

MAIN STREET BUSINESS IMPROVEMENT ZONE PLAN

Executive Summary

What is a BIZ?

A Business Improvement Zone – BIZ for short – is a special assessment district that allows for an assessment on commercial property within a defined area. The assessment is then dedicated to that area, to finance enhanced services. The BIZ is designed by the commercial property owners in the proposed benefit district, requested by them to the City Council, voted on by them, and when approved by Council, governed by them.

Why create a BIZ for S. Main Street?

Given the volatile nature of the economy, commercial districts have to be at the top of their game. Great buildings and unique businesses aren't enough; Main Street needs to deliver the highest quality *experience* if it is to compete in the marketplace. BIZ services help guarantee the quality and consistency of that experience.

BIZ Boundary & Term of Operation



The BIZ zone is bounded on the north by the centerline of Huron Street; on the east by the centerline of the alleyways bisecting the blocks between South Main Street and South Fourth Avenue; on the south by the centerline of William Street; and on the west by the centerline of the alleyways bisecting the blocks between South Main Street and South Ashley Street.

Within the proposed BIZ district boundary are commercial properties as well as those identified on the Ann Arbor city tax rolls as tax-exempt and residential condominium property. *Tax-exempt and residential condominium properties are exempt from the BIZ assessment.*

Proposed services do not include services to the alleys or the property frontage along the alleys.

As specified in state law, the Main Street Business Improvement Zone will operate for seven (7) years, beginning July 1, 2010 and ending, unless renewed or dissolved, on June 30, 2017.

BIZ Services

The goal of the Main Street BIZ is to provide the highest quality, best maintained urban commercial environment possible. To accomplish this, the BIZ will finance and manage the following projects in the Zone Area:

Sidewalk Snow Removal

In order to improve the walkability of Main Street during the winter months, the Main Street BIZ will provide the following sidewalk snow removal services:

- Environmentally friendly snow-melting compounds will be applied to any accumulations under one-inch. Applications will extend from storefront vestibules to 12 inches into the roadbed, and will include all crosswalks and curb cuts.
- Accumulations of more than one inch will be shoveled, again from the storefront vestibule to 12 inches into the roadbed and all crosswalks and curb cuts.
- When snow accumulation reaches three inches above the curb line (nine inches from the roadbed), snow will be cleared two-feet into the roadbed from the curb, in order to facilitate customer mobility from cars to shops.
- Major accumulations of snow will be moved to designated locations between planter beds, and will be removed from the district within 24 hours of the end of the snow event.
- Snow removal services will be completed by 6:30am and will be repeated, as necessary, when accumulation reaches one inch.
- Up to forty (40) snow removal visits per year will be funded; any unused visits will roll over to the next season.

Sidewalk Cleaning

To ensure that Main Street sidewalks are free from dirt and litter, the Main Street BIZ will:

- Vacuum-clean the sidewalks from the storefront vestibule to 12 inches into the roadbed once a week, from April 1 to November 30
- Power washing and gum removal will be conducted twice per year, from the storefront vestibule to 12 inches into the roadbed.
- Handbills will be removed from all surfaces in the public realm (lampposts, news boxes, telephone poles, public phones, water fountains, trash cans, etc.), once a week.
- Graffiti will be removed from vertical and horizontal surfaces in the public realm (not on private property), on demand and not to exceed 24 graffiti removal calls per year.

Landscaping

The BIZ will build upon Main Street's attractive urban landscape by contributing funds to the existing program toward the planting and plant maintenance of the 44 planter boxes within the district.

BIZ Budget

The estimated budget for the first year of the Business Improvement Zone includes assessment revenue of \$118,847 and the tentative voluntary contribution by the Downtown Development Authority of \$4,100 for services provided to the tax-exempt parking property in the district. Expenses include services totaling \$82,000, organizational expenses of \$36,848, and other expenses of \$12,948. The detailed budget for the Business Improvement Zone can be found in Section IV – Budget & Assessment Formula – of the BIZ Zone Plan.

Assessment

The BIZ assessment formula is a fixed assessment percentage for each commercial property in the BIZ Zone. Attachment B – BIZ Assessment Roster – in the Zone Plan lists each property assessment as a percentage of the total assessment. In an effort to create the most equitable assessment rate possible, the MS BIZI board of directors identified two levels of service benefit for the BIZ district:

- **Direct Benefit** – The costs of snow removal and sidewalk cleaning services are calculated against the total linear feet of each assessable property in the district as provided in the Ann Arbor city tax rolls for 2009. The rate is calculated as follows:

Direct Benefit costs ÷ total linear feet = cost/linear foot.

