

Regina Downtown Business Improvement District

2019 Budget

Submitted to City Council
March 15, 2019

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Regina, Saskatchewan
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www.reginadowntown.ca



OUR MISSION

Act on behalf of our members to favorably position Regina's downtown as a unique, attractive and desirable neighbourhood for businesses, residents and visitors.

OUR VISION FOR DOWNTOWN

Regina's Downtown:
A place where people want to be and businesses want to invest.



2019 BUDGET RECOMMENDATIONS

1. That the mill rate be set at 0.5997 for 2019.
2. A provision for estimated 2019 assessment appeals in the amount of \$50,000.



EXECUTIVE SUMMARY

BUDGET 2019

The Regina Downtown Business Improvement District (RDBID) 2019 - 2021 Strategic Plan and updated 5 Year Capital Plan constitute the basis for all expenditures outlined in the 2019 budget. The Board of Directors is pleased to present to City Council the proposed 2019 budget.

BUDGET SUMMARY

2019

	0.7577	0.5708	0.5822	0.5997
	2016	2017	2018	2019
	Actual	Actual	Actual	Budget
REVENUE				
Bid Levy	1,116,533	1,062,720	963,868	1,100,606
BID Expansion Area	-	-	-	6,695
Recovery of Assessment Appeals	-	-	-	-
Other Funding Sources	35,062	34,507	35,434	32,500
Special Projects / Grants / Sponsorship	160,780	138,579	105,017	83,850
Allocation From Unrestricted Fund Balance	-	-	-	105,000
Allocation From Contingency Reserve	-	-	-	-
Allocation From Capital Reserve	-	-	-	-
Total Revenue	1,312,375	1,235,806	1,104,319	1,328,651
EXPENDITURES				
Organization Management	567,344	706,621	557,093	533,955
Member Engagement and Services	252,364	296,998	284,478	293,745
Place Making	292,219	218,512	264,419	417,000
Business & Residential Attraction/Retention	16,889	18,789	11,882	24,500
Transformational Projects	16,514	15,875	32,630	8,500
Allocation To Unrestricted Fund Balance	-	-	-	-
Allocation To Contingency Reserve	-	-	-	-
Allocation To Capital Reserve	-	-	-	-
Provision for Assessment Appeals	183,802	10,564	(137,510)	50,000
Total Expenditures	1,329,132	1,267,359	1,012,992	1,327,700
Surplus (Deficit)	(16,757)	(31,553)	91,327	951



ACCUMULATED SURPLUS

	2016 Actual	2017 Actual	2018 Actual	2019 Budget
Accumulated Surplus, Beginning of the Year, as previously reported	771,316	754,559	723,006	814,333
Prior Period Adjustment	-			
Accumulated Surplus, Beginning of the Year	771,316	754,559	723,006	814,333
Accumulated Surplus, Beginning of the Year	771,316	754,559	723,006	814,333
<i>Unappropriated Surplus</i>	41,891	(27,902)	156,627	150,000
<i>Contingency Reserve</i>	215,000	215,000	215,000	215,000
<i>Capital Reserve</i>	256,390	256,390	69,790	220,473
<i>Investment in Tangible Capital Assets (TCA)</i>	258,035	311,071	281,589	228,860
Allocation of Annual (Deficit)/Surplus				
<i>Unappropriated Surplus</i>	(16,757)	(31,553)	(6,627)	-
<i>Contingency Reserve</i>	-	-		
<i>Capital Reserve</i>	-	-	6,627	951
Allocations to (from) Reserves				
<i>Unappropriated Surplus</i>	(71,597)	186,600	-	-
<i>Contingency Reserve</i>	-			
<i>Capital Reserve</i>	(10,217)	(186,600)	144,056	(105,000)
<i>Surplus Attributable to TCA</i>	-			
<i>Change in TCA Investment</i>	(81,814)	29,482	(52,729)	105,000
Accumulated Surplus – End of Year	754,559	723,006	814,333	815,284
<i>Unappropriated Surplus</i>	(27,902)	156,627	150,000	150,000
<i>Contingency Reserve</i>	215,000	215,000	215,000	215,000
<i>Capital Reserve</i>	256,390	69,790	220,473	116,424
<i>Investment in Tangible Capital Assets (TCA)</i>	311,071	281,589	228,860	333,860



PROPOSED CHANGES TO NET ASSETS

In 2019, planned capital expenditures will be funded through the unappropriated surplus, in the amount of \$105,000.

No change to the Contingency Reserve is proposed for 2019. In accordance with RDBID financial policies and strategic objectives, Regina Downtown capped its Contingency Reserve at \$215,000 in 2007. The purpose of the Contingency Reserve is to cover any substantial and unexpected one-time assessment appeal expenditures and to support six months of operations to wind-down the Business Improvement District in the event of its dissolution.

