



Hillsborough District

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Initiatives

Hillsborough Street BID Proposal Moves to City Council

The historic Hillsborough Street corridor was first established in 1792 as part of the original design for the State's Capital City in Raleigh. The State Capitol building was the focus of a grid format designed by surveyor William Christmas.

Hillsborough Street remains as the only thoroughfare functioning in its original uninterrupted design outward from the Capitol. Hillsborough Street serves as a significant community corridor linking a broad range of business, University and neighborhood uses.

Most know Hillsborough Street as a front door to Saint Mary's, North Carolina State University, and Meredith College. Some of the most cherished memories follow major sports victories by Wolfpack teams, holiday parades, and celebrations along the Hillsborough Street corridor eastward to the State Capitol.

Today, leaders from the City of Raleigh, North Carolina State University, the business community and surrounding neighborhoods have joined together in efforts to re-energize the street and to capitalize on emerging opportunities.



The concept of a Business Improvement District (BID) for Hillsborough Street recently took a major step forward and could become a reality within just a matter of weeks.

The Hillsborough Street BID Formation Study Steering Committee sent the recently completed report to the Raleigh City Council for consideration and possible action. Following a public hearing scheduled for July 1, 2008, the City Council is expected to consider and act on the Steering Committee's recommendation to create the Hillsborough Street BID later in the year.

If approved, the resolution defining the Hillsborough Street BID service district would take effect at the beginning of a fiscal year commencing after its passage, as determined by the City Council. As proposed, the resolution would take effect on July 1, 2009.

Public Hearing on BID Scheduled for July 1, 2008

The public hearing for the creation of the Hillsborough Street Municipal Service District (Hillsborough Street BID) will be held on Tuesday, July 1, 2008 at 7:00 p.m. in the Council Chambers, Room 201, 222 West Hargett Street, Raleigh, North Carolina. During this hearing, members of the public are invited to provide comments regarding the proposed BID. A copy of the report required by North Carolina G.S. 160A-537(b) is available for public inspection during normal business hours in the office of the City Clerk, 222 West Hargett Street, Raleigh, North Carolina.

Later in the year, the City Council is expected to consider a resolution to create the Hillsborough Street Municipal Service District. If the resolution is approved, City Council will establish the service district tax rate (proposed to be ten cents per \$100 valuation) as part of the annual budget ordinance for the City's 2009-2010 fiscal year that begins on July 1, 2009.

Questions?

All questions about the proposed creation of the Hillsborough Street Municipal Service District (Hillsborough Street BID) should be directed to Kristopher Larson with the City of Raleigh Department of City Planning, (919) 807-5220.



The Hillsborough Street Business Improvement District (BID) Formation Study was conducted by the City of Raleigh and facilitated by Downtown Professionals Network.

The BID Formation Study report is complete and has been forwarded to the Raleigh City Council for its consideration. You can find your City Council representative at www.raleighnc.gov/councildistricts.



A Look Inside the Hillsborough Street BID Study Report

The City of Raleigh, neighborhood residents, business owners, organizational leaders, and other stakeholders of the Hillsborough Street area are working together and exploring exciting opportunities for the future of the Hillsborough Street area. The concept of a Business Improvement District (BID) was suggested in early 2007 as a vehicle that could spark real estate investment and revitalization along Hillsborough Street.

The concept of a BID continued to gain momentum. In late 2007, the City of Raleigh retained Downtown Professionals Network to work in conjunction with city planning staff and a steering committee comprised of area stakeholders to complete a BID study. The study recently culminated with the preparation of a report required by North Carolina general statutes for establishing a Municipal Service District—commonly referred to as a Business Improvement District or BID. Contents, major findings and recommendations contained in the report include:

- ▶ An assessment of existing conditions in the proposed Hillsborough Street BID with an emphasis on issues and needs that could effectively be addressed by a BID.
- ▶ A Market Profile examining key demographic and economic characteristics and trends in the Hillsborough Street trade area. The profile also includes suggestions for marketing, branding and business recruitment strategies and initiatives that could be managed and coordinated by a BID.
- ▶ A summary of public forums and workshops conducted as part of the study. Input from participating residents and stakeholders is summarized in the report and, in large part, serves as the primary basis for the initial BID Action Agenda and Operating Plan contained in the report.
- ▶ A five-point Action Agenda organized by priority areas identified throughout the course of the study. The Action Agenda outlines strategies and provides examples of BID services and programs in the areas of:
 - Safety and Security
 - Maintenance and Management
 - Marketing and Promotion
 - Business Development
 - Advocacy
- ▶ An initial Operating Plan allocating BID revenue, along with revenues generated from other sources, to operations, programs and services outlined in the Action Agenda.

The outcome of the BID study process and the proposal to create the Hillsborough Street BID are based not just on hard data, but on direct community input. As such, the strategies and services that would be provided by a BID are highly relevant to needs, issues, opportunities and priorities identified by the Hillsborough Street area stakeholders.

