



## 13.0 Business Improvement District (BID) Policy

### 13.1 Introduction

#### 13.1.1 Definitions

BID	Business Improvement District
Council	Hamilton City Council
Elected committee	The body elected by businesses in the BID area to govern the operations of the BID
BID Manager	The person recruited or contracted by the BID to manage its day to day activities

#### 13.1.2 Overview

A Business Improvement District Programme is a partnership between a local authority and the local business community to develop projects and services that will benefit the trading environment within the boundary of a clearly defined commercial area. A BID is financially supported by the levying of a targeted rate and collected from all non-residential properties within the defined boundary.

Place based problems and issues demand place based responses. BIDS offer long term solutions. They are based on incremental success and local business involvement. Key objectives of BIDs are business creation and development, increased employment and local business investment, and an enhanced physical environment. BIDs are also intended to promote the profile of a particular commercial district or business centre.

BID's are an important element in delivering Hamilton's Economic Development Strategy. They build on Hamilton's value proposition of as a young, dynamic, agile city able to capitalise on opportunities by capturing the energy and skills of the city's businesses.

#### 13.1.3 Purpose of this Policy

This Policy provides guidance for prospective BIDs and as well as Hamilton City Council (referred to in this document as the "Council") who administers BID programme and their associated targeted rates.

The Policy addresses:

- The establishment of new BID programmes;
- The operations of existing BID programmes; and
- Managing the performance of BID programmes.

The strategic goals of the Policy are:



- to support business creation, attraction, retention and expansion within commercial districts and business centres
- to promote encourage the development of locations where businesses want to be based, through marketing, events and promotion
- to promote urban design and heritage through enhancements to the public realm
- to help contribute to the vibrancy of the BID area

Each objective must be given full consideration and developed and promoted in partnership. The BID's programme of work should reflect the short, medium and long term priorities of the area

#### a) **BID Objectives**

##### **Business development:**

*BID objective 1: To strengthen the district's existing economic base while finding ways to expand it to meet new opportunities and changes in the retail and economic climate of the region and country.*

A BID must consider ways in which an area's assets and commercial offer can be improved and maximised.

Core principles of business creation, attraction, retention and expansion should be applied. These may include but are not limited to promotion and marketing, networking, advice on best practice, business-to-business development and developing a business centre prospectus for potential investors and tenants.

##### **Promotion, events and marketing:**

*BID objective 2: To market the commercial district and business centre's assets to customers, potential investors, new business, local citizens and visitors.*

A BID should attract new businesses and increase pedestrian rates through marketing, special events and promotions.

Each BID should develop a series of key messages about the activities and benefits of the programme so that members are fully informed of the returns on their targeted rate. All media about the BID should also emphasise the initiatives of the BID and acknowledgement of the contribution to the programme by the local businesses beyond the committee members. This is essential to ensure full engagement by all businesses.

##### **Urban design and heritage environment:**

*BID Objective 3: To coordinate physical improvements to enhance the image of the business centre, promoting what it has to offer and providing a secure and clean environment.*

This includes encouraging high quality new development and long term planning that delivers on 'Vista', Hamilton's Urban Design Guide and Hamilton's Creativity and Identity Strategy.

Vista outlines Hamilton's expectations for better designed environments — describing how a well-designed places and spaces should look, feel and function. How a city looks and feels is a crucial part of its identity. Hamilton is a collection of places, each with their own opportunities and challenges that need to be considered as a design concept



evolves. The city has identified the following significant places that require particular care and consideration:

- The River — Initiatives and development near the river should acknowledge its importance, incorporating the rivers imagery and identity, reflecting both it's past and present.
- CityHeart — the central city is the city's heart and its "shopfront" — a focal point for both commerce and culture. Initiatives and development within the centre should provide particularly memorable experiences, creating vibrant streets and imaginative architecture.
- Lakes — Initiatives and development around lakes needs to be particularly sensitive to the natural environment and to public amenity.
- Gateways — gateways for many are the first impression of the city. Future developments at the edge of the city need to be high quality and provide a sense of arrival.
- Neighbourhoods — Hamilton is a collection of neighbourhoods that reinforce the sense of local community. They each have their own character. Future initiatives and developments need to understand and respect that character.
- Natural features — Hamilton's urban environment is enhanced by the natural setting; the gullies and ecologically significant areas. Initiatives and development in and around significant natural features will need to recognise those features and contribute to their enhancement.

