

AUCKLAND CITY COUNCIL

Business Improvement District Policy

2008

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1 INTRODUCTION

1.1 Overview

A Business Improvement District Programme is a partnership between local government, the business community and other stakeholders. The formation of Business Improvement Districts (BID) is premised upon the understanding that place based problems and issues demand place based responses.

These programmes are long term solutions. They are based on incremental success and local business involvement. Key objectives of the programme are business creation and development, and increased employment and local business investment, together with an enhanced physical environment. The BID programme is intended to identify and promote the profile of a commercial district or business centre.

The programme is financially supported by the levying of a targeted rate over a defined geographical BID area and collected from all non-residential properties within that boundary.

1.2 Purpose of this policy

This Policy is intended to guide those responsible for establishing and running BIDs as well as those in Auckland City Council (referred to in this document as the "Council") who administer the BID programme and its associated targeted rates.

The policy addresses:

- The establishment of new BID programmes; and
- The operations of existing BID programmes.

This policy will enable the realisation of the following strategic goals for the BID programme:

- To implement more initiatives to support business creation, attraction, retention and expansion within BID commercial districts and business centres
- To implement measurable Key Performance Indicators (KPIs) for the BID programme, with a specific focus on business development.

1.2.1 Programme application

The programme focuses on four main areas of activity as follows:

Business development: Strengthening the district's existing economic base while finding ways to expand it to meet new opportunities and changes in the retail and economic climate of the region and country. Regardless of how the local economy is operating in relation to the national trends, the BID must continually be considering ways in which the area's assets and offerings can be improved and maximised.

The core principles of business creation, attraction, retention and expansion should be applied. These may include but are not limited to networking, best practice,

business-to-business development and developing a business centre prospectus for potential investors and tenants.

The BID programmes are funded through a special BID rate collected from local businesses and are an important element in sustaining Auckland's economic growth. They build on the distinctive character of Auckland's commercial districts and business centres – as well as the energy and skills of the people who have businesses there.

Strategic management: Managing and administering the programme through an elected committee which provides direction and governance. The governing committee defines the function, statement of intent and role of the BID organisation. The day-to-day running of the organisation is provided by the BID manager.

The programme area also covers the roles of sub-committees, developing coalitions and partnerships, public relations, communication, financial management and reporting. It further includes building consensus and cooperation among the many groups and individuals who have a role to play in the BID programme.

The strategic direction identified by the committee and the implementation of that on a day-to-day basis is core to getting business, strategic partners and council working together for the benefit of the BID.

Promotion, events and marketing: Marketing the commercial district and business centre's assets to customers, potential investors, new business, local citizens and visitors. This includes through special events and promotions. However, marketing of the BID should not be limited to events. There also needs to be active place marketing and branding of the area. This would include a dedicated website which includes business listings, a member's information area as well as news, events and advocacy being undertaken.

Each BID should develop a series of key messages about the activities and benefits of the programme so that members are fully informed of the returns on their targeted rating. All media about the BID including the website, should also emphasise those key benefits and initiatives. Acknowledgement of the contribution to the programme by the local businesses beyond the committee members is essential to ensure full engagement by all ratepayers.

Urban design and heritage environment: Coordinating physical improvements to enhance the image of the business centre, promoting what it has to offer and providing a secure and clean environment. This includes encouraging appropriate new construction, long term planning and developing sensitive design management systems. Through historic environment conservation, capitalising on the historic significance and assets of the commercial district and business centre and using it as a means of establishing an identity and profile. This includes rehabilitating and conserving heritage buildings and streetscapes, appropriate signage and encouraging sympathetic new development in centres with a significant heritage resource.

This focus should also take into account CPTED (crime prevention through environmental design) principles and work towards achieving a safe and clean

business environment. Maintenance and security will contribute to the achievement of this aspect of the programme application.

The critical factor in making the BID's programme work for the community is that all of the four areas must be given full consideration and must be developed and promoted together. The annual programme of work should reflect the immediate priorities for the commercial district and business centre and relate measurably to the long term strategic plan.

1.2.2 Approach

The BID programme application is most successful when combined with the following approach:

Comprehensive: A single project cannot revitalise a commercial district or business centre. An ongoing series of initiatives are needed to build community support and create lasting progress.

Continuous improvement: As technology and methods of business operation change constantly, there is a need to ensure that the committee and manager are consistently looking at how they can improve the output and operation of the BID programme in their area. Keeping up to date with international and national trends will inform this improvement.

Capacity building: Activities which strengthen the knowledge, abilities, skills and behaviour of the businesses in the area as well as the committee and the BID staff will assist the organisation to achieve its core objectives. This may include organisational development, the elaboration of management structures, processes and procedures, skills and access to information, knowledge and training that enables them to perform effectively.

