

Frequently Asked Questions (FAQ) of BIDS

What is a BID?

A Business Improvement District (BID) is a public/private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district.

Why Form a BID?

The purpose of a BID is to improve conditions for business in a specific area, attract and retain businesses, generate jobs and improve the quality of life for those who use the district. A BID enables stakeholders to decide which services to provide to meet the district's unique needs.

- Business development, resources, grants and retention programs
- Commercial vacancy reduction
- Crime reduction programs
- Marketing and advocacy programs
- Landscaping improvements and holiday decorations
- Street clean up ambassadors

I already pay taxes. Why should I pay more?

Unlike your current general tax assessment, BID funds are for amenities and services exclusively within BID boundaries beyond what a municipality would typically provide.

What are the benefits of having a BID?

- All property owners have a say so by voting on how the funds are spent based on input to the annual operating plan.
- The collective efforts are designed to improve the property value, marketability and safety of the district.
- It unifies all property owners to a common vision for the district.
- The City of Green Bay typically prioritizes development loan and incentive programs to commercial districts who engage in BID's as an acknowledgement of the unified self imposed collective investment.
- Accountability & legitimacy. BID's are required to complete an annual audit, conducted by a third party, to ensure all funds were used as outlined on the operating plan.
- The presence of a BID also allows a district to borrow against future assessments to do large scale projects such as streetscaping, not otherwise possible.

Who pays for the BID?

Only commercial property owners within the boundaries will have an additional assessment charged for the BID operating plan.

What will this cost me?

Commercial property owners would contribute a designated amount on their property tax bill set aside for distinct spending based on the operating plan. The amount will be set by the majority of commercial property owners agreeing to an appropriate amount. The equation used will be the same every year thereafter.

Based on the agreed upon amount of additional assessment, the BID board will create a publicly approved operating plan to use the designated funds.

There is a great deal of flexibility on how to finance a BID; options include

- Flat fees
- A percentage of the assessed value
- A percentage of property square footage
- Any combination thereof; which may include floors and ceilings

Where does the money go?

The funds are collected by the city and dispersed according to the operating plan of the district BID. Remember, these funds will only be used in the designated area.

When does it end?

The length of a BID is determined by each district. The BID may include a formal review process for participant input. Participants of the BID can vote to eliminate the process on an annual basis.

Are there other BID districts in Green Bay?

Yes. There are currently three commercial districts in the city participating; Downtown Green Bay, Olde Main Street and On Broadway.

If you have further questions, and would like to discuss this in more detail.

Feel free to contact....

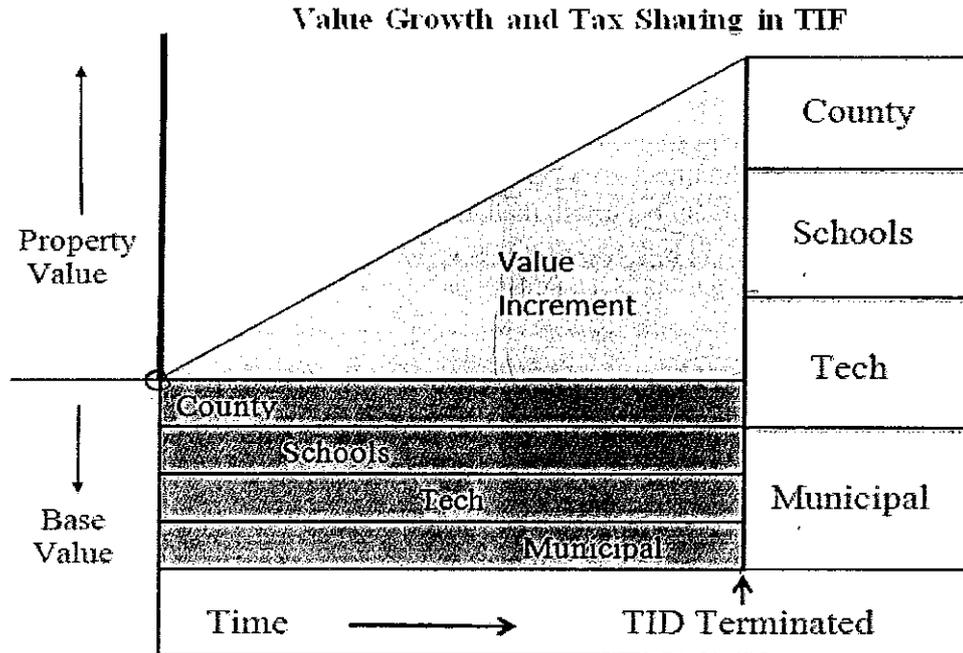
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1.2 How does TIF work?

Tax Incremental Finance (TIF) generates tax revenue that can only be used to fund infrastructure investment and other eligible projects that will facilitate private development. Here's the explanation:

Sharing the Tax Base



When a Tax Incremental District (TID) is created, the current value of all the taxable property within the defined boundaries is established. This value is the "base value" of the TID (the base value in the graph is made up of the four blue stripes along the bottom). The taxes collected on this portion of the property value are shared by the overlying taxing jurisdictions, and once the TID is created this portion of the tax collections is allocated as it always has been. In this example the county, school, technical college and municipality split revenues on the base value. In areas with special taxing districts – like a sanitary district or lake rehabilitation district – this would appear in the graph as one more stripe along with the other four mentioned.

Over the life of the TID, the county, school, technical college and municipality (and special district where applicable) all collect taxes from the property in the TID base. Meanwhile, new construction and investment increase the value of the property. All of the taxes collected on the growth in value of the property (or the "value increment") are turned over to the City as "tax increment" revenue. The City uses this revenue stream only to pay for the improvements that it made to the property in the TID that are in the approved project plan.

Please Note: This discussion of how TIF works is dependent on the "but for" concept, explained fully in [section 5.1](#).

At the end of the maximum life period, or as soon as tax increments are collected in excess of total approved project costs, the TID must be terminated. The entire value of the property that was in the TID is returned to the tax rolls of the overlying taxing jurisdictions. In the graph this can be seen in the band along the right side – the wider segments represent that more property value is being subject to taxes.

Please Note: If the total tax increment revenue exceeds the total project costs, the surplus revenue must be returned to the overlying taxing jurisdictions in proportion to their respective tax levy without TIF.

While the TID exists, the tax collections for each overlying jurisdiction are limited to the base value of the TID parcels. After terminating the TID, all of the overlying taxing jurisdictions share in a much larger tax base. This means that rates can be lowered to generate the same amount of revenue for the jurisdiction. Had no development occurred, the base value would have been the only value for each of the jurisdictions to tax, so partnering to facilitate development helps all of the overlying districts get a larger tax base, and spreads the risks of development.