



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

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State & Federal Affairs

Michigan Municipal League





PA 120 of 1961 – Overview

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

<http://legislature.mi.gov/doc.aspx?mcl-Act-120-of-1961>



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

<http://legislature.mi.gov/doc.aspx?2019-SB-0306>





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

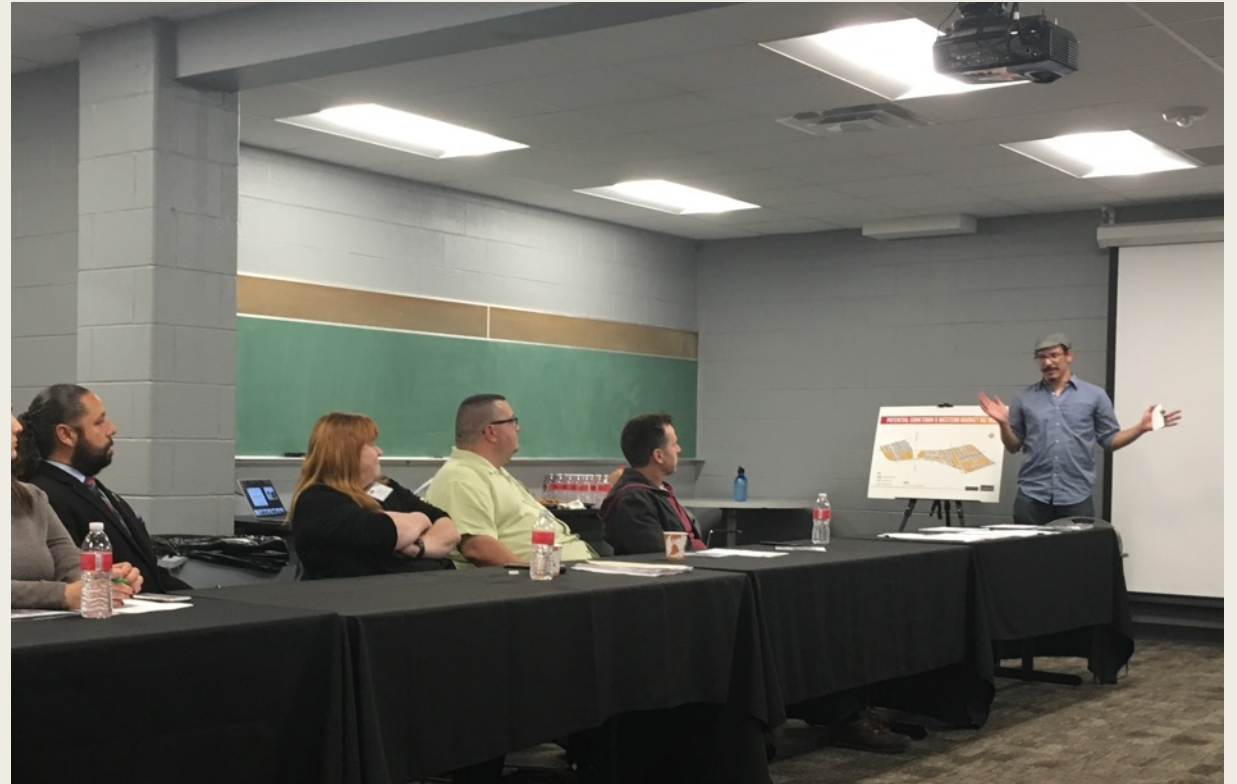
The taskforce should be able to help create a rough sketch of what a BIZ might look like:

- 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

Help us...

IMAGINE THE FUTURE OF OUR BUSINESS DISTRICT!

THE CORKTOWN BUSINESSES ASSOCIATION AND
WESTERN MARKET COMMERCIAL DISTRICT ARE
EXPLORING THE POSSIBILITY OF CREATING
A BUSINESS IMPROVEMENT ZONE (BIZ).

A (BIZ) CAN HELP FUND IMPROVEMENTS
WITHIN OUR COMMUNITY SUCH AS:



STREETSCAPING



COMMUNITY IDENTITY



PUBLIC SPACE ACTIVATIONS

...and so much more!



