

Business Improvement Districts

09



BID

Fiscal
Year
2009
Annual
Report
Summary

NYCTM
Small Business
Services

Dear Friends:

I would like to congratulate the dedicated staff and board members of New York City's network of 64 Business Improvement Districts (BIDs), who worked tirelessly to keep our commercial districts competitive in this past year's difficult economy. As this Annual Report Summary shows, the City's BIDs continue to not only maintain clean and safe environments for residents, shoppers and workers, but also provide district marketing, business attraction, retention and assistance programs. Several of these initiatives are highlighted in this report, but they are only a taste of the vast, innovative programs and offerings that BIDs make available to the City's business community.

Each year the Department of Small Business Services (SBS) collects Annual Reports from the BIDs which highlight the programmatic and financial impacts of each organization. This report summarizes that information with the hope of encouraging BIDs to think creatively about ways in which they can best support their commercial districts.

Similar to the diverse neighborhoods they serve, New York City's BIDs have a wide range of budgets and capacity. I encourage you to learn more about each BID by visiting our website, nyc.gov/BID where you will find profiles of each BID with contact information, a link to its website, a district map, organizational accomplishments and budget information.

Of course, all of the successes of the BIDs would not be possible without tremendous leadership and active partnerships. I would like to thank the BID staff and boards for their hard work and dedication as well as the City agencies and elected officials who work closely with the BIDs and support their efforts. I would like to extend a very special thanks to Deputy Mayor Bob Lieber for



his two and a half years of service and support of the BID program. Finally, I would like to thank my staff under the leadership of Deputy Commissioner David Margalit, Assistant Commissioner Jeremy Waldrup and Director of BID Program Management Laura Rothrock for their daily work in supporting the BID program.

The BID program continues to grow, with ten new BIDs currently in the pipeline — a true testament that these organizations are invigorating New York City's commercial districts. We look forward to working with those BIDs in planning and the 64 summarized in this report as we make New York City an even better place to live, work, and shop.

Sincerely,

Robert W. Walsh
Commissioner

BID ANNUAL REPORT SUMMARY FISCAL YEAR 2009

Summary	04
Marketing / Special Events	05
Business Attraction, Retention and Assistance Programs	07
Sanitation and Security	08
Revenue and Spending	09
Moving Forward	11
Map of BIDs by Borough	12

FY09 Total Revenues

BIDs that reported in FY09; listed in order of budget size

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Less Than \$250,000 (21)

- 180th Street
- Bayside Village
- East Brooklyn
- Pitkin Avenue
- Montague Street
- White Plains Road
- North Flatbush
- Southern Boulevard
- Graham Avenue
- Forest Avenue
- 165th Street
- Brighton Beach
- Sutphin Boulevard
- Grand Street
- Columbus-Amsterdam
- 86th Street Bay Ridge

- Jerome Gun Hill
- Church Avenue
- 82nd Street
- Woodhaven
- Flatbush-Nostrand Junction

\$250,000-\$500,000 (14)

- Kings Highway
- Long Island City
- Flatbush Avenue
- Kingsbridge
- Sunset Park
- Steinway Street
- Downtown Flushing Transit Hub
- Sunnyside Shines
- Myrtle Avenue
- Bay Ridge 5th Avenue
- HUB/Third Avenue
- Myrtle Avenue
- DUMBO
- NoHo NY

\$500,001-\$1,000,000 (9)

- Columbus Avenue
- 47th Street

- Fordham Road
- Court-Livingston-Schermerhorn
- Washington Heights
- Jamaica Center
- 125th Street
- Lower East Side
- Village Alliance

\$1,000,001-\$5,000,000 (8)

- Union Square
- Fulton Street Mall
- Flatiron/ 23rd Street
- Madison Avenue
- East Midtown
- Lincoln Square
- Fifth Avenue
- Metrotech

\$5,000,001 and Greater (6)

- Fashion Center
- Bryant Park
- 34th Street Partnership
- Grand Central
- Times Square Alliance
- Alliance for Downtown New York



FISCAL YEAR 09

Annual Report Summary

A Business Improvement District (BID) is a public / private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district within a defined boundary. New York City has one of the largest networks of BIDs in the world. Currently 64 BIDs exist in neighborhoods across the five boroughs. In Fiscal Year 2009, these organizations had an immense impact across New York City, investing nearly \$98 million and serving over 3,100 block faces.

