

Management Plan

**For
The Downtown Mobile
Self-Help
Business Improvement District**

Mobile, Alabama

October 2009

**Prepared by
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DOWNTOWN MOBILE BUSINESS IMPROVEMENT DISTRICT MANAGEMENT PLAN

Section 1 Why renew the Business Improvement District

As per State Law the District must be renewed after five years of operation.

“Within 90 days after the adoption and approval of the fifth annual budget for any self-help business improvement district, the municipality shall set a hearing to determine whether the district should be continued, modified or terminated. At least 20 days before the hearing, notice of the date, place and time of the hearing shall be posted in at least three places within the district and mailed, along with the new District Management Plan to each real property owner who paid assessments to the district during the previous year.”

This District Management Plan has been created to guide the operations of the Downtown Mobile Self-Help Business Improvement District for the period July 1, 2010 to June 30, 2015.

A Renewal Steering Committee was established to guide the creation of the District Management Plan. The Committee was open to property owners, business owners and public sector representatives. Over a period of five months five Renewal Committee meetings were held.

Purpose of the District

The purpose of the Business Improvement District is to insure the vitality of the business, residential and arts district in Downtown Mobile; to stabilize and increase the property values in downtown while retaining businesses; and attracting new business investment to downtown.

Vision for Downtown in 2015

The Renewal Committee’s vision for downtown in the year 2015 is that Downtown Mobile will:

- Have active, positive, street level uses on all of its major streets.
- Be a very walkable downtown, both day and night, in which pedestrians have priority over automobiles.
- Be a place where women, families, children and their pets feel comfortable and are using the downtown on a daily basis.

- Be a place that is alive both during the week and also weekends with a high number of events and activities.
- Be a place that has increased residential opportunities at all levels.
- Be a place that is better connected to its waterfront.

Survey of Downtown Stakeholders

Responses to the latest Alliance survey of Downtown Mobile stakeholders were also used as a guide to build the Management Plan. The following are a summary of the survey results.

The elements that were **most** liked about Downtown Mobile were:

- Restaurants & Dining Options
- Entertainment District & Venues
- Historic Buildings & Architecture
- Walkability
- Landscaping & Flowers
- Parks & Squares

The elements that were liked **least** about downtown were:

- Parking
- Vacant & Unappealing Buildings
- Lack of Retail
- Homeless & Panhandlers

The **most important** issues facing downtown were:

- Parking
- Retail Offering
- Economic Growth
- Residential Growth
- Property Restoration & Appearance
- Public Perceptions, Public Relations
- Safety

89% of the respondents to the survey said downtown was cleaner than 4 years ago.

59% of the respondents to the survey said they were more comfortable in downtown during the day than 4 years ago.

51% of the respondents to the survey said they were more comfortable downtown during the night than 4 years ago.

The District Management Plan was created to fulfill the vision of downtown in 2015. The Plan works to reinforce the “most liked” elements in downtown while also addressing the “least liked” elements. The “most important” issues facing downtown are addressed by the elements of the District Management Plan.

Section 2

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan

Through a series of renewal committee meetings beginning in June of 2009 through October of 2009, District property owners collectively determined the priority for improvements and activities to be delivered by the Business Improvement District.

The services and activities of the BID are tailored to meet the specific needs identified by the local business community that will continue funding the BID. Among the benefits are:

- Creating a cleaner, safer and more attractive business district.
- Helping to maintain and increase property values, improve sales and occupancy rates, thereby increasing the community's overall tax base.
- Ensuring a stable and predictable resource base to fund supplemental services and programs.
- Providing non-bureaucratic and innovative management for the business district.
- Responding quickly to market changes and community needs.
- Developing a stable environment and distinct identity for the business district, making it more competitive with surrounding retail and business centers.
- Leveraging other resources, including money, services, and people.