Corktown
BUSINESS ASSOCIATION

PO Box 32310
1401 W. Fort St
Detroit, MI 48232

PLEASE JOIN US AT ONE OF THE TWO UPCOMING INFORMATIONAL MEETINGS!

MEETING 1: Thursday, September 19th at 6pm

MEETING 2: Thursday, October 17th at 6pm

Both meetings will cover the same information and
held at the IBEW Local 58 located at 1358 Abbott St.

YOU ARE RECEIVING THIS POSTCARD
BECAUSE OUR RECORDS SHOW
YOU OWN COMMERCIAL PROPERTY
IN CORKTOWN OR THE WESTERN
MARKET AREA. IF THIS IS AN ERROR
PLEASE LET US KNOW BY EMAIL AT
IMPROVE@CORKTOWNDETROIT.BIZ



Check out www.corktowndetroit.biz/improve for more
information or email improve@corktowndetroit.biz

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

CORKTOWN & WESTERN MARKET BIZ



Greetings,

The Western Market Commercial District and Corktown Business Association recently began exploring the possibility of creating a Business Improvement Zone (BIZ) in our area. The general boundaries for the BIZ are outlined on the attached map for your ease of reference.

A BIZ, also sometimes known as a BID, is a very useful tool to help provide services and programming in a commercial district. In a BIZ, all commercial property owners in the zone are required to pay a special assessment along with their property taxes. The assessed funds go into a special account that is controlled by a board of directors elected by the property owners who pay in. According to Michigan State law, the funds can be used on any projects or programs that "enhance the economic prosperity enjoyment, appearance, image, and safety of the zone area."



We are reaching out to you as a commercial property owner located in the proposed BIZ to obtain your input and support as we move forward. It is our belief, based on the success of the W. Vernor & Springwells BID in Southwest Detroit, that the creation of the Corktown & Western Market BIZ will lead to improved property values, the attraction of new investment and a reduction in crime within our community. To lead this process, we have contracted with local BIZ consultant, Jon Barth. Mr. Barth has first-hand experience working with the W. Vernor & Springwells BID.

This folder includes additional information about the purpose, formation and operation of the BIZ, including:

- Proposed BIZ area map
- BIZ information sheet and frequently asked questions
- Proposed yearly BIZ assessment for your property
- BIZ Property Owner Survey

Please watch for additional information regarding the BIZ process as we move forward. In the meantime, please do not hesitate to contact us with any questions through improve@corktowndetroit.biz

Regards,





Bob Roberts, President
Corktown Business Association
(734) 216-0738
Bob.Roberts@mcschanespub.com

Christopher A. Hakek, President
Western Market Commercial District
248.613.9563
cah@thehakekfirm.com

PO Box 37310, 3401 W Fort St, Detroit, MI 48232
www.corktowndetroit.biz/improve improve@corktowndetroit.biz

CORKTOWN & WESTERN MARKET BIZ



Corktown & Western Market BIZ InfoSheet

What is a BIZ?

BIZ stands for Business Improvement Zone (also sometimes known as a Business Improvement District or BID). All commercial property owners in the zone are required to pay a special assessment along with their property taxes. The assessed money goes into a special fund that can be used for a wide array of improvement projects and programs in the zone area. A BIZ is like a condo association – everyone pays in to take care of all of the common areas.

Are there limits on how a BIZ can spend its money?

Michigan State law allows for BIZs to "Engage in activities with the purpose to enhance the economic prosperity enjoyment, appearance, image, and safety of the zone area." Many BIZs spend their money on beautification, security, and marketing, but the possibilities are vast.

Why establish a BIZ?

- A BIZ will provide stable funding for community improvement projects and programs
- A BIZ can help increase property values¹
- A BIZ will keep Corktown beautiful and safe so visitors want to keep coming back
- BIZs have been shown to help create more jobs²

What is the proposed yearly assessment?



