

# How to Start a Business Improvement Zone in Winnipeg

Business Improvement Zone Toolkit

**Prepared for:**

City of Winnipeg  
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West End Business Improvement Zone

# Introduction

Business Improvement Zones (BIZ) help to assist in developing and supporting economic activity in an area by providing enhanced street beautification, safety and marketing initiatives and assistance and support for business.

Understanding the role, responsibilities and benefits of a BIZ, how it relates and works in partnership within its surrounding neighborhoods and with the City of Winnipeg is important when thinking of starting a BIZ.

This guide aims to provide key introductory information, steps and resources for any business individuals or groups interested in establishing a Business Improvement Zone for their commercial district in the City of Winnipeg.



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# Overview

## What Exactly is a BIZ?

A Business Improvement Zone (BIZ) is a non-profit association of business owners in a defined geographic area working to enhance the area's image, safety, marketability and economic development to create a more positive environment for businesses to locate to and thrive.

A BIZ can be established by the municipality under the Province of Manitoba's City of Winnipeg Act when sufficient support exists from business owners in a commercial district. They can then petition the city for the creation of a BIZ. The BIZ is overseen by a board of directors made up of a set number of local business owners and the area's city councillor. Through a BIZ, businesses can undertake physical improvements to the area to enhance its image, create programs to improve safety in their zone, develop ideas on how to attract customers and much more. A BIZ may also engage in business recruitment to encourage new businesses to establish themselves in their neighbourhood.

There are currently 16 operational BIZs in Winnipeg. In each, the for-profit businesses (excluding non-profits) within the area pay a BIZ levy which is based on their assessed annual rental value (ARV). The City of Winnipeg assesses every business occupying non-residential property regardless if they are in a BIZ or not. This is separate from property tax assessments. The ARV is not a recommendation of actual market value but is based on annual rent for similar spaces in similar areas. Business tax is calculated as a percentage of a business's ARV and the BIZ levy is applied in the same way.

Each year, the BIZ determines its programming needs and sets the budget accordingly. The city applies an appropriate percentage to the ARV to generate the needed funds. Thus, the BIZ levy changes from year to year. The city collects and remits this levy to the BIZ and the BIZ board carries out its programming for the year. Although the levy is collected by the City of Winnipeg, a BIZ is independent and not a department of the city.

A BIZ may also be eligible for infrastructure or operations grants from the city and may be able to apply for funding from other levels of government or community stakeholders for summer staffing or special projects.

*There are many ways that BIZ zones can help make commercial areas more appealing to attract customers and encourage economic development.*

## What kinds of programs and initiatives do most BIZs do?

There are many ways that BIZs can help make commercial areas more appealing to attract customers and encourage economic development. The size, need, uniqueness and budget of each district determines where the priorities and goals are focused but popular initiatives are:

- Area revitalization & beautification projects including parklets, improved lighting and other capitol projects
- Street, sidewalk and boulevard maintenance such as litter cleanup, flower planters and baskets
- Graffiti removal and façade washing
- Grants to businesses for safety, storefront improvements and business development
- Area branding and marketing
- Hosting events and activating parks and streets
- Advocating for needs of businesses and area to government
- Business recruitment and economic development initiatives
- Connections for business, educational workshops and member support
- Safety and security programs, patrols



## Who Benefits?

Although initiated and financed substantially by the business sector, A BIZ makes a positive impact throughout the neighbourhood it is located in. Business owners, property owners, residents, public space, surrounding communities all benefit from the work of the BIZ.

Each taxable for-profit business with a business tax roll number within the boundaries defined in the BIZ by-law is considered a BIZ member and each pays towards the operation of the BIZ through the BIZ levy. A BIZ is overseen by a volunteer board made up of business owners from within the BIZ boundary.

