

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JULY 13, 2020</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>BUSINESS IMPROVEMENT AREAS - FINANCIAL MEASURES TO RESPOND TO COVID-19</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following report **BE RECEIVED** for information.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Corporate Services Committee, January 20, 2020, Agenda item 2.2, Argyle Business Improvement Area 2020 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=70358>

Corporate Services Committee, January 20, 2020, Agenda item 2.3, Hamilton Road Business Improvement Area 2020 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=70359>

Corporate Services Committee, January 20, 2020, Agenda item 2.4, Hyde Park Business Improvement Area 2020 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=70360>

Corporate Services Committee, January 20, 2020, Agenda item 2.5, Old East Village Business Improvement Area 2020 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=70361>

Corporate Services Committee, January 20, 2020, Agenda item 2.6, London Downtown Business Association 2020 Proposed Budget – Municipal Special Levy  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=70362>

<b>LINK TO STRATEGIC PLAN</b>
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Council’s 2019-2023 Strategic Plan for the City of London identifies “Growing Our Economy” and “Leading in Public Service” as strategic areas of focus; these involve working better together for economic growth with Business Improvement Areas and continuing to build strong working relationships with such community partners. In line with these areas of focus, the City provides guidance to the Business Improvement Areas of London in regards to establishment and ongoing business and financial operations. The City also acts as the intermediary with respect to collecting the approved levy amounts which fund services provided to the Business Improvement Area members and thus promote continued growth in London’s economy.

<b>DISCUSSION</b>
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Subsection 205(2) of the Municipal Act, 2001 requires a business improvement area (BIA) to submit an annual budget to Council that Council may approve in whole or in part, but may not add expenditures.

On January 28, 2020, Municipal Council approved the 2020 budget and the required municipal special levy for all five BIA’s operating within the City of London.

With the emergence of COVID-19 impacting the member businesses in the BIA’s, each BIA reviewed their approved 2020 budget to identify planned expenditures that were less essential under the pandemic conditions. The funding related to these deferred expenditures was

accumulated in a contingency fund ready to assist their member businesses with initiatives that would support them as they recover from the impacts of COVID-19.

Subsection 205(3) of the Municipal Act, 2001 notes that a BIA may not spend any money unless it is included in the budget approved by the municipality or in a reserve fund.

The purpose of this report is to inform Municipal Council of the changes in planned expenditures for each of the five BIA's, noting that the BIA's did not change the total amount of their budget or the amount of their special levy in 2020, only the nature of some of their planned expenditures. All the BIA's communicated the changes to their budget to all members in their area. See **Appendix A** for more information on the changes outlined below.

**London Downtown Business Association** reallocated \$200,000 of their 2020 budget to a COVID-19 Action Plan for general promotion activities and safety equipment across the BIA during the reopening phase. They also designated \$156,000 of existing funds to a Business Restart Grant to provide direct grants for up to 250 businesses. Another \$300,000 of existing funds was designated for a Marketing Grant to provide direct grants for up to 250 businesses. Finally, Downtown London reallocated another \$197,309 of their 2020 budget to increase the amount of their existing contingency fund that will be set aside to pay for future tax write offs.

**Hyde Park Business Improvement Area** reallocated \$71,000 of their 2020 budget to a COVID-19 Response and Recovery fund. They designated \$20,000 to increase their existing budget for CTV advertising, \$500 for additional website development, and \$50,500 for a number of programs including a guest speaker for their Zoom Townhall meeting, a new shop.uptown-london website, a gift card program (*HUG a Business...from a Distance*), social media advertising, digital advertising on CTV, the Vyond Animation application to develop in-house digital training tools for members, a PPE subsidy program, and a subsidized delivery program.

**Old East Village Business Improvement Area** reallocated \$12,650 from their 2020 budget to additional digital marketing expenses, promotional videos, and beautification activities. Funds not utilized in 2020 may also be set aside in the operating fund reserve for other COVID-19 related supports to be determined in 2021.

