NEW YORK CITY DEPARTMENT OF SMALL BUSINESS SERVICES

NYC BID PROGRAM
AN INTRODUCTION TO BUSINESS IMPROVEMENT DISTRICTS
Serving Businesses
SBS serves businesses by: providing direct assistance to help businesses start, operate, and expand; and simplifying the way businesses can manage licenses, permits, and other transactions with the City.

Serving Jobseekers
SBS implements a business-driven system of workforce development focused on matching worker training and skills development with employer needs.

Serving Neighborhoods
SBS supports community-based economic development organizations throughout the City in order to create the conditions under which local businesses can grow and thrive.
A Business Improvement District (BID) is a public/private partnership in which property and business owners come together and elect to make a collective contribution to the maintenance, development and promotion of their commercial district.
For over 30 years, Business Improvement Districts (BIDs) have been valued and proven partners in ongoing initiatives of neighborhood revitalization and economic development across the five boroughs. NYC’s 67 BIDs — the largest network of BIDs in the country — invest over $100 million in services to 16,000+ ground floor businesses and employ 1,300+ people.
As City services decreased in the 1970s and 80s, litter, graffiti and crime increased and many City areas were considered unsafe.

Retail anchors closed, and vacant lots bred drug use and homelessness.
Legislatures in NY City and State pass BID legislation

1981-1982

5 BIDs invest $1.3 million into NYC

1985

22 BIDs invest $9.4 million in NYC

1990

Property owners form the City’s first BID, Union Square

1976

State legislation passes to form the first Special Assessment Districts (SADs), Fulton Mall, Jamaica Center, Nassau St. and 165th St.

1984

First BID in the Bronx, HUB/3rd Avenue, is formed

2000

44 BIDs invest $52.1 million in NYC
Control Sought On Districts For Businesses

After years of questioning the powers of the city's private business improvement districts, Mayor Rudolph W. Giuliani is about to propose some stringent measures that would give his administration significant control over the semiautonomous agencies.

The new rules would require the city's 39 districts, which provide services like street cleaning and security, to clear virtually every major undertaking with the Department of Business Services, from the staging of street fairs to the purchase of new computers, said several officials from the districts and others who know of the city's plans.…

The Big City; Clean Up City? Not Unless It's City Hall Way

STOP them before they clean again!

For years, city officials stood by helplessly while roving gangs of men in overalls prowled the streets picking up litter. But the Giuliani administration has decided that enough is enough.

Deputy Mayor Rudy Washington has vowed to stop local business groups from expanding their efforts to spruce up neighborhoods. He has turned down every budget increase requested by the city's business improvement districts, a decision the groups say would force them to curtail new programs and reduce their staffs…
For Improvement Districts, Restored Alliance With City

Under Bloomberg, New Life For Business Districts

Mayor Envisions a Bigger Role For 44 Improvement Districts
Mayor Bloomberg and the BIDs

Mayor Bloomberg recognized the impact BIDs have on the economic development of New York City and created a 5-point plan to re-energize the BID Program:

1. Simplify formation and expansion procedures and create one-stop, user-friendly BID Formation guide
2. Allow BIDs to increase budgets and boundaries
3. Streamline the assessment collection and distribution process
4. Provide grants to spearhead formation targeting neighborhoods outside Manhattan
5. Allow issuance of long-term debt

“In these tough times, we must strengthen business improvement districts and local economic development corporations throughout the City.”

- Mayor Michael Bloomberg
2002 State of the City Address
Invested over $105 million in services in Fiscal Year 2012, providing services to over 16,000 ground floor businesses.

Since taking office in 2002, 23 BIDs have been created under the Bloomberg Administration.

Of the 23 BIDs created in the outer boroughs, 16 of them have emerged in smaller commercial corridors and have assessments under $500,000.
What do BIDs do?