The BID study process also served to help generate consensus around short- and long-term goals and objectives, to foster a strong sense of ownership in proposed BID program operations, services and projects, and to instill a spirit of “teamwork” that will be critical to building the capacity and sustaining the efforts of the proposed Hillsborough Street BID.

Hillsborough Street BID Study Steering Committee

Ralph Recchie, Chairman
Director, Real Estate; NC State University

Donna Bailey
President; University Park HOA

Sheila Carter
Senior Director of Communications; Lulu

George Chapman
Chair; Hillsborough Street Partnership

Ted Van Dyk
Principal; New City Design Group

Kevin Jennings
Owner; Porters / Frazier's

Chris Ragone
Manager; BB&T

Craig Ralph
Homeowner; University Park

David M. Smoot
Owner; The Velvet Cloak

Bill Winn
Manager; Holiday Inn Brownstone

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Download and view a complete copy of the Hillsborough Street BID
Formation Study Report at www.hillsboroughbid.com or call (919) 807-5220.



Directions

Facts & Figures from the BID Initial Operating Plan

BID Service Provisions

Under Municipal Service District (MSD) statutes, the City may provide services in a service district with its own staff, through a contract with another governmental agency, through a contract with a private agency, or by any combination thereof. Statutes further stipulate that, "When a city defines a new service district, it shall provide, maintain or let contracts for the services for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district."

BID Management and Service Delivery Options

Contracting with the Hillsborough Street Partnership to provide and manage BID services is among a number of options that might be considered by the City Council. Established in 2000, The Hillsborough Street Partnership brings together leaders from the City of Raleigh, North Carolina State University, the business community and the surrounding neighborhoods to lend their collective vision and hard work to efforts to re-energize the Street. The Partnership is working effectively to catalyze both public and private investment within the area, and contracting with the Partnership to provide BID services could help to formalize, expedite and further enhance the delivery of BID services outlined in the initial Action Agenda and Operating Plan.

Proposed BID Assessment and Funding

North Carolina General Statutes for an MSD provide that the City Council, upon determining that an area warrants a services district, may tax the property within the district at a rate determined to generate enough revenue to support the additional services to be provided by the district.

Based upon the additional programs and services needed for the proposed Hillsborough Street District, an initial levy is proposed at a tax rate of ten (.10) cents per \$100 of assessed valuation for property (both real and business personal) within the proposed district boundaries. A ten-cent tax rate is expected to generate total BID revenue in an approximate amount of \$129,000 in the first year of tax collection. Additional revenue from other sources is estimated at \$235,000, for a total initial year operating budget of about \$364,000.

Example: Calculating an Annual BID Assessment

Annual BID assessments are calculated using the assessed valuation for property (both real and personal) as determined by County Assessor tax records and the service district tax rate as determined by the City Council. The following example shows calculations to determine the annual assessment for a property with an assessed valuation of \$300,000 and the proposed BID tax rate of ten (.10) cents per \$100 of assessed valuation.

Total Assessed Valuation of Property (From County Assessor)		\$ 300,000
Divided by 100	÷	100
Equals Taxable Basis	=	\$ 3,000
Times Tax Rate of ten (.10) cents per \$100 Assessed Valuation	x	.10
Equals Estimated Annual BID Assessment	=	\$ 300

Expenditure of BID Funds

North Carolina Municipal Service District statutes require that all money generated from the service district tax must be spent exclusively on services within the district. Revenue from a proposed ten-cent rate of levy, when combined with additional revenue expected to be generated from other sources, would appear to be sufficient to deliver key services outlined in the Hillsborough Street BID Action Agenda and proposed Operating Plan.

BID Rates Comparison

The following list shows the initial rate of levy proposed for the Hillsborough Street BID compared to BID assessment rates in several other North Carolina communities with similar BID programs.

Raleigh (Downtown)	.0786
Chapel Hill	.09
Fayetteville	.10
Hillsborough Street	.10*
Sanford	.13
Morganton	.14
Salisbury	.16
New Bern	.18
Shelby	.22
Waynesville	.23
Goldsboro	.25
Rutherfordton	.26
Kinston	.27

* Proposed rate

Note: Data compiled from North Carolina Department of Revenue's Preliminary Report on Property Tax Rates and Latest Year of Revaluation for North Carolina Counties and Municipalities: Fiscal Year 2007-2008, August 2007. All rates per \$100 valuation.

BID faq

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Q: *What are the proposed BID boundaries? How were they determined?*

A: The process to arrive at the proposed boundaries considered a number of options relative to the need and desire for enhanced programs and services that could effectively be provided through the formation of a BID. The resulting boundaries generally align with underlying commercial zoning patterns and, as shown in the map appearing to the right, would generally extend east-to-west along Hillsborough Street from St. Mary's School to Meredith College. The BID's southern boundary would largely follow the railroad right-of-way that crosses the N.C. State University campus. The northern boundary generally extends one block north of Hillsborough Street.



Click and view a full-size version of the Proposed Hillsborough Street BID Boundaries Map at www.hillsboroughbid.com

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