



Self-Help Business Improvement District (BID) Expansion Plan

What is a BID?

A Business Improvement District (BID) is a geographical area, whether or not contiguous, within a municipality designated by ordinance as an area in which a special assessment may be levied on the owners of the real property located within the geographical area of the district for the purposes of providing supplemental services within the district and promoting the economic and general welfare of the district.

Think of it as a homeowner's association for a business district.

Extra services (like sidewalk sweeping, trash removal, security, special events, marketing programs, etc.) can make districts more competitive by creating a cleaner, more attractive district and giving it a distinctive identity.

What is a BID?

Business Improvement Districts (BIDs) are the most important tool for empowering business and property owners in implementing and sustaining urban business district vibrancy and revitalization.

There are well over 1,000 BIDs across North America working in urban place management. The creation of the first BIDs goes back to the 1970s, but they began to proliferate in the early 1990s. Many cities — including Atlanta, Milwaukee, Nashville — have multiple BIDs.

The existing BIDs across the country create many opportunities to learn from best practices in other cities.

What can a BID do?

State of Alabama Law enables cities to create Business Improvement Districts, and outlines the process for creation and their powers, which include:

- Provide security, sanitation, and other supplemental services
- Publicize the district and its businesses
- Recruit new businesses to fill vacancies in the district
- Organize special events in the district
- Provide special parking arrangements for the district
- Participate in other governmental programs for which it is qualified (as included in its approved plan)
- Borrow money from private lenders for periods not to exceed 180 days and from governmental entities for equal or longer periods
- Undertake such other activities or initiatives within the district as the Board of Directors of the District Management Corporation deems appropriate.

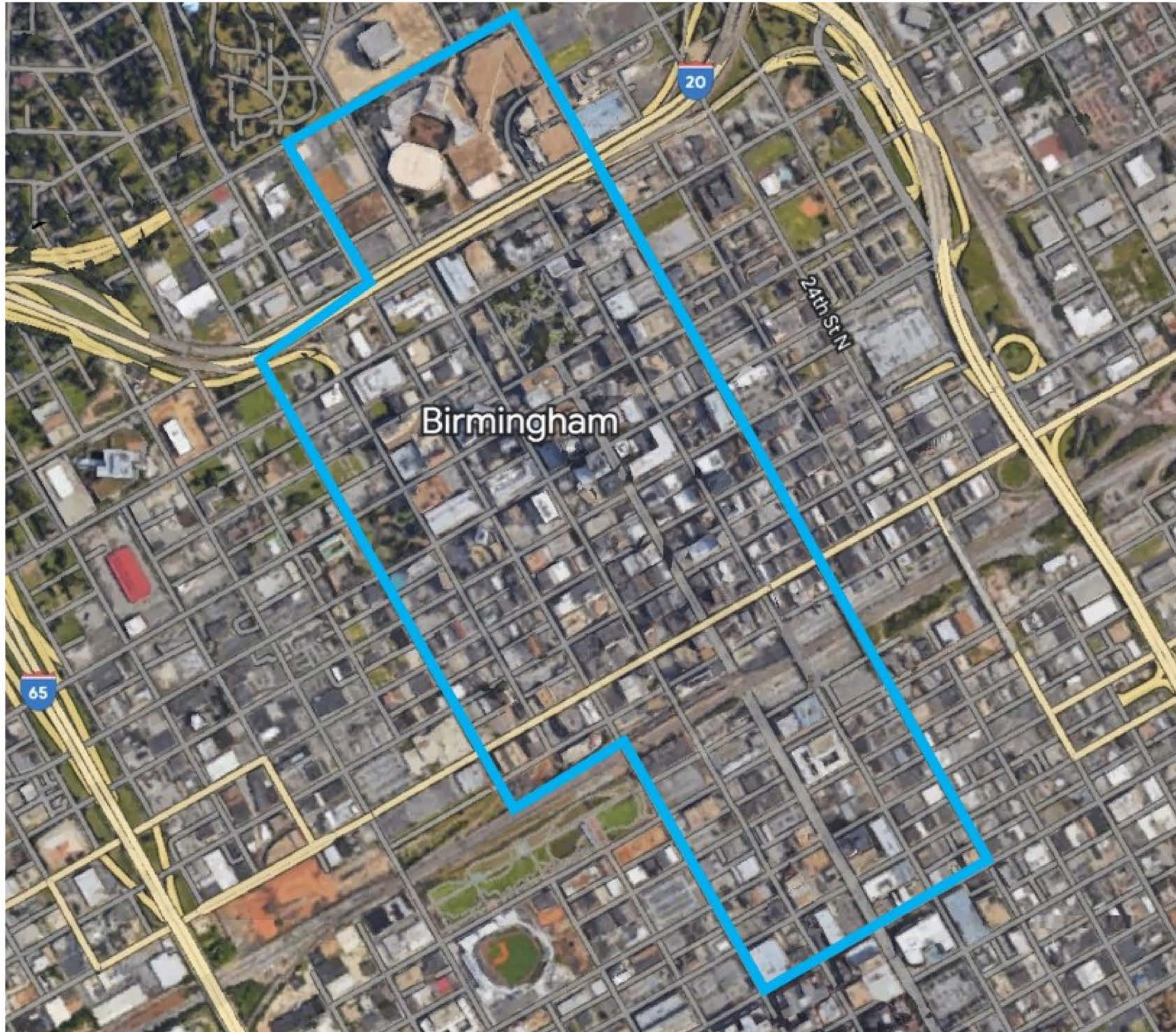
How is a BID created?

State of Alabama Law establishes that BIDs must be an initiative of property owners. 50% of property owners by value of property in a proposed district must record their support for the BID. This group petitions the City to pass an ordinance that creates the BID.

The City holds a public hearing on the BID and its plan. City Council considers adoption of the ordinance and a baseline services agreement (BSA). The BSA is the city's commitment not to reduce public service in light of the creation of a BID.

