

DOWNTOWN CHATTANOOGA
BID
 BUSINESS IMPROVEMENT DISTRICT

QUICK FACTS

What is a BID?

A Business Improvement District (BID) is a private sector funding mechanism designed to improve the environment of a designated area with new services financed by a self-imposed and self-governed assessment. These services (such as enhanced safety and maintenance) are provided exclusively within the district, and are an enhancement to – rather than a replacement of – those already provided by the City. They work in the same way as a common area maintenance (CAM) agreement in shopping malls and office parks.

Are there BIDs elsewhere?

Yes, BIDs are a common tool. There are over 1,000 BIDs across North America, many concentrated in downtown areas. Chattanooga is the only major city in Tennessee – and one of the largest U.S. cities – without a BID, which puts Chattanooga behind in terms of a competitive advantage in providing enhanced services to its Downtown.

What will it cost me?

It depends on property type. The chart below shows rates for different types of properties. Different rates are proposed to acknowledge that the level of benefit varies by property type – i.e., condos and town-homes don't benefit from BID services in the same way that commercial properties do.

Single-family residential properties (i.e., condominiums) will be assessed at one flat rate. This does not include multi-family apartment buildings which are considered commercial property. All other properties will be assessed under a formula which considers both frontage on roadways, as well as the greater of lot size or building size.

What services will the BID provide?

The BID will provide services as determined by its board of directors (made up of property owners, business operators, and homeowners within the BID). The board can adjust services on an annual basis as needs and priorities change. Initial services fall within the following two main categories:

Clean & Safe Services will be the primary focus of the BID initially.

Examples of these services include:

- » Enhanced maintenance that may include comprehensive sidewalk sweeping, scrubbing, and power washing; litter removal; and landscaping maintenance
- » A hospitality and safety ambassador program that may include offering information, assistance, and safety escorts to downtown visitors, workers, and residents; outreach and connection to local service providers for downtown's homeless and transient population; and management of nuisance and vagrancy issues

Beautification & Special Projects will give the BID flexibility with a portion of its funds to respond to current needs in downtown.

Potential projects may include:

- » Capital improvements such as street furniture, banners, wayfinding signage, lighting, and landscaping
- » Production and promotion of special events
- » Programming to activate underutilized public spaces
- » Holiday décor and seasonal promotions

PROPOSED BUDGET

Clean & Safe	\$625,000
Beautification/ Special Projects	\$200,000
Management & Administration	\$175,000
TOTAL	\$1,000,000

ANNUAL ASSESSMENT RATES

Commercial & Non-Profit Rate	\$0.09 per square foot (of the greater of lot size or building size) + \$4.95 per linear foot of lot frontage
Ownership Residential (Flat Rate)	\$150 per unit

Who will manage the BID?

The BID will be governed by a BID Board made up of property and business owners, representing a wide variety of geographic sub-districts and use-types within Downtown. For day to day management, the BID may contract with a BID Manager, likely River City Company, to provide administrative support to ensure that BID initiatives are managed effectively.

Will the City reduce its existing services Downtown?

No. The City of Chattanooga is required by state statute to document its base level of pre-BID services. The BID will not replace any pre-existing general City services, but will provide enhanced services to better meet current demands and expectations of business and property owners.

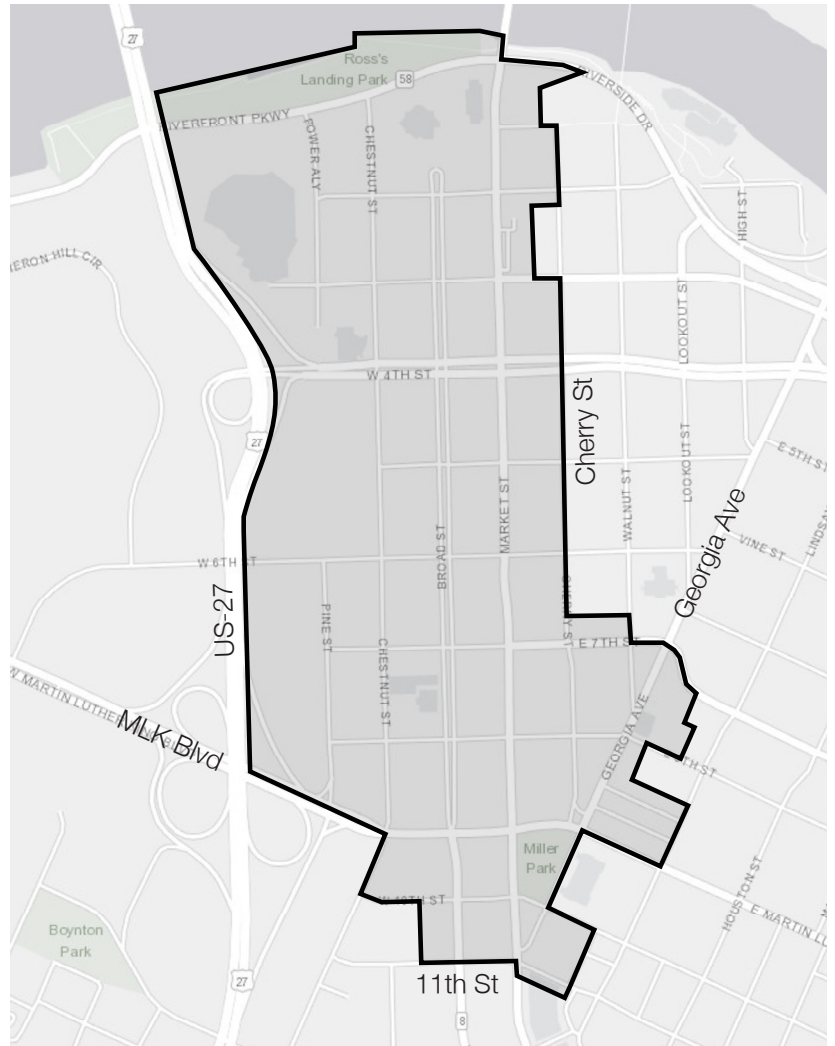
Who decides if we need a BID?

Property Owners. The BID is self-imposed by property owners and homeowners who are in the designated area. This is not a general assessment on taxpayers. Formation of a BID requires a petition process. In order to form the BID, petition support is required from more than 50% of property owners, representing more than two-thirds of the total assessed value. If you will be paying more into the BID, your “vote” will have more weight in the petition process. If there is sufficient support through the petition process, a public hearing will be held by City Council to establish the BID through ordinance.

Will the BID be reviewed?

The BID will have an initial term of 10 years. At the halfway point in year 5, a formal evaluation will be conducted to determine that the services and assessment methods are consistent with the needs of the district. Upon completion of the initial 10-year term, the BID Board will determine if the BID should continue in existence or pursue dissolution. Once in place, BIDs tend to have strong support from downtown property owners – the BID renewal rate nationally is 99%.

What are the BID boundaries?



Note: BID boundaries follow parcel lines. For a more detailed parcel map, please contact Julia Bursch (contact info below).

Additional Questions?

Contact Julia Bursch, Director of Operations and Special Projects, River City Company
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