We're still getting input from commercial property owners, but are exploring a formula of 1% of State Equalized Value (SEV), with a maximum of \$2000 per parcel and a minimum of \$100 per parcel. With this formula, the average (median) assessment would be around \$500 per year.

(More information on Back of Page)

¹ Source: NYU Furman Center for Real Estate
² Source: National University System Institute for Policy Research

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BUSINESS IMPROVEMENT ZONE SURVEY



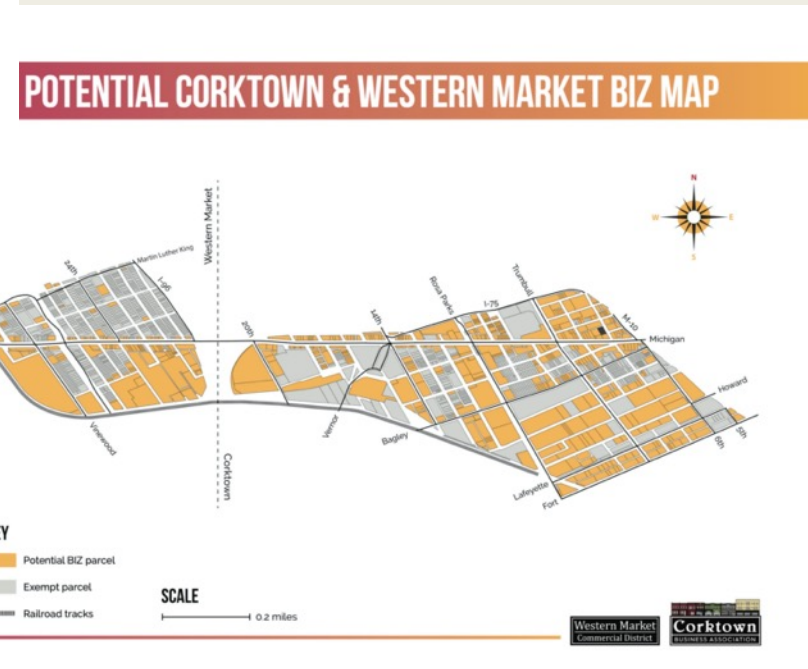
Dear Neighbor,

The Corktown Business Association and Western Market Commercial District are exploring the possibility of creating a Business Improvement Zone (BIZ). In a BIZ, all commercial property owners pay a special assessment in addition to their property taxes. The assessed money goes into a special fund that can be used for a wide array of improvement projects and programs in the zone area.


This survey will be used to help develop a plan for creating a potential BIZ in the future. You can also take this survey online at <https://forms.gle/Eh9gNE4aF5x2QLAa47>. Please email improve@corktown.biz with any questions.

The items listed below are examples of services and programs that a BIZ can provide. Please rate the following on a scale of 1 (strongly oppose) to 5 (strongly support). Please also mark any specific items listed that you particularly support.


	Strongly Oppose	1	2	3	4	5	Strongly Support
BEAUTIFICATION							
<input type="checkbox"/> sweep/power wash sidewalks							
<input type="checkbox"/> litter baskets & maintenance							
<input type="checkbox"/> landscaping: trees & flowers							
<input type="checkbox"/> graffiti removal							
Other: _____							
	Strongly Oppose						Strongly Support
ECONOMIC DEVELOPMENT							
<input type="checkbox"/> business recruitment							
<input type="checkbox"/> small business support							
<input type="checkbox"/> market research							
<input type="checkbox"/> special events							
<input type="checkbox"/> micro-grants for community groups and projects							
Other: _____							
	Strongly Oppose						Strongly Support
HUMAN SERVICES							
<input type="checkbox"/> neighborhood healthcare / clinics							
<input type="checkbox"/> housing assistance							
<input type="checkbox"/> child care / youth development							
Other: _____							
	Strongly Oppose						Strongly Support



Creating a Basic Informational Webpage

[ABOUT US](#) [MEMBERSHIP](#) [EXPLORE CORKTOWN](#) [BLOG](#) [CONTACT](#)

[!\[\]\(31dc830bf8206b94b5a585ce61ce9013_img.jpg\)](#) [!\[\]\(92fe6ec8c8b0011d3746d04c5962f469_img.jpg\)](#) [!\[\]\(331831374f10e8c7fe483c7fa2c6e388_img.jpg\)](#)



Business Improvement Zone

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@corktowndetroit.biz with any questions or concerns.