If an ordinance is adopted at City Council, a 60-day period commences where 50% of property owners by number of properties can organize to oppose its establishment.

Once the 60-day period passes, a District Management Corporation can be created to lead the BID.



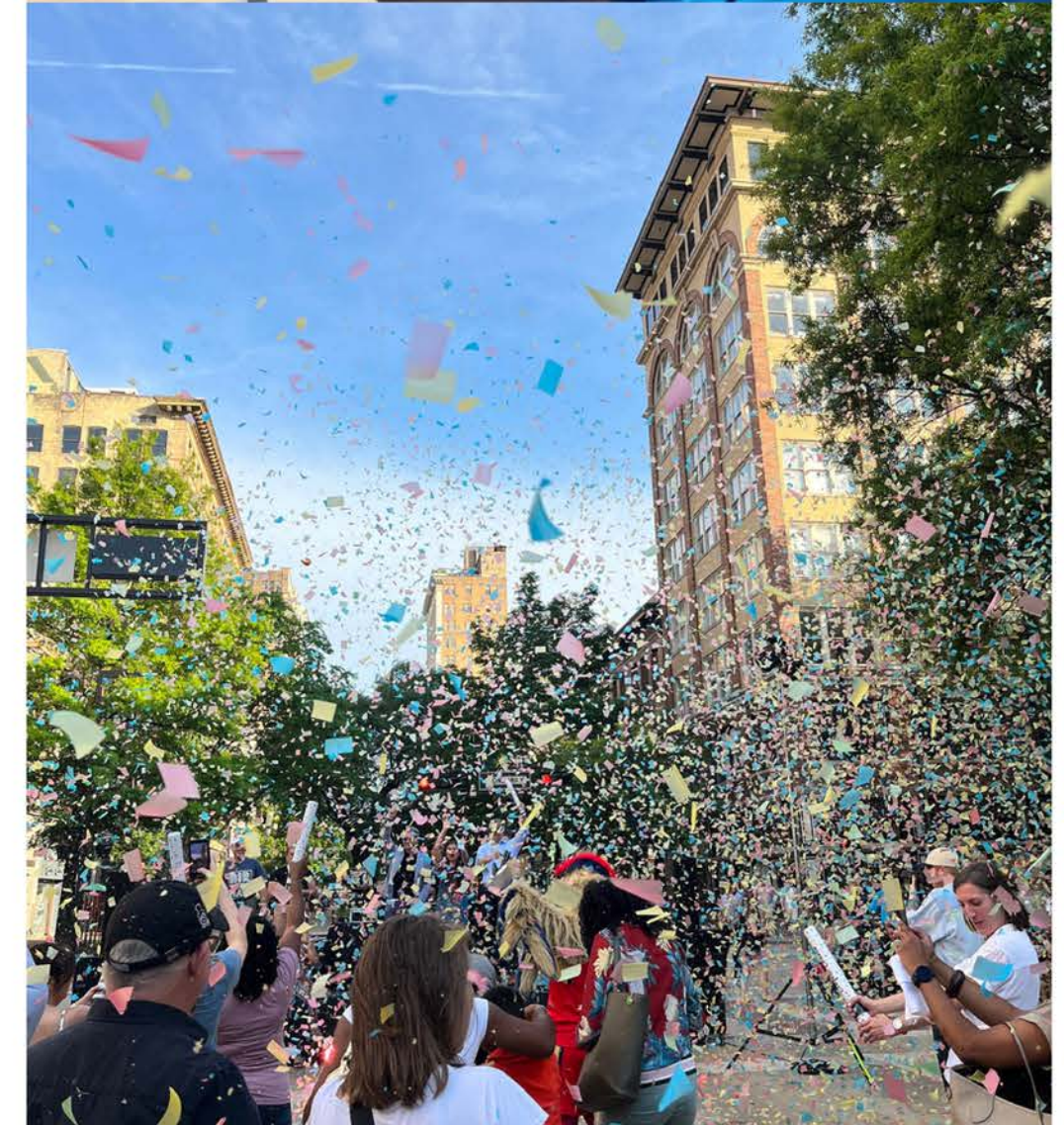
Existing City Center BID

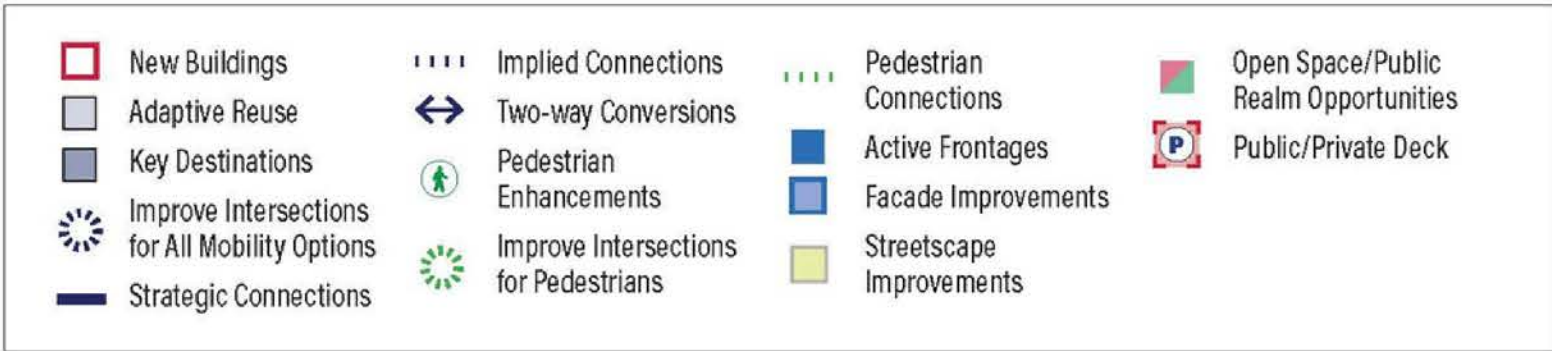
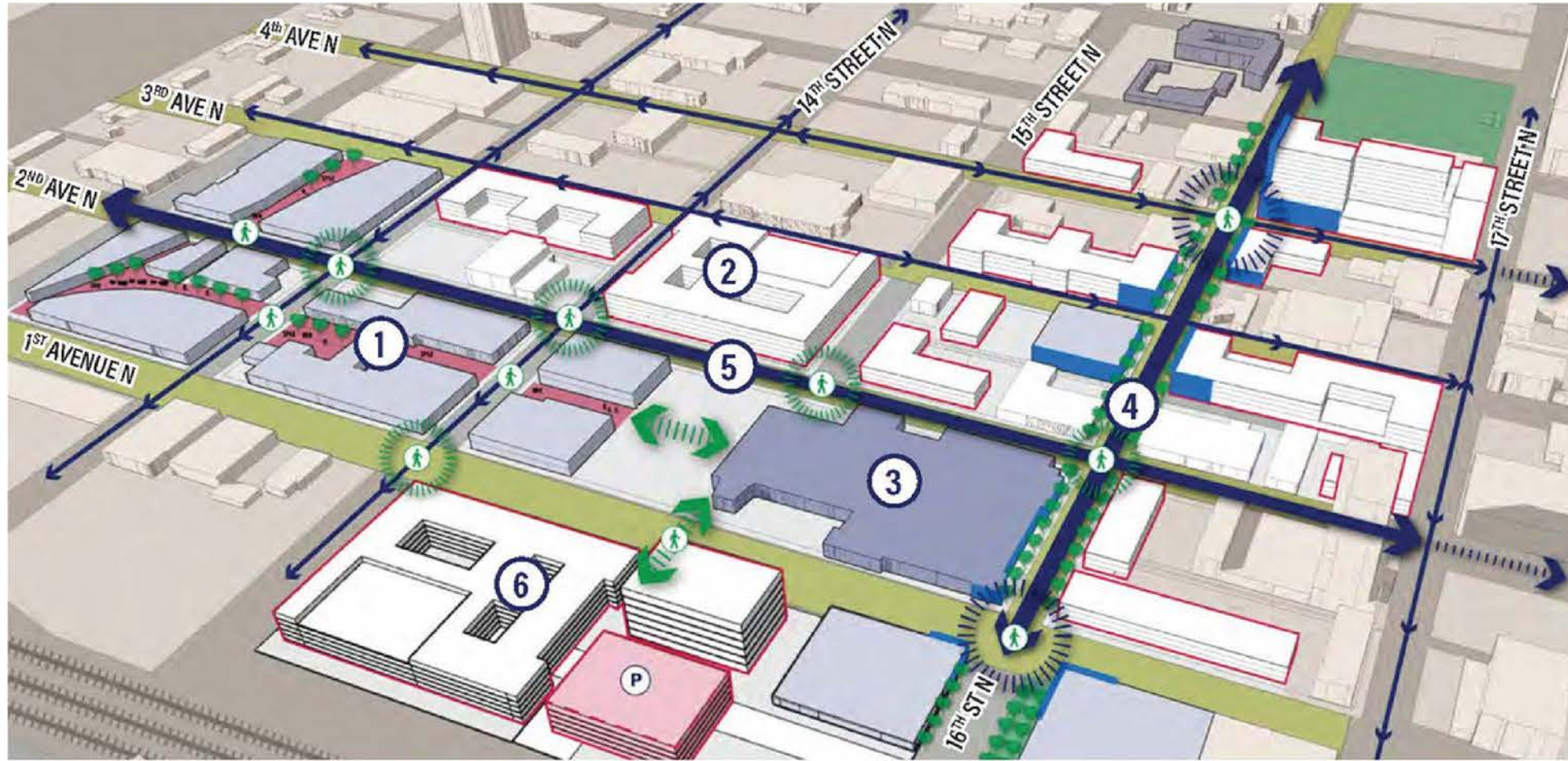
Fast Facts:

- 80 city blocks
- Roughly 415 Acres
- Established 1995
- \$1,304,442 raised from 1 mil annual assessment in 2022

What Birmingham's existing City Center BID is doing

- CAP Ambassador walk and bike patrols
- 283 graffiti removed (Q1-Q3 2023)
- 4,556 instances of street clutter & litter clean up (Q1-Q3 2023)
- 956 street outreach conversations to connect unhoused people to services and resources (Q1-Q3 2023)
- Beautification projects such as the 20th Street North streetscape refresh
- District vision and branding
- District promotion including banners and management of downtownbhm.com and [@downtownbhm](https://www.instagram.com/downtownbhm) on social media
- Business recruitment, retention and support





Key District Initiatives

- 1** Adaptive re-use of Wholesale Warehouse Loop buildings for Innovation Depot spin-offs, which could include shared, hardscaped, festival-style public space along the former railroad spur
- 2** High-density mixed-use/housing opportunities along 2nd Avenue North and 1st Avenue North
- 3** Enhancements to Innovation Depot including urban trail and public space connections and storefront activation on the 16th Street North facade
- 4** Creation of a north-south spine connecting Innovation District to the Civil Rights District along 16th Street North with substantial streetscape improvements and infill
- 5** Improvement of 2nd Avenue North as a "main street" for the district, repurposing existing lanes for additional parking and providing high quality pedestrian connections to 20th Street North
- 6** Adaptive re-use of existing structures and construction of new housing on the existing surface parking lots with parking being moved closer to the tracks and, if necessary, into a shared parking structure