Professional development: Encouraging the continued professional development of the BID staff in the areas of skills and knowledge acquisition. This should include attendance at industry-related conferences, keeping up to date with industry standards and international best practice and attending management courses and workshops where relevant, including those facilitated by Auckland City Council.

Measurement of progress: Accountability for use of public funds to ratepayers and the Council must be in tangible and measurable forms. Developing Key Performance Indicators against the strategic plan goals and measuring the BID staff's performance against these is essential best practice for all BIDs.

Incremental: A step-by-step approach should be used to achieve improvements over time and most BID programmes are viewed as being long-term commitments where benefits will be gained over a number of years.

Grass-roots commitment and community buy-in: Local leadership can initiate long-term success by fostering and demonstrating community involvement and commitment to the revitalisation effort. Communication is an essential tool to ensure that the stakeholders and specifically the business community are fully aware of the initiatives which are being undertaken in the commercial district and business centre through the BID programme.

Public/private partnership: Every local BID programme needs the support and expertise of both the public and private sectors. For an effective partnership, each must recognise the others' roles, strengths and weaknesses.

Identifying and capitalising on existing assets: Business communities should be encouraged to recognise and make the best use of their unique assets. Local assets provide the solid foundation for a successful BID initiative. Every area has a distinct character or specialised function and these should be harnessed and built on.

Quality: With the emphasis on improving all elements of a Business Improvement District, all projects should be undertaken with a view to highest quality, particularly from a sustainability and legacy aspect. It is essential that all investments be made with a knowledge of maintenance and whole of life cost is taken into consideration for budgeting and resource purposes; and this may require liaison with Council on key projects.

Change: Changing community attitudes and habits are essential to bring about a commercial district and business centre renewal. A carefully planned BID programme will help shift public perceptions and practices to support and sustain the revitalisation process. Communication as mentioned above is a critical factor in gaining support for changes.

Action-oriented: Frequent visible changes in the look and activities of the commercial district and business centre will reinforce the perception of positive change. Small, but dramatic improvements early in the process will remind the stakeholders that the revitalisation and development effort is under way.

1.3 Background

The Business Improvement District (BID) programme has been operating in New Zealand since the early 1990's and continues to grow in the form of mainstreet, business district and business development community projects.

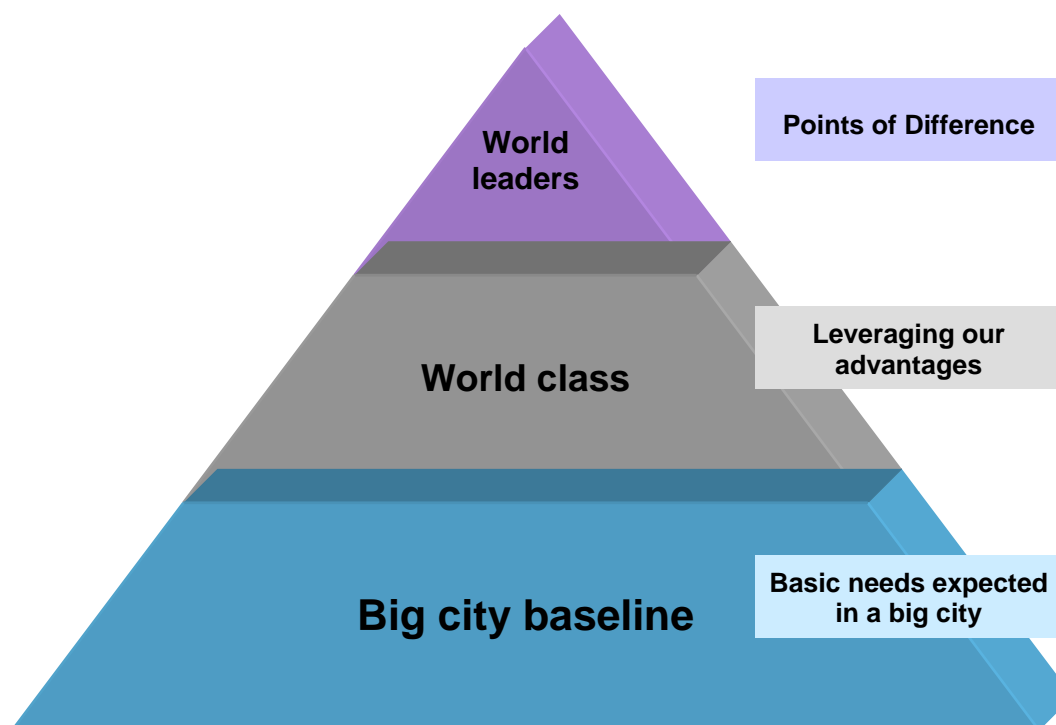
The Mainstreet initiative, which originated in the USA, was taken in response to the realisation that traditional commercial centres and neighbourhood shopping centres were in decline as a result of the growth of and competition from new developments. Since then the programme has proven an ongoing success in commercial centre revitalisation and employment creation.

