ~ RTS 15271.pdf

Dear Mayor and Council,

Please see the attached memo from Lon LaClaire and Patrice Impey which is a report back on the motion approved by Council at the Standing Committee on City Finances and Services meeting on June 16, 2022 (<https://council.vancouver.ca/20220607/documents/b7.pdf>)

The memo outlines:

- A peer review of seven municipalities across Canada and found that only Montreal and Quebec City provide financial assistance to individual businesses during construction while Toronto has a grant program for BIAs and business associations.
- The funding for these three programs comes from the agency responsible for the delivery of the rapid transit project and there are no precedents of a municipality funding programs such as this for another agency's project.
- With the pilot Development Potential Relief Program that provided relief to hundreds of businesses within the construction zone on Broadway, and that the Broadway Subway Project is being delivered by the Province of BC, having the City to set up a financial assistance program is not appropriate and precedent setting. However, Council could consider administering a grant program if the Province is willing to fund it.

If you have any questions, please feel free to contact Lon LaClaire at lon.laclaire@vancouver.ca or Patrice Impey at patrice.impey@vancouver.ca.

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
paul.mochrie@vancouver.ca



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəyəm (Musqueam), Skwxwú7mesh (Squamish), and səliwətał (Tsleil-Waututh) Nations.

MEMORANDUM

July 21, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Maria Pontikis, Chief Communications Officer, CEC
Rosemary Hagiwara, Acting City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Interim Chief of Staff, Mayor's Office
Theresa O'Donnell, General Manager, Planning, Urban Design & Sustainability
Steve Brown, Manager, Transit Integration & Projects, Eng
Grace Cheng, Director, Long-Term Financial Strategy, FRS
Chris Robertson, Director, Citywide and Regional Planning, PDS

FROM: Lon LaClaire, General Manager, Engineering Services

Patrice Impey, Chief Finance Officer/General Manager, Finance, Risk and Supply Chain Management

SUBJECT: Report Back on Council Motion: Relief for Commercial Properties Impacted by the Broadway Subway Construction

RTS # 15271

The purpose of this memo is to report back on the following motion approved by Council at the Standing Committee on City Finances and Services meeting on June 16, 2022

(<https://council.vancouver.ca/20220607/documents/b7.pdf>):

THEREFORE BE IT RESOLVED THAT Council direct Staff to explore options on ways to provide relief to commercial properties affected in the "cut and cover" locations along the Broadway Subway corridor, including relaxation or deferral of business property taxes, revitalization tax exemptions pursuant to 396E of the Vancouver Charter, and developing a program similar to that of the City of Montréal's [Financial assistance program for businesses affected by major construction \[Montréal.ca\]](#)

The memo summarizes the findings from research into programs in other municipalities, including the Cities of Montreal and Toronto, eligibility criteria, and applicability to the Broadway Subway Project. As well, it outlines the support programs available in the City of Vancouver.

Research & Findings – Staff have conducted a review of seven municipalities across Canada and found that the only financial assistance programs available for individual businesses affected by major construction are in the Province of Québec – the most notable one being offered by the Ville de Montréal (see Appendix A for details). The program, however, is applicable only if the Ville de Montréal is directly leading, or has majority decision making authority over, those major construction projects. These include projects being led by all municipalities on the Île de Montréal or STM, the regional transit agency. Given that the 67 km REM rapid transit project currently under construction in Montréal is owned by the Caisse de dépôt et placement du Québec rather than the Ville de Montréal or STM, businesses affected are not eligible for the Ville de Montréal’s financial assistance program. The Ville de Québec has a similar program to Montréal’s and they are currently working on a specific program for their upcoming Tramway project. This project will be delivered by the Réseau de transport de la Capitale, the regional transit agency in which the Ville de Québec has the majority decision making authority.

The City of Toronto does not offer direct financial assistance to businesses impacted by major construction; instead, it launched the “Transit Expansion Construction Mitigation Grant Program” originally to support the Metrolinx’s Eglinton Crosstown Light Rail Transit Project, which has expanded to include all major transit expansion projects across the city. Under the program, grants of up to \$50,000 per year are made to the BIAs and other business associations to implement effective, innovative, and creative solutions to address local business challenges posed by major transit projects. The City of Toronto administers this grant program using funding provided by Metrolinx, the regional transportation agency for the Greater Toronto and Hamilton area which leads the two major transit projects taking place within the city (see Appendix A for details).

