

The Benefits of a B.I.D.

Shorewood Business Improvement District Builds On Original Goals

Whether you're well-versed in local economic development issues or have trouble remembering what the acronym "B.I.D." actually stands for, you may be wondering about your own village's business improvement district. Why was it formed? What are its objectives? And most importantly, what are its benefits for Shorewood?

What is a Business Improvement District (B.I.D.)?

A B.I.D. is a quasi-governmental organization established by property owners within a commercial district to develop, manage and promote the district, and to establish an assessment method to fund these activities. It is managed by a board of directors (appointed by the Village President and confirmed by the Village Board). Wisconsin legislation passed in 1984 granted municipalities the right to create business improvement districts, and they are regulated under State Statute 66.1109.

B.I.D., TIF, CDA – How are all these initiatives different?

- The **B.I.D.** is made up of commercial property and business owners, and defined as above.
- **Tax Incremental Financing (TIF)** is a method of public financing used for development and community improvement projects. TIF uses projected future tax revenues gains to finance current projects or improvements. Because development, redevelopment and other public projects can increase the value of surrounding real estate, this can generate additional tax revenue. TIFs are applied to a defined district to finance any debt issued to pay for a public project, borrowing against the projected future increases in property tax revenues.

Shorewood's commercial district – the area encompassing the B.I.D. along N. Oakland Ave. and E. Capitol Dr. – is a TIF district.

- The Village of Shorewood's **Community Development Authority (CDA)** is a group of volunteer residents and village trustees that work to strengthen the long-term economic viability of the Village in a number of ways.

When and how did the Shorewood B.I.D. form?

In 1998, a group of area business owners began meeting to discuss issues in the Shorewood commercial district. By this time, B.I.D.s had become national phenomena, with nearly all 50 states having passed some form of B.I.D.-enabling legislation.

These Shorewood proprietors spent months educating themselves about B.I.D.s and talking to business owners who had formed them in several Milwaukee commercial districts, most notably the Historic Third Ward and the Brady Street area.

Ultimately, the business owners circulated a petition to ask the Village to begin the formal public process to create a B.I.D. encompassing Shorewood's N. Oakland Ave. and E. Capitol Dr. commercial corridors. The Village and local business owners held several public meetings to discuss the plans in 1998 and 1999.

In the fall of 1999, the Shorewood B.I.D. was approved by the Village Plan Commission and Village Board.

What were the original goals of the Shorewood B.I.D.?

During the planning process, several stakeholder meetings were held to develop and prioritize B.I.D. goals and activities. The goals of the original plan were to:

- optimize building and land use.
- encourage private and public investment.
- increase marketing and promotional efforts that address the district's unique attributes and needs.

How is the Shorewood B.I.D. funded?

The B.I.D. is funded by local commercial property tax assessments, and by sponsorships garnered to support special events.

In addition, some funding comes from the CDA, which tasks the B.I.D. with administering key programs for area business and property owners (including the Façade Grant Program and the Business Incentive Fund).

The B.I.D.'s 2024 Operating Plan uses property values as of January 1, 2023, as calculated by Village assessments. As of that date, properties in the business district had a total B.I.D. assessable value of \$196,466.10. The 2024 plan assesses the taxable property in the district at a rate of \$1.75 per \$1,000 of assessed value.

The principle behind this assessment methodology is that each property owner should contribute to the B.I.D. in proportion to the benefit derived from the B.I.D..

When the Shorewood B.I.D. was originally established, various assessment methods were considered, and the assessed value of a property was determined to be the characteristic most directly related to the potential benefit provided by the B.I.D.. Therefore, a uniform rate applied on the assessed value of each property was selected as the basic assessment method.

The B.I.D. is required to conduct an independent audit each year, which the B.I.D. board must submit to the Village of Shorewood. A public copy of this audit is available from B.I.D. Executive Director Jim Plaisted.

How are decisions made? Can I get involved?

The B.I.D. board of directors (15 members) are appointed by the Village President and approved by the Village Board. Board members serve staggered three-year terms, and at least five members must own or occupy commercial property in the district.

The board is charged with representing all stakeholders in the district. An Executive Director also continually engage businesses on a variety of matters.

In addition, B.I.D. meetings are open to the public, per Wisconsin State Statute. The Shorewood B.I.D. board meets at 8:30 a.m. on the third Wednesday of each month at North Shore Bank to discuss and make decisions about matters related to the budget and operating plan execution. You are welcome to attend!

What are the Shorewood B.I.D.'s key accomplishments since inception?

The Shorewood B.I.D. has been at the forefront of commercial district management, development and promotion since its inception. Key accomplishments include:

Façade Improvement

In cooperation with the CDA, the B.I.D. has actively promoted an aggressive Façade Improvement grant program in Shorewood since 2004. This grant program has issued more than \$650,000 for improvements to the exterior of commercial buildings (funds must be matched dollar for dollar by property/business owners). You can see the results throughout the business district, notably at "The City Market Building," the south branch of North Shore Bank, and the building on E. Capitol Dr. between N. Prospect and N. Farwell Aves. that houses Edward Jones, Scenario Hair Design and Schramm Realty.

The Business Incentive Fund (revolving loan program) has provided low interest funds for five Shorewood businesses since its creation in 2009. The BIF provides access to capital for expanding your business or relocating to Shorewood based on qualifications and matching equity funding.

Redevelopment Initiatives

The B.I.D. has been an important part of Shorewood's redevelopment efforts, along with the CDA and Village Board, since the approval of the commercial district Master Plan in 2006. From The Cornerstone, a mixed-use residential and commercial development at Shorewood's north end, to the in-progress Ravenna development currently being built across from The Cornerstone, to a transformative mixed-use project underway from local developer Mandel Group, the B.I.D. has been actively engaged with Village staff and leadership to assure that the quality standards and retailer goals for redevelopment are met.

Enhanced Visibility and Community Engagement

The marketing program for the Shorewood B.I.D. is active on a variety of fronts to enhance the district's visibility with local and regional shoppers. Each June for eight years, the B.I.D. has produced the Tour of America's Dairyland and Shorewood Criterium, which brings world-class cycling races to Shorewood's commercial and residential districts. Our Feast each September brings thousands of people to join a street festival and dinner down Oakland Avenue to discover our eclectic mix of unique shops, boutiques and eateries. The B.I.D. is also active with media relations, on Facebook and Twitter and offers a resource-rich website at www.shorewoodwi.com.

B.I.D. communication vehicles include monthly e-newsletters, and bi-monthly networking and business development events businesses that enable members to learn from one another or an area expert.

Who staffs the Shorewood B.I.D.?

The B.I.D. board employs one full time Executive Director with responsibilities including acting as ombudsman for area businesses to Village government, budget management, contractor and employee management, liaison with media and government at all levels, retail and development recruitment, and advocacy on behalf of the B.I.D. board as well as individual businesses and property owners.

The B.I.D. also contracts for marketing and communications services.

B.I.D. board members and staff welcome input from interested residents, as together we can sustain a vibrant commercial district in our Village. The current strong momentum and developments underway make this an exciting time to do business in Shorewood, and to get involved. For more information, please visit www.shorewoodwi.com, or contact the Executive Director at 414-585-8100 or director@shorewoodwi.com.