



Business Improvement Districts

County of Hawai'i Perspective
November 1, 2016

Hawai'i County Code Chapter 35

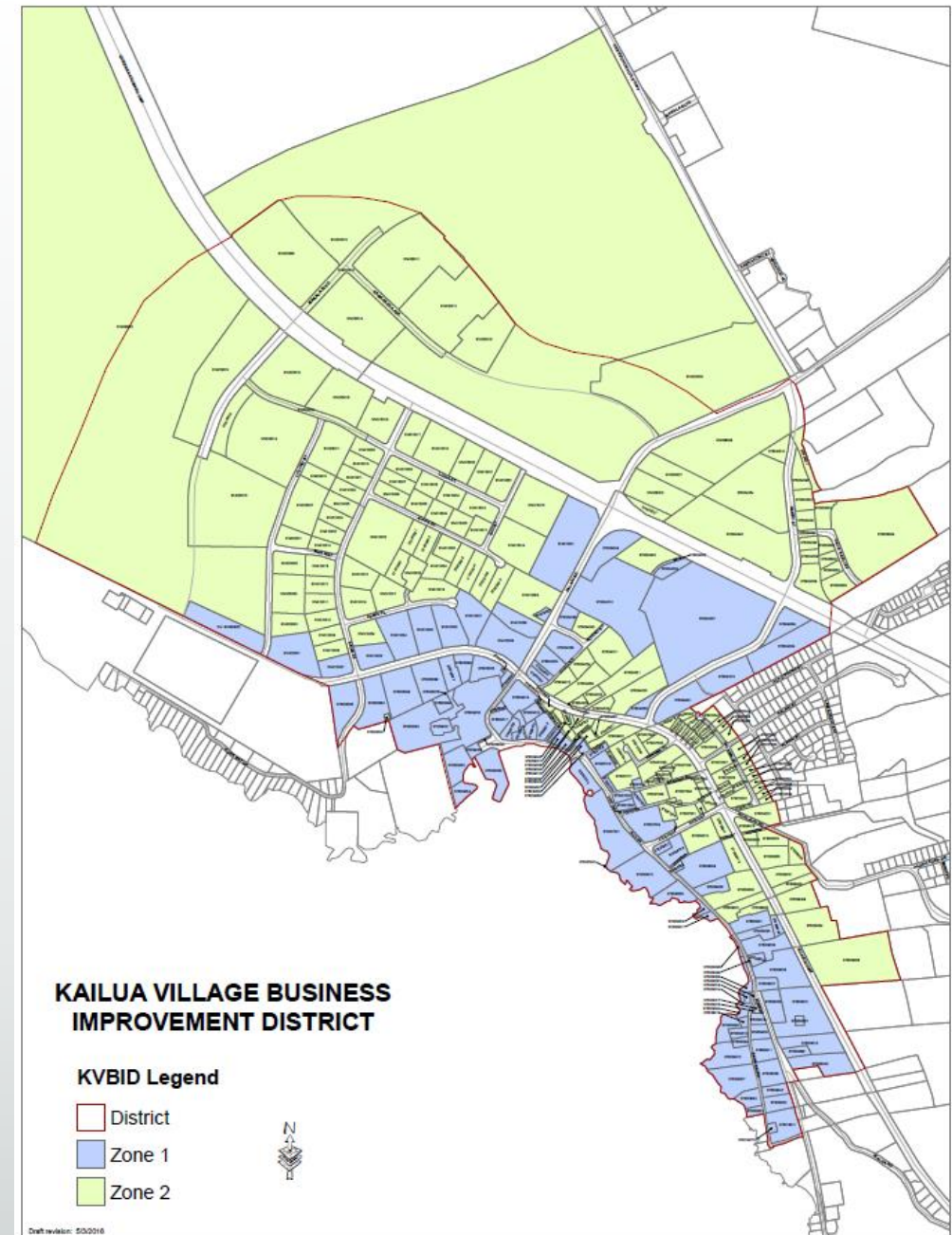
1. Instituted by council (Mayor can request to council)
2. Petition from landowners that have min of 25% of the real property tax assessed value in support of the proposed district
3. Establish district by council ordinance
 - a. See HCC 35-22 (a) (1 through 12) for list of requirements
4. District term is 5 years which automatically renew unless terminated
5. Bonds allowed for supplemental improvements within district and identified in ordinance establishing the district.
6. District association shall be a nonprofit corporation