The BID programme has been widely successful in Canada, Australia and the UK. It has been applied to any business area where renewal or expansion is the long-term objective.

1.4 Links to Auckland City's strategies

This policy links to the council's Long-Term Vision in ensuring future employment opportunities and growth in internationally competitive business development areas. It also aligns with the Economic Development Strategy of creating productive, dedicated business areas, providing spaces for employment intensification and mixed-use development opportunities.

Auckland City Council Long-Term Vision 2006 – 2016



<p>World leaders</p> <p>Amazing natural landscapes Auckland has a unique landscape with twin harbours, the Hauraki Gulf islands and volcanic cones. We are renowned for the sustainable way we keep our environment clean and green. This gives us a great lifestyle, attracts businesses and provides a visitor experience that is second to none.</p> <p>Global city Auckland is a youthful, cosmopolitan, safe and equitable global city; a great place to live, welcoming of new migrants and businesses. Our diverse communities, and our pioneer and distinct Pacific heritage, give us a special identity in the world. Auckland's vitality and our special identity stimulate social, cultural and business opportunities.</p>
<p>World class</p> <p>Lifestyle Every Aucklander can enjoy the benefits and lifestyle opportunities provided by our location and feel safe throughout the city.</p> <p>Waterfront and CBD The waterfront, and its link to the CBD, is a hub that attracts people and business.</p> <p>Creativity and innovation Auckland is a magnet for creativity and innovation. We blend the best from the world and New Zealand to create a fresh Auckland style.</p> <p>Pride Auckland has a distinct identity. We identify with, and celebrate our city.</p> <p>Ambitious Auckland has a smart and sustainable economy. We are well equipped and strive to compete globally.</p> <p>Vibrant local centres We have vibrant, distinctive and connected local centres that reflect all our communities. These attract people because of their characteristics.</p>
<p>Big city baseline</p> <p>Auckland is sustainably managed to provide:</p> <ul style="list-style-type: none"> • A protected unique ecology, quality natural and built environment, and protected heritage

throughout the city

- Infrastructure and networks that make the city work for people, visitors and businesses
- Access for everyone to the community and social facilities, networks and services that we need throughout our lives
- A transport system that works for Auckland and allows us to access what the city and gulf have to offer.

There are six strategic themes for implementing the Long-Term Vision plan:

1. Economic opportunities
2. Lifestyle choices
3. Quality natural environment
4. Quality urban environment
5. Strong communities
6. Transport choices

Auckland City Council Economic Development Strategy

The Auckland City Council Economic Development Strategy aims for Auckland City Council to play a leadership role in growing an economy that delivers jobs, higher incomes and improved standard of living for Aucklanders – a more productive economy, delivering high value-added solutions to global markets by being innovative and creative.

In order to achieve this goal, the strategy outlines three platforms for action, they are:

- A globally and nationally connected economy
- Skilled, adaptable and educated people
- Productive, dedicated business areas linked to a strong CBD hub.

Auckland city's dedicated business areas make up a key component of the city's economic fabric. They are productive places, providing locations for firms to concentrate thereby benefiting from knowledge exchange, proximity to specialist services and access to suppliers. They are areas which provide diverse employment opportunities for residents within the city and region.

Dedicated business areas also play a key role in the design, manufacture and preparation of products for exports. As the city looks to transition to a high value-adding, innovative economy, consideration must be given to the role that each of Auckland city's dedicated business areas will play in creating this future and how they will support economic development.

BID programmes are a key component of achieving Auckland City Council's strategies. They are crucial in gathering broad consensus on the role, function and future direction of development in both dedicated commercial districts and business centres which encompass retail areas and business districts.

2 ESTABLISHING AND MODIFYING A BUSINESS IMPROVEMENT DISTRICT

2.1 Considering a Business Improvement District

Discussions to explore the possibility of establishing a BID may be initiated at any time by any interested party. Evidence must be sought that there is sufficient support among BID proponents to sustain the prolonged and comparatively demanding challenge of establishing a BID.

2.2 Initial consultation

The Council will supply a map of the business area, with the proposed BID boundary indicated. BID proponents will discuss the proposed boundaries with key stakeholders within (and potentially outside) the proposed area. These stakeholders might include, for example, owners of businesses, local or central government agencies within the proposed BID, or interested community groups. A public meeting should be held to communicate the proposal to establish a BID.

Following this initial consultation, the BID proponents will feedback to Council whether they wish to proceed with the establishment of a BID.

2.3 Private residents

Private (non-business) residents are not covered under this policy, and as such will not become liable for the targeted rate. The Council will determine whether a particular property qualifies as a private residence or business premises for the purpose of this policy.

2.4 Final determination

Primarily, the Council will allow BID proponents to determine the prospective boundaries. However, should the Council and BID proponents disagree; the Council's decision is final, as it is the Council who takes responsibility for the targeted rate.

