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Business Improvement District (BID) Policy

Ko te Puutaketanga

Purpose

1. The purpose of this Policy is to inform Council's approach and rationale to:
 - a. enabling business communities within Hamilton City to achieve social and economic outcomes; and
 - b. supporting our business communities to establish and fund entities to help achieve these outcomes.

Ko te Whaanuitanga

Scope

2. This Policy applies to any proposal to establish a BID within Hamilton City and its ongoing funding and administration.

Ko ngaa Whakamaaramatanga Definitions

Term	Definition in this Policy
Business Improvement District	An incorporated society established to deliver the programme of work for the BID area.
BID Committee	A committee established in accordance with the BID Constitution which has the authority to make decisions for the BID and ensure that these decisions are carried out.
BID Poll	The process where Eligible Voters cast their vote in a ballot to determine whether a BID should be established, extended, reduced or dis-established, and other key issues.
BID Proponent	The interested party or the Council that is making a proposal to establish a Business Improvement District.
BID Boundary	A defined area over which a Targeted Rate will be set to fund a BID Association.
Council	Hamilton City Council
LGA	Local Government Act 2002
LG(R)A	Local Government (Rating) Act 2002
Register of Eligible Voters	A list of commercial property owners and businesses within the BID area (that represent a 'Separately Used or Inhabited Part' (SUIP) of the rating unit), or their nominated representatives as per clause 13 of this Policy.
Returning Officer	A person from an independent election service body which has been approved by Council.
SUIP	Refer to the definition used in Hamilton City Council's operative Long-Term Plan.

Ko ngaa Tikanga Policy

Purpose of a BID

3. A BID is intended to a partnership between Council and a defined local business community to develop projects and services that benefit the trading environment, and which align with Council and the business community's strategic objectives.
4. A BID provides a vehicle for local business-led initiatives that support key objectives of vibrant centres, business creation and development and increased employment.
5. A BID is supported by a targeted rate, levied on and collected from non-residential properties within a defined boundary.

Proposal to establish a BID

6. A proposal to establish a BID may be initiated at any time by a BID proponent. A BID proponent must seek sufficient support for establishing a BID before making a request to the Council (Refer to **Appendix A**).
7. The final decision to establish, extend, reduce, or dis-establish a BID is made by the Council. Under the LGA, and LG(R)A, it is Council alone that can set the Targeted Rate. In making that decision, the Council will consider, but will not be bound by, a valid BID Poll result (Refer to **Appendix A**).

Set up of an approved BID

8. If the Council approves setting up a BID, a business association must be established and registered as an incorporated society and evidence of registration provided to the Council (refer to www.societies.govt.nz).

Adjustments to a BID boundary

9. A proposal to change a BID boundary for the purposes of imposing a Targeted Rate can be made at any time but no decision can be made on a proposal until all eligible voters within the boundary area affected are polled. If the proposal is for a boundary extension, only the SUIPs in the proposed extension area are polled. (Refer to **Appendix A**)
10. The BID will pay for any poll initiated by it to adjust the boundary.
11. Any decision to adjust the BID boundary is at Council's sole discretion. Any adjustment to a BID boundary will come into effect on 1 July of a year decided by Council.

Dis-establishment of a BID Targeted Rate and BID

12. Council may make a decision to discontinue a BID Targeted Rate at any time (subject to complying with its decision making and rating processes under the LGA and LG(R)A). For the avoidance of doubt Council is not required to conduct a poll.
13. Any process to wind up the BID is subject to the rules of its Constitution and the Incorporated Societies Act 2022. Noting that if Council funding is the main source of income this may be a logical outcome if Council funding is withdrawn.

Targeted Rate Funding Mechanism

14. The LGA and the LG(R)A gives Council authority to set a Targeted Rate for an activity such as a BID. 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) as part of its Funding Impact Statement and rates resolution.

15. A BID will be funded by a Targeted Rate, rated by the Council each year and the full amount collected by Council passed onto the BID in the form of a grant paid quarterly.
16. The BID Targeted Rate will be calculated on a combination of a uniform basis flat charge and a Targeted Rate on a Capital Value basis for each rating unit or SUIP of a rating unit within the BID (the BID formula) and will be adjusted each year by the same amount as the approved general rate increase, capped at a level agreed to by Council resolution e.g. five percent. New properties or SUIPs within the BID area will be rated in the next financial year.
17. Any request by the BID for an increase in revenue must be submitted to the Council at a time that enables these requests for increased revenue to be included in an annual plan or long-term plan process (ideally before the end of previous calendar year). This request would include the following BID information:
 - a. The Annual Programme identifying where the additional revenue is required and how this programme will achieve the BID Association's Strategic Plan.
 - b. The budget providing details of the additional revenue required.
 - c. Evidence of support from BID Association members (AGM Minutes).

