

Funding Tools for Main Street



E.I.D.

ECONOMIC IMPROVEMENT DISTRICT

B.I.D.

BUSINESS IMPROVEMENT DISTRICT

Economic Improvement District



- **What is an **E.I.D.**?**

An E.I.D. is a funding mechanism designed to enable a community to fulfill its commercial revitalization goals and plans; and is established as an assessment to **property owners** for use in promoting and improving the defined business district.

Business Improvement District



- **What is a B.I.D.?**

A B.I.D. is a funding mechanism designed to enable a community to fulfill its commercial revitalization goals and plans; and is established as an assessment to *business owners* for use in promoting and improving the defined business district.

What is the difference?



- **E.I.D.: Property Owners**
 - fee paid by property owners
 - assessing the value of the property
 - commercial only
- **B.I.D.: Business Owners**
 - fee paid by business owners
 - surcharge on business licenses

Assessment Criteria



Common Assessment Criteria:

- **E.I.D.**

- square footage of the parcel
- square footage of the storefront
- assessed value or market value (not to exceed 1%)

- **B.I.D.**

- surcharge on business licenses
- number of employees
- gross revenues

Duration



Duration of an improvement district?:

- **E.I.D.**

- maximum length – 5 years
- renewed indefinitely

- **B.I.D.**

- perpetual or term limit
- renewed indefinitely

Voluntary or Involuntary



- **Voluntary** means that a property or business owner that formally objects to the **E.I.D.** or **B.I.D.** is not obligated to pay the assessment.
- **Involuntary** means that if the **E.I.D.** or **B.I.D.** passes, all property or business owners are obligated to pay the assessment.

How are they Established



- **Established through a City Council Ordinance.**
- **Two formal hearings**
- **Written objections from more than 33% (remonstration process)**

What can be Funded?



Types of projects that are generally funded by an **E.I.D. or a **B.I.D.** include:**

- **Downtown revitalization projects**
 - **planning and personnel**
 - **landscape and maintenance**
 - **promotion, events and activities**
 - **business retention and recruitment**
- **Does not fund capital improvements**

Things to Consider



- **Local decision**
- **Tailored for each district**
- **Things to consider :**
 - **District boundaries**
 - **Assessment formula**
 - **Budget**
 - **Program**

Advantages



Advantages of an **E.I.D.** or **B.I.D.** :

- **Secure source of funding**
- **Flexibility**
- **Equity in cost distribution**
- **Control by participants**
- **Program development**
- **Attracting volunteers**
- **Increasing competitive ability**

Timeline



- **Month 1:** **Committee**
- **Month 2:** **Proposal**
- **Months 2-10:** **Gather Support**
- **Months 3-5:** **Enabling Ordinance**
- **Months 4-6:** **First Public Hearing**
- **Months 6-8:** **Second Public Hearing**
- **Months 8-9:** **Complete Ordinance Adoption** *(if applicable)*

More Information



- **For more information on establishing an **E.I.D.** or a **B.I.D.** refer to: **Oregon Revised Statutes 223.112-175****
- **Or contact **Jamie Johnk,**
**Clackamas County Business &
Economic Development**
503.742.4413**

E.I.D. Community Example



City of Molalla

City of Molalla E.I.D.



Assessment Calculation Table

District	Description	Minimum Square Footage	Maximum Square Footage	Annual Assessment
District 1 – Downtown Commercial				
1.1	Small	0	4,999	\$100
1.2	Large	5,000	999,999	\$350
District 2 – General Commercial				
2.1	Small	0	49,999	\$100
2.2	Large	50,000	999,999	\$500
District 3 – Industrial				
3.1	Small	0	34,999	\$100
3.2	Medium	35,000	299,999	\$500
3.3	Large	300,000	9,999,999	\$750
District 4 – Shopping Centers				
4.1	Shopping Centers	200,000	999,999	\$1,500

City of Molalla E.I.D.

Six Month Process

- Educate Board of Directors
- Develop fact sheets, FAQs, and other materials
- Communicate with the public
- Follow the ORS

March 17th – City Council briefing

April 21st – First Open House

April 28th – City Council update

May 18th – Second Open House

July 2nd – First public notice mailed

August 11th – First public hearing

August 11th - Second public notice mailed

September 22nd – Second public hearing and vote

City of Molalla E.I.D.



Challenges



- Maintain a consistent message
- Keep an accurate list
- Distinguish organization's work
- Identify primary E.I.D. administrator

City of Molalla E.I.D.



Successes

- Thank and follow up with E.I.D. payers
- Document everything
- Encourage public testimony
- Create awareness about organization's efforts
- Develop a policy