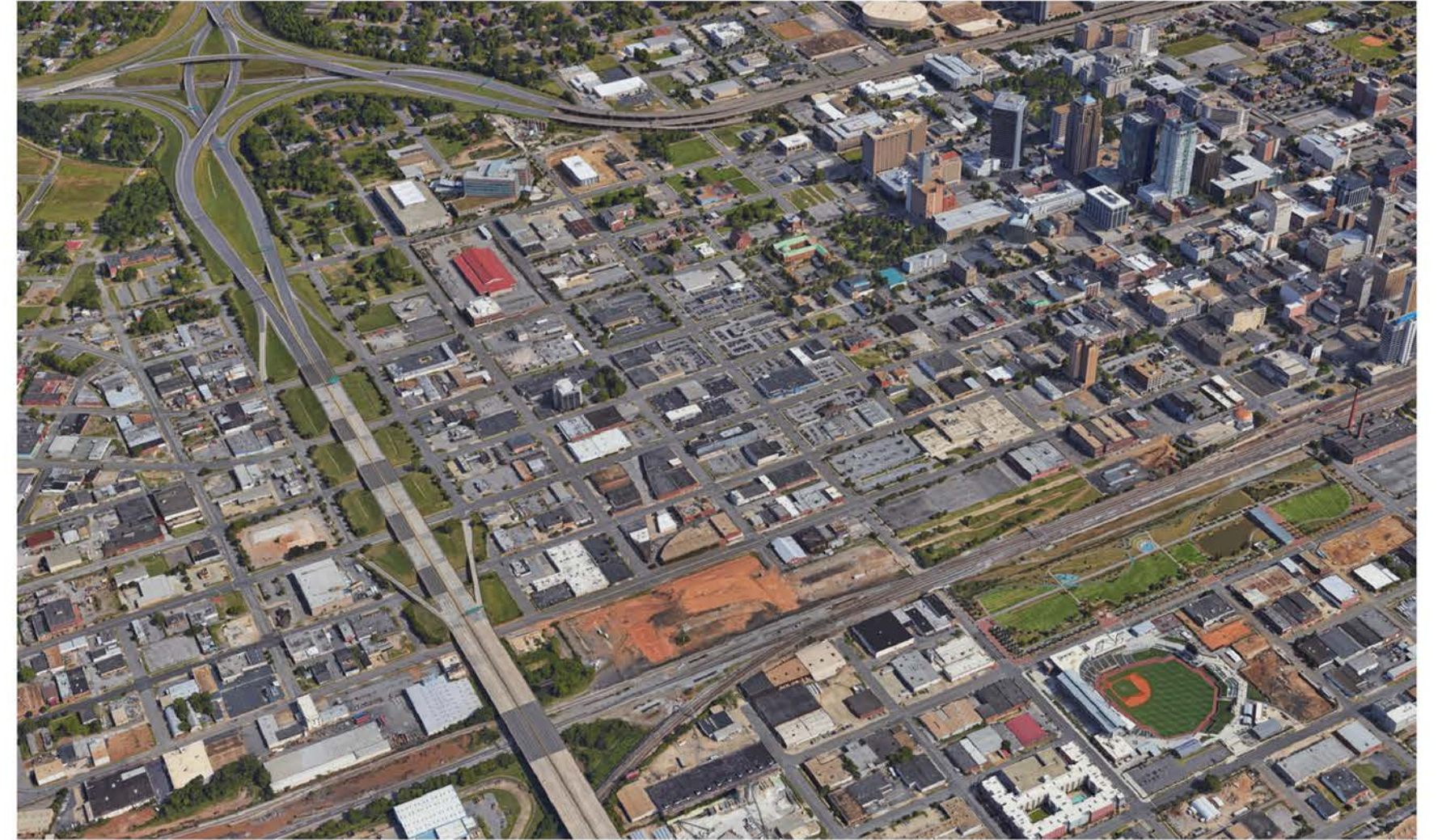
The Switch in the City Center Master Plan

The Switch is identified as a strategic opportunity area in Birmingham's 2019 City Center Master Plan. A BID is a tool to help further move the needle.

The Next Step:

Northwest Quadrant Master Development Plan

Over late 2021 and early 2022, Urban Impact and REV Birmingham co-led a process to produce a strategic plan for the development of the northwest quadrant of downtown Birmingham to pick up where the City Center Master Plan left off. Supported by Alabama Power and the City of Birmingham, this plan is oriented towards implementation and action that leads to equitable growth in the home of the Civil Rights District and the Switch Innovation District. Public engagement sought to create a vision and build a plan for the growth of these districts that are designed “from the ground up and not the top down.” Professional planning firm MKSK was engaged to lead a team that including local architecture firm CCR Architects, economic strategy consultant Development Strategies, and public engagement expert John Castille.



Plan Components:

The plan addresses opportunities and actions around:

- **Public Engagement and Vision**
- **Public Realm Investments**
- **Market Opportunities**
- **Catalytic Development**
- **Parking and Transportation Strategies**
- **Placemaking Strategies**
- **Equitable Development Toolkit**
- **Immediate Actions**



Six Bold Moves

to transform the NW Quadrant and lift the Birmingham Community:

- Align district stewards with areas of responsibility
- Focus public investment on four vital corridors and two public spaces
- Drive small business and equitable real estate investment around vital corridors
- Establish a hub of entrepreneurial support resources
- Aggressively recruit key innovation organizations
- Break ground on sites owned by civic champions



