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Jamaica, NY 11432
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Staten Island - North Shore
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Staten Island, NY 10301
(718) 982-2560
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SIMPLE SOLUTION

Business Improvement Districts

What is a BID?

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.

How is a BID funded?

BID programs and services are underwritten by a special assessment collected from property owners in the defined boundaries of the district. The assessment is levied on the property-owners, who may then pass it on to their tenants, if their lease contains such a provision. The assessment is billed and collected by the City of New York and then disbursed to the District Management Association who in turn delivers the district's services.

Why form a BID?

The purpose of a BID is to improve business conditions in a specific area, attract and retain businesses, generate jobs and improve the quality of life for those who use the district. A BID enables stakeholders to decide which services to provide to meet the district's unique needs.

These services include:

Maintenance
Street / sidewalk cleaning
Graffiti removal

Business Development
Commercial vacancy reduction

Landscaping
Park / open space maintenance
Trees / flower planting

Marketing
Special events
District public relations
Promotional materials
Holiday decorations

Public Safety / Hospitality
Public safety officers
Visitor assistance

Community Service
Fundraising
Homeless & youth services

Capital Improvements
Improved streetlights
Custom trash receptacles
Directional street signage
Custom news boxes
Flower boxes

The BID's services supplement the services already provided by the City of New York.

How does my commercial district form a BID?

The BID process can be initiated by area property owners, a local development corporation, a chamber of commerce, a community board, or any elected official. Once the decision is made to plan a BID, the Department of Small Business Services (SBS) should be contacted. The staff at the Department of Small Business Services can assist you in all phases of formation. For more information, please call 311 and ask for "Business Improvement Districts" or fill out the contact form on the NYC Business Solutions website, www.nyc.gov/smallbiz.

New York City's 50 Business Improvement Districts

BID	Address	Phone/Fax	Email	Website
Alliance for Downtown NY	120 Broadway Suite 3340 New York, NY 10271	(212) 566-6700 (212) 566-6707	contactus@downtownny.com	http://www.downtownny.com
Brighton Beach DMA	1002 Brighton Beach Avenue Brooklyn, New York 11235	(718) 934-1908 (718) 769-8167		
Bryant Park DMA	500 Fifth Ave 11th Floor New York, NY 10110	(212) 768-4242 (212) 719-3499	bprc@urbanmgt.com	http://www.bryantpark.org
Church Avenue DMA	c/o CAMBA 1720 Church Ave 2nd Floor Brooklyn, NY 11226	(718) 287-2600 (718) 287-0857	oplustil@worldnet.att.net	
Columbus-Amsterdam BID (Lenape-Bloemendael DMA)	991 Amsterdam Ave New York, NY 10025	(212)666-9774 (212) 280-7730	Info@Columbus-Amsterdam-BID.org	http://www.columbus-amsterdam-bid.org
Columbus Avenue DMA	220 Riverside Blvd, 6M New York, NY 10069	(212) 721-5048 (212) 721-4070		http://www.columbusavenuebid.org
Downtown Flushing Transit Hub	39-01 Main Street Suite 507 Flushing, NY 11354	(718) 888-1805 (718) 888-0331	flushingbid@yahoo.com	
East Brooklyn BID	80 Jamaica Avenue 3rd Floor Brooklyn, NY 11207	(718) 385-6700 (718) 385-7505		http://www.ldceny.org
East Mid-Manhattan DMA	875 Third Avenue Mezzanine New York, NY 10022	(212) 813-0030 (212) 813-0034		

82nd Street DMA	37-06 82nd Street Jackson Heights, NY 11372	(718) 335-9421 (718) 507-2977	eightysecondst@aol.com	
86th Street Bay Ridge DMA	9201 Fourth Avenue 7th Floor Brooklyn, NY 11209	(718) 491-1705 (718) 921-4526	info@86bid.org	http://www.86bid.org
Fashion Center DMA	249 West 39th Street 1st Floor New York, NY 10018	(212) 764-9600 (212) 764-9697		http://www.fashioncenter.com
Fifth Avenue Association	555 Fifth Avenue 17th Floor New York, NY 10017	(212) 246-6256	Tacusick@aol.com	
47th Street DMA	580 Fifth Avenue Suite 323 New York, NY 10036	(212) 302-5739 (212) 302-7835	djidc@aol.com	http://www.diamonddistrict.org
Flatbush Avenue DMA	1616 Newkirk Avenue Brooklyn, NY 11226	(718)859-2600 (718) 859-2298		
Fulton Mall Improvement Association	356 Fulton Street Brooklyn, NY 11201	(718) 852-5118 (718) 852-5120	rheatisfmia@earthlink.net	
Grand Central Partnership DMA	122 East 42nd Street Suite 601New York, NY 10168	(212) 883-2420 (212) 661-4384	Info@gcpbid.org	http://www.grandcentralpartnership.org
Grand Street DMA	672 Grand Street Brooklyn, NY 11211	(718) 218-8836	info@grandstbklyn.com	http://www.grandstbklyn.com
HUB Third Avenue DMA	384 East 149th Street Room 612 Bronx, NY 10455	(718) 665-3983 (718) 401-1901	hub3rdavebid@aol.com	
Jamaica Center Improvement Association	90-50 Parson Blvd Suite 402 Jamaica, NY 11432	(718) 526-2422 (718) 526-0215	jamaicabidnyc@aol.com	
Kings Highway DMA	1637 East 17th Street 3rd Floor Brooklyn, NY 11229	(718) 645-1100	Pnuzzo3360@aol.com	
Kingsbridge DMA	5760 Broadway Bronx, NY 10463	(718) 432-6935 (718) 432-6937	Kingsbridge.BID@verizon.net	
Lincoln Square DMA	1841 Broadway Room 1112 New York, NY 10023	(212) 581-3774 (212) 581-3563	info@lincolnbid.org	http://www.LincolnBID.org

