SUBJECT: International Village Business Improvement Area (B.I.A.)
Proposed Advancement of 2006 Monies (PED05128) (Wards 2 & 3)

COMMENDATION:

a) That an advancement in the amount of $10,000 to the International Village B.I.A. be approved;

b) That interest at the rate of 4.75% be charged on the $10,000 advancement;

c) That 100% of the advancement, plus interest charged, be deducted from the first payment to the International Village B.I.A. for its 2006 budget; and,

d) That the advancement be recorded as a balance sheet adjustment on the 2005 year end books.

Lee Ann Coveyduck
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

Advancement to the International Village B.I.A. of its 2006 monies.

BACKGROUND:

The International Village B.I.A. has requested an advancement in the amount of $10,000 due to a deduction in its 2005 levy instalments from the City of Hamilton in the amount of $9,205.87 that represents payment in full for successful appeals of properties within its boundaries. Further details are explained in the letter from the B.I.A. attached as Appendix ‘A’.
In order to ensure that B.I.A.s are aware of property assessment appeals that may impact their budgets, staff from the Corporate Services Department have agreed that monthly lists of property appeals will be produced and forwarded to the Downtown Renewal Division for disbursement to the appropriate B.I.A.s. This will allow B.I.A.s to include an appropriate contingency in their budgets to cover the cost of successful property assessment appeals. Generally, annual write-offs are usually small enough to be absorbed through the B.I.A. budgets but, on occasion, the amount is large enough to have a major impact on the B.I.A. operations. Both Planning and Corporate Services Department staff agree that advising the B.I.A.s as soon as the appeals are processed will help the B.I.A.s in their overall budget process.

The B.I.A. supports the provisions of the advancement including the interest charged.

**ANALYSIS OF ALTERNATIVES:**

Not advancing monies to the B.I.A. would result in the B.I.A. closing its offices for the months of November and December.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financing - At an interest charge of 4.75% the interest collected in January 2006 from the B.I.A. would be approximately $119 based on an advancement cheque issued in October 2005 compared to the regular cheque issued in January 2006. This amount together with the $10,000 advancement would be deducted from the B.I.A.’s January 2006 levy instalment.

Staffing – There are no staffing implications.

Legal – The Municipal Act, 2001, Section 205, Sub-section (2) dictates that City Council must approve budgets of B.I.A.s.

**POLICIES AFFECTING PROPOSAL:**

Not applicable.

**CONSULTATION WITH RELEVANT DEPARTMENTS/AGENCIES:**

The Downtown Renewal Division consulted with the Corporate Services Department on the B.I.A.’s request.
SUBJECT: International Village Business Improvement Area (B.I.A.)
Proposed Advancement of 2006 Monies (PED05128)
(Wards 2 & 3) - Page 3 of 3

CITY STRATEGIC COMMITMENT:

The initiatives of B.I.A.’s help create an attractive business district that extends to the local residents through the creation of safer, cleaner and more aesthetically attractive districts with positive results in the quality of life of its residents. Healthy business districts support neighbourhoods and healthy neighbourhoods support business districts. Economic health and healthy communities are important strategic objectives of the City.

HM:hm
Attach. (1)

cc: Mary Pocius, Executive Director, International Village B.I.A.
Ken Heyens, Manager of Tax Accounting, Corporate Services
Gerry Boychuk, Chief Investment Officer, Corporate Services
September 6th, 2005

Mrs. Hazel Milsome, Co-ordinator
Business Improvement Areas
Downtown Renewal Division
Planning & Development Department
City of Hamilton
1 James Street South, Suite 800
Hamilton, Ontario

Dear Hazel:

Re: Successful Assessment Appeals
Budget 2005

As you know, without any notice to International Village, one specific property owner within our membership has won his appeal and received a reduction in Current Value Assessment for his property ... this reduction is for the past three years.

As a result, International Village’s Levy payment for the calendar year of 2005 has been reduced in the amount of $9,205, payment in full for the 3 year rebate.

In our 2005 Budget, as is our custom, we included a Contingency of $4,350 for emergencies ... however, a rebate of 3 year’s to one member of this magnitude, was not considered in any way.

We are requesting, at this time, an advancement of 2006 monies, in the amount of $10,000.00 (to cover the reduction in 2005), repayable with interest, from our first payment of the 2006 levies, in January 2006.
In our discussions with both you and Ken Heyens, Finance, we have agreed that the City will share with us, any property assessment appeals that are ‘in the works’ so that we can ensure that our Contingency Fund is set at the appropriate amount. We will also inform the members of HABIA that, they too, should be ensuring that they are not impacted in the same way that we have been by large assessment appeals being won by our member properties.

Hazel, thank you for your attention to this matter.

Sincerely,
INTERNATIONAL VILLAGE BIA

Mary M. Paolus, Executive Director

Peter J. Quaglia, Chairman