The Department of Small Business Services (SBS) works with all 64 BIDs and those in planning by providing capacity building opportunities, oversight, and liaising with City agencies. The purpose of this report is to summarize the impact that BIDs have had in Fiscal Year 2009 throughout New York City, provide transparency regarding the programs and spending priorities of BIDs, and highlight some specific BID activities from the previous Fiscal Year that have helped stimulate local economic growth.

BIDs are keeping retail districts competitive during the economic downturn through sanitation and public safety services, capital improvements and maintenance, as well as direct business assistance, attraction, retention and marketing programs. Marketing, branding and special events drive foot traffic to these districts, while business attraction and assistance programs help maintain low vacancy rates and higher quality retail opportunities for shoppers. During the recent economic downturn, vacancy rates remained stable in these districts. The chart below shows the vacancy rates for BID districts, both borough and City-wide.

Borough	District Vacancy Rate Fiscal Year 2008	District Vacancy Rate Fiscal Year 2009	Percentage Point Change
Bronx BIDs Average Vacancy Rate	2.54%	4.10%	1.56
Brooklyn BIDs Average Vacancy Rate	6.38%	5.77%	-0.61
Manhattan BIDs Average Vacancy Rate	7.13%	7.18%	0.05
Queens BIDs Average Vacancy Rate	4.13%	4.43%	0.30
Average City-Wide BID Vacancy Rate	5.77%	5.81%	0.04

DATA SELF-REPORTED BY THE BIDS

MARKETING / SPECIAL EVENTS:

BIDs provide marketing, promotions, and special events to draw new customers.

Although most BIDs have marketing programs, the types of activities vary widely. The smaller BIDs tend to focus on merchant directories, newsletters and community events while larger BIDs invest in tourism activities such as information kiosks, tours, and large public events that draw regional, and international tourists. In Fiscal Year 2009 alone, BIDs held a combined 1,173 public events that drew an estimated 13 million attendees. BIDs spent over \$16.3 million or 16.7% of total expenses, in marketing, communication, special events and tourism in Fiscal Year 2009.

Madison Avenue

Madison Avenue features the flagship boutiques of the finest European and American designers, over one hundred world class art galleries, exquisite restaurants, dozens of spas and salons for exclusive pampering, six internationally renowned hotels, and the Whitney Museum of American Art. In an effort to promote these offerings and encourage more international tourism to the district, the Madison Avenue BID has established a partnership with Tokyo's financial center, the Marunouchi district, managed by the Mitsubishi Estate. Given the similarity in consumer demographics of the two districts, the goal of the partnership is to promote travel and shopping to both destinations through a series of co-branded events, specialized tours and unique shopping offers.

The partnership with the Mitsubishi Estate launched with an exhibit about Madison Avenue's history and current development activities, which was held at the Marunouchi Building on the famed fashion street Naka-dori Avenue in Tokyo. This event intended to pique the interest of Japanese consumers in visiting Madison Avenue. A few weeks following the exhibit, Madison Avenue BID representatives traveled to Tokyo to join Mitsubishi Estate leadership at an official public signing ceremony, again drawing public attention to the partnership and hopefully enticing Japanese shoppers to make a trip to New York City.

In early August, the Madison Avenue BID held a traditional Japanese Uchimizu Ceremony - a ritual sprinkling of water on sidewalks to cool down the area - mirroring the annual Marunouchi district Uchimizu ceremony, to highlight and celebrate this unique partnership for New Yorkers as well.