CPTED (crime prevention through environmental design) principles and work towards achieving a safe and clean business environment are also critically important. Maintenance and security will contribute to the achievement of this aspect of the programme application.

A BID Association developments and activities should support the strategic aspirations of the Creativity and Identity Strategy, particularly the proposition that our city is a 'living work of art' where everyone is engaged in creating spaces, interactions, and an aesthetic that inspires and delights

**Relevant guiding documents:**

- Creativity and Identity Strategy
- Vista guidelines
- Hamilton City Public Places Bylaw and Policy
- Art in Public Places Policy

**b) Approach**

BID's should have recourse to the following approaches when undertaking activities:

**Comprehensive:** A single project cannot revitalise a commercial district or business centre. An ongoing series of initiatives are needed to build community support and create lasting progress.

**Continuous improvement:** As technology and methods of business operation change constantly, there is a need to ensure that the BID Executive Committee and manager are consistently looking at how they can improve the output and operation of the BID



programme in their area. Keeping up to date with international and national trends will inform this improvement.

**Capacity building:** Activities which strengthen the knowledge, abilities, skills and behaviour of the businesses in the area as well as the committee and the BID manager will assist the organisation to achieve its core objectives. This may include organisational development, the elaboration of management structures, processes and procedures, skills and access to information, knowledge and training that enables them to perform effectively.

**Professional development:** Encouraging the continued professional development of the BID manager in the areas of skills and knowledge acquisition. This should include attendance at industry-related conferences, keeping up to date with industry standards and international best practice and attending management courses and workshops where relevant, including those facilitated by Hamilton City Council.

**Measurement of progress:** Accountability for use of public funds to ratepayers and the Council must be in tangible and measurable forms. Developing Key Performance Indicators against the strategic plan goals and measuring the BID manager's performance against these is essential best practice for all BIDs.

**Incremental:** A step-by-step approach should be used to achieve improvements over time and most BID programmes are viewed as being long-term commitments where benefits will be gained over a number of years.

**Grass-roots commitment and community buy-in:** Local leadership can initiate long-term success by fostering and demonstrating community involvement and commitment to the revitalisation effort. Communication is an essential tool to ensure that the stakeholders and specifically the business community are fully aware of the initiatives which are being undertaken in the commercial district and business centre through the BID programme.

**Public/private partnership:** Every local BID programme needs the support and expertise of both the public and private sectors. For an effective partnership, each must recognise the others' roles, strengths and weaknesses.

**Identifying and capitalising on existing assets:** Business communities should be encouraged to recognise and make the best use of their unique assets. Local assets provide the solid foundation for a successful BID initiative. Every area has a distinct character or specialised function and these should be harnessed and built on.

**Quality:** With the emphasis on improving all elements of a Business Improvement District, all projects should be undertaken with a view to highest quality, particularly from a sustainability and legacy aspect. It is essential that all investments be made with a knowledge of maintenance and whole of life cost is taken into consideration for budgeting and resource purposes; and this may require liaison with Council on key projects.

**Change:** Changing community attitudes and habits are essential to bring about a commercial district and business centre renewal. A carefully planned BID programme will help shift public perceptions and practices to support and sustain the revitalisation process. Communication as mentioned above is a critical factor in gaining support for changes.

**Action-oriented:** Frequent visible changes in the look and activities of the commercial district and business centre will reinforce the perception of positive change. Small, but



dramatic improvements early in the process will remind the stakeholders that the revitalisation and development effort is under way.

#### **13.1.4 Background**

Business Improvement District (BID) programmes have been operating in New Zealand since the early 1990's and their numbers continue to grow. Examples include mainstreet, business district and business development projects.