## Structure and Operation

Each for-profit business within the boundaries defined in the BIZ by-law is considered a BIZ member and each pays towards the operation of the BIZ through the BIZ levy. A BIZ is overseen by a volunteer board made up of business owners from within the BIZ boundary. The board is elected by member businesses at an Annual General Meeting held each year and the City of Winnipeg appoints a city councillor to the board. The size of the board depends on the size of the zone. BIZ board members are elected for a two-year term and can serve up to three consecutive terms before having to step down to take a minimum one-year break. The board is responsible for hiring the executive director who, in turn, hires staff and manages the day to day operations of the BIZ projects and programs.

*In fact, the focused collective efforts of the BIZ groups is a huge benefit to the entire city. The City of Winnipeg values the work of the BIZ groups and provides support through a designated city staff person and a number of partnership opportunities and grants.*



## Key Roles and Responsibilities

### BIZ Members

It is important to note that each BIZ member has a voice in electing the board and in determining the strategic direction and priorities of the BIZ. BIZ members may run for election for a board position or sit on a program area committee. They may choose to become involved with the BIZ in other ways; staying in contact with the BIZ staff, providing feedback or raising concerns. Many BIZ members opt to support or sponsor BIZ programming and projects, providing financial support beyond their BIZ levy or volunteering to help with events or projects.

### Board Members

The elected board set the strategic direction of the BIZ and ensure its implementation. They are responsible to see that the BIZ is operating with sound financial and administrative practices. Their role is not to manage but to ensure the BIZ is well managed. The board is also responsible for hiring and oversight of the executive director. The board typically meets monthly to carry out these duties. The board usually elects or appoints executive officers of the board, typically a chair, vice-chair, treasurer and secretary, and may include a past chair position where applicable.

### Executive Director

The executive director oversees and manages the daily operations of the BIZ and is responsible for the planning and implementing of programming and projects that bring value to the membership. The executive director is also the face of the BIZ and represents the BIZ to media or city council, and attends and presents at board meetings. The executive director usually has the authority to hire staff as needed.

### Staff

Staffing depends on the size, budget and priorities of a BIZ. Some smaller BIZs may be run only by a part time executive director while others have full time staff across specialized departments and/or seasonal workers. Often staffing will cover areas such as communications and marketing, events, image, administration, safety, and economic development.

### The City of Winnipeg

The city's role is to support the effective management and well-being of BIZs and their commercial districts. City council governs each BIZ through a by-law and is responsible for collecting the levy from members and remitting the levy to the BIZs. The city appoints an area councillor to each BIZ and provides a **Neighbourhood Economic Development Officer** who works directly with the BIZs boards and executive directors and supplies valuable guidance, support and assistance. This position is also known as the *BIZ liaison* as it is often the primary conduit from the city to the BIZs.

### Other Business Improvement Zones

The 16 BIZs currently operating in Winnipeg meet regularly to discuss issues of shared concern and share ideas. The collective group is known as the *Winnipeg BIZ Alliance* and they have a wealth of information and advice that new BIZs can access. Existing BIZs are a great resource to tap into. The BIZ liaison can provide you with contacts and you are encouraged to reach out to them. Many of these BIZs also work together on projects and initiatives to be cost effective.

### BIZ or BIA Associations

The **International Downtown Association (IDA) or IDA Canada** can provide resources in terms of advice, knowledge and support. In addition to the excellent information available on their websites, each year brings a number of conferences and networking opportunities to help BIZs connect, share and nurture creative ideas. These associations also provide best-practice experience in maximizing the benefit that BIZs can offer their membership, communities, and city.





# BUSINESS IMPROVEMENT ZONE

## SET UP

### STEP by STEP

adapted from: <https://collections.ola.org/mon/1000/10293980.pdf>

#### ESTABLISH THE NEED



#### CONSIDER BOUNDARIES



#### DEVELOP A COMMUNICATION STRATEGY



#### STRUCTURING A PLAN



#### LEGAL PROCESSES



# Establishing a BIZ

The request to establish a Business Improvement Zone must be initiated by business owners in a particular business district. Business owners interested in improving their area will generally organize, usually as a **steering or founding group** to explore the opportunity. Ideally, this group should include representation from a mix of businesses, not just retail. It is important to ensure support for the BIZ is represented across the different business types and sizes.