In late September, Japan celebrates its "Golden Week", a series of national holidays in which travel is officially encouraged. The Madison Avenue-Marunouchi Partnership helped to encourage travel specifically to New York during



The Madison Avenue BID celebrates its partnership with the Marunouchi district through a traditional Japanese Uchimizu ceremony - a ritual of sprinkling water on sidewalks to cool down the area.

"Golden Week". During this period, the Madison Avenue BID encourages its stores to provide special offers for visitors and Japanese speakers who can serve Japanese clients. This initiative better served Japanese tourists patronizing Madison Avenue stores and encouraged continued tourism over the years.

Pitkin Avenue

The mission of the Pitkin Avenue BID is to retain, stabilize and expand business and opportunity through providing supplemental services and marketing to the BID area. The BID is also seeking to change the perception of Pitkin Avenue to one that is more community oriented and safe. By holding special events, painting murals, and reimbursing merchants for storefront improvements, the hope is to change the overall image and public perception of the avenue.

One of the ways the Pitkin Avenue BID tried to address these issues was through a series of holiday promotions. Throughout the year, the Pitkin Avenue BID used specific holidays as opportunities for marketing events in the area to support and promote local businesses. During Easter, the BID hosted a community-wide “Easter Egg Hunt”. For this event they developed and distributed special egg posters for 75 participating businesses to place in their windows, indicating a special



Easter sale to customers. Customers had to “hunt” for these posters to locate Easter sales in local stores. The BID printed and distributed 1,000 flyers throughout the corridor and the nearby housing development to promote this event within the community.

Additional holiday events sponsored by the BID focused on themed giveaways that aimed to encourage support for the area. For Valentine’s Day, the BID distributed 2000 “I ♥ Pitkin Avenue” buttons. On Mother’s Day, the BID helped to promote a local florist, giving away 200 flowers, and hosted a Father’s Day T-shirt making station at their June block party. BID staff and local business owners observed a significant increase in foot traffic to the area during all of these events. Overall, the neighborhood was wonderfully receptive to the new ideas, and BID activities helped to generate a sense of excitement on Pitkin Avenue.

Steinway Street

While great shopping has always been the trademark of Steinway Street, in 1991 the Steinway Street BID was established to enhance the retail mix, provide maintenance and security services and offer seasonal promotions for customers. The Steinway Astoria Partnership, as it is now known, continues the work started in 1991 addressing the issues of the property owners and over three hundred businesses of Steinway Street.

This year, the Steinway Street BID utilized the holiday season to support and encourage shopping in their community through specific holiday events and a series of promotional campaigns. “Sundays with Santa”, a Santa workshop set up at Jackson Hewitt for three Sundays in December, drew approximately 200 children each Sunday who received a free gift and picture with Santa. The BID also sponsored a tree lighting ceremony and carolers to serenading shoppers, all of which helped to create a welcoming and festive atmosphere for the surrounding community during the winter holiday season.

Building on this effort, the “Steinway: Something for Everyone” advertising campaign featured a series of ads on bus shelters, in the Daily News, the Greek language newspaper *Hellas*, and the weekly *Western Queens Gazette* that promoted Steinway Street as the place to shop for the holidays, as well as information on the various holiday events and activities being sponsored by the BID. The Steinway Street Shopping Experience holiday promotion was also advertised on 95.5 WPLJ with over 200 on-air commercials and over 300 stream rolls on the station’s website throughout December. Additionally, the station’s PLJ Party Patrol gave away shirts, CDs, buttons and candy for two hour blocks each Sunday in December during the holiday events. These efforts greatly increased the visibility of Steinway to the surrounding community, and the

events drew approximately 1500 attendees each Sunday. Merchant feedback after these events was overwhelmingly positive, indicating that the increased visibility led to an increase in foot traffic that helped to promote Steinway’s retail businesses.