Should a surplus be realized at the conclusion of 2019, as per RDBID policy, 85% of the surplus will be directed to the Capital Reserve to fuel the projects identified in the 5-Year Capital Plan and to meet the Board target of \$500,000. The remaining 15% will be allocated to the unappropriated surplus balance.

PROPOSED CHANGES TO NET ASSETS

	2016 Actual	2017 Actual	2018 Actual	2019 Budget
Accumulated Surplus – Closing Balance	754,559	723,006	814,333	815,284
<i>Unappropriated Surplus</i>	<i>(27,902)</i>	<i>156,627</i>	<i>150,000</i>	<i>150,000</i>
<i>Contingency Reserve</i>	<i>215,000</i>	<i>215,000</i>	<i>215,000</i>	<i>215,000</i>
<i>Capital Reserve</i>	<i>256,390</i>	<i>69,790</i>	<i>220,473</i>	<i>116,424</i>
<i>Investment in Tangible Capital Assets</i>	<i>311,071</i>	<i>281,589</i>	<i>228,860</i>	<i>333,860</i>
Accumulated Surplus Net of TCA	443,488	441,417	585,473	481,424



OVERVIEW OF REGINA DOWNTOWN

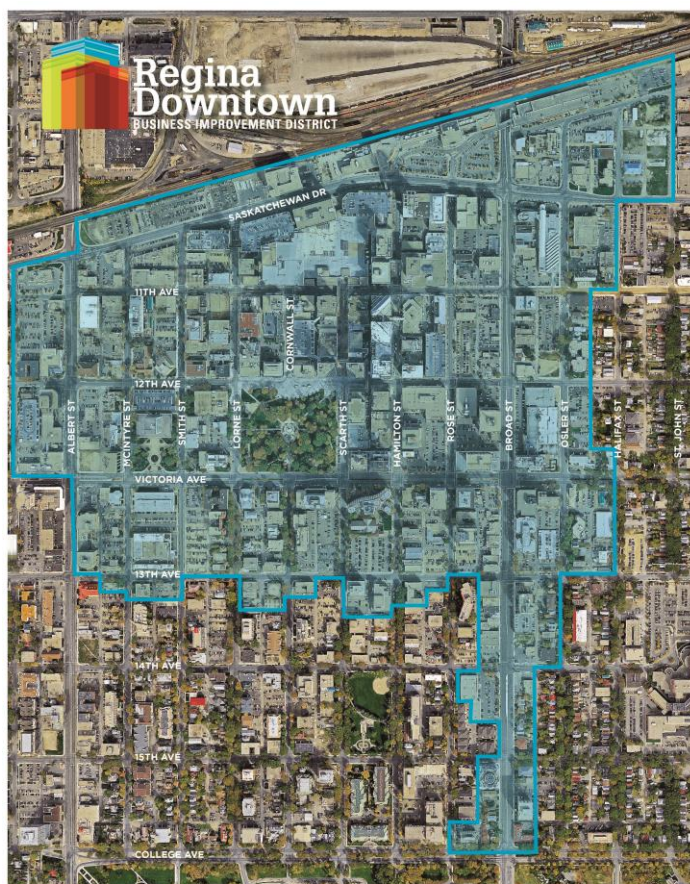
What is Regina Downtown?

Regina Downtown is a Business Improvement District that has been in operation for over 30 years. It was created in April 1981 as an organizing and financing mechanism used by property owners to work together to promote and enhance Downtown's unique assets, improve conditions for businesses operating in the district, and improve the quality of life for those who utilize and visit Downtown.

Today, Regina Downtown fulfills its original purpose while continuously improving and enhancing member services. Whether it is through the research and development, such as the streetscape enhancement installations completed in 2008, replacement of holiday decorations in 2011, or through attracting and facilitating events Downtown such as Regina Downtown Concert Series, the Cinema Under the Stars Series and Hometown Hockey, RDBID strives to make Downtown the best place to live, work, shop and play in Regina.

Regina Downtown Business Improvement District operations are funded primarily through a levy on the taxable assessment of all commercial properties located within the district boundaries. These boundaries encompass 53 blocks defined by Angus Street to the west, 13th Avenue to the south, Halifax Street to the east, and Saskatchewan Drive to the north. RDBID also extends along Broad Street south to College Avenue.

In 2018, RDBID initiated an expansion of 2 blocks, inclusive of the properties within South Railway, Saskatchewan Drive, Osler Street and Halifax Street. The expansion was approved by the City of Regina in November 2018.



