Business Improvement District (BID) Policy

Purpose and scope
1. This Policy applies when setting up a Business Improvement District (BID) including its funding and Council’s administration of BIDs.
2. This Policy applies to any BID established within the Hamilton City Council’s boundary.
3. This Policy applies to business and commercial property ratepayers and does not apply to private property occupied by residents.

Definitions

<table>
<thead>
<tr>
<th>Definition</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Programme</td>
<td>A set of activities, approved by the BID Executive Committee, which are planned over a period of one year, and contribute to the purpose of the BID.</td>
</tr>
<tr>
<td>BID Executive Committee</td>
<td>A committee established as per clause 21 of this Policy, which has the authority to make decisions for the BID and ensure that these decisions are carried out.</td>
</tr>
<tr>
<td>BID Poll</td>
<td>The process where Eligible Voters cast their vote in the postal ballot to determine whether a BID should be established, extended, reduced or dis-established, and other key issues, as per clause 14 of this Policy.</td>
</tr>
<tr>
<td>BID proponent</td>
<td>The interested party or the Council that is making a proposal to establish a Business Improvement District.</td>
</tr>
<tr>
<td>Business Improvement District (BID)</td>
<td>A defined area over which a Targeted Rate will be set to fund a BID Association.</td>
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<tr>
<td>Council</td>
<td>Hamilton City Council</td>
</tr>
<tr>
<td>BID Association</td>
<td>An incorporated society established to deliver the programme of work for the BID area.</td>
</tr>
<tr>
<td>Register of Eligible Voters</td>
<td>A list of commercial property owners and businesses within the BID area (that represent a 'Separately Used or Inhabited Part' (SUIP) of the rating unit), or their nominated representatives as per clause 13 of this Policy.</td>
</tr>
<tr>
<td>Returning Officer</td>
<td>A person from an independent election service body which has been approved by Council.</td>
</tr>
<tr>
<td>SUIP</td>
<td>Separately used or inhabited part of a rating unit.</td>
</tr>
</tbody>
</table>
Policy

Purpose of a Business Improvement District

4. Business development:
   a. to support business creation, attraction, retention and expansion within a BID
   b. to assist and guide development and advancement of commercial interests of businesses
      and business people within a BID
   c. To provide a forum for networking and collaboration of members.

5. To advocate for business interests within the BID.

6. Promotion, events and marketing:
   a. to market business interests within the BID locally, regionally and nationally
   b. to establish and support an identity for the BID.

7. To support Council to ensure the physical environment of the BID is consistent with the BID identity:
   a. to promote amenity, cleanliness, safety and connectivity within the BID
   b. to advocate for the preservation of heritage appropriate to the BID
   c. to advocate for quality urban design within the BID.

8. To align strategic goals for the BID with Hamilton City Council’s strategic plans.

9. To work collaboratively and in a coordinated way with Hamilton City Council.

10. To work with other organisations that have a role within the BID, for example, the Waikato Chamber of Commerce and local branch of the Property Council of NZ, to ensure a coordinated strategic approach to developments within the BID are taken.

Process to establish a BID

11. The Council approves setting up a BID.

12. A proposal to establish a BID may be initiated at any time by the Council or any interested party (a BID proponent). A BID proponent should seek sufficient support for establishing a BID before making a request to the Council.

13. A Register of Eligible Voters will be established.
   a. The Council will approve the potential BID boundary area and provide a map. This will occur in consultation with any BID proponent.
   b. A list of property owners and businesses that ‘Separately Use or Inhabit Part’ (SUIP) of a property within the proposed BID boundary area will be prepared by the BID proponent with the assistance of the Council. The list must include property-owner name, valuation number, physical address, name of owner/occupier; email/electronic contact/website contact; mailing address; landline/mobile phone contact.
   c. Each property owner and business that ‘Separately Use or Inhabit Part’ of a property (SUIP) on the list must be contacted to determine who will be the registered voter and whose name is to be listed on the Register of Eligible Voters. This Policy is based on the principle of ‘one person, one vote’ meaning each registered eligible voter will have one vote.
   d. All registered voters automatically qualify to become members of the BID Association and the Register of Eligible Voters is the BID Association’s membership register.
   e. If the owner and/or SUIP are an individual, that person should be registered as the voter.
unless they nominate someone else to act on their behalf. All future communication must be addressed to that nominated individual, unless the owner or occupier subsequently nominates a different representative.

f. If the owner and/or SUIP is not an individual, communication must be with the senior management of that body (typically a company or trust) to nominate someone to act on their behalf.

g. Where an individual or organisation appears multiple times on the owner and/or occupier list (for example, they own a number of properties or businesses in the BID) that person or organisation may nominate only one name per property for the Register of Eligible Voters, noting each person must be different and not already on the voter register.