BUSINESS ATTRACTION, RETENTION AND ASSISTANCE PROGRAMS:

BIDs are helping to attract, retain and assist businesses.

Flatiron/23rd Street Partnership

The Flatiron/23rd Street Partnership recognized a need for businesses in their district to gain access to knowledge and resources, particularly in a difficult economy. In response, the BID designed a series of speakers and events under a program entitled “Intersections: A BID Series Focused on Information, Ideas and Our Community.” The first event, “Rolling with the Punches: Small Business Survival for 2009” was held in partnership with Baruch College, TD Bank and the NYC Department of Small Business Services. More than 125 guests attended the forum, held at Baruch College’s Newman Conference Center. Attendees were treated to a panel discussion, moderated by NY1’s Annika Pergament, on the state of the economy. They had the option to choose between 4 breakout sessions that appealed to a variety of business needs including: Business Plan Redevelopment, Addressing Workforce Issues in an Uncertain Business Environment, External Solutions to Workforce Retention Issues or Accessing Credit, with the last two being lead by representatives from the NYC Business Solutions Centers. The event was an overwhelming success with participants commenting that they found the information timely, relevant and useful for their business.



Jennifer Brown, Executive Director of the Flatiron BID, poses with panelists at the Intersections business assistance event.

Alliance for Downtown New York

With a significant number of layoffs in New York City, particularly in the publishing and financial industries, people have had to become entrepreneurial and resourceful in taking consulting and freelance positions or starting their own businesses. The Alliance for Downtown New York, realizing the unmet demand for co-working space in Manhattan from this population, developed the Hive at 55.

Located at 55 Broad Street in Lower Manhattan, the Hive at 55 provides shared workspace for more than 30 people plus three private workrooms. The Hive at 55 encourages and allows free-lancers, entrepreneurs and independent consultants to work in Lower Manhattan without having to set up a formal office space. Members can have both the flexibility of non-traditional office work with the social atmosphere and support services of an office. Participants will find not only WiFi, fax, printer, copier machines, and conference rooms, but also workshops, happy hours and networking opportunities.

The Hive at 55 was included in Mayor Bloomberg’s MediaNYC 2020 plan, a program of eight initiatives to strengthen the media industry. Additionally, the Hive received \$100,000 in support from New York City Economic Development Corporation.



The Alliance for Downtown New York’s Hive at 55 co-working space is full of entrepreneurs and free lancers.

SANITATION AND SECURITY:

BIDs are able to market their districts as more competitive because of their focus on supplemental core services, cleanliness and safety.

Sanitation

Providing sanitation services for the districts is a core mission of all BIDs and it is the highest program expense across all BIDs (23% of total Fiscal Year 2009 BID expenses). Sanitation encompasses different services including placement of trash receptacles, trash pick up, street and sidewalk cleaning and graffiti and sticker removal, among others. BIDs also provide seasonal services such as power washing streets during warmer months and snow and ice removal during the winter months. In Fiscal Year 2009 BIDs spent over \$22.2 million and covered over 3,000 block faces with supplementary sanitation services, which included removing 55,000 incidences of graffiti and collecting over 2.55 million trash bags. These outcomes are due to the work of 612 in-house or contracted sanitation workers who logged 1,180,791 hours in the fiscal year.



Children helped the Fordham Road BID sanitation staff keep the district clean on Earth Day in Bryan Park in the Bronx.

Public Safety

Public safety is another core service for BIDs to provide; however, generally only BIDs with budgets over \$1,000,000 allocate a significant amount of their budget to providing this service through personnel. These BIDs either directly hire or contract security staff who not only respond to public safety incidents, but also provide directions, neighborhood information and act as the “eyes and ears” of the business community. Twenty-five, or 39% of all BIDs, employed 364 public safety officers who logged 717,090 hours and recorded over 1.2 million incidents in Fiscal Year 2009. On the other hand, smaller BIDs tend to focus their public safety efforts primarily on liaising with the municipal police for security services in their district. In Fiscal Year 2009, BIDs spent over \$20.7 million, or 21.3% of total expenses, in supplemental security services which covered 1,986 block faces.