**Regina Downtown
Business Improvement District Map**



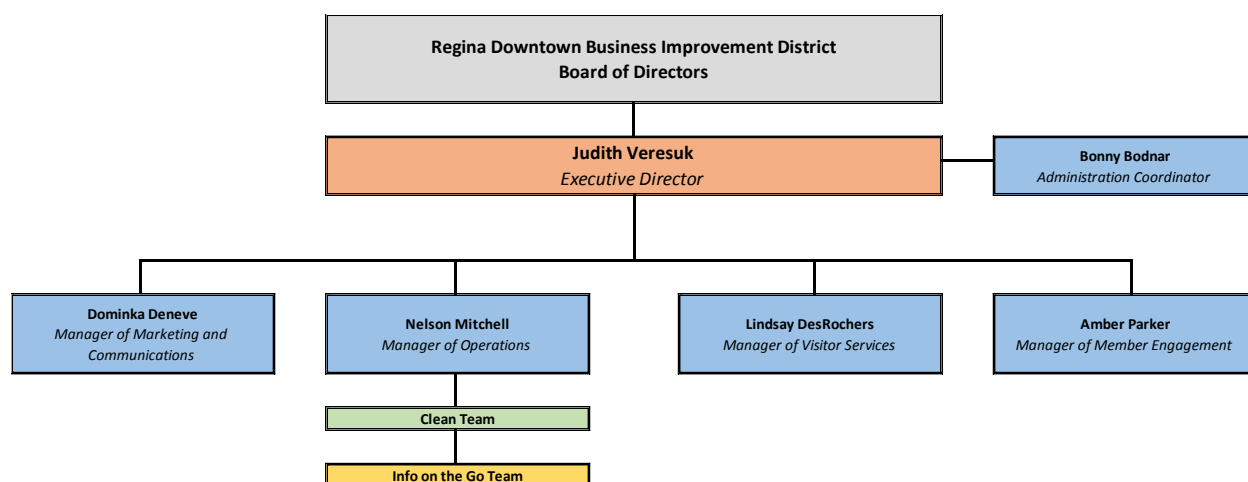
Legislation

Authorized under Section 25 & 26 of *The Cities Act* and City of Regina *Bylaw No 2007 – 85*, Regina Downtown programs and services are financed by a special assessment collected from commercial property owners located in the defined boundaries of the Downtown District. The assessment is billed and collected by the City of Regina annually and then disbursed to Regina Downtown, where it is used to supplement the services already provided by the City of Regina.

Governance

The Board of Directors consists of thirteen persons (one member of City Council and twelve members who have a vested interest in the district) appointed by resolution of City Council. In addition, one senior City of Regina official and the Executive Director of Regina Downtown hold advisory roles on the Board and are non-voting members.

Organizational Structure (2019)



SUMMARY OF STRATEGIC PLAN 2019 - 2021

Overview

The 2019-2021 Strategic Plan constitute the basis for all expenditures outlined in the 2019 budget. The 2019-2021 Strategic Plan focuses on strategic actions that raise the profile and support a positive image of Downtown within the greater Regina community. The strategic plan is supported by the RDBID balanced scorecard which identifies initiatives, measures and targets for success.

2019-2021 Strategic Plan and Balanced Scorecard

Three years ago, the RDBID developed its *2016-18 Strategic Plan*, which set out goals and objectives for the RDBID, supported by a number of key actions and initiatives for achieving those objectives.

This previous strategy was informed by the *Imagine Downtown* initiative: a very visible, inclusive and in-depth public consultation process that featured a variety of focus groups, facilitated conversations, town hall sessions, and online and on-street surveys that collectively gathered input and ideas from over 1,600 individuals.

Fast-forward to today: Since that time, plenty has changed – and plenty continues to change.

Changes that were once deemed inconvenient, confusing, or unnecessary are now part of the ‘new normal’, largely embraced by the majority of citizens and stakeholders. As old complaints have morphed into acceptance, things like two-way traffic, walkable plazas and \$2-per hour parking no longer dominate the public conversation.

In the words of one downtown business owner: “We have it all”:

A critical mass of quirky local shops and niche retailers co-exist with a healthy mix of established, high-end chains. From fine dining to fast food, and from microbrew to a freshly-brewed cup of coffee, Regina’s downtown boasts an eclectic concentration of restaurants, pubs, and other food and dining options.

Our nighttime economy continues to grow and evolve. Where there was once a limited number of options, there are now *many* options. More and more, the downtown is evolving from a collection of disparate destinations into a destination unto itself.

And more and more, people are seeing positive change and progress in Regina’s downtown across a number of fronts: cleanliness, character, sense of place, safety and security, special events, festivals, family activities, nightlife, mix of shopping and retail options, mix of food, restaurants and dining options, and the list goes on...