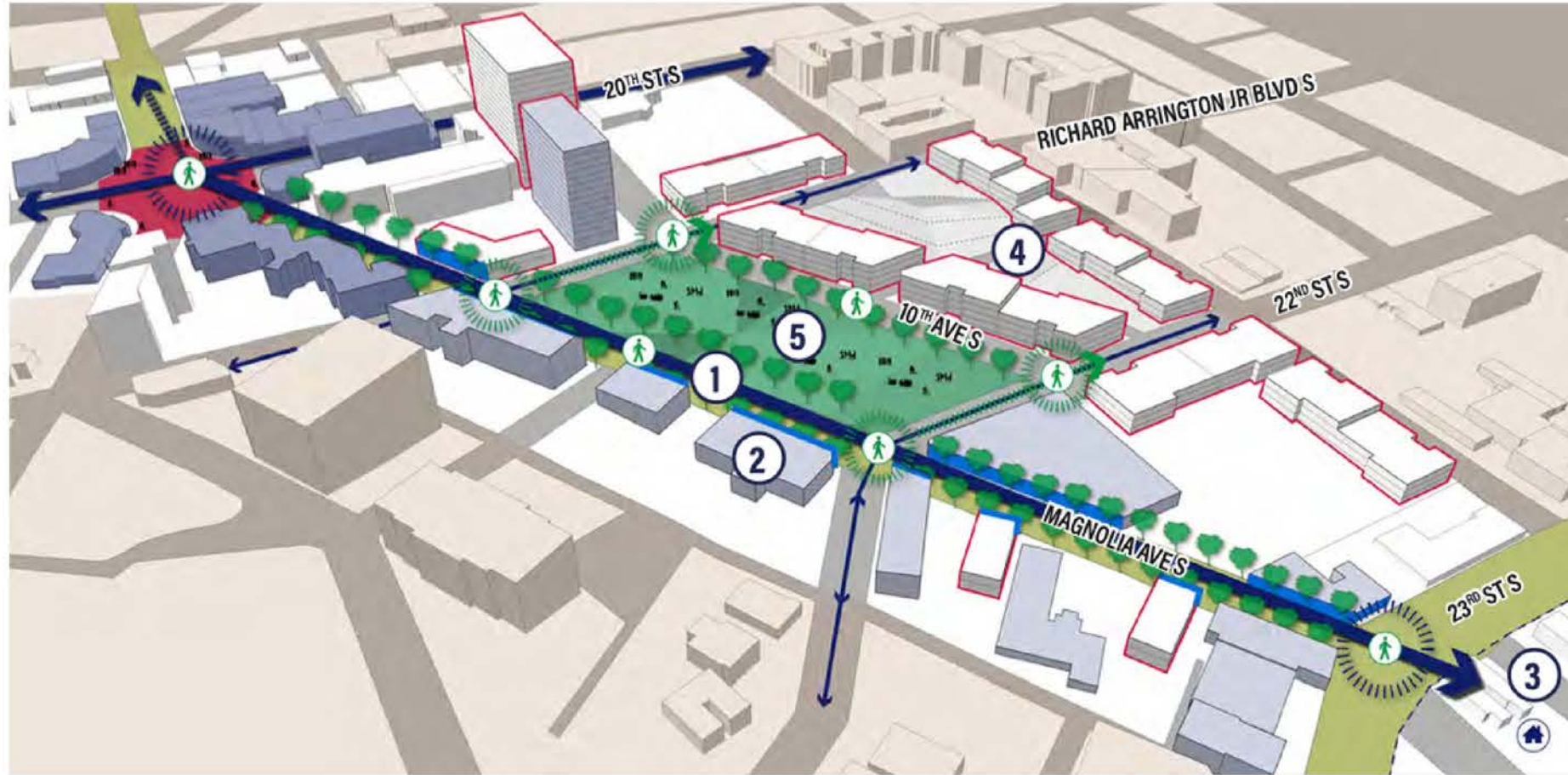
Proposed Switch BID Boundary

Fast Facts:

- Borders existing City Center BID and includes the 3rd Ave gateway to downtown
- 86 parcels
- \$83,366,100 total value
- \$49,442,900 signed letters of support
- 59% support for BID

LONG RANGE INVESTMENTS

2020 Birmingham City Center Master Plan



New Buildings	Implied Connections	Pedestrian Connections	Open Space/Public Realm Opportunities
Adaptive Reuse	Two-way Conversions	Active Frontages	New Housing Development
Key Destinations	Pedestrian Enhancements	Streetscape Improvements	
Improve Intersections for All Mobility Options	Improve Intersections for Pedestrians		
Strategic Connections			

Key District Initiatives

- ① Streetscape improvements along Magnolia Avenue, connecting the existing activity node at Five Points South with Brother Bryan Park and the proposed Southtown development
- ② Adaptive re-use and/or ground floor activation opportunities along Magnolia Avenue create a complete active storefront
- ③ Proposed Southtown redevelopment
- ④ Residential and/or mixed-use development opportunities on the blocks north of Brother Bryan Park
- ⑤ Renovated Brother Bryan Park including a range of programmatic elements such as a dog park, open green, and shade areas