2.5 Developing a list of owners and occupiers

The BID proponents will compile a list of owners and occupiers within the agreed boundaries of the BID. This list is then filtered to avoid duplication and create the voter register.

The Council will prepare a list of property owners. Businesses occupying, but not owning property, will be identified by the BID proponents through the use of a survey, or other appropriate means. These two lists will be combined to create the list of owners and occupiers.

2.6 Creating the voter register – eligible voters

BID proponents must next make contact with every owner and occupier, in order to determine who will be registered as a voter on the final voter register.

If the owner or occupier is an individual, that person should be registered as the voter unless they nominate someone else to act on their behalf. All future communication from the BID proponents or the eventual BID association must be addressed to that nominated individual, unless the owner or occupier subsequently communicates a desire to nominate a different representative to the BID association.

If the owner or occupier is not an individual, the BID proponents must communicate with the senior management of that body (typically a company or trust) and request the name of a nominated representative to register as a voter.

This policy is based on the principle of 'one person one vote'.

Where an individual or organisation appears multiple times on the owner and occupier list (perhaps because they own a number of properties or businesses in the BID) that person or organisation may only nominate one name for the voter register, no matter how many businesses or properties are owned.

Voter information should include:

- Name of owner or occupier
- Name of representative (if applicable)
- Contact details:
 - Mailing address
 - Physical address
 - Email address
 - Telephone / fax numbers
- The voter's preferred method of communication

On establishment, all registered voters automatically qualify to become members of the BID.

Once established, it is the responsibility of the BID to maintain and update the membership register. These should be updated no less than six monthly.

The BID association shall not use any personal information for any purpose other than administration of the BID.

2.7 Non-eligible business owners

The following business owners are not eligible to register on the BID voter register:

- Business owners who operate their businesses from residentially rated property within the BID
- Business owners who give a business address which is a commercial property within the BID, but who do not physically run their businesses from that address (for example businesses who use their accountant's address, or businesses who have mail delivered to a relative or friend running a business within the BID).

The BID proponents have the final decision over eligibility, in consultation with Council.

2.8 Strategic plan and annual business plan

The Council will provide assistance (such as advice, templates, consultant contacts and visioning methods) with the creation of a long term strategic plan and an annual business plan for each BID that takes account of the particular requirements of the BID.

These plans should be developed as outlined in Section 3.6 Quality Management below.

2.9 Targeted rate

The Local Government (Rating) Act 2002 gives the Council authority to set a targeted rate for an activity such as a BID.

Such targeted rates are presently calculated on the property's annual value. The annual value of non-residential property within a BID boundary area is the higher of:

1. the market rental value of the property, based on the latest valuation, less 20 per cent to cover normal expenses
- or
2. 5 per cent of the capital value

Ratepayers can calculate their rate liability by multiplying the rate in the dollar for their BID targeted rate with the property's annual value.

2.10 Incorporated Society

Before a BID can be set up, a business association must be established and registered as an Incorporated Society (refer to www.societies.govt.nz).

2.11 Polling in a Business Improvement District

BID polls must be run in the following circumstances:

- **Establishing a BID programme.** The Council will pay for the BID establishment poll.
- **Increasing or decreasing the boundary** – expansion of a BID may be sought to include neighbouring businesses such as an adjoining street originally left out of the BID. Where the BID is to be expanded, the BID must apply to the Council for a list of property owners and occupiers in the new area, and arrange for a poll to be conducted in the expansion area only. In the event of a BID boundary being reduced, a poll is conducted for the whole BID area because this change implies a reduction in budget for the whole programme.

For the purposes of financial planning, a boundary extension or reduction poll must be completed by the end of November at the latest in any given year and ratified by council.

- **Dissolving a BID programme** – This may be called by the BID association however, the Council does not need a disestablishment poll to stop setting a targeted rate.

All BID polls are run as postal ballots. The period between the mail out of the ballot papers and close off for return of ballots will be not less than 14 calendar days.

2.11.1 Informing voters

BID proponents must inform all registered voters of the upcoming poll and ensure voters are aware of the key issues to be decided. Such issues include, but are not limited to:

- The boundaries of the proposed BID;
- The total budget and approximate targeted rate to be assessed;
- The objectives of the BID strategic and business plans;
- The principal BID proponents for contact purposes.

To achieve these aims, BID proponents must:

- Mail a voting paper, return envelope and information sheet to the last known postal address of all registered voters not less than 14 calendar days prior to the official close of the poll.
- Advise and hold at least one information meeting, open to all interested parties, no less than seven days prior to the poll closing.
- Place at least two advertisements about the upcoming poll in local newspapers, at least seven days apart, with the last advertisement a minimum of three days prior to the poll closing.

BID proponents may use additional methods to inform eligible voters of the upcoming vote, such as face-to-face meetings, email, fax or newsletters.

