

NO: R046

COUNCIL DATE: March 10, 2025

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **March 6, 2025**

FROM: **City Manager**

FILE: **0250-20**

SUBJECT: **Renewal of the Cloverdale Business Improvement Area**

RECOMMENDATION

The City Manager's Office recommends that Council:

1. Receive this report for information; and
2. Authorize the City Clerk to bring forward the *Cloverdale Business Improvement Area Bylaw, 2025, No. 21452* (the "Bylaw") for final adoption.

INTENT

The purpose of this report is to provide Council with the results of the Council Initiative process related to the renewal of the Cloverdale Business Improvement Area ("CBIA") and to seek Council authorization to bring forward proposed amendments to the Bylaw for final adoption in order to renew the CBIA for a three-year term from April 1, 2025, to March 31, 2028.

BACKGROUND

A Business Improvement Area ("BIA") collects funds for specific purposes through a rate levied against benefitting properties in a specified area. The establishment of a BIA is an effective means for businesses in that locale to finance programs to help keep the catchment area healthy and prosperous. In most circumstances, such collaboration between businesses is not possible by other means. There are currently four BIAs in Surrey including the Cloverdale BIA, Downtown Surrey BIA, Fleetwood BIA, and Newton BIA.

The current term for the Cloverdale BIA expires on March 31, 2025.

At the November 4, 2024, Council meeting, Council approved the recommendations in Corporate Report No. R208; 2024, attached to this report as Appendix "I", which authorized staff to undertake the necessary actions to facilitate the renewal of the Cloverdale BIA using the Council Initiative process. Subsequently, the Bylaw was introduced and received third reading on November 4, 2024.

Subsequent to a BIA bylaw being adopted by Council, BIA revenues are collected by the City through an annual tax levy on applicable Class 5 & 6 properties within the BIA area.

DISCUSSION

Council Initiative process is a means of consultation where if at least half of the property owners, representing at least 50% of the assessed value of land and improvements in the BIA area register their dissent within 30 days of notification, the process would not proceed.

Pursuant to the Council Initiatives process, notices were sent out to the owner(s) of Class 5 and 6 properties within the specified area delineated in Appendix "II". These notifications included the estimated tax levy amount and provided the petition form. The purpose of this notification was to inform the impacted property owners of the City's intention to renew the Cloverdale BIA for a three-year term, concluding on March 31, 2028. Recipients were advised of the 30-day period during which they could petition against the proposed renewal of the Cloverdale BIA.

In addition to mailing out the notices, the notice was posted on the City's e-newsletter on January 15, 2025, and was posted on the City's website on January 20, 2025.

The deadline for receiving petitions opposing the renewal of the Cloverdale BIA elapsed at 4:30 p.m. on February 20, 2025.

According to the *Community Charter, S.B.C. 2003, c. 26*, to prevent the renewal of a BIA, petitions opposing the renewal of the BIA must meet certain criteria:

1. Represent at least 50% of the landowners; and
2. These landowners must represent at least 50% of the total assessed value of the properties liable to be charged under the proposed BIA.

There are approximately 155 property owners subject to the Cloverdale BIA tax levy within the Cloverdale BIA boundary, with a collective estimated total assessed value of \$865,053,900. By the deadline of February 20, 2025, a total of 10 petitions opposing the Cloverdale BIA renewal were received, constituting 6.5% of property owners and representing 8.6% of the total assessed value. The Certificate of Sufficiency is attached as Appendix "III".

Therefore, due to the inadequate number of petitions received opposing the proposed renewal to the Cloverdale BIA, it is recommended that Council authorize the City Clerk to bring forward the proposed Bylaw for final approval.

Upon Council's adoption of the Bylaw, the Finance Department will include the Cloverdale BIA levy into the property taxes for applicable Class 5 & 6 properties within the specified area to collect the CBIA revenues through an annual tax levy. The funds collected will then be transferred, not to exceed the Council approved annual amount, to the legally constituted CBIA, subject to compliance with the requirements outlined in the *Community Charter*.

Legal Services Review

Legal Services has reviewed this report.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward the Bylaw for final adoption.