A common feature of the two rapid transit-related financial assistance programs in Montréal and Toronto is that the funding for these programs comes from the agency that is delivering the rapid transit projects. There are significant risks to a municipality in providing financial assistance for a project that it does not lead and/or have substantial control over the delivery approach and timeline. Project delays and construction impacts could lead to spiralling financial assistance costs. It will likely set precedent for other agency-led major construction projects such as BC Hydro, Fortis, and Metro Vancouver. It is not the City’s jurisdiction and there is no financial capacity to fund such a program that would essentially backstop the impact of the Province-led Broadway Subway Project on businesses. The Province has also indicated that they do not provide compensation for disruption during construction, but support impacted businesses through other measures as outlined on their website [Broadwaysubway.ca/construction/businesses/](https://broadwaysubway.ca/construction/businesses/). However, if the Province were to consider funding a program similar to Toronto’s that provides grants to BIAs or other business associations to support innovative ways to attract people to the businesses along Broadway, the City could consider administering such a program.

Support from City of Vancouver – In March 2023, Council approved the pilot Development Potential Relief Program (the “DPRP”), which was enabled by provincial legislation to support independent, small businesses and community partners who are paying disproportionately high

taxes due to development potential. Over 1,000 properties from Classes 5 (Light Industrial) and 6 (Business & Other) will benefit from the pilot program where a portion of their land value will be subject to the DPRP tax rate that is 50% of the blended Classes 5 and 6 tax rate. Approximately 70 of these properties are located within the Broadway Subway Project construction area; as most are multi-tenant properties, hundreds of businesses will likely benefit as a result.

Besides the DPRP, staff will continue to support businesses affected by the Broadway Subway Project construction by:

- Working with businesses, the Province and their contractor to ensure loading zones and parking are available for businesses and customers on local streets adjacent to Broadway.
- Coordinating parking enforcement in loading zones to enable business deliveries and short-term parking (i.e. food delivery).
- Improving signage for businesses made less visible by construction (i.e. wayfinding signs to off-street parking, signs with business names for those located on blocks with limited access).
- Working with the Province to ensure safe and accessible access to businesses.
- Leading the Support Broadway businesses awareness social media campaign that has highlighted roughly 50 businesses along the corridor since 2021.

Should you have further questions, please do not hesitate to contact us.

Regards,



Lon LaClaire
General Manager of Engineering Services
604.873.7336 | lon.laclaire@vancouver.ca



Patrice Impey
Chief Finance Officer/General Manager,
Finance, Risk and Supply Chain
Management
604.873.7610 | patrice.impey@vancouver.ca

Appendix A

Montréal

- [Financial Assistance: businesses in areas affected by major construction work](#)
 - Program approved in 2018.
 - Applies only to major construction work (construction or reconstruction of sewer and water mains and major infrastructure projects) led by the Ville de Montréal, other Île de Montréal municipalities or STM. Major construction work (sewer or water projects) must have a planned or actual duration of six months while other major infrastructure projects must have a minimum planned or actual duration of at least 36 months. The project must increase traffic congestion due to at least one lane closure on affected blocks.
 - Provides up to \$40,000 per fiscal year for eligible businesses.
 - Eligibility:
 - Providing retail sales, product rentals or consumer services;
 - Be in operation before the project begins;
 - Be located in an eligible area;
 - Demonstrate a decrease of more than 5% in gross profits.
 - Funding of approximately \$25 Million for the program provided by the Ville de Montréal (~\$16M) and the Province de Québec (~\$9M) with the program administered by the Ville de Montréal .
- New grant program for businesses affected by road work and other construction.
 - Program approved in May 2023, applications beginning summer 2023.
 - \$5,000 one-off lump sump grants are provided without the need to demonstrate a loss in gross profits.
 - Similar eligibility to the Financial Assistance Program.

Toronto

- [Transit Expansion Construction Mitigation Grant Program](#)
 - Program began in 2019 as the Eglinton Crosstown Support Grant Program in response to delays to the Eglinton Crosstown LRT Project. It was expanded to all major transit expansion projects within the city in 2020.
 - Current rapid transit projects underway include the Eglinton Crosstown LRT and the Ontario Line, both of which are being delivered by Metrolinx.
 - Applies to business communities significantly impacted by transit expansion projects.
 - Grants of up to \$50,000 are available to Business Improvement Areas (BIAs) and business associations for community-driven initiatives that mitigate the impacts of construction on local businesses.
 - Eligibility:
 - Must be a BIA or non-profit organization;
 - Construction must be more than one calendar year in duration;
 - Projects may include business engagement, area marketing and branding, create event activations, research and needs assessment, beautification.
 - Funding of approximately \$460,000 per year is provided by Metrolinx with the program administered by the City of Toronto.