

Subject: Sparks Street Business Improvement Area – Boundary Adjustment

File Number: ACS2024-SI-ED-0007

Report to Finance and Corporate Services Committee on 1 October 2024

and Council 16 October 2024

**Submitted on September 4, 2024 by Sheilagh Doherty, Director, Economic
Development**

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Ward: Somerset (14)

**Objet : Zone d'amélioration commerciale de la rue Sparks — Modification
des limites**

Numéro de dossier : ACS2024-SI-ED-0007

Rapport présenté au Comité des finances et des services organisationnels

Rapport soumis le 1er octobre 2024

et au Conseil le 16 octobre 2024

**Soumis le 2024-09-04 par Sheilagh Doherty, directrice, Développement
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REPORT RECOMMENDATION(S)

That the Finance and Corporate Services Committee recommend Council:

- 1. Designate the area described in Document 1 as an expanded Business Improvement Area, under Sections 204 and 209 of the *Municipal Act, 2001*;**
- 2. Authorize and direct the City Clerk to send out a notice of Council's intention to adopt a By-law to alter the existing Business Improvement Area boundaries, as described in Document 1, in accordance with Section 210 of the *Municipal Act, 2001*;**
- 3. Authorize and direct the City Clerk to prepare a By-law to designate the area as an expanded Business Improvement Area, as described in Document 1, in accordance with Sections 204 and 209 of the *Municipal Act, 2001*; and**
- 4. Enact the aforementioned By-law in accordance with Sections 204 and 209 of the *Municipal Act, 2001*, subject to the City Clerk receiving favourable results on the notices referred to in Recommendation 2, advising of the intention to adopt a By-law expanding the Business Improvement Area boundary.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil :

- 1. De désigner le secteur décrit dans le document 1 comme étant une zone d'amélioration commerciale élargie, en vertu des articles 204 et 209 de la *Loi de 2001 sur les municipalités*;**
- 2. D'autoriser la greffière municipale à publier un avis de l'intention du Conseil d'adopter un règlement municipal modifiant les limites actuelles de la zone d'amélioration commerciale, comme le décrit le document 1, conformément à l'article 210 de la *Loi de 2001 sur les municipalités*;**
- 3. D'autoriser la greffière municipale à rédiger le texte d'un règlement municipal désignant le secteur décrit au document 1 comme zone d'amélioration commerciale élargie, en vertu des articles 204 et 209 de la *Loi de 2001 sur les municipalités*;**

4. **D'adopter le règlement municipal susmentionné, en vertu des articles 204 et 209 de la *Loi de 2001 sur les municipalités*, à condition que la greffière municipale reçoive des réponses favorables à l'avis mentionné à la recommandation 2, au sujet de l'intention d'adopter un règlement municipal élargissant les limites de la zone d'amélioration commerciale.**

BACKGROUND

A Business Improvement Area (BIA) is an association of commercially assessed property owners and their tenants within a specified geographic area who join together, with approval of the municipality under [Section 204 of the *Municipal Act, 2001*](#), in a self-funded program paid through a levy collected with annual municipal property taxes. BIAs undertake a variety of beautification, cleanliness and safety, and marketing programs to attract customers and visitors to the area and support their member businesses. The City of Ottawa currently has [eighteen \(18\) BIAs](#).

The Sparks Street BIA was formed in 1983 by By-law 68-83 and includes Sparks Street from Elgin Street to Bank Street. The BIA's overall mandate is to organize, finance, and complete local improvements and programming, through a range of activities that include marketing, business recruitment, on-street enhancements and placemaking, and special events. The BIA currently supports more than sixty (60) commercial properties and fifty (50) businesses.

The Sparks Street BIA Board of Management submitted a letter on June 17, 2024, (Document 2) to the City of Ottawa officially requesting that City Council adopt a by-law to expand the BIA boundary. The expanded boundary is identified in Document 1: Proposed Boundary Expansion Map – Sparks Street BIA. The BIA proposes to expand west to Bay Street, south to Laurier Avenue and east to Metcalfe Street. Between the expanded Sparks Street BIA and existing Centretown BIA, all downtown commercial properties would be included within a business improvement area save for commercial properties in Centretown east and west of Bank Street. Properties along Elgin Street are not included in the proposed Sparks Street BIA boundary expansion.