Moving forward, the group would work with the City of Winnipeg's Neighbourhood Economic Development Officer (BIZ Liaison) to determine boundaries, connect with businesses, and create preliminary budgets and plans. If there is enough support generated among the business owners set within those boundaries, a formal request to the city is made and the BIZ is formed under the municipal by-law.

There are several important steps involved in successfully launching a BIZ which we detail here, but two moves precede everything else.

A. Neighbouring business owners perceive a need for improvement in their area and form a small group to discuss the possibility of a BIZ.

B. That group of business owners contacts the City of Winnipeg's BIZ Liaison, the Neighbourhood Economic Development Officer for information and assistance.

## Step 1: Establish the Need

There a number of reasons why an investment of time, effort and resources into setting up a business district is appropriate...and worth it. Factors include:

- Customer and visitor perception of the area. If the current customer and visitor perception of the area is good, there may be less reason to form unless other factors apply.\*
- Safety concerns or perception of safety
- Physical condition of the area's public space - streets, sidewalks, tree canopy, parks, etc.
- Lack of marketing and promotion as a shopping, dining or customer destination or as an appealing place to live, work or play
- The economic environment; challenges and / or existing potential
- The need for improvements to business and property
- The need for business recruitment to fill vacancies and create a more diverse mix

Identifying the areas needs and potential **for improvement first** will help generate interest and lay the groundwork for everything else. \*You may find that no legitimate need is identified that the creation of a BIZ can address. Research shows that other localized representation, advocacy from other organizations, public investment, infrastructure and capital projects, private development and successful businesses are all possible without a BIZ.

## Step 2: Consider Boundaries

The city's BIZ liaison can provide expertise with boundary proposals given past experience and with consideration of the following factors:

- Natural or built geographic boundaries like rivers, parks, rail lines, and major streets
- Existing area and parcel zoning and use
- Potential for future land use change or development
- Varying needs that a BIZ can address for specific business areas and types
- Economic outlook and future public focus or investment in specific business areas

It is important to know as much as you can about the area and upcoming development. This will help to create boundaries that are realistic and workable given the above factors, identified needs of the proposed zone and the availability of businesses.

## Step 3: Develop a Communications Strategy

You will need a complete list of businesses within the considered area. The BIZ liaison can provide you with a list of businesses on the city's tax rolls who would be affected by the creation of a BIZ. You must be able to speak with the actual business owners, as they are the ones that vote on it. Your communication strategy should include:

- Taking the time to consider who you should be speaking to, and what you need to be communicating as to the concepts and benefits of a BIZ. Start with knocking on doors or arranging meetings with individual business owners. Track each business you contacted and whom you spoke with and follow up with any you missed.

- Be well prepared to answer questions. Have a good understanding of what a BIZ is and does, how it is structured and how it benefits businesses and the area. Have a solid knowledge of the process for establishing and operating the BIZ and importantly... how a BIZ levy works...and who pays what. It may be helpful to provide several ranges of budgets and costs associated with programming capability as examples. You want to really communicate the value of what a BIZ can do for a reasonably low cost as a collective enterprise.
- Host information meetings so businesses can hear concepts, benefits and potential levy costs associated with a BIZ as well as having an open discussion and Q & A. Invite guests from neighbouring BIZs to share experiences examples of their operations and programs and include the areas city councilor and the BIZ Liaison.
- Distributing surveys or questions to all business in the proposed area asking for feedback and ideas. Make sure businesses who have questions can connect easily with the steering group to get answers. You want to find out what is most important to the businesses in the area so you can establish the primary goals.

### *Step 4: Structuring a Plan*

After these groundwork stages, the steering group can, with guidance from the city, move forward to a more formally structured plan that includes:

#### **Setting Goals and Objectives**

The goals and objectives of the BIZ will be directly related to the needs and concerns, as well as the advantages and opportunities identified and expressed by the representation of businesses in the considered area. This is where you take what you heard from your meetings with businesses and turn it into a proposed plan.

