
City of Kelowna

MEMORANDUM

DATE: July 15, 2003
FILE: 1950-06

TO: City Manager

FROM: Director of Financial Services

RE: **Renewal of Downtown Kelowna Business Improvement Area**

RECOMMENDATION:

THAT Council approve the renewal of a specified area for the purpose of annually funding, over a 5 year period, the Downtown Business Improvement Area pursuant to Sections 651.1 of the Local Government Act, for the properties included within the boundary as outlined on Schedule "A" attached;

AND THAT Bylaw 9042 to establish the specified area be advanced to Council for first three readings of the bylaw;

AND FURTHER THAT 4:00 p.m., Tuesday, August 26, 2003 be set as the deadline for receipt of petitions against the proposed Downtown Business Improvement Area renewal bylaw.

BACKGROUND:

Section 651.1 of the Local Government Act permits Council, by bylaw, to grant funds to an organization that has as one of its aims, function or purposes, the planning and implementation of a business promotion scheme. Council may raise the necessary funding by levying and imposing a tax on the benefiting properties.

The first Downtown Kelowna Business Improvement Area (BIA) was established for the 5 years beginning in the 1989 Fiscal Year, with renewals in 1994 and 1999. The BIA is approximately bounded by Okanagan Lake to the west, just south of Harvey Avenue to the south, parts of Richter extending to St. Paul to the east and Sunset Drive to the north.

The Downtown Kelowna Business Improvement Area business promotion scheme, which outlines a history, goals and provides details of the BIA services, is attached as Schedule "B".

The Kelowna Downtown Business Improvement Area Society wishes the City to continue to raise the annual grant by levying a tax on the land and improvement for those properties assessed as Class 5 (Light Industrial) and Class 6 (Business) with the exception of Federal, Provincial and Municipal owned properties used for government purposes. Government properties leased out for private commercial use will be subject to the levy.

The bylaw authorizes Council to grant to the Society, to a maximum dollar value, an amount equal to its annual budget. For the term of the bylaw, the amounts are:

2004	-	\$411,000
2005	-	\$422,000
2006	-	\$424,000
2007	-	\$426,000
2008	-	\$428,000

A report to Council will be prepared for approval of the grant prior to each fiscal year covered in the bylaw. The 5-year term of the bylaw will conclude on December 31, 2008.

Paul Macklem, CMA
Director of Financial Services

Attachments

cc: Revenue Supervisor
Financial Accounting & Systems Manager

CITY OF KELOWNA

BYLAW NO. 9042

KELOWNA DOWNTOWN BUSINESS IMPROVEMENT AREA

A bylaw of the City of Kelowna to establish a specified area for the purposes of annually funding the Kelowna Downtown Business Improvement Area (2004-2008).

WHEREAS Section 651.1 of the Local Government Act provides Council with the authority to establish, by bylaw, a business improvement area (a "BIA");

AND WHEREAS the Council of the City of Kelowna has been notified that the owners of certain properties in the downtown area of the City have formed a BIA Merchant Association known as the Downtown Kelowna Association;

AND WHEREAS the Council of the City of Kelowna has mailed to the owners of the parcels liable to be specially charged, pursuant to section 629 of the Local Government Act, notice of Council's intention to proceed with a bylaw to re-establish the Kelowna Downtown BIA for the years 2004-2008 in order to provide certain services, through the Downtown Kelowna Association, under a business promotion scheme;

AND WHEREAS notice of Council's intention to proceed with a bylaw to re-establish the Kelowna Downtown BIA for the years 2004-2008 in order to enable the DKA to provide certain services under a business promotion scheme has been published in a newspaper pursuant to section 629 of the Local Government Act;

AND WHEREAS any petition received against the proposed work was not sufficient pursuant to Sections 630 and 632 of the Local Government Act, to prevent Council from proceeding;

AND WHEREAS the provisions of Part 19, Division 2 of the Local Government Act have been complied with;

