



# **BUSINESS IMPROVEMENT DISTRICT POLICY**

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FOR PALMERSTON NORTH 2020









# TABLE OF CONTENTS

Introduction	5
Purpose of this Policy	5
Definitions	5
Strategic Context	6
Partnership Between the Council and BID Association	8
BID Objectives	8
Establishment Process	9
Polling	12
Accountability Processes of the BID Association	13
The Relationship with the Palmerston North City Council	13
Dispute Resolution	14
Appendix 1: Business Improvement Districts Playbook 2017	15







# 1. INTRODUCTION

A Business Improvement District (BID) is a partnership between a local authority and a geographically-defined local business community to develop projects and services that benefit the trading environment and place identity which align with the local authority's strategic direction. A BID is supported by a targeted rate, levied on and collected from properties within the defined boundary.

A BID provides a vehicle for local business-led initiatives that support key city objectives of vibrant centres, increased employment, business creation and development.

There is no minimum size for a BID; however, any proposed BID must demonstrate that it is viable.

## 2. PURPOSE OF THIS POLICY

This policy guides BID Proponents and describes the role of Palmerston North City Council (Council) which is required to approve any BID and collect the associated targeted rates on behalf of the BID.

The policy addresses:

- The responsibilities of the Council and BID Associations
- The city objectives that a BID must meet
- The process to establish a BID
- The operation of a BID
- Managing the performance of a BID.

3. DEFINITIONS	
<b>BID</b> Business Improvement District	<b>Executive Committee</b> The body elected by businesses in the BID area to govern the operations of the BID
<b>BID Proponent</b> A business leader or group that is proposing the establishment of a BID	<b>BID Manager</b> A person or organisation recruited or contracted to manage the BID programme
<b>BID Association</b> A legal entity constituted to administer the BID	<b>Property</b> A rating unit as defined by Palmerston North City Council
<b>Council</b> Palmerston North City Council	A BID has been identified as an important ingredient for delivering the strategic direction for Palmerston North.

## 4. STRATEGIC CONTEXT

The City's strategic direction is clear on protecting the natural hierarchy of business areas:

1. City Centre: Characterised as the prime retail, office, entertainment, cultural and pedestrian-related retail focus of the City;
2. Outer CBD: Made up of larger format retail, commercial service and light industrial activities.
3. Fringe Business Area: Vehicle-oriented commercial and retail activities with convenient access to the City's northern arterial roads.
4. Local Business Areas: Small local centres providing for the daily shopping needs of residential neighbourhoods, e.g. Hokowhitu Village, Highbury Shopping Centre.

The strategic outcomes for the City Centre underpinned by the strategic direction include:

- Supporting sustainable growth for existing and new businesses and inner-city residents in the City Centre.
- Anchoring the City Centre as the key social, cultural and economic destination for Palmerston North.
- Representation from communities in BIDs visibly enhances the level of collaboration and co-creation of places within the BID area to create a network of economic resilience.

While there is a clear priority towards protecting the growth and role of a strong city centre, Council is supportive of the development of BIDs in local centres or outlying commercial areas to enhance the sense of place, level of coordination, and decision-making leadership of local business communities. BIDs can devolve power to communities closest to the opportunities and issues faced by them and can maintain strong relationships for other economic development players to harness.

The strategic plan of each BID will set out how it supports the priorities underpinning these strategies. The planning of the BID programme should take account of key Palmerston North City Council planning and policy documents.

This section of the policy will be updated as necessary to accommodate any changes in Council's strategic direction.

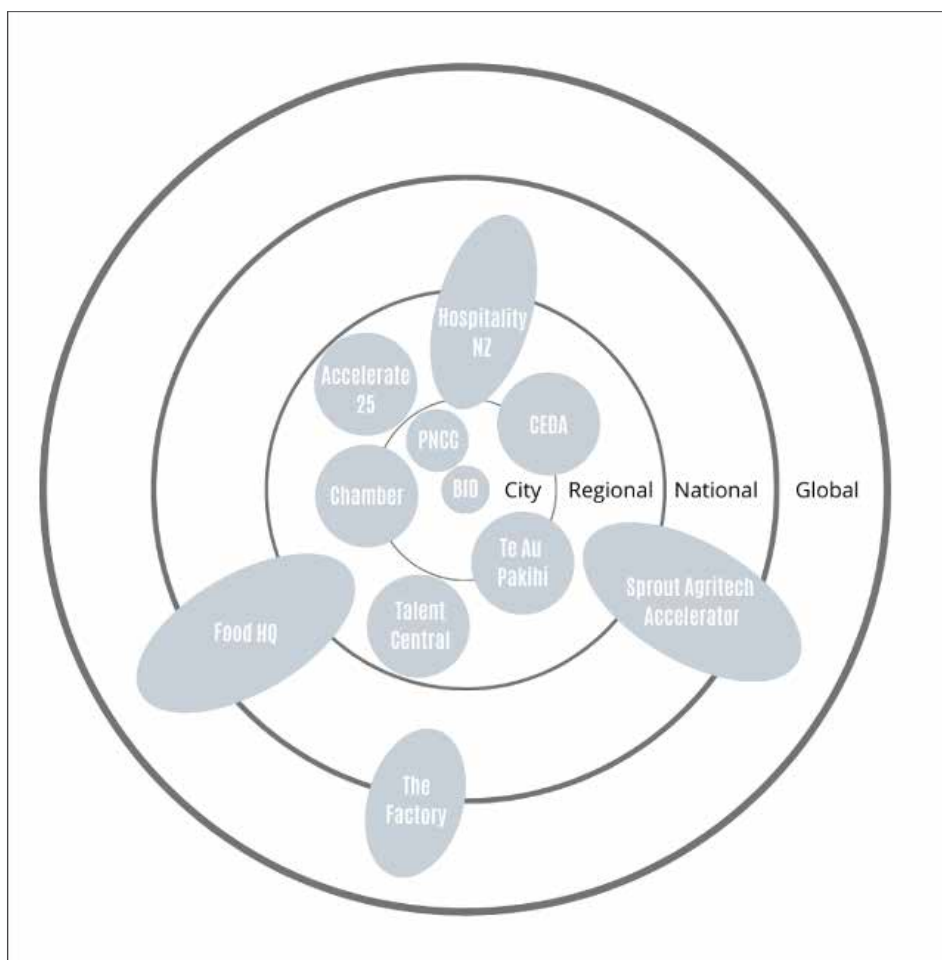


Figure 1: The Economic Development Landscape  
(adapted from the Business Improvement District Playbook 2017)