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

[SHORT SURVEY HERE](#)

Frequently Asked Questions

This FAQ was compiled by BIZ consultant and Corktown property owner/resident Jon Barth. To download the PDF version, [click here](#).

What is a BIZ?

Please attend one of our Wednesday happy hours to learn more!

All happy hours are from 5:30pm - 6:30pm.

January 8 - McShane's (1460 Michigan Ave)

January 22 - Cork & Gabel (2415 Michigan Ave)

February 5 - Bobcat Bonnie's (1800 Michigan Ave)

February 19 - Nemo's Bar (1384 Michigan Ave)

[RSVP HERE](#)

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*

A thick black L-shaped frame is positioned on the left and bottom edges of the slide, framing the central text.

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

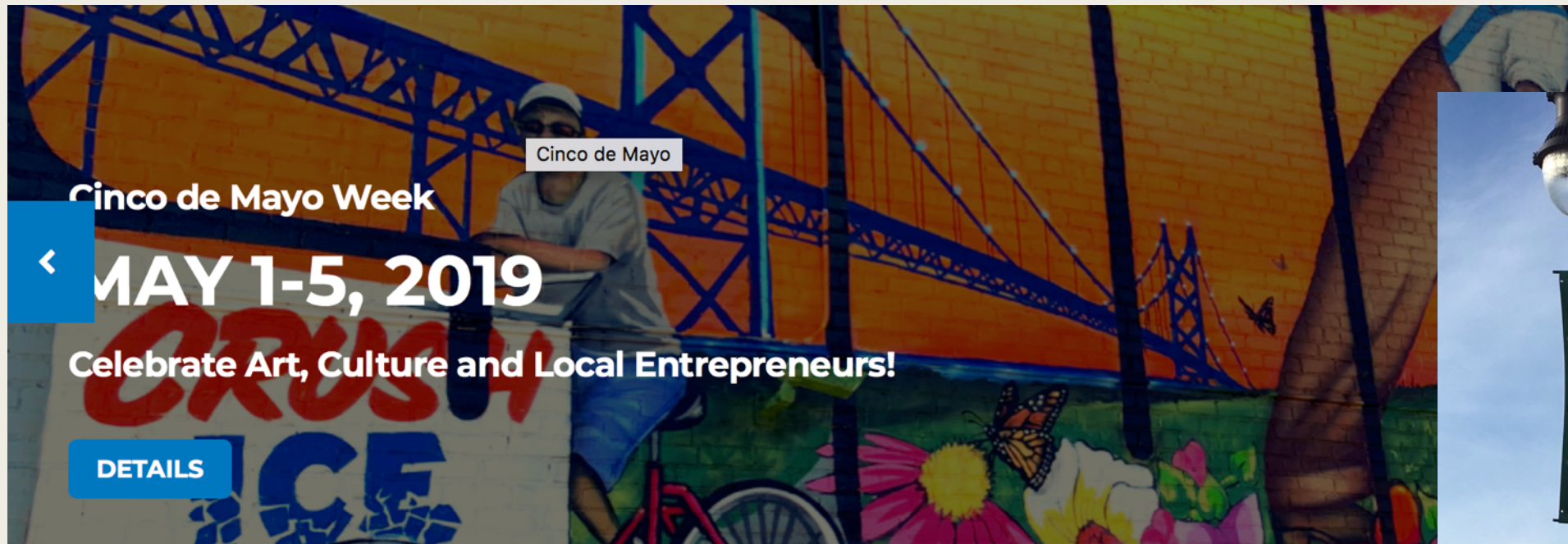
- Extra Police Patrols
- Security cameras
- Crime Alerts



Public Art Matching Grants



Holiday and Event Promotion



Questions?

Feel free to contact Jon

via email: Jon@JBAssociates.biz

via phone: 313.757.1566