Conditions of Council Funding

18. The purpose of the Targeted Rate is to fund the revenue required by the BID to enable it to deliver the Annual Programme approved by the BID members.
19. Council will not consider a Targeted Rate without evidence that the BID is an incorporated society and has held its first AGM.
20. The BID must present the following information to the Council to support its application for a Targeted Rate:
 - a. Evidence of a mandate (report from the Returning Officer).
 - b. Evidence of incorporation (Registrar of Incorporated Societies).
 - c. The agreed BID boundaries.
 - d. The approved budget that identifies the revenue required to carry out the Annual Programme (AGM Minutes).
 - e. The approved Annual Programme (AGM Minutes).
 - f. The Strategic Plan (AGM Minutes).
21. Payment of the Targeted Rate must be separately accounted for in the BID's financial records.
22. As an Incorporated Society, Council understands that the BID Association can raise funding from multiple sources. In addition to the Targeted Rate, the BID Association can raise funds through other mechanisms, including sponsorship, advertising, and grants.
23. Council may contract the BID to carry out services on its behalf and/or enter into a service level agreement.

BID Strategic Plan

24. The BID Committee must produce a Strategic Plan every three years which:

- a. reflects a representative view of the BID members
- b. describes how the Plan will contribute to achieving the purpose of the BID as set out in items 3 to 5 of this policy
- c. describe how the Plan will contribute to any Council strategic aspirations, plans, or projects relevant to the BID area
- d. include effective measures of performance that enable objective evaluation of delivery against the outcomes of the Plan and the performance of the BID Association over the three-year period.

BID Annual Plan

25. The Committee must present an Annual Programme and Budget to the Council or a relevant Committee around March/April of each year for the following financial year, including:
 - a. information detailing the projects and work the BID intends to undertake in the following financial year. It must align with the BID's Strategic Plan.
 - b. a detailed budget which will be used to determine the overall level of the targeted rate.
 - c. effective measures of performance that the success of the Annual Programme and which demonstrate a relationship to the association's Strategic Plan outcomes must be included.
 - d. effective measures of performance for the BID's Committee and management.

Ko te Aroturukitanga me te Whakatinanatanga

Monitoring and Implementation

Performance accountability

26. Measures of performance for both the BID's Strategic Plan and Annual Plan will be established in consultation with the Council in the form of key performance indicators (KPIs).
27. Council and the BID will agree data sources for KPIs included in the Strategic Plan and Annual Plan as well as their respective responsibilities for data collection and data reporting.
28. The agreed KPIs must cover the economic performance of the BID and public and business perceptions of the BID identity against baseline measures (trend data). They will also include KPIs related to specific BID projects and activities. KPIs may include but are not limited to:
 - a. BID contribution to central city GDP.
 - b. Total retail spend.
 - c. Type and number of businesses.
 - d. Number of employees.
 - e. Perceptions of safety.
 - f. Shopper/visitor satisfaction surveys.
 - g. Commercial rents.
 - h. Vacancy rates.
 - i. Visitor numbers (local, regional, and overseas).
 - j. Pedestrian activity.
 - k. Economic impact assessment of events held in the BID.
 - l. Number of new businesses attracted to the BID.
 - m. Positive media (print, radio, social) coverage of the BID.

Annual Reporting

29. The BID must publish an Annual Report on its financial and strategic performance each year in August.
30. Council will review the performance of the BID against the stated Strategic Plan, KPIs, audited accounts and Annual Report. In August each year, the Committee must provide the Council with 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).
31. Where Council has concerns with the progress or success of a BID, the grant from the Targeted Rate may be withheld until specific improvements or alterations have been made to the Annual Programme, business and Strategic Plans, or implementation processes.
32. The Council may initiate a review of all or any BID programme at any time.

Relationship Management

33. The BID Committee will act as the BID's interface with the Council and is responsible for running the BID in accordance with this Policy and the approved Strategic Plan and Budget.
34. The BID and Council will always communicate with each other in such a way as to most effectively further the strategic objectives of the BID members and to protect and enhance the partnership relationship between the BID and Council.
35. A Council General Manager will be responsible for the BID relationship and will appoint a one-point-of-contact staff member for the relationship interface.

