

BID... BIA...
TCM... MCV...
CID... TMO... mUC...



A new form of private–public partnership in the realm of local governance commonly known as **Business Improvement Districts** (BID) has operated and proliferated throughout North America.

But... What is BID?

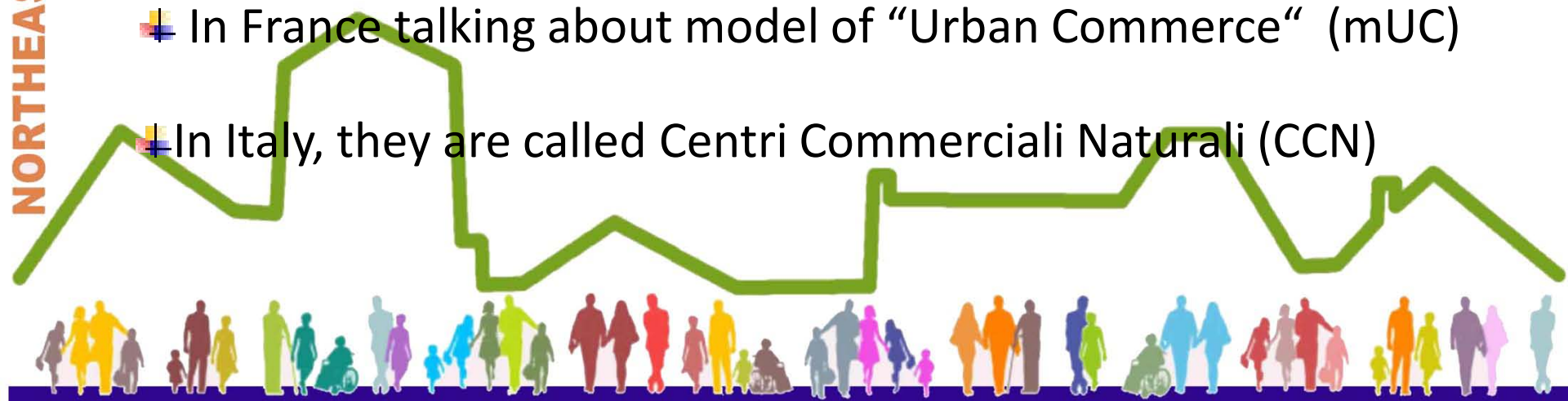
Despite its widespread adoption and use, there is no standardized naming convention or definition for BIDs, but consists substantially a new form of private–public partnership in the realm of local governance commonly known as Business Improvement Districts (BID), operated and proliferated throughout North America. (Davies 1997; Hoyt 2005c)

- Special Improvement Districts (SID) (New Jersey);
- Public Improvement District (PID) (Texas);
- Neighborhood Improvement Districts (NID) (Pennsylvania)

The definition given by Lorraine Hoyt is: ***“privately directed and publicly sanctioned organizations that supplement public services within geographically defined boundaries by generating multiyear revenue through a compulsory assessment on local property owners and/or businesses”.***



- ✚ In Canada, **WHERE THE MODEL ORIGINATED**, BIDs are known as Business Improvement Areas (BIA)
- ✚ In UK, they are called Town Centre Management (TCM)
- ✚ In Belgium the experience of UK TCM is more recent than the English and is called Management de Centrel-Ville (MCV)
- ✚ In South Africa, they are called City Improvement Districts (CID)
- ✚ In Japan, they are called Town Management Organization (TMO)
- ✚ In France talking about model of “Urban Commerce” (mUC)
- ✚ In Italy, they are called Centri Commerciali Naturali (CCN)



How and when do BIDs originate?

- In the 1930s and 1940s, business leaders in cities throughout the United States formed voluntary membership organizations such as the Detroit Business Property Owners' Association and Downtown Council of Chicago to combat decentralization – the unrelenting migration of firms, retail establishments, and customers from downtown to outlying suburban municipalities.
- Much like their contemporary counterparts, the members of these associations aligned their attention to crafting strategies aimed at increasing property values and retail sales by attracting customers and investors to the downtown using promotional mechanisms like parades, tours, and window displays.
- These organizations also functioned as advocates for the downtown, communicating the need for projects ranging from the construction of new parking facilities to the demolition of so-called blighted areas.