#### **Determining the Final Boundaries**

Goals and objectives must align with the capabilities and financial resources of the BIZ. When considering boundaries, retail districts may be easily identifiable and may form the basis for a boundary, but a small cluster or densely packed corridor of businesses may not be large enough to provide sufficient funding for meeting the needs. However, a larger dispersed area could spread resources too thin so defining the new area must be balanced. The BIZ Liaison can provide expertise with boundary proposals given past experience and with considerations to:

- Natural boundaries such as rivers, train tracks, and current neighbourhoods
- Existing non-residential parcels and potential non-residential development areas
- Spaces in between business where residential, public space, vacant land, or non-business entities exist
- Type of BIZ being considered i.e. community or corridor
- How the needs and budget would be affected by boundary

#### **Preliminary Budgets**

Once the boundaries are finalized you will be provided with a list of the businesses within and their business ARV or assessment. Looking at the total assessments you would consider the percentage to be applied to generate the funds needed for your BIZ operations. The total ARV multiplied by the levy you choose to apply creates the total amount to be collected from the businesses. Depending on programming and operations goals, lower total assessments could require a higher % applied whereas a higher total assessment could mean that a lower % is sufficient. It is important to remember that each business will be paying different amounts based on their individual business ARV or assessment. You may have one larger industrial business in the area that will be far more than a very small shop.

At this point the steering group should develop only a **preliminary draft budget** based on what members would be willing to pay. Typically, a specific amount is budgeted for each identified programming priority and for administration costs such as an executive director, facilities and operations. It may be helpful to examine several ranges of budgets, with the costs of the associated programming within each considered.

### *Step 5: Legal Processes*

#### **Formally Petition the Proposed Zone**

Once all the planning is in place, the City of Winnipeg BIZ Liaison will provide you with a Petition of Support. The steering group must formally petition all affected businesses listed on the ARV list within the proposed boundary to collect the signature of the business owner representing their support for the proposed BIZ. Each signature on the petition must also include the name of the owner, the business name and the assessed rental value (ARV) as is indicated on the ARV list provided to you by the BIZ Liaison. You must have the support of at least 51% of the total assessment of the proposed area.

## **Filing with the City of Winnipeg**

The completed petition can be accepted by the neighbourhood development officer or sent directly to be filed with the City of Winnipeg City Clerk's office. The city clerk will send, by mail, notice of the petition to every affected business according to the city's ARV list and will give at least 30 days for each business to respond or object.

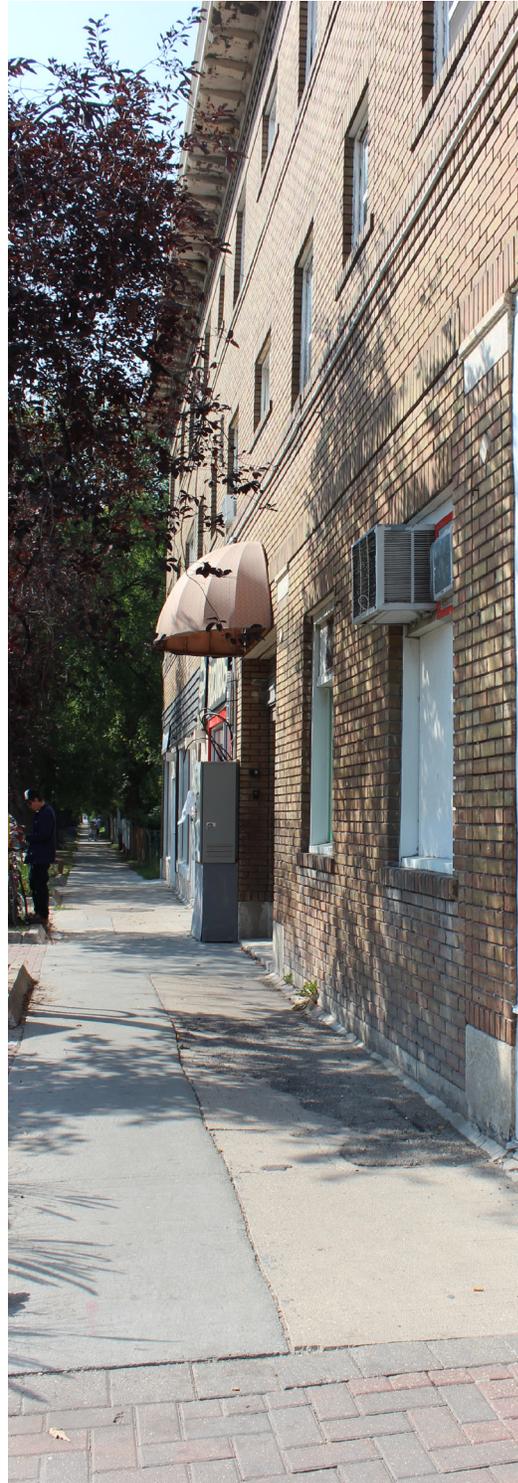
Affected businesses can object in writing to the City Clerk. If more than one third of businesses making up more than one third of the ARV or taxable assessment object to the BIZ formation before the given deadline, the BIZ will not be formed and the businesses must wait at least one year to petition the city again.