However, amidst the new opportunities and positive changes, also comes a number of new challenges and pain points:

Larger shifts in the economy have impacted consumer spending, which has impacted the bottom-lines of businesses downtown and beyond. Some of those customers and patrons that once indulged in the downtown’s offerings on a daily or near-daily basis are now doing so less frequently. Less money flowing through cash registers, bank accounts and balance sheets, equals less money for consumers to spend downtown and less money for businesses to invest in downtown.

How consumers spend money – and *where* they spend money – also continues to evolve and shift. As more and more people shop online, more and more retailers struggle to stay relevant and thrive in an increasingly online world. More than ever, competitors aren’t just down the street - they’re from the far reaches of the City, the province, and the globe.



As markets shift and consumer habits evolve, downtown vacancy rates are higher than desired, affecting both the economic climate and the visual vibrancy of downtown.

On the local front, other areas of the city continue to grow and develop, offering increasingly-competitive alternatives to businesses and potential investors.

And in terms of the downtown itself, our infrastructure continues to age at a pace where investment levels struggle to keep up. Many of our streets and sidewalks are crumbling, and our assets are losing some of their lustre.

In the words of one Board member, Regina's downtown represents 'a decades-old promise' – and vast amount of public and private investment. Just think of the waste of past tax dollars spent – and the hindered ability for the downtown to generate new tax dollars going forward – if Regina's downtown is neglected.

So what's next?

In early 2018, the RDBID Board of Directors met to review the outputs and findings from recent member and public surveys, and set the direction for RDBID's 2019-21 Strategic Plan, as outlined in this document.

The 2019-21 Strategic Plan will see the RDBID:

- Play a proactive, hands-on role in attracting and retaining businesses and investments in Regina's downtown.
- Get more people downtown more often for more reasons, while expanding the depth and breadth of their downtown experience.
- 'Up' its communications game, by incorporating elements of government relations and advocacy, deriving maximum brand value and goodwill from its projects, programs and services, and communicating the value and 'telling the story' of the downtown as a whole *and* the organizations that call downtown home.
- Play an increased role as a vocal, visible and proactive advocate for Regina's downtown businesses on issues of particular importance. The Board cited the following issues as being within their 'top 3':
 - Infrastructure (namely, the condition of sidewalks, curbs and streets, and the decline in downtown's value as an asset);
 - Parking and transportation (in terms of effectively communicating and utilizing existing parking stock, and adopting technologies to improve the end users' parking experience); and
 - Commercial development that adversely impacts the vibrancy and sustainability and the economic and social well-being of Regina's downtown.

Our Key Pillars

- P1. Membership Engagement Services
- P2. Place-making
- P3. Investment Growth
- P4. Downtown Advocacy

Outcomes for Our Stakeholders

- S1. "Provide services that help members' businesses survive and thrive in a constantly changing environment"
- S2. "Foster the creation of a vibrant, active and inviting downtown"
- S3. "Create and convey a compelling case for investment in Regina's downtown, making it the preferred location for investors"
- S4. "Provide vocal, visible, proactive, and constructive advocacy that influences stakeholders, ensures accountability to commitments and leads to timely, positive changes"