Lower East Side DMA	261 Broome Street New York, NY 10002	(212) 226-9010 (212) 226-8161	les@lowereastsideny.com	http://www.lowereastsideny.com
Madison Avenue DMA	59 East 79th Street New York, NY 10021	(212) 861-2055 (212) 861-7838	MadisonAveBID@nyc.rr.com	http://www.madisonavenuebid.org
MetroTech Area DMA	4 MetroTech Center Ground Floor Brooklyn, NY 11201-3858	(718) 488-8200 (718) 488-9130	info@metrotechbid.org	http://www.metrotechbid.org
Montague Street DMA	205 Montague Street 4th Floor Brooklyn, NY 11201	(718) 522-3649 (718) 522-3652	Montaguestdma@worldnet.att.net	
Mosholu/Jerome/ East Gun Hill Road DMA	c/o Mosholu Preservation Corp. 3400 Reservoir Oval East Bronx, NY 10467	(718) 324-4946 (718) 324-2917	Gunhillbid@mpcbronx.org	
Myrtle Avenue DMA	c/o Ridgewood LDC 59-09 Myrtle Avenue Ridgewood, NY 11385	(718) 366-3806 (718) 381-7080	Ridgewoodldc@aol.com	
NoHo NY DMA	666 Broadway 12th Floor New York, NY 10012	(212) 677-4579 (212) 677-3432	Hfnohony@aol.com	http://www.nohony.org
North Flatbush Avenue DMA	346 Flatbush Avenue Brooklyn, NY 11238	(718) 783-1685 (718) 783-1685	Ldombek@earthlink.com	
125th Street DMA	271 West 125th Street Suite 214 New York, NY 10027	(212) 662-8999 (212) 678-5136	BID125thSt@aol.com	http://www.125thstreetbid.com
165th Street Mall Improvement Association	c/o Jamaica Arts Center 161-04 Jamaica Ave Jamaica, NY 11432	(718) 298-5489 (718) 658-7922	Mall165@hotmail.com	
180th Street DMA	c/o Jamaica Arts Center 161-04 Jamaica Ave Jamaica, NY 11432	(718) 298-5489 (718) 658-7922	Mall165@hotmail.com	
Pitkin Avenue DMA	1572 Pitkin Avenue Brooklyn, NY 11212	(718) 922-2466 (718) 485-5497		
Steinway Street DMA	28-27 Steinway Street Astoria, NY 11103	(718) 728-7820 (718) 728-7413	Centralastoria@aol.com	

Sunset Park-Fifth Ave. DMA	476 51st Street 2nd Floor Brooklyn, NY 11220	(718) 439-7767 (718) 439-7794	SunsetparkBID@aol.com	
Sutphin Boulevard DMA	89-00 Sutphin Boulevard, Suite 305D Jamaica, NY 11432	(718) 291-2110 (718) 291-2109	Sutphinblvdbid@verizon.net	
34th Street Partnership	500 Fifth Avenue 11th Floor New York, NY 10110	(212) 719-3434 (212) 719-3499	34sp@urbanmgt.com	http://www.34thStreet.org
Times Square Alliance	1560 Broadway Suite 800 New York, NY 10036	(212) 768-1560 (212) 768-0233	info@timessquarealliance.org	http://www.timessquarenyc.org
Union Square Partnership	4 Irving Place Room 1148S New York, NY 10003	(212) 460-1200 (212) 420-8670	info@unionsquarenyc.org	http://www.unionsquarenyc.org
Village Alliance DMA	8 East 8th Street New York, NY 10003	(212) 777-2173 (212) 505-0639	bid@villagealliance.org	http://www.villagealliance.org
Washington Heights DMA	1456 St. Nicholas Ave 3rd Floor New York, NY 10033	(212) 928-3400 (212) 928-3646	whbid@netzero.com	
White Plains Road DMA	2415 Esplanade Bronx, NY 10462	(718) 881-3086	info@pelhamparkway.com	http://www.pelhamparkway.com
Woodhaven DMA	84-01 Jamaica Ave Woodhaven, NY 11421	(718) 805-0202 (718) 805-2929	Gwdcbid@hotmail.com	
Woodhull Community DMA (Graham Avenue BID)	80 Graham Avenue Suite 2A Brooklyn, NY 11206	(718) 387-6643 (718) 387-4955	Grahavebid@aol.com	

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starting a

BUSINESS IMPROVEMENT DISTRICT

a step-by-step guide

BID

New York City Department of Small Business Services

MAYOR MICHAEL R. BLOOMBERG
2002 STATE OF THE CITY ADDRESS

"We will reinvigorate the Department of Business Services so that it can focus on small organizations. In these tough times, we must strengthen business improvement districts and local economic development corporations throughout the City."

New York City Department of Small Business Services

Business Improvement Districts have been important partners in the economic development of New York City for more than 20 years. From the central business districts to local shopping areas, BIDs make valuable contributions to the life of our neighborhoods. Establishing a new BID is a serious effort that involves the work of local businesses, public officials and other community stakeholders.

Mayor Bloomberg is a very strong supporter of Business Improvement Districts. In May 2002, the Mayor introduced several new initiatives to improve the effectiveness of NYC's BIDs and strengthen their relationship with the City.

Toward that end, the NYC Department of Small Business Services is pleased to provide *Starting a Business Improvement District: A Step-by-Step Guide*. The guide outlines each step of the BID formation process, and gives advice as to how to create a successful new BID, cost-efficiently and time-effectively.

Thank you for your interest in the NYC BID program. We look forward to seeing your neighborhood join the ranks of those already participating in this highly regarded neighborhood development initiative.

Sincerely,

Robert W. Walsh
Commissioner

This guide was developed through the cooperation of:

Mark Newhouse, Deputy Commissioner, Neighborhood Development
George Glatter, Assistant Commissioner, Neighborhood Development
Sien Mittiga, Development Manager
Lily Kam, Neighborhood Development Intern
Neighborhood Development Staff

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BIDS: an overview

1. WHAT IS A BID?

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.

The idea for BIDs is modeled on the shared maintenance program of many suburban shopping centers. Malls are typically single properties, managed by one entity that sublets the retail space to multiple tenants. Tenants pay a common area maintenance fee to underwrite services that enhance the appearance of common areas and provide cooperative advertising for the mall and its stores.

