

Long signals tentative support as petition drive for Downtown BID hits the streets

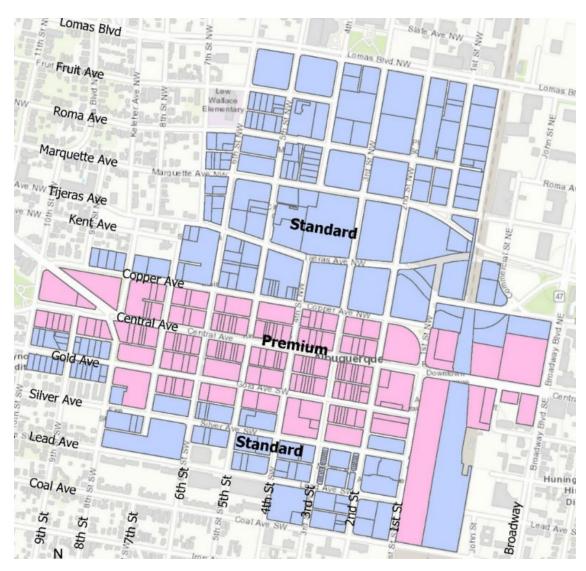
Owner of Albuquerque Plaza building, who helped bring down the last BID, wants signature checks

'Assuming that the signed BID forms are legitimate, we will support the BID'

Design details go public: Proposal calls for tripling hours devoted to cleaning, expanding to seven-day service, adding new security role

Potentially transformative revitalization effort needs about 90 signatures from property owners to advance

— A Q&A STATUS REPORT —



The district would cover this area and be divided into a "standard" and "premium" zone. A high-resolution version of the map is available on page eight of this document.

The push to form a Downtown business improvement district enters a critical new phase this week as organizers, who until now have been operating in the realm of trial balloons, informal conversations, and tentative concepts, hit "print" on a detailed proposal and ask fellow property owners to sign on the dotted line.

The "operational framework" now being circulated details what the BID would do, and it is a reasonably straightforward business that includes cleaning, security, and beautification, plus marketing and Downtown advocacy. But behind that simplicity is a larger goal: Literally thousands of other cities across the continent have found that such intense focus on those nuts and bolts has the knock-on effect of breathing new life into their urban centers. There's a direct line, in their experience, between basic "clean and

green" efforts and more businesses, more visitors, more residents, more tax revenue, and more prosperity.

Launching such organizations is never easy. The same goes for actually administering them, as Downtown found out during its last run with a BID, which formally ended in 2015 following much general rancor, plus litigation initiated by Jim Long, the owner of the Albuquerque Plaza Building (sometimes known as the WaFd Building).

But already this week, the new push has seen a tentative boost from Long himself, who said the effort has been "well organized" and that he would support it pending an audit "to determine the validity of the signatures obtained" (more below).

There is a reason, at the end of the day, that BIDs have become the gold standard for the care and feeding of American downtown areas: The property owners who pay to make it all happen often like what they get for their money. To the rest of the city's residents, that usually looks like revitalization.

Here's a Q&A guide to where things stand:

What's the basic BID elevator speech?

A business improvement district is a hyperlocal quasi-government that covers a zone more often measured in square blocks than square miles. In that area, the district provides extra public services above and beyond what the city already offers. For example, if the city is already cleaning the streets once a week, it's legally required to keep doing that while the BID layers other services on top.

Technically, the City Council has to create the district, but it's up to property owners to kick off the process (the petition drive happening now) since they would pay for it through what is essentially a supplemental property tax known as a "BID assessment." Once formed, the property owners oversee the BID through a board of directors and get to decide every five years whether to keep it going or shut it down.

What are the promoters proposing that the Downtown BID do?

The operational framework - <u>an eight-page document</u> now making the rounds - spells everything out.

Currently, the city funds a Downtown cleaning crew that puts in about 250 hours a week trying to spruce things up. The proposal would roughly triple that to around 700 hours and expand the cleaning schedule from weekdays only to seven days a week.

But the role of that team would also grow to take on safety and security. They would be trained to watch out for problems, report them, assist where possible, and provide oncall safety escorts. They'd be a circulating, all-purpose presence throughout the district. Though the team's exact role when it comes to homeless people is not spelled out in detail, it would likely form a key part of the job. Similar groups of "ambassadors" in

other cities often work not so much to remove all evidence of homelessness but to keep people from entrenching themselves in places like alcoves and the entrances to vacant storefronts. (See part three of DAN's Tucson series.)

That "clean and safe" crew would account for the bulk of the BID's budget. But the proposal also includes money for marketing efforts - things like installing pop-ups or art shows in vacant storefronts, adding signage and branding, hosting small events, marketing Downtown to the rest of the metro area, and providing, as the plan puts it, "support for research and education to advance policies and issues that impact Downtown."