Enabling Our Resources

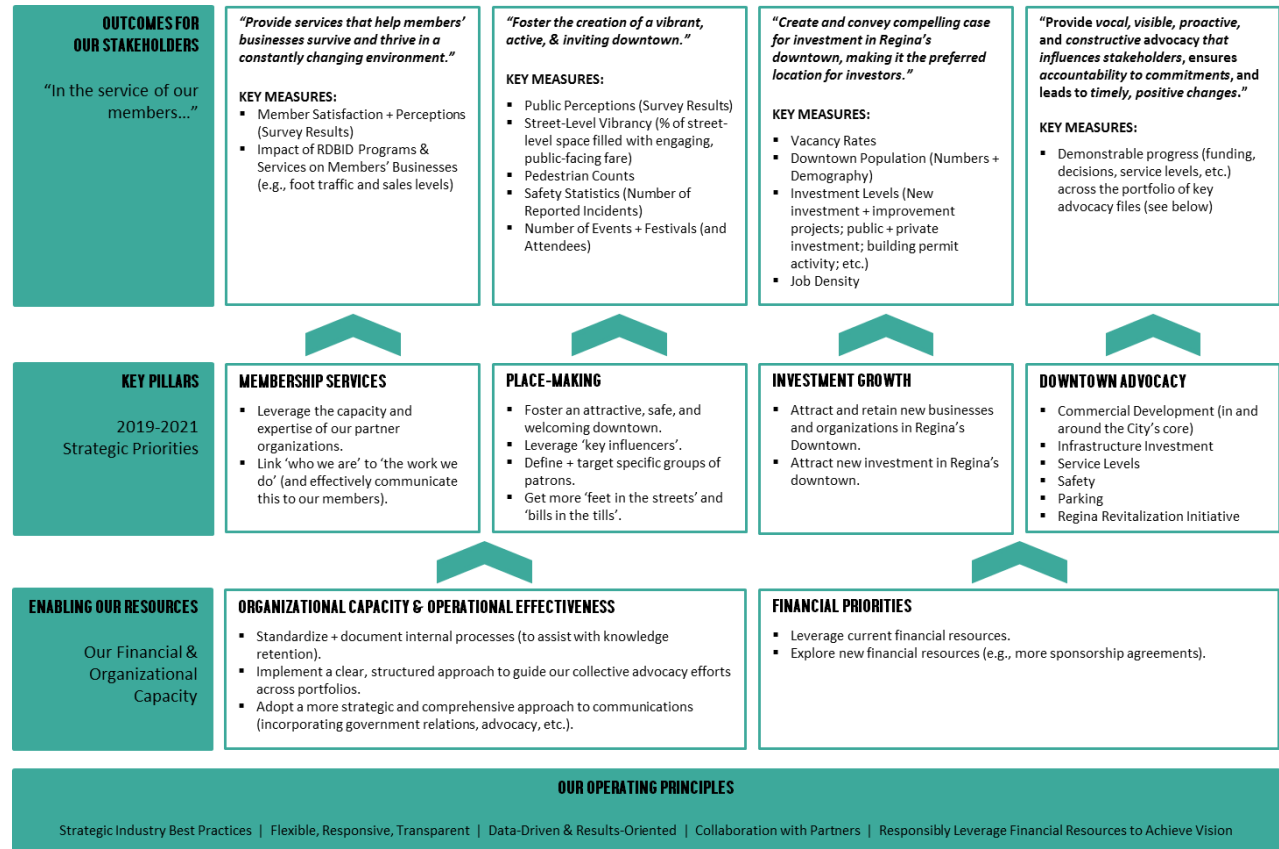
- O1. Standardize and document internal processes to assist with knowledge retention.



- O2. Implement a clear, structured approach to guide our collective advocacy efforts across portfolios.
O3. Adopt a more strategic and comprehensive approach to communications.
- F1. Leverage current financial resources.
F2. Explore new financial resources.

RDBID Strategy Map 2019 - 2021

The RDBID Strategy Map explains how RDBID will achieve its vision of being a place where people want to be and businesses want to invest. This will happen by relying on its operating principles to execute its organizational capabilities and key pillars so that its outcomes and objectives are realized.



SUMMARY OF 2019 INITIATIVES

Great momentum has been generated by the development of the Imagine Downtown Strategic Plan, the continued implementation of the Regina Downtown Neighbourhood Plan, and renewed interest and investment in Downtown. It is imperative for the BID to strategically align its objectives with broader initiatives undertaken by the City and investments being made by other key stakeholders.

The key pillars of the organization are not intended to be comprehensive in scope. They are designed to complement other initiatives as a means to ensuring the fulfillment of the vision established in the *2019-2021 Strategic Plan*. Regina Downtown seeks to build strong partnerships in both the public and private sectors and collaborate with the City of Regina in order to enhance investment in Downtown.

P1 Member Engagement and Services

Goal:

To provide key services for members related to maintaining the look and feel of downtown, marketing and promotions, public safety and business support. To do so, Regina Downtown will focus on providing core member services that have been provided in the past, and greater emphasis will be placed on ensuring that members utilize these services.

Objective:

To ensure Downtown is a place where people feel safe and welcome and to enhance the appearance and identity of Downtown.

2019 Initiatives:

- Facilitate cleaning and maintenance of the pedestrian environment
- Facilitate removal of downtown graffiti
- Conduct regular amenity checks
- Advocate for repair and enhancement of downtown amenities
- Continue to operate the Info on the Go visitor services program
- Facilitate an outreach program with various agencies working within downtown Regina