A BID works in much the same way. However, because the BID is set in an urban context, multiple property owners agree to the extra fee (assessment). Thus, stakeholders in a commercial district can align themselves in much the same way to improve their area.

Several advantages result from this arrangement:

- **a cleaner, safer and more attractive business district**
- **a steady and reliable funding source for supplemental services and programs**
- **the ability to respond quickly to 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**

NEW YORK CITY'S BID PROGRAM: PAST TO PRESENT

1960s and 1970s: New York's BID movement began in response to limited public resources and deteriorating commercial districts.

1976: The City offered to make capital improvements within certain commercial districts on the condition that the property owners benefiting would maintain them. Local property owners agreed to provide the needed maintenance, and state legislation was passed to form the first Special Assessment District (SAD). Fulton Mall in Brooklyn, the first SAD, was formed in 1976.

1981/82: Legislation permitting property owners to define and self-fund similar districts, called Business Improvement Districts, was passed in New York State and City.

1984: Con Edison and other property owners around Union Square Park decided to take advantage of the new State and City legislation and formed the first New York City BID in the 14th Street-Union Square area.

1984-2003: 45 districts have been established and currently provide services throughout Manhattan, Brooklyn, Queens and the Bronx.

For more information on NYC's 45 BIDs visit www.nyc.gov/smallbiz.

BIDS: an overview

2. WHAT DOES A BID DO?

Business Improvement Districts deliver a range of supplemental services in coordination with municipal services and invest in the long-term economic development of their districts.

Supplemental Services/Improvements May Include:

Maintenance
- Street/sidewalk cleaning
- Graffiti removal

Public Safety/Hospitality
- Public safety officers
- Visitor assistance

Business Development
- Commercial vacancy reduction
- Business mix improvement

Marketing
- Special events
- District public relations
- Promotional materials
- Holiday decorations

Capital Improvements
- Improved streetlights
- Custom trash receptacles
- Directional street signage
- Custom newsboxes
- Flower boxes

Landscaping
- Planting trees/flowers
- Treepit maintenance

Community Service
- Fundraising
- Charitable events
- Homeless and youth services

3. HOW ARE BID PROGRAMS AND SERVICES PAID FOR?

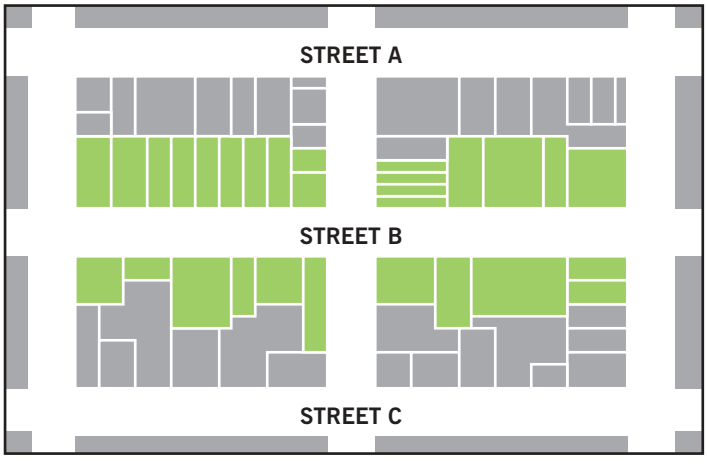
Funds to pay for BID programs and services are generated from a special assessment paid by the benefited property owners. (Note: Many leases have a clause that allows property owners to pass the BID assessment on to their tenants.) The assessment is billed and collected by the City of New York and then disbursed to the BID, which in turn delivers the district's services.

WHAT IS A BID ASSESSMENT?

A BID assessment is a fee that each property owner pays to support the operations of the BID. The sum of all the individual assessments that property owners pay comprise the total yearly assessment of the BID, and underwrite most, if not all, annual operating expenses. The total yearly assessment is unique to each BID in NYC, ranging from $53,000 to over $11 million.

Example

In the figure to the right, the green boxes represent properties within the boundaries of "ABC" BID. Each of the owners of the shaded properties pays a yearly assessment. The sum of these assessments is the total assessment budget of "ABC" BID, which is spent to provide services and improvements to the shaded properties, exclusively.



"ABC" BID

Different Properties Pay Different Assessments

Property Type	Assessment
Occupied commercial or industrial properties	All are assessed and pay the commercial rate*
Not–for-profit owned and occupied properties	Generally do not pay an assessment
City, State and/or Federal government occupied properties	Do not pay an assessment
Residential properties	Generally pay reduced assessments
Vacant properties	Generally pay reduced assessments

*The amount paid by each commercial or industrial property owner is determined by a formula that each BID creates for its district during the formation process. Formulas are based on property size and/or value.

BID VS. MERCHANTS' ASSOCIATION

While property owners and tenants could participate in a voluntary merchants association, the BID model presents two distinct advantages:

Business Improvement District	Merchants' Association
Provides a steady and reliable source of funding.	Does not offer a continuous source of funding because it depends on voluntary contributions.
Legislation states that all property owners in a BID must pay assessments; there are no free riders.	Cannot enforce the financial participation of all stakeholders in a given district.

4. WILL CITY SERVICES BE REDUCED IF THE BID IS PROVIDING SIMILAR SERVICES?

No. The services provided by the BID are supplemental to the services provided to the district by the City. For example, if a BID provides sanitation services, it will still receive the same level of service from the Department of Sanitation as it did before supplemental services were added.

5. WHO OVERSEES THE BID?

Each BID is governed by a Board of Directors that is elected by the members of the district. The Board of Directors has a fiduciary responsibility to the BID and hires the management that administers the BID on a day-to-day basis. The Board is divided into classes that include: commercial property owners, commercial tenants, residents and public officials. (Public officials include the Mayor, Comptroller, Borough President and a member of the City Council and are defacto board members.) BID members vote for directors in their respective classes. The majority of directors must be property owners.