Five Points South in the City Center Master Plan

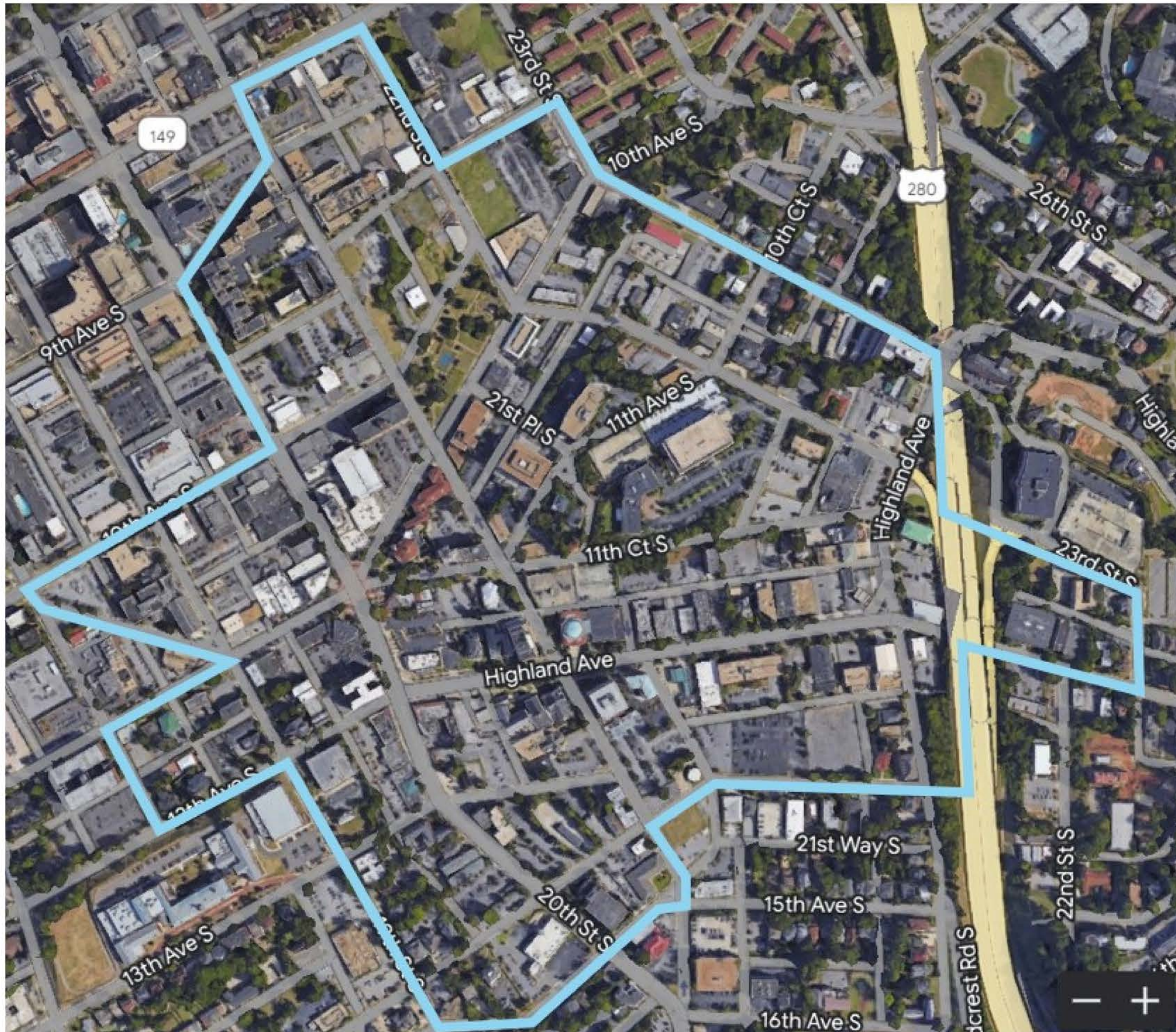
Five Points South is also identified as a strategic opportunity area in Birmingham's 2019 City Center Master Plan. A BID is a tool to help further move the needle.

Five Points South Issues + Opportunities

Based on rigorous public engagement conducted by the Five Points Alliance, REV, and KPS, we determined priority issues for businesses, property owners, visitors, and residents:

- Security and perceptions of safety
- Parking
- Lighting, landscaping, trash and blight removal
- Marketing and promotion
- Business recruitment and property marketing
- Transportation and accessibility





Proposed Five Points South BID Boundary

Fast Facts:

- 225 properties
- \$549,176,900 total value
- \$296,403,800 by value signed letters of support for BID formation
- 54% support for BID

BID Governance

- District Management Corporation: An entity created by incorporation under The Alabama Nonprofit Corporation Act (Chapter 3A of Title 10), and designated by ordinance to manage a self-help business improvement district.
- The Switch and 5 Points South BIDs will be expansions of the existing City Center BID. The City Center BID has already adjusted its by-laws to accept these new sub-districts.
- Board of Directors: Consists of property owners or their designated representatives within the boundaries of the BID. One third of the board membership is required to represent smaller property owners. The Board may hire or contract appropriate team members to implement goals of the BID and carry out its services.
- Five Points South and The Switch will become an expansion of the existing Business Improvement District and will have representation on the existing BID Board of Directors.

BID Governance

When Five Points South and Switch districts are approved as a part of the BID, the BID Board will create district committees that set the priorities for their own sub-districts of the expanded Business Improvement District. Dollars collected in each sub-district will fund work in that sub-district, while administrative costs are shared pro rata.

Board Committees Duties in each Sub-district:

- Budgeting
- Program Design (sets annual priorities and work plan)
- Program Oversight
- Collections Oversight
- Representation on Birmingham District Management Corporation Board

BID Sub-district Flow of Funds:

- Direct share of program costs (Five Points funds stay in Five Points; The Switch funds stay in The Switch.)
- Pro rata share of admin costs
- Pro rata and/or direct share of capital expenses, depending on equipment

Property Types & Assessment Categories

The amount of an assessment on a property owner is based on the property value assessment set by the Jefferson County Tax Assessor. All property owners within the boundary established are assessed by the BID except for the property types below:

- Government owned properties are exempt (unless property is leased to a for-profit user)
- Ability to exempt non-profit and religious properties (unless property is leased to a for-profit user)