Rob Costanzo
City Manager

Appendix "I": Corporate Report No. R208; 2024

Appendix "II": Cloverdale Business Improvement Area Specified Area

Appendix "III": Certificate of Sufficiency



CORPORATE REPORT

NO: R208

COUNCIL DATE: November 4, 2024

REGULAR COUNCIL

TO: Mayor & Council DATE: October 28, 2024
FROM: General Manager, Social Infrastructure and Community Investments FILE: 0250-20
SUBJECT: Cloverdale Business Improvement Area Renewal

RECOMMENDATION

The General Manager, Social Infrastructure and Community Investments recommends that Council:

1. Approve the use of the Council Initiative process as the means by which to measure property owner support for a three-year renewal term of the Cloverdale Business Improvement Area ("CBIA") from April 1, 2025 to March 31, 2028; and
2. Authorize the City Clerk to bring forward the *Cloverdale Business Improvement Area Bylaw, 2025, No. 21452* (the "Bylaw") for the required readings and authorize staff to undertake all the necessary related actions.

INTENT

The purpose of this report is to obtain Council approval for the renewal of the CBIA for a three-year term from April 1, 2025 to March 31, 2028 by means of the Council Initiative process, and to authorize staff to take all necessary measures to bring forward Bylaw No. 21452.

BACKGROUND

A Business Improvement Area ("BIA") is a Local Service Area where funds are collected through a rate levied against benefitting properties in a specified area. There are currently four BIAs in Surrey: Cloverdale BIA, Downtown Surrey BIA, Fleetwood BIA, and Newton BIA.

Under the *Community Charter*, the level of support for the establishment or renewal of a BIA may be determined using either a Council Initiative or Petition Process approach (Appendix "I"). The Cloverdale BIA is requesting the City use the Council Initiative approach to formally assess the level of support for the renewal of the Cloverdale Business Improvement Association (the "Cloverdale BIA" (Appendix "II").

In 1995, Council approved the initial *Cloverdale Business Improvement Area Bylaw, 1995, No. 12551* which subsequently created what is known today as the Cloverdale BIA.

The current Cloverdale BIA Bylaw expires on March 31, 2025 and the Cloverdale BIA has proposed a renewal term of three years from April 1, 2025 to March 31, 2028 to align all Surrey BIA renewal terms to begin in 2028. The area covered by the Cloverdale BIA is illustrated in Appendix “III”. The Cloverdale BIA is not seeking to expand their boundaries during this renewal term.

In December 2022, Council endorsed a plan to align all BIA renewal terms beginning in 2028 in order to create greater efficiencies as the current unaligned renewal process requires significant staff resources. To achieve renewal alignment of a standard five-year renewal term starting in 2028, all four Surrey BIAs will have varying renewal terms in the interim (Appendix “IV”). As such, the Cloverdale BIA is requesting a three-year renewal term to achieve this alignment.

DISCUSSION

Renewal of the Cloverdale BIA requires adoption of a bylaw by Council (Appendix “V”). Subsequent to a BIA Bylaw being adopted by Council, BIA revenues are collected by the City through an annual tax levy on each property within the BIA area and are transferred to the Association subject to meeting the requirements outlined in the *Community Charter*. Based on the 2024 Extraordinary General Meeting (“EGM”) held by the Association on September 24, 2024, the 2025 levy for the Association would be \$256,547 (an increase of approximately 3% at renewal over the 2024 levy). A schedule of the levy structure for the duration of their term is provided in the table below.

Year	Levy	Percent Increase, Year Over Year
2024	\$249,412.00	
2025	\$256,547.00	3%
2026	\$264,244.00	3%
2027	\$272,171.00	3%
2024-2027 (3 years)	\$22,759.00 Increase	9.1% Increase*

Table 1: CBIA Levy Schedule 2024-2027

*Represents the relative % increase between 2024 and 2027, and not the % increase year over year.