The "Mainstreet" initiative, which originated in the USA, was taken in response to the realisation that traditional commercial centres and neighbourhood shopping centres were in decline as a result of the growth of and competition from new developments. Since then the programme has proven an ongoing success in commercial centre revitalisation and employment creation.

#### **13.1.5 Strategic Fit**

This policy helps deliver on one of the key elements of Council's 'Vibrant Hamilton' vision - Creating Prosperity and Identity:

- Attracting and growing talent
- Making small effective
- Enhancing the aesthetic experience
- Re-connecting to the Waikato River

It also aligns with the strategic aspirations and agreed set of priorities for action in the Hamilton Economic Development Strategy;

Leadership for Hamilton

- A thriving business environment
- Building on economic strengths
- Attracting and growing talent
- Developing an enterprise culture

## **13.2 ESTABLISHING AND MODIFYING A BUSINESS IMPROVEMENT DISTRICT**

### **13.2.1 Considering a Business Improvement District**

Discussions to explore the possibility of establishing a BID may be initiated at any time by any interested party. Evidence must be sought that there is sufficient support among BID proponents to sustain the prolonged and comparatively demanding challenge of establishing a BID.

### **13.2.2 Initial Consultation**

The Council will supply a map of the business area, with the proposed BID boundary indicated. BID proponents will discuss the proposed boundaries with key stakeholders within (and



potentially outside) the proposed area. These stakeholders might include, for example, owners of businesses, local or central government agencies within the proposed BID, or interested community groups. A public meeting should be held to communicate the proposal to establish a BID.

Following this initial consultation, the BID proponents will give feedback to Council whether they wish to proceed with the establishment of a BID.

### **13.2.3 Incorporated Society**

Before a BID can be set up, a Business Association must be established and registered as an Incorporated Society (refer to [www.societies.govt.nz](http://www.societies.govt.nz)). Council will not strike a rate without evidence that the BID Association is an Incorporated Society as at the 30 June of the given year.

As part of the incorporation process, a constitution must be developed. It is a requirement of this policy that the BID Association's constitution must be agreed upon by Council prior to registration.

### **13.2.4 Private Residents**

Private (non-business) residents are not covered under this policy, and as such will not become liable for the targeted rate. The Council will determine whether a particular property qualifies as a private residence or business premises for the purpose of this policy.

### **13.2.5 BID boundaries**

Primarily, the Council will allow BID proponents to determine the prospective boundaries. However, should the Council and BID proponents disagree; the Council's decision is final, as it is the Council who takes responsibility for the targeted rate.

### **13.2.6 Developing a List of Owners and Occupiers**

The BID proponents will compile a list of occupiers within the agreed boundaries of the BID.

Businesses occupying, but not owning property, will be identified by the BID proponents through the use of a survey, or other appropriate means.

The Council will prepare a list of property owners.

The two lists will be combined and filtered to avoid duplication and will form the basis of the voter register.

### **13.2.7 Creating the Voter Register — Eligible Voters**

BID proponents must next make contact with every owner and occupier, in order to determine who will be registered as a voter on the final voter register.

If the owner and/or occupier is an individual, that person should be registered as the voter unless they nominate someone else to act on their behalf. All future communication from the BID proponents or the eventual BID association must be addressed to that nominated



individual, unless the owner or occupier subsequently communicates a desire to nominate a different representative to the BID association.

If the owner and/or occupier is not an individual, the BID proponents must communicate with the senior management of that body (typically a company or trust) and request the name of a nominated representative to register as a voter.

This policy is based on the principle of 'one person, one vote'.

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

Voter information should include:

- Name of owner or occupier
- Name of representative (if applicable)
- Contact details:
  - Mailing address
  - Physical address
  - Email address
  - Telephone / fax numbers
- The voter's preferred method of communication

All registered voters automatically qualify to become members of the BID.

Once established, it is the responsibility of the BID to maintain and update the membership register. These should be updated no less than six monthly.

The BID association shall not use any personal information for any purpose other than administration of the BID.

### **13.2.8 Non-Eligible Business Owners**

The following business owners are not eligible to register on the BID voter register:

- Business owners who operate their businesses from residentially rated property within the BID
- Business owners who give a business address which is a commercial property within the BID, 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).

