



## Wisconsin Business Improvement Districts - BIDs

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September 2012*

*This Fact Sheet is part of a publication series produced by UW-Extension's Local Government Center. More information about related local government topics can be found on the Center's website, <http://lgc.uwex.edu>.*

### Introduction

Since 1992, the University of Wisconsin-Extension (UWEX) has requested information on assessment methods, revenues, expenditures, district programs and activities, and staffing for all of the Business Improvement Districts (BIDs) operating in Wisconsin municipalities. Fifty-seven BID (71.2%) representatives responded to the latest request. This Fact Sheet summarizes the data collected from that effort.

### What is a Business Improvement District-BID?

Wisconsin Act 184, signed into law in 1984, gives Wisconsin municipalities (i.e., cities, villages and towns) the power to establish one or more Business Improvement Districts within their community and an assessment methodology that allows properties within that geographic area to contribute to programs aimed at promotion, management, maintenance and development of that district. Assessments are restricted to commercial and industrial properties within a municipality that are subject to real estate tax. Tax-exempt properties (i.e., religious, public utility or government properties) or those used exclusively as residences cannot be included in the assessment district. *§ 66.1109 of the Wisconsin Statutes regulate Business Improvement Districts.*

### How many BIDs operate in Wisconsin?

There are currently over 85 BIDs operating in the state. The City of Milwaukee is the latest Wisconsin municipality to create a BID and now has over 30 such districts in operation.

### What is the value of BID property?

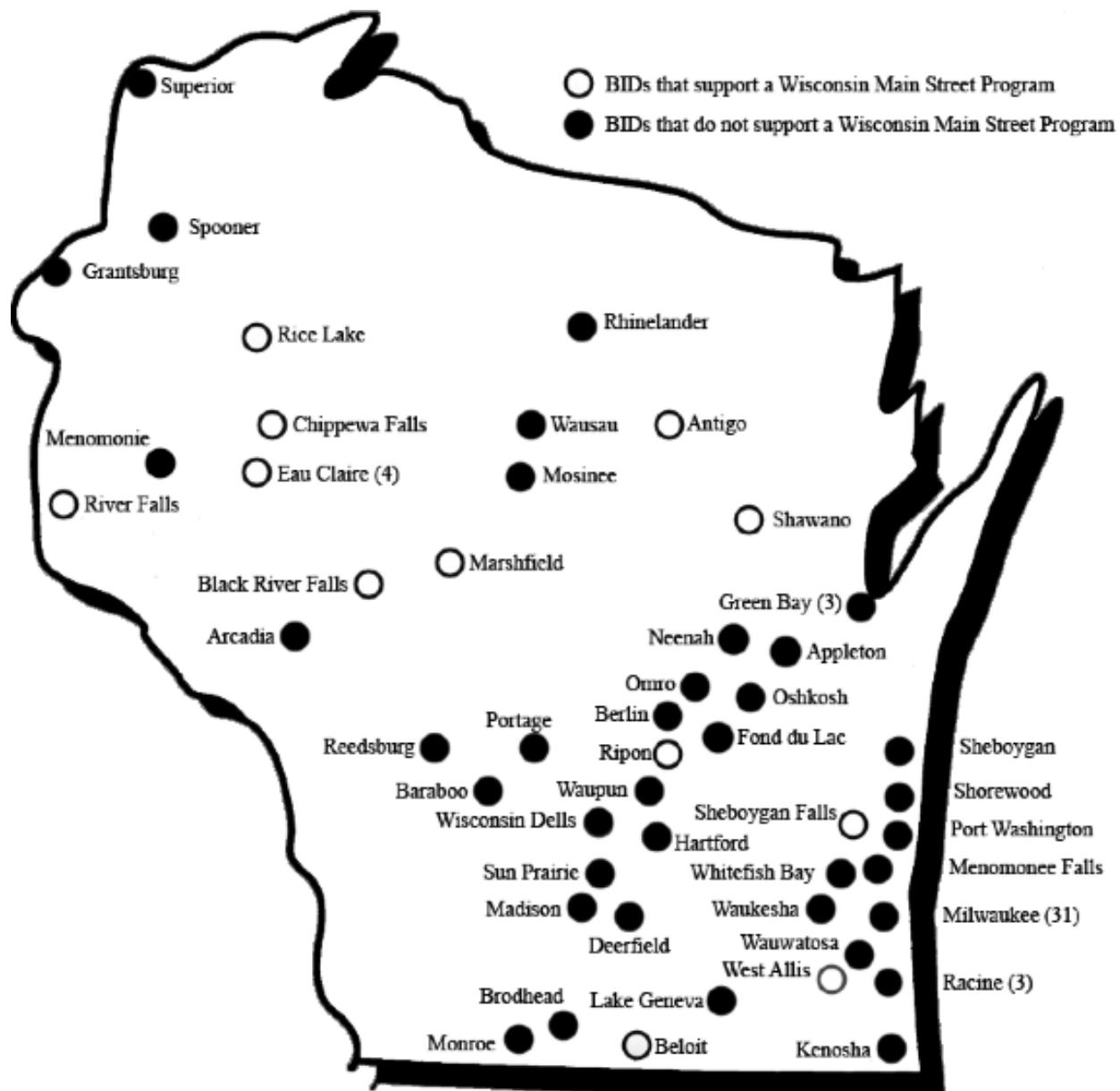
The average assessed value for all property within an individual BID (n=46) is \$ 137,856,341, with an average value per parcel (n=33) of \$1,155,485.