2010/2011 Operating Budget Improvement and Activity Plan

In developing the Improvement and Activity Plan the renewal committee was guided largely by the vision for downtown in 2015 and a recognition of the more global trends facing downtowns. The idea that in the next five years not only the District Management Corporation, but the Alliance as a whole should think bigger, broader and longer term. In the 2004 - 2009 BID Management Plan the programs were defined in the following categories:

- Public Space Management
- Business Recruitment & Retention
- Communication & Marketing
- Special Projects & Landscaping
- Office Expense

In order to take a bigger, broader and longer term approach to the BID programs it was decided to define the work program in three bigger, broader areas:

USER EXPERIENCE
ECONOMIC DEVELOPMENT
STORY TELLING

Through daily foot, bike and Segway patrols of the District, the Regents deter aggressive panhandling and other unsuitable behavior. Their presence is a deterrent to theft and burglary from motor vehicles. They handle a myriad of quality of life problems including: drinking in public, urinating in public, indecent exposure, trespassing, prostitution, scavenging and shopping cart confiscation.

The Regents respond to calls to the District Hotline, a phone number used by visitors who need motorist aid (gas, jump starts, car unlocks and flat tire repair), visitor information or escorts to vehicles at night. They perform goodwill gestures such as helping lost persons, conducting tours and escorting office workers to parking.

They patrol assigned routes evenly, covering all property equally on any route in the district. They are professional, assertive, friendly, courteous, people oriented individuals in excellent physical condition. The Regents complete 40 hours of customized classroom district training and field training.

Integration with the Mobile Police Department

The Downtown Mobile Business Improvement District hospitality program works closely with the Mobile Police Department.

MAINTENANCE

Business Improvement District Clean Team (Crew of Stewards)

The Crew of Stewards is responsible for the daily maintenance needs of the District so as to present a consistently clean, orderly and beautiful appearance for residents and visitors. In order to effectively address the many maintenance issues in the Business Improvement District, a multi-dimensional approach will continue, consisting of the following elements:

Sidewalk Litter Removal: Uniformed, radio equipped Stewards sweep litter, debris and refuse from sidewalks and gutters of the district.

Graffiti Removal: Painters remove graffiti by painting, using solvent and pressure washing. The district will maintain a zero tolerance graffiti policy. The goal of the district is to remove tags within 24 hours of receiving approval from the property owner or other appropriate authority.

Weed Abatement: Weeds are regularly controlled and removed before they become unsightly.

Paper Sign and Handbill Removal: Paper signs and handbills taped or glued on public property, utility boxes, poles and telephones are removed by hand or when necessary by high-pressure hose.

Maintenance Problems Requiring Third Party Intervention: Problems are monitored that create blighted or unsafe conditions in the district, but are outside of the jurisdiction of the District to repair. Requests are made to the responsible party for repair. Types of problems include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating streetlights, damaged or missing street signs, etc.

LANDSCAPE PROGRAMS

Additional seasonal plantings of colorful flowers supplementing those already planted by the City will continue. With additional financial support of adjacent property owners, the Regents will continue to plant and maintain 200 flower beds throughout downtown, with the 60 beds on Dauphin Street changed out four times a year.

PUBLIC SPACE PROGRAMING

In order to continually enhance the user experience in Downtown Mobile, public space programming will increase in the next five years. As a result both Bienville Square and Cathedral Square will become much more active public spaces. Programs will also be developed to activate other public spaces throughout downtown.

ECONOMIC DEVELOPMENT **\$197,333** **16% of the Budget**

In order to address the major issues of vacant storefronts and vacant office space a proactive recruitment and retention program will continue. In the middle of the worst financial crisis since the great depression it will be critical to continue programs and develop new programs that support professional real estate brokers and attract new businesses and tenants to downtown.

Programs will also be developed to retain and improve the current businesses in downtown. Efforts in the area of economic development will include working with the City to improve permitting, inspection and zoning issues.

STORY TELLING **\$177,333** **15% of the Budget**

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. Many of the communication/marketing programs currently in place are produced with non-assessment funds, but are developed and implemented by District personnel. These programs will continue and will be enhanced.

In addition, new programs and new methods will be developed to tell the rich story that is downtown Mobile. A main goal of storytelling is to reinforce the economic development work. To tell the story of why downtown Mobile is a good environment for investment, whether that investment is a commercial building, a residence or a business.

OFFICE EXPENSE

\$100,500

8%

The office expense budget is for non-labor overhead expenses and includes rent, insurance, audit and legal fees and other office related expenses.