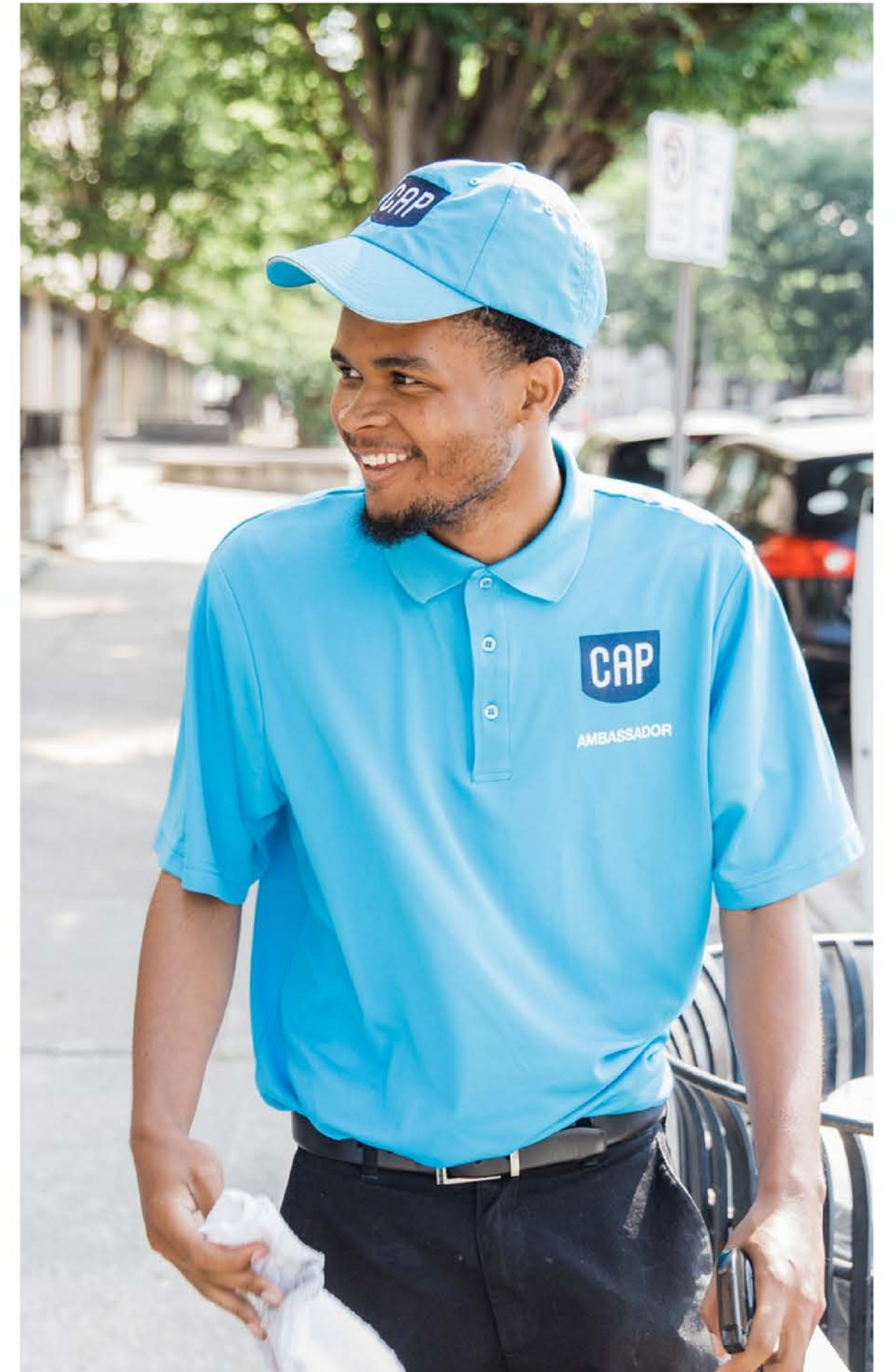
BID board has latitude in setting rates for each property type / assessment category.

Assessment Rates

- Millage is an annual assessment rate based on taxable property value
- Proposed BIDs will be assessed at a rate of 3 mils in order to stand up adequate services
- Example: Each \$1,000,000 of assessable property value incurs \$3,000 assessment annually at 3 mils
- Assessment dollars are collected by the BID's Fiscal Management team.

Highest priorities in Five Points South

- Visible presence of uniformed Clean & Safe Ambassadors who provide assistance to pedestrians with directions, information and friendly greetings
- Cleaning services in public spaces
- Analysis of crime and litter trends through data tracking
- Five Points South Entertainment District Management, including providing security, litter cleanup, marketing and coordination to leverage our entertainment district for increased foot traffic in a safe and well managed environment



Draft Budget: Five Points South

- Estimated income — \$854,892 — is based on a 3 mils assessment in Five Points South, 90%* of total potential assessments to account for some unpaid bills.
- The Five Points South BID Board Committee will decide how district funds are spent; this draft is based on priorities as understood through community engagement.

Estimated/Proposed Income	
3 mil Assessment	\$854,892
Voluntary Contributions	(not budgeted)
Total Income*	\$854,892
Estimated/Proposed Expenses	
Collections, Fiscal Mgt, Strategic Leadership	\$94,038
Dist Manager (1 FTE)	\$90,000
Overhead (rent, liability, licenses, fees, etc)	\$25,000
Marketing & Communications	\$7,000
Security Services - Contracted	\$528,814
Special Projects	\$80,000
Total Expense	\$824,852
Reserve	\$30,040