A Lincoln Square Public Safety Officer gives directions to a visitor.

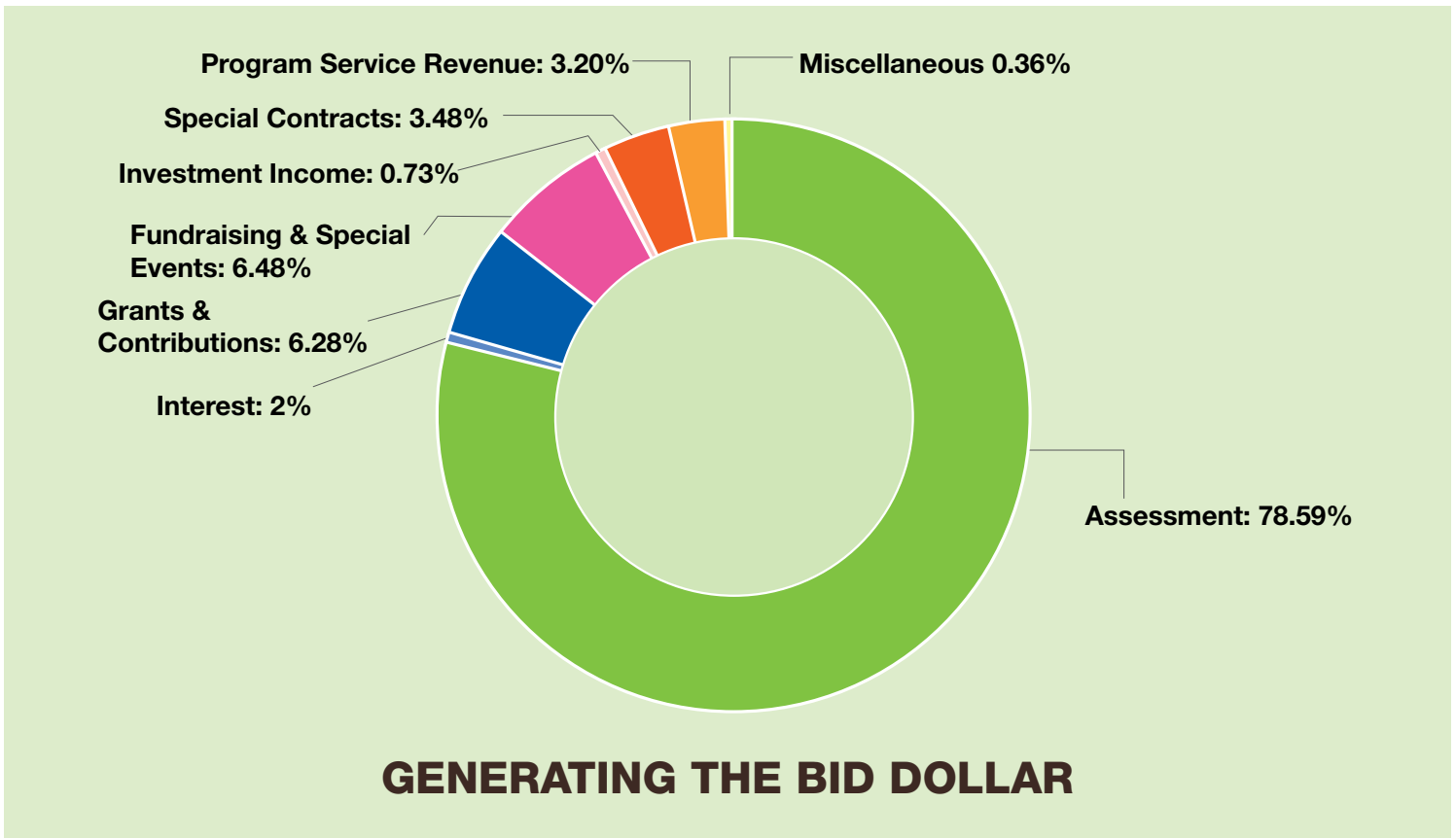
FISCAL ANALYSIS SUMMARY 09

The Department of Small Business Services analyzed budget data for all BIDs that were operating and submitted Annual Reports for Fiscal Year 2009 (total of 58). Annual operating budgets range from \$53,000 to over \$17 million. Since there is such a wide range in BID budget size, and recognizing there are significant operational differences between smaller and larger organizations, BIDs were divided in to five categories based on budget size.

Budget Size Category	Under \$250,000	\$250,001-\$500,000	\$501,000-\$1,000,000	\$1,000,001-\$5,000,000	Over \$5,000,000	All BIDs Reporting in Fiscal Year 2009
No. of BIDs within each category	21	14	9	8	6	58

Revenues Fiscal Year 2009

