

EXPLANATION OF CITY COUNCIL PUBLIC HEARINGS FOR THE CHURCH STREET MARKETPLACE

The Church Street Marketplace District is a business improvement district (BID).

- A business improvement district or BID is a defined area within which property owners pay an additional tax or fee in order to fund programming, maintenance and operations.
- There are 1,200 BIDs in the United States.
- The Church Street Marketplace BID was created in 1981, and includes all properties abutting Church Street between Main and Pearl Streets. The BID is managed by the Marketplace Department, a city department.
- Church Street is a public street.

How is the BID funded? The BID is funded entirely through fees and sponsorships. City tax dollars may not be used to fund its operations.

What is the Common Area Fee?

- It is a tax that Marketplace Property Owners pay to the City.
- It is the largest revenue source for the Marketplace Department's operating budget (73%).
- All common area fees raised are appropriated to the Church Street Marketplace, a special revenue fund.

What is the Common Area Fee Formula?

- The Common Area Fee formula was determined by Marketplace property owners in 1991. It is based on a building's ground floor square footage, multiplied by a per square foot rate. The proposed common area fee for FY 14 is \$2.75 per square foot.

What is the Process for Setting and Approving the Common Area Fee?

- Every year, the Marketplace Commission holds a public hearing where it presents a budget, and sets a common area fee for the coming fiscal year. The Commission then sends its recommended budget and common area fee to the City Council for their final approval.
- The City Council then holds two hearings.
 - The first public hearing concerns approval of the Common Area Fee formula.
 - The second public hearing concerns approval of the Common Area Fee amount for that coming fiscal year.