BID



- In the 1950s and 1960s, American business leaders continued with voluntary efforts to redevelop and reposition their downtowns, as evidenced by two classic examples – the Pittsburgh Allegheny Conference on Community Development and the Greater Baltimore Committee.
- In the mid-1960s, a small group of businessmen in Toronto, Canada, invented a new approach to circumvent the free-rider problem, where ‘free riders’ were business owners in the area who benefited from the monetary and other contributions that were made by members of the voluntary business association, but who did not contribute to the association themselves. Accordingly, they explored the feasibility of an autonomous, privately managed entity with the power to impose an additional tax on commercial property owners to fund local revitalization efforts.
- Their success in passing the requisite legislation in 1969 represents the moment when the *BID model was born.*



BID/BIA



In the late 70's, in Great Britain, faced with a progressive and rapid transfer of the distribution sector from urban areas to new suburban areas, the various parties involved have begun to wonder about the models of integrated management of the areas in crisis. This large commercial areas makes them less competitive devices, and above all deserted some commercial commercial arteries particularly .

The idea was to analyze the positive points of the management of these shopping complexes and by the importance of management, create a management unit in the city center. The concept has been used to centralize in a single unit that needed services to urban centers such as maintenance of sidewalks, cleaning, security, parking, street lighting, etc..).



TCM



The first initiative of TCM in Britain was born in 1986 in a metropolitan county of London, Red Bridge. In this suburb, in the execution of a proposed revitalization of the historic center has been appointed as a manager with the task of coordinating the business activities of the city.

This system was created in early to avoid the duplication of work and offer one-stop shop for information. In this initial model, the management remains with the local community, but the idea of a possible partnership was already being discussed.

However, it is only since the 90's that saw a real development and rationalization of these initiatives in Britain when the law on urban planning has explicitly linked the trade to urban centers. The document of 1993 states that trade is a priority in urban development for cities, since the logic of sustainable development, accessibility to these areas is guaranteed even to those who do not have private means of transportation.



TCM



The experience of Town Centre Management in Belgium is more recent than the English. The peculiarity of this model is to be managed by legislation, was born in the Walloon Region (French speaking). In 1998, the Walloon Regional Government, developed an "Integrated Action Plan for the management of city centers in order to find a way to economic decline of many inner cities. The Walloon government had the intention, with this plan, to restore the balance between central cities and suburbs in order to avoid central areas continue to deteriorate economically, socially and structurally.

The experience was created and developed in the Walloon city of Charleroi, following a forum on the future development of urban centers in Belgium, where they were presented to the international experience of revitalization and management of these areas.

MCV

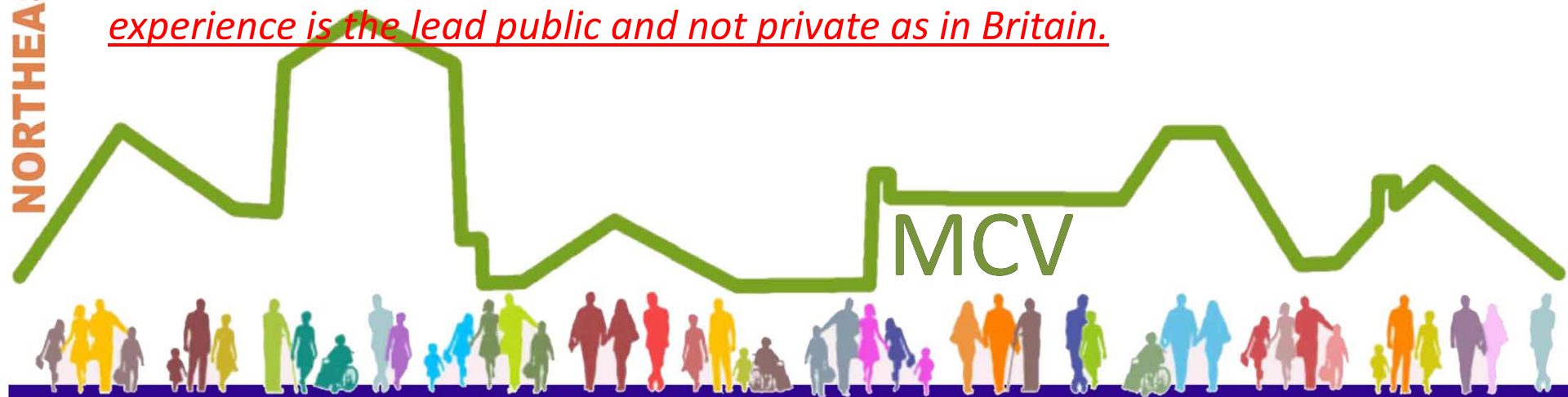


It thus created the so-called "cellules de gestion des villes-centers."

