

Wisconsin Business Improvement Districts- BIDs

Since 1992, the University of Wisconsin- Extension (UWEX) in collaboration with the Wisconsin Downtown Action Council has monitored Business Improvement Districts operating in Wisconsin municipalities. Each year, BID representatives respond to a questionnaire requesting information on a wide variety of topics including: assessment methods, revenues, expenditures, district programs and activities, staffing, etc. Thirty-six BID (55.4%) representatives responded to the latest round of surveys. This Fact Sheet summarizes the results of this latest survey 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 business properties within that geographic area to contribute to programs aimed at promotion, management, maintenance and development of that district. BIDs 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. *Section 66.608 of the Wisconsin Statutes regulate Business Improvement Districts.*

How many BIDs operate in Wisconsin?

There are currently 65 BIDs operating in the state. In the last year, four new BIDs were created, one in each of the following communities: Eagle River, Fond Du Lac, Madison, and Milwaukee. Interest in creating a BID is also high in several other communities including Appleton, Shorewood and Whitefish Bay.

What is the value of BID property?

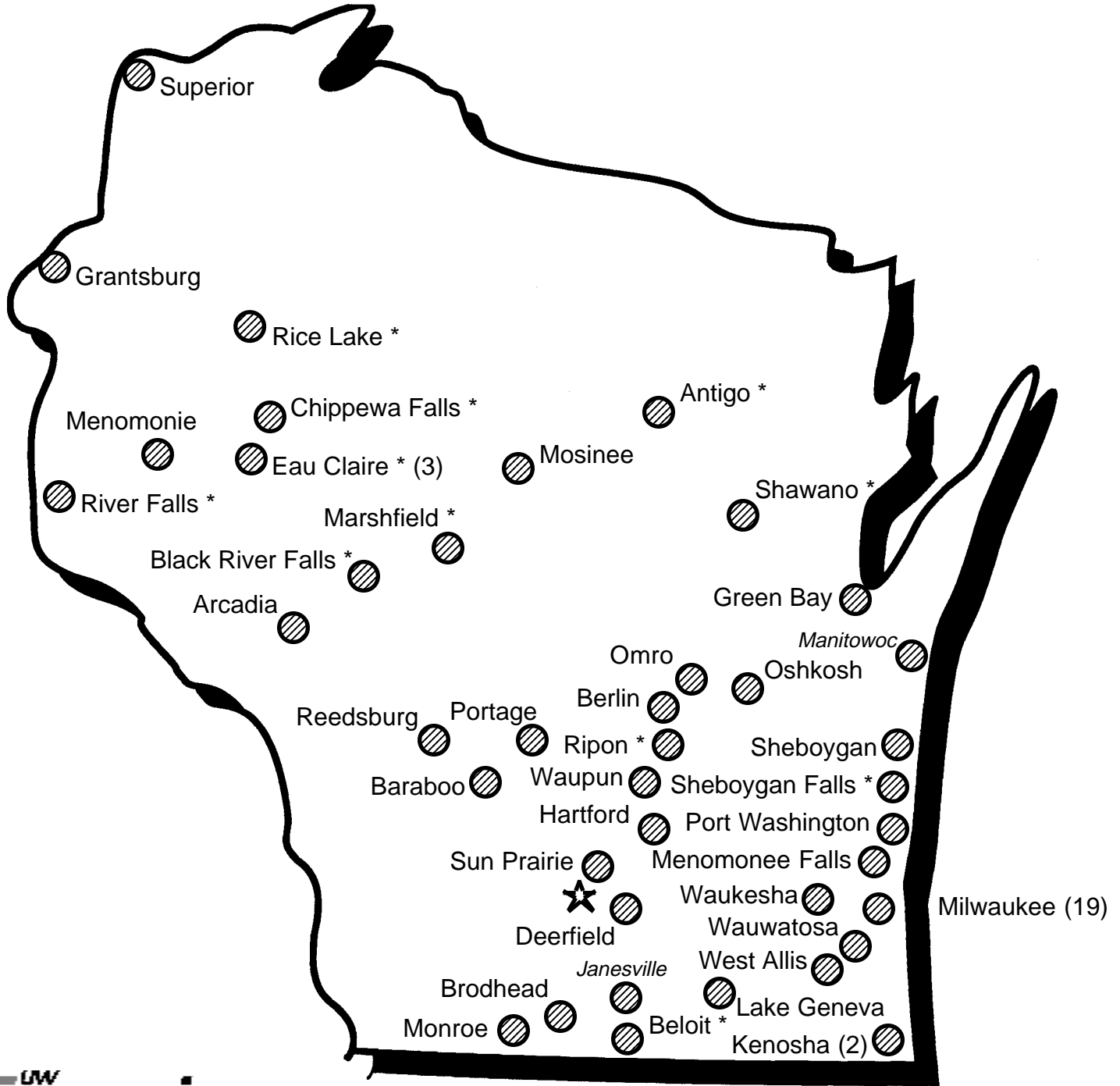
The average assessed value of all property within reporting BIDs (n=33) is \$ 64,982,218. The total assessed value of all property in reporting BIDs (n=33) is \$2,862,012. The average assessed value has increased by 9.6% from 1998 while the total assessed value of all property has increased by 28.2%. Multi-year comparisons should be carefully interpreted since not all BIDs are included in the annual surveys.

