



Action News

BIDs in Wisconsin: An Interim Report

This article analyzes the results from a 1991 WDAC survey aimed at monitoring the development of Business Improvement Districting in Wisconsin. It summarizes information from all 23 BIDs surveyed either by phone or by mail.

What is a BID? Wisconsin Act 184 became law on April 6, 1984. It allowed for the creation of BIDs and authorized municipalities to create one or more

BIDs and an assessment method that would allow businesses to develop, manage, maintain and promote their districts. A BID is designed as an initiative for business people within a specific geographic area (particularly downtown areas) to take ownership of their economic future and to provide monies that can be used for programs aimed at improving their economic vitality.

Through the survey, 41 BIDs were identified. The accompanying graphic shows their location within the state. The two smallest communities having BIDs are the Villages of Grantsburg (1,150 residents) and Deerfield (1,443 residents). At the other extreme, Milwaukee (over 650,000 residents) has 5 BIDs in operation. The first BID was in Eau Claire in 1985 and since then, 2 additional BIDs have been established in that city.

The size of BIDs also varies greatly. The average number of properties or tax parcels making up a district is 111. The smallest number of parcels can be found in the West Grand Avenue BID in Eau Claire (25) while the largest number (263) make up the Superior BID.

Of the 20 BIDs using conventional assessment rates, the average levy is \$2.49/\$1,000 of a district

property's assessed value. These assessments range from a low of \$0.50/\$1,000 in Monroe to a high of \$4.88/\$1,000 in West Allis. An interesting formula for determining the assessment is used in Oshkosh where individual levies are based on a combination of the property's assessed value and property street footage. Values are calculated by adding a percentage of both the assessed value with a percentage of the street footage and dividing this figure by 200%, which results in a proportionate value of the whole district. This methodology was used to mitigate the imbalance

created by a downtown shopping mall that represents almost one-fourth of the district.

Other BIDs use a standard assessment method but put a minimum and maximum assessment ceiling
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- graphic by A. Loran



As many Wisconsin communities work to reclaim their markets, one large issue that faces each and every one of them is funding. This month we highlight one funding method: Business Improvements Districts (BID).

President's Column

We are fortunate to be in a state that has legislation in place that enables communities to form such districts and that each community is able to determine what is the best use of the monies. Other states operate programs under different names and requirements that can be more restrictive.

BIDs are not the only answer to downtown redevelopment and the issue of permanent funding, but let's face it, they have clout! How many of you are spending 90% of your time trying to stay in business instead of being able to address the business at hand? How many of you listen as your community says "Sure, go ahead, revitalize - it's a tough job, but somebody's got to do this!" The need is recognized as very important, and yet you beg for everything, everytime, everywhere.

Revitalization, community pride, business recruitment and retention, job creation and taxes are big ticket items. A concrete foundation with a stable funding source has to be in place in order to address these areas effectively. Communities recognize the need for downtown management and take the time to hire a well qualified person to begin the project/program. This person

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WDAC Notes

Welcome New WDAC Board Members

Jim DeGroot, Executive Director for Downtown Neenah Action Committee, **Lisa Morris**, Executive Director of the Superior BID, and **Penney Van Vleet**, Manager of the Waukesha BID have been appointed to the WDAC Board of Directors. We welcome Jim, Lisa, and Penney and look forward to working with them.

Downtown Manager News

Jim Schuh has been named Main Street Manager for the Eau Claire Main Street Association, Inc. Jim has previously served as Commercial Rehabilitation Specialist for the City of Eau Claire and as coordinator of nationwide seminars for Professional Education Systems, Inc. Most recently, he has served with Supported Employment Services in Eau Claire. In his "State of the Street Report," Jim writes that "Downtown and the other original business districts of Eau Claire have always held a special place in my heart...; The friendly atmosphere makes me feel at home in my new position." Jim can be reached at (705) 839-0011.