The BID proponents have the final decision over eligibility, in consultation with Council.

### **13.2.9 Setting the Targeted Rate**

The Local Government (Rating) Act 2002 gives the Council authority to set a targeted rate for an activity such as a BID.

BID targeted rates will be calculated on a combination of a uniform basis flat charge together with a targeted rate on a capital value basis for each rating unit or separately used or inhabited part of a rating unit within the area defined for the BID.



New properties, within the BID area, coming into that area during any financial year shall not be rated until the following financial year.

### 13.2.10 Polling in a Business Improvement District

BID polls must be run in the following circumstances:

- **Establishing a BID programme.** The Council will pay for the BID establishment poll.
- **Increasing or decreasing the boundary.** The expansion of a BID may be sought to include neighbouring businesses such as an adjoining street originally left out of the BID.

Where the BID is to be expanded, the BID must apply to the Council for a list of property owners and occupiers in the new area, and arrange for a poll to be conducted in the expansion area only. In the event of a BID boundary being reduced, a poll is conducted for the whole BID area because this change implies a reduction in budget for the whole programme.

For the purposes of financial planning, a boundary extension or reduction poll must be completed by the end of November at the latest in any given year and ratified by Council.

- **Dissolving a BID programme.** This may be called by the BID association however, the Council does not need a disestablishment poll to stop setting a targeted rate.

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 will be not less than 14 calendar days.

#### a) Informing voters

BID proponents must inform all registered voters of the upcoming poll and ensure voters are aware of the key issues to be decided. Such 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 and business plans;
- The principal BID proponents for contact purposes.

To achieve these aims, the BID proponents must:

- Advise and hold at least one information meeting, open to all interested parties, no less than 10 days prior to the poll closing.
- Place at least two advertisements about the upcoming poll in local newspapers, at least seven days apart, with the last advertisement a minimum of three days prior to the poll closing.

BID proponents may use additional methods to inform eligible voters of the upcoming vote, such as face-to-face meetings, email, fax or newsletters.

#### b) Sending out the ballots

The Council will provide the services of its Returning Officer or recommend one to BID proponents. They will contact the Returning Officer as soon as the voter register has been



finalised to enable the election service to begin preparing for the Poll. Material prepared for the Poll by Council will include:

- A copy of the register of voters;
- A copy of an easy to understand information sheet outlining the BID proposal;
- A copy of a ballot form approved by the independent election service;
- A copy of a contact update form which includes the name of the nominated representative of the business;
- Boundary information if the poll includes an increase or decrease of the BID boundary area.

Council's Returning Officer will send out an envelope 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 independent election service.

**c) The goals of the Poll**

It is a goal of the BID Poll to achieve a voting return of at least 35% of the eligible voters for that poll; and for the majority of those votes being in favour of the proposition.

All eligible voters in the boundary area are polled, with the exception of a boundary extension in which only the property owners and occupiers in the proposed extension area are polled.

**d) Proxy and absentee voting**

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.

**e) Non-registered eligible voters**

BID proponents should attempt to ensure all eligible voters in a BID area are registered. In the event that an individual believes he or she is entitled to vote, but does not appear on the register of voters used by Councils returning officer, the returning officer shall determine the status of the individual and whether a ballot should be issued to that individual.

**f) Confirming the result**

The independent election service will receive, count and verify all returned ballot papers. It will then report the result of the poll to the BID proponents and the Council.

**g) Final Decision on BID changes to be made by the Council**

The final decision about whether to establish, extend, reduce or disestablish a BID shall be made by the Council because, under the Local Government (Rating) Act 2002, it is the Council alone who can set the targeted rate. **In making that decision, the Council will take into account, but will not be bound by, the poll result.**



### 13.2.11 Holding the Initial AGM

#### a) Notification

Following a successful establishment poll, the BID proponents must promptly notify registered voters of:

- The date and place of the initial AGM of the BID association;
- Their opportunity to nominate individuals to the BID Executive Committee, and how to do this;
- Their opportunity to study the proposed changes to BID association constitution;
- Their opportunity to study the proposed BID association budget, strategic and business plans.