Pursuant to [Section 210 of the *Municipal Act, 2001*](#), City Council must authorize the City Clerk to send out a notice of intention to designate an area as a BIA to all property owners within the existing BIA area as well as those within the proposed expansion area. The property owner must, within 30 days after the notice is mailed, provide a copy of the notice to each tenant of the property who is required to pay all or part of the annual municipal property taxes.

City Council shall not enact a By-law if written objections are received by the City Clerk within sixty (60) days of the notices being mailed and the objectors represent:

1. at least one-third of the total number of persons entitled to notice; and
2. at least one-third of the annual municipal property taxes in all prescribed business property classes within the improvement area.

DISCUSSION

In 2023, the Sparks Street BIA was a successful grant recipient of the City of Ottawa's [Formation and Expansion Grant Funding Program](#) administered by Economic Development Services. The BIA received seven thousand and five-hundred dollars (\$7,500.00) in grant funding to conduct research to a) gauge the level of interest in the business community to support a BIA expansion, b) perform a thorough review of the current BIA boundary and membership, and c) assess the potential benefits and impacts of a boundary expansion. Several inputs were analyzed to determine potential future levy calculations and totals, including property tax roll numbers, property street addresses, tax classes, and 2023 property assessment values.

An analysis of the number of properties that would be added to the BIA should a boundary expansion be approved, indicated that seventy-six (76) new properties would be added – which would account for 45% of all properties within the new expanded BIA (existing and expansion). Along with these seventy-six (76) new properties added through expansion, approximately ninety-nine (99) at-grade, street-facing businesses would also become BIA members.

The current property assessment value of the existing BIA membership is approximately \$635,766,054.00. Through research, the BIA concluded that the proposed expansion area property assessment value would total approximately \$2,800,848,700.00. The total new property assessment value (existing and proposed expansion area) would be approximately \$3,436,614,754.00 – which amounts to more than five times the existing property assessment value. The increase in overall property assessment value resulting from a boundary expansion would support the BIA in greatly expanding their capacity and resources to deliver impactful services to members and improve downtown placemaking while ensuring that the individual member levy remains affordable.

The [2023 levy](#) for the Sparks Street BIA was \$543,000.00. Based on research, the BIA concluded that an estimated 2023 levy for the expansion area would be \$2,132,029.00, which would total a combined levy (existing and proposed expansion area) of

\$2,675,029.00 - with a median levy totaling approximately \$2,541.00. The BIAs goal for 2025 is to have an approximate total levy of \$2,600,000.00, with a median levy totaling approximately \$2,400.00.

The additional levy realized through a boundary expansion will allow the BIA to deliver expanded marketing and special projects to position downtown as a vibrant commercial district and customer destination and improve the overall streetscape aesthetic and visitor experience. The boundary expansion will allow downtown properties and businesses not currently represented by a BIA to capitalize on the many benefits of membership including leadership and advocacy on area issues and opportunities.

Should Council approve the Sparks Street BIA boundary expansion, staff will bring forward a recommendation to change the BIA's name to better reflect the expanded downtown boundary as part of the 2023 BIA Annual Report in November 2024. Subject to Council's approval, the BIA will formally launch a rebranding campaign in January 2025.

FINANCIAL IMPLICATIONS

There are no direct financial implications. The Business Improvement Areas (BIA) are a self-funded program paid through a levy collected with annual municipal property taxes. The proposed expanded boundary for the Sparks Street BIA will increase the levy collected to support the BIA in expanding their capacity and resources.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Troster:

"The Sparks Street Business Improvement Area (SSBIA) has been very successful in programming events on Sparks Street, managing the public realm and providing economic development support to new and existing businesses on the street.

