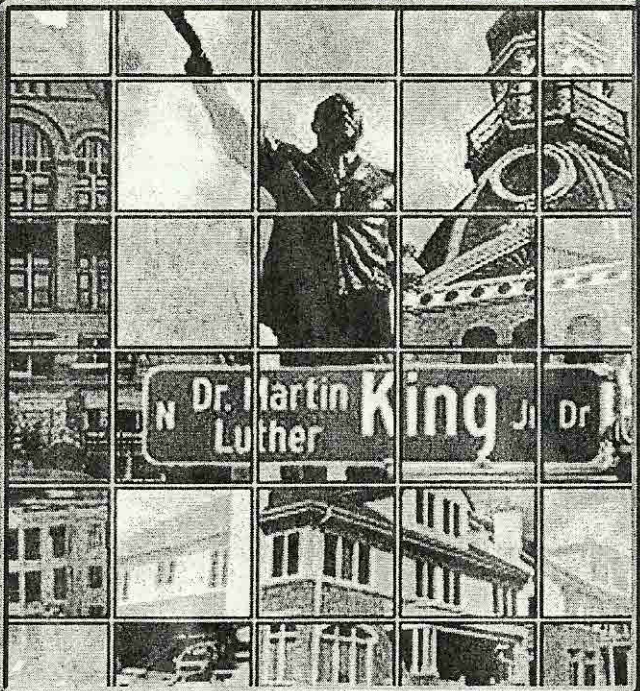
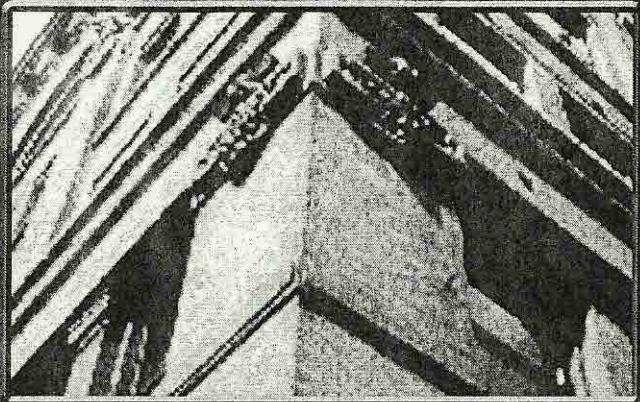


# BID

*Business Improvement Districts*



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## WHAT IS A BID?

A Business Improvement District (BID) is a public/private partnership in which property and business owners elect to make a collective contribution through their taxes to the maintenance, development and promotion of their commercial district.

## "WHY CREATE A BUSINESS IMPROVEMENT DISTRICT?"

1. The continued vitality of the commercial business district of this state, chiefly those in downtown and urban commercial areas, is necessary to retain existing businesses and attract new businesses.
2. A decline in public revenues emphasizes the importance of assembling viable public-private partnerships to undertake revitalization of these districts.
3. The establishment of a business improvement district system benefits the health, safety, welfare, and prosperity of the people of this state.

The purpose of this act is to authorize cities, villages, and towns to create one or more business improvement districts to allow businesses within

## BID ACTIVITIES AND BENEFITS OF A BID

Business Improvement District (BID) takes on variety of activities; the most common BID activities include:

- Streetscape projects
- Graffiti Removal
- Business development
- Media and Public relations
- Public Safety Ambassadors

Some of the benefits of Business Improvement District:

- Promotes a positive image of a commercial district.
- Creates a unified voice to advocate for a commercial district.
- Establishes private sector control and accountability
- The BID structure can serve as an economic development tool for business associations, merchant groups and community development corporations.

## INITIATING THE BID PROCESS

The legislation emphasizes public-private partnership when creating a Business Improvement District (BID). A single property owner or a group of property owners can file a petition asking the city to create a BID. It is recommended that the proponents of a BID correspond with the Commissioner of the Department of City Development prior to petitioning the City for a BID.

