



REQUEST FOR DECISION

MEETING DATE: April 8, 2024

TITLE: C-1311-24 - 2024 Business Improvement Area Tax Rate Bylaw - First and Second Reading

DIVISION: Corporate Services

SUMMARY:

First and second reading of C-1311-24 - 2024 Business Improvement Area Tax Rate Bylaw is being brought forward for Council's consideration. This bylaw will approve a tax rate sufficient to raise the funds to cover the City Centre Business Association (CCBA) approved 2024 budget request. The approved amount is first paid to the CCBA and then recovered by the City through the collection of the Business Improvement Area (BIA) Tax levies.

PROPOSED MOTION:

THAT first reading be given to C-1311-24 - 2024 Business Improvement Area Tax Rate Bylaw.

THAT second reading be given to C-1311-24 - 2024 Business Improvement Area Tax Rate Bylaw.

BACKGROUND / ANALYSIS:

The 2024 approved CCBA budget includes \$32,000 from the City of Spruce Grove to be raised through BIA taxation.

Since the BIA tax was first established by the City of Spruce Grove in 2018, the approach to determine the tax amount has been set by dividing the approved amount to be raised through taxation by the number of the taxable businesses as recorded on the Assessment Roll.

Administration recommends this approach continue for 2024 as the most equitable approach.

The BIA Assessment Roll contains:

- 206 total roll count; each roll represents individual sites within the BIA.
 - 158 are taxable business sites;
 - 35 are vacant/inactive sites; and
 - 13 are occupied sites which are exempt from taxation.

Using this approach, the BIA tax rate for 2024 will be set at \$202.53 per taxable business site (i.e., \$32,000 / 158 taxable business sites). The provincial BIA regulation allows for this method to be used by allowing Council to set a minimum and maximum amount to be paid under the BIA Tax Rate Bylaw. In this case, the amount of \$202.53 would be the minimum and maximum amount paid per business under the bylaw.

OPTIONS / ALTERNATIVES:

The provincial BIA regulation provides for two other methods of calculating a BIA tax rate, each having its own effect on equity in distribution of the tax burden.

1. Application of a tax rate to the assessment valuations, as done with property taxes, which would result in tax levies ranging between \$10.89 and \$1,517.02.
2. Multiple tax rates if Council considers that some BIA activities are of greater benefit to businesses in one or more parts of the area. The effect of this method will vary depending on the tax rates and zones created within the BIA.

Each of these methods will result in BIA tax amounts that vary per business, as compared to the recommended option which establishes a flat rate that all businesses are levied.

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

The City will notify the CCBA of the date notices will be mailed. Advertising will be done through the Spruce Grove Examiner, City Website, social media, and reader boards.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

\$32,000 will be paid to the CCBA for their 2024 approved budget request and recovered by the City through collection of the BIA tax levies.