2.11.2 Sending out the ballots

The Council will recommend an independent election service to BID proponents. They will contact the approved organisation as soon as the voter register has been finalised to enable the election service to begin preparing for the poll. Material prepared for the poll will include:

- A copy of the register of voters;
- A copy of an information sheet outlining the BID proposal;
- A copy of a ballot form approved by the independent election service;
- A copy of a contact update form which includes the name of the nominated representative of the business;

- Boundary information if the poll includes an increase or decrease of the BID boundary area.

The independent election service will send out an envelope including the information sheet, the ballot form, the contact update form and a prepaid return envelope. Any requests for replacement ballots should be directed to the independent election service.

2.11.3 *Achieving the mandate*

To achieve a mandate, a BID poll requires (a) a voting return of at least 25% of the eligible voters for that poll; and (b) at least 51% of those votes being in favour of the proposition.

All eligible voters in the boundary area are polled, with the exception of a boundary extension in which only the property owners and occupiers in the proposed extension area are polled.

2.11.4 *Confirming the result*

The independent election service will receive, count and verify all returned ballot papers. It will then report the result of the poll to the BID proponents and the Council.

2.11.5 *Proxy and absentee voting*

Proxy voting is not permitted for BID polls. Registered voters who will be absent from their registered addresses during the period of the Poll but who wish to vote, should provide a forwarding address to the BID proponents.

2.11.6 *Non-registered eligible voters*

BID proponents should attempt to ensure all eligible voters in a BID area are registered. In the event that an individual believes he or she is entitled to vote, but does not appear on the register of voters used by the independent election service, the service shall determine the status of the individual and whether a ballot should be issued to that individual.

2.11.7 *Final Decision on BID changes to be made by the Council*

The final decision about whether to establish, extend, reduce or disestablish a BID shall be made by the Council because, under the Local Government (Rating) Act 2002, it is the Council alone who can set the targeted rate. In making that decision, the Council will take into account, but will not be bound by, the poll result.

2.12 Holding the Initial AGM

2.12.1 Notification

Following a successful establishment poll, the BID proponents must promptly notify registered voters of:

- The date and place of the initial AGM of the BID association;
- Their opportunity to nominate individuals to the BID Executive Committee, and how to do this;
- Their opportunity to study the proposed changes to BID association constitution;
- Their opportunity to study the proposed BID association budget, strategic and business plans.

2.12.2 Timing

The AGM should be held at least two weeks after the poll, to allow for nominations for the election of officers, and consideration of the draft constitution and draft strategic and business plans.

2.13 Subsequent AGMs

2.13.1 Notification

The same procedure should be followed as outlined above in Section 2.12.1 Notification.

2.13.2 Timing

The AGM should be held annually and within four months of the start of the new financial year.

2.14 AGM Process

2.14.1 Nominations for election of officers to the BID association Executive committee

Nominations can be made for positions on the BID Executive Committee. Nominations must be made in writing, signed by two BID association members, and the nominee themselves. These should be mailed, faxed or handed to the specified receiving office identified in the publicity about the AGM. Nominations will close seven days before the scheduled date of the annual general meeting.

2.14.2 Election of officers

The founding AGM will be chaired initially by the council officer assigned to the BID or a facilitator as agreed by the Council. The interim chair will begin by reading out nominations and calling for a vote in favour in each case.

In subsequent years, the AGM is chaired by the outgoing chair up to the election process, at which point the BID Manager will chair the election procedure.

There must be a minimum of five voting members elected and a maximum of eleven voting members. All elected members have full voting rights on the Executive Committee.

The officer positions of Chairperson and Treasurer may be decided either by a general member vote at the AGM or by the Executive Committee at its first meeting following the AGM. The decision whether an election is made at the AGM, or by the Executive Committee, is made at an AGM, with that decision taking effect for the purposes of the following year's election. The BID Manager is eligible to be the secretary of the Executive Committee but does not have any voting rights.

2.14.3 Ratification of key documents and decisions

Having elected the Executive Committee members, the AGM should move to a discussion and ratification of the documents and decisions made by the BID proponents or the standing BID Executive Committee, in particular, the BID association constitution, the strategic and business plans and the draft budget. Formal acceptance of these documents and any amendments are subject to the majority vote of the assembled BID association members.

2.14.4 Changes to the committee and constitution

Following the AGM, the BID secretary must register the approved BID association constitution or changes with the Registrar of Incorporated Societies. Changes to constitutions must also be advised to Council.

Council must be informed who elected officers and committee members are, with their full contact details.

2.15 Application for the targeted rate

Once confirmation of incorporation has been received from the Registrar, the BID association can move to apply to the Council for a targeted rate in its area. To be successful in its application, the BID association must present the following information to the Council:

- Evidence of a mandate (report from the independent election service).
- Evidence of incorporation (Registrar of Incorporated Societies).
- The agreed BID boundaries (Council).
- The ratified budget (AGM Minutes).
- The ratified business plan (AGM Minutes).