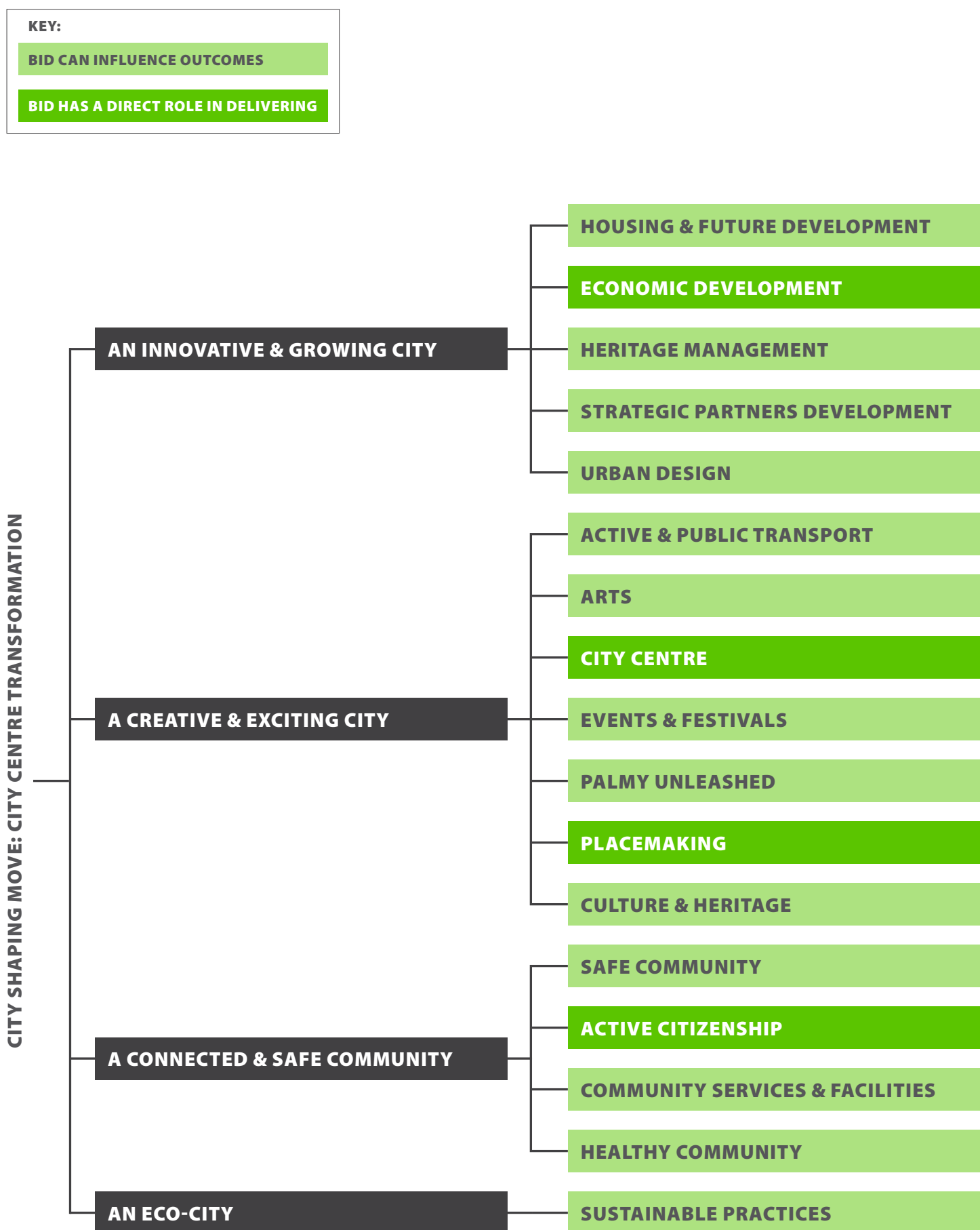


Figure 2: Alignment with Council's Strategy & Plan Framework

# 5. PARTNERSHIP BETWEEN THE COUNCIL AND BID ASSOCIATION

COUNCIL RESPONSIBILITIES	BID ASSOCIATION RESPONSIBILITIES
<ul style="list-style-type: none"><li>• Provide information and advice as appropriate</li><li>• Consider whether to set a targeted rate for BID programmes</li><li>• Set a targeted rate, if appropriate</li><li>• Monitor and review the performance of BIDs</li></ul>	<ul style="list-style-type: none"><li>• Comply with its constitution and the BID policy</li><li>• Comply with all other relevant laws and regulations</li><li>• Maintain proper meeting and accounting records demonstrating how the targeted rate and grant money is used and make such records available to the Council on request</li></ul>

# 6. BID OBJECTIVES

## 6.1. WHAT BUSINESS IMPROVEMENT DISTRICTS CAN DO

All BID programmes should develop an in-depth understanding of the needs of their community. The BID policy allows for a wide range of activities that could be undertaken with the provisos that the activities:

- Assist in the delivery of and influence the Palmerston North City Council’s strategic direction for the City;
- Are relevant for their community; and
- Are not already being undertaken as part of the Council’s responsibilities under the general rating provision. There is no prohibition of BIDs providing levels of service additional to those provided by the Council through general rates.

## 6.2. ACCOUNTABILITY

The BID Association is accountable to its eligible voters. It is also accountable to the Council for the use of the BID targeted rate and alignment with the Council BID Policy.

This accountability is supported by the development of a business plan, the measurement of key performance indicators, production of an annual report and financial accounts for its members, and annual reporting to the Council. Audited accounts to be provided: annually where the targeted rate income is equal to or over \$100,000; and every second year where the targeted rate income is less than \$100,000, or on request by the Council.

The Council is accountable for the collection

and payment of the BID targeted rate amount to individual BID Associations, and ensuring the targeted rate collected is spent as intended. The BID targeted rate may only be applied to the agreed activities of the BID Association and for no other purpose.

