BLUEPRINT FOR ESTABLISHING BUSINESS IMPROVEMENT ZONES IN DOWNTOWN ANN ARBOR, MICHIGAN

Produced for the Ann Arbor Downtown Development Authority by:
The Main Street Business Improvement Zone Initiative
The Main Street Business Improvement Zone Board of Directors
The Urban Agenda, Inc.
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Ann Arbor City Treasurer’s Office
Main Street Area Association

The material in this Blueprint and the opinions and advice offered are based on the specific experiences creating a Business Improvement Zone for Main Street in Ann Arbor, Michigan. It is offered as an informational tool only; experiences in other commercial districts will vary.
I. Introduction
A. What is a BIZ?
A Business Improvement Zone is a mechanism by which commercial property owners may petition local government to create a taxing district for the purposes of improving that district. The rules for creating a Business Improvement Zone (BIZ) are governed by the State of Michigan under the Principal Shopping Districts and Business Improvement Districts Act 120 of 1961. The Act was amended in 2007 to include the formation of Business Improvement Zones.

The primary benefits of Business Improvement Zones (BIZs) include special assessment authorization to finance necessary improvements and maintenance within the zone for a period of 7 years. One or more BIZs may be established by property owners within a city or village, even if that city or village already has a BID or PSD. BIZs may do all of the following (see statute for complete listing):

1. Acquire (through purchase, lease, or gift), construct, improve, or operate park and planting areas; and plant and maintain trees, shrubs and flowers within the zone.
2. Acquire, construct, clean, improve, or relocate sidewalks, street curbing, street medians, fountains, and lighting within the zone area.
3. Develop and propose lighting standards within the zone area.
4. Provide or contract with public or private entities for security services or purchase security-related equipment or technology.
5. Promote economic activity in the zone by sponsoring cultural or recreational activities; recruiting developers and businesses; promoting and marketing businesses, retail, or industrial development; engaging in public relations and market research.
6. Acquire, maintain and operate real or personal property.

Citizens Research Council of Michigan, June 2007

Business Improvement Zones – known by many different names across North America – have been a proven tool for downtown revitalization and management since the 1970s. Early BIZ organizations focused on what were termed ‘clean and safe’ services as a means to re-establish downtown as a viable, attractive destination. Today, most districts are in the business of managing and enhancing the downtown experience and protecting and enhancing property value through a wide-ranging variety of services. To date, more than 1,200 BIZ districts have been created in the U.S. and Canada, with BIZ-like districts formed in the United Kingdom as well.

B. Why Consider Forming a BIZ?
Business Improvement Zones are formed for dozens of reasons and are based on what the state enabling legislation allows. In general, however, BIZ districts are formed to either (1) supplement public sector services in an area, or (2) provide for services that the public sector has never provided or no longer provides. Typically referred to as ‘clean and safe’ services, BIZ districts can include everything from
supplemental security, street cleaning and trash removal, to landscaping, wayfinding, and general marketing.

The organizers of the Main Street BIZ Initiative saw the need to protect and enhance Main Street's competitive advantages in an increasingly challenging marketplace. To do so, they sought support for a BIZ program that would focus on a limited set of services aimed at improving the customer/employee/resident experience of Main Street all year long. Those services include:

- Consistent, frequent snow removal from all sidewalks, crosswalks, and curb cuts in the district.
- Regularly scheduled sidewalk sweeping and cleaning in the district during the temperate months, including the removal of handbills and graffiti from public surfaces.
- Contribution to improvements in urban landscaping of the district, particularly the 44 fixed planter boxes.

C. BIZ vs. BID vs. PSD

There are three forms of special assessment districts provided for in the law – Business Improvement Zones, Business Improvement Districts, and Principal Shopping Districts. They differ in the following ways:

<table>
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<th></th>
<th>BIZ</th>
<th>BID</th>
<th>PSD</th>
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<tr>
<td><strong>Powers</strong></td>
<td>Acquire/improve/operate park &amp; planting areas; acquire, clean, improve, and/or relocate sidewalks, curbing, medians, fountains, lighting; develop lighting standards; contract for security services and/or purchase security equipment &amp; technology; acquire/maintain/operate property.</td>
<td>Same as PSD, but in addition, can prohibit vehicular traffic and prohibit parking.</td>
<td>Street reconstruction; pedestrian improvements; acquire, own, improve, and/or demolish property (including off-street parking &amp; parking structures); construction of malls with transit access &amp; information centers; promote economic activity; subcontract management; acquire, maintain, and/or operate property.</td>
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Established in the BIZ Zone Plan, which is presented at a public meeting, and if approved, voted on by the affected commercial properties within the proposed Zone.

Can access grants, gifts, and loans as long as repayment does not extend beyond the 7-year life of the BIZ, and does not exceed 50% of annual avg. assessment (or 25% of annual avg. assessment in the first year).

Established by local government(s) after BID board has created a marketing & development plan, including budget and assessment amounts.

Residential & tax-exempt properties are exempt from assessment, as are properties determined not to benefit from a project paid for by the levy.

Can also access revenue bond, general obligation bonds, and grants/gifts.

Established by local government through master plan with an urban design plan. Assessment cannot exceed $10,000 per eligible property.

Residential & tax-exempt properties are exempt from assessment, as are properties determined not to benefit from a project paid for by the levy.

Can also access revenue bond, general obligation bonds, and grants/gifts.

The Main Street property owners initiating the process selected the Business Improvement Zone format because it (1) allowed for the types of services needed in the district; (2) required the private sector – in the form of the commercial property owners in the proposed district – to initiate, develop, and approve the Zone, and (3) kept governance of services and budget within the purview of the Business Improvement Zone, a ‘public body corporate’ as identified within the required Zone Plan.

D. Don’t start down the BIZ road unless...
Successful BIZ formation is a time-consuming effort that can be easily misunderstood by the business community, local government, or both. Don’t pursue the formation of a BIZ if you:

- aren’t prepared to do the homework (research, Zone Plan development, etc.);
- aren’t willing to reach out, listen to, and communicate with the property owners and other stakeholders in the district;
• don’t have the support and active participation of a core group of affected property
owners from the very beginning;
• won’t commit to staff support to get the work done; or
• won’t make the commitment to going door-to-door to explain the BIZ concept to
each and every commercial property owner involved.

Attachment:
I. – Principal Shopping Districts and Business Improvement Districts Act 120 of
1961, Chapter 2. Note: Chapter 2 relates to the formation of the Business
Improvement Zone and is the focus of this Blueprint.