BIDS BEYOND NYC

BIDs are not limited to New York City – the program has been implemented across the United States and around the world:

Worldwide, there are approximately 800 BIDs in 6 countries including:

- United States (429)*
- Canada (348)*
- South Africa (21)*
- Brazil (2)
- Albania (2)
- Serbia (2)

Top 5 cities with BIDs:

- New York (45)
- Toronto (40+)*
- Los Angeles (30+)*
- Vancouver (20+)*
- Philadelphia/Cape Town (10+)*

*Hoyt, L. (2003), The Emergence, Success and Implications of Business Improvement District Organizations.

6. ARE NYC'S BIDS SUCCESSFUL?

There is significant evidence that indicates that BIDs have had great success and have improved business conditions throughout New York City.

BIDs measure their success in a variety of ways:

- **Service Delivery**
- **Commercial Occupancy Rates**
- **BID Renewal Rates**

SCORECARD RATINGS

Scorecard ratings are given out by the Mayor's Office of Operations to measure sidewalk cleanliness. Scorecard ratings are on a scale of 0 to 100. The average scorecard rating for all New York City BIDs in 2003 was 94%. The chart below compares the first recorded scorecard rate and the current rate for selected New York City BIDs:

BID	First Recorded Scorecard Rate	Rate in 2003
Fashion Center	38.9%	100%
47th Street	80.0%	100%
34th Street	52.2%	100%
Times Square	54.8%	97.6%
MetroTech Brooklyn	60.3%	94.7%

SERVICE DELIVERY

The scope and scale of BID service delivery are measured in a variety of ways.

1. Sanitation. The Grand Central Partnership collects 364,000 bags or 54,600 tons of garbage per year.

2. Hospitality Assistance. Times Square BID's public safety officers typically make 600,000 public contacts per year.

3. Fair Business Practices. The activities of the Flatbush Avenue BID have led to a 75% decrease in illegal peddling.

COMMERCIAL OCCUPANCY RATES

Reductions in vacancy rates indicate a thriving neighborhood and point to the success of the BID. Here are a few examples of BIDs with improved vacancy rates:

BID	First Recorded Commercial Vacancy Rate	Rate in 2002
Flatbush Avenue	30%	3%
North Flatbush Avenue	22%	9%
Sunset Park – 5th Avenue	20%	5%
34th Street	9%	4%
Lower East Side	10%	5%
Times Square	25%	9%

BID RENEWAL RATES

BID renewal rates are a significant indicator of BID success. Established BIDs in New York City can elect to be dissolved if a majority of the property owners agree to do so. However, each BID in New York City has elected to continue or expand its operation since its inception.

7. HOW IS A BID FORMED?

BIDs represent a long-term financial commitment, therefore the formation of a new BID requires the support of the property owners and commercial tenants in the district. The City creates BIDs only when there is widespread support among property owners & commercial tenants who are fully informed about the proposed program.

This guide provides a roadmap for planning and securing support for a new Business Improvement District.

USING THIS GUIDE: BID formation is divided into three phases

Phase One: Planning
Phase Two: Outreach
Phase Three: Legislative Authorization

This guide is designed to lead you through the 11 steps of the first two phases of BID formation: Planning and Outreach. Each step outlines the actions items needed to complete the step. You will be responsible for documenting the entire planning and outreach effort and submitting that documentation to the Department of Small Business Services (SBS) before the legislative authorization process (Phase 3). SBS will review your documentation at that point to determine whether the proposed BID is ready to proceed, and if so, will lead you through the remainder of the formation process.

Three Important Points:

1. Read the entire guide before formally beginning the process so that you have a good understanding of the project workflow.

2. Templates and examples of certain documents are provided on the SBS website, and are referenced throughout the guide. Refer to **www.nyc.gov/smallbiz** throughout the process to download these documents and to obtain BID program updates.

3. This manual is designed to supplement, not replace the assistance you will receive from SBS staff. A member of SBS's staff will be assigned to assist and advise you along the way. This individual will be your most important resource. BID formation poses different challenges in every proposed district, and the staff member assigned to your project can help you deal with the unique challenges you may encounter.

the **BID** process

PHASE 1 PLANNING

1 contact the department of small business services (SBS)

2 determine whether or not to form a BID

3 form a steering committee

4 hold an initial steering committee meeting

5 develop a database of property owners and commercial tenants

6 conduct needs assessment survey

7 draft the district plan

PHASE 2 OUTREACH

8 send out first informational mailing

9 hold first public meeting

10 hold second public meeting

11 document results of support gathering

PHASE 3 LEGISLATIVE AUTHORIZATION

1 contact the department of small business services (SBS)

ACTION ITEM
Inform SBS That You are Considering BID Formation.

CONTACT SBS

Any group or individual considering BID formation should contact SBS before proceeding with the following steps. If you have not yet contacted SBS regarding BID formation, please call 311 and ask for the Business Improvement Districts Program or visit **www.nyc.gov/smallbiz**.

Once you contact SBS, a member of our staff will be assigned to guide you through the BID formation process. BID formation is not possible without partnering with SBS throughout the entire process.

determine whether or not to form a **BID**

2

ACTION ITEMS

1. Complete Quick Diagnostic Check to See if a BID Might Work in Your Neighborhood.
2. Write Statement of Need.

1 IS A BID RIGHT FOR MY NEIGHBORHOOD?

The feasibility of implementing a BID depends on several factors:

1. PROPERTY USAGE
2. STABLE COMMERCIAL OCCUPANCY RATES
3. STRONG LOCAL SUPPORT
4. FUTURE DEVELOPMENT

PROPERTY USAGE

The majority of funding for most BIDs comes from a special assessment levied upon the commercial property in a district. Therefore, it is important that the area you are considering for a BID contain an adequate base of commercial property to generate the special assessment. Keep the following guidelines in mind:

- **Residential properties should be kept to a minimum because they generally contribute a lower assessment.**
- **There should be few government and other tax-exempt property owners, since they are exempt from any BID assessment.**
- **There should be little undeveloped property.**

STABLE COMMERCIAL OCCUPANCY RATES

The ability to generate adequate assessment revenue is dependent upon the current economic activity in the district. Therefore, BIDs are best situated in areas that are economically stable, and do not exhibit vacancy rates in excess of 20%.