Section 3

Downtown Mobile Business Improvement District Boundary

Overall District Boundary

The Downtown Mobile Business Improvement District consists of all property defined as within the following boundaries, containing approximately 79 blocks. (See map for further detail and Exhibit B for list of parcels within the BID District)

Beginning at the intersection of Beauregard Street and Water Street head south along Water Street to the intersection of Church Street. Turn west on Church Street to the intersection with Conception Street, at Conception, turn south to Monroe Street to Claiborne Street to the intersection with Civic Center Drive. Turn west on Civic Center Drive to the intersection with Lawrence Street. Turn north on Lawrence Street to Government Street, turn west on Government to Cedar Street, turn north on Cedar to St. Francis Street, turn east on St. Francis to Hamilton Street, turn north on Hamilton to St. Anthony Street, turn east on St. Anthony to Jackson Street, turn north on Jackson to the north property line of parcel #02-29-06-40-0-002-042, turn east along the north parcel lines of parcel numbers 02-29-06-40-0-002-042, 02-29-06-40-0-002-041, 02-29-06-40-0-002-040, 02-29-06-40-0-002-039, 06-40-0-002-053, 02-29-06-40-0-002-047.01, to Conception Street, turn north on Conception Street to Adams Street, turn west on Adams to Jackson Street, turn north on Jackson Street to Beauregard Street, turn east on Beauregard Street to the point of beginning at the intersection of Beauregard Street and Water Street.

Reserved for map

Section 4 Assessment Methodology

Assessment Methodology

Downtown Mobile Business Improvement District property owners and business owners have emphasized that the assessment formula for the Business Improvement District must be fair, balanced and have a direct relationship to benefits received.

The recommended methodology for the Downtown Mobile Business Improvement District is to use Fair Market Value, as determined by the assessor, as the only assessment vehicle. In order to more accurately reflect the benefits received by properties it was determined that a graduated four level assessment based on each parcels value will be used. Depending on value each parcel may have from one to four levels of assessment. The assessment levels are:

- Level One: The first \$1 to \$1 million in fair market value of a parcel
- Level Two: The amount over \$1 million to \$10 Million in fair market value
- Level Three: The amount over \$10 million to \$20 million in fair market value
- Level Four: The amount over \$20 million in fair market value

Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by the District Property Owners and their consultant team. The process for compiling the property database includes the following steps:

- Property data was first obtained from the Assessor's Office.
- A site survey was undertaken to verify selective data.
- A list of parcels to be included within the BID is provided as Exhibit B.

Based upon the methodology as set forth above, property data compiled by the Business Improvement District property owners and the Business Improvement District budget, first year assessments are established.

Assessment per	Level One	Level Two	Level Three	Level Four
Dollar of Market Value	\$0.0035	\$0.0032	\$0.0027	\$0.001

Examples of Calculation

Fair Market Value = \$560,000

Assessment Level One	first \$1M of value	\$ 560,000 X .0035 = <u>\$ 1960</u>
Total Parcel Assessment Per Year		\$ 1960

Fair Market Value = \$2,500,000

Assessment Level One	first \$1M of value	\$ 1,000,000 X .0035 = \$ 3,500
Assessment Level Two	over \$1M to \$10M	\$ 1,500,000 X .0032 = <u>\$ 4,800</u>
Total Parcel Assessment	Per Year	\$ 8,300

Fair Market Value = \$22,000,000

Assessment Level One	first \$1M of value	\$ 1,000,000 X .0035 = \$ 3,500
Assessment Level Two	over \$1M to \$10M	\$ 9,000,000 X .0032 = \$28,800
Assessment Level Three	over \$10M to \$20M	\$10,000,000 X .0027 = \$27,000
Assessment Level Four	over \$20M	\$ 2,000,000 X .001 = <u>\$ 2,000</u>
Total Parcel Assessment	Per Year	\$61,300

Annual Budgets

Budgets and assessments will be reviewed each of the five years of the BID term by the District Management Corporation Board of Directors. Prior to approval by the board of directors each annual budget will be publicly advertised and a public hearing on the budget will be held as provided for in State Law. Over the term of the five years property values could change which may result in a change in the total property assessment paid. Any annual budget surplus or deficit will be rolled into the following year's budget. Assessments will be set accordingly by the District Management Corporation Board of Directors.

Budgets may vary on an annual basis, without a change in assessment rates, due to changes in individual properties that cause a change in the amount of assessed value within the district. For example, as a new building is completed and the revised market value of that property is included in the BID, the budget may increase and additional programs may be developed to meet increased needs or the budget may stay the same and assessment rates may be lowered.