BID proponents should work cooperatively with Department of City Development's BID Coordinator to ensure that the BID statutory requirements are followed.

The following criteria are required when establishing a Business Improvement District:

1. The proponents of a BID must be active merchants or property owner's organization (i.e., meets regularly, has a board; By-laws; or other formal structure).
2. The membership of the merchants/property owners organization must represent a significant portion of the property in the proposed district. The merchants/property owner's organization representative should be a credible spokesperson.
3. The proponents of the BID must participate in the preparation of Plan, meet with property owners and stakeholders and share in special planning studies.

### **Steps to Form a Business Improvement District**

When forming a business improvement district it is important to understand that it takes approximately 9- 12 months to form a BID.

The steps listed below will assist you in organizing the activities involved when creating a Business Improvement District. The City's budget schedule ultimately dictates the BID-processing schedule.

1. Create the BID formation infrastructure
  - Establish property owner support committee
  - Contact the city BID representative
  - Define district boundaries
  - Create a property owner database
2. Consensus Building/Education
  - Conduct a property and business owner focus group
  - Convene informational meetings
  - Emphasize communications and outreach

3. Develop Operating Plan (a model BID Operating Plan is attached as Appendix C)
  - Identify Issues/Projects to be initiated
  - Develop a budget (What are the costs associated with project)
  - Develop an assessment methodology (cost to individual property owners)
  - Review the assessment and conduct Benefit Analysis
  - Establish a governance (BID board composition)
4. Final Plan Review
  - Meet with property owners/stakeholders to review Operating Plan
  - Meet with City BID Coordinator and Planning staff to review Operating Plan
  - Conduct a Legal Review-In compliance with City and State Law
  - Finalize Operating Plan and Assessment methodology
5. Petition campaign
  - Develop communication and marketing materials
  - Prepare petition and distribute Operating Plan
  - Collect signed petitions
6. Petitions and Final Operating Plan
  - Submit petitions and proposed BID operating pan to the BID Coordinator
  - Submit Petitions and Operating Plan to City Attorney for opinion letter
  - Publication of Class 2 notice three weeks before public hearing
  - Certified mail copies of hearing notice and Operating Plan to property owners within the proposed district
7. Public Hearings
  - Plan Commission public hearing and approval
  - Common Council hearing and approval
  - Mayor approval

## 8. BID Board Members

- BID Board must consist of at least five members.
- Members of the area business association, community development corporation or a community-based organization are appropriate BID board members.
- A majority of the board members must own or occupy property within the BID district.
- The BID appointment letters and resumes must be submitted to the Mayor for approval.
- Before the first scheduled BID Board meeting, the Office of City Clerk must administer an Oath of Office at the first BID board meeting.

**SAMPLE PROCESSING SCHEDULE**

PROCESSING SCHEDULE

PROPOSED BID NO. \_\_

Step	Activity	Date
1.	Begin preparation of Operating Plan	
2.	Formal and informal briefings and information meetings for property owners held by the Business Association	
3.	Receipt of final Operating Plan and property owner petition requesting creation of BID; Operating Plan and petition sent to City Attorney for opinion letter	
4.	Receipt of City Attorney's Opinion	
5.	Request City Clerk to publish Class 2 notice (specify publication dates) three weeks before public hearing	
6.	Send by certified mail copies of hearing notice and Operating plan to all property owners within the proposed district	
7.	First Class 2 notice published	
8.	Second Class 2 notice published	
9.	Plan Commission public hearing (start of 30 day waiting period); Plan Commission action on Operating Plan	
10.	Deadline for submission of Resolution creating BID and approving Operating Plan for introduction at Common Council meeting	
11.	Economic Development Committee meeting and action on Resolution and Operating Plan	
12.	Common Council meeting and action on Resolution and Operating Plan	

**Note:** This schedule allows inclusion of the BID assessments into the 2002 city budget via the Executive Budget.

\* If Economic Development Committee Chair willing to consider before waiting period has expired.