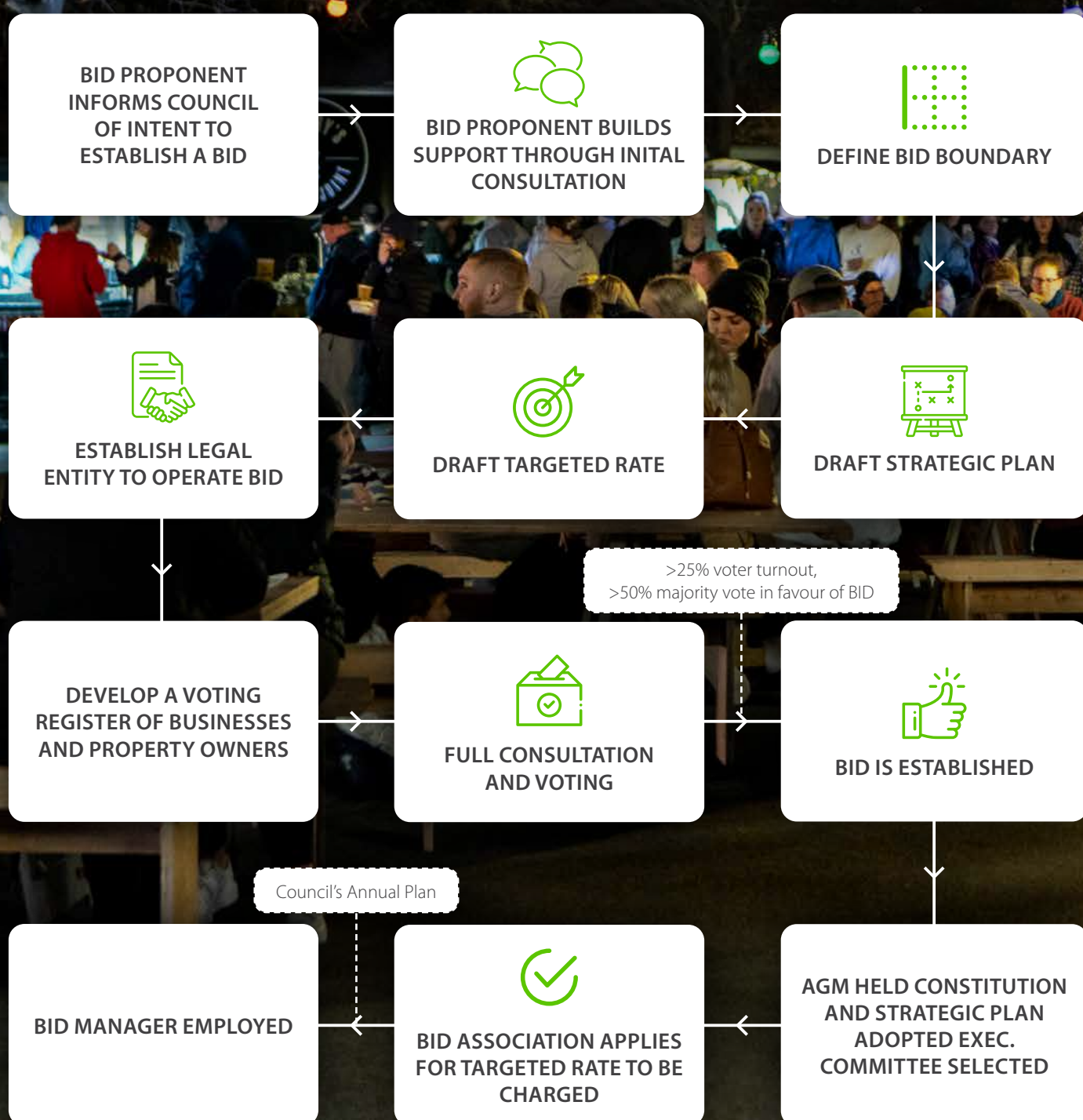
Where the Council has serious concerns with the performance of a specific BID Association, the BID targeted rate may be withheld until specific improvements or alterations have been made by the BID Association.

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 BID targeted rates, if any, to set in any particular year (in terms of the amount and the geographic area to be rated).



## 7. ESTABLISHMENT PROCESS

The following steps must be taken by any group proposing to establish a BID:



### 7.1. INITIAL CONSULTATION

The BID Proponent is to undertake initial consultation with the business community on the potential range of services a BID could offer. This will help to determine the level of support for forming a BID. These stakeholders might include, for example, owners of businesses, landowners and ratepayers, residents, local or central government agencies within the proposed BID, or interested community groups. This consultation could include a public meeting to communicate the proposal to establish a BID, the area that it is proposed to cover, and its potential objectives and activities.

Following this initial consultation, the group proposing the BID will give feedback to the Council on the response received, and whether they wish to proceed with the establishment of a BID. If there is sufficient interest (indicatively >25 percent support) then the following steps would be undertaken:

### 7.2. BID BOUNDARIES

Confirm the boundaries where the targeted rate would apply. In the first instance, the Council will allow those proposing a BID to determine the boundaries within which the targeted rate will be collected. However, should the Council disagree on the proposed boundaries; the Council's decision is final, as it is the Council which takes responsibility for the targeted rate.

### 7.3. STRATEGIC PLAN

Develop a strategic plan outlining the proposed activities that will be funded by the targeted rate and which comply with BID policy.

### 7.4. DRAFT TARGETED RATE

The BID Proponent and Council will agree on the level of targeted rate required to support the BID budget and the basis for its collection. The Local Government (Rating) Act 2002 gives the Council authority to set a targeted rate for an activity such as a BID. The level of the rate needs to be enough to support the BID programme of activities. The BID must agree on the total budget required for the programme with its members (at an AGM) and advise the Council that the BID targeted rate be included in the Annual Plan of the Council.

There are three options for calculating the targeted rate collection. Targeted rates can be established by the:

- Proportional value method
- Flat rate method
- Hybrid method (which is a combination of both the proportional value and flat-rate methods).

Council staff will work through the different options with BIDs on a case-by-case basis.

#### Proportional/Variable value method

Under the proportional value method, the total amount of the targeted rate to be collected is divided by the capital value of the properties within the collection area. As a result, larger capital value properties pay a greater proportion of the targeted rate. Every property will therefore be paying a different BID targeted rate amount.

This method is preferable where owners owning or renting more valuable areas of land or businesses will gain significantly more from the BID programme than owners with less valuable areas of land or businesses.

#### Flat rate/Fixed method

Under the flat-rate method, the Council applies a flat rate for every rateable business within the BID programme area. This method is used where there is little difference between the size of the businesses within the boundary or the likely benefits from the BID programme.

#### Hybrid rate method

The hybrid method involves setting a flat rate per business and a proportional rate based on capital value. This method is most appropriate where there are many small businesses balanced by a smaller number of large businesses operating within the BID area. The advantage of this approach is that it evens out the impact of the targeted rate across all businesses and ensures the larger businesses pay a higher amount proportional to their value.

The hybrid rating method is often the preferred approach for a BID targeted rate.

### 7.5. CONSTITUTION

Before a BID can be set up, a legal entity to administer the BID must be established and registered. In many cases, an incorporated society structure is used. The Council will not set a rate without evidence that the BID Association has been legally constituted and a constitution has been developed in consultation with affected parties. Council officers should be consulted on the BID Association's constitution before registration.

### 7.6. VOTING REGISTER

Develop a voting register of eligible owners and occupiers within the district.

A list must be compiled of owners and occupiers within the agreed boundaries of the BID. Businesses occupying, but not owning property, will need to be identified. The Council will compile property owner details. The list will form the basis of the voter register.

The following are not covered under this policy, will not be on the voter register and will not become liable for the targeted rate:

- Any property not attracting a commercial rate.
- 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 Council will not be eligible to be on the voting register, but will be liable for the targeted rate.

Those proposing the BID have the final decision over eligibility, in consultation with the Council.

New properties or redeveloped properties liable to pay the BID targeted rate and appearing in the BID area during any financial year will not be rated until the following financial year. These properties have the impact of redistributing the existing total BID targeted rate collected.



Each rating unit and tenancy has a vote.

Every owner and occupier within the proposed district must be contacted to determine who will be registered as a voter for the eligible rating units or tenancies on the final voter register.

Occupiers are eligible to vote if they trade within one or more properties in the BID area. BID proponents may be expected to validate an eligible occupier if it is not clear whether they operate from a property within the proposed BID area. Evidence showing the business trading address could include one or more of the following: Companies Office register, NZ Business Number, lease agreement or some other proof such as the Yellow Pages, a Facebook page or website that confirms that the business is trading from that address, an invoice or bill from a utility provider or bank statement.

If an occupier holds leases for multiple premises, then they are eligible for one vote per lease. Where a property owner is also the/ an occupier, they will be entitled to one vote.

If the owner and/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 those proposing the BID 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 and/or occupier is not an individual, those proposing a BID must communicate with the owner's management and request the name of a nominated representative to register as a voter.