## **Passing the By-law**

If there are no objections, or objections are received from less than one third of businesses making up less than one third of the ARV or taxable assessment, then according to the City of Winnipeg's by-law NO. 8111/2002 and Manitoba's City of Winnipeg Charter, city council will approve the formation of the zone according to the boundaries presented. The new BIZ becomes a reality when the by-law is passed.

## **Next Steps**

At this point, the new BIZ is still under the direction of the steering group and must now hold a general meeting of the members to elect a board of directors and pass a final budget approved by the members. It will then be sent to city council for approval. The newly elected board will then begin setting up the structure and operations of the new BIZ such as determining an office, hiring an executive director, setting policy and other administrative tasks. The BIZ liaison will explain the by-laws governing how BIZs must operate and help guide the new BIZ board along the way.



# BUSINESS IMPROVEMENT ZONE LEVY PROCESS **STEP** by **STEP**

adapted from: [https://www.edmonton.ca/business\\_economy/documents/Step\\_by\\_Step\\_BIA\\_Tax\\_Process.pdf](https://www.edmonton.ca/business_economy/documents/Step_by_Step_BIA_Tax_Process.pdf)



# Operating a BIZ

## General

Most aspects regarding the operations of a BIZ is detailed in the City of Winnipeg BIZ by-law(s). Each BIZ must ensure they comply with and operate within that by-law. Where a question arises that is not covered or is considered broad for interpretation, the BIZ can request assistance from the BIZ liaison who can connect with the various city departments, including legal to obtain an answer.

## Board of Directors

The board is required to meet a minimum of 8 times per year. The board is responsible to ensure the BIZ is well managed, carrying out the approved mandate, fiscally prudent, legally compliant and operating within the City of Winnipeg BIZ by-law(s).

The Annual General Meeting (AGM) required to be held as per the by-laws for the passing of an annual budget and board elections, is also an opportunity to highlight programs, projects and initiatives of the BIZ that represent the value the BIZ brings to the members. This is important for all BIZ members - knowing that the BIZ is accountable to them and is bringing value for their levy contribution. Requirements for holding the AGM are detailed in the by-law(s).

## Executive Director and Staff

The executive director is responsible for overseeing the day to day operations of the BIZ and is typically the BIZ representative to the board, media and to the City of Winnipeg. The executive director is usually responsible for the hiring of staff as may be required to carryout the programming as per the identified priorities set by the board. Staff hired to work with a BIZ typically have experience in city planning, landscape design, maintenance, communications, marketing, accounting, administration, or economic development. Many BIZs hire students studying in one or more of these areas to carryout seasonal tasks and working for a BIZ is great experience for them.

## Planning

Once the BIZ is up and running the executive director and board may wish to undergo strategic planning to develop a vision for the zone and identify specific strategies to achieve the vision. Developing a strategic plan should help the BIZ board, membership, community, and the city understand the direction and priorities of the BIZ and how those priorities are being acted on. Strategic planning can help to reassess and prioritize needs, identify opportunities and allocate the appropriate resources. Planning can also help track the organization's ability to achieve results and help identify how those achievements translate directly into the economic development or improvement of the zone.



