

Section 2

Economic Development

The Economic Development section discusses the advantages of a Business Improvement District (BID) in downtown Palmer. The BID would be part of an integrated approach, along with the Land Use and Zoning and Community Design sections, to vitalizing the downtown commercial core while retaining the "small town" character of Palmer as a whole.

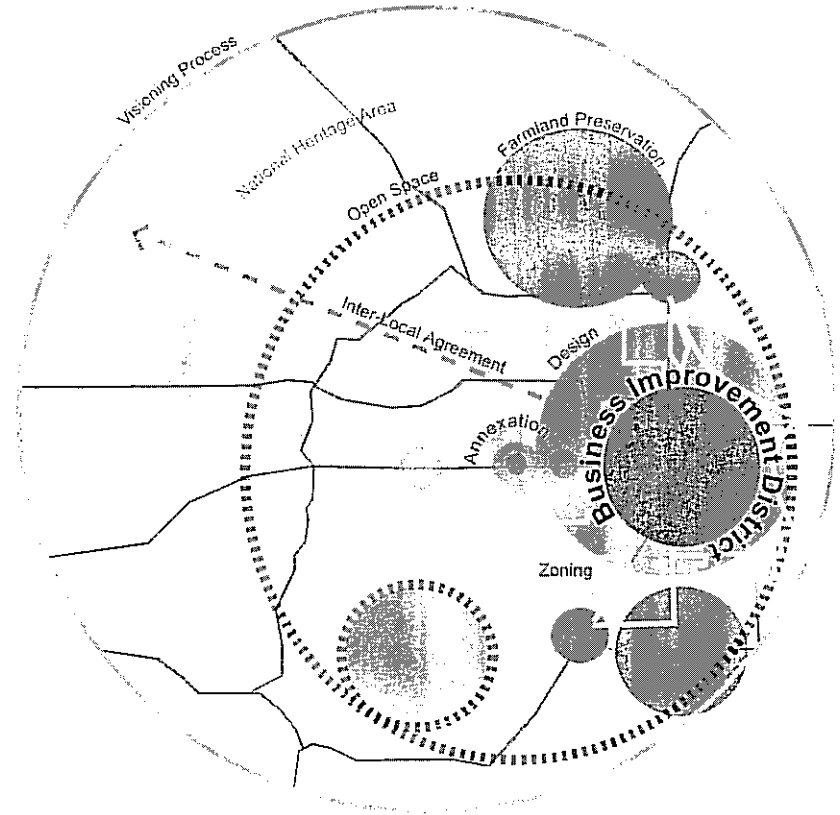
Like many small towns in the United States, Palmer cannot rely on financial sources available to larger urban centers. As a result, it needs to seek out and cultivate innovative strategies for economic development. One such strategy is a Business Improvement District (BID). A BID, organized by local business owners, would identify, fund, and coordinate downtown improvement projects. It could also offer many key services that would help to promote existing businesses and attract new businesses. A BID would relieve the city of some financial and programmatic burden, activate the downtown area, and empower the local business community. The following chapter explores the mechanics behind a BID, steps that the Palmer business community can take to form a BID organization, and examples of projects and services the BID could coordinate.

Related Working Goals

Shape the character and channel the direction of growth into city limits in order to maintain and enhance Palmer's working rural landscape and small-town identity.

Enhance Palmer's social and economic vitality by promoting downtown commercial growth and community development.

Identify and prioritize farmland facing development pressure and establish mechanisms to preserve identified farmland.



Recommendation

Encourage and facilitate the establishment of a local Business Improvement District (BID) to empower local businesses to vitalize the commercial and social base of downtown.

A Business Improvement District (BID) is a designated geographic area within a city that is organized to use self-taxation as a means to revenue generation. This revenue is pooled and used to supplement services currently covered by the city in order to maintain and improve specified outdoor spaces and common areas. BIDs are self-sustaining and independent of state and local funding.

With approval by the city, an association of businesses is given authority to respond to and address public needs and promote security. All commercial and industrial businesses located within the boundaries of a BID are included in this association. Active BIDs benefit everyone because they encourage the exchange of information and increase awareness of issues within the district.

How would a BID benefit downtown Palmer?

Establishing a BID within downtown Palmer would help to economically vitalize the area by funding improvements and services that would improve the existing business climate. This vitalized downtown business climate would also increase property values, encourage even more business to locate downtown. This "snowball" effect would be very beneficial for Palmer and would result in a downtown area that brings more money into the city's tax base.

Many small towns have used BIDs to revitalize their downtown commercial areas. Commonly, BIDs are used to:

- Help market the city
- Establish/support local crime prevention programs
- Offer business incentives
- Coordinate shared spaces and equipment
- Maintain landscape
- Provide streetscape improvements
- Sponsor special events

How can a BID be created for Palmer?