h. The following business owners are not eligible to register on the Register of Eligible Voters:

- Business owners who operate their businesses from residentially rated property within the BID boundary area.
- Business owners who give a business address which is a commercial property within the BID boundary area, but who do not physically run their businesses from that address (for example businesses who use their accountant’s address, or businesses who have mail delivered to a relative or friend running a business within the BID).

i. Business owners who operate from a residentially-rated property may choose to join the BID Association provided that they satisfy the BID Association they operate a business within the BID.

j. The following information must be included on the Register of Eligible Voters:

- Name of property owner or occupier
- Name of representative (if applicable)
- Contact details:
  - Email address.
  - Mailing address.
  - Physical address.
  - Telephone, including mobile number/fax numbers.
- The voter’s preferred method of communication (for example, email).

k. The Register of Eligible Voters must be agreed by Council staff and any disputes about eligibility for inclusion on the Register of Eligible Voters will be made by the Council.

l. Once established, it is the responsibility of the BID Association to maintain and update the membership register and immediately advise the Council of any changes.

m. The BID Association must not use nor pass on any personal information for any purpose other than administration of the BID Association.

14. A BID Poll will be conducted.

a. No BID will be established without a BID Poll and that BID Poll must achieve a voting return of 35 percent of voters listed on the Register of Eligible Voters and the majority of those votes are in favour of the proposition.

b. The BID Poll is the responsibility of the BID proponent.

c. The Council will pay for the cost of the BID establishment poll.

d. A Returning Officer approved by the Council must be engaged to conduct the BID Poll and they must be engaged as soon as the Register of Eligible Voters has been finalised to
enable the election service to begin preparing for the Poll. Material prepared for the Poll must include:

- the Register of Eligible Voters
- an easy-to-understand information sheet outlining the BID proposal
- a ballot form approved by the Returning Officer
- a contact update form.

e. All registered voters on the Register of Eligible Voters must be notified of the upcoming Poll and the key issues to be decided. These issues include, but are not limited to:

- the boundaries of the proposed BID
- the total budget and approximate targeted rate to be assessed
- the objectives of the BID strategic plan
- the principal BID proponents for contact purposes.

f. The BID proponent must engage with the property owners and occupiers within the proposed BID through:

- at least one information meeting, open to all interested parties, must be held no less than 10 days prior to the poll closing
- at least two advertisements about the upcoming Poll in local newspapers and on the Council’s website, with the last advertisement a minimum of three days prior to the Poll closing. Other methods to inform eligible voters of the upcoming vote, such as social media, face-to-face meetings, email, fax or newsletters may be used.

g. All BID polls are run as postal ballots. The period between the mail out of the ballot papers and close off for return of ballots must not be less than 14 calendar days.

h. The Returning Officer will send out a pack including the information sheet, the ballot form, the contact update form and a prepaid return envelope. Any requests for replacement ballots should be directed to the Returning Officer.

i. Proxy voting is not permitted for BID Polls. Registered voters who will be absent from their registered addresses during the period of the Poll but who wish to vote, should provide a forwarding address to the BID proponents.

j. The Returning Officer will receive, count and verify all returned ballot papers. It will then report the result of the Poll to the BID proponent and the Council.

15. The final decision about whether to establish, extend, reduce or dis-establish a BID is made by the Council because, under the Local Government (Rating) Act 2002, it is the Council alone that can set the Targeted Rate. In making that decision, the Council will take into account, but will not be bound by, the BID Poll result.

Set up of an approved BID

16. If the Council approves setting up a BID, a business association must be established and registered as an incorporated society and evidence of registration provided to the Council (refer to www.societies.govt.nz).

17. The Council will not approve a Targeted Rate without evidence that the BID Association is an incorporated society as at 30 June of the given year.

18. As part of the incorporation process, a constitution (which is called ‘Rules’) must be lodged with the Incorporated Society Register.

19. Any changes to these Rules must be approved by the Council.
20. No subsequent changes may be made to the Rules without Council approval.

21. The BID Association will establish an Executive Committee consisting of a minimum of five voting members and up to nine voting members, three of whom are appointed by the Council.
   a. Those members of the Executive Committee appointed by the Council are not required to be members of the BID Association and will be selected based on skills required to enable the Executive Committee to carry out its role.
   b. Executive Committee members serve a term of two years and must not serve more than three consecutive terms.
   c. The Chairperson of the Executive Committee serves a term of two years.
   d. The Chairperson must be a member of the BID Association and is voted by the Executive Committee members at its first committee meeting.
   e. The Chairperson may serve more than one term.
   f. The Executive Committee must meet at least six times per year.
   g. A quorum for any Executive Committee meeting requires a majority of BID Association members to be present.
   h. Decisions are by majority vote.
   i. No remuneration will be paid to members of the Executive Committee.
   j. A BID Manager must be appointed by the Executive Committee and they do not have any voting rights.