These "cells" or units of management are the operational structure through which they implement the projects.

This management model retains a major factor in the experiences of TCM which is the public-private partnership, in which key posts are evenly divided between the public and private sectors.

Urban centers that decide to create these units are supported by a "cell" of reflection and coordination at the regional level, known as the "Association du Management de Centre-Ville," which has a similar role to that of networking british association , *even if that experience is the lead public and not private as in Britain.*



The "cellules" are funded by:

- Contributions to the City varies between 20 and 40% of the total budget of the cells.
- Contributions of Partners: In most cases, the contribution is voluntary, although it may be different forms.
- Membership fees: may be in the form of monetary fee or in the form of sponsorship of events or buying a package of activities provided by the "cell".
- Other revenues: many cells organize promotional activities that provide revenue such as the sale of a "package of services and entertainment," which is sold to retailers with annual contributions that vary depending on the number of employees.
- Contracts involving the owner of a local, the management unit and the tenant for the re-occupation of a place abandoned, in such an event the cell receives a percentage of the proceeds.
- Sale of products under the brand name of the management unit or regional products.
- Contributions of the Region: represented by resources allocated to the payment of wages of workers of the "cell". In small municipalities, the contribution is equal to 65% of the total budget, while in the larger municipalities this percentage decreases to 46%.



MCV



What is a City Improvement District?

CIDs are geographic areas in which the majority of property owners determine and agree to fund supplementary and complementary services to those normally provided by the local authority. The objective is to maintain and manage the public environment at a superior level and in doing so enhance their investments.

Supplementary CID services might include public safety ambassadorial services, pavement cleaning, litter collection, maintenance of public space, removal of illegal posters etc.

Additional CID services may include place marketing and web-based communication, small capital projects, landscaping and special events to ensure a superior urban village lifestyle.

Through legislation the cost of the provision of whatever services a CID is to provide is then spread on a pre-agreed equitable basis across all property owners within the geographic area. Funds contributed by the property owners may only be spent in the area in which they are collected, unlike rates.



CID



How is it formed?

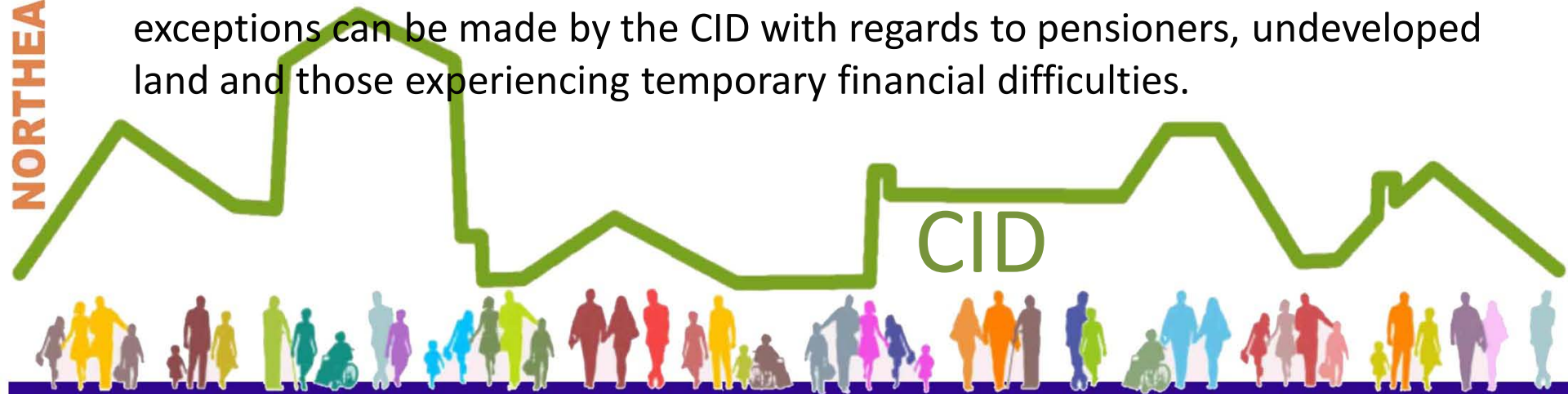
Initially, the geographic extent and boundaries of the improvement district has to be defined. All property owners and major tenants within a defined area must be identified and exposed to the proposed intervention.

