

JULY 2014

Downtown Detroit Business Improvement Zone UPDATE



The City of Detroit recently sent summer 2014 property tax statements to all property owners. The first Downtown Detroit BIZ assessment is included. We want to keep you informed about the start of the BIZ and how assessments will be used.

Help us keep in touch!

Visit our website to enter your frequently-checked email address so we can keep you up-to-date.

Sustaining Clean Downtown

The Clean Downtown program will provide services through 2014. We are continuing to raise donations with the goal of preserving assessment funds for expanded BIZ services in 2015. Because Detroit's summer property tax bills can be split into two payments, the BIZ will not receive full funds until early 2015.



Transition from Clean Downtown to the BIZ

DDP anticipates three phases to transition from Clean Downtown to services provided by the BIZ:

2014

Clean Downtown services continue

Phase I: BIZ setup

I. Setup of BIZ governance.

- The BIZ cannot take action until the BIZ Board is established and authorized to develop a budget.
- The first BIZ board meeting will be in August.

Phase II: Service Planning

II. Planning of new services for deployment by the BIZ.

- We will gather additional input from the entire Downtown community and develop a program that targets priorities.
- Property owners will have an opportunity to review this program.

2015

BIZ services start

Phase III: Transition

III. Supplemental services launch under BIZ supervision.

- Based on priorities identified in the planning phase, BIZ services will be launched throughout Downtown Detroit.
- Consistent BIZ revenues are established in the first quarter of 2015.

Frequently Asked Questions

01 What kinds of services will the BIZ provide? What do property owners need to continue doing?

Under the Zone Plan approved by property owners in April, the BIZ will provide supplemental cleaning, safety and landscaping services throughout Downtown Detroit. The range and frequency of BIZ services will be determined by the BIZ Board of Directors after gathering additional input of Downtown's business community. All BIZ services will be used exclusively within the area bounded by I-75, I-375, and M-10.

Until the range of BIZ services is finalized and services are deployed, property owners should continue to coordinate with our Clean Downtown program for any special needs.

02 How are BIZ assessments calculated?

Under the Zone Plan approved by property owners, BIZ assessments are calculated using assessed value and floor area of property as described in City of Detroit records. Constant rates are applied to each of these values:

Assessed Value Rate: \$0.003 per dollar of assessed value

Floor Area Rate: \$0.058 per square foot of floor area

For example, a BIZ assessment for a property with an assessed value of \$100,000 and a floor area of 8,000 square feet is calculated as follows:

Assessed Value Rate: $(\$100,000) \times (\$0.003) = \$300$
+ Floor Area Rate: $(8,000) \times (\$0.058) = \464 = 2014 BIZ assessment: $\$300 + \$464 = \$764$

03 Will BIZ assessments change year after year?

The annual BIZ assessment on any property will change only if the city's property data reflects a change in assessed value or floor area. Annual BIZ assessment increases are limited to a maximum of three percent each year except in cases of new construction or substantial rehabilitation.

04 How do property owners pay the BIZ assessment and how does the money get to the BIZ?

BIZ assessment payments are collected with property tax payments. Property owners should pay the total amount due in a single check; there is no separate payment to the BIZ. The city collects assessments on behalf of the BIZ and will transfer funds to the BIZ after all checks clear. BIZ assessments are included only on summer property tax bills.

05 How can property owners stay informed and ensure the BIZ is accountable?

All Downtown property and business owners should get involved in ensuring the high quality of BIZ services. The BIZ will hold periodic meetings to keep property owners informed about how funds are spent. Your first step is to provide us with an email address that you check regularly so we can inform you about BIZ progress and periodic meetings in our monthly e-newsletters. You can also comment at www.DowntownDetroit.org.

06 I'd like to talk to someone regarding my BIZ assessment calculation. Who do I contact?

Contact DDP at the email address or phone number below. DDP staff will explain how your BIZ assessment is calculated under the Zone Plan approved by property owners using the city's assessed value and floor area records.

Purpose of the BIZ:

The Downtown Detroit BIZ is a special assessment district formed by property owners for providing a range of services that keep Downtown Detroit clean, safe and beautiful.



CONTACT Call: 313-566-8247 | Email: BIZquestions@downtowndetroit.org | Website: www.downtowndetroit.org

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