The proposed Cloverdale BIA levy structure would have an annual increase of 3% from 2024 to 2027, with an overall levy increase of 9.1% over the period of 2024 to 2027. This is in line with other recent BIA renewals (Appendix “VI”). These increases are typically initiated by the BIAs to offset inflationary costs as well as to develop new programs and activities to promote businesses in their area. The budget for the 2025 fiscal year outlines the proposed spending levels (Appendix “VII”).

Outreach

The Cloverdale BIA conducted outreach to 233 property owners and business members in August and September 2024 by using various methods to gauge support for the renewal (Appendix “VIII”) and to determine priority areas for the three-year term as reflected in their strategic plan (Appendix “IX”). As a result of this outreach, the Cloverdale BIA received 34 completed surveys with 85% of respondents supporting the renewal term.

Finance Review

Finance has reviewed this report.

Legal Review

Legal Services has reviewed this report.

CONCLUSION

The current CBIA Bylaw expires on March 31, 2025. The General Manager, Social Infrastructure & Community Investments recommends that the recommendations contained in this report be approved including the use of the Council Initiative process to measure property owner support for a three-year renewal term of the Cloverdale BIA.



Terry Waterhouse
General Manager, Social Infrastructure & Community Investments

CC/ar

Appendix "I": Petition Procedure for the Establishment or Renewal of a Business Improvement Association

Appendix "II": Cloverdale BIA Bylaw Renewal Process Cover Letter

Appendix "III": Boundaries of the Cloverdale Business Improvement Area

Appendix "IV": Surrey Business Improvement Associations 5-year Term Alignment Table

Appendix "V": Draft *Cloverdale Business Improvement Area Bylaw, 2025, No. 21452*

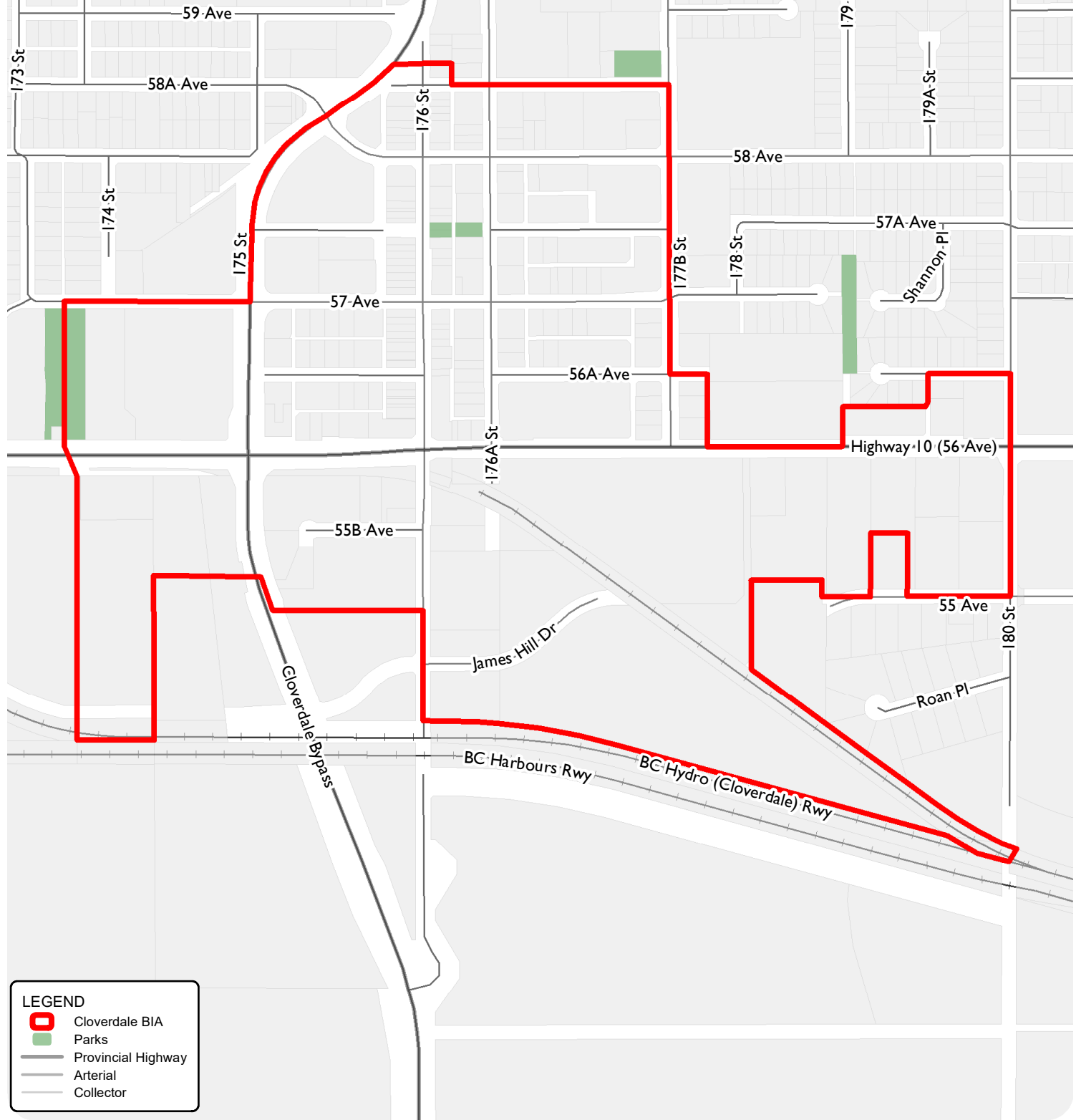
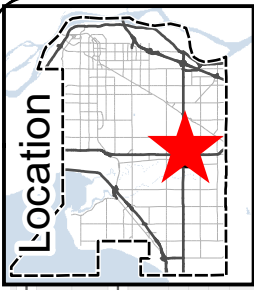
Appendix "VI": Current Levy Structure Breakdown of Surrey's BIAs