BIDs provide an array of supplemental services and improvements to a defined geographic area. Typical services include:

1. Sanitation & Maintenance
2. Public Safety
3. Marketing
4. Capital Improvements
5. Beautification & Landscaping
6. Business Development
7. Community Service

BIDs serve as liaisons between City government and their respective communities.

*Services provided by BIDs supplement, not replace, services already provided by the City.*
In 2012 BID services:
- Covered over 3,300 block faces with sanitation services
- Collected nearly 3.5 million bags of trash
- Removed over 75,000 incidents of graffiti
- Employed over 600 sanitation workers
In 2012 BIDs:

• Covered over 2,400 block faces with security services
• Employed over 350 public safety officers who responded to over 1.4 million incidents or requests for assistance
In 2012 BIDs:

• Held **3,000** public events that drew an estimated **2.6 million** attendees
• Distributed over **2.2 million** district guides
• Installed nearly **2,000** new banners
• BIDs maintain **67 websites** promoting their districts and providing information to visitors
BIDs install streetscape and capital improvements and maintain projects ranging from:

- Street furniture
- Pedestrian-scale lighting
- Public plazas
- Signage
- News racks
BIDs respond to the unique needs of their districts by providing additional services such as:

- Business Development
- Commercial Vacancy Reduction
- Beautification/Horticulture
- Holiday Lighting
- Social Services
Who oversees the BID?

All decision-making for the BID is governed locally via a Board of Directors consisting of:

1. Property owners (elected)
2. Commercial tenants (elected)
3. Residential tenants (elected)
4. Four public members (appointed)

The Board of Directors hires or contracts with personnel to manage the BID on a daily basis.
How is a BID funded?

**Special Assessments** are collected from property owners within the defined area of the district. This is agreed upon by the BID’s steering committee during formation.

The assessment is billed and collected by the City of New York, then fully (100%) disbursed back to the BID, which in turn delivers the districts services.
How is a BID funded?

Does everyone pay?
The amount paid by each property owner is determined by a unique formula that each steering committee collectively agrees upon for its district during the formation process. Formulas are often based on property type, street frontage, size and/or value.

- All commercial property owners within the district’s defined boundaries contribute to the BID’s total assessment (total fixed budget).

- Not-for-Profit properties do not pay.

- Residential properties generally pay only $1 per year.

- City, State and/or Federal Government agencies do not pay for the BID.

- Total fixed, yearly budgets (or total assessments) for BIDs in NYC range from $50,000-$16,000,000.
How is a BID formed?

BID formation is a three phase process that includes **Planning**, **Outreach**, and **Legislative Authorization**.
1. Planning Phase

During the Planning Phase a group of property owners/merchants that are interested in forming a BID:

a) Establish a steering committee
b) Determine boundaries for the new district
c) Identify services needed within the new district
d) Create a budget and assessment formula
e) Write a formal plan for the BID
How is a BID formed?

2. Outreach Phase

During the Outreach Phase the steering committee:

1) Communicates with all property owners and commercial tenants in the proposed district to gain support for the new BID and explain the formation process.
2) Obtain statements of support from as many members of the district as possible
3) Hold public meetings to inform them of the plan
How is a BID formed?

3. Legislative Phase
During the Legislative Phase (~9 months) the plan for the proposed district is submitted for review/approval to:

- The City Planning Commission
- Community and Borough Boards
- City Council
- Mayor

Support for the proposed district is assessed through:

- A series of public hearings
- Review of documented support, collected during phase II

The BID is established when the Mayor approves the plan and signs the BID into law.
BID Advantages:

How will a BID help my neighborhood?

- Cleaner, safer, more attractive commercial districts
- Creates a steady and reliable funding source for supplemental services and improvements
- The ability to respond quickly the changing needs of the business community
- The potential to increase property values, improve sales and decrease commercial vacancy rates
- A district that is better able to compete with nearby retail and business centers
The International Downtown Association selects NYC for its

2013 Annual World Congress

www.ida-downtown.org