



City of Biddeford, Maine

Proposed Downtown Improvement District

General Information (Updated April 27, 2017)

Original proposal: Driven by one of the City Councilor's goals for the year, the City Manager proposed the creation of a Downtown Improvement District (DID) in the submittal of the proposed budget for the upcoming year (July 1, 2017 to June 30, 2018). As proposed, a separate and independent non-profit organization would be created for the sole purpose of maintaining a clean, safe downtown while building and promoting the downtown area. Using the successful business improvement districts in Portland and Bangor as a model, the proposal was to partner with the property and business owners in the downtown to assist in getting the district up and running. Many of the details are contained in the March 2017 Q & A informational package.

Original funding and time lines: The original proposed plan was to have the City support beautification this spring. This would be 100% supported by City resources. Beginning with the new budget year, funding for improvements, promotions and marketing of the downtown would equally split between the City and the property owners. A total of \$106,616 was planned to be used as follows:

- Cleaning and maintaining the downtown: \$52,165
- Beautification funding \$27,500
- Promotions: \$10,000
- Support of special events, etc.: \$15,000

Half of the funds planned to derive from the property owners in the form of a special assessment. In the following year, the newly formed non-profit Board of Directors would totally be in control of the decisions about the amount of funding and how to use the funds.

Revised plan: Based on the personal feedback that the Mayor and City Manager have received over the last month during their outreach to property and business owners who would be impacted by the DID, the City Manager suggested a change to the original suggestion. Those changes were suggested during the April 26, 2017 budget workshop. The changes were as follows:

1. The City Council is scheduled to consider funding \$41,511 of beautification at their May 2 meeting. All funds will come from City resources.
2. For the budget year FY18 (July 1, 2017 to June 30, 2018), the property owners would not be required to pay anything towards the program. Using available resources, the City would fund the entire program for the next year.
3. The proposed funding for FY18 was decreased by \$22,000 by reducing the cleaning and maintaining by \$10,000 and cutting in half the funding for promotions and special events support.
4. The City would support the downtown property owners and interested parties in developing the by-laws and any other desires to formalize the program during the balance of 2017.
5. Funding and uses for FY19 (July 1, 2018 to June 30, 2019) would be totally controlled by the new Board of Directors of the non-profit.



City of Biddeford, Maine

Downtown Improvement District

Questions and Answers

March 2017

What is it? Modeled after the very successful Portland Downtown Improvement District (DID) and others that have been successful across the county, the basic premise is to provide an opportunity for those involved and invested in the downtown with an equitable vehicle to determine the needs in the downtown area as well as the resources to meet those needs. Most of the DIDs are formed as a non-profit 501(c)4 organization and are governed by a Board of Directors. The mission is to improve the downtown area through investments, programs and other enhancements that positively impact visitors, merchants and the community. Bangor also has a successful DID.

How does it work? Each year, the organization submits a budget request for funding and the goals associated with this funding to the municipality. Upon review and consideration, the City Council authorizes the budget. Said funding is raised as an additional property tax on the real and personal property within the district (the boundaries of which are yet to be determined). Those funds are transferred to the organization for the intended uses.

Why is it being considered? In an era when municipal funding is constantly being squeezed by such pressures as state government raiding municipal revenue sharing and requiring additional mandates without funding, the provision of supplemental downtown amenities is often unable to be funded by traditional sources. This is the case in Biddeford. On a very limited and random basis, some things like priority snow removable, 'clean teams', beautification, and maintaining the RiverWalk in the winter months have been attempted with only marginal success.

What is specifically being proposed in the upcoming budget year? The proposed City budget includes the foundation to create the Biddeford Downtown Improvement District. The plan involves the ramping up of the process for full implementation by July 1, 2018. If supported by the community and hence the City Council, it would involve financial support from general taxation in a reduced and sliding basis during the implementation. It would also involve the support of City staff during the transition. All financial support for the plan prior to July 1, 2017 would be from the City. As proposed, in the FY18 budget, half of the funding would come from the City. In FY19, the City would reduce its share of the funding from the initial 50% level. The resulting level funded by the City in subsequent years would ultimately be a policy issue for the City Council at that time. [insert table here? See below]

The current plan involves five components:

- **Creation of the independent Board:** the independent board will need to be created and should be in place by December 31, 2017. If it could be created sooner, that would be desirous.
- **Funding for beautification:** The proposal currently includes \$27,500 in funding to invest in the downtown for beautification and improvements. These funds would be spent during the upcoming budget year (July 1, 2017 to June 30, 2018).
- **Promotions:** most DIDs include funding for marketing and promotions for the area. Included in the proposed budget for DID is \$10,000 for this purpose.