Finally, there's an advocacy component, which is a common role for BIDs across the country. Because they're plugged into a broad mix of Downtown stakeholders, BIDs are often in a good position to do the early work of sorting out what the community wants to see happen. In an ideal world, they hash out ideas, build consensus, and deliver fully baked proposals to City Hall or other policymakers.

This all seems pretty humdrum. What does it have to do with revitalization? Think about it from the perspective of someone who might want to open a business Downtown. As they ponder the idea, they are likely to think of four major and obvious challenges.

First, Downtown sometimes looks pretty grungy. The sidewalks get dirty and stained, the planter flowers are often AWOL, and there's not much in the way of branding or signage that makes the place feel inviting. That's a two-part problem for a business owner: People generally prefer to spend time and money in attractive, well-cared-for places, and a grungy look sends signals - fair or not - that make some people feel uneasy or even unsafe. There's some indication that women in particular feel this way: In survey after survey, they make up just one-third of the people passing by the intersection of Fifth and Central during weekday lunch hours. In Tucson, one of the 2,500 or so North American cities with a BID, a survey last March showed a 50/50 gender ratio and double the overall number of people.

Second, there are a lot of people wandering around Downtown who give every impression of being completely out of their minds, whether from drugs, long-term mental health issues, or some combination of both. Many are a bit unnerving but basically harmless. Others have been known to walk into shops and cause trouble - anything from verbal harassment to vandalism or even assault. That's just part of the operating reality in Downtown today.

Third, thanks largely to those first two factors, Downtown has a serious reputation problem across the metro area. Plenty of people are afraid to come here, and that's a big problem if you're a business trying to attract customers.

Fourth, there's a long-standing communication challenge with City Hall. Downtown

areas are complex places, and local governments are often not particularly well set up to understand their needs or respond in a productive way. The result is a frustrating dynamic, no matter who is in the mayor's office (DAN, 12/12/24).

The theory behind the BID is that if done right, it can help tackle all four of those issues. For the grungy aesthetics, the clean-and-safe team would make sure the sidewalks get power-washed, the planters have actual flowers, and the branding and signage get some attention. For pressing security issues, business owners would have a number they could call for fast help, rather than waiting potentially hours for APD. To address the reputation problem, the BID would be in a position to launch a marketing campaign aimed at countering all the negativity. And on the communication front, the BID could be a platform for organizing Downtown property owners into the kind of partner City Hall has probably needed for a long time - bringing to the table an agenda fronted by an executive director well-versed with how cities, BIDs, and downtowns work.

That's the theoretical plan, in any event, and if organizers can turn it into reality, it's not hard to imagine some key knock-on benefits: Downtown would likely be a more attractive prospect for new businesses, a more attractive expansion prospect for existing ones, and the customers who make it all work would be more likely to show up.

What really gets the Downtown booster set jazzed up, however, is the potential feedback loop that this sort of thing could start. More people, more buzz, and more businesses often lead to more people, more buzz, and more businesses as those who are sitting on the sidelines suddenly start to fear that they're missing out. It can also make it easier to finance new housing units, which further fuels the cycle by creating a built-in customer base.

How would it be paid for?

The proposed BID would divide Downtown into two "service zones."

The premium zone - roughly the area between Copper and Gold (see map above) - would pay the highest rate. Property owners there would be assessed 13.2 cents per square foot of both land and building space. The standard zone - basically the rest of the Downtown core - would pay a lower rate of 8.2 cents per square foot using the same formula.

The idea here is that properties in the premium zone would get about twice the level of "clean, green, and safe" services as those in the standard zone. The change stems from the last BID, under which property owners farther from Central felt like they were getting less attention even as they paid the same rates, organizer Bill Keleher said. In the new arrangement, the areas closer to Central "will get more service, more attention, and will pay a little more," he added.

Here's a real-world example: If you owned a 10,000-square-foot building on a 10,000-

square-foot lot, you'd pay \$1,640 per year in the standard zone and \$2,640 per year in the premium zone.

Altogether, the BID would raise around \$1.7 million annually through such payments, with about \$1.25 million going to the clean-and-safe services described earlier. The rest would be divided between marketing, special projects, BID management, and advocacy.

What's in it for the property owners paying the freight?

For many Downtown property owners, there's a serious civic pride factor at play. A lot of them are urbanists at heart: They love Downtown and want to see it thrive, much like they'd root for their own kid to succeed.

But they're also thinking about money: Across the country, property owners vote to create and renew BIDs because they believe they get a return on that investment. A cleaner, safer, more vibrant Downtown tends to boost property values, allows landlords to charge higher rents, and helps their tenants actually pay those rents by drawing in more customers.