NOW THEREFORE, the Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. Those lands within the area shown outlined in black on the map attached hereto and forming part of this bylaw as Schedule "A" are designated as a Business Improvement Area (BIA) within the meaning of Section 651.1 of the Local Government Act and shall be known as Kelowna Downtown Business Improvement Area.
2. Council is hereby empowered to grant to the Downtown Kelowna Association, for the term of this bylaw, money in the amount of the Downtown Kelowna Association's annual budget, as submitted to and approved by Council, but in any event not exceeding the sum of Four Hundred and Twenty-eight Thousand Dollars (\$428,000.00) per annum.

3. Money granted pursuant to Section 2 must be expended only by the Downtown Kelowna Association.
4. Money granted pursuant to Section 2 of this bylaw shall be expended only for projects provided for in the annual budget of the Downtown Kelowna Association, as submitted to and approved by Council, and following the Business Promotion Scheme, attached to and forming part of this bylaw as Schedule "B".
5. The Downtown Kelowna Association shall submit to the Council of the City of Kelowna, annually, on or before March 15, a budget for the calendar year, which outlines revenues and expenditures related to the carrying out of the Business Promotion Scheme outlined in Schedule "B" during that year.
6. The Downtown Kelowna Association shall account for the money granted by Council for the previous calendar year at the same time as the annual budget is submitted pursuant to Section 5 hereof.
7. An advance payment equal to 25% of the prior year grant amount may be provided to the Downtown Kelowna Association prior to Council approval of the annual budget for each of the years included in this agreement. The amount of any grant made following Council approval of an annual budget shall be adjusted to take into account any such advanced payment.
8. The Downtown Kelowna Association shall not incur any indebtedness or other obligations beyond each budget year.
9. There shall be levied annually against all taxable land and improvements within the designated Business Improvement Area which fall within Class 5 or 6 of the Assessments - Class and Percentage Levels Regulation, B.C. Reg. 438/81 excluding Federal, Provincial and Municipal owned properties used for government purposes, and based on assessed values, rates sufficient to raise the sum in accordance with Section 2 herein or such lesser amount as granted to the Downtown Kelowna Association pursuant to the provisions of this bylaw.
10. The Downtown Kelowna Association shall take out and maintain public liability, property damage, and other required insurance naming the City of Kelowna as Additional Insured in the amount of not less than \$2,000,000.00, and shall provide upon request to the City of Kelowna proof of such insurance in the form of the City's standard Certificate of Insurance.
11. The Downtown Kelowna Association shall procure and maintain at its own expense:
 - (a) Comprehensive General Liability Insurance providing for all sums which the Downtown Kelowna Association shall become legally obligated to pay for as a result of bodily injury, property damage or other damages, providing for an inclusive limit of not less than \$2,000,000.00 for each occurrence or accident; and

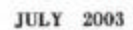
- (b) Automobile Liability Insurance covering all motor vehicles owned operated and used directly or indirectly in the operations of the Downtown Kelowna Association, with a limit of liability of not less than \$2,000,000.00 inclusive.
12. All Insurance required to be obtained by the Downtown Kelowna Association pursuant to this bylaw shall name the City as an Additional Insured, and shall be primary without any right of contribution from any insurance otherwise maintained by the City.
13. The Downtown Kelowna Association shall submit Certificates of Insurance as, and in the form, required by the City, which shall provide that 30 days' written notice shall be given to the Risk Manager of the City, or designate, prior to any material changes or cancellations of any such policy or policies).
14. The Business Improvement Area created by this bylaw may be merged with another Business Improvement Area, whether contiguous or not, for the purpose of providing, consolidating or completing necessary works or services for the merged area.
15. This bylaw shall be effective from the date of adoption through December 31, 2008 inclusive.
16. This bylaw may be cited as "Kelowna Downtown Business Improvement Area Bylaw No. 9042."