2.16 BID Manager

Once the Council has released funds to the BID association, a BID Manager should be hired. This position may be full or part-time as determined by the BID Executive Committee.

2.17 Conversion of Mainstreets and Business Development Communities into BIDs

Auckland city has a number of existing Mainstreets and a Business Development Community. They operate in accordance with the Auckland City Mainstreet Policy (Revised August 2003).

Any of the existing Mainstreets and Business Development Community are eligible to become BIDs by following the process set out below. In order to become a BID, any Mainstreet or Business Development Community must:

- First, through its management committee make a request to the Council that the association become a BID, and following approval by the Council, then
- Resolve at a General Meeting or Special General Meeting of the association that the association become a BID, that the association be bound by the Auckland City Business Improvement District Policy and that the association alter its rules by adopting the BID constitution.

The former Mainstreet or Business Development Community will then subsequently operate in accordance with the Auckland City Business Improvement District Policy.

3 OPERATING A BID

Following the announcement of a successful establishment poll, BID proponents should confirm the membership register and prepare for the first AGM of the new BID association.

3.1 Membership rights and responsibilities

Membership of the BID association is automatic for any eligible voting business within the boundary area and entitles the individual member to:

- Attend and vote at all annual and special general meetings;
- Attend all meetings of the BID Executive Committee (but not vote);
- Stand for election to the BID Executive Committee;
- Receive regular communications about BID activities;
- Receive notification of upcoming meetings and agenda items.

Membership of a BID requires agreement to abide by the association's constitution and follow all rules.

Members must ensure that their contact details are kept current on the register.

Contact detail forms should be readily available from the BID proponents.

3.2 Associate membership

Organisations outside of the boundary area or non-related members of the community are eligible to apply for associate membership. Associate members may join the committee if accepted by a majority vote of the Executive Committee. Their position is a purely advisory or liaison role, and they have no voting rights within the committee or at AGMs. Where appropriate, an annual membership subscription can be determined by the committee, and associate members required to pay this subscription.

3.3 Managing a BID

3.3.1 Executive Committee

The Executive Committee will be responsible to the BID association for running the Business Improvement District Programme in accordance with the approved strategic plan and budget. The roles of the Executive Committee include: recommending projects and priorities; managing staff and contractors; overseeing the spending of approved budgets; and monitoring work progress against budgets and performance measures.

The BID association Executive Committee must meet at least six times per year. A quorum for the transaction of business shall be any three voting members of the Executive Committee.

A financial summary shall be supplied at each Executive Committee meeting.

The councillor and community board member appointed to the BID committee should sight and approve financial and management reports at least quarterly.

The Executive Committee may appoint sub-committees to address specific programme issues.

3.3.2 *Employment responsibilities*

The BID Executive Committee will develop a set of operational, project-related and strategic key performance indicators for the programme that the manager implements, where appropriate with the assistance of the committee.

The Executive Committee will ensure that a report is received monthly on progress against the BID's plan and quarterly on KPIs.

It is the BID Executive Committee's responsibility to ensure that the BID Manager and all other staff have an agreed Contract of Employment, position description and performance measures.

A performance review should be held at least six monthly and a salary review annually.

The BID Executive Committee will ensure that responsible employer practices and workplace conditions are provided as prescribed under the Employment Relations Act 2004 and Health and Safety in Employment Act 1992.

3.3.3 *BID Manager's activities*

The BID Manager should liaise with BID Executive Committee members, BID association members, and council staff as appropriate.

The BID Manager reports on an operation basis to the chairperson and one other executive member assigned by the committee.

Monthly reports by the BID Manager will be made on progress against the BID association's business plan and quarterly on KPIs.

3.4 Council – Executive Committee relationship

The BID association and Council will at all times communicate with each other in such a way as to most effectively further the strategic objectives of the stakeholders and to protect and enhance the partnership relationship between the BID association and the Council.

The Council will appoint a Councillor and Community Board member to the BID Executive Committee. These appointments will be made following consultation with the BID Executive Committee. The Councillor and Community Board member should attend not less than four meetings per year.

The roles of the Councillor and Community Board member are to:

- Provide Council strategic input to and overview the BID programme development
- Provide Council input into decisions about financial planning and budget expenditure
- Monitor programme implementation against budget
- Provide information about Council as well as its processes and structures
- Provide a link between BIDs and the Council.

The council officer assigned to the BID may attend Executive Committee meetings in an advisory role but does not have voting rights.

The Executive Committee will act as the BID association's interface with the Council.

The Councillor and Community Board member have voting rights on the Executive Committee, with the exception of voting on the election of members or officers to the Executive Committee. Neither elected representative may vote on these matters.