**Inaugural Annual General Meeting (AGM)**

22. Following Council approval of the BID, an AGM must be held within four weeks of the Poll. Registered voters on the Register of Eligible Voters must be notified of:
   a. the date and place of the first AGM of the BID Association
   b. their opportunity to nominate individuals to the BID Executive Committee, and how to do this
   c. their opportunity to view the proposed BID Association Rules
   d. their opportunity to study the proposed BID Association Budget and Annual Programme
   e. the proposal which was presented to Council regarding establishment of the BID.

23. Nominations for positions on the BID Executive Committee must be made in writing, signed by two registered BID members, and the nominee themselves. These should be delivered to the specified receiving office identified in the publicity about the AGM. Nominations will close three days before the scheduled date of the AGM.

24. The inaugural AGM will be chaired initially by a Council staff member assigned to the BID. The process for the inaugural AGM must include:
   a. The election of an Executive Committee.
   b. Approval of the proposed Rules.
   c. Approval of the proposed Budget and Targeted Rate.
   d. Approval of the proposed Annual Programme.
   e. Approval of the Strategic Plan.

25. Subsequent AGMs will operate as set out in the BID Association Rules.

26. Decisions at the AGM are by majority vote of the assembled BID Association members present.
27. The Council must be informed of the elected officers and their contact details.

**Membership rights and responsibilities**

28. Membership of the BID Association is automatic for any eligible voting business within the BID and the Register of Eligible Voters is the BID Association’s membership register. Membership entitles the individual member to:
   a. attend and vote at all annual and special general meetings
   b. attend all meetings of the BID Executive Committee (but not vote)
   c. stand for election to the BID Executive Committee
   d. receive regular communications about BID activities
   e. receive notification of upcoming meetings and agenda items.

29. Members must ensure that their contact details are kept current on the Register.

30. Businesses outside the BID are eligible to apply for associate membership and are required to pay an annual membership subscription as determined by the Executive Committee.

31. Associate members have no voting rights within the BID Association.

**BID funding**

32. Once confirmation of incorporation has been received from the Registrar of Incorporated Societies, the BID Association can apply to the Council for a Targeted Rate in its BID. This application cannot be made until the BID Association has held its AGM meeting.

33. The purpose of the Targeted Rate is to fund the revenue required by the BID Association to enable it to deliver the Annual Programme approved by the BID Association members.

34. The BID Association must present the following information to the Council to support its application for a Targeted Rate:
   a. Evidence of a mandate (report from the Returning Officer).
   b. Evidence of incorporation (Registrar of Incorporated Societies).
   c. The agreed BID boundaries.
   d. The approved budget that identifies the revenue required to carry out the Annual Programme (AGM Minutes).
   e. The approved Annual Programme (AGM Minutes).
   f. The Strategic Plan (AGM Minutes).

35. The Local Government Act 2002 and the Local Government (Rating) Act 2002 gives the Council authority to set a Targeted Rate for an activity such as a BID. The Council will make the final decisions on what Targeted Rate, if any, to set in any particular year (in terms of the amount and the geographic area to be rated).

36. Council will each year set the Targeted Rate as part of its Funding Impact Statement and rate resolution.

37. A BID Association will be funded by a targeted rate, rated by the Council each year and the full amount collected by the Council passed onto the BID Association in the form of a grant paid quarterly.

38. BID Targeted Rate will be calculated on a combination of a uniform basis flat charge and a Targeted Rate on a Capital Value basis for each rating unit or SUlP of a rating unit within the BID (the BID formula) and will be adjusted each year by the inflation rate adopted by the Council.
39. New properties, within the BID area, coming into that area will be rated in the next financial year.

40. The financial year of any BID will be 1 July to 30 June.

41. Payment of the Targeted Rate must be separately accounted for in the BID Association’s financial records.

42. Any request by the BID Association for an increase in revenue must be submitted to the Council by December in preparation for the financial year commencing the following 1 July with the following information:
   
   a. The Annual Programme identifying where the additional revenue is required and how this programme will achieve the BID Association’s Strategic Plan.
   
   b. The budget providing details of the additional revenue required.
   
   c. Evidence of support from BID Association members (AGM Minutes).

43. In addition to the Targeted Rate, the BID Association may raise funds through other mechanisms, including sponsorship, advertising and grants.

44. The Council may contract the BID Association to carry out services on its behalf and/or enter into a service level agreement.

Adjustments to the BID boundary area

45. A decision to change the boundary area of an approved BID must be made by the Council.

46. A proposal to change a boundary area can be made at any time but no decision can be made on a proposal until all eligible voters within the boundary area affected are polled.

47. If the proposal is for a boundary extension, only the property owners and occupiers in the proposed extension area are polled.