? WHAT IF MY NEIGHBORHOOD IS ECONOMICALLY DEPRESSED?

Property owners who have vacant buildings or land may be hesitant to support a new BID since they cannot pass the BID assessment along to a tenant, but instead, must absorb the cost directly. This increases their carrying cost on an already unproductive property. Chronically high vacancy rates indicate that stakeholders within a district should focus on strategic investments and business development which will stimulate further private investment before they consider forming a BID. Once there is increased activity, there will also be a greater demand for the supplemental services that a BID is best suited to provide.

STRONG LOCAL SUPPORT

The process of organizing and administering a BID requires public review, approval and oversight. It is important that local elected officials and community board members understand and support the concept of BIDs. Generally, local elected officials are supportive of BIDs because they recognize that BIDs deliver a higher level of service that directly benefits their constituents. You may wish to meet with your elected officials early in the process, especially if they have been newly elected, and discuss how BIDs have improved other neighborhoods throughout New York City.

FUTURE DEVELOPMENT

Funding for certain capital improvements may not include maintenance for the improvement. In some cases, capital allocations are made on the condition that the resulting improvement will be maintained over time with funds from another source. A BID can be an excellent mechanism to provide maintenance services for these improvements.

continued 2

☑ CHECKLIST

Complete this checklist to see if a BID might work for your neighborhood. If most of the boxes are checked, then your neighborhood is likely to be a good candidate.

CONDITIONS

- ☐ Local elected officials and community board members are supportive of BID policy.
- ☐ Property owners have a proven track record of working together and investing in their neighborhood.
- ☐ Existing local development organizations will be involved in the formation effort.
- ☐ There is significantly more commercial property than residential property.
- ☐ There are few public and non-profit property users.
- ☐ There is little vacant land.
- ☐ There is a low vacancy rate (less than 20%).
- ☐ There are current or pending capital improvements or public amenities that need to be maintained.

? WHAT IF MY NEIGHBORHOOD LACKS MANY OF THESE CHARACTERISTICS AND CONDITIONS?

Even if your neighborhood does not currently exhibit many of the characteristics important to a BID, the area may be ready for a BID in the future. In the interim, work should be done on building partnerships, encouraging investment and laying foundations for a healthier commercial district. Forming a merchants association is a good first step towards a healthier commercial district. SBS can provide guidance on merchant organizing and district management.

2 STATEMENT OF NEED

Summarize the case for a new BID in a brief Statement of Need. Consider the following questions in developing the Statement:

- **What kind of commercial district is being considered? How would you describe the major user groups (shoppers, residents, day time office workers, tourists) and the businesses that are there?**
- **What are the quality of life concerns that the BID could address immediately? For example, what is the need for better maintenance of streets, sidewalks, street furniture and public places throughout the district?**
- **What are the long term development goals for the district? How could a BID support these goals?**

The Statement of Need should be submitted to SBS, as well as to those individuals whose participation you would like to have throughout the BID planning and outreach process. (See sample Statement of Need on the SBS website at: **www.nyc.gov/smallbiz**).

form a steering committee

3

ACTION ITEM

Assemble a Steering Committee to Write a Plan for the BID.

Assemble a steering committee of individuals that have a stake in the proposed BID. Representatives from each of the following groups should be recruited to join the committee:

- **commercial/industrial property owners**
- **commercial tenants (tenants may be retail, office or industrial businesses)**
- **local elected officials**
- **residents**
- **community organizations (these may include: merchants associations, local development corporations, universities, hospitals and other not-for-profits)**

The steering committee should:

- **be comprised of a majority of property owners**
- **represent the varied interests of the area**
- **be able to reach a consensus on important issues**
- **include individuals who are respected by other property and business owners not presently represented on the committee**

4 hold an initial steering committee meeting

ACTION ITEMS

1. Select Steering Committee Chairperson.
2. Agree on a Vision for the District.
3. Define Tentative Boundaries.
4. Identify Resource Needs and Funding Sources.
5. Set a Project Plan.

Hold an initial steering committee meeting with all of the members. (Make sure that your SBS project manager attends the first steering committee meeting.)

1 SELECT STEERING COMMITTEE CHAIRPERSON

The first piece of business for the committee is to choose a chairperson. The chairperson should:

- **have extensive knowledge of the community**
- **be capable of gaining the support of property and business owners**
- **have a history of involvement within the community**
- **have a reputation for seeking positive change within the community**
- **have a vested interest in the long-term economic stability of the area**

The chairperson will:

- **lead the steering committee through the 7 remaining steps in the planning and outreach phase of BID formation**
- **communicate regularly with SBS**
- **ensure that target dates in project plan are met according schedule**
- **represent the committee in the formal approval phase of the BID formation process**

2 AGREE ON A VISION FOR THE DISTRICT

The committee should agree upon a common vision for the development and management of the proposed district. Ask your committee members to consider the district. Why have they joined the committee? What kind of a place do they want the district to be? What is the area's greatest potential? Which goals are most widely held?

Capture a range of ideas and build a statement that adequately reflects the thinking of the group. Publish and circulate the vision statement to each member and invite them to respond to it. Refine the statement as the planning process unfolds. A good vision statement is a shared point of view that will mobilize the community and help prioritize the work of the BID. (See "Guide to Developing Your Vision" on the SBS web site at: **www.nyc.gov/smallbiz**).

Figure A

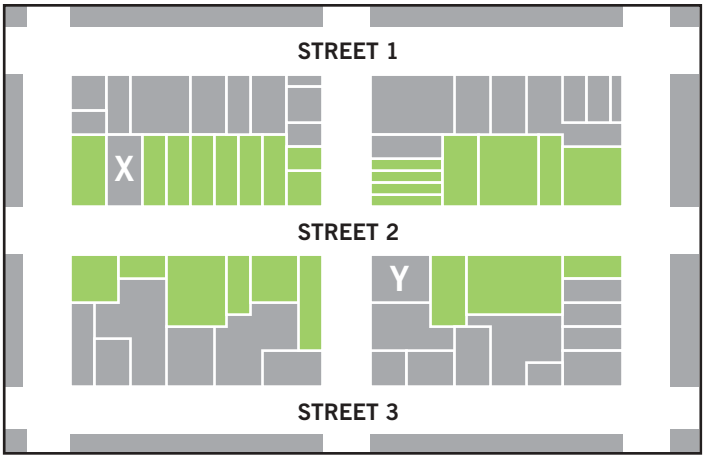


Figure B

3 DEFINE TENTATIVE BOUNDARIES

Once the group has articulated its vision, it must consider the tentative boundaries for the district. Although the boundaries may change as the planning process unfolds, they need to be estimated up front in order to estimate the costs of proposed services and understand who to contact during outreach. The boundaries should state exactly which streets to include, specifying the side(s) of the streets if necessary.