Initiate discussion and expand community involvement

The BID process is initiated by a concerned individual or group who initiates discussion with potential stakeholders (i.e. the Palmer Merchant's Association, Chamber of Commerce, active business owners, builders, etc.) to discuss the potential of forming a BID. Additional groups are identified in this process.

Hold exploratory meetings

Once all stakeholder groups are identified, a meeting is held to determine how to decide the specific logistics of how to proceed with forming Palmer's BID. In addition, major issues facing the downtown area should be identified. Participants should also map the target area for establishing boundaries of the BID and conduct inventories of existing businesses, documenting vacant storefronts, buildings, and lots.

Develop an organization

A mission and vision statement for the BID should be developed. A potential mission statement for the Palmer BID is: "To establish a network of resources that enables Palmer's business community to



address issues facing the downtown and provide the funding to help address them.”

The group should also review existing resources and answer the following questions:

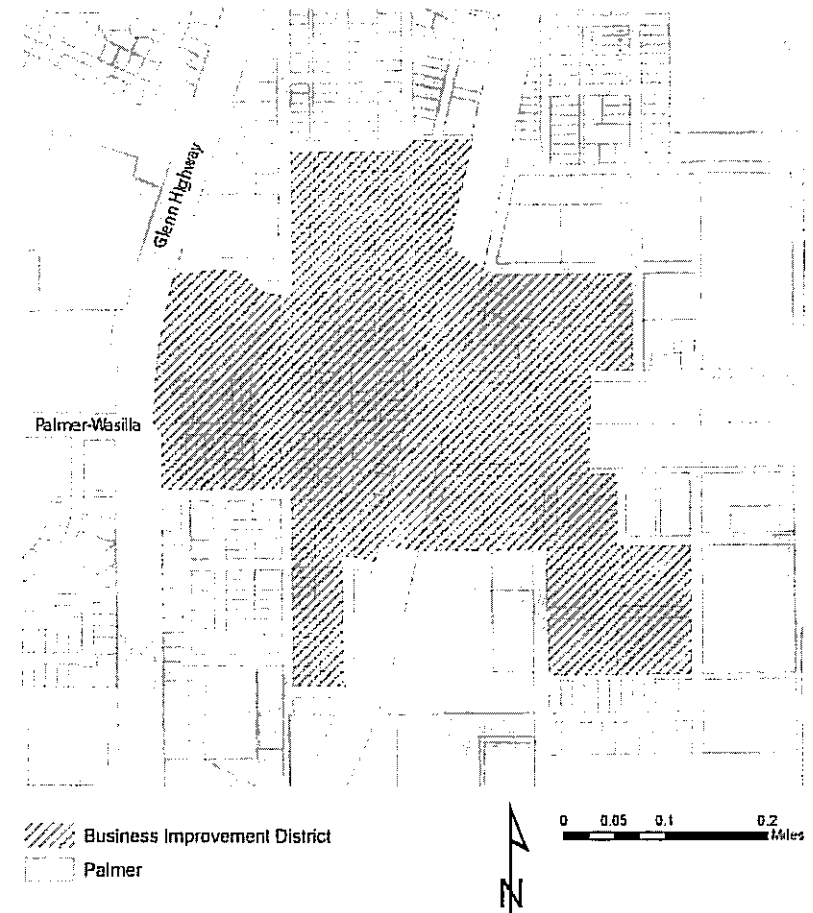
- What organizations/agencies are now involved in the discussions? What skills, time, money, and services can they, or should they, provide? What individuals have expressed interest in participating?
- Is there a listing of agencies and service, fraternal, and professional organizations? Which ones should be approached?
- What funds are available for start-up costs? Municipal? Business organization? Merchant contributions? Grant monies?
- What organizations outside the community could provide technical assistance and financing?

Set downtown goals

Various goals for the BID area should be established. Following are potential goals for the Palmer downtown area:

- Preserve and promote the historical character of Palmer's historic district
- Establish a more interactive community center
- Improve downtown infrastructure and amenities
- Increase connectivity between the downtown area and its surroundings
- Encourage new development to maintain the existing visual character of downtown

Potential BID Boundary



- Increase diversity of shops and restaurants located within downtown Palmer.

Conduct studies and surveys

Various studies and surveys should be conducted to identify assets and identify additional potential improvements in the BID area. See Appendix H for surveys and checklists that may be beneficial.

Set downtown objectives

Once the goals have been approved, the BID committee should create action-oriented objectives that will help to achieve these goals. Following is a list of potential objectives for downtown Palmer:

- Development of marketing materials
- Development and installation of new signage
- Gateway enhancement
- Visitor's center and library redevelopment
- Renovation of spaces around the Depot
- Street & neighborhood treatments and enhancements
- Amenities for harsh winters

Goals and objectives should be prioritized. It is advisable to start with smaller projects as they will provide quicker results, empower the organization, and create a feeling of positive momentum in the community.