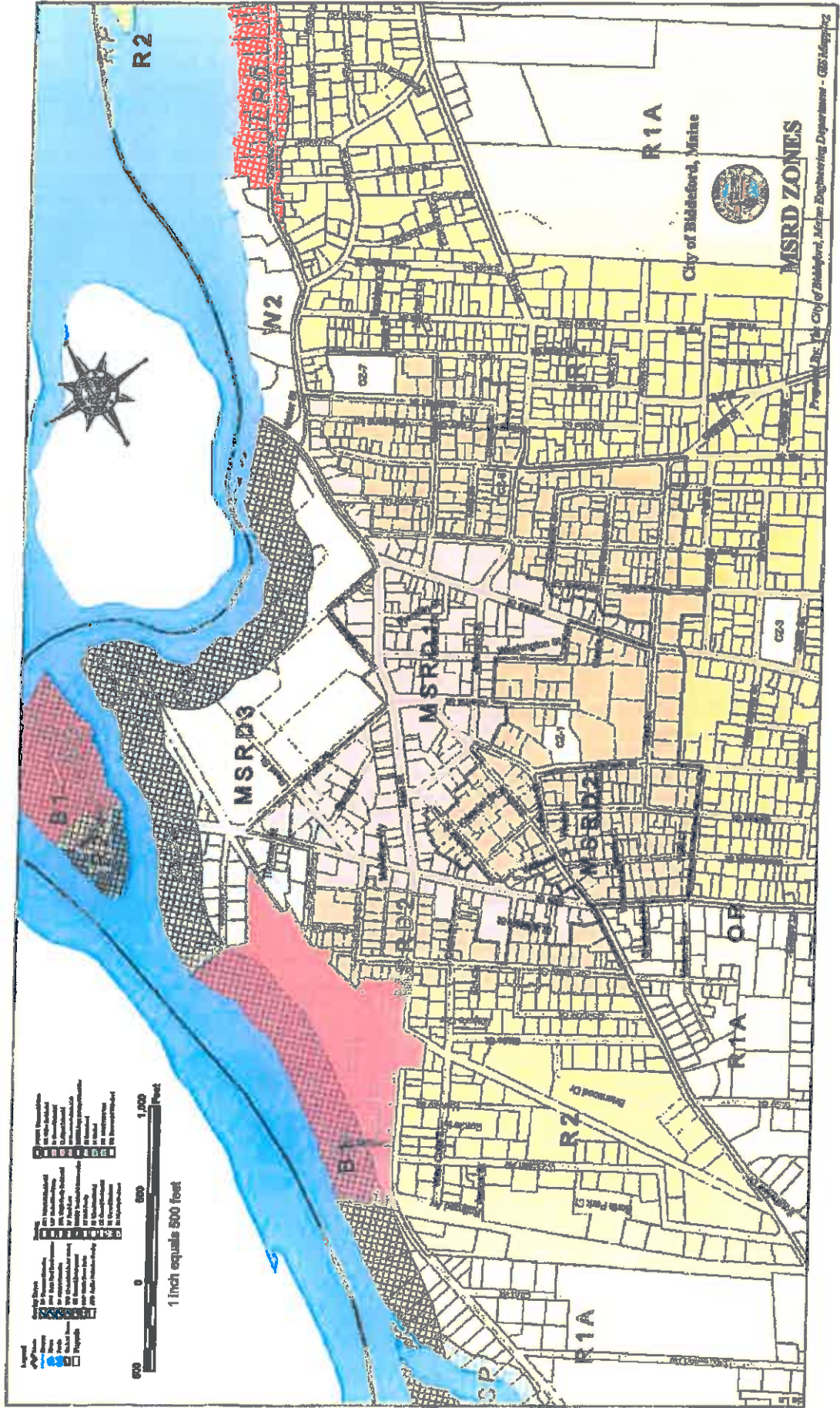
- **Donations for activities:** most DIDs include funding to support activities. The Old Port Festival is funded by Portland's DID. Currently, Heart of Biddeford (HOB) serves the role of coordinating events for the downtown. Whether HOB will continue in that role or not will be decisions that will be worked out with HOB. However, for the next year, there is \$15,000 being earmarked towards HOB, the majority of which is intended to support activities in the downtown.
- **Cleaning and maintaining the downtown:** cleaning, maintaining, and timely winter work is critical in the eyes of most downtown supporters. The current budget allocates 1,700 hours of part time labor for the downtown area year-round as well as dedicated half of the time of a full time equivalent employee. In total, \$54,116 of funding is allocated for this purpose.