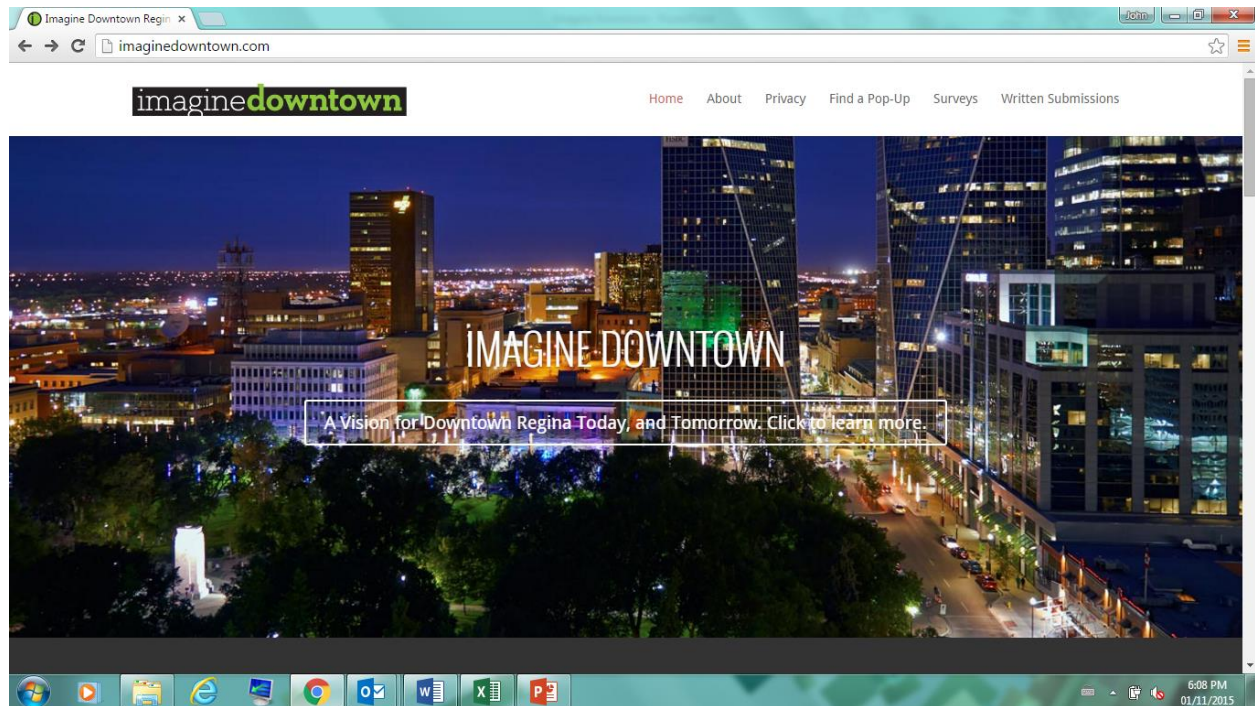


Objective:

To continue to play a key role in marketing and promoting Downtown Regina to the greater community.

2019 Initiatives:

- Continue to maintain and update the RDBID website and member database
- Continued member outreach through the member reception, member visits and social media efforts
- Produce and distribute promotional materials including RDBID newsletter, maps, dining guide, annual report, strategic plan, downtown report and business recruitment material
- Launch downtown advertising/marketing campaign to promote a vibrant downtown



P2 Place-making

Goal:

To support the flourishing of Downtown Regina through the promotion, facilitation, and development of events and special initiatives in Downtown. The BID will play a strategic role focusing on the support of key initiatives being produced by others through the dissemination of knowledge and information, and acting as a resource.

Objective:

To organize signature Regina Downtown events.

2019 Initiatives:

- Continue to produce Cinema Under The Stars and Regina Downtown Summer Concert Series
- Expand and enhance the City Square Program year round through partnerships with local organizations
- Facilitate opportunities for new events and promotions that support Downtown's role as the heart of the community
- Connect events and festivals with local businesses
- Advocate for growth of new festivals



Objective:

To facilitate capital improvements within the Downtown neighbourhood that enhance the public realm

2019 Initiatives:

- Install additional seasonal lights
- Install banners to better brand distinct downtown districts
- Implement various downtown cultural projects including the Downtown Regina Cultural Trailway, the Traffic Control Box Art Program and the Alley Door Art Project
- Construct the West Pavilion at City Square Plaza



Objective:

To market Downtown as Regina's premier events venue, and stimulate the creation of new events in Downtown through collaborations with Economic Development Regina, Attractions Regina, Conventions Regina, the arts community, City of Regina, and other key stakeholders (local businesses, University of Regina, etc.).

2019 Initiatives:

- Collaborate with key partners to attract and grow events Downtown
- Promote awareness of RDBID as a potential partner and informational resource to those seeking support, coordination services and partnerships for delivering events in Downtown
- Develop a standard conference/major event support program



P3 Business and Residential Attraction & Retention

Goal:

