

BID Creation Guide

(BID statutes outlined in CRS 31-25-1201 through 25-1228)

This is a not a complete review of the relevant statutes; and is not to be construed as legal advice. If you are considering the organization of a district, we recommend obtaining professional legal advice.

A Business Improvement District (BID) is a quasi-municipal corporation and political subdivision of the state, in which commercially assessed property owners elect to make a collective contribution to the maintenance, development, and promotion of their commercial area. The contributions create a steady and reliable funding source for enhanced services and programs. Certain advantages can result from this partnership including a cleaner, safer, and more attractive business district.

BIDs are created to provide a higher level of service to a specific area such as cleaning streets, providing security, making capital improvements, construction of pedestrian and installation of unique streetscapes, and marketing for the area. These services are supplemental to those already provided by the City and County of Denver. BIDs are funded through additional taxes, rates, fees, tolls, or charges on commercial property. Residential and agricultural properties cannot be part of a BID though can enjoy the benefits.

Forming a BID should be a grassroots effort originated by the commercial property owners. Since it involves commercial property owners voting to tax themselves for additional services, the City does not mandate a BID be created. BIDs are typically created by engaged commercial property owners with a merchant association or other membership organization facilitating similar BID activities. The need for a BID typically arises out of the limitations of the merchant association's ability to construct public improvements and a desire to provide greater services.

Statutory Steps to Form a BID:

1. Petition filed with the Clerk and Recorder
 - a. Petition thresholds:
 - i. Shall be signed by persons who own real or personal property in the service area of the proposed district having an assessed value not less than fifty percent of the assessed value of all real and personal property in the service area.
 - ii. Shall be signed by persons who own real or personal property in the service area of the proposed district who own at least fifty percent of the acreage in the proposed district.
 - b. Petition shall set forth:
 - i. Name of the proposed district
 - ii. A general description of the boundaries and service area
 - iii. A general description of the types of services or improvements to be provided by the proposed district
 - iv. The names of three persons to represent the petitioners, who will have the power to enter into agreements relating to the organizations of the district.
 - v. A request for the organization of the district.
2. Public Hearing at City Council
 - a. City Council will hold a public hearing for the creation of the BID
 - b. After public hearing is held, City Council will vote on approval of BID

3. If mills are to be imposed in the year following creation, then notice of the BID's intent must be filed with the City and County of Denver Assessor's Office by July 1st.
4. BID holds a special election
 - a. If BID will assess a mill levy, raise revenue by a rate charge, or issue debt a TABOR election must be held.

Practical Steps for BID Creation:

1. Building the right team to champion a district's creation.
 - a. Applicant
 - i. Identify who will initiate and manage the creation process, usually is a nonprofit, community-based organization (like a merchant's association or 501c3).
 - b. Local Commercial Property Owners
 - i. Gather support of local commercial property owners
 - c. Proposed district's Councilperson
 - i. Since City Council approval for BID creation is required, engaging the proposed district's council person is crucial.
 - d. Consultant
 - i. Typically, a consultant is hired to prepare district documents, host public meetings, and coordinate community engagement.
 - e. Attorney
 - i. Attorney to prepare legal paperwork, governing documents, special election, and ordinance creation.
2. Identify what the BID's purpose and vision will be
 - a. This is crucial as it will answer the question of why a BID is needed.
3. Identify the boundaries of the BID
 - a. This will determine who the BID electorate will be
 - b. Boundaries should be closely tied to the BID's purpose and vision.
 - i. For instance, a proposed BID's vision could be to foster business development by means of advertising along a mile stretch of Main St. The commercial properties in this mile stretch of Main St. would then become the district boundaries.
4. Engage the City's Capital Planning and Programming Division to inform them about proposed plans.
5. Begin community outreach
 - a. Engage commercial property owners and define what services and improvements a district could provide.
6. Prepare petition document
 - a. Petition should outline what the BID will accomplish, how it will pay for the accomplishments (i.e. revenue and debt); and identify the statutorily required information.
7. Start petition efforts
 - a. District organizers obtain signatures from commercial property owners to meet the statutory thresholds

8. Engage with City to review draft Creation Ordinance
9. Submit signed petitions to City Clerk
 - a. District organizers should work with City's Capital Planning and Programming Division to accomplish this step.
10. Attend City Council public hearing to create BID
 - a. District organizers should work with City's Capital Planning and Programming Division to accomplish this step.
11. If applicable, hold special election to approve revenue and debt questions (typically done in a November TABOR elections).
 - a. If BID will assess a mill levy, raise revenue by a rate charge, or issue debt a TABOR election must be held.