*Since the first BID was established in New Orleans in the early 1970's, the International Downtown Association estimates that more than 1,200 have been formed in business districts in the U.S. and Canada.*

*(MIS Report, Business Improvement Districts: Tool for Economic Development)*

## **HISTORY OF BUSINESS IMPROVEMENT DISTRICTS IN WISCONSIN**

In 1984, the State of Wisconsin signed into law, the Wisconsin ACT 184, a legislative declaration created to give Wisconsin municipalities (i.e., cities, villages and towns) the power to establish one or more Business Improvement Districts (BIDs) within their community. An assessment methodology is developed that allows business properties within that geographic area to contribute to programs aimed at promotion, management, maintenance and the development of the district. Business Improvement Districts are restricted to commercial and industrial districts within a municipality that are subject to real estate tax. Tax exempt properties such as religious, public utility or government properties or those used exclusively as residences cannot be included in the district assessment.

There are currently 29 Business Improvement Districts operating in commercial districts throughout the City of Milwaukee. As business associations, community development corporations and other economic development organizations discover the power of business improvement districts, there will be a continued proliferation in the number of BIDs in urban commercial districts. It is because of the ongoing interest in Business Improvement Districts, that we have prepared the BID Handbook. The BID Handbook was designed to assist organizations in the creation and management of Business Improvement Districts.

## THE BID LAW

In passing the BID law, the legislature included a four-point declaration. The declaration speaks to the question "Why create a *business improvement district*?" Whereas the BID statute itself only explains, "how" the districts are to be created and operated. The declaration states the following:

1. The continued vitality of the commercial business district of this state, chiefly those in downtown and urban commercial areas, is necessary to retain existing businesses and attract new businesses.
2. A decline in public revenues emphasizes the importance of assembling viable public-private partnerships to undertake revitalization of these districts.
3. The establishment of a business improvement district system benefits the health, safety, welfare, and prosperity of the people of this state.
4. The purpose of this act is to authorize cities, villages, and towns to create one or more business improvement districts to allow businesses within those districts to develop manage and promote the districts and to establish an assessment method to fund these activities.

The provisions of the BID statute must be followed to create a legitimate BID.  
(A copy of the BID statute is attached as Appendix A)

*The BID law requires that BIDS be reviewed and approved by the City's Planning Commission, the Common Council, and the Mayor.*

## **ADMINISTERING THE BID**

The creation of the BID and adoption of its first year operating plan by the Common Council and appointment of BID board members by the Mayor, result in a more sophisticated public-private partnership. The BID board becomes the governing agency that operates on behalf of property owners in the district.

The uniqueness of the BID require some special guidelines for its administration to ensure that neither its responsibilities to the public or the private businesses are disregarded.

### **BID Board**

The BID board's primary responsibility is to implement the Operating Plan. The board negotiates with service providers to carry out the Plan; to enter into various contracts/agreement; to monitor development activity; to update the Operating Plan annually and ensure district compliance with the provisions of applicable statutes and regulations.

#### **1. Board Members**

##### **Appointments:**

- a. BID Board nomination letter and resume (see attached template) must be submitted to the Department of City Development's BID staff for review. All nominations must be current on property tax and building code violations.
- b. Department of City Development will review and submit the referred BID Board nominees, if findings are satisfactory.
- c. All BID Board referrals are reviewed by the Mayor's Office; if approved by the Mayor, the BID Board appointments are submitted to the Common Council for introduction and referral to the appropriate committee.
- d. The Common Council will refer BID Board appointments to the Community and Economic Development Committee. (CED) If approved by the CED committee, the BID Board appointments are referred to the Common Council for approval.
- e. The City Clerk or designee must swear in all newly appointed BID Board members at the first scheduled business meeting.
- f. After the members are sworn the BID Board can hold its first official BID meeting.

##### **Resignations/Terminations**

- a. BID Board officer or BID designee must submit board member's letter of resignation to the Mayor's Office upon expiration of term or member resignation.