Resources:
What is called a Business Improvement Zone in Michigan may be called a Business
Improvement District, a Commercial Improvement District, or any number of other
names in other states and Canadian provinces. The resources listed below have chosen
to use the generic ‘Business Improvement District (BID)’ to cover them all.

ABCs for Creating BIDs, M. Bradley Segal, International Downtown Association,
September 2002.

Making Business Districts Work: Leadership and Management of Downtown, Main
Street, Business Improvement District, and Community Development

Business Improvement Districts, Second Edition, Laurence O. Houston, Jr., Urban

Business Improvement Districts and the Shape of American Cities, Jerry Mitchell,

“Principal Shopping Districts, Business Improvement Districts, and Business
Improvement Zones,” Survey of Economic Development Programs in Michigan (2nd
ATTACHMENT I
Principal Shopping Districts and Business Improvement Districts (excerpt)
Act 120 of 1961
Chapter 2
BUSINESS IMPROVEMENT ZONE

125.990 Definitions.
Sec. 10. As used in this chapter:
(a) “Assessable property” means real property in a zone area other than property classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, or real property exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.
(b) “Assessment” means an assessment imposed under this chapter against assessable property for the benefit of the property owners.
(c) “Assessment revenues” means the money collected by a business improvement zone from any assessments, including any interest on the assessments.
(d) “Board” means the board of directors of a business improvement zone.
(e) “Business improvement zone” means a business improvement zone created under this chapter.
(f) “Nonprofit corporation” means a nonprofit corporation organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, and which complies with all of the following: (i) The articles of incorporation of the nonprofit corporation provide that the nonprofit corporation may promote a business improvement zone and may also provide management services related to the implementation of a zone plan. (ii) The nonprofit corporation is exempt from federal income tax under section 501(c)(4) or 501(c)(6) of the internal revenue code of 1986.
(g) “Person” means an individual, partnership, corporation, limited liability company, association, or other legal entity.
(h) “Project” means any activity for the benefit of property owners authorized by section 10a to enhance the business environment within a zone area.
(i) “Property owner” means a person who owns, or an agent authorized in writing by a person who owns, assessable property according to the records of the treasurer of the city or village in which the business improvement zone is located.
(j) “7-year period” means the period in which a business improvement zone is authorized to operate, beginning on the date that the business improvement zone is created or renewed and ending 7 calendar years after that date.
(k) “Zone area” means the area designated in the zone plan as the area to be served by the business improvement zone.
(l) “Zone plan” means a set of goals, strategies, objectives, and guidelines for the operation of a business improvement zone, as approved at a meeting of property owners conducted under section 10d.

125.990a Business improvement zone as public body corporate; powers; authority.
Sec. 10a. (1) A business improvement zone is a public body corporate and may do 1 or more of the following for the benefit of property owners located in the business improvement zone: (a) Acquire, through purchase, lease, or gift, construct, develop, improve, maintain, operate, or reconstruct park areas, planting areas, and related facilities within the zone area.
(b) Acquire, construct, clean, improve, maintain, reconstruct, or relocate sidewalks, street curbing, street medians, fountains, and lighting within the zone area.
(c) Develop and propose lighting standards within the zone area.
(d) Acquire, plant, and maintain trees, shrubs, flowers, or other vegetation within the zone area.
(e) Provide or contract for security services with other public or private entities and purchase equipment or technology related to security services within the zone area.

(f) Promote and sponsor cultural or recreational activities.

(g) Engage in economic development activities, including, but not limited to, promotion of business, retail, or industrial development, developer recruitment, business recruitment, business marketing, business retention, public relations efforts, and market research.

(h) Engage in other activity with the purpose to enhance the economic prosperity, enjoyment, appearance, image, and safety of the zone area.

(i) Acquire by purchase or gift, maintain, or operate real or personal property necessary to implement this chapter.

(j) Solicit and accept gifts or grants to further the zone plan.

(k) Sue or be sued.

(2) A business improvement zone may contract with a nonprofit corporation or any other public or private entity and may pay a reasonable fee to the nonprofit corporation or other public or private entity for services provided.

(3) A business improvement zone has the authority to borrow money in anticipation of the receipt of assessments if all of the following conditions are satisfied:

(a) The loan will not be requested or authorized, or will not mature, within 90 days before the expiration of the 7-year period.

(b) The amount of the loan does not exceed 50% of the annual average assessment revenue of the business improvement zone during the previous year or, in the case of a business improvement zone that has been in existence for less than 1 year, the loan does not exceed 25% of the projected annual assessment revenue.

(c) The loan repayment period does not extend beyond the 7-year period.

(d) The loan is subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The services provided by and projects of a business improvement zone are services and projects of the business improvement zone and are not services, functions, or projects of the municipality in which the business improvement zone is located. The services provided by and projects of a business improvement zone are supplemental to the services, projects, and functions of the city or village in which the business improvement zone is located.

(5) The business improvement zone has no other authority than the authority described in this act.

125.990b Business improvement zone; establishment within city or village; assessable property; establishment of business improvement zone in city or village with business improvement zone located before effective date of act.

Sec. 10b. (1) Except as provided in subsection (4), 1 or more business improvement zones may be established within a city or village.

(2) The majority of all parcels included in a zone area, both by area and by taxable value, shall be assessable property. A zone area shall be contiguous, with the exception of public streets, alleys, parks, and other public rights-of-way.

(3) Except as provided in subsection (4), a business improvement zone may be established in a city or village even if the city or village has established a principal shopping district or business improvement district under chapter 1. Assessable property shall not be included in any of the following:

(a) More than 1 business improvement zone established under this chapter.

(b) Both a principal shopping district and a business improvement district established under chapter 1.

(4) If at the time of the effective date of the amendatory act that added this subsection a business improvement district established under chapter 1 is located in a city or village, a business improvement zone may not be established under this chapter within that city or village unless within 180 days of the effective date of the amendatory act that added this subsection or during July 2005 or during July every third year after 2005 the governing body of the city or village adopts a resolution authorizing the governing body to consider, as provided in section 10e, the establishment of a business improvement zone under this chapter.
125.990c Initiation by delivery of petition; contents; filing; notice.
Sec. 10c. (1) A person may initiate the establishment of a business improvement zone by the
delivery of a petition to the clerk of the city or village in which a proposed zone area is located.
The petition shall include all of the following:
(a) The boundaries of the zone area.
(b) The signatures of property owners of parcels representing not less than 30% of the property
owners within the zone area, weighted as provided in section 10f(2).
(c) A listing, by tax parcel identification number, of all parcels within the zone area, separately
identifying assessable property.
(2) After a petition is filed pursuant to subsection (1), the clerk shall notify all property owners
within the zone area of a public meeting of the property owners regarding the establishment of
the business improvement zone to be held not less than 45 days or more than 60 days after the
filing of the petition. The notice shall be sent by first-class mail to the property owners not less
than 14 days prior to the scheduled date of the meeting. The notice shall include the specific
location and the scheduled date and time of the meeting.