## Finances

The primary source of funding for a business improvement zone is the **BIZ Levy**. After the city collects the levy in one year, they remit it to the BIZ the following year in three payments - 75% on June 30th, 15% on August 31st, and the remaining 10% on October 31st. The BIZ liaison will provide you with the information on when the initial levy funding to the new BIZ will be provided.

As a legal organization, a BIZ can apply for, or raise additional funding that would not otherwise be available. The City of Winnipeg has certain funds available for BIZs to access for local improvements, streetscaping, and maintenance projects. Your BIZ liaison can guide you as to what funds the City of Winnipeg has available that the BIZ is eligible to apply for.

BIZ organizations can often find further funding from other levels of government and neighbourhood stakeholders. The provincial and federal governments run a variety of funding programs that are project specific while neighbourhood stakeholders might have aligning goals on certain projects and offer funding. Canada and Manitoba also have staffing programs that allow BIZs and many organizations to hire summer or other staff with significant support. As the BIZ is not a registered charity, BIZs are often un-eligible however, for funding from most charitable foundations.

BIZs are 100% exempt from GST. If they track their amounts and can provide required documentation, they can claim back from Canada Revenue Agency any GST they paid out when purchasing goods and services.

Every year the BIZ must have a qualified and independent auditor to examine their financials and produce audited financial statements. The audited financial statements are passed by the board of management and then submitted to the City of Winnipeg. The auditor must be appointed and approved at the Annual General Meeting.

## **Insurance**

Currently, the City of Winnipeg insures the BIZ operations. There are however limitations and the BIZ liaison will provide you with the information as to what is covered and the appropriate contact in the city for questions. As part of this coverage, each January, the City of Winnipeg will send an insurance questionnaire to the BIZ which asks for information on staffing, inventory, street elements, uninsured vehicle lists and registration, planned programs and projects, past programming, protocols, training and guidelines for appropriate programming. Each BIZ must submit this information to the City Clerk's office by the required deadline. The city will also ask for audited financial statements, an annual report and the coming year's proposed budget at the same time as the insurance filing.

Board members liability coverage is subject to the board ensuring they apply the appropriate due diligence in its duties as a board. Staff are not covered for insurance and any hired staff must be insured by the BIZ with Workers Compensation coverage.

## **Administration**

The size of a BIZ usually determines how extensive the administration is. A very small BIZ may contract out areas such as book-keeping. But it is recommended for their own protection, that each BIZ have in place solid policies for good governance, operations, financial management, record keeping and human resources no matter how small their operation is.

# Conclusion

Creating a BIZ requires the commitment to an investment of time as you work to gain business support and cooperation. Building those good working relationships with the area's business community from the start will help not only in the establishment of the zone, but in its effectiveness and success once created. The Business Improvement Zone movement which began in Toronto has grown from that single entity to over 4,000 Business Improvement Zones, Districts, Associations or similar models across the globe. That alone speaks to the success that can be achieved when businesses work collectively towards shared goals. For a look at how it all started visit: <https://www.bloorwestvillagebia.com/History>

This guide may not answer all the questions that may come up during the process, or provide the level of detail you may be looking for and we encourage you to reach out to the resources provided by the City of Winnipeg and others referenced in the guide at any time for additional assistance.

For more information, visit: [www.winnipeg.ca/ppd/biz](http://www.winnipeg.ca/ppd/biz) or contact the BIZ Liaison at [BIZ@winnipeg.ca](mailto:BIZ@winnipeg.ca)

“BIZs have rapidly become a critical asset for business communities. Through street and sidewalk enhancement, business promotion, assistance with regulatory environments and more, a BIZ is the team that's there to fill the gaps. Being a business owner is challenging in today's complex world, but being in a BIZ means having the assurance there's a team that's got your back.”

**Joe Kornelsen** – Executive Director,  
West End Business Improvement Zone