The Council will provide assistance (such as advice, templates, consultant contacts and visioning methods) with the creation of a long term strategic plan and an annual business plan for the BID

#### b) Timing

The AGM should be held at least two weeks after the poll, to allow for nominations for the election of officers, and consideration of the draft constitution and draft strategic and business plans.

### 13.2.12 Subsequent AGMs

#### A). Notification

The same procedure should be followed as outlined above in Section A Notification.

#### b) Timing

The AGM should be held annually and within four months of the start of the new financial year.

### 13.2.13 AGM Process

#### a) Nominations for election of officers to the BID association Executive committee

Nominations can be made for positions on the BID Executive Committee. Nominations must be made in writing, signed by two registered BID members, and the nominee themselves. These should be mailed, faxed or handed to the specified receiving office identified in the publicity about the AGM. Nominations will close seven days before the scheduled date of the annual general meeting.

#### b) Election of officers

The founding AGM will be chaired initially by the council officer assigned to the BID or a facilitator as agreed by the Council. The interim chair will begin by reading out nominations and calling for a vote in favour in each case.



In subsequent years, the AGM is chaired by the outgoing chair up to the election process, at which point the BID Manager will chair the election procedure.

There must be a minimum of five voting members elected to the BID Association Executive Committee and a maximum of eleven voting members. The BID Association Executive Committee must meet at least six times per year.

All elected members have full voting rights on the Executive Committee.

It is a requirement of this policy that an Elected Representative of Hamilton City Council be appointed annually to the Executive Committee. While the Council will nominate the Elected Representative for appointment to the BID Executive Committee, this nomination will be made following consultation with the BID Executive Committee Chairperson.

The Elected Representative should attend not less than four meetings per year. Their position is primarily an advisory or liaison role. They have voting rights within the Executive Committee and at AGMs but are not, however, eligible to hold the positions of Secretary, Chairperson or Treasurer.

The positions of Chairperson and Treasurer may be decided either by a general member vote at the AGM or by the Executive Committee at its first meeting following the AGM. The decision whether an election is made at the AGM, or by the Executive Committee, is made at an AGM, with that decision taking effect for the purposes of the following year's election.

No remuneration shall be associated with this governance role.

The BID Manager is eligible to be the Secretary of the Executive Committee but does not have any voting rights.

### **c) Ratification of key documents and decisions**

Having elected the Executive Committee members, the AGM should move to a discussion and ratification of the documents and decisions made by the BID proponents or the standing BID Executive Committee, in particular:

- the draft BID association constitution
- the strategic and business plans (including KPI's)
- the draft budget

Formal acceptance of these documents and any amendments are subject to the majority vote of the assembled BID association members.

The draft BID Association constitution must be approved by Council. Once this approval has been sought and following the initial AGM, the BID secretary should, as soon as possible, register the approved BID Association constitution with the Registrar of Incorporated Societies. This process can take some time, which is why it is important for the BID proponents to do as much of the preliminary work before the Poll as possible.

Incorporation or evidence of application to incorporate is required by the 30 June of the given year, so long as confirmation is forwarded to the Council Officer responsible for the BID as soon as it is available.

### **d) Changes to the committee and constitution**

Following the AGM, the BID secretary must register the approved BID association constitution or changes with the Registrar of Incorporated Societies. Changes to constitutions must also be advised to Council.



Council must be informed who elected officers and committee members are, with their full contact details.

### 13.2.14 Application for the Targeted Rate

Once confirmation of incorporation has been received from the Registrar, the BID association can move to apply to the Council for a targeted rate in its area. To be successful in its application, the BID association must present the following information to the Council:

- Evidence of a mandate (report from the independent election service).
- Evidence of incorporation (Registrar of Incorporated Societies).
- The agreed BID boundaries
- The ratified budget (AGM Minutes).
- The ratified business plan (AGM Minutes).

### 13.2.15 BID Manager

Once the Council has released funds to the BID association, a BID Manager should be hired. This position may be full or part-time as determined by the BID Executive Committee.