Properties in the district should be contiguous. The shaded areas in the figures above represent the tentative boundaries of two different BID plans. The properties in the shaded areas pay for and are entitled to receive BID benefits (services/improvements). Non-shaded properties do not pay and are not entitled to BID benefits.

Figure A is a good example of a BID with contiguous boundaries. In Figure B, the proposed BID properties are non-contiguous, because properties (x) and (y) are not included in the plan. Figure B's boundaries are problematic because it is difficult to provide services to participating properties without also providing services to properties (x) and (y). For example, it would be nearly impossible to provide sanitation services along Street 2 without properties (x) and (y) also benefiting.

Once tentative boundaries are determined, they should be submitted to SBS. Upon receipt of the boundaries, SBS will prepare a map and return it to the steering committee.

The same guidelines that you considered when thinking about the feasibility of a BID should be revisited in determining the tentative boundaries:

- **There should be more commercial property than residential property.**
- **There should be few government and other tax-exempt properties.**
- **There should be little vacant land/property.**

4 IDENTIFY RESOURCE NEEDS AND FUNDING SOURCES

Staffing. It is reasonable to assume that the formation of a new BID will require anywhere from 20-40 hours of work per week and that time and staffing requirements will increase during the outreach phase.

Other Resources. You can also expect to incur certain non-personnel expenditures as well, such as office supplies, postage and local advertisements.

Available Funding. The steering committee should consider how to fund the BID formation process and identify possible funding sources. In many cases, the members of the committee contribute funds that are reimbursed once the district is established. SBS also awards a limited number of BID planning grants, usually in low to moderate income neighborhoods, on an annual basis.

5 SET A PROJECT PLAN

The steering committee should draft a project plan (see Project Plan worksheet on the SBS web site at: **www.nyc.gov/smallbiz**). The purpose of the project plan is to set target dates for the completion of the action items listed at the beginning of each step. The plan should help the committee use its time as efficiently as possible. You may need to adjust the dates as the actual deliverables are completed ahead or behind schedule. As this occurs, revise and redistribute the plan to all committee members.

5 develop a database of property owners and commercial tenants

ACTION ITEM

Develop a Database of Property Owners and Commercial Tenants Within the Tentative Boundaries of the District.

Once the tentative boundaries have been established, a database that contains information on the properties, property owners and commercial tenants within those boundaries must be developed.

In the following steps, you will use the information in the database to contact property owners and commercial tenants about the BID, soliciting their feedback and support. **Remember to keep accurate records of these communications because outreach is an important consideration in the public approval process.**

A GOOD DATABASE SHOULD INCLUDE:

1. The tax block and lot numbers and address of each property.

2. Information on the use and assessed value of all properties.

3. Names of all property owners and commercial tenants.

4. Mailing addresses for all property owners and commercial tenants.

5. Fields to track which property owners support the BID and which are in opposition.

6. Phone/fax numbers and email addresses for all property owners and commercial tenants (where possible).

7. Worksheets to keep logs of personal phone calls and individual meetings with property owners and commercial tenants.

SBS will supply the initial database. The database you receive from SBS will be structured in such a way as to ensure that property owner data and commercial tenant data are kept separate. Please maintain this format.

All required data will be in the database that you receive from SBS except the names and addresses of commercial tenants. SBS uses the City's real estate tax assessment roll to collect data on property owners, and data on commercial tenants is unavailable through this source.

The steering committee can gather this data directly by personally contacting tenants. Personally contacting these individuals is not only a way to gather accurate data, but is also an excellent way to gain support for the proposed BID.

Commercial tenant data may also be acquired by visiting the NYC Science, Industry and Business Public Library branch (188 Madison Avenue, 212-592-7000) and using the Information USA database or the Coles reverse directory. Steering committees seeking commercial tenant data in Manhattan can also use COSTAR. (Note: COSTAR is proprietary and not available at the library.)

Later in the process, you will begin tracking the positions (support or opposition) of property owners on the issue of the BID. A field is provided and pre-labeled for this data. You will also need to produce logs of phone calls and meetings with property owners and commercial tenants. Worksheets are provided and pre-labeled for this data as well.

	A	B	C	D	E	F	G	H
1	Block	Lot	Property Owner	Address	Assessed Value	Supports	Opposes	No Response
2	1000	2	John Smith	123 Pine Street	$200,000.00			
3	1000	3	ABC Company	321 Pine Street	$400,000.00			
4	1000	4	Jane Doe	456 Pine Street	$600,000.00			

Appearance of spreadsheet will vary according to the unique needs of each proposed district.

conduct needs assessment survey

6

ACTION ITEMS

1. Prepare a Needs Assessment Survey.
2. Distribute the Needs Assessment Survey.
3. Collect Survey and Record Results.

1 PREPARE A NEEDS ASSESSMENT SURVEY

A Needs Assessment Survey helps you determine which services and programs the stakeholders want to provide within the district. The responses from this survey will be used to develop the proposed district plan in Step 7.

The steering committee can use the survey form that is available on the SBS website or develop a customized version.

2 DISTRIBUTE THE NEEDS ASSESSMENT SURVEY

Mail or hand-deliver the survey to all property owners and commercial tenants. Residents and shoppers can also be surveyed to understand the district from the prospective of its "users."

3 COLLECT SURVEY AND RECORD RESULTS

A concerted effort should be made to collect as many completed surveys as possible. Once surveys have been collected, the results should be tabulated and reviewed by the committee members.