David Phillips has been named Executive Director of Downtown Madison Inc. (DMI) as of June 1st. He has most recently served as Senior Vice President in charge of the branch system for Heritage Bank and Trust in Racine. **Susanne Voeltz**, who had held the position with DMI for the past several years, will join the Alexander Company of Madison as Vice President of Public Affairs.

Lisa Morris started as Executive Director of the Superior BID on January 1st. Lisa had most recently been Downtown Development Director for Main Street, Blytheville, Arkansas. Lisa has a Masters in Advertising from the University of Florida. She has been busy reorganizing the Superior BID and has been doing a weekly column in the local paper, which has attracted a lot of grass roots support for the program. Lisa can be reached at (715) 394-3557.

Linda Dobrowski began as Manager of the West Allis BID on February 1st. Linda had been running an advertising agency in West Allis. She attended the UW-Milwaukee School of Art and apprenticed with the Franks-Berker Advertising Studio in Milwaukee. Included in her priorities are making the people of West Allis aware of what's available in downtown, filling vacancies, developing more unity among the merchants, developing a leasing brochure and a revised business directory and last, but not least, preparing for the resurfacing of Greenfield Avenue later this summer. Linda can be reached at (414) 774-2676.

Upcoming Conferences

Wisconsin Economic Development Association (WEDA) Spring/Summer Conference. Fond du Lac. June 11 & 12. For information call (608) 255-5666.

Mid-America Economic Development Council 40th Annual Conference. Rapid City, SD. June 21 to 23. For information call (708) 317-0035.

International Downtown Association (IDA) 38th Annual Conference. Minneapolis, MN. September 26 to 29. For information call (202) 783-4963.

WDAC/Main Street Governor's Conference on Downtown Revitalization: Downtowns into the 21st Century. La Crosse. October 8 & 9. For information call (608) 267-3855.

National Main Street Center's National Town Meeting. Milwaukee. May 9 to 12, 1993. For information call (608) 267-3855.

Special Notes

Four Communities Apply for Main Street Designation

Columbus, Park Falls, Richland Center, and Wautoma have each applied for Main Street Designation for 1992. This year up to two communities will be chosen. Reviews from the applicants were held on May 14 & 15. The Governor's announcement of those selected will be forthcoming in the near future.

WDAC Board Hires Development by Design

Development by Design, an organizational development company from La Crosse, will now handle the processing of all WDAC membership renewals and will coordinate a membership recruitment program.

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BIDs in Wisconsin (continued from page 1)

or cap on the figures. For example, the Greater Mitchell Street Association, which operates BID No. 4 in Milwaukee, uses an assessment rate of \$4.00/\$1,000 with a minimum levy of \$400 per property and maximum value of \$2,500. In the River Falls BID, properties are subject to a special assessment each year.

While it is somewhat difficult to determine and compare annual operating budgets for BIDS since they are often embellished by city revenues and/or donations, the average annual BID budget reported is \$38,491. Six BIDs noted that their annual budgets have remained the same, 11 BIDs reported that their budgets have increased over time, and 2 BIDs recorded decreasing annual budgets. Both budget increases and decreases have averaged around \$7,000 since their inception.

BID monies are used for a wide variety of purposes, from the installation of signs to administrative costs. However, there appears to be some consistency in the use of funds. For example, 43% of the reporting BIDS used funds to hire an accountant, 39% to produce some type of graphic art or design, and 26% for litter control, snow removal, and/or training BID staff.

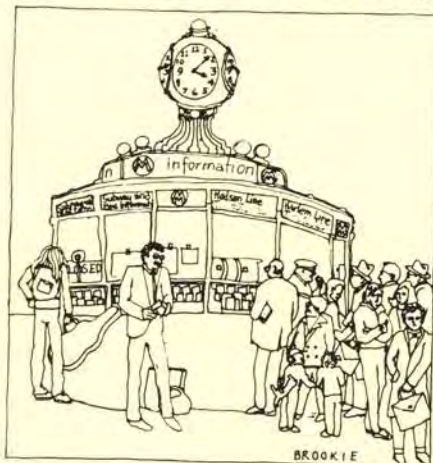
In 11 of the existing Main Street communities, BID funds are used to support the program and its activities (see accompanying graphic). It is interesting to note that the first BID in Wisconsin, Eau Claire, was also designated as one of the first Main Street communities in 1988.