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. One of the roles of a BID manager, contractor, or agency is to oversee the maintenance of the database of all BID programme affiliates and full members of the BID Association, as set out in BID Association's constitution. Council may assist in providing up to date property owner information to the BID Association for the maintenance of their membership register.

### **7.7. FULL CONSULTATION & VOTING**

Undertake full consultation (notification on the proposed targeted rate and the planned activities) and apply to Council to complete an establishment vote with a majority vote supporting the BID (>50% majority in favour). Refer to section 8 of this policy.

### **7.8. BID ESTABLISHMENT**

Undertake an initial AGM, adopting the constitution, appointing board members and officers and approving the business plan.

### **7.9. CONFIRM TARGETED RATE**

Apply to the Council for a targeted rate, with the following supporting documents:

- Evidence of a mandate from voters
- A strategic plan which is aligned with the Council's Strategic Direction
- An approved constitution for the entity.

Gain approval of the targeted rate for the BID in the Council Annual Plan process. Note that the previous steps need to be completed in enough time so that a targeted rate can be consulted on within Annual Plan timelines. This would be expected to be submitted to the Council before November of any year to be included in the following year's Annual Plan process.

Polls must be completed with enough time so that they can be ratified by the Council and any changes included in the Annual Plan process (refer to section 7 of this policy).

BID polls will be run by Council (either inhouse or via an independent electoral agency) in collaboration with the proposed BID Association in the following circumstances:

### **Establishing a BID**

A poll is held when the BID is being established to ensure that the rateable stakeholders 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 request 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 the 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 BID targeted rate.

## 8. POLLING

### 8.1. INFORMING VOTERS

The BID proponent is required to publish the preliminary eligible voter list (business name and property address only) at least one month before any proposed ballot, to enable transparency of the ballot process and ensure businesses are aware of whether they will receive voting information. Personal information should be removed from the published list.

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 may include, but are not limited to the:

- Boundaries of the proposed BID
- Total budget and approximate targeted rate to be assessed
- Objectives of the BID strategic and business plans
- 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, or newsletters.

### 8.2. 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
- 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 Council's returning officer will send out an envelope including the information sheet, the ballot form, the contact update form and a prepaid return envelope.

### 8.3. THE GOALS OF THE POLL

It is a goal of the BID poll to achieve a 25% 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.

### 8.4. PROXY & 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.

### 8.5. 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.

### 8.6. 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 those proposing the BID or BID Association and the Council.

### 8.7. THE FINAL DECISION ON BID TARGETED RATE CHANGES TO BE MADE BY THE COUNCIL

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.



## 9. ACCOUNTABILITY PROCESSES 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 Council must be satisfied that accountability requirements are met and recognised in the constitution of the BID Association.

The Council will prepare and require the BID Association to complete an annual accountability agreement on terms satisfactory to the Council.

## 10. THE RELATIONSHIP WITH THE PALMERSTON NORTH CITY COUNCIL

### 10.1. APPLYING FOR THE TARGETED RATE

Once confirmation of legal incorporation has been received, the BID Association can apply to the Council for a targeted rate. The BID Association must present the following information to the Council:

- Evidence of a mandate.
- Evidence of incorporation.
- The agreed BID boundaries.
- The budget that has been ratified at the AGM.
- The strategic plan that has been ratified at the AGM.

Under the Local Government Act 2002:

- Any payment to the BID Association from the targeted rate will be by a conditional BID Funding Grant.
- The grant must be separately accounted for in the BID Association's financial records.
- The funding generated from any BID targeted rate will be paid to the BID Association after the end of each financial quarter.

### 10.2. COUNCIL-EXECUTIVE COMMITTEE RELATIONSHIP

The BID Association and the Council will always 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 between the BID Association and the Council.

The Council's Annual Plan and budget process provide a mechanism for reviewing BID budgets and existing programme boundaries. For the Council to change the targeted rate, the Executive Committee must submit a detailed programme, budget and performance reports.

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

- A copy of the financial audited accounts/ financial accounts (refer Section 5.2) an 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).
- Any proposed changes to the boundaries.

In January each year, the Executive Committee must provide the Council with a detailed programme and budget for the period 1 July to 30 June (the next financial year).

BID Associations will be notified as soon as possible in the unlikely event of a discrepancy between the amounts requested at the BID Association's AGM and the amount shown in Council's annual or long-term plans. The Council will discuss implications regarding this discrepancy with the affected BID Association.

Council will report variances between the amount of targeted rate that was agreed to be collected, as detailed in the Annual Plan (or Long-term Plan) and the amount of targeted rate actually collected over the financial year just ended.

### 10.3. COUNCIL REVIEW

In the Council's planning processes, it will review the performance of the BID against the stated strategic and business plans, KPIs, financial audited accounts/ financial accounts (refer Section 5.2) and any reporting.

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 the 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 Council may initiate a review of all or any BID programmes outside the annual and three-yearly reviews. Such a review will be funded through general rates.

In the event that a BID programme is disestablished, once debts and liabilities of the BID Association have been discharged, any remaining unspent BID programme grant monies held by the BID Association must be returned to the Council. Any unspent funds will be applied towards any purpose for which the targeted rate was set.

### 10.4. BID PERFORMANCE SURVEY

The Council may commission a BID performance survey. The results of the survey will be used to analyse the performance of individual BIDs as well as the success of 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 the latest technology and best-practice methods are considered and used where possible. The cost of the survey will be funded proportionally (based on BID programme budgets) by the city's BIDs through 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 each district. 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.

### 10.5. ALTERNATIVE REVENUE STREAMS

The BID Association at any time can engage in negotiations with the Council to establish alternative revenue streams through the Annual Plan Process, e.g:

- Parking Benefit Areas – Where car parking revenue and management for specific places being managed by the BID.
- Service level agreements for asset or service maintenance contracts.
- Fee for service agreements for event management contracts.

## 11. DISPUTE RESOLUTION

### 11.1. RESOLUTION BETWEEN THE COUNCIL AND THE BID ASSOCIATION

Any decisions about whether or not to set a targeted rate, the amount of that rate, to provide for an additional rate or 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 following 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 any party may refer the matter to a mediator that is acceptable to all parties.
- 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.
- Where the parties are unable to agree on a mediator, or if the dispute is not resolved within 30 days after the appointment of a mediator, 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.



# APPENDIX 1: BUSINESS IMPROVEMENT DISTRICTS PLAYBOOK 2017



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## Disclaimer

This document (Report) has been produced independently by Urban Kin (The consultant) on the request of the Palmerston North City Council (Client) for the City Centre Vibrancy project.

The information, statements, statistics and commentary (together the 'Information') contained in this Report have been prepared from publicly available material, research and analysis by the consultant and from discussions held with stakeholders. The consultant does not express an opinion as to the accuracy or completeness of the information provided, the assumptions made by the parties that provided the information or any conclusions reached by those parties.

The consultant has based this Report on information received or obtained, on the basis that such information is accurate and, where it is represented to the consultant as such, complete. The Information contained in this Report has not been subject to an audit.