125.990d Public meeting of property owners; adoption of zone plan; contents; adoption by
majority vote; presentation to city or village clerk.
Sec. 10d. (1) At the meeting required by section 10c, the property owners may adopt a zone
plan for submission to and approval by the governing body of the city or village in which the
business improvement zone is located.
(2) A zone plan shall include all of the following:
(a) A description of the boundaries of the zone area sufficient to identify each assessable
property included.
(b) The proposed initial board of directors, except for a director of the board who may be
appointed by the city or village under section 10g(2).
(c) The method for removal, appointment, and replacement of the board.
(d) A description of projects planned during the 7–year period, including the scope, nature, and
duration of the projects.
(e) An estimate of the total amount of expenditures for projects planned during the 7–year
period.
(f) The proposed source or sources of financing for the projects.
(g) If the proposed financing includes assessments, the projected amount or rate of the
assessments for each year and the basis upon which the assessments are to be imposed on
assessable property.
(h) A listing, by tax parcel identification number, of all parcels within the zone area, separately
identifying assessable property.
(i) A plan of dissolution for the business improvement zone.
(3) A zone plan shall be considered adopted by the property owners if a majority of the property
owners voting at the meeting approve the zone plan. The votes of the property owners at the
meeting shall be weighted in the manner indicated in section 10f(2).
(4) Any zone plan adopted under this section shall be presented to the clerk of the city or
village in which the zone area is located.

125.990e Public hearing of governing body; notice; approval or rejection; amendment;
resubmission; assessment; election; publication of notice; assisting in conduct of election.
Sec. 10e. (1) If a zone plan is adopted and presented to the clerk of the city or village in
accordance with section 10d, the governing body of the city or village shall within 45 days
schedule a public hearing of the governing body to review the zone plan and any proposed
assessment and to receive public comment. The clerk shall notify all owners of parcels within
the zone area of the public hearing by first-class mail.
(2) At the public hearing, or at the next regularly scheduled meeting of the governing body of
the city or village, the governing body shall approve or reject the establishment of the business
improvement zone and the zone plan as adopted by the property owners under section 10d(3).
If the governing body rejects the establishment of the business improvement zone and the zone plan, the clerk shall notify all property owners within the zone of a reconvened meeting of the property owners which shall be held not sooner than 10 days or later than 21 days after the date of the rejection by the governing body. The notice shall be sent by first-class mail to the property owners not less than 7 days prior to the scheduled date of the meeting and shall include the specific location and the scheduled date and time of the meeting, as determined by the person initiating the establishment of the business improvement zone under section 10c(1). At the reconvened meeting, the property owners may amend the zone plan if approved by a majority of the property owners as provided in section 10d(3). The amended zone plan may be resubmitted to the clerk of the city or village without the requirement of a new petition under section 10c for approval or rejection at a meeting of the governing body of the city or village not later than 60 days after the amended zone plan is resubmitted to the clerk. If a zone plan is not rejected within 60 days of the date the amended zone plan is resubmitted to the clerk, the amended zone plan is considered approved by the governing body of the city or village. If the amended zone plan is rejected by the governing body, then the amended zone plan may not be resubmitted without the delivery of a new petition under section 10c.

(3) Approval of the business improvement zone and zone plan shall serve as a determination by the city or village that any assessment set forth in the zone plan, including the basis for allocating the assessment, is appropriate, subject only to the approval of the business improvement zone and the zone plan by the property owners in accordance with section 10f.

(4) If the governing body of the city or village approves the business improvement zone and zone plan or if the amended zone plan is considered approved under subsection (2), the clerk of the city or village shall set an election pursuant to section 10f not more than 60 days following the approval.

(5) The clerk of the city or village shall send to the property owners notice by first-class mail of the election not less than 30 days before the election and publish the notice at least twice in a newspaper of general circulation in the city or village in which the zone area is located. The first publication shall not be less than 10 days or more than 30 days prior to the date scheduled for the election. The second publication shall not be published less than 1 week after the first publication.

(6) The election described in this section and section 10f is not an election subject to the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(7) The person who filed the petition under section 10c, the proposed board members, and the property owners may, at the option and under the direction of the clerk, assist the clerk of the city or village in conducting the election to keep the expenses of the election at a minimum.

125.990f Voting; eligibility; conduct; question; weight; adoption of business improvement zone and zone plan; expenses; duration; compliance with state and federal laws; immunity of city or village.

Sec. 10f. (1) All property owners as of the date of the delivery of the petition as provided in section 10c are eligible to participate in the election. The election shall be conducted by mail. The question to be voted on by the property owners is the adoption of the zone plan and the establishment of the business improvement zone, including the identity of the initial board.

(2) Votes of property owners shall be weighted in proportion to the amount that the taxable value of their respective real property for the preceding calendar year bears to the taxable value of all assessable property in the zone area, but in no case shall the total number of votes assigned to any 1 property owner be equal to more than 25% of the total number of votes eligible to be cast in the election.

(3) A zone plan and the proposal for the establishment of a business improvement zone, including the identity of the initial board, shall be considered adopted upon the approval of more than 60% of the property owners voting in the election, with votes weighted as provided in subsection (2).

(4) Upon acceptance or rejection of a business improvement zone and zone plan by the property owners, the resulting business improvement zone or the person filing the petition under section 10c shall, at the request of the city or village, reimburse the city or village for all
or a portion of the reasonable expenses incurred to comply with this chapter. The governing body of the city or village may forgive and choose not to collect all or a portion of the reasonable expenses incurred to comply with this chapter.

(5) Adoption of a business improvement zone and zone plan under this section authorizes the creation of the business improvement zone and the implementation of the zone plan for the 7-year period.

(6) Adoption of a business improvement zone and zone plan under this section and the creation of the business improvement zone does not relieve the business improvement zone from following, or does not waive any rights of the city or village to enforce, any applicable laws, statutes, or ordinances. A business improvement zone created under this chapter shall comply with all applicable state and federal laws.

(7) To the extent not protected by the immunity conferred by 1964 PA 170, MCL 691.1401 to 691.1415, a city or village that approves a business improvement zone within its boundaries is immune from civil or administrative liability arising from any actions of that business improvement zone.