**Argyle Business Improvement Area** reallocated \$15,000 of their 2020 budget to a COVID-19 contingency fund to increase radio advertising, on-line gift card auction and additional summer graffiti clean-up.

**Hamilton Road Business Improvement Area** reallocated \$15,000 from their 2020 budget to a COVID-19 Action Plan for additional social media advertising, a Google AdWords micro grant program and to put the Tree Trunk Tour on-line, including promotion for local businesses.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>ALAN DUNBAR, CPA, CGA MANAGER FINANCIAL PLANNING &amp; POLICY</b>	<b>KYLE MURRAY, CPA, CA DIRECTOR, FINANCIAL PLANNING &amp; BUSINESS SUPPORT</b>
<b>RECOMMENDED BY:</b>	
<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

## APPENDIX A

### Details on Changes to BIA 2020 Budgets

#### London Downtown Business Association

Source of Funding	\$ Amount	How funds will be reallocated
Funding allocated from the following expenditure lines in the 2020 Budget: MainStreet Recruitment/Retention      \$41,500 MainStreet Aboutface                      \$50,000 Business to Business                      \$2,000 Planters                                        \$15,000 Public Art                                      \$7,500 Clean Team                                    \$2,700 Sponsorships                                \$26,000 Volunteer Recognition                    \$4,000 Miscellaneous                              \$1,998 Activations                                 \$19,500 <u>Marketing</u> <u>\$29,802</u> <b>Total</b> <b>\$200,000</b>		<b>COVID ACTION PLAN</b> <ul style="list-style-type: none"> <li>• Business to Business, Webinars, Town Halls</li> <li>• PPE for members</li> <li>• TV, radio, Spotify ads</li> <li>• Social media ads</li> <li>• Office safety</li> <li>• Poster/mural campaign</li> <li>• Business open signs</li> <li>• Hit Our Bricks campaign</li> <li>• Welcome Back campaign</li> </ul>
Tenant Improvement Loan Program account (does not impact budget, funds already on hand)	\$156,000	<b>Business Restart Grant</b> <ul style="list-style-type: none"> <li>• 250 businesses at max total grant of \$625 each (Downtown London pays 75% of costs incurred)</li> <li>• To provide support for Personal Protective Equipment, in-store health and safety</li> </ul>
Cash on hand (for bridging funding delays; general bank account) (does not impact budget, funds already on hand)	\$300,000	<b>Marketing Grant</b> <ul style="list-style-type: none"> <li>• 250 businesses at max total grant of \$800 each (Downtown London pays 75% of costs incurred) for COVID-19 marketing services (total fund \$200,000)</li> <li>• 250 businesses at max of \$400 – funding for reopening promotions (total fund \$100,000)</li> </ul>
Funding allocated from the following expenditure lines in the 2020 Budget: HST not spent                                \$9,560 Marketing                                      \$55,799 Hydro/Gas                                      \$4,060 <u>Administrative savings/cuts</u> <u>\$127,890</u> <b>Total</b> <b>\$197,309</b>		<b>Contingency Fund</b> <ul style="list-style-type: none"> <li>• Added to the \$90,000 originally budgeted for tax write offs (total fund amount \$237,309)</li> <li>• Holding for contingency of possible increase to tax write offs</li> </ul>

Information on these budget revisions was sent to all members on June 4, 2020 in a newsletter (in the absence of in person gatherings). The newsletter asked for questions to be submitted to an e-mail ([budgetquestions@downtownlondon.ca](mailto:budgetquestions@downtownlondon.ca)) and Downtown London promised to respond with answers to all questions back to all our members to keep them informed. Downtown London did not receive any questions regarding the changes and only positive feedback from the membership.