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# CONTENTS

<b>BID OVERVIEW</b>	<b>4</b>
<b>ESTABLISHMENT &amp; EVOLUTION</b>	<b>6</b>
<b>BUSINESS MODEL OVERVIEW</b>	<b>8</b>
CUSTOMER SEGMENTS	10
VALUE PROPOSITION	12
CUSTOMER RELATIONSHIPS	14
CHANNELS	16
KEY ACTIVITIES	18
KEY RESOURCES	20
PARTNERS	22
REVENUE STRUCTURE	24
COST STRUCTURE	26





## BID OVERVIEW

### WHAT IS A BID?

A Business Improvement District (BID) is:

- An Incorporated Society with a constitution and rules.
- An independent organisation governed by a Board.
- Managed by professionals who carry out the activities in the BID's Strategic Plan and annual programme.
- Able to undertake any activity or service within the parameters of its constitution.
- Funded by its membership - businesses and property owners - who voted to request council to apply a compulsory targeted rate on their behalf to a business area as a method to create a sustainable funding source for activities which create shared benefits.

### WHAT IT ISN'T

- A local government-led organisation.
- An organisation for delivery of capital projects.



## BID BENEFITS



Allows the BID business community to define success on its own terms.

Build the business community and local economy.

Improve business capability and skills.

Strong and independent business voice with Council.



A financial incentive to collaborate - Business to Business, and, Business to Council.

Sustainable funding structure (relieves waste effort on constant membership drives).

Long-term commitment (often for a minimum period such as 5 years).



Initiated by businesses for businesses with a shared vision for progress.

Transparent and democratic relationship between members and with Council.

BID partners with other organisations to maximise return on investment and resources.

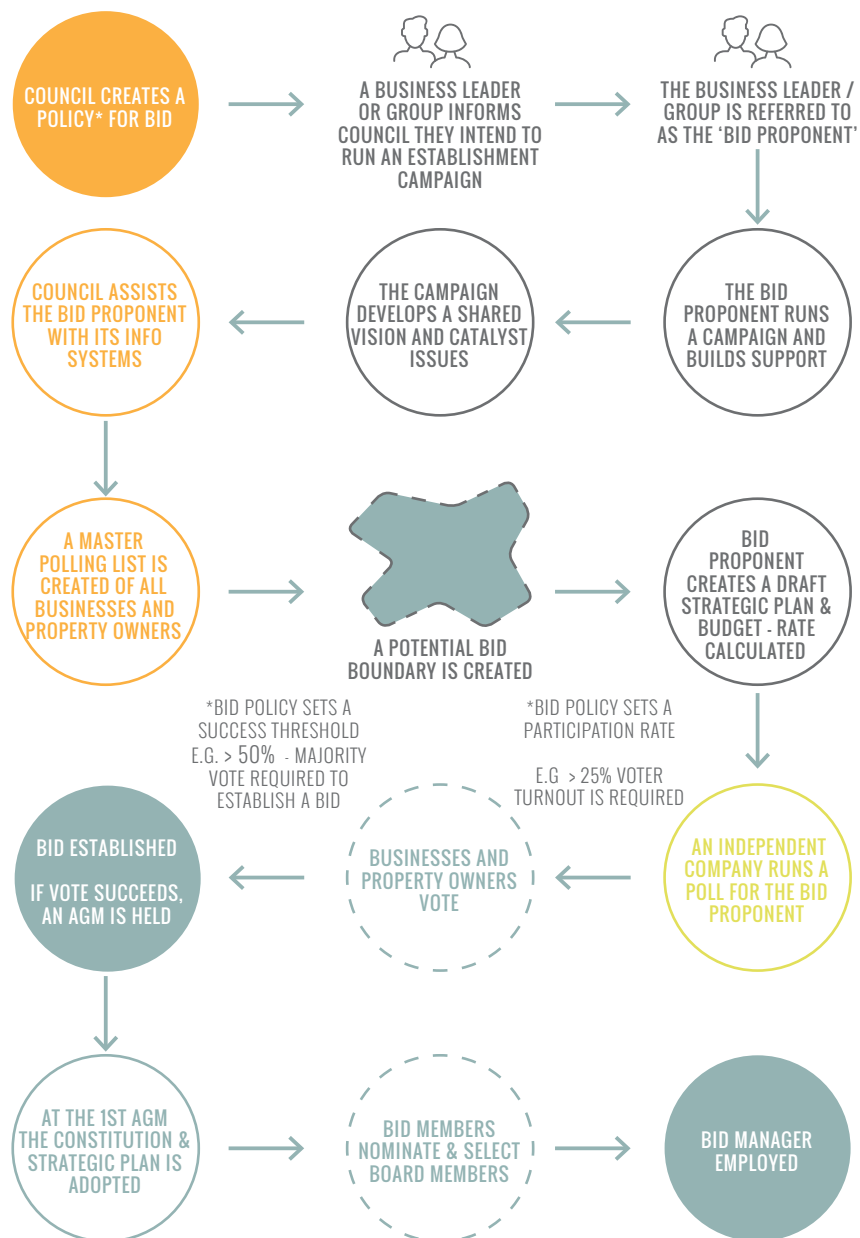


Professional management of BID allows businesses to focus on their own business development.

Relevant services for operational issues and ongoing economic development of the area.

Info and feedback systems provide intelligence to existing and potential business and investors.

## > ESTABLISHMENT PROCESS





# BID EVOLUTION

## 1<sup>o</sup> - STARTUP

ADVOCACY &  
OPERATIONAL ISSUES

A BID forms around catalyst issues - these typically have an operational focus, for example, additional security, cleaning, begging or shoplifting. This evolves to form the basis of an ongoing Advocacy voice and the focus is on building trust. Trust allows higher order aims to be pursued once the 'hygiene' issues are resolved. The brand presence of these BID is fairly generic.

## 2<sup>o</sup> - SOLID PERFORMERS

IMPROVE BUSINESS  
ENVIRONMENT &  
ATMOSPHERE

The BID begins to work on higher order development of the business environment and atmosphere to improve conditions for business. At this stage bespoke place branding and development of sophisticated marketing and promotion is the norm. The focus is on attracting customers of businesses and providing intelligence and skill-building workshops to their members. The place brand is focused on digital, publications, and social media (channels).

## 3<sup>o</sup> - VETERAN

OPTIMIZING BID AND  
LEVERAGE PLACE BRAND

The BID begins to work pro-actively with property owners to optimize the business mix in areas through the BID, and sub-brands (such as a lane or street) of the overall area develop. Businesses now 'trade off' the place brand. The BID operates as the first contact for potential investors and businesses - it provides unbiased intelligence on the area to members and investors (unlike commercial agents who benefit through leasing). The place brand is coordinated across physical and digital channels.