125.990g Board of directors; management of day-to-day activities; members; duties and responsibilities; reimbursement.
Sec. 10g. (1) The day-to-day activities of the business improvement zone and implementation of the zone plan shall be managed by a board of directors.
(2) The board shall consist of an odd number of directors and shall not be smaller than 5 and not larger than 15 in number. The board may include 1 director nominated by the chief executive of the city or village and approved by the governing body of the city or village.
(3) The duties and responsibilities of the board shall be prescribed in the zone plan and to the extent applicable shall include all of the following duties and responsibilities:
   (a) Developing administrative procedures relating to the implementation of the zone plan.
   (b) Recommending amendments to the zone plan.
   (c) Scheduling and conducting an annual meeting of the property owners.
   (d) Developing a zone plan for the next 7-year period.
(4) Members of the board shall serve without compensation. However, members of the board may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the board.

125.990h Assessments.
Sec. 10h. (1) A business improvement zone may be funded in whole or in part by 1 or more assessments on assessable property, as provided in the zone plan. An assessment under this chapter shall be in addition to any taxes or special assessments otherwise imposed on assessable property.
(2) An assessment shall be imposed against assessable property only on the basis of the benefits to assessable property afforded by the zone plan. There is a rebuttable presumption that a zone plan and any project specially benefits all assessable property in a zone area.
(3) If a zone plan provides for an assessment, the treasurer of the city or village in which the zone area is located as an agent of the business improvement zone shall collect the assessment imposed by the board under the zone plan on all assessable property within the zone area in the amount authorized by the zone plan.
(4) Except as provided in subsection (7), assessments shall be collected by the treasurer of the city or village as an agent of the business improvement zone from each property owner and remitted promptly to the business improvement zone. Assessment revenue is the property of the business improvement zone and not the city or village in which the business improvement zone is located. The business improvement zone may, at the option and under the direction of the treasurer, assist the treasurer of the city or village in collecting the assessment to keep the expenses of collecting the assessment at a minimum.
(5) The business improvement zone may institute a civil action to collect any delinquent assessment and interest.
(6) An assessment imposed under this act is not a special assessment collected under the
general property tax act, 1893 PA 206, MCL 211.1 to 211.157.
(7) An assessment is delinquent if it has not been paid within 90 days after it was due as provided under the zone plan imposed under this chapter. Delinquent assessments shall be collected by the business improvement zone. Delinquent assessments shall accrue interest at a rate of 1.5% per month until paid.
(8) If any portion of the assessment has not been paid within 90 days after it was due, that portion of the unpaid assessment shall constitute a lien on the property. The lien amount shall be for the unpaid portion of the assessment and shall not include any interest.

125.990i Audit.
Sec. 10i. (1) Expenses incurred in implementing any project or service of a business improvement zone shall be financed in accordance with the zone plan.
(2) Assessment revenues under section 10h are the funds of the business improvement zone and not funds of the state or of the city or village in which the business improvement zone is located. All money collected under section 10h shall be deposited in a financial institution in the name of the business improvement zone. Assessment revenues may be deposited in an interest generating account. The business improvement zone shall use the funds only to implement the zone plan.
(3) All expenditures by a business improvement zone shall be audited annually by a certified public accountant. The audit shall be completed within 9 months of the close of the fiscal year of the business improvement zone. Within 30 days after completion of an audit, the certified public accountant shall transmit a copy of the audit to the board and make copies of the audit available to the property owners and the public.
(4) If an annual audit required by this section contains material exceptions and the material exceptions are not substantially corrected within 90 days of the delivery of the audit, the business improvement zone shall be dissolved in accordance with the zone plan upon approval of the dissolution by the governing body of the city or village in which the business improvement zone is located.
(5) The board shall publish an annual activity and financial report. The report shall be available to the public. Each year, every property owner shall be notified of the availability of the annual activity and financial report.
(6) As used in this section, “financial institution” means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or of the United States.

125.990j Zone plan amendment.
Sec. 10j. A zone plan may be amended. Amendments shall be effective if approved by a majority of the property owners voting on the amendment at the annual meeting of property owners or a special meeting called for that purpose, with the votes of the property owners weighted in accordance with section 10f(2). A zone plan amendment changing any assessment is effective only if also approved by the governing body of the city or village in which the business improvement zone is located.

125.990k Expiration of 7-year period; special meeting to approve new zone plan; notice.
Sec. 10k. (1) Prior to the expiration of any 7-year period, the board shall notify the property owners of a special meeting by first-class mail at least 14 days prior to the scheduled date of the meeting to approve a new zone plan for the next 7-year period. Notice under this section shall include the specific location, scheduled date, and time of the meeting.
(2) Approval of the new zone plan at the special meeting by 60% of the property owners of assessable property voting at that meeting, with the vote of the property owners being weighted in accordance with section 10f(2), constitutes reauthorization of the business improvement zone for an additional 7-year period, commencing as of the expiration of the 7-year period then in effect. If the new zone plan reflects any new assessment, or reflects an
extension of any assessment beyond the period previously approved by the city or village in which the business improvement zone is located, the new or extended assessment shall be effective only with the approval of the governing body of the city or village.

125.990/ Dissolution. Sec. 10l. (1) Upon written petition duly signed by 20% of the property owners of assessable property within a zone area, the board shall place on the agenda of the next annual meeting, if the next annual meeting is to be held not later than 60 days after receipt of the written petition or a special meeting not to be held later than 60 days after receipt of the written petition, the issue of dissolution of the business improvement zone. Notice of the next annual meeting or special meeting described in this subsection shall be made to all property owners by first-class mail not less than 14 days prior to the date of the annual or special meeting. The notice shall include the specific location and the scheduled date and time of the meeting.

(2) The business improvement zone shall be dissolved upon a vote of more than 50% of the property owners of assessable property voting at the meeting. A dissolution shall not take effect until all contractual liabilities of the business improvement zone have been paid and discharged.

(3) Upon dissolution of a business improvement zone, the board shall dispose of the remaining physical assets of the business improvement zone. The proceeds of any physical assets disposed of by the business improvement zone and all money collected through assessments that is not required to defray the expenses of the business improvement zone shall be refunded on a pro rata basis to persons from whom assessments were collected. If the board finds that the refundable amount is so small as to make impracticable the computation and refunding of the money, it may be transferred to the treasurer of the city or village in which the business improvement zone is located for deposit in the treasury of the city or village to the credit of the general fund.

(4) Upon dissolution of a business improvement zone, any remaining assets of the business improvement zone shall be transferred to the treasurer of the city or village in which the business improvement zone is located for deposit in the treasury of the city or village to the credit of the general fund.

125.990m Public meeting; compliance with open meetings act; public records; meeting location.