New York City's BIDs generated over \$99.9 million in revenue in Fiscal Year 2009. BID programs and services are underwritten by a special assessment collected from the property owners in the defined boundaries of the district, which provides a constant revenue stream to the organizations, despite a difficult economy. 78.6% of BID revenue, or \$78.5 million in Fiscal Year 2009 came from assessments. Apart from assessments, the largest sources of revenue were Fundraising and Special Events (6.5%) followed by Grants and Contributions (6.3%), and Special Contracts (3.5%). As the chart on the next page displays, generally as BIDs grow in size, the assessment as a percentage of total revenues decreases as larger BIDs have more diverse revenue sources.



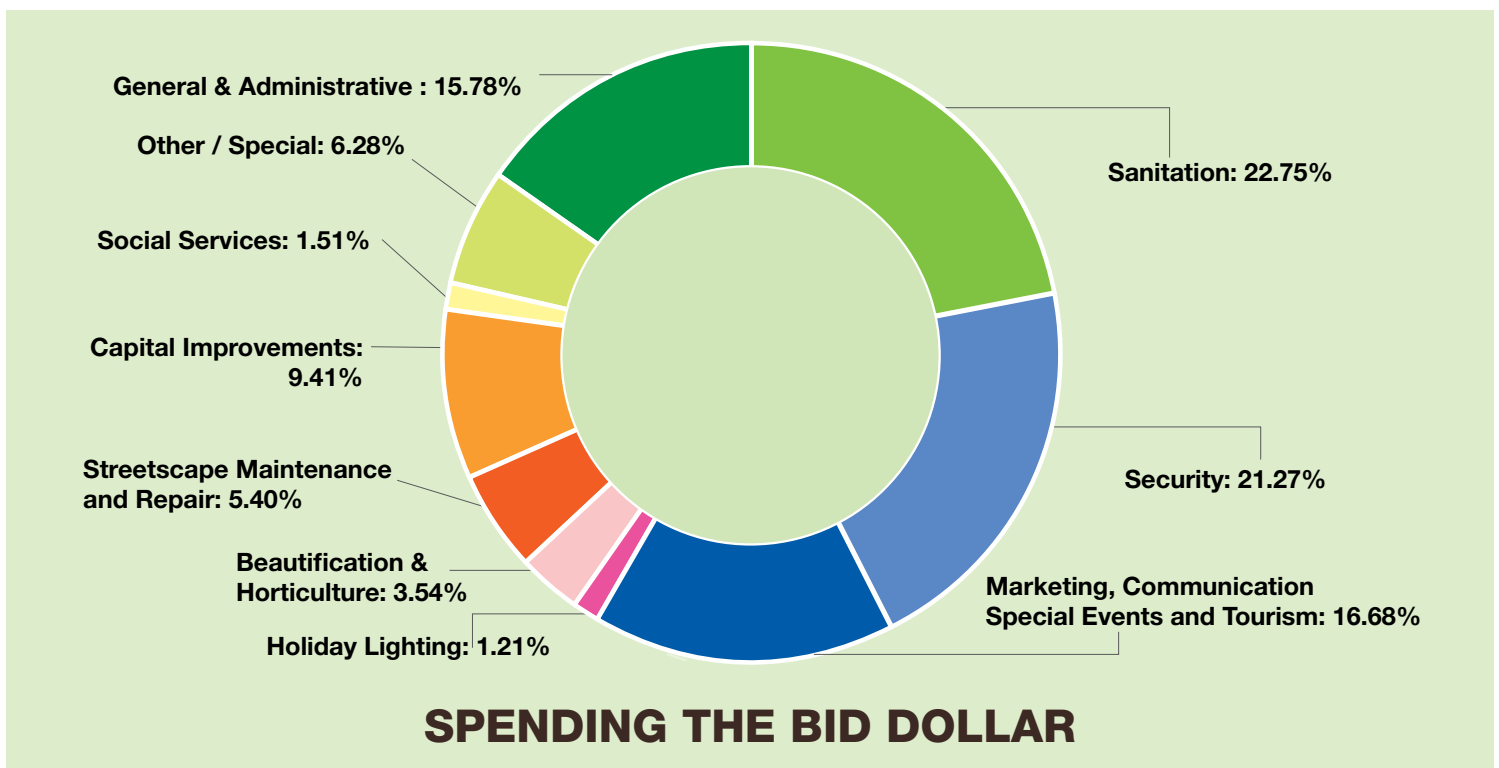
FY 2009 Revenue Sources as Percentage of Total Revenues