How large are BIDs?

BIDs vary greatly in size. The average number of tax parcels contributing to a district is 236. This figure does not account for the two smallest BIDs, both located in Milwaukee (Riverfront Plaza and Water Street). These two BIDs have 1 and 2 parcels, respectively, and were created exclusively for funding capital improvement projects. The largest BID, also located in Milwaukee (Historic King Drive) has 417 parcels.

The Wisconsin map on the next page illustrates the location of BIDs currently operating in the state.

BID COMMUNITIES IN WISCONSIN



* Associated with a Wisconsin Main Street Program

How are BIDs managed?

- Seventy-five percent of the reporting BIDs currently support a full-time Director / Manager, whose average salary is \$40,000 per year. Seven BIDs have part-time managers and nine BIDs do not employ either a full or part-time manager. These nine BIDs are generally managed by a member of the BID Board.
- Administration of a BID 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.
- Eleven BIDs responding to the survey, support a Wisconsin Main Street Program.

How are BID Assessments 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 25 BIDs responding that use a ratio methodology (based on each \$1,000 of assessed value), the average BID assessment is \$3.60. In comparison to last year, assessment rates have increased on average by \$1.20/\$1,000. The lowest district assessed at such a rate is still Monroe at \$0.45 per \$1,000.

How much money do BIDs generate?

Total BID levies generate over 1.8 million dollars each year. The average district revenue generated from assessments is \$71,038 (n=29). 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 represent how many BIDs obtained funding from these other sources. As is evident from the list, many BIDs rely solely on the BID assessments.

Investment Interest:	22	Fund Raising:	17
Private Donations:	19	Member Fees:	0
Municipal Contributions:	18	Other:	19
Grant(s):	12		

What is the average operating budget for a BID?

The average annual operating budget is \$92,136. Operating budgets range from a low of \$5,000 (Eau Claire- W. Grand Avenue) to a high of \$1,200,000 (Downtown Management District- Milwaukee).

How are BID monies spent?

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

19	(58%) of the Reporting BIDs Contracted	Graphic Design Services
14	(45%) of the Reporting BIDs Contracted	Accounting Services
12	(36%) of the Reporting BIDs Contracted	Litter Control Services
9	(28%) of the Reporting BIDs Contracted	Legal Services
25	(75%) of the Reporting BIDs Contracted	Secretarial Services
8	(24%) of the Reporting BIDs Contracted	Snow Removal Services
18	(56%) of the Reporting BIDs Contracted	Events Production
22	(69%) of the Reporting BIDs Contracted	Other Outside Services*

* The Other Services category increased substantially from the previous year. In 1997, 20 BIDs reported using other types of services as opposed to 20 this year. The types of services included contracting for all BID operations including staffing, market analysis, decorating, operations and maintenance of capital investments, and graffiti removal.

Other Types of BID Expenditures Include:

	<u>No. BIDs</u>	<u>% Total</u>	<u>Avg. Expenditure</u>
Promotional Efforts (General)	28	88%	NA
Special Events	22	69%	NA
Retail Business Promotions	20	61%	NA
Other	9	28%	NA
Assistance for Business Start-Up(s)	5	16%	NA
Job Training Programs	21	66%	NA
Advertising	24	75%	\$ 5,407
Marketing	21	66%	\$ 5,987
Audiovisual Materials	4	13%	\$ 3,343
Physical Improvements	15	47%	\$ 9,879
Streetscape Development	19	60%	\$87,014

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

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