Sec. 10m. (1) The board shall conduct business at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(2) A meeting of property owners under section 10c shall be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(3) A writing prepared, owned, used, in the possession of, or retained by the business improvement zone in the performance of its duties under this chapter is a public record under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) All meetings of the board or property owners described in this act shall be conducted within the city or village in which the business improvement zone is or is to be located.


II. Building the Foundation

A. Getting Started
While state law outlines the legal requirements for adopting a BIZ, there are many practical steps that need to take place before you approach City Council to form one. And even though BIZ districts have been helping to transform downtowns for decades, there are still misconceptions and suspicions that need to be overcome. So, before beginning the formal process of forming a Business Improvement Zone, make sure you accomplish the following:

B. Finding Champions
Because the impetus for creating a BIZ does not come from local government, it is essential that local stakeholders take the lead. And because commercial property owners are the ones who will ultimately carry the financial responsibility for the district, they need to be involved from the very beginning. The best champions for the BIZ are those who will be paying for the services of the district.

Typically, champions emerge from downtown property owners who either have property interests in other BIZ districts, or have learned about the effectiveness of the BIZ approach from others (articles, conferences, word of mouth). In the case of the Main Street BIZ effort, property owner Ed Shaffran teamed up with Ellie Serras, then-director of the Main Street Area Association, to begin the process of investigating the potential of a Business Improvement Zone for Main Street.

Ellie Serras, as well as a number of board members and staff of the Downtown Development Authority and City Council, began attending conferences of the International Downtown Association. There they learned about Business Improvement Zones and talked with community leaders from around North America who were already managing BIZ districts in their downtowns. Over time, Ann Arbor's downtown leadership became advocates for the formation of a BIZ on Main Street.

C. Forming a Steering Committee
The first order of business is to form a steering committee as a means of advancing the process for creating the BIZ. Mr. Shaffran and Ms. Serras set about recruiting members from the ranks of Main Street’s commercial property owners. By describing the principals of business improvement zones and listening to the goals of individual owners, they created a Steering Committee and began meeting informally in September 2008. It was then decided to form a non-profit corporation to direct the effort. While the state law does not require the formation of a preliminary corporation, downtown leaders in Ann Arbor chose to, for the following reasons:

- To protect the steering committee effort from any short-term liability
- To manage the fiduciary obligations to funders
- To provide independent accounting
- To guarantee transparency and accountability to all stakeholders

The MSBIZI board included the following members:

- Edward Shaffran, The Shaffran Companies (Chair)
- Rob W. Spears, Cabrio Properties (Treasurer)
The MSBIZI board reflects the array of types of commercial property interests on S. Main Street, from single ownership of multiple properties, to the single ownership of very large properties, to the single ownership of small and average properties. And two representatives from the Ann Arbor Downtown Development Authority were added to strengthen communications between the two organizations.

The MSBIZI board began meeting on a monthly basis in June 2009.

See Attachment II.a – Articles of Incorporation of the Main Street Business Improvement Zone Initiative.

See Attachment II.b – Consent Resolution of Directors of Main Street Business Improvement Zone Initiative.

D. Funding the Formation
There are expenses incurred as part of the campaign to create a BIZ. Staff costs, legal expenses, consulting fees, office expenses, and the costs associated with communications must be covered before a BIZ is formed.

The MSBIZI board secured two forms of funding for the front-end costs of adopting the BIZ:

• The MSBIZI board of directors agreed to contribute a loan of $5,000 each, to be paid back over the seven-year term of the BIZ. Had the BIZ not been approved, they would not have been repaid. See Attachment II.c – MSBIZI Promissory Note.

• The Initiative secured a $83,270 grant from the Ann Arbor Downtown Development Authority. In addition to supporting the start-up costs, the DDA grant paid for the creation of this Business Improvement Zone Blueprint. The DDA will own the Blueprint and make it available to others. See Attachment II.d – Minutes from Meeting and Resolution to Approve the Grant from the Ann Arbor Downtown Development Authority (excerpt). See Attachment II.e – MSBIZI Budget Recap.

E. Staff Support
The effort to form a BIZ requires the attention of a staff person. Among the staff person’s responsibilities:

• Support activities of the board
• Manage the details of the process  
• Participate in outreach to stakeholders  
• Manage media contacts

See Attachment II.f – Job Description for MSBIZI Director.

F. Office & Communications
A central office for the operation is recommended, although not essential if a member of the initiative board is willing to donate space, office equipment, telephone, fax, etc. But in order to be taken seriously, the effort should have official letterhead, envelopes, and business cards. And given the accelerated use of electronic forms of communication, it is wise to create a website and blog for the effort.

See Attachment II.g – MSBIZI Corporate Collateral Material.  
See Attachment II.h – MSBIZI Website Homepage.

G. Research
It is essential to “make the case” for the creation of a Business Improvement Zone by researching the operations of existing BIZ districts in the state and across the nation. The International Downtown Association is the premier source of information about the creation of Business Improvement Zones, as well as the services and performance of hundreds of districts in North America.

MSBIZI conducted this type of research and shared the results with the board of directors, the commercial property owners, and the City Council.

See Attachment II.i – BIZ Comparables.

H. Lessons Learned
All told, the effort to create a Business Improvement Zone for S. Main Street took two and a half years; from the time the leaders came together until the BIZ election, eighteen months elapsed. But with this Blueprint in hand, subsequent efforts should take considerably less time. Either way, it is critical to:

• Learn everything you can about Business Improvement Zones. Attend IDA conferences, read recommended publications, and contact other existing BIZ organizations before you launch into a campaign.  
• Identify key commercial property owners and reach out to them, one-on-one. It can’t be overstated: making personal contact with key stakeholders is key to success.  
• Reach out to City Council. Again, make appointments to meet with each council member, explain what you have in mind for your BIZ, and listen to their questions and advice. The Main Street BIZ Initiative has done much to educate the existing council, but it is still essential that future BIZ leaders make the same connection.  
• Reach out to key City staff. BIZ formation requires the cooperation of the City Attorney, the City Clerk, the City Assessor, and once approved, the City Treasurer. Making contact early with each of these officials helps move the process along when the time comes to use their expertise.
• Secure legal counsel. While the Blueprint contains samples of all the legal documents required by State law, it will be imperative that any future BIZ initiative create their own.

• Make the financial commitment to staffing and other campaign expenses.

Resources:
International Downtown Association, 202.393.6801, question@ida-downtown.org, www.ida-downtown.org.
Michigan Department Of Energy, Labor & Economic Growth

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT
for
MAIN STREET BIZ INITIATIVE

ID NUMBER: 70618V

received by facsimile transmission on June 17, 2009 is hereby endorsed
Filed on June 17, 2009 by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 17TH day of June, 2009.