Billings and Collections - KVBID

- Real Property Tax (RPT)* handles the billing and collection of the Business Improvement District fees.
 - * The collections division at the County of Hawai‘i is within RPT, many other jurisdictions have moved collections under the Treasury Division
 - KVBID – set up with 2 different zones
 - Each zone has a different rate
 - Collections sends a check monthly for the tax collection during that period
 - No annual fee charged to BID, there was a setup fee of \$5,000 which paid for the change to the RPT software to incorporate the BID into billing.
 - Zone 1 – 169 parcels (\$450,000); Zone 2 – 845 parcels (\$313,000); 44 non taxable, 10 appeals

RPT Resources Required

- BID to confirm annual rate
- Parcel listing and extract
 - Verify parcel #'s still valid
 - Extract to BID includes
 - Spreadsheet by zone
 - Annual assessment
 - BID collection amount broken into out the 2 payment cycles
 - Amount in appeal dispute
 - Parcels in BID which are exempt from taxes
- Update map annually, provide to BID
- Once BID confirms parcel listing, commit in system
- Phone calls
 - in beginning of implementation were much more frequent.

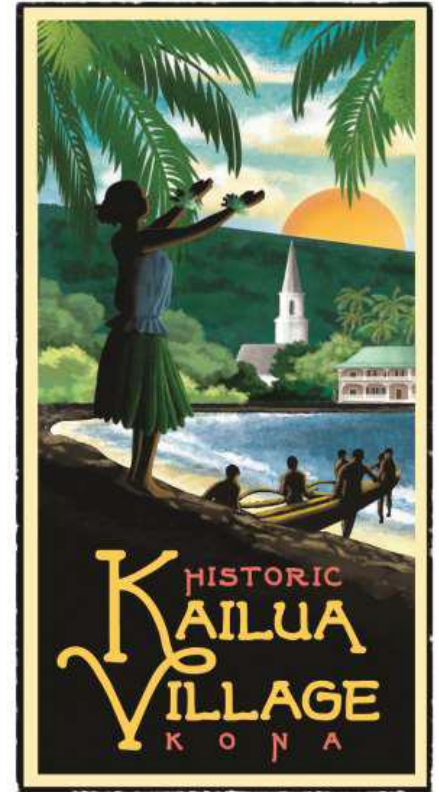


Additional County Resources Required

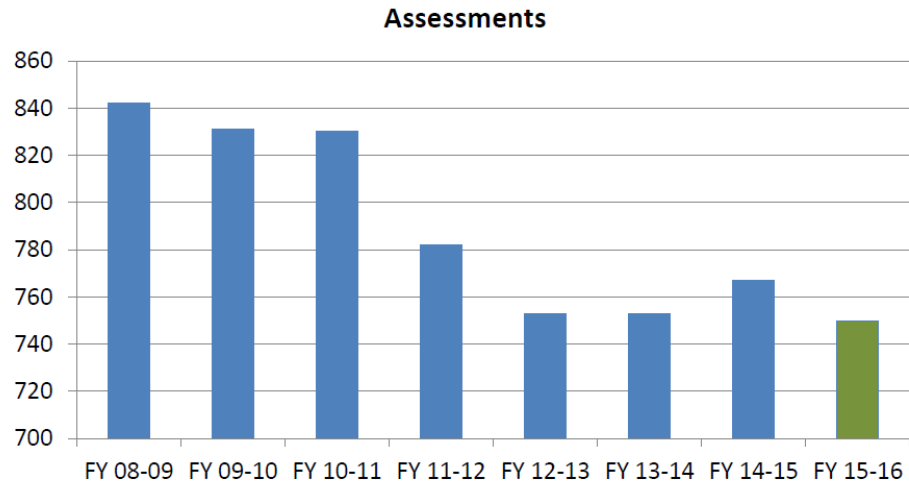
- Nonvoting members
 - Director of Public Works (or designated representative)
 - Director of Finance (or designated representative)
- Voting Members
 - Mayor or designated representative
 - Council member of the district or council member's designated representative
- Bond Counsel
- Accounts - monthly checks sent

