



Independence you can rely on

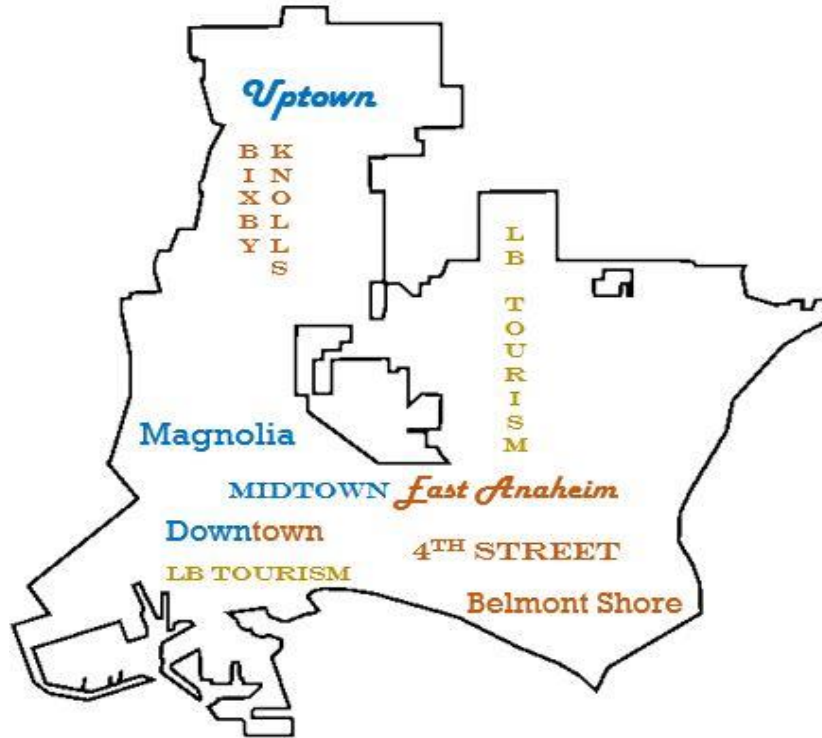
Business Improvement District (BID) Oversight Audit

Wednesday, January 10, 2018



Business Improvement District (BID) Oversight Audit

Overall Objective & Finding



- Our audit's focus was on the City's management of the BID Program, including the City's handling of agreements, reporting, and assessment funds.
- We found that BIDs felt well supported by City staff. However, oversight improvements to more technical aspects of the BID Program are needed to ensure that BIDs follow agreements, State Law, and receive all entitled resources. **With better oversight, the City can help BIDs maximize their impact on business corridors.**

Key Findings & Recommendations

Agreements



- Agreements between the City and BIDs contain requirements such as reporting content and the City's payment schedule.
- These agreements perpetuate annually based on Council's approval of the annual reports.
- BIDs were not aware that agreements existed or knowledgeable of their contents, because the City did not emphasize or enforce the terms.

Recommendation: Update agreements to reflect current processes surrounding required reporting and payments. Discuss and enforce the new agreements with BIDs.

Key Findings & Recommendations

State Law & Reporting



- State Law requires the BIDs to submit an Annual Report that proposes yearly activities and budget.
- The Council's vote signifies their approval of the BID budget and activities.
- Annual Reports submitted by the BIDs do not all contain State Law required information and do not provide a full picture of the BID operations. Not all reports submitted by BIDs are reviewed by the City.

Recommendation: Reassess which reports the BIDs need to submit. Create templates and institute a review of all required reports.

Key Findings and Recommendations

Management & Transfer of Fees



- Approximately \$9M was generated in 2016 for BIDs through assessment fees paid by businesses and property owners.
- Almost all of the assessment fee revenue comes through the City, as the City passes it on to the BIDs.
- The City did not pay all of its own assessment fees to 2 BIDs. Lack of communication on assessment formulas and business licenses, as well as data errors caused BIDs to receive incorrect amount of assessment revenue.

Recommendation: Track payments, including those made on behalf of the City, and simplify payment processes. Facilitate communication on assessment formulas, and partner with BIDs on identification of new businesses.

Key Findings and Recommendations

Communication of Information



- The City acts as a liaison, facilitates process of annual reporting, charges and collects PBIA fees from business owners, and passes on assessment revenue to the BIDs.
- Information surrounding BID members is housed with the City and needs to be distributed to the BIDs.
- A handbook and trainings for BIDs are needed to improve communication and understanding of the BID Program amongst all parties.

Recommendation: Create a handbook and trainings covering topics such as roles and responsibilities, agreement and reporting requirements, non-profit regulations, and payment and fee processes.



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Thank You!

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