BID Budget Size	Special Assessment	Interest	Grants & Contributions	Fundraising / Special Events	Investment Income	Special Contracts	Program Service Revenue	Misc.
Under \$250,000	93.96%	0.40%	2.40%	0.90%	0.13%	0.73%	0.90%	0.57%
\$250,000-\$500,000	93.46%	0.58%	1.73%	3.53%	0.04%	0.00%	0.04%	0.63%
\$501,000-\$1,000,000	70.07%	9.46%	8.01%	3.88%	0.01%	0.42%	7.89%	0.26%
\$1,000,001-\$5,000,000	88.50%	0.56%	6.39%	0.33%	0.09%	0.00%	3.98%	0.16%
Over \$5,000,000	74.56%	0.31%	6.67%	8.94%	1.05%	5.12%	2.97%	0.40%
All BIDs	78.59%	0.87%	6.28%	6.48%	0.73%	3.48%	3.20%	0.36%

Expenses Fiscal Year 2009

BIDs spent nearly \$98 million in services for their districts in Fiscal Year 2009. In line with the “clean and safe” mission of BIDs, Sanitation and Security were the two largest spending categories, representing 44% of total annual expenses. Marketing was the third largest spending category representing 16.7% of total expenses while General and Administrative costs represented 15.8% of total expenses. Other expenses reflect BIDs’ missions to improve the pedestrian experience for shoppers, tourists and residents and include holiday lighting, beautification, streetscape repair and capital improvements. A number of BIDs also provide social service programs such as homeless outreach.

General and Administrative expenses include payroll, fringe benefits, insurance, professional fees, rent and office expenses. Similar to their budgets, BIDs have a wide variety of staff sizes. Not surprisingly, BIDs with larger budgets have upwards of 50 staff members while some smaller BIDs have only one part-time manager. In Fiscal Year 2009, there were 329 full-time and 119 part-time BID staff members, excluding sanitation and security personnel.