Example Clean & Safe Deployment: Five Points South

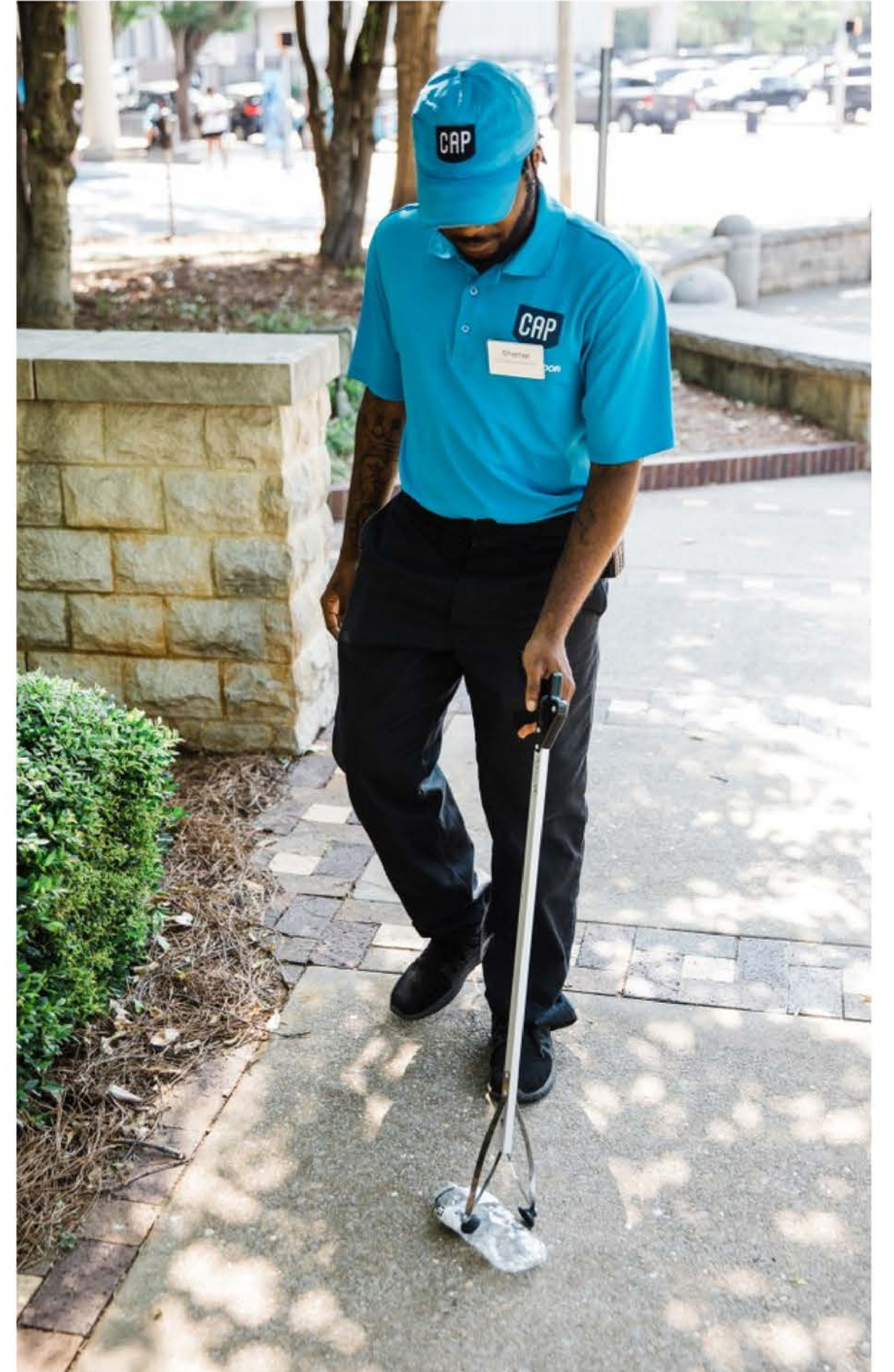
A good deployment schedule will change based on trends in the district and response to individual events from week to week. This schedule shows the potential coverage level that could be provided with a 3 mil assessment.

Position	Task	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Total
Cleaner	Manual Cleaning	10	12	12	12	12	12	10	80
Ambassador	Walk/Bike Patrol	10	20	20	20	20	20	10	120
Homeless Outreach	Direct Engagement/ Assistance		5	5	5	5	5	5	30
Team Lead	Daily Oversight		8	8	8	8	8		40
Operations Manager	Strategy/oversight		3	3	3	3	3		15
Total									385

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Highest priorities in The Switch

- Visible presence of uniformed Clean & Safe Ambassadors who deter bad behaviors through their presence
- Litter pickup and cleaning services in public spaces
- Analysis of crime and litter trends through data tracking
- District branding and marketing



Draft Budget: The Switch

- Estimated income — \$187,380 — is based on a 3 mils assessment rate, 90%* of total potential assessments to account for some unpaid bills.
- The Switch BID Board Committee will decide how district funds are spent; this draft is based on priorities as understood through community engagement.

Estimated/Proposed Income	
3 mil Assessment	\$157,380
Voluntary Contributions	\$30,000
Total Income*	\$187,380
Estimated/Proposed Expenses	
Collections, Fiscal Mgt, Strategic Leadership	\$18,738
Overhead (rent, liability, licenses, fees, etc)	\$3,500
Marketing & Communications	\$5,000
District Manager	\$9,000
Security Services - Contracted	\$146,792
Total Expense	\$183,030
Reserve	\$4,349

Example Clean & Safe Deployment: The Switch

A good deployment schedule will change based on trends in the district and response to individual events from week to week. This schedule shows the potential coverage level that could be provided with a 3 mil assessment.

Position	Task	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Total
Cleaner	Manual Cleaning		8	7	5	7	8		35
Ambassador	Walk/Bike Patrol		6	6	6	6	6		30
Homeless Outreach	Direct Engagement/ Assistance		2	2	2	2	2		10
Operations Manager	Strategy/oversight		1	1		1	1		4
Total									79

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BID expansion process

- ✓ Stakeholder engagement to assess district priorities
- ✓ Define boundaries, business model, and potential budget
- ✓ Property owner outreach and education to build support
- ✓ 50% district property owners (by value) sign letters of BID support
- ✓ Current BID board votes to adopt new sub-district structure
- ✓ Public Information and Engagement sessions
- ✓ City of Birmingham updates BID Formation Ordinance and Baseline of Services Agreement
- City Council votes to allow formation of new BID sub-districts
 - New BID sub-district board members appointed
 - New BID sub-district assessments begin
 - Start service delivery

Next Steps

- Birmingham City Council will discuss the adoption of the amendment to the city ordinance and the Baseline of Services Agreement (BSA) at its December 12, 2023 meeting.
- If the measure is approved, a 60-day period begins during which 50% of property owners may organize to dispute the BID formation.
- If the measure is approved by Birmingham City Council, services are anticipated to begin as early as April 1, 2024.