Perhaps the greatest single indicator of a successful BID program is whether the total assessment value of district properties has increased over time. Current total assessments range from a low of 1.175 million to almost 104 million dollars. The average of the reporting BIDs is slightly over 19 million dollars. Seven out of the 11 reporting BIDs noted an increase in total assessed value while 3 recorded a decrease in total value.

The state of Wisconsin has contributed relatively little in terms of funding mechanisms that have flexibility in promoting programs aimed at downtown economic development. As this article has shown, BIDs provide a meaningful alternative to supporting downtown development programs either in conjunction with or instead of Wisconsin's Main Street Program. From the results of this interim report, it appears that the BID concept is a sound one.

More information on Business Improvement Districts will be forthcoming as all of the BIDs are surveyed through this very important project.

(To request a summary of the BID survey results, please contact Charles Law, University of Wisconsin-Extension, Community Dynamics Institute at 528 Lowell Hall, 610 Langdon St. Madison, WI 53703 or call (608) 265-2501.)



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Presidents Column (continued from page 2)

knows that it will be a challenge and that they will have minimal staff or none. What happens is that it is very hard to be discussing major developments when you are wondering how to fundraise for staples let alone your salary. Education and time are the key elements when building the information foundation. Unfortunately, they take a back seat to community politics. But if you have a stable funding base in place, such as a BID, you have a system where everyone is represented. Everyone is in the pot and you can gain the management edge for your district. That is what our business is about, gaining an edge. People tend to forget that we are in competition with other communities as well as with other areas of our own community. Remember, I mentioned the "management edge." This is the bottom line, the reason to have stable funding. Downtowns today have to be managed. Competition is intensifying, not only between stores, but between the environments. Nothing is forever; no market will stay the same. The improvements made today will have to be updated tomorrow. Any district will always require promotion, building and streetscape maintenance, and business recruitment and retention, to only mention three issues. Gain the management edge - put in place stable, permanent funding for your community!

Margaret Weinzierl

WDAC Notes (continued from page 2)

What is a Parking Space Worth? - A Formula

$$\frac{AS \times 1,000}{RP} = VP$$

A shopping center standard requires that each square foot of retail space generate \$200 per year in sales (AS = Annual Sales \$/sq.ft.). Also, shopping center standards require five parking spaces for each 1,000 sq.ft. of space in the center (RP = Required Parking Spaces/1,000 sq.ft.). Therefore, $\$200 AS \times 1,000 = \$200,000/5 RP = \$40,000 VP$ (VP = Annual Value of Parking Space). You can plug in your own numbers. The message is that each employer or employee who consistently parks in choice customer designated spaces will, over a year, cost the district a fairly large sum. Think about it! This formula was devised by Bert Stitt of Bert Stitt and Associates of Madison, WI with basic concept and calculation supplied by Carol Sullivan of Design/Economics, Charlevoix, MI

The Economics of Downtown. A two workshop series, one in Chippewa Falls and one in Fond du Lac, jointly sponsored by WDAC and the Wisconsin Main Street Program, was attended by 60 people. Don Rypkema presented an excellent overview of what makes downtown tick. If you missed this workshop, you missed a good one. Kudos to Alicia Goehring, Kathy LaPlante, and the Education Committee.

Bert Stitt

1992 Calender of Events

JULY:

Board of Directors Meeting and Picnic
July 24th
Cottage Grove, 10 am. to 4 pm.

AUGUST:

Newsletter

OCTOBER:

3rd Annual Governor's Conference on Downtown Revitalization:

October 8 & 9

Radisson Hotel, La Crosse
Board of Directors Meeting
Newsletter

NOVEMBER:

Annual Retreat
November 5th and 6th
Heidel House, Green Lake

DECEMBER:

Newsletter



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first class

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