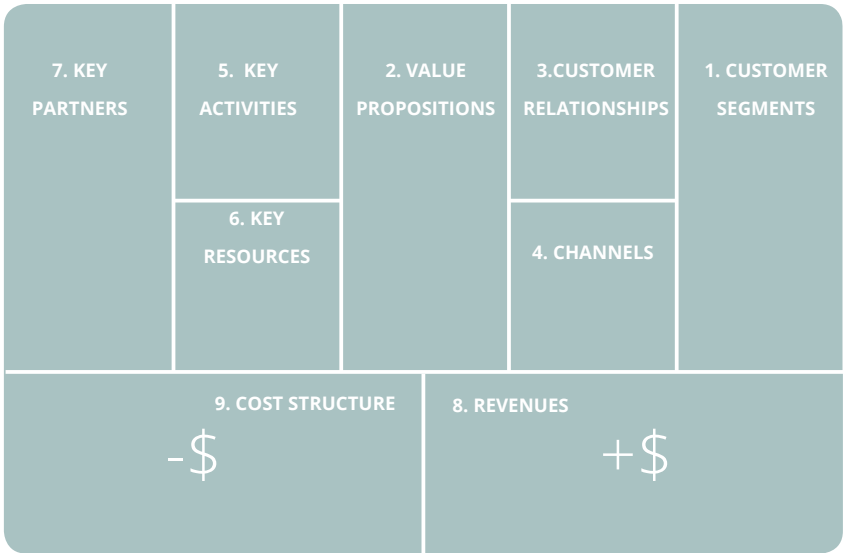
## > BID BUSINESS MODEL

This BID Playbook is structured around the Business Model Canvas. The Canvas tells a story of how a BID creates and delivers value to its customers, and the resources, activities, revenues and costs involved.

The model presented here includes examples from BID in NZ already in use in mid-2017. The current set of tactics and values propositions are a starting point and new hypotheses about value propositions for customers segments and how they are delivered should be an ongoing project as is any business which operates in the ever changing world.

The diagram shows how the Canvas represents a business model through 9 components, and shows the order they are presented in this Playbook.

### BUSINESS MODEL CANVAS STRUCTURE





#### BRITOMART | AKL, NZ

THE PRIVATE SECTOR PROPERTY OWNERS (SUCH AS BRITOMART) HAVE DEVELOPED INTEGRATED PLACE MANAGEMENT AND MARKETING STRATEGIES AND TACTICS - THE BID MODEL ALLOWS INDEPENDENT BUSINESSES TO LEVEL THE PLAYING FIELD BY COLLABORATING AND CREATING A SUSTAINABLE FUNDING SOURCE.



## > CUSTOMER SEGMENTS

### ABOUT

Business models can serve a number of different customers segments, and their products and services meet the customer segments needs in different ways through the value propositions and how they're delivered.

### BID CUSTOMER SEGMENTS

Business Improvements Districts serve different purposes depending on their membership type:

- Light industrial
- City centre / activity centre

The city / activity centre (PN's focus) has the following five customer segments. A BID's value propositions for each customer segments will vary according to its circumstances and strategy and the BID may not start providing value to all of these segments until the BID is mature.

1. *Current businesses (and employees)*
2. *Current property owners*
3. *Potential customers of BID members*
4. *Potential businesses*
5. *Potential property investors / developers*





**PARNELL MARKET | AKL, NZ**

MANY BID FOCUS PART OF THEIR STRATEGY ON ATTRACTION OF POTENTIAL CUSTOMERS OF THE BID MEMBERS. DEVELOPING PERSONAS OF EACH CUSTOMER SEGMENT HELPS TO SHARPEN THE TACTICS AND UNDERSTAND THEIR DRIVERS, PAINS, AND GAINS.

## > VALUE PROPOSITIONS

### ABOUT

Value propositions are the mix of products as services which create values for specific customer segments. Not all activities a BID undertakes will be relevant for all customer segments.

### BID VALUE PROPOSITIONS

Many BID opt to split their operations into a consumer / public facing side and a member-focused set of services and activities. The most developed BID act as a 'platform' to connect business and property owners with their customers, and to amplify members' marketing.

Most BID services can be divided into three broad categories:

1. *Independent voice of the business community - Advocacy*
2. *Cultivating the business environment and atmosphere - Business improvement*
3. *Customer and investor attraction*

A variety of tactics are used in each category, these are constantly evolving. Some common tactics are:

- *Member forums and information supply and feedback systems*
- *Member events - social and skill based (community building)*
- *Place brand (e.g. a Quarter) and 'sub-place' brands (e.g. a lane)*
- *Member profiles and feature articles*
- *Social media profiles and marketing, plus amplification of member's marketing content.*
- *Publicly accessible performance info for the BID*
- *Signature events in BID sub-areas*







Search 

[HOME](#) [WHO WE ARE](#) [WHAT WE DO](#) [NEWS & EVENTS](#) [ABOUT THE CBD](#) [BUSINESS DIRECTORY](#) [BUSINESS RESOURCES](#)



## WHERE'S EVERYONE GOING?

### OUR MISSION

**TO FOSTER THE SUCCESS  
OF THE CBD ECONOMY**

### MEMBERS LOGIN

Username

\*\*\*\*\*

**LOGIN**

[Forgot your password?](#)

**BECOME  
A MEMBER**

**JOIN**



### HOT LINKS

- [Heart of the City Consumer Website](#)
- [City Centre Upgrade & Transport Projects](#)
- [Cruise Ship Timetable](#)

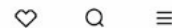
## WELCOME TO HEART OF THE CITY

Heart of the City is Auckland's city centre business association. We represent and promote businesses located in the city centre, with an overall aim of fostering its economic success. We are committed to developing a central city that all Aucklanders are proud of, that is a thriving place to do business, is accessible, vibrant, and a great place to be.

HEART OF THE CITY | AKL, NZ

ABOVE - BID MEMBER AND INVESTOR PLATFORM

BELOW - BID CUSTOMER PLATFORM (NOTE EVENT SPONSORSHIP)



**AKL**  
The Show Never Stops



**WINETOPIA PRESENTED BY SINGAPORE AIRLINES**

Search for Your Perfect Drop

## > CUSTOMER RELATIONSHIPS

### ABOUT

Customer relationships take a number of forms: personal assistance, dedicated personal assistance, self-service, automated services, communities, and co-creation.

### BID CUSTOMER RELATIONSHIPS

The BID interviewed for this project used the following types of Customer relationships:

**Personal assistance** - BID Managers or community managers liaise directly with BID Members. Regular drop-in times at a BID shop-front may be scheduled for members to engage as it suits them.

**Communities** - BID managers foster a collaborative spirit amongst members who exchange knowledge in both real-world settings and in online communities such as private facebook groups.

**Self-service** - BID often have extensive member facing and customer facing digital presences. This allows members, investors and potential customers to help themselves. BID Member platforms allow them to login to create and update their business profile on the BID website.

**Co-creation** - most businesses create their own marketing content, which the BID management amplifies through its social media profiles. A reciprocal relationship forms as BID members repost event and promotions / deals of the BID and other members. Organic marketing through collaboration can achieve a large reach without spending on ads.

**Automated services** - BID may use services such as push notifications via SMS to notify retailers of shoplifters. These services leverage a normal work-flow of an organisation such as the Police.





## DIVERSE TACTICS FOR BID CUSTOMER RELATIONSHIPS

ABOVE - A PRIVATE FACEBOOK GROUP FOR MEMBERS

BELOW - INSTAGRAM (LEFT), WEBSITE - ABOUT AND SIGN-UP (RIGHT)





# CHANNELS

## ABOUT

Channels are how a business delivers products and services to its customers. Each individual channel works as part of a broader system.