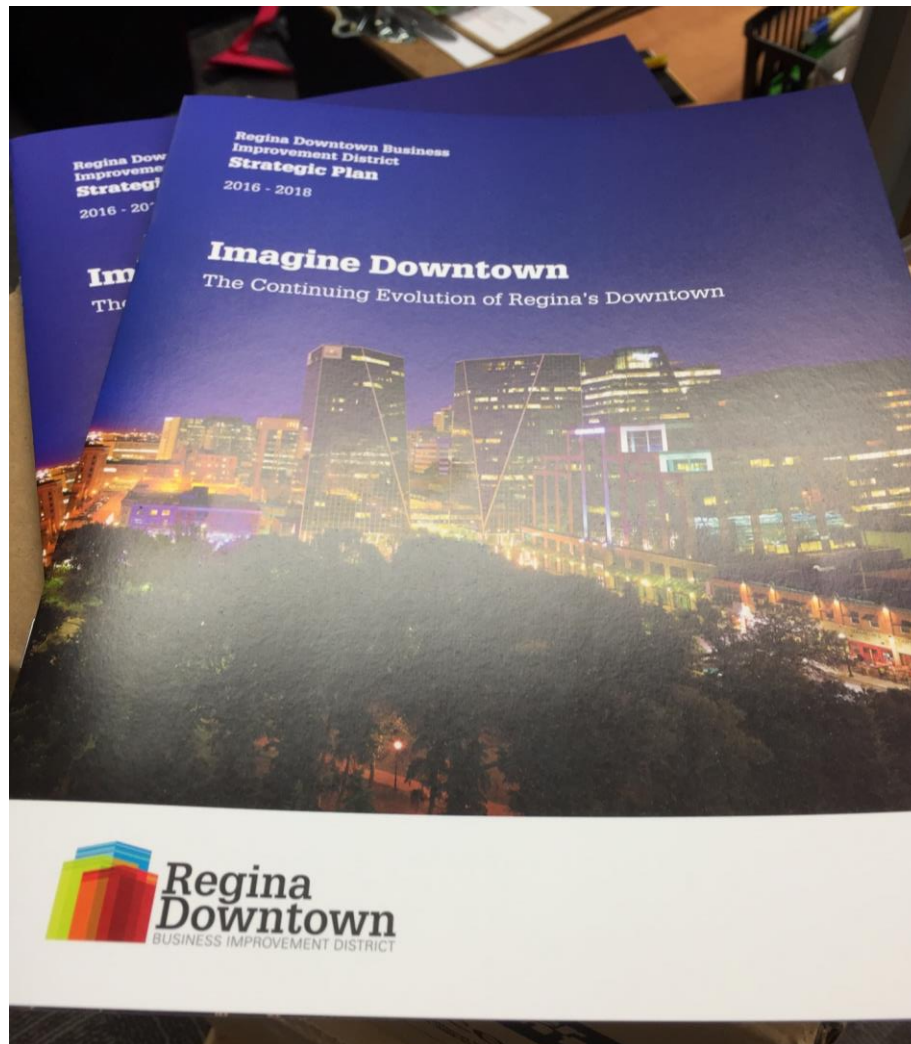
To establish Downtown as a highly desirable, unique neighbourhood within Regina where residents, businesses, niche retail, and entrepreneurship thrive.

Objective:

To build public and private sector perceptions of Downtown as more than just a location for conventional retail and offices.

2019 Initiatives:

- Continue to be the information gathering and distribution centre for Downtown businesses, property owners, and residents
- Support the creation of a mix of uses and amenities necessary to create a complete community Downtown
- Conduct regular pedestrian counts throughout Downtown



P4 Key Role in Transformational Projects

Goal:

To position Regina Downtown as the advocate for downtown interests and to disseminate its positions in a manner that shapes public dialogue and decision-making, and inspires investment in Downtown.

Objective:

Develop timely consensus on key issues, rooted in concrete research and analysis in relation to current and upcoming projects and larger trends in city-wide planning.

2019 Initiatives:

- Complete the West Pavilion project
- Ensure timely consensus on response to key issues
- Continue to develop and disseminate official policy positions on a variety of identified issues
- Continue to advocate for downtown interests in key community projects



2019 BUDGET

Assessment

Regina Downtown Business Improvement District operations are funded primarily through a levy on the taxable assessment of all commercial properties located within the district boundaries. These boundaries encompass 55 blocks defined by Angus Street to the west, 13th Avenue to the south, Halifax Street to the east, and Saskatchewan Drive to the north. RDBID also extends along Broad Street south to College Avenue. For 2019, it is recommended that the mill rate of 0.5997 is applied to the current commercial property assessment. This will provide sufficient revenue to fund all planned operating and capital expenditures in 2019. Total revenue generated from the levy is estimated to be \$1,100,606.

Outstanding assessment appeals and property assessment adjustments continue to result in an uncertain revenue base each year. Regina Downtown will continue to carefully manage expenses and set aside allowances annually to cover any potential losses from economic instability or outstanding assessment appeals.

While the outcomes of these appeals and Regina Downtown's resulting obligations are uncertain, a provision representing the potential repayment of a portion of the levies on properties under appeal has been recorded and set aside. Based on information received from the City of Regina, an assessment appeal provision of \$50,000 is recommended in 2019.

Other Funding

In 2019, other funding will come from special membership fees from partner organizations. These partnerships will inject funding support through monetary partnership contributions.

Grants, Sponsorship and Advertising

Revenue generated from sponsorship, grants, and advertising sales over the past few years have provided Regina Downtown with opportunities to expand and enhance existing services with minimal impact to its operating budget.