Establish concepts, plans, and implementation procedures

Based on the BID's goals and objectives, a more comprehensive action plan for creation of the BID should be developed. Separate plans should be developed and prioritized. Each plan should include procedures for implementation, estimated costs, timelines, general design guidelines, and projected results and impacts.

Ensure continuation of the program

The BID association should keep abreast of changes within the district, reviewing and modifying action plans as needed. The BID's mission statement, goals, and objectives should be reassessed regularly and necessary changes made.

Red Bank River Center, New Jersey

In the early 1990s, downtown Red Bank, New Jersey (pop. 10,000) was a shrinking asset. Businesses were closing their doors, properties were neglected, and property owners were filing and winning tax appeals. In 1991, however, a small number of business leaders organized themselves and made it their goal to rescue Red Bank.



The group worked decided to form a Business Improvement District, establishing the non-profit Red Bank River Center to manage this district. Today, the downtown is a vibrant commercial center with over 200 businesses participating in the BID. (<http://www.redbankrivercenter.org>)

Further Resources: There are over 1,000 BIDs across the United States. In fact, Palmer need look no further than Anchorage for an example of a city using a BID to energize their local economy. Here are just a few other downtowns that have been successful in using BIDs to revitalize their commercial areas:

Anchorage, AK: (907) 279-5650

Maplewood, NJ: <http://www.springfieldavenue.com/about.html>

Great Falls, MT: <http://www.downtowngreatfalls.com/ws/home.php>

Tulare, CA: <http://www.ci.tulare.ca.us/welcome/improvement.htm>



BID budget calculations

A levy or tax for a BID is typically set between 0.5% and 3% of the assessed value of all commercial property located within the boundaries of the BID zone. One method for determining the appropriate BID tax rate is to divide the desired annual BID budget by the total assessed value of all commercial properties within the BID zone. In other words:

$$\text{BID Tax Percent Rate} = \frac{\text{Desired Annual BID Budget}}{\text{Total Commercial Assessed Value}}$$

This will help a BID determine the appropriate rate to tax the commercial property within the BID zone. When establishing a BID, it may be beneficial to set the initial tax rate at a slightly lower percentage than would be ideal. This will give owners of the commercial properties being taxed time to adjust to the new tax. It should also be noted that even a very small tax rate can produce a large enough BID budget to make numerous improvements to the BID area.

BID Projects in Palmer

Once the BID is organized and begins receiving funding, it could offer a number of services. Primarily, it would represent the Palmer business community's interests, planning and implementing projects that improve the downtown and overall promoting Palmer as a great place to locate. Following are a number of projects and services that a BID organization could offer:

Façade Grants

With the money that the BID collects, mini-façade grants could be created to help businesses upgrade the appearance of their storefronts.

Market Kits

New businesses interested in locating in Palmer could contact the BID organization, which would send along a market kit, including a brochure about Palmer, articles on the town, and information about the BID organization.

Street Furniture

Street furniture would enhance the accessibility and "ambience" of downtown Palmer. The BID could coordinate the design, purchase and placement of this furniture.

Special Events

While Palmer already has some great events, a BID organization could help to plan additional events that draw visitors from outside the community. It could also help to promote the downtown businesses through collective events that encourage downtown shopping.

Emergency Notifications

The BID could keep partnering businesses aware of break-ins, weather emergencies, and infrastructure notifications.

Real Estate Listings

Creating and maintaining a real estate listing of downtown properties would greatly facilitate the relocation of businesses in downtown Palmer.

Web Site

Many of the services provided by a BID could be coordinated through a regularly maintained website. The website could include real estate listings, information on Palmer, special events, a list of downtown businesses, and links to other pertinent information on the web (such as the Alaska State Fair and the city website).

Press Releases

The BID could be instrumental in coordinating press releases for important downtown special events, promotions, or general Palmer news.

Additional Resources

Emanuel Berk. *Downtown Improvement Manual*. American Society of Planning Officials (ASPO) Press: Chicago, 1976.

Devika Gopal. *Promoting Retail to Revitalize Downtowns: An examination of the business improvement district idea*. University of Bombay: 2003.

Maury Forman and James Mooney. *Learning to Lead: A Primer on Economic Development Strategies*. Washington State Community, Trade, and Economic Development: 1999.

Municipal Research & Services Center of Washington, "Developing Local Government Tourism Industry." (See <http://www.mrsc.org/subjects/econ/ed-tour.aspx#Financing>. Last viewed November 2004.)

Related Appendices: B, C, D, E, F, G, H