## BID CHANNELS

BID in NZ have adopted similar channels to deliver a diverse range of services:

1. *Face to face (individual and group)*
2. *Physical - prominent storefront, integrated in buildings and open spaces, and way-finding.*
3. *Website incl. blog/news posts, business profiles, interactive map*
4. *Social media profiles*
5. *Private social media groups*
6. *Web platforms (e.g. Trip Advisor)*
7. *Email platforms and digital newsletters*
8. *Mobiles - SMS / Push notifications*
9. *Publications (e.g. magazine, precinct guidebook) - physical and digital versions*

The channels have different levels of resources required to use them effectively and they have wildly different reach and purposes. Interviews revealed that many BID have discontinued traditional advertising such as radio, and newspapers, and paid distribution for direct marketing. Printed material remains important as a way to cut through digital 'noise'.





# Ponsonby

461 reviews

#21 of 264 things to do in Auckland

Certificate of Excellence

Neighbourhoods, Sights & Landmarks, Other

As featured in 3 Days in Auckland and 2 other guides

Overview

Tours & Tickets

Reviews (461)


Q&A (2)

Location

Book a Tour

Save

Write a Review



All visitor photos (82)

Book In Advance

Auckland Downtown and Waterfront Walking Tour

\$38.43\* and up

More Info

Private Tour: Half-Day Auckland Scenic Tour

\$72.05\* and up

More Info

Full-Day Auckland Scenic Tour

\$134.49\* and up


More Info

See More Tours & Experiences

Is this activity accessible without advanced planning or bookings?

☐ Yes
 ☐ No
 ☐ Unsure

Get directions



Address: Auckland, New Zealand

Phone Number: +64 9-360 9301

Website

E-mail

Improve this listing

TripAdvisor Reviewer Highlights

Read all 461 reviews

Visitor rating

Excellent

169

Very good

155

Average

43

"Ponsonby Road to Point Erin Stroll"

This walk starts at the collection of eating places that is Ponsonby Central, passes the ever changing collection of cafes and restaurants along Ponsonby road and then ducks into... read more

## CONTENT CREATION IS KEY FOR PAID AND FREE CHANNELS

ABOVE - CUSTOMER GENERATED CONTENT ON TRIPADVISOR

BELOW - DIGITAL VERSION OF NEWMARKET MAGAZINE

NEWMARKET.

FASHION

SHOPPING

HEALTH & BEAUTY

EAT & DRINK

ENTERTAINMENT

GENERAL SERVICES

MAGAZINE – JUNE 2017

GETTING TO NEWMARKET



DATE NIGHT IDEAS

GO FOR DINNER

GO TO THE MOVIES

GO FOR A DRINK

GO BOWLING

GO FOR ICE CREAM

GO FOR BRUNCH

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## KEY ACTIVITIES

### ABOUT

Key activities help create focus for the BID management on the activities which create value. Over time these will change as the operating context changes.

### BID KEY ACTIVITIES

A particular concern with BID Managers was the amount of time required for one-to-one community building. In order to maintain focus on higher value activities BID managers minimise time spent on one-to-one meetings.

The following key activities were defined by interviews with BID leaders in NZ:

1. *Building the business community (e.g. social or skill-building events).*
2. *Member research (e.g. 2-min survey of positions on an issue; e.g. reported business performance +/- % revenue).*
3. *Liaison with partners and stakeholders (e.g. CBD Forum with Council, Police, Tourism orgs)*
4. *Sharing info*
5. *Content creation - profiles / story-telling about members*
6. *Reposting BID member content*
7. *Data for feedback systems (e.g. pedestrian count systems)*
8. *Manage member relationship*



## Retail Spotlight: KILT Takapuna

This week we want to shine the spotlight on one of our local shops, KILT Clothing! KILT can be found at 104 Hurstmere Road. Their shop is chic and classy which pretty much describes their range of clothing as well.



What makes them special? In this day and age of big foreign brands coming to New Zealand, KILT aims to give locals and tourists the opportunity to shop for fashion items made and designed with love in New Zealand.

Now with fifteen boutiques across the country (including their online boutique at [kilt.co.nz](http://kilt.co.nz)), the idea of KILT came to founder Melissa Williams as a way to address the lack of great, accessible, New Zealand made fashion.

### WHAT BID MANAGERS DON'T DO IS AS IMPORTANT AS WHAT THEY DO

ABOVE - STORY-TELLING ABOUT A BID MEMBER ON WEB / SOCIAL

BELOW - BID MAY PARTNER FOR JOINT INITIATIVES (E.G. SAFETY)

**OURCBD**[Home](#) [Purpose](#) [Partners](#) [Participate](#) [Eyes-On](#) [Our People](#) [Contact](#)

**Making Wellington's inner city a great place to do business**

**OUR PURPOSE**

Working together to strengthen and grow Wellington CBD's commercial success

Wellington's retail & hospitality community is an active, diverse group of people who care about the city & its potential. OurCBD provides opportunity to connect with fellow businesspeople, have your say on current and future issues - and make a difference in our city's direction.

COMMERCIAL  
COMMUNITY

TOWN CENTRE  
GUARDIANSHIP

MAXIMISING KEY  
OPPORTUNITIES

GIVING PACE TO  
STRATEGY



## KEY RESOURCES

### ABOUT

Key resources identify what the BID requires to be able to deliver its 'promise' to its customers - the BID members (and their customers). Resources can be bought/sold, hired/fired, and built.

### BID KEY RESOURCES

BID vary greatly in how well they are resourced which limits what they can deliver in each yearly programme. The yearly programme relates to resources. Some common resources are:

- BID storefront
- Strategic planning and governance advisory services
- Digital support
- Marketing, branding and design skills
- Operating systems (e.g. content creation, marketing, CRM)
- BID performance feedback systems (e.g. sales data, parking data, pedestrian data, tenancy data).

Some BID are engaged in markets, events, and city centre activation programmes. This requires different resources:

- Event / Market coordinators
- Market event collateral e.g. pavilions, signs, movable seating, banners, power sources, waste management.