7 draft the district plan

ACTION ITEMS

1. Determine Services/Improvements.
2. Determine First Year Budget.
3. Determine Assessment Formula.
4. Submit Plan to SBS.
5. Obtain a Mock Run of Billing.

The district plan is the most important deliverable in the planning process. The district plan is the "business plan" for the BID. It describes the programs and services to be delivered by the BID, the operating budget for the BID and the formula used to calculate the special assessment. Once complete, the district plan should answer all reasonable questions about the intentions of the new BID. (See a sample district plan on the SBS web site at: **www.nyc.gov/smallbiz**).

1 DETERMINE SERVICES/IMPROVEMENTS

Review the prior work of the committee and the results of the district needs survey to formulate a list of planned services and improvements for the district plan.

Common services/improvements provided by BIDs include:

- **Sanitation & Maintenance:** Maintenance workers are hired to sweep streets/sidewalks and bag trash for pick-up. Many BIDs also remove graffiti and paint public amenities (light poles, mailboxes, etc.) on a regular basis.
- **Security & Hospitality:** Public safety officers are hired to serve as unarmed security guards. These officers often also provide hospitality services to visitors by giving them directions and aiding in other ways.
- **Marketing & Promotion:** Common marketing activities include: displaying holiday lights, hanging promotional banners, publishing restaurant/shopping guides and hosting special events. In addition, BIDs may choose to plant flowers/trees to market their district by making it more attractive.
- **Capital Improvements:** Capital improvements may include: purchasing new trash receptacles, making basic storefront improvements and fencing in tree pits. Some BIDs have developed custom street signage, built newsstands, installed uniform news boxes and renovated parks.

Once you have determined which services/improvements you want to provide, you will need to determine their scope and estimate their cost. For example, if the BID will provide sidewalk maintenance services, you will need to determine how many workers to hire and how many hours a week they will work. The scope will largely be determined by cost. If requested, SBS can provide a list of companies that currently provide services to existing BIDs. This can help in obtaining the cost estimates.

2 DETERMINE FIRST YEAR BUDGET

The list of programs and services and their estimated costs will yield a **service-driven budget estimate.** It is important to draft a service-driven budget in order to see which services are needed to fully meet the district's needs. The service-driven budget can then be used to determine the assessment required to support the operation.

Consider the following expenses in developing a service-driven budget:

Supplemental Services	$
Security	
Sanitation	
Promotion/Advertising	
Holiday Lighting	
Capital Projects	
Total Supplemental Services	
General & Administrative	
Staff Salary	
Staff Fringe Benefits	
Rent	
Telephone	
Printing/Postage	
Office Supplies	
Insurance	
Audit/Legal	
Payroll Services & Bank Charges	
Total General & Administrative	
Total Program Cost	
CONTINGENCY	
TOTAL BUDGET	

3 DETERMINE ASSESSMENT FORMULA

The assessment formula is used to compute the amount each property owner must pay on a yearly basis. The objective is to develop an assessment formula where the amount each property owner pays is roughly proportional to the benefit received by the property.

A formula can be based on one or more of the following variables:

Formula Option	Definition	Appropriate Use
Front Footage	The length of the property from corner to corner as measured along the sidewalk at the front of the property (where the main entrance is).	Should be applied when most of the benefit is enjoyed by ground-floor retail.
Gross Building Square Footage	The number of square feet calculated by multiplying the lot's width by its length.	Should be applied for mixed use districts that include above ground-floor activity.
Assessed Valuation	The most recent assessed valuation of the property as defined by the City for use in computing real property tax.	Should be applied in districts where the assessed value per square foot is highly variable.

Once the assessment is calculated according to a formula, the committee should examine various projected assessments and determine if these assessments seem reasonable. If so, the committee should proceed with the service-driven budget as written. If not, the committee can estimate a more reasonable assessment level and revise budgeted items accordingly.

4 SUBMIT FINAL DRAFT TO SBS

The district plan should be mailed and emailed to SBS upon completion.

5 OBTAIN MOCK RUN FROM SBS

Once the budget and assessment formula are determined, SBS can calculate how much each property owner should be billed by performing a mock billing run. This data allows individual property owners to know how much the BID will cost them.

8 send out first informational mailing

ACTION ITEMS

1. Set Date for First Public Meeting.
2. Prepare and Distribute Informational Packages.

The purpose of the outreach phase is to raise awareness of and to secure support for the proposed district. The steering committee must demonstrate sufficient support in two categories:

- **Property Owner:** The number of property owners that support/oppose the BID must be tracked and presented as a percent of the total number of property owners in the district.
- **Assessed Value:** The total AV of the district is the sum of the AV of each of the properties within the district. The AVs of all supportive properties should be added together and presented as a percent of the total assessed value of the district.

The steering committee should work with SBS to set target support levels when establishing the project plan (see STEP 4).

1 SET DATE FOR FIRST PUBLIC MEETING

Once the plan is drafted, the steering committee should present the proposed BID to the entire community at two or more public meetings. Public meetings allow community members to learn about the proposed BID, express their ideas and contribute to the BID formation process. Meetings also help the project leadership gain support for the BID.

2 PREPARE AND DISTRIBUTE INFORMATIONAL PACKAGES

A meeting notice should be mailed to each prospective member and should include the following:

1. *SBS Brochure on BIDs.* A brochure, provided by SBS, that presents a brief introduction to the BID program in NYC.
2. *Information about the proposed BID.* A one or two page executive summary on the proposed BID. (See "sample summary" on the SBS web site at: **www.nyc.gov/smallbiz**.)
3. *Notice of First Public Meeting.* Written notice for the first public meeting that includes the date, time, and location of the meeting.
4. *Signature Ballot.* A signature ballot for property owners who wish to have their support for the BID documented. (See "sample ballot"/"pass along clause notice" on the SBS web site at: **www.nyc.gov/smallbiz**.)

Include a return envelope in the first mailing to make it easier for property owners to submit their ballots.

Note: Record the date(s) informational packages were mailed and retain copies of packages. You will be asked to document all outreach efforts in STEP 11.