FY 2009 Spending Categories as Percentage of Total Spending

BID Budget Size	Sanitation	Security	Marketing/Promotions	Holiday Lighting	Beautification/Horticulture	Streetscape Maintenance Repair	Capital Improvements	Social Services	Other / Special	General & Administrative
Under \$250,000	32.01%	1.76%	13.33%	7.94%	3.15%	1.00%	1.08%	0.03%	3.78%	35.90%
\$250,000-\$500,000	30.88%	8.15%	13.01%	6.03%	2.78%	1.21%	1.74%	0.04%	6.73%	29.41%
\$500,001-\$1,000,000	24.68%	6.43%	15.97%	3.78%	3.97%	1.16%	3.78%	0.21%	4.10%	35.92%
\$1,000,001-\$5,000,000	29.75%	45.00%	16.36%	1.98%	4.66%	3.49%	0.00%	3.88%	0.67%	18.24%
\$5,000,001 and Greater	20.06%	19.29%	17.17%	0.18%	3.34%	6.62%	12.62%	1.29%	7.69%	11.74%
All BIDS	22.70%	21.23%	16.65%	1.20%	3.53%	5.39%	9.33%	1.51%	6.27%	15.75%

MOVING FORWARD

Although New York City's retail and business community saw economic hardship during Fiscal Year 2009, the City's 64 BIDs were able to provide support, whether through supplemental sanitation and public safety services or responding to business needs such as direct technical assistance and marketing programs. These targeted efforts are what keep these districts attractive to investors, shoppers and residents alike during tough economic times. The Department of Small Business Services looks forward to our continued partnership with New York City's growing network of BIDs.

10 BIDs in Planning...

Atlantic Avenue, Brooklyn

Burnside Avenue, Bronx

Chinatown, Manhattan

East Broadway, Brooklyn

East Harlem / 116th Street, Manhattan

Greenpoint, Brooklyn

SoHo, Manhattan

Utica Avenue, Brooklyn

Victory Boulevard, Staten Island

Westchester Square, Bronx

visit us at nyc.gov/BID



BID

Bronx (8)

- 51 161st Street
- 61 Belmont
- 49 Fordham Road
- 16 HUB/3rd Avenue
- 36 Jerome Gun Hill
- 43 Kingsbridge
- 59 Southern Boulevard
- 31 White Plains Road

Brooklyn (22)

- 42 86th Street/Bay Ridge
- 55 Bay Ridge/ 5th Avenue

- 64 Bed-Stuy Gateway
- 10 Brighton Beach
- 11 Church Avenue
- 56 Court-Livingston-Schermerhorn
- 52 DUMBO
- 05 East Brooklyn
- 14 Flatbush Avenue
- 54 Flatbush-Nostrand Junction
- 01 Fulton Street Mall
- 62 Fulton Street
- 13 Graham Avenue
- 06 Grand Street
- 19 Kings Highway

- 22 MetroTech
- 40 Montague Street
- 47 Myrtle Ave. Brooklyn Partnership
- 07 North Flatbush
- 60 Park Slope/5th Avenue
- 28 Pitkin Avenue
- 33 Sunset Park

Manhattan (21)

- 21 34th Street
- 39 47th Street
- 29 125th Street
- 32 Alliance for Downtown New York
- 08 Bryant Park
- 41 Columbus Avenue
- 12 Columbus/Amsterdam
- 44 East Midtown Partnership
- 27 Fashion Center
- 25 Fifth Avenue
- 53 Flatiron/23rd Street Partnership
- 15 Grand Central Partnership
- 63 Hudson Square
- 38 Lincoln Square
- 24 Lower East Side
- 34 Madison Avenue

- 37 NoHo NY
- 23 Times Square Alliance
- 04 Union Square Partnership
- 30 Village Alliance
- 09 Washington Heights

Queens (12)

- 18 82nd Street
- 02 165th Street
- 35 180th Street
- 58 Bayside Village
- 45 Downtown Flushing Transit Hub
- 03 Jamaica Center
- 17 Myrtle Avenue
- 50 Long Island City
- 20 Steinway Street
- 57 Sunnyside Shines
- 46 Sutphin Boulevard
- 26 Woodhaven

Staten Island (1)

- 48 Forest Avenue

*Numbers correspond to the chronological order in which the BIDs were formed