

Attachment A

Annual Report to Local Boards on BID Policy Compliance

Business Improvement Districts: Key Elements

<u>What is a BID?</u>
<ul style="list-style-type: none">• A specified commercial area – town centre, industrial area, or a combination – designated for a targeted rate with boundaries agreed by the local board and business association.
<ul style="list-style-type: none">• Commercial property owners in that area vote in a formal ballot to raise a specified targeted rate amount from their own properties within the district, after a thorough consultation process.
<ul style="list-style-type: none">• The targeted rates are collected by council through regular rates invoicing of ratepayers. Those rates are then transferred quarterly by council to the business association which operates the BID programme.
<ul style="list-style-type: none">• 100% of rates are returned to the association.
<ul style="list-style-type: none">• The business association uses these funds to provide programmes and services according to priorities established by its membership (ratepayers and businesses) that directly benefit the members.
<ul style="list-style-type: none">• These programmes are guided by a multi-year Strategic Plan and annual Business Plan approved by the membership at the Annual General Meeting.
<ul style="list-style-type: none">• Services provided by the BID may not replace normal council services.
<ul style="list-style-type: none">• A BID is not an extension of council.
<u>Advantages of a BID</u>
<ul style="list-style-type: none">• Ratepayers decided for themselves whether to raise a targeted rate from their own property.
<ul style="list-style-type: none">• Funds raised from targeted rates are returned directly to the business association in the area they are raised from.
<ul style="list-style-type: none">• The targeted ratepayers have full control over how their money is used.
<ul style="list-style-type: none">• Targeted rates provided an assured source of funding for on-going programmes, which allows hiring of professional staff to alleviate the burden of relying on volunteers.
<ul style="list-style-type: none">• By speaking with one unified voice they can have more influence in advocating for the interests of their community.
<ul style="list-style-type: none">• They can raise additional funding to augment their targeted rates revenue.

Council's expectations and roles

- The governing body strikes the targeted rate for all BIDs as part of the Annual Plan process.
- Council sets accountability requirements through its BID policy, and the BID team monitors compliance throughout the year.
- Council does not tell the association how to use its BID money, nor does it interfere in the governance or management of the BID.
- Council staff report to local boards annually on compliance with the BID policy.
- In the case of serious concerns such as indications of poor financial management, violations of the policy, or ineffectiveness, council may directly intervene in the management of the organisation as allowed by the BID policy.

Local Board roles:

- The local board approves establishment and expansion of all BIDs.
- Local boards are delegated the authority to recommend to the governing body to strike the targeted rate for BIDs in its area as part of the Annual Plan process.
- Local boards maintain regular contact with the BIDs to keep their local economic development and other interests aligned.
- The board appoints a local board representative to the executive committee of each BID/business association to serve as a conduit of information to and from council.

###