## 13.3 OPERATING A BID

### 13.3.1 Membership Rights and Responsibilities

Membership of the BID association is automatic for any eligible voting business within the boundary area and entitles the individual member to:

- Attend and vote at all annual and special general meetings;
- Attend all meetings of the BID Executive Committee (but not vote);
- Stand for election to the BID Executive Committee;
- Receive regular communications about BID activities;
- Receive notification of upcoming meetings and agenda items.

Membership of a BID requires agreement to abide by the association's constitution and follow all rules.

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

Contact detail forms should be readily available from the BID proponents.

### 13.3.2 Associate Membership

Organisations outside of the boundary area or non-related members of the community are eligible to apply for associate membership. Associate members may join the committee if accepted by a majority vote of the Executive Committee. Their position is a purely advisory or liaison role, and they have no voting rights within the committee or at AGMs. Where



appropriate, an annual membership subscription can be determined by the committee, and associate members are required to pay this subscription.

### 13.3.3 Managing a BID

#### a) Executive Committee

The Executive Committee will be responsible to the BID association for running the Business Improvement District Programme in accordance with the approved strategic plan and budget. The roles of the Executive Committee include: recommending projects and priorities; managing staff and contractors; overseeing the spending of approved budgets; and monitoring work progress against budgets and performance measures.

The BID Association Executive Committee must meet at least six times per year. A quorum for the transaction of business shall be any three voting members of the Executive Committee.

A financial summary shall be supplied at each Executive Committee meeting.

The Hamilton City Council Elected Representative appointed to the BID Executive Committee should sight and approve financial and management reports at least quarterly.

The Executive Committee may appoint sub-committees to address specific programme issues.

#### b) Employment responsibilities

The BID Executive Committee will develop a set of operational, project-related and strategic key performance indicators for the programme that the manager implements, where appropriate with the assistance of the committee.

The Executive Committee will ensure that a report is received monthly on progress against the BID's plan and quarterly on KPIs.

It is the BID Executive Committee's responsibility to ensure that the BID Manager and any other staff (full or part-time) have an agreed Contract of Employment, position description and performance measures.

A performance review should be held at least six monthly and a salary review annually.

The BID Executive Committee will ensure that responsible employer practices and workplace conditions are provided as prescribed under the Employment Relations Act 2004 and Health and Safety in Employment Act 1992.

#### c) BID Manager's activities

The BID Manager should liaise with BID Executive Committee members, BID association members, and council staff as appropriate.

The BID Manager reports on an operation basis to the chairperson and one other executive member assigned by the committee.

Monthly reports by the BID Manager will be made on progress against the BID association's business plan and quarterly on KPIs.

### 13.3.4 Council — Executive Committee Relationship



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 stakeholders and to protect and enhance the partnership relationship between the BID association and the Council.

The roles of the Councillor HCC Elected Representative on the BID Executive Committee are to:

- Provide Council strategic input to and overview the BID programme development
- Provide Council input into decisions about financial planning and budget expenditure
- Monitor programme implementation against budget
- Provide information about Council as well as its processes and structures
- Provide a link between BIDs and the Council.

The council officer assigned to the BID may attend Executive Committee meetings in an advisory role but does not have voting rights.

The Executive Committee will act as the BID association's interface with the Council.

### **13.3.5 Budgets**

The BID Executive Committee is responsible for preparing annual budgets. The annual budget may be increased as required and is subject to final approval by the Council. Any increase over 10% or \$10,000 (whichever is the greater) must be approved by Special Resolution at a General Meeting. A draft budget breakdown and indicative rate in the dollar increase must be circulated with meeting notification prior to the AGM or Special General Meeting.

In addition to the targeted rate, Executive Committees may raise funds through other mechanisms, including sponsorship, advertising and grants.

Any payment to the BID association from the targeted rate will be by way of a conditional BID Funding Grant under the Local Government Act 2002. Consistent with the Local Government Act 2002, the grant must be separately accounted for in the BID association's financial records.

