

## MEMORANDUM

February 21, 2013

To: Gary W. Jackson, City Manager

From: Lauren Bradley, Finance & Strategic Planning

Subject: Business Improvement District Update & Schedule

CC: BID Board of Directors  
All Department Directors  
Gary Roberts, Buncombe County Tax Assessor

The purpose of this memorandum is to provide an update on the process for forming a municipal service district in Asheville as well as the timeline for critical milestones, including necessary City Council action. The information in this memorandum is being summarized from a variety of sources including updates provided by Councilmember Jan Davis (City Council liaison to the Business Improvement District board), Gary Roberts (Buncombe County Tax Assessor), and city staff.

### **Recent Background**

The minutes from the October 9, 2012 City Council meeting provide a detailed history of the process to consider forming a Business Improvement District (BID) dating back to 2009 (Attachment 1).

During the October 9 meeting, it was established that the City and the BID would execute a contract that clearly outlines the services to be provided and the duties of the BID Board and District. This contract would be approved annually as part of the budget process. At that meeting, the City Council approved a resolution (Attachment 2):

- Establishing the district boundaries (Attachment 3)
- Designating the potential services of a BID
- Outlining the Board composition
- Stating the intent to fund the BID through a property tax increase
- Adding recycling and sidewalk repair to the service mix
- Authorizing the City to enter into contract negotiations with Asheville Downtown Incorporated to include a list of services and associated costs that would be provided
- Creating a nominating committee to recommend a slate of permanent board members no later than December 15, 2012 (action completed)
- Directing the BID board to solicit proposals to provide services within the district no later than March 15, 2013 and to submit a budget to the City Manager no later than May 1, 2013 for possible inclusion in the City's FY 2014 budget

On December 11, 2012, City Council confirmed the nominating committee's recommended slate of BID Board members, with the addition of two seats for organizations that serve the homeless population,

and named Councilman Davis as the City Council ex-officio voting member of the BID Board (Attachment 4). There was discussion among City Council that those appointments would be made on January 22, 2013 and/or that the Homeless Initiative Advisory Committee would recommend appointments by February 15, 2013. To date, City Council has not made these two additional appointments.

### **Progress Update**

Since its creation, the BID Board met on January 22, 2013 and February 7, 2013. According to the BID Board minutes (Attachment 5), the board has been working to establish its bylaws, refine its budget (Attachment 6) and extend an invitation to Michael Wood from Western Carolina Rescue Ministry to serve on the BID Board.

City staff has been communicating with the Tax Assessor's Office to understand the schedule requirements to establish a property tax rate for the BID. In order to implement the rate this year, the Tax Assessor's Office needs to receive confirmation of the district and the tax rate as soon as possible and no later than the end of March. There is a significant amount of work required to establish the rate (identification of real and personal property), and Gary Roberts expects the cost to administer this work will be \$4,000-\$8,000.

At its meeting on February 12, 2013, the City Council Finance Committee asked for a BID update, and directed staff to confer with Councilman Davis to determine the best way to receive an update and understand next steps.

### **Milestones & Schedule**

Given the information summarized in this update, staff recommends the following schedule for the next steps:

- **February 26, 2013: Finance Committee meeting** – Committee receives BID update and approves recommended schedule
- **March 12, 2013: City Council budget work session** – City Council receives update from BID Board along with proposed terms and property tax rate for contract
- **March 19, 2013: City Council budget work session** – City Council receives additional information on financial forecast and city budget
- **March 26, 2013: City Council formal meeting** – City Council consideration of executing a contract with the BID Board and setting a property tax rate for the BID to fund services. **THIS IS THE FINAL OPPORTUNITY to consider setting a tax rate if the intent is to implement it in the coming year.**
- **April 2013: Proposed FY 2014 Budget** – Staff will include any policy direction received at the March 26, 2013 City Council meeting in the Proposed FY 2014 Budget

With your approval, staff will share this memorandum as part of the Finance Committee's meeting on February 26, 2013. Staff will also invite members of the BID board to attend that meeting.

Please let me know if you have any questions or need additional information.

Attachments: (1) City Council minutes from October 9, 2012  
(2) BID Resolution Adopted October 9, 2012  
(3) BID District Boundaries  
(4) City Council minutes from December 12, 2012  
(5) BID Board minutes from January 22, 2013 and February 7, 2013  
(6) Working BID Budget projections

All attachments are available by clicking <ftp://ftp.ashevillenc.gov/Finance/FINANCE%20COMMITTEE/>