Read a first, second and third time by the Municipal Council of the City of Kelowna this day
of , 2003.

Adopted by the Municipal Council of the City of Kelowna this day of , 2003.

Mayor

City Clerk



Downtown Kelowna Association

Business Promotion Scheme

The Downtown Kelowna Association – The History

The Downtown Kelowna Association (DKA) is a non-profit society with a mission to ensure Downtown Kelowna is a safe and desirable place to conduct business, live, work and play. Formed in 1989, it is funded by an improvement levy through the municipality that is paid by all commercial properties in the area. The annual levy becomes the DKA's base operating budget upon which the organization leverages additional funding from all levels of government and corporate sponsors to support downtown initiatives.

Kelowna was the third community in BC to initiate a Business Improvement Area (BIA). Comprising of 42 square blocks of office, retail, entertainment and tourism properties situated on the shores of Okanagan Lake, Downtown Kelowna is one of the most beautiful locations in the Okanagan.

The Business Improvement Area Movement

The DKA is part of a vibrant movement toward downtown revitalization currently taking place among cities around the world. There are over 1,100 Business Improvement Associations (BIA) in North America, with 53 in British Columbia. These associations address issues such as cleanliness, safety, security, business development and promotion, all to enhance the district they represent.

The Benefits of a BIA

BIAs are the ideal vehicle for individual businesses to work collectively on issues of common concern. Effective BIAs have strong links with city government, police forces and other agencies vital to the needs of the area.

Establishing a BIA in downtown Kelowna has benefited the individual property owners and businesses, the entire downtown area, as well as the whole community. The benefits have included:

Coordinated Efforts – Working together, property owners and businesses can achieve more than working alone. By planning, marketing, making improvements and seeking funding as a group, the efforts of the businesses in downtown have had more impact and profile in the community.

Sustained Funding – By providing ongoing funding of management and marketing initiatives, the BIA structure allows the downtown to plan programs in advance. This has allowed the expansion of programs from an ad hoc basis to annual programs with leveraged dollars from government and corporate sources. The DKA leverages 30-35% of its annual base budget towards core projects and initiatives from government and corporate sources of funding.

Self Reliance- The BIA provides the mechanism for the downtown to identify useful projects and allocate money towards those initiatives. The businesses benefit from the whole area coming together to leverage its resources and time versus each business trying to work towards positive changes on its own.

Strong Public Image – The activities and commitment of the DKA to improving the area raises the profile of downtown and creates an image of a "cared for" area of the community.

Community Benefits – Economic development professionals have consistently shown that the long term progress of an entire community can be measured by the success of its downtown core. A strong and vibrant downtown, the heart of any city, enhances the image and economy of the entire community.

Growth and Maturity

The DKA was founded with an original focus on marketing and promotion to attract residents to downtown Kelowna. As the downtown grew, downtown property owners and businesses expanded their priorities to include a focus on cleanliness, crime prevention, traffic and parking and social issues while maintaining the promotion of downtown. The DKA responded by creating the Downtown Patrol, enhancing the BIZ Patrol, and producing publications to increase awareness of downtown merchants, the availability of parking and downtown events.

Goals for 1999 - 2003

In 1998, the DKA was renewed for its third 5-year term, proposing an ambitious series of goals and objectives. Reflecting over these past five years, it is very evident that the DKA has achieved what it set out to do. Below are a few of the many highlights of those achievements.

Goal 1) Promoting Downtown – attracting consumers to downtown and increasing the frequency and duration of their visits through effective marketing and promotions.

The DKA has achieved this goal with marketing initiatives such as the award-winning annual Guide to Downtown Kelowna, Mr. and Ms. Downtown Campaign, Parks Alive! entertainment, parking maps, street banners, information kiosks and website. Partnerships with local media resulted in two major programs – the *Downtown Showcase* monthly publication with the Kelowna Capital News and the *Your Downtown* weekly segment on Shaw TV.