3.5 Budgets

The BID Executive Committee is responsible for preparing annual budgets. The annual budget may be increased as required and is subject to final approval by the Council. Any increase over 10% or \$10,000 (whichever is the greater) must be approved by Special Resolution at a General Meeting. A draft budget breakdown and indicative rate in the dollar increase must be circulated with meeting notification prior to the AGM or Special General Meeting.

In addition to the targeted rate, Executive Committees may raise funds through other mechanisms, including sponsorship, advertising and grants.

Any payment to the BID association from the targeted rate will be by way of a conditional BID Funding Grant under the Local Government Act 2002. Consistent with the Local Government Act 2002, the grant must be separately accounted for in the BID association's financial records.

3.6 Quality management

3.6.1 *Management education*

The BID manager or staff and one executive member should as a requirement of their positions attend a minimum of six hours of training or operational sessions per year, held or recommended by Council.

3.6.2 *Strategic and business plans*

The strategic and business plans are the guiding documents for the proposed BID. These documents should reflect a representative view of the needs of the BID members. The BID association will need to work effectively with the Council; therefore the strategic and business plans should be aligned with Council policies and strategic objectives.

The strategic plan should be updated every three years and the business plan annually. The process of strategic planning is a continuous one and activities within a BID programme should be evaluated against the business association's strategic and business plans on an ongoing basis.

The strategic and business plans will include effective measures for the performance of the BID association (its committee and management) and the performance of the BID.

The business plan should reflect the four focal areas of the Mainstreet programme. A communications plan should be included in the business plan, outlining the marketing approach and communication methods.

One of the outcomes of the planning process is the preparation of a detailed budget that translates the BID objectives into a financial budget. The budget will be used to determine the overall level of the targeted rate. The partnership between Council and the BID association includes ensuring prudent use of any BID funding.

Templates and best practice examples are provided by the Council in the "BID Programme for Success" guidelines. These expand on the requirements for budgets, strategic and business planning, day to day management and KPI development and measurement.

3.6.3 Programme benchmarks and key performance indicators (KPIs)

To enable objective evaluation of BID projects, each BID association will be expected to establish a number of benchmarks related to their strategic and business plan objectives. These must be based on best practice management techniques and use approved systems of measures (Refer guidelines "BID Programme for Success"). Performance measurement for the BID programme is essential to identify success and to provide opportunities for learning, rewarding success, correcting failure and winning support.

These benchmarks will provide baseline measures against which progress can be objectively measured. Benchmarks include, but are not limited to:

- Total retail sales;
- Business turnover increase;
- Pedestrian activity;
- Visitor numbers (local, regional and overseas);
- Local employment rates;
- Type and number of businesses;
- Commercial rents;
- Vacancy rates;
- Perceptions of safety;
- Street cleanliness surveys;
- Shopper/visitor satisfaction surveys.

The BID association or Council may hold or collect information that can be used to establish effective benchmarks. Benchmark information must be collected annually and must include a minimum of three measures. Benchmarks should be monitored, reported on and communicated to members.

In addition to establishing programme benchmarks, BID associations should develop key performance indicators for BID Executive Committee processes. Examples of such management KPIs include, but are not limited to:

- Production of financial information, strategic and annual plans;
- Frequency and quality of communication with members;
- Attendance at meetings and minutes; and,
- Number of business development initiatives.

3.6.4 Annual Review and Performance Measurement

The Council's Annual Plan and budget process provides a mechanism for reviewing BID budgets and existing programme boundaries.

Each year, eligible voters must be given an opportunity to review and comment on the business plan, budget and any proposed boundary change. At a minimum this means that the association must:

- Post a copy (physically or electronically) of the business plan, budget and boundary change to all eligible voters within the BID, and
- Provide an opportunity for written and/or verbal feedback.

In order for the Council to set the targeted rate, the BID Executive Committee must submit a detailed programme and budget. This must include performance reporting against KPIs and the business plan.

New properties, within the BID area, coming into that area during any financial year shall not be rated until the following financial year.

By the end of November each year, the BID Executive Committee must provide the Council with the following information:

- A copy of the audited accounts and annual report for the previous financial year (including statements that the association has acted in compliance with its constitution and all other relevant laws and regulations); and
- Any proposed changes to the boundaries.

In January each year, the BID Executive Committee must provide the Council with:

- A detailed programme and budget for the period 1 July to 30 June (the next financial year).

Eligible voters have a further opportunity to raise issues and concerns or to express support for the BID programme and budget through the Council's Annual Plan consultation process.

Council will review the performance of the BID against the stated strategic and business plans, KPIs, audited accounts and annual report.

Where the Council has concerns with the progress or success of a BID, the targeted rate may be withheld until specific improvements or alterations have been made to business, communication or strategic plans, or implementation processes.

In accordance with the provisions of the Local Government Act 2002 and the Local Government (Rating) Act 2002 the Council will make the final decisions on what targeted rate, if any, to set in any particular year (in terms of the amount and the geographic area to be rated).

The BID Funding Grant targeted rate may only be applied to the BID programme and for no other purpose.