Local governments also tend to like BIDs for similar reasons. The average politician wants a successful city center to brag about, but it's also true that revitalized downtowns generate a lot more tax revenue than stagnant ones. And critically, the infrastructure of a downtown - streets, utilities, sidewalks, etc. - is already in place. That means the new tax revenue brought by businesses and residences comes with comparatively little need for new public infrastructure spending, especially when compared to the money required to provide public services to brand-new neighborhoods.

Given the boost that a revitalized Downtown would mean for local tax revenue, why doesn't the city just replicate the BID's suite of services, pay for all of it, and then laugh all the way to the bank?

That just doesn't seem to be in the cards in modern America, given how cities are structured and governed. First, there's a question of political representation. A downtown area might have one or two city councilors (ours has one), but the rest of the city has many more. That makes it hard for any city center to marshal the political clout needed to push through an idea like that, much less sustain it over time.

And it's easy to see why. If you're a resident or business owner in a far-flung part of the city with a struggling commercial strip, you're probably not going to love the idea of the city pouring extra love and attention into Downtown while your area gets less. This Downtown-versus-everywhere-else tension is a hallmark of local politics, both here and across the country. There's a reason the BID model has become the go-to approach, even if it may strike some as unfair or fiscally backward.

There's another political factor to consider. Many property owners in other cities would

doubtless approve of local government paying for many of the typical BID services like street cleaning and security, but when it comes to thought leadership and setting the downtown agenda, they might want someone like themselves to be in charge. Paying the piper through a BID gives them the opportunity to call the tune.

That said, the city does have a significant role in the proposed BID. It has tentatively committed to chipping in about \$400,000 a year by way of continuing its current spending on Downtown cleaning services (as delivered by the Duke City Community Ambassadors, formerly Block by Block - DAN, 3/5/21).

The city has also tentatively agreed to pay BID assessments on its long list of Downtown properties, though they are not legally required to. That not inconsiderable portfolio includes City Hall, the KiMo Theatre, and the convention center, to say nothing of various parking garages and small parcels like the Sixth-and-Central home of Studio 519, where public access TV is produced. Bernalillo County has also indicated support, Keleher said, though final approval of such a deal will need to come from the City Council and the Bernalillo County Commission, respectively.

The support, in any event, will be critical: "If those commitments from the governmental entities are not forthcoming, it just doesn't work - because of their large footprint," Keleher said. "This is a chance for them to demonstrate in a nuts and bolts, meat and potatoes way that they are willing to work with the property owners to make Downtown a better place."

The experience of other cities seems to be that this kind of arrangement can actually be sold citywide, not least because it doesn't look like local government playing favorites with Downtown. It looks, rather, like the property owners of a specific district putting their own money on the table and asking the government, as a fellow property owner, to pay their fair share.

Where does the process go from here?

Organizers now need to collect signatures from more than 51 percent of qualified property owners within the proposed BID zone. (Nonprofit property owners, governments, and small-scale residential properties can't sign, nor do they pay BID assessments.)

"We've been talking to people all along," Keleher said. "It's just grassroots, peer-to-peer conversations."

Keleher estimates the total electorate at 180 properties, meaning they'll need just over 90 signatures to hit the required threshold. There's no official deadline on that signature drive, but Keleher said he'd love to get it done in June.

If and when they succeed, the petition goes to the City Council, which is then tasked with forming a planning group to finalize the details. That group could meet multiple times to fine-tune the proposal, which Keleher expects will be based closely on the

existing operational framework document (that's the reason it is still labeled "draft"). Once the planning group signs off, they send the plan back to the City Council, which can then create the BID by passing a formal city ordinance. At that point, it's official.

Who is backing the effort?

Proponents include Scott Throckmorton (500 Marquette), Mark Baker (505 Central Food Hall), Jake Ralphs (Echoes), Jerry Mosher (the former Century 14 theater), and several members of the Keleher family. David and Adam Silverman, who through their firm, Geltmore, have interests in several Downtown core properties, are also supporting the push.

One major Downtown property owner, Doug Peterson, was on the board of directors for the last BID but has so far opposed this one.

Meanwhile, Jim Long, who filed suit to end the last BID, has signaled tentative support for this one. Calling the effort "well organized," he said Wednesday that his "only concern at this point is whether the signatures obtained will be valid."

He added that: "The document does not require a notary to confirm the legitimacy of the BID signers. An audit will need to be conducted to determine the validity of the signatures obtained. Previously, on prior BID efforts, several non-property owners signed these forms and the City Council accepted [those] invalid signatures - thus, establishing grounds for our successful court case."

"Hopefully, this effort will be conducted above board," Long concluded. "Assuming that the signed BID forms are legitimate, we will support the BID."