### **13.3.6 Financial Management**

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

Any additional grants from Council will be paid in advance annually to the BID Association

The funding generated from any BID targeted rate will be paid to the BID Association after the end of each financial quarter

### **13.3.7 Quality Management**

#### **a) Management education**

The BID manager or staff and one executive member should as a requirement of their positions attend a minimum of six hours of training or operational sessions per year, held or recommended by Council.



## b) Strategic and business plans

The strategic and business plans are the guiding documents for the proposed BID. These documents should reflect a representative view of the needs of the BID members. The BID association will need to work effectively with the Council; therefore the strategic and business plans should be aligned with Council's City Strategies and relevant policies.

The strategic plan should be updated every three years and the business plan annually. The process of strategic planning is a continuous one and activities within a BID programme should be evaluated against the business association's strategic and business plans on an ongoing basis.

The strategic and business plans will include effective measures for the performance of the BID association (its committee and management) and the performance of the BID.

One of the outcomes of the planning process is the preparation of a detailed budget that translates the BID objectives into a financial budget. The budget will be used to determine the overall level of the targeted rate. The partnership between Council and the BID association includes ensuring prudent use of any BID funding.

## c) Programme benchmarks and key performance indicators (KPIs)

To enable objective evaluation of BID projects, each BID association will be expected to establish a number of benchmarks related to their strategic and business plan objectives. Performance measurement for the BID programme is essential to identify success and to provide opportunities for learning, rewarding success, correcting failure and winning support.

These benchmarks will provide baseline measures against which progress can be objectively measured. Benchmarks include, but are not limited to:

- Total retail sales;
- Business turnover increase;
- Pedestrian activity;
- Visitor numbers (local, regional and overseas);
- Local employment rates;
- Type and number of businesses;
- Commercial rents;
- Vacancy rates;
- Perceptions of safety;
- Street cleanliness surveys;
- Shopper/visitor satisfaction surveys.

The BID association or Council may hold or collect information that can be used to establish effective benchmarks. Benchmark information must be collected annually and must include a minimum of three measures. Benchmarks should be monitored, reported on and communicated to members.



In addition to establishing programme benchmarks, BID associations should develop key performance indicators for BID Executive Committee processes. Examples of such management KPIs include, but are not limited to:

- Production of financial information, strategic and annual plans;
- Frequency and quality of communication with members;
- Attendance at meetings and minutes; and,
- Number of business development initiatives.

All benchmarks and performance measures should be based on best practice management techniques and must be agreed upon by Council.

#### **d) Annual Review and Performance Measurement**

The Council's Annual Plan and budget process provides a mechanism for reviewing BID budgets and existing programme boundaries.

Each year, eligible voters must be given an opportunity to review and comment on the business plan, budget and any proposed boundary change. At a minimum this means that the BID Association must:

- Post a copy (physically or electronically) of the business plan, budget and boundary change to all eligible voters within the BID, and
- Provide an opportunity for written and/or verbal feedback.

In order for the Council to change the targeted rate, the BID Executive Committee must submit a detailed programme and budget. This must include performance reporting against KPIs and the business plan.

By the end of November each year, the BID Executive Committee must provide the Council with the following information:

- 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 constitution and all other relevant laws and regulations); and
- Any proposed changes to the boundaries.

In January each year, the BID Executive Committee must provide the Council with:

- A detailed programme and budget for the period 1 July to 30 June (the next financial year).

Eligible voters have a further opportunity to raise issues and concerns or to express support for the BID programme and budget through the Council's Annual Plan consultation process.

### **13.3.8 Council Review**

Council will review the performance of the BID against the stated strategic and business plans, KPIs, audited accounts and annual report.

Where the Council has concerns with the progress or success of a BID, the targeted rate may be withheld until specific improvements or alterations have been made to business, communication or strategic plans, or implementation processes.



In accordance with the provisions of the Local Government Act 2002 and the Local Government (Rating) Act 2002, 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).

The BID Funding Grant targeted rate may only be applied to the BID programme and for no other purpose.

The Council may initiate a review of all or any particular BID programme outside the annual and three yearly reviews. Such a review will be funded via general rates.