What kind of financial impacts would this proposal mean for land owners in the DID? It is expected that the additional tax would be \$0.49 per thousand dollars of value during the first transitional year. Attached to this sheet is examples of some of the properties in the downtown and what that would mean financially.

Where is the proposal in the process for consideration? The concept was submitted as part of the City Manager's proposed FY18 budget as a direct result of it being a stated goal of the City Council. The City Council is just beginning their review of the budget. They have not discussed the concept in any detail or deliberated on the merits. The City Manager, assisted by the Mayor, is in a process of trying to provide education about the concept and process by meeting with groups. The Council is expected to conclude their budget process by the middle of May. It is expected that the Council will provide an opportunity for the public to share their thoughts about the proposed DID in the near future.

How do the downtown property owners protect themselves for paying very large DID assessments down the road? This is often the biggest concern that is expressed by stakeholders when a DID is introduced. Without any ability to control what is charged against the DID, the additional burden can become unacceptable. Other DIDs have worked well when the local government is a partner in the process and not the final decision maker. While the independent board has some direct representation from the municipality, it ultimately determines the funding recommendation. Successful DIDs rarely have elected officials take a different course of action. In some models, the elected officials have no ability to change the request and simply act as the vehicle to collect and distribute the funding.

Where can I get more information? The Maine Development Foundation has provided some information about the DIDs generally and the two successful DIDs (Bangor and Portland) on their web site http://www.mdf.org/mdc_rl_bus_improv.php. You are also encouraged to seek information from the City's Economic Development Team and/or its City Manager.



Address	Zone	Common Name	Projected Assessed Value FY 26	Current Property Tax	BID-MR Rate	BID Property Tax
232 Main St	MSRD-1	Reilly's	\$ 285,200	\$ 5,664.07	\$ 0.49	\$ 139.75
110 Main St	MSRD-1	Roger's Barber	\$ 285,200	\$ 5,664.07	\$ 0.49	\$ 139.75
22 Pearl St	MSRD-3	Bugbee Brown	\$ 380,700	\$ 7,560.70	\$ 0.49	\$ 186.54
5 Alfred St	MSRD-1	Grady's	\$ 456,000	\$ 9,056.16	\$ 0.49	\$ 223.44
265 Main St	MSRD-1	Elements	\$ 508,700	\$ 10,102.78	\$ 0.49	\$ 249.26
227-231 Main St	MSRD-1	Oak Point Building	\$ 592,700	\$ 11,771.02	\$ 0.49	\$ 290.42
5 Washington St	MSRD-1		\$ 637,500	\$ 12,660.75	\$ 0.49	\$ 312.38
163 Main St	MSRD-1	Rangor Savings	\$ 786,300	\$ 15,615.92	\$ 0.49	\$ 385.29
140 Main St	MSRD-1	Cow Bell	\$ 1,040,800	\$ 20,670.29	\$ 0.49	\$ 509.99
254 Main St	MSRD-1	Biddeford Savings	\$ 1,961,400	\$ 38,953.40	\$ 0.49	\$ 961.09
75 Saco Falls Way	MSRD-3	Lofts at Saco Falls	\$ 6,541,400	\$ 129,912.20	\$ 0.49	\$ 3,205.29
32-40 Main St	MSRD-3	Pepperell Mill	\$ 5,518,100	\$ 109,589.47	\$ 0.49	\$ 2,703.87
100 Saco Falls Way	MSRD-3	Mill at Saco Falls	\$ 5,413,400	\$ 107,510.12	\$ 0.49	\$ 2,652.57
2 Main St	MSRD-3	North Dam Mill	\$ 11,837,200	\$ 235,086.79	\$ 0.49	\$ 5,800.23
			\$ 36,244,600	\$ 719,817.76	\$	\$ 17,759.85