The DKA also organized several annual events throughout the five year term including the Mardi Gras Street Festival, Awesome August Nite Car Show and Christmas Light Up. In 2002, the Downtown Market was introduced and runs every Saturday from May to September.

Goal 2) Getting Around Downtown – providing innovative and long-term transportation management to members and consumers of downtown in partnership with the City of Kelowna.

The DKA continues to work closely with the City with respect to parking and transportation issues. "During 2000, the City updated its Parking Management Plan for the Downtown area. In this Plan, capital expenditures for new parkades were recommended. In addition to general public consultation and regular review by the Parking Advisory Committee, consultation took place with the Downtown Kelowna Association and the Towne Centres Committee representing the key stakeholders in Downtown Parking." (*Downtown Parking Management and Financial Plan*, July 26, 2001)

The DKA was also involved in the creation of the Kelowna Downtown Plan, which included plans for both parking and transportation. "Part of Downtown's appeal as a place to shop and conduct business depends on efficient and convenient access to, and movement within, the Plan area. As a pedestrian-oriented environment, the Downtown Plan encourages efficient, safe, and convenient movement on foot. ...The Plan recognizes that travel by private automobile continues to be the travel mode of choice in Kelowna and that convenient and efficient access to the Plan area by private automobile is necessary for the economic health of the Downtown." (*Kelowna Downtown Plan, October 1999*)

Goal 3) A Clean and Safe Downtown – implementing strategies to ensure a cleaner downtown environment and addressing safe street concerns in partnership with the City of Kelowna and the RCMP.

The BIZ Patrol program continued to be one of the DKA's most successful and visible initiatives. Originally created in 1996, the summer program sees students sweeping sidewalks, removing posters, maintaining flower barrels and acting as ambassadors for downtown.

The Downtown Patrol was launched in May 2001 with trained patrollers covering the 42-square block radius of downtown throughout the year. The Downtown Patrol is ready to deal with front-line issues related to auto and commercial property crime, safety, and hospitality. Key partners in the program include the City of Kelowna and ICBC.

Goal 4) Developing Downtown – attracting and retaining businesses downtown through the creation of the Downtown Development Corporation as well as nurturing partnerships with Okanagan University College, the Economic Development Commission and the Kelowna Chamber of Commerce.

The DKA joined forces with the Economic Development Commission, City of Kelowna and Kelowna Chamber of Commerce to create the Business Recruitment Team (BRT). The BRT meets monthly to develop strategies to attract and retain businesses by providing timely and consistent information to prospective businesses. In 2002, the BRT created the "Kelowna #1" campaign, based on the results of a KPMG study showing Kelowna as the most cost-effective city to do business in the Pacific Region.

Goal 5) A Voice for Downtown – monitoring and lobbying for development initiatives upon adoption of the Kelowna Downtown Plan and Shore Zone Plan and to effectively communicate all issues pertaining to downtown to our membership and the community.

The DKA continues to work in close relationship with the City of Kelowna. In addition to representation on the Parking Committee and Cultural District Task Force, and the partnership with the Parks Department, the DKA holds two positions on the Downtown Plan Committee. This Committee worked with great energy and enthusiasm to help move along projects identified in the Downtown Plan. The funding of the Wayfinding program and the implementation of phase one of the pedestrian signage in late 2003 is one example of a priority initiated from the plan.

The DKA is also working in partnership with the City on the Downtown Streetscape Design, the Social and Economic Impact Study of the One-Way Couplet and the Mayor's Entertainment Taskforce guidelines.

Looking Forward - The Next Five Years

The DKA began as a business improvement area with a five-year commitment in 1989, which was renewed for two further five-year terms. The next term will mark the fourth renewal and 20 years of dedication to downtown, beginning December 31, 2003.

The City has been asked to approve a five-year term to 2008 based on a business plan and budget supported by the DKA members that would permit exciting new programs to benefit everyone involved with downtown.