Key BID Features:

- Statutorily can only include commercially assessed property
 - Typically exclude personal property
- Revenues typically generated by additional mill levy or a rate charge (requires voter approval via a district wide special election)
- BIDs can issue debt to pay for capital projects (requires voter approval via a district wide special election)
- BIDs typically are administered by a board of directors made up of qualified electors in the BID.
- New BID boundaries cannot overlap existing BID boundaries.
- BIDs can provide services within the district, for example:
 - Consulting, maintenance, promotion or marketing of district activity, organization promotion, marketing, and management of public events, security within the district, snow removal, and refuse collection.
- BIDs can provide capital investments within the district, for example:
 - Acquire, construct, finance, install, operate, and maintain improvements in public right of way such as specialty sidewalks, crosswalks, curbs, gutters, trash cans, signs and wayfinding, lighting, etc.

Guidelines to achieve a November election. Please consult an attorney your circumstances may differ:

	NOVEMBER ELECTION GUIDELINE
Prior to May 1 st	Gather petitions meeting statutory thresholds from district electors.
Advise 42 days (6 weeks) prior to Public Hearing date	Deadline to start City Council ordinance process to hold public hearing and approve creation ordinance
A max of 40 days before and a min of 20 days before Public Hearing date.	Submit petitions to City Clerk and to meet Public Hearing deadline (public hearing must be completed not less than 20 days nor more than 40 days after petition submission).
Advise to be 2 weeks prior to July 1 st	Public Hearing deadline for City Council to hold Public Hearing and approve creation ordinance for BID.
Prior to July 1 st and after Council approval of Creation Ordinance	Deadline to hold first board meeting and pass a resolution regarding Assessor notification of intent to levy mills and a resolution calling the November election.
July 1 st	Deadline to notify Assessor of intent to levy mills for next calendar year.
July through early November	Nominate a Designated Election Official (DEO), DEO performs duties related to ballot questions and TABOR and election notices.
First Tuesday in November	ELECTION DAY
No later than Election Day plus 14 Days	Board of Canvassers' meet to canvass election returns (<i>Must occur no later than the 14th day following the election.</i>)
No later than Election Day plus 30 Days	Certify results of elections to Division of Local Government, Denver County Treasurer, Denver County Assessor Denver County Clerk and Recorder, Denver City Council and the State Division of Securities. (<i>Must be certified no later than 30 days following the election.</i>)

Examples of Financial Impact to BID Commercial Property Owners:

BID	Tax/Assessment Revenue*	Average Cost per Taxable Parcel**	BID Contact Information
Bluebird Business Improvement District	\$106,552	\$1,567	Dan Shah, 303-931-8680
Cherry Creek North Business Improvement District	\$4,549,766	\$8,956	Julie Underdahl, 303-394-2904
Cherry Creek Subarea Business Improvement District	\$15,000	\$111	Tom George, 303-839-3708
Colfax Business Improvement District	\$632,940	\$1,611	Frank Locantore, 303-832-2086 Ext. 1
Colfax MayFair Business Improvement District	\$117,976	\$1,685	Hilarie Portell, 720-810-3906
Downtown Denver Business Improvement District	\$7,524,585	\$2,601	Beth Moyski, 303-571-8226
Federal Blvd Business Improvement District	\$69,099	\$2,032	Leslie Twarogowski, 303-880-3508
Five Points Business Improvement District	\$147,206	\$1,912	Beth Moyski, 303-571-8226
Old South Gaylord Business Improvement District	\$53,975	\$871	Greg Sauber, 303-339-2110
RINO Business Improvement District	\$1,119,995	\$2,641	Alye Sharp, 720-443-3202
Santa Fe Business Improvement District	\$107,398	\$934	Andrea Barela, 303-534-8342 Ext. 110
West Colfax Business Improvement District	\$144,843	\$900	Dan Shah, 303-623-3232

*** Based on 2019 Budget Approved by Council**

**** Based on Assessor's Data as of May 13, 2019**