3.7 Council initiated reviews

The Council may initiate a review of all or any particular BID programme outside the annual and three yearly reviews. Such a review will be funded via general rates.

3.8 Resolving disputes between the Council and the BID association

Any decisions about whether or not to set a targeted rate, the amount of that rate, grant the BID Funding Grant (or any part thereof), alter the boundaries of the area subject to the rate, and whether or not to establish, disestablish, reduce or extend the BID, are within the discretion of the Council to make as part of its annual funding and rating decision-making process.

Any other disputes between the BID association and the Council will be settled in accordance with the following procedure. Having exhausted normal means of resolving a dispute or difference (by engaging in a process of good faith negotiation and information exchange), either party may give written notice specifying the nature of the dispute and its intention to refer such dispute or difference to mediation. If a request to mediate is made then the party making the request will invite the chairperson of the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution ('LEADR') to appoint a mediator to enable the parties to settle the dispute. All discussions in the mediation will be without prejudice and will not be referred to in any later proceedings. The parties will bear their own costs in the mediation and will equally share the mediator's costs.

If the dispute is not resolved within 30 days after appointment of a mediator by LEADR, any party may then invoke the following provisions:

- The dispute will be referred to arbitration by a sole arbitrator in accordance with the Arbitration Act 1996.
- The award in the arbitration will be final and binding on the parties.

3.9 Resolving disputes between owners or their nominated representatives and BID associations

Disputes between owners or their nominated representatives (ONR) and the BID associations will be settled in accordance with the following procedure:

1. Unless matters can be resolved quickly and informally, ONR are obliged to bring their concerns to the attention of the BID association's Executive Committee in writing. An initial written response is required within seven working days, outlining the manner and the time frame in which the concerns will be addressed. Council as major fund provider should be made aware of any such issues.
2. Having exhausted reasonable means of resolving the dispute, the BID association may approach the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution ('LEADR') to appoint a mediator to enable the parties to settle the dispute. All discussions in the mediation will be without prejudice and will not be referred to in any later proceedings. The parties will bear their own costs in the mediation and will equally share the mediator's costs.

If the dispute is not resolved within a further 30 days after appointment of a mediator by LEADR, any party may then invoke the following provisions:

- The dispute will be referred to arbitration by a sole arbitrator in accordance with the Arbitration Act 1996.
- The award in the arbitration will be final and binding on the parties.

3.10 Three Yearly Performance Survey

Every three years, the Council will commission a citywide BID performance survey. The results of the survey will analyse individual BIDs as well as the BID programme on a citywide basis.

The survey process and delivery will be formulated in collaboration with all of the BID programmes to ensure a high rate of return and clarity of objectives. An approach of continuous improvement will be used for the survey to ensure that latest technology and best practice methods are considered and utilised where possible.

The cost of the survey will be funded proportionally (based on BID programme budgets) by the city's BIDs via the targeted rate.

The primary focus of the survey will be on the business community's perception of the effectiveness of the BID programme in that commercial district and business centre. The survey will cover such aspects of the BID programme as: overall satisfaction; the ability of eligible voters to influence the programme; the results achieved; the communication processes used; and other such matters agreed between the Council and the associations administering BID programmes.

4 FRAMEWORK FOR PARTNERSHIP BETWEEN AUCKLAND CITY COUNCIL AND THE BUSINESS IMPROVEMENT DISTRICT BUSINESS ASSOCIATION

4.1 Council Responsibilities

The Council will:

- 4.1.1 Consider whether to set a targeted rate for the purpose of the Association's BID Programme.
- 4.1.2 Make a Grant to the BID association for the purpose of the BID Programme provided that:
 - (a) a targeted rate has been set: and
 - (b) the BID association has complied with
 - (i) The terms of this policy:
 - (ii) The conditions attaching to any previous BID target rate Grants;and
 - (iii) Any preconditions for payment of a new BID target rate Grant
- 4.1.3 Determine the amount of any Grant, its payable schedule, and any conditions that may attach the Grant.

4.2 BID Association Responsibilities

The BID Association will:

- 4.2.1 Comply with its own constitution and the BID policy.
- 4.2.2 Comply with all conditions attached to any BID targeted rate Grant.
- 4.2.3 Comply with all other relevant laws and regulations.
- 4.2.4 Maintain proper meeting and accounting records demonstrating how the Grant money is used, and make such records available to the Council on request.

4.3 General terms

- 4.3.1 The BID association acknowledges that the targeted rate is set for BID Programme purposes, as detailed within Section 1.2.1 of the BID Policy.
- 4.3.2 Accordingly, the BID association agrees that any Grant paid out of the proceeds of the targeted rate must be applied towards BID Programme purposes, and for no other purposes.
- 4.3.3 The BID association will not use any ratepayer's personal information provided by the Council for any purpose other than the administration of the BID Programme.