[Signature]

, Director
ARTICLES OF INCORPORATION
For use by Domestic Nonprofit Corporations
(Please read information and instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I
The name of the corporation is: Main Street BIZ Initiative

ARTICLE II
The purpose or purposes for which the corporation is organized are:
See Continuation

ARTICLE III
1. The corporation is organized upon a Nonstock (Stock or Nonstock) basis.

2. If organized on a stock basis, the total number of shares which the corporation has authority to issue is N/A. If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:
ARTICLE III (cont.)

3. a. If organized on a nonstock basis, the description and value of its real property assets are: (if none, insert "none")

   None

b. The description and value of its personal property assets are: (if none, insert "none")

   $10.00

c. The corporation is to be financed under the following general plan:

   See Continuation

d. The corporation is organized on a Directorship basis.

   (Membership or Directorship)

ARTICLE IV

1. The address of the registered office is:

   122 South Main - Suite 215
   Ann Arbor, Michigan 48104

   (Street Address) (City) (ZIP Code)

2. The mailing address of the registered office, if different than above:

   ____________________________
   (Street Address or P.O. Box) (City) (ZIP Code)

3. The name of the resident agent at the registered office is:

   Maria E. Serras

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Residence or Business Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward A. Shaffran</td>
<td>209 S. Fourth Avenue, Suite 1C, Ann Arbor, MI 48104</td>
</tr>
<tr>
<td>Michael C. Martin</td>
<td>115 Depot Street, Ann Arbor, MI 48104</td>
</tr>
<tr>
<td>Jeffrey T. Harshe</td>
<td>4216 Saint Andrews Way, Ann Arbor, MI 48103</td>
</tr>
<tr>
<td>James G. Curtis</td>
<td>343 S. Main Street, Ann Arbor, MI 48104</td>
</tr>
<tr>
<td>Rob W. Spears</td>
<td>524 S. Main Street, Suite 100, Ann Arbor, MI 48104</td>
</tr>
<tr>
<td>Ronald K. Dankert</td>
<td>208 East Washington Street, Ann Arbor, MI 48104</td>
</tr>
<tr>
<td>Alan B. Freedman</td>
<td>211 S. Main Street, Ann Arbor, MI 48104</td>
</tr>
</tbody>
</table>
Continuation of Articles of Incorporation for Main Street BIZ Initiative

ARTICLE II
PURPOSES

The Corporation is being formed for the following purposes:

(a) To sponsor and to oversee and implement an initiative to secure the creation a business improvement zone established pursuant to Act 120 of 1961 of the State of Michigan (the “Act”) to provide for the ongoing maintenance, beautification, promotion, marketing and advocacy of a designated downtown area of the City of Ann Arbor, Michigan (the “Business Improvement Zone”), as that Business Improvement Zone is defined or redefined by the Zone Plan adopted pursuant to the Act (the “BIZ Initiative”).

(b) To do any and all things not contrary to laws which may be necessary or proper in connection with the BIZ Initiative.

(c) Subject to the restrictions and limitations herein set forth, to use and apply the whole or any part of the income and the principal from such funds exclusively for the BIZ Initiative. The use and application of such income and principal may, in the discretion of the Board of Directors, be done directly by the Corporation or indirectly by contributions to other organizations. However, except for reasonable payments made for services or goods provided to the Corporation in support of its specific purposes, no part of such income or principal shall be contributed to any organization whose net earnings, or any part thereof, inure to the benefit of any private shareholder or individual or any substantial part of the activities of which is to carry on propaganda, or otherwise attempt to influence legislation. Moreover, no part of such income or principal shall be appropriated or applied to or for any religious purpose (except as may specifically be designated by the terms of a gift or other instrument by which the corporation receives the funds or assets). This Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, as amended and restated, or corresponding provisions of any subsequent federal tax law. This Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1986 or corresponding provisions of any subsequent federal tax law. This Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1986 or corresponding provisions of any subsequent federal tax law. This Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986 or corresponding provisions of any subsequent federal tax law. This Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986 or corresponding provisions of any subsequent federal tax law.
FUNDING

The Corporation will be funded by (a) grants from the Ann Arbor Downtown Development Authority (the “DDA”) and other governmental agencies and non-profit organizations and (b) other sources that are consistent with the provisions of the Act.

ARTICLE VII
DISTRIBUTION UPON DISSOLUTION

In the event of the dissolution or winding up of the Corporation in any manner or for any reason whatsoever, its remaining assets, if any, after payment of or provisions for all of the liabilities of the corporation, if any, shall be distributed to the DDA.

ARTICLE VIII
LIMITATIONS UPON OPERATIONS

The Corporation is organized and operated exclusively for the BIZ Initiative. Anything in these Articles to the contrary notwithstanding, no compensation or payment shall ever be paid or made to any director, trustee, officer, creator or organizer of the corporation, or substantial contributor to it, except as a reasonable allowance for actual expenditures or services actually made or rendered to it or for the Corporation; and neither the whole nor any part or portion of the assets or net earnings, current or accumulated, of the Corporation shall ever be distributed to or divided among any such persons.

ARTICLE IX
REORGANIZATION

When a compromise or arrangement or a plan of reorganization of this Corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its members or any class of them, a court of equity jurisdiction within the state, on application of this Corporation or of a creditor or member thereof, or on application of a receiver appointed for the Corporation, may order a meeting of the creditors or class of creditors or of the members or class of members to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs, if a majority in number representing 3/4 in value of the creditors or class of creditors, or of the members or class of members to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this Corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, the members or class of members and also on this Corporation.

ARTICLE X
LIABILITY OF DIRECTORS AND OFFICERS
No volunteer director or officer of the Corporation shall be personally liable to the corporation or to its directors or members for monetary damages for breach of the director's or officer's fiduciary duty, except for liability (i) for a breach of the director's or officer's duty of loyalty to the corporation or its directors or members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, (iii) for a violation of Section 55.10 of the Michigan Nonprofit Corporation Act (the "Corporation Act"), (iv) for a transaction from which the director or officer derived an improper personal benefit, (v) for an act or omission occurring before the effective date of this Article, or (vi) for an act or omission that is grossly negligent. Any repeal or modification of this Article by the directors of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification.

**ARTICLE XI**  
**INDEMNIFICATION**

The Corporation assumes all liability to any person, other than the Corporation or its directors, for all acts or omissions of a director who is a volunteer director, volunteer officer, or other volunteer granting limited liability if all of the following are met:

(a) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
(b) The volunteer was acting in good faith.
(c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
(d) The volunteer's conduct was not an intentional tort,
(e) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being Section 300.3135 of the Michigan Compiled Laws.