The SSBIA has run dozens of large events in the area, including Rib Fest, Busker Fest and Winterlude programming. They've been leaders in public realm development with projects like Play & Grow and the inclusion of water bottle fill stations on the street. The Songs From The Shed and Live From The Booth collaboration with the Ottawa Music Industry Coalition has not only been an improvement to the public realm, but is a

significant contribution to the Ottawa music sector and is loved by both workers and residents in the area.

I am happy to support the proposed expansion plan and excited to see more businesses represented by the SSBIA.”

ADVISORY COMMITTEE(S) COMMENTS

There are no advisory committee(s) comments.

CONSULTATION

On September 15, 2022, the Sparks Street BIA Board of Management approved a motion to explore a boundary expansion. Several factors informed this decision including challenges experienced by downtown businesses during the pandemic with many expressing the need for a unified downtown voice through an expanded BIA.

Following the Sparks Street BIA’s initial outreach to the City of Ottawa (Economic Development Services) in 2023, the BIA advised their members in January 2023 at their Annual General Meeting (AGM), that they would be moving forward with a boundary expansion to come into effect on January 1, 2025. Key points communicated at the AGM to support BIA expansion included:

- To create a better downtown economy;
- To advocate for more people living downtown;
- To expand beautification and place making initiatives; and
- To provide representation to small downtown businesses that have no support.

The BIA continued their consultation and communication through summer 2024, and met with Somerset Ward Councillor, Ariel Troster, on August 22, 2024, to discuss the expansion map, outline an expansion rationale, and answer any questions. Throughout September 2024, the BIA continued to meet with property owners and businesses within the proposed expansion area and hosted a public meeting for current BIA members on September 4, 2024, followed by two additional public meetings for current and prospective BIA members in mid-September.

The BIA communicated the boundary expansion process on their social media channels, which also included a paid campaign on LinkedIn. The BIA distributed information flyers and packages to property owners and businesses in the current and

proposed expansion area, and also participated in a feature story in the [Ottawa Business Journal](#) in late August 2024.

ACCESSIBILITY IMPACTS

There are no accessibility impacts.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications.

CLIMATE IMPLICATIONS

There are no climate implications.

DELEGATION OF AUTHORITY IMPLICATIONS

There are no delegation of authority implications.

ECONOMIC IMPLICATIONS

Business Improvement Areas (BIAs) are a critical part of Ottawa's economic development ecosystem representing the interests of small businesses and highlighting the significance of vibrant main streets and commercial districts to economic growth and prosperity. Vibrant neighbourhoods and main streets contribute to quality of life and the attractiveness of Ottawa as a place to live, work, play, invest, visit, and learn.

An expansion of the Sparks Street BIA boundary will provide more businesses with critical advocacy support and the increased levy will fund marketing initiatives and street beautification and animation to drive customer traffic and enhance the customer experience. This boundary expansion will provide additional BIA capacity and investment in support of the [Downtown Action Plan](#) which seeks to revitalize and reimagine the downtown core through actions focused on diversifying uses, public realm and place making enhancements, programming, and new destination uses and experiences. Ottawa's downtown and central area BIAs are uniquely positioned to deliver impactful initiatives to support this work.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

There are no Indigenous, gender and equity implications.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications.

RURAL IMPLICATIONS

There are no rural implications.

TECHNOLOGY IMPLICATIONS

There are no technology implications.

TERM OF COUNCIL PRIORITIES

The recommendations in this report support the following 2023-2026 Term of Council priorities:

A city with a diversified and prosperous economy.

SUPPORTING DOCUMENTATION

Document 1 Proposed Boundary Expansion Map – Sparks Street BIA

Document 2 Letter from Sparks Street BIA to City of Ottawa

DISPOSITION

City Clerk will forward notices to affected property owners as provided for under [Section 210 of the *Municipal Act, 2001*](#).

Legal Services Branch will prepare a By-law to designate the area as an expanded Business Improvement Area, as described in Document 1, in accordance with Sections 204 and 209 of the Ontario Municipal Act, 2001, and place the aforementioned By-law on the Orders of the Day, subject to the responses to the aforementioned notices.

Economic Development Services staff will report back on the results of the circulation, and whether the expansion was successful.