

**REVENUE SHARING OF
HAMILTON MUNICIPAL PARKING SYSTEM'S
NET ANNUAL OPERATING SURPLUS WITH
HAMILTON'S BUSINESS IMPROVEMENT AREAS
POLICY AND PROCEDURE**

Amended September 2024

POLICY STATEMENT AND PURPOSE:

The City of Hamilton ~~commits shares 10% of~~ **has, since 2010, shared a percentage of** Hamilton Municipal Parking System's ~~net operating surplus~~ **revenues** with Hamilton's Business Improvement Areas (BIAs) on an annual basis. This investment provides an opportunity for Business Improvement Areas to implement and maintain beautification programs and to undertake promotional initiatives within their designated boundaries. The intent of the revenue sharing **program** is to supplement Business Improvement Area annual budgets; it is not intended to replace or reduce their annual budgets.

The purpose of this policy and accompanying procedure are to ensure that the Business Improvement Areas:

- Expend the money on eligible initiatives
- Seek and receive the appropriate authorization for each expenditure
- Seek and receive the appropriate authorization when placing or carrying out business on the City's road allowance as a consequence of the expenditures

MINIMUM/MAXIMUM AMOUNTS:

~~The net operating surplus will replace the City's contribution to the Business Improvement Area operating budgets contained in Account Number 815015-56905 for those Business Improvement Areas that choose to participate in this revenue sharing program. However, the amount of \$82,720 will be included each year in the Downtown and Community Renewal's operating budget for the purpose of providing a guaranteed minimum annual amount to share with the BIAs in the event that Hamilton Municipal Parking Services does not have a surplus and to act as a funding source for any BIA choosing not to participate in the funding program of the Hamilton Municipal Parking System.~~

~~If the \$82,720 or any portion thereof, included in the budget, is not needed for a contribution to BIAs, then the use of these funds will be subject to the discretion of the General Manager of Corporate Services.~~

The maximum amount to be shared annually with the Business Improvement Areas from the net operating surplus is \$250,000.

SCOPE:

This policy and accompanying procedure apply to all designated Business Improvement Areas that are active within the City of Hamilton and have on-street parking meters within their boundaries and who wish to participate in the program.

FORMULA FOR DISTRIBUTING REVENUES:

The funding formula is ~~a blend of fifty percent (50%) from each of the following two formulas~~ **for participating BIAs will be as follows:**

- a) **\$7,500 base contribution annually plus,**
- b) **10% of annual on-street parking meter revenues**

- ~~a) The percent that the individual BIA levy/individual BIA assessment is of the total of all the BIA levies/assessments.~~
- ~~b) The percent that the individual BIA generates through parking meters is of the total parking revenue generated from parking meters within all of the BIAs. Appendix 'A' provides an example of the formula.~~

ELIGIBLE EXPENDITURES:

Public Realm Improvements, **Sustainable Mobility Initiatives**, and Promotional Initiatives of Business Improvement Areas.

Eligible Expenditures:

- 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
- 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, **including off-setting the costs of the Pre-Holiday Free Parking Program**
- 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
- Special event costs not including the hiring of an events co-ordinator

- Electric Vehicle charging infrastructure
- Bike racks and other end of trip facilities
- Discounted transit passes
- Temporary or permanent pedestrianization installations
- Curb space reallocation initiatives

Ineligible Expenditures:

- Improvements to individual members’ properties or promotion of individual members
- Insurance
- Rent
- Office expenses including salaries
- Murals on private property
- Hiring consultants

PUBLIC REALM IMPROVEMENTS/INITIATIVES:

Prior to a Business Improvement Area implementing beautification initiatives, holding an event or purchasing/installing/ maintaining street furniture, hanging flower baskets or Christmas decorations on the public realm, permission from the appropriate City Department is required. If in doubt the BIA is to contact the City’s Co-ordinator of Business Improvement Areas.

AUDITING:

Expenditures utilizing the net operating surplus will be audited as part of the annual audit of each Business Improvement Area undertaken by the City of Hamilton’s auditor and legislated by the Municipal Act Section 207 (1) and (2).