Why encourage a BID

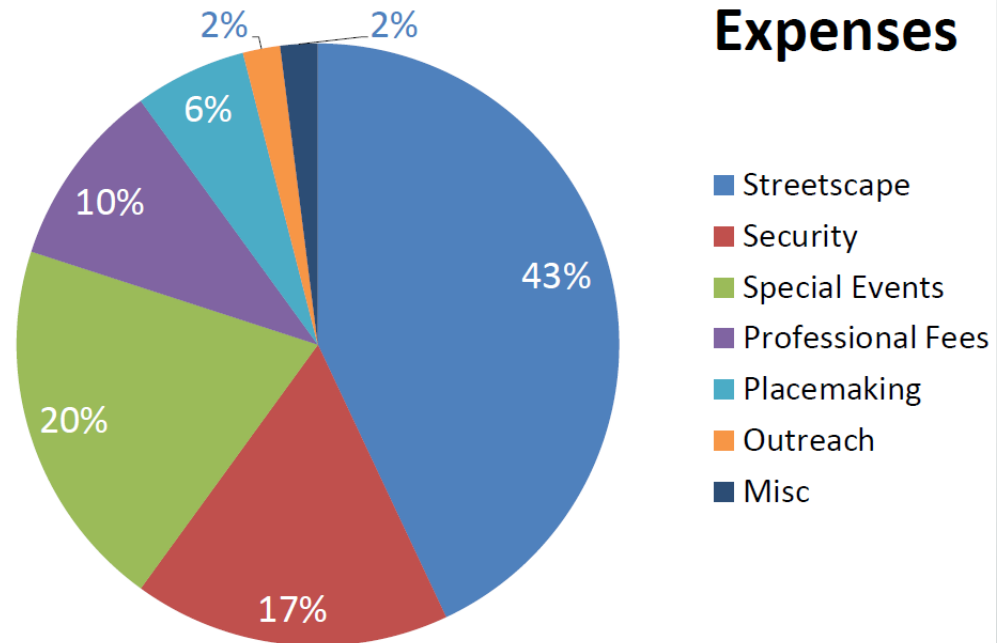
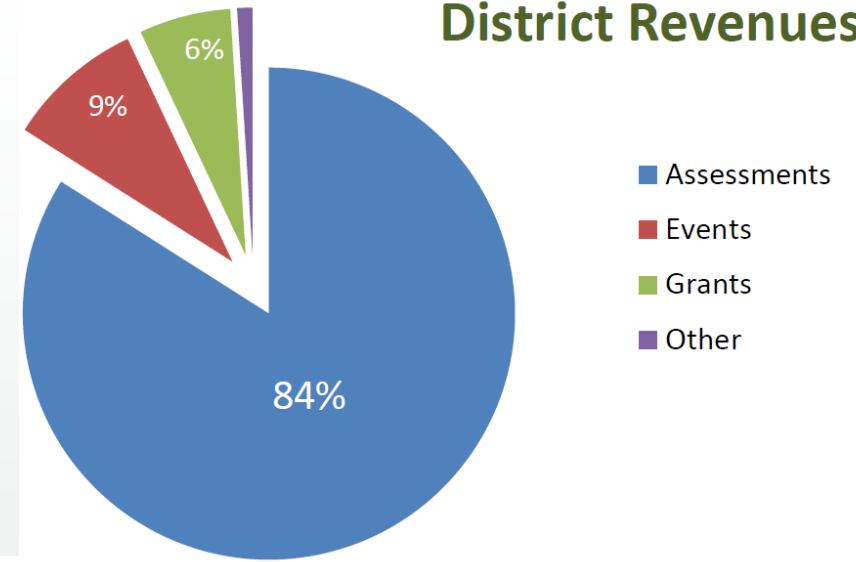
- BID's are utilized to finance supplemental services and improvements.
- BID's are not intended to replace the services the County provides.
- A well managed BID has the potential to:
 - Increase commercial occupancy
 - Raise business/retail standards
 - Review design guidelines
 - Stimulate redevelopment
 - Reduce homelessness
- Done through program services, improving the public realm, having public private partnerships, marketing, branding, promotions, special events,



KVBID Funding



District Revenues



Success Factors (from BID and County perspective)

- Upon creation, council member for the area was very supportive and dealt with the pushback from the residential condos.
- Kona-Kohala Chamber was very supportive as sponsoring organization.
- BID Board directs strategies and initiatives. Paid, professional staff carries out the directives from Board. This has helped so there is consistency with county year after year. Volunteers can help with other areas and special events.
- Board composition is very important (landowner, commercial tenant and government)
- BID works with county government (ie: trash removal, road cleaning, etc)
- Being able to work with Real Property Tax on billing, mapping and extracts is huge component
- Assessment formula needs to be fair and consistent

Factors to consider

- The name “Business” Improvement District rubs some in our KVBID, as many point out it should be called “Community” Improvement District as they tend to enhance public space, economic well being and community vibrancy.
- Collection agency, time and cost to county.
- Can the county assist without the proposed BID needing to get supplemental funding? Will that support continue from administration to administration?
- Good contact at RPT for BID to work with as they do call or email through the year with questions from their members.

Mahalo

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