For Year One of the BIZ budget, the formula would be as follows:

\$70,000 of Direct Benefit cost ÷ 3,481 total linear feet = \$20.90/linear foot.

- **Common Benefit** – The costs of landscaping and operations are calculated against the total commercial square footage of each assessable property in the district as provided in the Ann Arbor city tax rolls.

Common Benefit costs ÷ total commercial square feet = cost/commercial square foot.

For Year One of the BIZ budget, the formula would be as follows:

\$48,848 of Common Benefit cost ÷ 575,998 total commercial square feet = \$.0848/commercial square foot.

Example: Property A has 45 linear feet and 7,500 square feet of commercial space. The assessment formula would be calculated as follows:
45 linear feet X \$20.90 = \$941 (rounded up from \$904.95)
7,500 commercial square feet X \$.0848 = \$636
Total assessment for Property A = \$1,577
Assessment formula: (% that Property A pays to the total assessment of \$118,847) = 1.3%

Attachment B of the Business Improvement Zone Plan itemizes the estimated Year One assessment for each commercial property within the district, based on 2009 figures provided by the Ann Arbor City Assessor.

Governance

The Main Street Business Improvement Zone will be governed by a board of directors and organized as a body public corporate, as required by state law. The board will be composed of nine (9) members who will serve either one-, two-, or three-year terms, and will include one (1) seat appointed by the Mayor and approved by the City Council, and one (1) seat nominated from the ranks of either downtown business tenants or downtown residential property owners. *The initial board of directors is appointed;* after the first year of operation, the board of directors will be elected by the commercial property owners within the Zone Area, according to the Bylaws of the organization (Attachment C of the Main Street Business Improvement Zone Plan). The Year One roster is as follows:

Name	Business Name	Term ending	Status
One-year term			
Rob W. Spears	Cabrio Properties	June 30, 2011	Representative of Property Owner
Chris DeRuyver	Affinity Wealth Solutions	June 30, 2011	Commercial tenant
Joan Lowenstein	Jaffe Raitt Heuer & Weiss	June 30, 2011	Mayoral appointee
Two-year term			
Alan B. Freedman	Four Directions	June 30, 2012	Property Owner & Business Operator
Jeffrey T. Harshe	MAVDevelopment Company	June 30, 2012	Representative of Property Owner & Board Treasurer
Ronald K. Dankert	Swisher Commercial	June 30, 2012	Representative of Property Owner
Three-year term			
Edward A. Shaffran	The Shaffran Companies, LTD	June 30, 2013	Property Owner & Board Chair
Michael C. Martin	First Martin Corporation	June 30, 2013	Representative of Property Owner & Board Secretary
James G. Curtis	Curtis Commercial	June 30, 2013	Property Owner

The Board of Directors will be responsible for the following activities, as specified in state law:

- Developing administrative procedures relating to the implementation of the zone plan.
- Recommending amendments to the zone plan.
- Scheduling and conducting an annual meeting of the property owners, to include election of the next year's board of directors.
- Developing a zone plan for the next seven-year period.

In addition, the Board of Directors will be responsible for:

- Approving any significant contracts and the employment of key employees, if any.
- Adopting Bylaws for the BIZ consistent with the Zone Plan and state law.

Staffing & Administration

The BIZ Board of Directors will contract for management with a qualified company doing business in the City of Ann Arbor. The contractor will be responsible for:

- The management of all contracts for BIZ services;
- All communications and administrative support to the Board of Directors;
- All communications with BIZ Zone stakeholders; and
- The provision of office space, equipment, and any other support required to conduct BIZ activities.

Amendments & Alterations to the Zone Plan; Dissolution of the BIZ

The addition of services to the Zone Plan, or changes to the formula for property assessment may not be made by the BIZ Board of Directors without a majority affirmative vote of the Zone property owners at an annual meeting of the Business Improvement Zone, or a special meeting of the BIZ called for the purpose. Such changes require the approval of the City Council as well.

The Business Improvement Zone may be dissolved if (1) 20% of the Zone Property owners sign a petition to request a special meeting, and (2) 60% of the Zone Property owners present at the meeting vote to dissolve the BIZ.