48. The BID will pay for any further polls to adjust the boundary.

49. The process for polling is that set out in clauses under item 14 of this Policy.

Dis-establishment of a BID

50. The Council may dis-establish a BID at any time and is not required to conduct a poll.

Management and performance accountability

51. The Executive Committee will act as the BID Association’s interface with the Council and is responsible for running the BID in accordance with this Policy and the approved Strategic Plan and Budget.

52. The BID Association and Council will at all times communicate with each other in such a way as to most effectively further the strategic objectives of the BID Association members and to protect and enhance the partnership relationship between the BID Association and the Council.

53. An appropriate Council General Manager will be responsible for the BID Association relationship and will appoint a one-point-of-contact staff member for the relationship interface.

54. The Executive Committee is expected to produce a Strategic Plan every three years which:
   
   a. reflects a representative view of the BID members
   
   b. describes how the Plan will contribute to achieving the purpose of the BID as set out in items 4 to 10 of this policy
   
   c. describe how the Plan will contribute to any Council strategic aspirations, plans or projects.
relevant to the BID area
d. include effective measures of performance that enable objective evaluation of delivery
against the outcomes of the Plan and the performance of the BID Association over the
three-year period.

55. The Executive Committee must present an Annual Programme and Budget to the Council by 1
March of each year for the following financial year.
   a. The Annual Programme sets out in detail the projects and work the BID Association
      intends to undertake in the following financial year. It must align with the BID
      Association’s Strategic Plan as in clause 54.
   b. The budget will be used to determine the overall level of the targeted rate and any
      requests for additional funding must comply with clause 41. The partnership between
      Council and the BID Association includes ensuring prudent use of any BID funding.
   c. Effective measures of performance that the success of the Annual Programme and which
      demonstrate a relationship to the association’s Strategic Plan outcomes must be included.
   d. The Annual Programme will also include measures of performance for the BID’s Executive
      Committee and management.

56. Measures of performance for both the association’s Strategic Plan (three yearly) and Annual
Programmes (annually) will be established in consultation with the Council in the form of key
performance indicators (KPIs).

57. Council and the BID Association will agree data sources for KPIs included in the Strategic Plan
and Annual Programmes as well as their respective responsibilities for data collection and
data reporting.

58. The agreed performance measures must cover the economic performance of the BID and
public and business perceptions of the BID identity against baseline measures (trend data).
They will also include KPIs related to specific BID projects and activities. KPIs may include but
are not limited to:
   a. BID contribution to central city GDP.
   b. Total retail spend.
   c. Type and number of businesses.
   d. Number of employees.
   e. Perceptions of safety.
   f. Shopper/visitor satisfaction surveys.
   g. Commercial rents.
   h. Vacancy rates.
   i. Visitor numbers (local, regional and overseas).
   j. Pedestrian activity.
   k. Economic impact assessment of events held in the BID.
   l. Number of new businesses attracted to the BID.
   m. Positive media (print, radio, social) coverage of the BID.

59. The BID Association must publish an Annual Report on its financial and strategic performance
each year in August.

60. Council will review the performance of the BID against the stated Strategic Plan, KPIs, audited
accounts and Annual Report. In August each year, the Executive Committee must provide the
Council with a copy of the audited accounts and Annual Report for the previous financial year
(including statements that the association has acted in compliance with its Rules and all other
relevant laws and regulations).
61. Where the Council has concerns with the progress or success of a BID, the grant from the Targeted Rate may be withheld until specific improvements or alterations have been made to the Annual Programme, business and Strategic Plans, or implementation processes.

62. The Council may initiate a review of all or any particular BID programme at any time.

**Dispute resolution**

63. The Council has the final decision about whether or not to set a Targeted Rate, the amount of that Targeted Rate, whether to provide for an additional rate or alter the boundaries of the area subject to the rate, and whether or not to establish, dis-establish, reduce or extend the BID.

64. If there is a dispute about other matters the BID Association and the Council will attempt to resolve their dispute through mediation sharing the costs of mediation equally. If the dispute is not resolved, either party may refer the dispute to arbitration in accordance with the Arbitration Act 1996. The award in the arbitration will be final and binding on the parties.

65. Disputes between BID members (ONR) and the BID Associations will be settled in accordance with the following procedure:

a. unless matters can be resolved quickly and informally, ONR are obliged to bring their concerns to the attention of the BID Association’s Executive Committee in writing. An initial written response is required within seven working days, outlining the manner and the time frame in which the concerns will be addressed. Council as major fund provider should be made aware of any such issues.

b. Having exhausted reasonable means of resolving the dispute, the BID Association may appoint a mediator to enable the parties to settle the dispute. If the dispute is not resolved within a further 30 days after appointment of a mediator, any party may then refer the dispute to arbitration in accordance with the Arbitration Act 1996. The award in the arbitration will be final and binding on the parties.