Appendix "VII": Cloverdale Business Improvement Association Budget Overview 2025






Appendix "VIII": Cloverdale BIA Renewal Survey and Membership Outreach Results

Appendix "IX": Cloverdale Business Improvement Association Renewal Strategic Plan 2025-2028

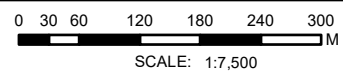
** Appendices available upon request.*



LEGEND

-  Cloverdale BIA
-  Parks
-  Provincial Highway
-  Arterial
-  Collector

Cloverdale Surrey BIA





Certificate of Sufficiency
Formal Petition for Local Area Service

I, Jennifer Ficocelli, City Clerk for the City of Surrey, British Columbia, certify that I have given notice of Council's intention to undertake the following work as a Local Area Service as required by Section 213 of the *Community Charter* and that sufficient petition against the Local Area Service has not been received.

General Description: Renewal of Cloverdale Business Improvement Area – Local Area Service

A list of the affected properties, property owners and assessed values were provided by the Finance Division. Letters and petitions were mailed on January 16, 2025. Notice was posted in the City's e-newsletter on January 15, 2025 and was posted to the City's website on January 20, 2025. A total of 10 petitions against the renewal of the Cloverdale Business Improvement Area ("BIA") were returned, all of which were deemed to be valid.

The following table contains the details regarding this Petition:

Number of Properties within Petition Area	155
Petitions Received stating "No"	10
Total Assessed (2024) Value of benefitting Properties	\$865,053,900.00
Total Assessed (2024) value of petitions against	\$74,481,000.00

In order for the petition against the renewal of the Cloverdale BIA to be certified as sufficient and valid:

1. the petition must be signed by the owners of at least 50% of the parcels that would be subject to the local service tax, and
2. the persons signing must be the owners of parcels that in total represent at least 50% of the assessed value of land and improvements that would be subject to the local service tax.

The total number of respondents against the Local Service Area, and the cumulative assessed property values of those respondents do not meet the requirement that the petitions signed must represent at least 50% of both the number of respondents and of the assessed value of the defined boundary.

Council may, by bylaw, renew the Local Service Area (Cloverdale Business Improvement Area).

Jennifer Ficocelli
City Clerk and Director Legislative Services

Date: February 25, 2025