Public Act 120 of 1961 – BID/PSD/BIZ Overview

Jennifer Rigterink
State & Federal Affairs
Michigan Municipal League
PA 120 of 1961 – Overview

- **BID** – Business Improvement District
- **PSD** – Principal Shopping District
- **BIZ** – Business Improvement Zone

Who Is Eligible to Create a BID or a PSD?

- Cities, Villages and Urban Townships
- PSD must be in a commercial area with a minimum of 10 retail businesses
- BID can be in one or more portions of an eligible municipality, or combinations of contiguous portions of two or more municipalities
- BIZ is petition driven by a minimum of 30% of property owners and may solely be created in a city or village
What is the Process?

- **BID** – by resolution of the city, village or urban township

- **PSD** – municipality must have a master plan that includes a sub plan designating a PSD or development of a PSD.

- **BIZ** – Business owners petition the city or village to create boundaries.
What Can You Do?

BID/PSD –

• Maintain and modify roads, pedestrian walkways, prohibit or regulate vehicular traffic where necessary for a BID/PSD project.

• Acquire, own, maintain, demolish, develop, improve or operate properties.

• Promotion of economic development through market research and public relations campaigns.

• Develop, coordinate, promote, sponsor special events and related activities.
What Can You Do?

BIZ –

• Own, maintain and operate park & planting areas.

• Acquire, own, maintain, reconstruct or relocate sidewalks, street curbs, street medians, fountains and lighting.

• Provide or contract for security services.
Why Establish?

BID/PSD provides business with the opportunity to come together and use their collective expertise, experience and financing to improve marketing, infrastructure and operational aspects of their business area which overall has an impact on their individual businesses.
Senate Bill 306

- Would amend the definition of “assessable property” in PA 120 to include residential

- Revise membership requirements of board to include at least one residential property owner

Questions?
CREATING AND RUNNING A BIZ

Case Studies from Detroit

Jon Barth
Principal
JB Associates Consulting
CREATING A BIZ

Case Study: Corktown & Western Market
Detroit, MI
Creating a Taskforce

■ Members should be a representative sample of community stakeholders including:
  ■ Commercial Property Owners
  ■ Business owners who rent
  ■ Business owners who also own their building
  ■ Other community stakeholders with a solid understanding of the community
Initial Groundwork

The taskforce should be able to help create a rough sketch of what a BIZ might look like:

- Defining an approximate geography
- Choosing an approximate assessment formula
- Creating an initial visual brand

Outreach is very important, but you don’t want too many cooks in the kitchen in the beginning.
Initial Outreach

- Public meetings are a great starting point, but not everyone can or will come to a meeting, so more direct outreach is also necessary:
  - Face to face visits
  - Direct mailings
  - Phone calls
  - Email outreach
  - Social media outreach
Outreach

Direct mailing to all commercial property owners
Outreach

- Face-to-face and e-mail outreach to everyone accessible
  - *The taskforce can help with this, but contracting with a specialist helps*

- Distributing a handout packet including:
  - A brief introduction letter
  - A map
  - An info sheet
  - A brief survey
Outreach Packet Sample
Creating a Basic Informational Webpage

The Corktown Business Association is exploring the possibility of creating a Business Improvement Zone (BIZ). We would like to invite you whether you're a property owner, business owner, or community stakeholder to attend one of two informational sessions to learn what a BIZ is, how it works, how it would impact Corktown, and what the process is. You will be able to share your feedback and ideas through a survey at the sessions or on our website below. Please email improve@corktownbusiness.com with any questions or concerns.

Please fill out the survey below to help us understanding YOUR priorities for Corktown:

Frequently Asked Questions

This FAQ was compiled by BIZ consultant and Corktown property owner/resident Jon Berth. To download the PDF version, click here.

What is a BIZ?
Communicating with City

■ Early communication is important
■ Don’t leave anyone out!
  – City Clerk
  – City Council
  – City Assessor
  – City Treasury
  – Mayor’s office
■ This will make petition approval much quicker and easier
Creating a Zone Plan

- Use the state legislation as a guide
- With robust outreach beforehand, creating a zone plan is relatively simple
- Much like with the taskforce, the initial board should consist of a variety of stakeholders
Petition Drive

■ Determine the path to 30%
  • Based on outreach data, create a list of strongest supporters and potential supporters
  • Pad it a little bit – aim for 40%

■ Teamwork is crucial
  • Split up the list – empower the taskforce
City Council Approval

- If initial communications were successful, this should mostly be a formality
- Some property owners might be opposed
  - *This is ok*
  - *Giving council a heads-up can help*
Final Vote Via Mail

- Start with petition signers
- Reach out to any corporate entities
  - They can be hard to reach, which makes getting a petition signature difficult but
  - They will generally vote yes
RUNNING A BIZ

Case Study: W. Vernor & Springwells
Detroit, MI
Outreach is crucial

■ Property and business owners are the constituents of the BIZ and their opinions are very important
■ A BIZ is taxation with representation
■ It is best to contract with a reliable outreach provider with a strong connection to the community
Programs and Services

■ Every business district has different needs and the legislation is flexible

■ In W. Vernor & Springwells BID the top priorities are:
  • Graffiti removal
  • Sidewalk and Curb Cleaning
  • Landscaping and flower pods
  • Public Safety
  • Public Art
  • Holiday and special event promotion
Graffiti Removal
Sidewalk and Curb Cleaning
Landscaping and Flower Pods
Public Safety

- Extra Police Patrols
- Security cameras
- Crime Alerts
Public Art Matching Grants
Holiday and Event Promotion

Cinco de Mayo Week

MAY 1-5, 2019

Celebrate Art, Culture and Local Entrepreneurs!

Details
Questions?

Feel free to contact Jon

via email: Jon@JBAAssociates.biz
via phone: 313.757.1566