Dispute resolution

36. The Council has the final decision about whether to set a Targeted Rate, the amount of that Targeted Rate, whether to provide for an additional rate or alter the boundaries of the area subject to the rate, and whether to establish, dis-establish, reduce, or extend the BID.
37. If there is a dispute about other matters the BID and the Council will attempt to resolve their dispute through mediation sharing the costs of mediation equally. If the dispute is not resolved, either party may refer the dispute to arbitration in accordance with the Arbitration Act 1996. The award in the arbitration will be final and binding on the parties.
38. Disputes between BID members and the BID will be settled in accordance with the process specified in the BID's constitution.

References

Incorporated Societies Act (2022)

[Incorporated Societies Register](#)

Appendix A

Polling

Types of polls

Those proposing a BID should consult with Council on the timing of BID voting. Polls must be completed in sufficient time so that they can be ratified by the Council and any changes included in either a Long-Term Plan or Annual Plan process.

BID polls must be run in the following circumstances.

- **Establishing a BID:** A poll is held when the BID is being established to ensure that the rateable businesses within the district boundaries support the proposal.
- **Increasing or decreasing the boundary:** A BID may be expanded to include adjoining areas not included in the original proposal. Where the BID is to be expanded, the BID Association must 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.
- **Dissolving a BID programme:** This may be called by the BID Association at any time, however the Council does not need a disestablishment poll to stop setting a targeted rate.

The ideal time to run a poll is to align with a Long Term Plan process – recommend discussing with staff if a new BID is contemplated to meet the LGA and LG(R)A obligations.

A BID register

A Register of Eligible Voters will be established, comprised of businesses that ‘Separately used or Inhabited Part of a rating unit’(SUIP) of a commercial property. This entails:

- The Council will note and provide support as needed in the identification of the potential BID boundary area and provide a map for the BID proponent.
- A list of each property owner and business that ‘Separately used or Inhabited Part of a rating unit’ (SUIP) of a commercial property within the proposed BID boundary area will be prepared by the BID proponent with the assistance of the Council.

Informing voters

The BID Association must inform all registered voters of any 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 contacts for those proposing the BID.
- To achieve these aims, those proposing a BID must:
 - advise and hold at least one information meeting, open to all interested parties, no less than 10 days before the poll closes
 - place at least two advertisements about the poll in local newspapers, at least seven days apart, with the last advertisement a minimum of three days before the poll closes.

Additional methods may be used to inform eligible voters of the vote, such as face-to-face meetings, email, social media or newsletters.

Sending out the ballots

The Council will provide the services of its returning officer or recommend one for the group to use. The group will contact the returning officer 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 easy-to-understand information sheet outlining the BID proposal
- a copy of a ballot form approved by the independent election service or Council's returning officer 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.

Accountability process expectations of the BID Association

The BID Association will be required to have processes in place to ensure that it can demonstrate accountability to the levy payers. This will include having:

- an appropriate constitution including membership rights for any eligible voting business within the boundary area (and any associate membership types) and entitlements of the individual member
- meeting processes including for the initial annual general meeting following a successful establishment poll and subsequent annual general meetings
- processes for the appointment of any officers and Executive Committee and their rights and responsibilities
- processes for the development, approval and updating of the BID Association budget, strategic and business plans, and performance measures.

The Council must be advised of any changes to the constitution and the contact details of elected officers and committee members.

The goals of the poll

It is a goal of the BID poll to achieve a 35% voting return from the eligible voters for that poll, and with the majority of those votes to be in favour of the proposition. This majority must be by the number of eligible voters voting in the poll. The higher the level of the voting return achieved by the poll, the greater the level of assurance for the Council in any decision to support, or not support, a targeted rate.

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.

Non-registered eligible voters

Those proposing a BID should attempt to ensure all eligible voters in a BID area are registered. If an individual believes he or she is entitled to vote but does not appear on the register of voters, the returning officer shall determine the status of the individual and whether a ballot should be issued to that individual.

Any new business ratepayer or business occupier that is established prior to the ballot closing can vote, provided they are able to submit their ballot before it closes. No ballots will be accepted after the time and date specified.

Confirming the result

The returning officer service will receive, count and verify all returned ballot papers. It will then report the result of the poll to those proposing the BID or BID Association and the Council.

Authority for decision on BID targeted rate change

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