A referendum has to be held and a pre-determined majority must be achieved in order to legally establish an improvement district.

Whilst the application to the local authority to establish an improvement district may be made by 25% of property owners, final approval will not be considered unless more than 51 % of relevant property owners are in agreement.

Once a district is authorised, 100% of property owners within a district have to contribute financially in the form of a monthly levy.

This appears to be the most equitable and acceptable approach, although exceptions can be made by the CID with regards to pensioners, undeveloped land and those experiencing temporary financial difficulties.



How does it operate?

The improvement district utilises the revenue from levies to provide the necessary services within the legislated CID area. The extent of the services to be provided by the improvement district reflects the actual needs of the area as defined by the perception survey and members input.

The improvement district is established for an initial period of three years with a proposed budget for services to be submitted to council. This gives ratepayers the opportunity to reassess results, impact and efficiency on a regular basis.

Paying improvement district members may also vote for the dissolution of the improvement district at anytime during its lifetime, after satisfying its creditors the net assets remaining must be transferred to the municipality or municipalities concerned.



What are the benefits?

There are many benefits in establishing an improvement district.

These include, but are not limited to, the following:

- The cost of providing the services is borne by the property owners in the area
- Costs are borne in proportion to the value of property owners' investments
- The Improvement district approach is holistic
- An improvement district creates a positive identity for the area
- The improvement district offers private sector management and accountability
- The effectiveness of the improvement district is measurable
- CID monitors any new major development or interventions that impact the area
- The CID is able to put forward ideas for change to council



CID



To revitalize weakened inner cities, many people are paying attention to the activities of TMOs which are entitled to revitalize by operating within the boundaries of the Law on Improvement and vitalization in City Center. The Law of Improvement and Vitalization in City Center is a tool aiming to revitalize inner cities.

It focuses on the following two points:

- 1) Development and improvements;
- 2) Commercial revitalization.

Local governments that want to promote and revitalize city centers based on the law must draw an Improvement and Revitalization in City Center Fundamental Plan that needs to be in tone with the fundamental policy proposed by the national government. After that, any organization that wishes to become a TMO must make the TMO Draft.



TMOs aim at a comprehensive coordination and implementation of operations across a wide geographical area in commercial sites, to make sure that the entire area just like a single shopping mall.

In Japan, TMOs are wholly financed by the government

With TMO of THE AREA HIT BY HANSHIN-AWAJI EARTHQUAKE main effects were:

- Outer supports have increased because the area's name became well known. As Nagata and Shin-Nagata became widely known, outside the area broad company and professional networks formed, with the TMO becoming a liaison office for Machi-Dukuri based on the local commercial areas, as well as devoting itself to disseminating local information. As a result, a variety of external support has been generated: the TMO has hosted school excursions that are experimental studies, jointly developed foods with non-local, and received cooperation from companies for the rent-an-electric-scooter project.