Increases or decreases to the assessment rate will be determined by the Downtown Mobile District Management Corporation Board of Directors on an annual basis as part of the budget and public hearing process as defined by State Law. Increases, if any, may not exceed 5% whichever in any given year.

Time and Manner for Collecting Assessments

As provided by state law, the Business Improvement District assessment may either appear as a separate line item on annual property tax bills or may be billed separately by the District Management Corporation. If the District Management Corporation elects to separately bill the assessment, the Corporation shall set the procedures for billing and payment. By State Law Business Improvement District assessments shall be enforceable by a lien on the real property.

Sunset Provision

Within 90 days after the adoption and approval of the fifth annual budget, the City, as set forth in State Law, shall set a hearing to determine whether the district should be continued, modified, or terminated.

Assessment of Possessory Interests (Beneficial User)

As per State Law, "When record title to real property is vested in a public corporation or authority under a bond financing plan provided for by statute, the beneficial user of the real property in which title may ultimately be vested by purchase shall be deemed the owner of the real property."

Publicly Owned Property

Owners of public property benefit in the same manner and to the same extent as owners of private property. The District Management Corporation will negotiate with owners of public property to receive in-lieu payments based upon the same assessment rate schedule as applied to private property. The budget reflected in this document includes in-lieu payments from the City of Mobile, County of Mobile and the Retirement System of Alabama.

Treatment of Owner Occupied Residential

As per State Law owner occupied, single family residential properties shall be exempt from the special business improvement district assessment. In order to receive a residential exemption, property owners must apply in writing to the District Management Corporation. Each request must include the parcel number and such evidence as may be requested by the District Management Corporation in order to determine that the property qualifies to receive the single family, owner occupied exemption. Requests for exemptions must be filed between January 1 and March 31 of each year to receive an exemption for the following fiscal year. Property owners who fail to provide the required documents in support of a request for exemption prior to April 1 shall be invoiced for the full amount of the assessment and subject to the District Management Corporation's collection procedures.

Assessment Policy on 501(c)(3) Organizations

An owner of real property located within the Business Improvement District may reduce the amount of the assessment to be levied by fifty percent (50%) if all of the following conditions are met:

- a. The property owner is a non-profit corporation which has obtained tax exemption under Internal Revenue Code Section 501(c) (3).
- b. The class or category of real property is eligible for exemption, in whole or in part, from real property taxation.
- c. The property owner makes the request in writing to the BID between January 1 and March 31 of each year, accompanied by documentation of the tax exempt status of the property owner and the class or category of real property.

If all of these conditions are met, the amount of the assessment to be levied shall be

reduced by 50%.

Eminent Domain

As per State Law, “No self-help business improvement district or district management corporation shall have the power of eminent domain.”

**Section 5
Business Improvement District Governance**

Consistent with business improvement district (BID) legislation throughout the nation, Alabama’s legislation establishes a governance framework that allows property owners who pay assessments to determine how the assessments are used. The following components are required within a governing structure.

Private Sector, District Management Corporation

The “Downtown Mobile District Management Corporation” a nonprofit corporation, incorporated under the Alabama Nonprofit Corporation Act, Chapter 3A of Title 10, Code of Alabama 1975 is designated by ordinance of the municipality to manage the day-to-day operations of the Management District. The governing board of the District Management Corporation, made up of District property and business owners, is responsible for setting the goals, policies, procedures and annual budget for the Business Improvement District and overseeing their fulfillment. The By-Laws and Articles of Incorporation of the Downtown District Management Corporation are included as Exhibit A.

**Section 6
Continuation of City Services**

Throughout the process to establish the Downtown Mobile Business Improvement District, business and property owners have voiced concerns that the City of Mobile maintains existing services at verifiable “baseline” service levels. As provided by State Law, a formal contract defining baseline level of service and providing that the municipality shall continue the same level of services in the district as provided prior to the creation thereof ensures that existing City services are enhanced and not replaced by new BID improvements and activities.

Term of District

The Downtown Mobile Business Improvement District (BID) is expected to be renewed and begin implementation of the management plan July 1, 2010 and continue in existence until June 30, 2015. Pursuant to state law, the BID will have a five-year life. In order to continue the BID beyond five years, a new management plan must be developed and a public hearing process conducted.