

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON JUNE 18, 2012
FROM:	MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	ARGYLE BUSINESS IMPROVEMENT ASSOCIATION FUNDING AGREEMENT

RECOMMENDATION

That, on the recommendation of the City Treasurer, Chief Financial Officer, the following action be taken with respect to the request for funding from the Argyle Business Improvement Area:

- a) the Civic Administration **BE INSTRUCTED** as to direction that is to be undertaken with respect to the attached proposed by-law and Grant Agreement between The Corporation of the City of London and the Argyle Business Improvement Association (Schedule A).

PREVIOUS REPORTS PERTINENT TO THIS MATTER

None.

BACKGROUND

Municipal Council at its session on May 1 and 2, 2012 resolved as follows:

“That the request of the Argyle Business Improvement Association (ABIA) for funding in the amount of \$55,240 **BE REFERRED** to the City Treasurer, Chief Financial Officer to review and report back on whether or not a suitable funding agreement could be put in place to accommodate the request.”

On February 1, 2011, a corporation without share capital was incorporated with the name ARGYLE BUSINESS IMPROVEMENT ASSOCIATION by a group of people apparently interested in forming a Business Improvement Area. This corporation however, was incorporated in accordance with the *Corporations Act* not the *Municipal Act, 2001*. As a result, none of the provisions with respect to Business Improvement Areas contained in sections 204 to 215 of the *Municipal Act, 2001* apply to this corporation.

At the time of preparation of this report no Argyle Business Improvement Area and Business Improvement Association exists in accordance with the provisions of the *Municipal Act, 2001*. A Business Improvement Area and Business Improvement Association can only exist after City Council has passed a by-law under section 204 and complied with the notice requirements of section 210 of the *Municipal Act, 2001*. The corporation without share capital that has been incorporated under the name Argyle Business Improvement Association that was incorporated on February 1st 2011 cannot operate as a business improvement association under the *Municipal Act, 2001* and therefore cannot submit a budget or request a tax levy be imposed on its members by the City.

The City could execute a funding agreement with the corporation without share capital incorporated under the name Argyle Business in order to provide funding for its activities. However, the City would not have any ability to impose a business improvement association levy on this corporation's members as a means of recovering payment or reimbursement of the funds issued under such agreement.

Obviously it would be possible for the City to execute a grant agreement with the corporation that was incorporated on February 1st 2011. A draft of a possible grant agreement and a by-law to authorize such an agreement is attached as Schedule A. Any grant would also have to be funded by the City's approved 2012 budget.

This report has been prepared in consultation with the City's Legal Division.

SUMMARY

In summary, it is recommended that this report be received for Council's information.

PREPARED BY:	CONCURRED BY:
JIM LOGAN DIVISION MANAGER – TAXATION & REVENUE	MIKE TURNER DEPUTY CITY TREASURER
RECOMMENDED BY:	
MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER	

Attach.

c. Jennifer Smout