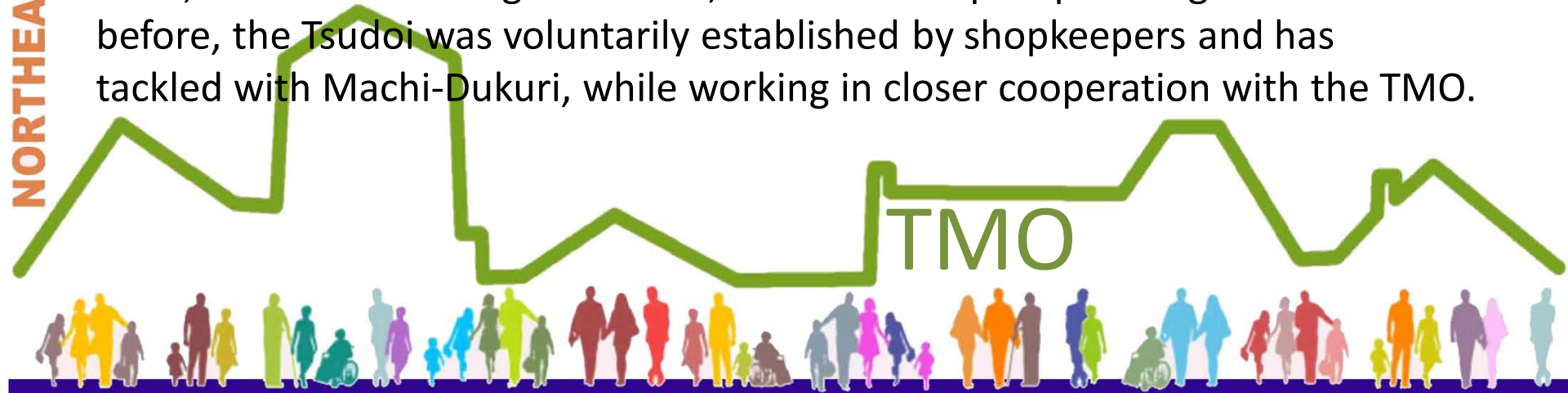
TMO



- Various activities have been carried out towards the commercial revitalization. In the Shin-Nagata district, after the earthquake, the land rezoning and urban area redeveloping projects have been selected to be implemented. Both projects have been filled with measures centered on building reconstruction. Additionally, since the TMO was formed by shopkeepers, various activities have promoted some events to generate prosperity, such as projects to rent electric scooters and developing original products from the shopping districts .

- Shopkeeper relationships are becoming closer. TMOs are formed to cover a wide 113.4-hectare area, and the relationships among this area's shopkeepers are becoming closer and closer. For instance, in 2002, North of Shin-Nagata station, where no shopkeepers' organizations existed before, the Tsudoi was voluntarily established by shopkeepers and has tackled with Machi-Dukuri, while working in closer cooperation with the TMO.

TMO



Model of "urban commerce"

In the past in France, was used for commercial programming Royer Law (1973), and then the Raffarin Law (1996), who "allowed" the development of large commercial structures in the outskirts of cities, a phenomenon that coincided with the ' abandonment of shopping centers in the city and therefore has modified the vitality in the urban centers.

In 2007 began a process of reform of the rules of business planning to return to a business model "urban" with a human dimension.

It 'so that in 2008 the Law was introduced to Modernize the Economy, that law LME, adopted August 4, 2008. This law favors management based on criteria of sustainability and urban layout of the area and has as its main ambition to "remove the limitations that prevent some sectors of the economy to grow and create jobs."

According to this new law and before the problems that presents the urban market, the Ministry of Economy, Industry and employment, through the Secretary of State for Trade, started in 2008 a reform, which seeks to enhance development of trade in the vicinity.

It submitted a report proposing ideas to provide better linkages between trade and urban planning.

mUC



His main points and challenges:

- organize, sort, coordination, and balance the territories, without limiting the economic dynamics;
- promoting commercial responsiveness, innovation, competitiveness and the creation of added value;
- to impose standards of urban design competition and then let the laws of the market do better than any economic planning;
- ensuring diversity among the various shapes and sizes of business to protect competition and the economy of proximity;
- return the correct hierarchy of city management, regional planning, protection of soil and capitalism.

The relationship is not just a document containing a series of propositions to improve the analysis and business planning, but it is a rational document on how to improve the lives of people and their surroundings and how the growth of a country is based on policies that respect the interest and the transversal policies on urbanism and cities.



mUC



Two concepts:

- "No city is enhanced without trade"
- "No respect for the general vitality without"

In anticipation of legislative changes for new legislation on trade city, the report proposes to conceive of national programs of local actions (PAL) self-funded, these programs would simplify the implementation of these changes on the part of local communities and allow you to quickly reach targets aimed at "better living together".

The goal is to develop trade in the vicinity of inner cities to the extent that the general interest, allow businesses to adapt to new trends and changes in consumer behavior going to create, therefore, a value added .

Known forms are:

"A Gallery Marchande Skies" and "Shopping Centre to Open Skies"



mUC