### Hyde Park Business Improvement Area

Source of Funding	\$ Amount	How funds will be reallocated	\$ Amount
Funding allocated from the following expenditure lines in the 2020 Budget:		<b>COVID Response and Recovery Fund</b>	
Office Equipment Upgrades	\$7,000	Increased funding for:	
Office Furniture	\$1,000	CTV Ad Package	\$20,000
Leasehold Improvements	\$5,000	Website Development, Hosting and Maintenance	\$500
Training / Conferences	\$4,500	Guest speaker for Zoom Townhall meeting	
Operating	\$500	New <i>shop.uptown-london</i> website listing over 150 businesses with links to their shopping carts	
AGM including Postage	\$2,000	Gift card program: <i>HUG a Business...from a Distance</i> (HPBIA processed the gift cards, incurring the processing costs, so businesses receive 100% of the funds. Purchasers of gift cards of \$50 or more receive \$25 in Hyde Park Dollars to be spent at any HPBIA participating business.)	\$50,500
Promotional Marketing Materials	\$1,500	Social media advertising	
Board Meetings / Monthly Business Networking Meetings	\$1,000	Digital advertising on CTV	
Special Events / Sponsorships	\$2,000	Investment in Vyond Animation application to develop in-house digital training tools for members	
Pondfest / Outdoor Piano Program	\$18,000	PPE subsidy program	
Community Beautification Projects	\$26,500	Subsidized delivery program	
<u>Contingency</u>	<u>\$2,000</u>	Virtual Pondfest event (August)	
<b>Total</b>	<b>\$71,000</b>	Digital Mainstreet Program: Part II	
		<b>Total</b>	<b>\$71,000</b>

Information on these budget changes was sent to the Hyde Park BIA members on May 1, 2020 in the form of a newsletter entitled "Hyde Park BIA COVID Action Plan".

### Old East Village Business Improvement Area

Source of Funding	\$ Amount	How funds will be reallocated	\$ Amount
Funding allocated from the following expenditure lines in the 2020 Budget:		<b>COVID Fund</b>	
Marketing	\$1,350	Increased funding for:	
Beautification	\$4,300	DIGOEV Digital Marketing Fund	
Special Projects	\$4,000	OEV Promo Videos	
<u>AGM</u>	<u>\$3,000</u>	Beautification - COVID related needs/opportunities	
<b>Total</b>	<b>\$12,650</b>	Graffiti removal program (BIA to provide 50% of cost)	
		Additional/unidentified COVID related supports in 2020-21	
		<b>Total</b>	<b>\$12,650</b>

Information on these budget changes was e-mailed to the Old East Village BIA members on June 26, 2020, including an invitation to respond if they had any questions.

### Argyle Business Improvement Area

Source of Funding	\$ Amount	How funds will be reallocated	\$ Amount
Funding allocated from the following expenditure lines in the 2020 Budget: Marketing <u>Summer Event</u> <b>Total</b>	\$12,500 <u>\$2,500</u> <b>\$15,000</b>	<b>COVID-19 Contingency Fund</b> Increased funding for: Radio advertising - primarily for member recovery efforts On-line gift card auction with radio station Summer graffiti clean-up blitz removal program <b>Total</b>	\$12,500  \$1,000 <u>\$1,500</u> <b>\$15,000</b>

Information on these budget changes was e-mailed to the Argyle BIA members on June 25, 2020, with an option to respond if they had any questions.

### Hamilton Road Business Improvement Area

Source of Funding	\$ Amount	How funds will be reallocated	\$ Amount
Funding allocated from the following expenditure lines in the 2020 Budget: Promotions and Festivals (short term and long term initiatives) <u>Salaries and Wages</u> <b>Total</b>	\$5,000 <u>\$10,000</u> <b>\$15,000</b>	<b>COVID-19 Action Plan</b> Increased funding for: Social media advertising Google AdWords micro grant program for membership Putting the Tree Trunk Tour on-line, including promotion for local businesses Other events and promotions (to be determined) <b>Total</b>	       <b>\$15,000</b>

Information on these budget changes was e-mailed to the Hamilton Road BIA members on June 30, 2020.