Payment of invoices for eligible initiatives incurred by a Business Improvement Area with funding under this Policy will not be subject to the City’s Purchasing Policy as the said cost is incurred by the Business Improvement Area, not the City of Hamilton.

MONITORING COMPLIANCE:

The **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division~~ will monitor compliance with this policy and procedure e.g. a Business Improvement Area voluntarily reducing its budget or not having received the City’s permission for their initiatives held/placed on the public realm. Staff will advise the Hamilton Association of Business Improvement Areas of any concerns with respect to non-compliance.

PENALTY:

The intent of the revenue sharing is to supplement Business Improvement Area annual budgets; it is not intended to replace or reduce their annual budgets.

In keeping with this philosophy, when a Business Improvement Area voluntarily reduces its annual budget, the percentage of the budget reduction will be applied as a deduction to the BIA's annual surplus parking revenue allocation. Staff will notify the **Commercial Districts and Small Business Section of Economic Development, and Corporate Services**, of all reductions in BIA levies in order that Economic Development can determine whether the deduction is considered voluntary for the purposes of this policy. ~~Hamilton Business Improvement Area Association of all reductions in BIA levies in order that HABIA can determine whether the deduction is considered voluntary for the purposes of this policy.~~

ADVANCE OF MONIES:

Monies will not be forwarded until the **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division~~ has evidence that the appropriate City approval has been granted for BIA initiatives that are held/placed on the public realm.

ADMINISTRATION:

This policy is administered by the **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division~~, Planning and Economic Development Department.

COUNCIL REFERENCE:

CONTACT:

For more information contact the **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division~~, Planning and Economic Development Department at (905) 546-2632.

PROCEDURE FOR BIAS ELECTING NOT TO PARTICIPATE IN THE PROGRAM OF SHARING ANNUAL SURPLUS PARKING REVENUES:

BIAs that elect not to participate in the program will receive a contribution to its annual operating budget from the Downtown and Community Renewal Division's Account Number 56905-815015 in accordance with the following formula:

- The percent that the individual BIA levy/individual BIA assessment is of the total of all the BIA levies/assessments.

PROCEDURE FOR BIAS PARTICIPATING IN THE PROGRAM OF SHARING ANNUAL SURPLUS PARKING REVENUES:

ANNUAL ALLOCATION:

1. Hamilton Municipal Parking System will confirm each year's ~~net operating surplus. 10% of the surplus~~ **shared parking revenue which** will be allocated the following year for use by the Business Improvement Areas. ~~The first year of the revenue sharing initiative will commence in 2011 based on the 2010 surplus.~~
2. Hamilton Municipal Parking System will transfer annual allocations to the **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division.~~
3. **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division~~ will annually apply the formula for distributing the revenue to the allocation in order to determine the contribution to each Business Improvement Area and report same each year to the May meeting of the Hamilton Association of Business Improvement Areas.

APPROVAL OF EXPENDITURES:

1. Business Improvement Areas are to seek approval from the **Commercial Districts and Small Business Section of the Economic Development Division** ~~Hamilton Association of Business Improvement Areas (HABIA)~~ for their proposed initiatives and associated costs when utilizing the net operating surplus monies. The request is to be in writing. A resolution of ~~HABIA~~ approving the expenditure is required.
2. Business Improvement Areas are to provide evidence to the **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal Division~~ of the approval they have received from the appropriate City Department for initiatives on the public realm prior to monies being advanced.
3. Upon the **Commercial Districts and Small Business Section of the Economic Development** ~~Downtown and Community Renewal Division~~ being satisfied that all requirements have been met, funding will be advanced.

BUSINESS IMPROVEMENT AREA ANNUAL BUDGETS:

Business Improvement Areas are not to include the allocation from the net operating surplus in their annual budgets presented at their general membership meetings and forwarded to City Council for approval. This is due to the fact that at the time BIAs develop their annual budgets the City's contribution for that year is unknown.

UNALLOCATED FUNDING:

Monies not spent within a calendar year will be transferred to a **Commercial Districts and Small Business Section of the Economic Development Division** ~~Downtown and Community Renewal~~ Reserve (**112221 – Economic Development Investment Fund**) Account for future use by the Business Improvement Areas.