What is a Business Improvement District?

Provides Essential Services:
including security, maintenance, marketing, economic development, special events, etc.

• Over & beyond what government provides
• Concentrated within a distinct geographic area
• Paid for by a special property owner assessment
• Services managed by new organization
• Organization governed by a Board
• Board of Directors represent those who pay
Process for Creating a District

• Engage Property & Business Owner ✔
• Feasibility of District ✔
• Boundaries ✔
• Service Priorities: Focus Groups, Surveys, Phone calls ✔
• Draft Work Plan ✔
• Budget ✔
• Assessment Methodology ✔
• Data Verification Process = Beginning June 15
• Baseline Services = in progress
• Petition = Beginning June 15
• Council Designation = September
• Collection = 2016
The Outcome

Results from Focus Groups, Surveys, task force meetings and one on one conversations
Consensus: Service Priorities

1. Management/Administration
2. Beautification
3. Clean & Safe
4. Parking
5. Business & Development Assistance
6. Event Management
7. Marketing Branding

Created through Stakeholder outreach
## Budget

- Focus groups determined proposed services
- Cost analysis for each service

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Executive and Overhead</td>
<td>$100,000</td>
</tr>
<tr>
<td>2. Beautification</td>
<td>$ 35,000</td>
</tr>
<tr>
<td>3. Clean &amp; Safe</td>
<td>$100,000</td>
</tr>
<tr>
<td>4. Parking Plan</td>
<td>$ 35,000</td>
</tr>
<tr>
<td>5. Business Recruitment &amp; Development Assistance</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>6. Event Management</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>7. Marketing/Branding</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>8. Contingency</td>
<td>$  5,000</td>
</tr>
</tbody>
</table>

Draft budget: $375k
Management/Administration

The Executive Director (a seasoned professional) will take a proactive approach in developing and implementing programs. This line item includes the cost of office space and administrative overhead.

- Coordinate desired programs
  - Business recruiting and education
  - Marketing
  - Perpetuating the ability to remain an Artist’s District
  - Event coordination and production
  - General Administration
- Facilitate board & committee meetings
- Government liaison
  - Advocate in policy discussions
  - Leverage more benefits/money for district
  - Make sure the District has a seat at the table
Beautification (examples)

• Artists Window Displays
• Public art/Murals
• Hand painted artists banners
• Holiday decorations
Clean & Safe

Cleaning - Maintenance
• Visible maintenance personnel in the entire District – cleaning, removing graffiti etc.

Safety –
• An annual stipend toward additional security on select occasions
• A homeless outreach effort to reduce the street population
• Work to find solutions to change perception of safety in District. i.e. – ordinance changes; partnering with service providers.
The Business Improvement District Expanded Services

**MAINTENANCE:** example

<table>
<thead>
<tr>
<th>City Provided</th>
<th>Enhanced BID Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Streets</strong> sweep</td>
<td><strong>Sidewalks sweep &amp; clean</strong> 15 hr/week</td>
</tr>
<tr>
<td>26/per yr.</td>
<td><strong>Litter/Trash removal</strong> 15 hr/week</td>
</tr>
<tr>
<td><strong>Residential Streets</strong> sweep</td>
<td><strong>Graffiti removal</strong> within 24 hours from Public Property</td>
</tr>
<tr>
<td>4/per yr.</td>
<td><strong>Graffiti removal</strong> within 24 hours from Private Property</td>
</tr>
<tr>
<td><strong>Trash removal</strong></td>
<td></td>
</tr>
<tr>
<td>never</td>
<td></td>
</tr>
<tr>
<td><strong>Graffiti removal</strong></td>
<td></td>
</tr>
<tr>
<td>within 48 hours from Public Property</td>
<td></td>
</tr>
</tbody>
</table>

Properties in Zone 1 will receive 15% more services frequencies than those in Zone 2
The Business Improvement District Expanded Services

**SAFETY: example**

<table>
<thead>
<tr>
<th>City Provided</th>
<th>Enhanced BID Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>? Police officers (TBD)</td>
<td>2 Safety patrol officers connection with police 30 hrs./week</td>
</tr>
<tr>
<td>Fire service</td>
<td></td>
</tr>
<tr>
<td>standard city-wide</td>
<td></td>
</tr>
<tr>
<td>900+ lighting units</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emergency Alert System</td>
</tr>
</tbody>
</table>

To ensure existing services remain at current levels, a “baseline” agreement will be negotiated with the City of Phoenix, guaranteeing the continuance of these services.
Parking Management

• Create long term plan that will:
  • Coordinate public/private parking management initiatives for District
  • Facilitate and encourage customer service readiness
  • Explore the ability to convert vacant lots to parking, based on availability and demand - run by district.
  • Create and coordinate a shared parking program
  • Education collateral to inform parking availabilities
Business Recruitment & Retention Development Assistance

- Create a Retail Mix Plan to Support Arts Oriented Business
  - Develop strategy to draw new businesses that complement the existing
- Become “One Stop Shop” for prospective businesses & developers
- Write grant proposals to help sustain the Artist community
- Small business support

Nurture/Assist Existing Business

Develop New Businesses
Marketing & Branding

• Develop branding strategy consistent with Artists District goals
• Brochure/Business Directory
• Enhanced website
• Social media
• Shared department staff
Event Management

- Evaluate ROI before taking on new events
- Coordinate events and professionally staff existing successful events
- Coordinate business participation in events
- Protect the interest of the District Stakeholders
- Shared department Staff
District Boundaries & Uses
Assessment Methodology - DRAFT

The assessment rate structure is based upon two criteria:

- Basic Land Rate, Zone 1 & 2
- Land and Building Use Rate

<table>
<thead>
<tr>
<th>Zone 1</th>
<th>Fronts Roosevelt from 7th St to 7th Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone Rate = $0.032 per square foot of land</td>
<td></td>
</tr>
<tr>
<td>Linear frontage = $1 per linear foot</td>
<td></td>
</tr>
<tr>
<td>Building Use Rate = per category</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zone 2</th>
<th>All Other Parcels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone Rate = $0.032 per square foot of land</td>
<td></td>
</tr>
<tr>
<td>Building Use Rate = per category rate</td>
<td></td>
</tr>
</tbody>
</table>

**Land and Building Use Rate By Type:**

One of the most important dimensions of this assessment formula is the building type rate categories.

1. Category 1, Commercial - $0.06 per building square foot.
2. Category 2, Vacant lot - $0.07 per lot square foot.
3. Category 3, Parking - $0.03 per lot square foot or per building square footage of a structure.
4. Category 4, Hotel - $15 per guest room.
5. Category 5, Assessable Residential - $15 per unit.
Governance
Create a Non-Profit 501C6 Management Organization

**Board of Directors:** The proposed board would be responsible to:

- Develop and recommend an annual District budget and work plan to the District Stakeholders. They would then present the budget and work plan to the City of Phoenix.
- Serve as the voice of downtown property and business owners
- Monitor the performance and provision of District services.
- Hire and fire, and provide an annual personnel evaluations of, the Executive Director.

The board should represent all ratepayers within the District.

- A mix of large and small property and business owners
- Percentage breakdown of the assessment property types.

The board will also consist of ex-officio members including:

- The active neighborhood associations
- The Chair of the CDC
- A resident
- A representative of the artist’s community.
What’s Next

- Notify Property Owners of final plan & assessments
- Verify property information
- Complete City’s baseline services
- **Start Campaign – identify supporters**
- Finalize Governance
- Gain Council approval
- Receive funding
- Implement work plan