**PONSONBY**

*Auckland's Hippest Strip*

#### HIGH-QUALITY OUTCOMES PROVIDE VALUE TO MEMBERS

ABOVE - BESPOKE BRAND IDENTITY IS A HALLMARK OF MATURE BID

BELOW - AN AUTOMATED FEEDBACK SYSTEM WITH PUBLIC ACCESS

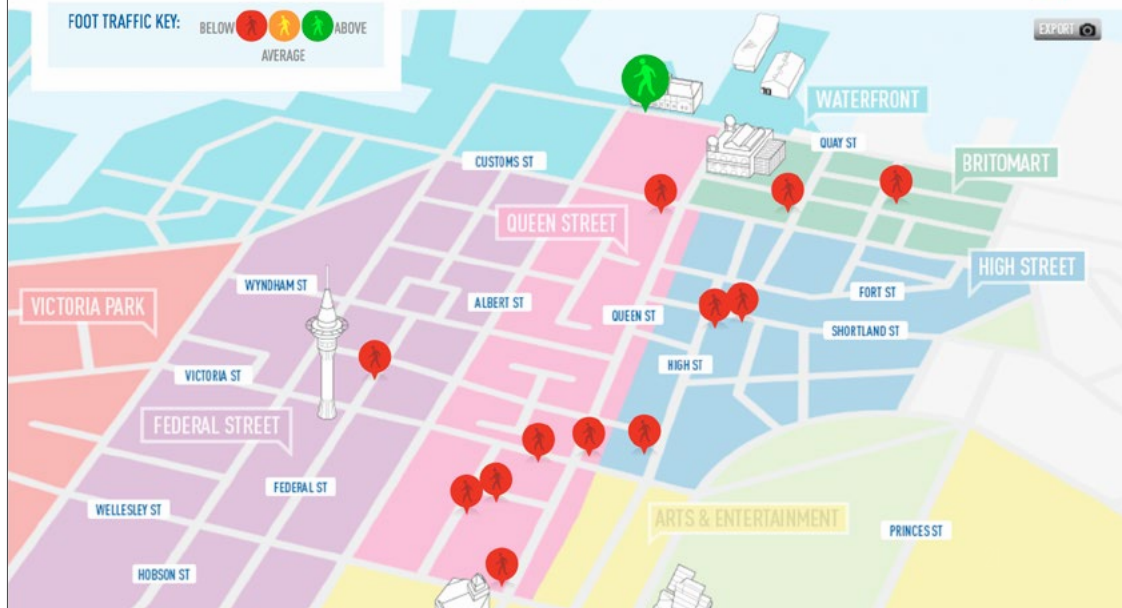
#### PEDESTRIANS IN THE CITY

CLICK A LOCATION FOR COUNTS AND GRAPHS

VIEW PED COUNT BY 5TH JUNE 2017

HELP

FOOT TRAFFIC KEY: BELOW AVERAGE ABOVE





# PARTNERS

## ABOUT

Businesses have partners in order to provide their value proposition to their customers. These partnerships allow a business to outsource some functions, and to acquire resources outside of the organisation.

## BID PARTNERS

BID have a number of common partners as they form part of the economic development ecosystem, have a role in central city management, and a role in public safety. Common partners are identified below (PN organisations named where possible):

- City Council - city centre operational management (e.g. cleaning, begging, graffiti), activation programmes.
- Economic development agency (CEDA, Spearhead, Food HQ).
- Tourism Agency (CEDA, [www.manawatu.nz.co.nz](http://www.manawatu.nz.co.nz)).
- Public safety and crime e.g. shoplifting (Police).
- Hospitality industry / 'Night Mayor' (unknown).
- City Business Association (Manawatu Chamber of Commerce).
- Business Training and incubator/startup hubs (Building Clever Companies, CEDA).
- Market operators (Village Night Market, Royal Market, Street Feast).
- Young professionals association (3 Keys?).
- Student Association (Student City?).



## PN'S ECONOMIC DEVELOPMENT ECOSYSTEM\*



\*Assumed position of Partners in economic development ecosystem obtained from interviews - full list of economic development stakeholders is not in scope of project.



# REVENUE

## ABOUT

Revenues result from value propositions that successfully meet customers needs. The mix of services a BID provides has been proved to be a desirable 'value proposition' for many city centres around the world.

## BID REVENUE STREAMS

BID managers reported that it was important to adequately resource a BID as *underfunding is more damaging than having no BID*. The resourcing of a BID is set each year through a request to Council to collect a certain amount that matches the annual programme. The major funding source of a BID the *targeted rate* has a number of benefits:

- *Automatic membership* - eliminates time spent on membership drives to increase revenue.
- *Consistent funding* - whole year can be planned and time spent on delivering strategic plan.

In addition to the funding from the property owners BID obtain revenue streams through a commercial focus. Examples are:

- Corporate sponsorship e.g. events, public space activation kit, car
- Paid advertising in publications e.g. Newmarket magazine
- Fee for services e.g. delivery of an public space activation and management, coordination of small to medium events
- Member skill-building events e.g. social media marketing
- Grants e.g. a one-off art based event





HAVELOCK NORTH 'THE VILLAGE' PROVIDES OPPORTUNITIES TO INCREASE THE BID LEVEL OF SERVICE ABOVE THE BASIC LEVELS PAID FOR BY THE TARGETED RATE

---

# Listing Options & Costs

We are offering tiered listings to suit your needs and budget.

## *Listing Options*

---

### **Deluxe Listing – Members \$350 plus GST per annum**

- Full page, name, contacts, social links, opening hours, logo, description, promotion plus Enquire button
- Includes photo shoot
- Will be promoted/profiled on website and email newsletters.
- [See a Deluxe listing here](#)

### **Pro Listing – Members \$150 plus GST per annum**

- Logo, description, and social links.
- Name, contacts plus Enquire button
- [See a Pro listing here](#)

### **Basic Listing – Members Free**

- Email and website plus Enquire button
- Name, address, phone number
- [See a Basic listing here](#)

**Free Listing – Available on this website for Community and Non-Profit Organisations only.** If you would like a free listing, please provide all relevant, contact and email details to [president@havelockknorthnz.com](mailto:president@havelockknorthnz.com) and a free listing will be generated on your behalf.

## *Other Advertising Opportunities*

---

**Homepage Banner – \$120 plus GST / week (artwork to be approved)**

**Village Marketplace Newsletter – \$115 plus GST / send (artwork to be approved)**

## *Website Updates*

---

**Listing Updates – \$70 plus GST / update**



## COST STRUCTURE

### ABOUT

Cost structure is self explanatory - all costs involved in delivering the BID services need to be included.

### BID COST STRUCTURE

BID managers report that keeping overheads low is key to running a lean organisation, as is regularly reviewing costs to determine ROI. BID managers who are resourceful, commercially-focused, and numbers-driven help deliver the most value for their members. Common costs are:

- BID Manager salary.
- Specialist staff salaries.
- Contract staff for campaigns or promotions.
- Office space and other office overheads.
- Accounting and consultancy (e.g. governance).
- Contract services (i.e. cleaning, security / hosts, activation).
- Publications and distribution.
- Cloud services (e.g. automated pedestrian and parking data).

BID Managers reported efforts to reduce costs on:

- Advertising by reviewing and eliminating traditional paid media i.e. radio, newspapers.
- Office space through discounted or subsidised rent deals with local government or others.
- High cost, low ROI activities e.g. large events.
- Spending on corporate entertainment.





[Upcoming Events](#) [Past Events](#) [About](#) [Map](#) [FAQs](#) [Contact](#)

## POP PING PONG



10 – 31 May

[Auckland Central](#), [Onehunga](#) and [Takapuna](#)

BIDS USE ACTIVATION AND EVENTS AS A CUSTOMER ATTRACTION TACTIC - IT IS THEN UP TO THE BUSINESSES TO SELL TO THE CUSTOMERS.

ABOVE - POP AKL (BY PANUKU DEVELOPMENT) OPERATES IN BID AREAS  
BELOW - SIGNATURE EVENTS IN GEORGETOWN BID, USA

### EVENTS





© PALMERSTON NORTH CITY COUNCIL  
AND URBAN KIN











FOR HIRE

THRASHER



**Te Kaunihera o Papaioea | Palmerston North City Council**

**[pncc.govt.nz](http://pncc.govt.nz) | [info@pncc.govt.nz](mailto:info@pncc.govt.nz) | 06 356 8199**

Private Bag 11034, The Square, Palmerston North, 4442