In 2019, our goal is to secure grants and sponsorship in the amount of \$83,850. This revenue will be used to sustain and enhance a number of special events and projects including the *Cultural Trailway*, the *Summer Concert Series*, and the *Cinema Under the Stars Series*.

Transfers

As a result of an uncertain revenue base each year, we have carefully managed expenditures and set aside allowances to cover potential losses from outstanding assessment appeals as well as an uncertain economy. Unanticipated recoveries from this allowance over the past few years have contributed, in part, to operating surpluses.

To ensure the future financial stability of Regina Downtown, the Board of Directors implemented a policy in March 2005 to allocate any surpluses to a Contingency Reserve and Capital Reserve. The purpose of the Contingency Reserve is to cover any substantial and unexpected one-time assessment appeal expenditures and to support six months of operations to wind-down the Business Improvement District in the event of its dissolution. The Capital Reserve will be used to invest in our property, equipment and to leverage additional funds to improve infrastructure and streetscape. In March 2016, the Board of Directors adopted the following reserve policy:

- That any 2015 and future operating surpluses be allocated 85% to the Capital Reserve and 15% to the Unrestricted Reserve.
- That the Unrestricted Reserve be capped at \$150,000.
- That upon reaching the Unrestricted Reserve cap, all future surpluses will be directed to the Capital



Reserve.

- That the Capital Reserve target remain \$500,000.
- That the Contingency Reserve cap remain \$215,000.

Based on RDBID's Strategic Plan goals and the number of capital projects (both private and public) that will be underway over the next five years, RDBID has adopted a Capital Reserve Savings Plan. As these projects come to fruition in the coming years, the Capital Reserve funding will ensure that RDBID remains an active partner in enhancing the Downtown environment.

In order to undertake the planned 2019 capital initiatives, a transfer of \$105,000 from the unappropriated surplus will be required.



2019 BUDGET - Revenue Projections

2019 BUDGET - REVENUE				
	2016	2017	2018	2019
	Actual	Actual	Actual	Budget
ASSESSMENT				
Bid Levy	1,116,533	1,062,720	963,868	1,107,301
Adjustments (Board of Revision, etc.)	-	-	-	-
Recovery of Assessment Appeals	-	-	-	-
Sub-total	1,116,533	1,062,720	963,868	1,107,301
OTHER FUNDING				
Special Membership Fees	28,622	28,757	29,331	32,500
Office and Equipment Rental	-	-	-	-
Other	6,440	5,750	6,103	-
Sub-total	35,062	34,507	35,434	32,500
SPECIAL PROJECTS				
Sponsorship & Advertising Sales	23,000	33,410	29,620	21,100
Grants	137,780	105,169	75,397	62,750
Sub-total	160,780	138,579	105,017	83,850
TRANSFERS				
Allocation from the Unappropriated Surplus	0	0	0	105,000
Sub-total	0	0	0	105,000
REVENUE TOTAL	1,312,375	1,235,806	1,104,319	1,328,651



2019 BUDGET - Expense Overview

2019 BUDGET - EXPENSES

	2016 Actual	2017 Actual	2018 Actual	2019 Budget
ORGANIZATION MANAGEMENT				
General Operating and Personnel	505,643	539,921	485,097	530,455
Investment in Equipment	-	-	-	3,500
Amortization	61,701	71,587	71,996	-
Capital Contribution to City of Regina	-	95,113	-	-
Sub-total	567,344	706,621	557,093	533,955
MEMBER ENGAGEMENT AND SERVICES				
Communications	42,351	82,327	88,724	61,700
Advertising	34,116	24,145	24,034	60,000
Publications	5,373	1,749	1,588	10,000
Downtown Maintenance	108,645	119,807	95,468	99,445
Downtown Ambassador Services	61,879	68,970	74,664	62,600
Sub-total	252,364	296,998	284,478	293,745
PLACE-MAKING				
Events and Programming	139,506	125,676	197,567	275,000
Neighbourhood Enhancements	118,771	27,462	53,179	110,500
Special Projects	33,942	65,374	13,673	31,500
Sub-total	292,219	218,512	264,419	417,000
BUSINESS & RESIDENTIAL ATTRACTION & RETENTION				
Business Research and Initiatives	16,889	18,789	11,882	24,500
Residential Research and Initiatives	-	-	-	-
Sub-total	16,889	18,789	11,882	24,500
TRANSFORMATIONAL PROJECTS				
Project Support	16,514	15,875	32,630	8,500
Sub-total	16,514	15,875	32,630	8,500
PROVISION FOR ASSESSMENT APPEALS	183,802	10,564	(137,510)	50,000
EXPENSE TOTAL	1,329,132	1,267,359	1,012,992	1,327,700



