



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
 Economic Development Division
 and
 Transportation Planning and Parking Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 15, 2023
SUBJECT/REPORT NO:	Offsetting Parking Revenue for the City's Business Improvement Areas (PED23112) (Wards 1, 2, 3, 4, 7, 12 and 13)
WARD(S) AFFECTED:	Wards 1, 2, 3, 4, 7, 12 and 13
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SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	
SUBMITTED BY:	Brian Hollingworth Director, Transportation Planning and Parking Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That each of the City's 11 Business Improvement Areas (BIAs) that participate annually in the Parking Revenue Sharing Program (PRSP) be provided a grant in 2023 that is equal to the amount they received in 2022 through the PRSP, with the exception of the Locke Street BIA which would receive an amount equivalent to their 2019 Parking Revenue Sharing Grant;
- (b) That the total Grant amount of \$124,563.09 be funded from the Economic Development Capital Initiatives Budget (Account No. 3621708900).

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

EXECUTIVE SUMMARY

The City of Hamilton is committed to supporting its local Business Improvement Areas (BIAs) as one component of its broader economic recovery planning. The BIAs are established through the coordination and request of the local business community, legislated through the *Municipal Act 2001* and are governed through a Board of Management which is a Local Board. Working in partnership with the BIAs, the City of Hamilton supports through dedicated staff, marketing and promotion, and various funding programs.

The BIAs are primarily self-funded through a levy placed on each commercial property located within a BIA. The City of Hamilton has also historically supplemented this funding through initiatives such as an annual Contribution to Operating Grant Program (\$89,100 per year total) and an annual grant for holiday programming (\$1,000 per BIA), as well as, a special COVID-Recovery Grant in 2021 of \$10,000 per BIA.

Another regular funding source for 11 of the city's BIAs since 2011 has been a Parking Revenue Sharing Program (PRSP) with the Hamilton Municipal Parking System (HMPS) which has consistently provided surplus parking revenues to the 11 participating BIAs each year (10% of HMPS's Prior Year's Net Annual Operating Surplus to a maximum of \$167,280 per year). The BIAs have come to rely on this annual funding to support their core programming including cleanliness, beautification, decorations, promotions, and placemaking initiatives.

Due to COVID-19 and the post pandemic economic recovery, the HMPS did not realize a net operating surplus in 2020, for which, in 2021 and 2022, Council approved recommendations to that each of the City's 11 BIAs who participate annually in the PRSP be provided a grant that was equal to the amount they received in 2020 through the PRSP, with the exception of the Locke Street BIA which would receive an amount equivalent to their 2019 Parking Revenue Sharing Grant.

With the continued impacts of the economic recovery of the pandemic, in 2022, the HMPS also did not realize a net operating surplus. It is anticipated this will create additional financial burdens on the 11 BIAs that normally participate in the PRSP. As a result, staff are recommending that each of the City's 11 BIAs who participate annually in the PRSP be provided a grant in 2023 that is equal to the amount they received in 2020, 2021 and 2022 through the PRSP, with the exception of the Locke Street BIA which would receive an amount equivalent to their 2019 Parking Revenue Sharing Grant.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The amount of the funding, totalling \$124,563.09, be funded from the Economic Development Capital Initiatives Budget (Account No. 3621708900).

Staffing: There are no associated staffing implications.

Legal: There are no associated legal implications.

HISTORICAL BACKGROUND

Due to the unique circumstances surrounding COVID-19 and the economic recovery from the pandemic, the BIAs in Hamilton have had to realign their budgets, projects, and priorities to support their memberships. As a component of this, the BIAs have been very reliant on past funding opportunities, one of which being the PRSP, to build their plans for promotion and recovery from the pandemic.

The Policy for Parking Revenue Sharing was approved by Council on September 29, 2010 and has been a significant grant to the 11 participating BIAs every year since. The PRSP with the HMPS which has consistently provided surplus parking revenues to the participating BIAs each year (10% of HMPS's Prior Year's Net Annual Operating Surplus to a maximum of \$167,280 per year).

Due to the lingering impacts of COVID-19, such as changing workplace and commuting patterns, the HMPS did not realize a net operating surplus in 2022; though the financial outlook is improving. Based on the revenue sharing formula, this creates a significant potential funding shortfall for the 11 participating BIAs in 2023. The participating BIAs have come to rely on their share of parking revenues to support their core programming including cleanliness and beautification, decorations, promotions, and placemaking.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

- Ancaster Village BIA;
- Barton Village BIA;
- Concession BIA;
- Dundas BIA;
- Downtown Hamilton BIA;
- International Village BIA;

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- Locke St BIA;
- Ottawa St BIA;
- Westdale Village BIA;
- Main West Esplanade BIA;
- King West BIA; and,
- Hamilton Municipal Parking System Staff.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

With the uncertainty and pressures of the continued economic recovery, many planned expenditures and projects within the BIAs have been changed or stretched financially for 2023. BIAs are continuing to review their budgets and funding sources as they pivot, and shift plans due to the pandemic.

Understanding the significance of the PRSP to the BIAs staff has been in consultation with the BIAs and the consensus is that they are relying on this funding to be used for 2023 programming and beyond.

To support the 11 BIAs that participate in the PRSP, which include the Ancaster Village, Barton Village, Concession Street, Downtown Dundas, Downtown Hamilton, International Village, King West, Locke Street, Main West Esplanade, Ottawa Street, and Westdale Village BIAs, staff are recommending a one-time grant equivalent to the 2020 allocation they received. The Locke Street BIA underwent a significant capital infrastructure project involving complete road reconstruction in 2019 which negatively impacted their allocation in 2020 under the PRSP and does not reflect the amounts historically received.

The allocations recommended to each of the BIAs is included in Appendix "A" to Report PED23112.

As per the existing PRSP criteria, this Grant can be spent on eligible expenditures which include:

- Purchase and maintenance of street furniture on the public road allowance (benches, planters, banners, way-finding and parking signage; litter containers etc.);
- Costs for cleaning and maintaining the public road allowance including hiring of individuals;
- Purchase and maintenance of hanging flower baskets;
- Christmas decorations and their maintenance including storage costs;

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- Promotion of the Business Improvement Areas and their events;
- Art projects in the public realm;
- Beautification initiatives on streets/parks/pedestrian nodes;
- Free parking initiatives;
- Purchase of graffiti products;
- Improvements in municipal parking lots not necessarily within BIA boundaries (machines/meters, signage, lighting, planters etc.);
- Maintenance of gateways on public road allowance not necessarily within BIA boundaries;
- Maintenance of municipal parking lots not necessarily within BIA boundaries; and,
- Special event costs not including the hiring of an events coordinator.

ALTERNATIVES FOR CONSIDERATION

Committee and Council can decide to not allocate the funding recommended in Report PED23112 for the 11 BIAs that would normally benefit from this Program. The budgets of these BIAs would be negatively impacted, and recovery efforts and support programming would have to be decreased or eliminated.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to city government that engages with and empowers all citizens to be involved in their community

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED23112 – Business Improvement Area Parking Revenue Sharing Program Allocations for 2023

CG/rb