The total assessed value of all property has increased by 28.2% since 1998 while the average assessed value has increased by 9.6%. Multi-year comparisons should be made carefully, however, since data for all BIDs is not always available.

## How large are BIDs?

BIDs vary greatly in size. The average number of tax parcels contributing to a district is 147. The smallest BIDs, all located in Milwaukee (Downer Avenue, Schlitz Park, and Kinnickinnic River) have 9, 10, and 11 parcels, respectively. The largest BID, also located in Milwaukee (Historic King Drive) has 417 parcels.

The Wisconsin map below illustrates the location of BIDs currently operating in the state.



## How are BIDs managed?

- More than half of the reporting BIDs currently support a full-time Director/Manager, whose average salary is \$49,000 per year. Twelve BIDs (27%) have part-time managers and six BIDs (14%) do not employ either a full or part-

time manager. These six BIDs are generally managed by a member of the BID Board.

- BID Administration is handled by a Board of Directors. While the State Statutes only require five Board members, the average number of BID Board members is 9.
- Twelve BIDs currently support a Wisconsin Main Street Program.

## How are BID Assessments Determined? \*

It is important to note that the State Statutes do NOT dictate how property assessments are to be determined. BIDs use a variety of methods to determine the amount of district assessment. BID levies are generally based on a proportion of the individual property's assessed value but may also be based on parcel sizes or frontage footage.

- For those 38 BIDs responding that use a ratio methodology (based on each \$1,000 of assessed value), the average BID assessment is \$2.64/ \$1,000.
- The lowest district assessment at such a rate is Eau Claire BID #3 (Water St) at \$0.60 per \$1,000.
- The highest district assessment at such a rate is Milwaukee #32 (North Ave/ Fond du Lac Marketplace) at \$6.60 per \$1,000.

## How much money do BIDs generate?

Total BID levies generate over 8.8 million dollars each year. The average district revenue generated from assessments is \$153,000 (n=57). Many districts supplement this revenue from a wide range of sources. The following table summarizes these external funding sources and average amount of extramural funds generated.

## Are there other funding sources used to supplement the BID revenues?

The following types of sources contribute to BID activities and programs. The numbers correspond to how many BIDs obtained funding from these other sources. Many BID budgets rely solely on their BID assessments.

Investment Interest:	10
Private Donations:	4
Municipal Contributions:	11
Grant(s):	3
Member Fees:	3
Event/Program Revenue:	8
Other:	14

## What is the average operating budget for a BID?

The average annual operating budget is \$194,494. Operating budgets range from a low of \$11,500 (Eau Claire – W. Grand Avenue) to a high of \$3,133,967 (Milwaukee BID # 21-Downtown Management District). Not counting the Downtown Management District, the average annual operating budget is \$136,857.

## How are BID monies spent?

Business Improvement Districts often contract for a number of professional services to help administer BID programs and their operation.

12 (21%) of the Reporting BIDs Contracted	Graphic Design Services
28 (48%) of the Reporting BIDs Contracted	Accounting Services
9 (16%) of the Reporting BIDs Contracted	Litter Control Services
6 (10%) of the Reporting BIDs Contracted	Legal Services
7 (12%) of the Reporting BIDs Contracted	Secretarial Services
4 (7%) of the Reporting BIDs Contracted	Snow Removal Services
33 (59%) of the Reporting BIDs Contracted	Events Production

Other Types of BID Expenditures Include:

	<u>No. Bids</u>	<u>% Total</u>
Promotional Efforts (General)	35	60%
Assistance for Business Start-Up(s)	24	41%
Job Training Programs	2	4%
Advertising	35	60%
Marketing	51	88%
• Audiovisual Materials	3	5%
Physical Improvements	33	57%
Streetscape Development	414	76%
Public Safety	19	33%
Debt Service	11	19%

## Additional Information:

For more information on Wisconsin BIDs, including a Directory of contact information for BID representatives, contact:

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Or visit <http://lgc.uwex.edu/cpd/bidpage/bid.html>.

## Acknowledgments

*The author wishes to express his gratitude to Matthew Straub, Masters Candidate in Urban and Regional Planning at UW-Madison, who was instrumental in gathering and analyzing the available data described in this publication.*