

LET'S TALK BUSINESS

Ideas for Expanding Retail and Services in Your Community

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Business Improvement District (BID) Development in Wisconsin

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This article helps us understand BIDs by looking at what they are, how they are created and function, their history and distribution in the state. Attention is then directed at the programs and activities of BIDs as well as their impacts on Wisconsin communities.

In 1984, the state of Wisconsin passed enabling legislation that gave municipalities (i.e., cities, towns, and villages) the power to create one or more special assessments districts within their jurisdiction (Wis. Act. 184). As defined by the legislation, these "business improvement districts (BIDs)" represents a geographic grouping of commercial properties where the owners have agreed to assess themselves in a manner that generates funds that can be used for virtually anything as long as the expenditures are related in some way to the management, the development, the maintenance or promotion of the district.

Wisconsin BIDs- Typical Assessment Strategies

There are three basic ways in which Wisconsin communities assess BID properties. Keep in mind that the State Statutes (66.608) regulating BID startup and administration do not dictate the manner in which properties are assessed. By far the most popular way for assessments to be levied is using a dollar amount based on each \$1000 of assessed value. Of the BIDs using this strategy, the statewide average equates to \$3.60/ \$1000 of assessed value (UW-Extension Local Government Center, 1999). Another way in which properties are commonly assessed is based on a property's lineal or square footage. This type of assessment is popular when the intent of the BID is to pay for physical or capital improvements such as street-

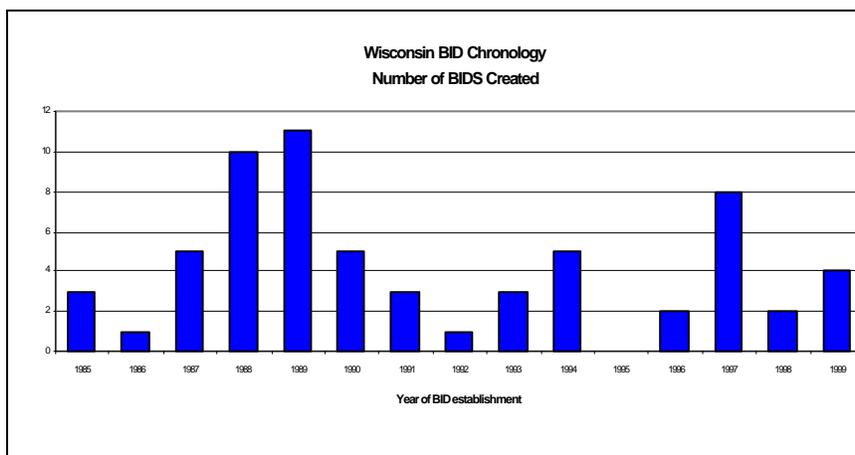
scape projects. In addition, most communities place a minimum as well as maximum on the amount of assessment owed. Lastly, communities might use a combination of the two methods noted. Some BIDs also vary the assessments according to the parcel's location or the type of business it supports.

Wisconsin BIDs- How They Are Administered

Wisconsin Statutes dictate that a Board of Directors oversee the operations and administration of BID programs and activities. A minimum of 5 Board members must be appointed with a majority of those individuals owning or leasing property within the District. Despite this specified minimum, the average Board size in the Wisconsin is nine. By expanding BID Boards, communities insure representation from a broader cross-section of the community and can engage other groups that share an interest in the promotion, marketing, maintenance and development of the district.

Wisconsin BIDs- Where They Are Located

BIDs can be found in virtually any size of Wisconsin community and more than one BID per community is allowable under State Statutes. Communities as small as Grantsburg with a population of 1,200 have a BID as well as Milwaukee, the states' largest community with a population over 700,000, has 19 BIDs.



Many of Wisconsin's BIDs are centered in the community's traditional downtown. In the case of Milwaukee BIDs, they generally encompass neighborhood commercial centers. It is important to note that it is in these same areas that the majority of the state's significant cultural resources (i.e., historic structures and places) are located.

Wisconsin BIDs- Their Development Chronology

The state of Wisconsin enjoys an impressive record in both maintaining and developing new Business Improvement Districts. A recent report released by Price Waterhouse Coopers Endowment for the Business of Government (Mitchell, 1999) shows that the state has the third largest number of BIDs in the nation. This represents approximately 5% of the 1200 some districts operating across the country. In the 15 years of BID development in the state, only three have been terminated.

BID Supported Programs and Activities

BIDs are designed to support a wide spectrum of programs and activities as long as they are some way related to the management, development, maintenance or promotion of the district. Each year, the University of Wisconsin Extension distributes a mail survey to all the BIDs operating in the state. Survey results shows that BIDs support a wide range of programs and activities. Almost 90 percent of the reporting BIDs support promotional efforts of some kind including special events or other types of retail promotions. Three-fourths of the reporting BIDs support specialized advertising campaigns and 66 percent underwrite the development of new district marketing materials as well as job training programs. More than half (60 %) of the reporting BIDs finance streetscape development and/or maintenance programs or contribute to some type of physical improvement program such as façade loan pools.

Wisconsin BIDs also enjoy a strong working relationship with the Main Street program. Born out of the National Trust for Historic Preservation, the Wisconsin Main Street program emphasizes four key areas in its attempts to maintain downtowns including economic restructuring, organization, historic preservation and promotion. Today, Wisconsin has 30 Main Street communities. More than one-third, (13) of these programs are supported in whole or in part by a Business Improvement District.

Wisconsin BID Impacts on Property Values

Attempting to measure the impacts of BIDs on Wisconsin communities proves to be a difficult challenge. Not only is it difficult to determine what measures you might use in trying to evaluate impacts but comparisons across districts is also problematic. Keep in mind that BIDs are often cre-

ated for different reasons and support a wide range of activities as noted above.

It is generally agreed that examining changes in property values can be a reasonable indicator of BID impact. This type of comparison has been made recently by administrative staff in Milwaukee. In these cases, the property value figures were compared over a several year period and then compared with a figure known as the Milwaukee "mean". In other words, the values recorded were compared to "like" commercial properties located outside of the district area. Four of the five districts studied experienced significant increases in property values, two to three times the increases in the Milwaukee mean. Thus, there is some suggestion that the formation and operation of a BID can influence property values in a positive way over time.

Looking Forward

BIDs have had a significant impact on the face of many of Wisconsin's traditional commercial centers. BIDs have created new alliances and introduced new funding opportunities to support the process of downtown redevelopment. BIDs have brought about Main Street programs, introduced numerous comprehensive streetscape redevelopment programs, demonstrated experience in working with historic structures through the development of facade loan programs, supported the development of urban design standards and have encouraged infill and adaptive reuse. Given the established record of BID development in the state, there is no reason to believe that the next decade of experience will be any different.

For more information on Wisconsin Business Improvement Districts, see: <http://www.uwex.edu/lgc/cp&d/bidpage/bid.htm>

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