### **13.3.9 Resolving disputes between the Council and the BID association**

Any decisions about whether or not to set a targeted rate, the amount of that rate, to provide for an additional rate or alter the boundaries of the area subject to the rate, and whether or not to establish, disestablish, reduce or extend the BID, are within the discretion of the Council to make as part of its annual funding and rating decision-making process.

Any other disputes between the BID association and the Council will be settled in accordance with the following procedure:

- Having exhausted normal means of resolving a dispute or difference (by engaging in a process of good faith negotiation and information exchange), either party may give written notice specifying the nature of the dispute and its intention to refer such dispute or difference to mediation.
- If a request to mediate is made then the party making the request will invite the chairperson of the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution ('LEADR') to appoint a mediator to enable the parties to settle the dispute.
- All discussions in the mediation will be without prejudice and will not be referred to in any later proceedings. The parties will bear their own costs in the mediation and will equally share the mediator's costs.
- If the dispute is not resolved within 30 days after appointment of a mediator by LEADR, any party may then invoke the following provisions:
- The dispute will be referred to arbitration by a sole arbitrator in accordance with the Arbitration Act 1996.
- The award in the arbitration will be final and binding on the parties.

### **13.3.10 Resolving disputes between owners or their nominated representatives and BID associations**

Disputes between owners or their nominated representatives (ONR) and the BID associations will be settled in accordance with the following procedure:

- 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.



- Having exhausted reasonable means of resolving the dispute, the BID association may approach the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution ('LEADR') to appoint a mediator to enable the parties to settle the dispute. All discussions in the mediation will be without prejudice and will not be referred to in any later proceedings. The parties will bear their own costs in the mediation and will equally share the mediator's costs.
- If the dispute is not resolved within a further 30 days after appointment of a mediator by LEADR, any party may then invoke the following provisions:
- The dispute will be referred to arbitration by a sole arbitrator in accordance with the Arbitration Act 1996.
- The award in the arbitration will be final and binding on the parties.

### 13.3.11 Three Yearly Performance Survey

Every three years, the Council will commission a citywide BID performance survey. The results of the survey will analyse individual BIDs as well as the BID programme on a citywide basis.

The survey process and delivery will be formulated in collaboration with all of the BID programmes to ensure a high rate of return and clarity of objectives. An approach of continuous improvement will be used for the survey to ensure that latest technology and best practice methods are considered and utilised where possible.

The cost of the survey will be funded proportionally (based on BID programme budgets) by the city's BIDs via the targeted rate.

The primary focus of the survey will be on the business community's perception of the effectiveness of the BID programme in that commercial district and business centre. The survey will cover such aspects of the BID programme as: overall satisfaction; the ability of eligible voters to influence the programme; the results achieved; the communication processes used; and other such matters agreed between the Council and the associations administering BID programmes.

## 13.4 FRAMEWORK FOR PARTNERSHIP BETWEEN HAMILTON CITY COUNCIL AND BUSINESS IMPROVEMENT DISTRICT BUSINESS ASSOCIATIONS

### 13.4.1 Council Responsibilities

The Council will:

- 13.4.1.1 Consider whether to set a targeted rate for the purpose of BID Association Programmes.
- 13.4.1.2 Set a targeted rate, providing the BID association has complied with the terms of this Policy
- 13.4.1.3 Consider the amount of any additional grant, its payable schedule, and any conditions that may attach to that grant.



### **13.4.2 BID Association Responsibilities**

The BID Association will:

- 13.4.2.1 Comply with its own constitution and the BID policy.
- 13.4.2.2 Comply with all conditions attached to any BID grant.
- 13.4.2.3 Comply with all other relevant laws and regulations.
- 13.4.2.4 Maintain proper meeting and accounting records demonstrating how the targeted rate and grant money is used, and make such records available to the Council on request.

### **13.4.3 General terms**

- 13.4.3.1 The BID association acknowledges that the targeted rate is set for BID Programme purposes only.
- 13.4.3.2 Accordingly, the BID association agrees that any BID related grant must be applied towards BID Programme purposes, and for no other purposes.
- 13.4.3.3 The BID association will not use any ratepayer's personal information provided by the Council for any purpose other than the administration of the BID Programme.