A Vision for Downtown Kelowna – At a Glance

A strategic planning session with current and past Board of Directors, Presidents and staff was conducted in January 2003, and combined with extensive membership surveys, to identify trends that would shape downtown's future. Strengths, weaknesses, opportunities and threats and the role that the DKA needs to play in downtown's future were identified. As downtown continues to rapidly grow and change, the DKA is required to remain flexible and ensure it accurately represents the memberships needs.

A key focus for the future is to ensure the membership consistently receives value from the DKA, in particular, professionals and property owners.

The DKA is researching façade improvement initiatives, with the intent of implementing a grant program available to downtown property owners and tenants.

A new monthly education series will be presented, with topics such as graffiti prevention for property owners, time-management skills for professionals and accessing funds for non-profit societies.

Regular presentations to highlight DKA programs will be offered. Emphasizing available services, including the Downtown Patrol and BIZ Patrol, will allow the DKA to provide a personal touch to the membership.

Additional objectives include continuing to work closely with the City of Kelowna on downtown projects such as streetscape and way finding, the One-way Couplet, the Cultural District, the Entertainment District and a Centennial Project.

These initiatives and areas of importance will further impact the development of downtown and will benefit from the participation of the DKA as a strong business association.

DKA Business Improvement Area

The current boundary is a 42-square block radius from Harvey Avenue to Clement Avenue and from Okanagan Lake to Richter Street. The DKA wishes to maintain its existing boundary, however, a request has been made to the City for the inclusion of the KSS frontage property in the existing boundary considering its future development on Harvey Avenue.

Budgeting

Membership surveys on a wide range of issues, together with input from the Board of Directors, establish a clear list of priorities for the DKA. Programs are evolved to address these issues and a budget is prepared. DKA's revenue from the membership levy increased an average of 8.4% per year during the last five years, to an operating budget of \$400,000 for year 2003. The DKA is proposing an increase of 7% over the next five-year term to implement new initiatives and expand existing programs to a maximum levy budget of \$428,000.

Goals for 2003 to 2008

Business Recruitment & Retention

- Researching and implementing a façade improvement grant program for property owners and downtown tenants
- Investigating access to funding for development incentives
- Encouraging second floor residential development
- Meeting one-on-one with businesses whose leases expire within three years to encourage retention
- Creating an on-line database of available downtown office space

Clean & Safe

- Enhancing the Downtown Patrol and BIZ Patrol programs to offer year-round clean and safe initiatives to our members
- Offering customized presentations on available services and programs
- Establishing "Smart and Safe Fairs" in partnership with RCMP, Fire and Emergency Personnel for downtown employees

Education

- Providing regular education seminars on a variety of topics including accessing funds for non-profit societies, development incentives for property owners and time management strategies for professional

Promotion & Communications

- Creating an on-line newsletter to reach membership and Kelowna residents
- Increasing television presence to create more awareness of events and initiatives, partner with local hotels to provide in-room television information on Downtown Kelowna
- Attracting more residents and tourists to downtown year-round

Partnerships

- Continuing strong relations with the City of Kelowna and providing input on such projects as signage and wayfinding, the Cultural District, parking and transportation programs and entertainment districts
- Enhancing Business Recruitment Team (DKA, Economic Development Commission, Kelowna Chamber of Commerce) initiatives

Accountable

- Conducting regular evaluation of all programs and initiatives to ensure effectiveness and financial responsibility

Why Should the BIA Be Renewed?

Downtown Kelowna continues to lead the community as the "showcase" town center for commercial, public and residential development. This can be seen through restored commercial heritage buildings, a flourishing Cultural District, a thriving business community, waterfront residential development and the City's efforts to create an atmosphere that encourages more people to live downtown. Continuing to mould a downtown that is vibrant and alive is a priority for local property owners and developers represented by the DKA in partnership with the City. The DKA will continue to be a strong asset in the development of a downtown that reflects the prosperity of the entire community of Kelowna.