If the Corporation Act is amended after the filing of these Articles of Incorporation to authorize the further elimination or limitation of the liability of directors of nonprofit corporations, then the liability of members of the board of directors, in addition to that described in these Articles, shall be assumed by the corporation or eliminated or limited to the fullest extent permitted by the Corporation Act as so amended. No amendment or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any member of the board of directors of this corporation for or with respect to any acts or omissions occurring before the effective date of any such amendment or repeal.
CONSENT RESOLUTION
OF THE
INCORPORATORS
OF
MAIN STREET BIZ INITIATIVE

The undersigned, being all of the Incorporators of MAIN STREET BIZ INITIATIVE, a Michigan non-profit corporation (the “Corporation”), hereby appoint the following persons to serve as the initial members of the Board of Directors of the Corporation:

James G. Curtis
Ronald K. Dankert
Alan B. Freedman
Jeffrey T. Harshe
Michael C. Martin
Edward A. Shaffran
Rob W. Spears

EXECUTED as of June 17, 2009.

James G. Curtis, Director
Alan B. Freedman, Director
Michael C. Martin, Director
Rob W. Spears, Director

Ronald K. Dankert, Director
Jeffrey T. Harshe, Director
Edward A. Shaffran, Director
CONSENT RESOLUTION

DIRECTORS

OF

MAIN STREET BIZ INITIATIVE

The undersigned, being all of the members of the Board of Directors of MAIN STREET BIZ INITIATIVE, a Michigan non-profit corporation (the “Corporation”), hereby consent to, approve of and adopt the following resolutions:

RESOLVED, that the actions of the incorporators in preparing and filing with the State of Michigan the ARTICLES OF INCORPORATION for the Corporation that are attached to this CONSENT RESOLUTION are ratified and approved in all respects;

FURTHER RESOLVED, that the proposed BYLAWS attached to this CONSENT RESOLUTION are hereby adopted as the operative BYLAWS for the Corporation;

FURTHER RESOLVED, that each of the following persons is appointed to serve in the following officer of the Corporation until his resignation or removal:

<table>
<thead>
<tr>
<th>Officer</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Edward A. Shaffran</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Rob W. Spears</td>
</tr>
<tr>
<td>Secretary</td>
<td>Michael C. Martin</td>
</tr>
</tbody>
</table>

FURTHER RESOLVED, that Edward A. Shaffran, as the President of the Corporation, is hereby authorized and directed to prepare, sign and file with the Internal Revenue Service the IRS Form SS-4 attached to this CONSENT RESOLUTION in order to secure an Employer Identification Number for the Corporation;

FURTHER RESOLVED, that Edward A. Shaffran is authorized and directed to establish a demand deposit checking account for the Corporation with Bank of Ann Arbor (the “Bank”) designating himself and Rob W. Spears as the authorized signatories for that account and to execute and deliver to the Bank such documents as are required by the Bank to establish that account;

FURTHER RESOLVED, that the grant by the Ann Arbor Downtown Development Authority of $83,270 to support the Corporation’s effort to establish a Business Improvement Zone on South Main Street in the City of Ann Arbor is approved in all respects and Edward A. Shaffran, as the President of the Corporation, is authorized and directed to take all actions and to sign and deliver all documents necessary to secure that grant for the use by the Corporation for that purpose;
FURTHER RESOLVED, that the commitments to each of Edward A. Shaffran, Michael C. Martin, Jeffrey T. Harshe, James G. Curtis and Robert W. Spears, directly or through entities that they represent, to each loan $5,000 to the Corporation as supplemental funding for the development of the above referenced Business Improvement Zone are acknowledged and accepted and Edward A. Shaffran, as the President of the Corporation, is authorized and directed to deliver PROMISSORY NOTES for each of those loans in the form of the PROMISSORY NOTE attached to this CONSENT RESOLUTION upon receipt of the funding of those loans;

FURTHER RESOLVED, that the Corporation shall retain Betsy Jackson of The Urban Agenda, as an independent contractor, to function as a Consultant to the Corporation in connection with its organization of the above referenced Business Improvement Zone for the fee and upon the terms and conditions detailed in the letter-agreement attached to this CONSENT RESOLUTION;

FURTHER RESOLVED, that the proposal to retain Maria E. Serras of MES Administrative Services, L.L.C., as an independent contractor, to oversee and implement all actions approved by the Board of Directors for a fixed fee of $25 per month and otherwise on a “at will” basis is approved in all respects;

FURTHER RESOLVED, that Edward A. Shaffran, in consultation with Betsy Jackson and Marie E. Serras, is directed to proceed with all reasonable with the initiative to establish the Business Improvement Zone contemplated by the Corporation’s Articles of Incorporation and Bylaws.

EXECUTED as of June __, 2009.

James G. Curtis, Director

Alan B. Freedman, Director

Michael C. Martin, Director

Ronald K. Dankert, Director

Jeffrey T. Harshe, Director

Edward A. Shaffran, Director

Rob W. Spears, Director
PROMISSORY NOTE

$5,000.00

June __, 2009

FOR VALUE RECEIVED, the MAIN STREET BIZ INITIATIVE (the “Corporation”) promises to pay to the order of __________ (the “Lender”) the principal amount of $5,000.00 on or before December 31, 2011.

This Promissory Note is one of a series for five Promissory Notes (the “Serial Notes”) being issued by the Corporation to its incorporators to secure partial funding for the Corporation’s establishment of a Business Improvement Zone in the City of Ann Arbor pursuant to Michigan Public Act 120 of 1961, with the Business Improvement Zone funded from assessments (the “BIZ Assessments”). Disbursements will be made by the Lender under this Promissory Note from time to time up to a maximum aggregate of $5,000 and, unless otherwise agreed by the Lender, will only be made at the same time as and in the same amount as disbursements from all other Lenders under all other Serial Notes. Repayments under this Promissory Note shall only be made at the same time as and in the same amount as payments made to all other Lenders under all other Serial Notes.

The Corporation reserves the right to prepay this Promissory Note at any time without any premium or penalty. The Corporation confirms its intention to prepay this and the other Serial Notes in full as soon as the proceeds of BIZ Assessments are received and available for such purposes.

This Promissory Note shall be governed by and interpreted according to the laws of the State of Michigan.

MAIN STREET BIZ INITIATIVE

By: __________________________________________

Edward A. Shaffran, President
ATTACHMENT II.d – Minutes from Meeting and Resolution to Approve the Grant from the Ann Arbor Downtown Development Authority (excerpt)

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES April 1, 2009
Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: DDA Chair Jennifer Hall called the meeting to order at 12:05 p.m.

1. ROLL CALL
   Present: Gary Boren, Rene Greff, Leah Gunn, Jennifer Hall, Roger Hewitt, Marcia Higgins (for John Hieftje), Joan Lowenstein, John Mouat, Keith Orr, Sandi Smith, John Splitt
   Absent: Russ Collins
   Staff Present: Susan Pollay, Executive Director Joe Morehouse, Deputy Director Joan Lyke, Management Assistant

6. PARTNERSHIPS COMMITTEE
   Ms. Smith moved and Ms. Greff seconded the following resolution:

RESOLUTION TO APPROVE A GRANT TO SUPPORT THE DEVELOPMENT OF A BUSINESS IMPROVEMENT ZONE (BIZ) ON S. MAIN STREET
Whereas, The DDA 2003 Renewal Plan set forward that the DDA would work to make it possible for downtown businesses and civic groups to undertake downtown beautification projects and efforts to keep sidewalks cleaned of snow and debris;

Whereas, The DDA recognizes the importance of a clean and safe downtown visitor experience in creating and sustaining vitality in the district;

Whereas, Business Improvement Districts (BID) and Business Improvement Zones (BIZ) are in use in Michigan and around the country to enable property owners to select and fund services they wish to purchase as a group that are over and above the services provided by local governmental agencies;

Whereas, The number of BIDs and BIZs are growing because they have proven to be successful as a tool for private property owners to address public space maintenance and other issues as a group;

Whereas, The DDA was asked to support an initiative that is taking shape by a number of property owners interested in working together to develop a BIZ on S. Main Street to pay for services over and above those currently provided by the city;

Whereas, The successful creation of a BIZ would result in a sustainable private-sector funding stream to provide services including but not limited to sidewalk snow removal and planter box maintenance that would contribute to safety, cleanliness, and beautification in the BIZ district;

Whereas, Specifically what the DDA is being asked to provide is a grant to enable this group to hire a consultant expert in the formation of BIZs to guide them through the process of creating this BIZ, including organizing group meetings and on-line surveys, drafting the BIZ business plan, and assisting with the formal approvals, as well as to cover administrative costs for such things as mailings, attorney fees, etc.;

Whereas, It is anticipated that this process will result in the creation of a general template for creating
such an organization including the creation of valuable documents that can be utilized by others similarly interested in creating their own BIZs or BIDs elsewhere in downtown;

Whereas, These materials and information will be provided to the DDA throughout the process and the DDA will create a BIZ/BID creation reference library for reuse by others;

Whereas, The cost to complete the formation of this new BIZ has been estimated at $100,700, including consultant costs and other expenses, and the property owners on Main Street have committed $25,000 of their own funds to this cost to match DDA dollars;

Whereas, The project has been discussed several times by the DDA Partnerships Committee, which recommends to the DDA that it approve a grant in the amount of $75,700 plus a 10% contingency to cover unforeseen exigencies during this two year period for a total of $83,270 with the expectation that the documents generated by this process will be provided to the DDA so it can facilitate similar efforts elsewhere in downtown;
RESOLVED, The DDA approves a grant not to exceed $83,270 to support the effort to create a new Business Improvement Zone on S. Main Street.

Ms. Smith stated that several property owners want to create a BIZ on S. Main Street to pay for services over and above those currently provided by the city. The DDA grant would enable this group to hire a consultant and undertake the process which is anticipated to result in generation of information that can be used by others similarly interested in creating their own BIZs or BIDs elsewhere in downtown.

A vote on the motion to approve the resolution showed:
AYES: Boren, Greff, Gunn, Hall, Hewitt, Higgins (for Hieftje), Lowenstein, Mouat, Orr, Smith, Splitt
NAYS: None
Absent: Collins
The motion carried.
MAIN STREET BUSINESS IMPROVEMENT ZONE INITIATIVE
BUDGET RECAP (estimate)

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<th>Amount</th>
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<tr>
<td>DDA Grant</td>
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<tr>
<td>Property Owner Loans</td>
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<tr>
<td>Total</td>
<td>$108,270</td>
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</tbody>
</table>

<table>
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<tr>
<th>Uses of Funds</th>
<th>Amount</th>
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<tr>
<td>Consulting Fees</td>
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<td>Legal Fees</td>
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<td>Staff Costs</td>
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<tr>
<td>Website Design &amp; Hosting</td>
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<td>Rent &amp; Utilities</td>
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<td>Telephone &amp; Internet</td>
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<td>Insurance</td>
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<td>Food &amp; Travel</td>
<td>955</td>
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<td>Accounting</td>
<td>750</td>
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<tr>
<td>Advertising</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td>$108,270</td>
</tr>
</tbody>
</table>
ATTACHMENT II.f – Job Description for MSBIZI Director

MAINSTREET BUSINESS IMPROVEMENT ZONE INITIATIVE
DIRECTOR JOB DESCRIPTION

The Director is the on-site authority designated and empowered by the Board to carry out corporation business and services. Under the supervision of the Board of Directors, the Director is responsible for a variety of administrative, programmatic, and public relation functions. The Director is expected to serve as a daily source of leadership for the BIZI.

Program Development and Management:
1. Managed process related to incorporation of the Initiative
2. Managed field research
3. Managed contracts with legal counsel and consultant
4. Managed deadlines related to State statutory requirements (petition process, public meeting/hearing and election)

Public Relations
1. Initiate, maintain and cultivate connection with property owners in district through frequent emails, letters, phone and personal conversations
2. Initiate, maintain and cultivate connection with media regarding BIZI news throughout the campaign
3. Initiate, maintain and cultivate personal relationships with city staff and elected officials
4. Ensure positive professional relationships between the BIZI, business owners and community stakeholders

Board of Directors
1. Act as liaison between Board of Directors and property owners, business owners, community, city staff, elected officials, vendors, legal counsel, consultants, accountants and media
2. Prepare agenda, minutes and location for monthly board meetings
3. Distribute appropriate materials to the entire board before monthly meetings
4. Coordinate subcommittee meetings and provide board members with pertinent information relating to the meeting
5. Carry out specific initiatives as directed by the directors relating to strategy and development of the BIZ

Office Management
1. Maintain office including all supplies, telephone/ internet, equipment, lease
2. Manage the design of and maintain/update website
3. Develop and implement accurate financial reports
4. Work with accounting firm to establish effective and accurate reporting
5. Research and initiate insurance coverage for directors and liability
6. Managed design and production of corporate identity