TIPS FOR EFFECTIVE OUTREACH

Think of your base of support as a network. As the network grows, the members of the network can act as advocates for the BID.

1. Divide lists of uncommitted individuals among the steering committee members. Where possible, pre-existing relationships between members and uncommitted individuals should guide assignments. Ask steering committee members to secure written support from the individuals that are assigned to them.

2. Follow-up with people expressing support and ask them to serve as advocates for the BID. If you are in a retail district with an established merchants organization, you may want to appoint block captains.

hold first public meeting

9

ACTION ITEMS

1. Advertise the First Public Meeting.
2. Prepare for First Public Meeting.
3. Hold First Public Meeting.

1 ADVERTISE THE FIRST PUBLIC MEETING

In addition to the mailing sent out in STEP 8, some excellent ways to advertise a public meeting are by passing out flyers, advertising in a local newspaper and word of mouth.

2 PREPARE FOR FIRST PUBLIC MEETING

It is important to be well prepared for the initial public meeting because it will be the first introduction to BIDs for many people in your community.

Carefully prepare your presentation for the public meeting, as well as any materials that will be distributed at the meeting. Since many in the audience will have limited familiarity with the BID program, it is important that all material be as straightforward and accurate as possible.

3 HOLD FIRST PUBLIC MEETING

Begin the meeting by providing a basic introduction to BIDs. Following this introduction present the highlights of the district plan. At the end of the meeting attendees should be encouraged to join the steering committee, and property owners should be offered the opportunity to document their support of the district by signing support ballots.

Listen carefully to any concerns raised by the public and any insights they may offer. After the meeting, the steering committee should meet to consider changes to the plan based on information received at the public meeting.

10 hold second public meeting

ACTION ITEMS

1. Send out Notice of the Second Public Meeting.
2. Hold Second Public Meeting.

1 SEND OUT NOTICE OF SECOND PUBLIC MEETING

A meeting notice package should be mailed to each prospective member with the following items:

1. SBS Brochure on BIDs.
2. Updated Information about the Proposed BID. The one-two pages of information distributed in the first mailing (STEP 8) should be updated to reflect changes adopted after the first public meeting.
3. Notice of Second Public Meeting.
4. Signature Ballot.

2 HOLD SECOND PUBLIC MEETING

You may have to begin the meeting with a basic introduction to BIDs if you find that you have new attendees. Next, the district plan should be presented. At the end of the meeting, property owners who have not already provided signed support should be offered the opportunity to sign support ballots.

Listen carefully to any concerns raised by the public and any insights they may offer. Revise the district plan based on response from the audience.

OUTREACH

At this point you should proceed to step 11 if SBS has indicated that you have a sufficient level of support.

If not, you will need to repeat some of the outreach activities that were highlighted in STEPS 8 and 9.

document results of support gathering

11

ACTION ITEM

Prepare and Submit Documentation Binders to SBS.

1 DOCUMENTATION BINDERS

Make two copies of the documents listed below and arrange them in 3-ring binders.

- **copy of the project plan**
- **minutes of steering committee meetings**
- **copies of materials sent out in informational mailings**
- **letters of support from elected officials**
- **hard copy of database**
- **minutes of public meetings**
- **log of phone conversations with property owners/commercial tenants**
- **log of meetings with individual property owners/commercial tenants**
- **copies of all newspaper articles written about the BID formation effort**

Once complete, submit the binders to SBS. The steering committee should retain at least one copy of all documentation for its own records. At this point, SBS will review the completed documentation and convene a meeting of relevant city agencies to present the proposed district plan. With support from the assembled agencies SBS will submit the plan to the City Planning Commission to commence the legislative authorization needed to formally incorporate the new BID.

The Legislative Authorization Process

This guide to establishing a Business Improvement District was written with the intent of getting you through the steps leading up to the legislative authorization process. Once you have reached this stage, SBS will lead the process. As a reference we are providing you with a list of the steps that follow a legally mandated timeline and can take from nine to twelve months to complete.

Quick Guide to Abbreviations:

CPC City Planning Commission
CC City Council
CB Community Board(s)
BB Borough Board(s)
LL Local Law

BUSINESS IMPROVEMENT DISTRICT LEGISLATIVE AUTHORIZATION PROCESS

ACTION	MANDATED TIME
1. Inter-Agency review by SBS.	Official Start
2. SBS submits district plan to City Planning Commission (CPC). SBS notifies City Council (CC) of submission of plan to CPC.	No mandated time: submission after steering committee and SBS finalize district plan.
3. CPC submits district plan to Community Boards (CB), Borough Boards (BB), and CC.	Within 5 days of receipt of district plan.
4. CB and BB hold hearings and make recommendations for the district plan, which are then taken to the CPC.	Within 30 days of receipt of plan from CPC.
5. CPC holds public hearings, makes recommendations, approves report, and sends report to the Mayor, the affected Borough President, the CC and City Clerk.	Within 60 days of the receipt of CB recommendation.
6. CC introduces both a Resolution and Local Law (LL).	Next stated CC meeting following the filing of a district plan with the City Clerk.
• Resolution contains the district plan and all information about the BID and sets the date for the Finance Committee hearing on the LL establishing the BID.	• CC must approve the Resolution.
• Local Law incorporates the BID plan (by reference), CPC, Borough President and CB recommendations, if any, and CC report.	• Local Law is forwarded to Finance Committee for hearing.
• CC Resolution or summary is published in the City Record and mailed to property owners.	• Notice is published from 10 to 30 days before the Finance Committee's hearing.
7. Finance Committee holds first hearing on BID LL. Hearing adjourns without vote.	Within the 10 to 30 day period after Resolution approved by full CC.
8. Mandatory objection period for affected property owners to file objections with the City Clerk.	30 days from close of Finance Committee's hearing.
9. Finance Committee holds second hearing to consider and enact BID LL.	No earlier than 30 days from the adjournment of the first Finance Committee's public hearing.
10. CC adopts BID LL.	Next stated CC meeting following Finance Committee's approval of BID LL.
11. Mayor signs BID LL at public hearing.	Mayoral public hearing within 20 days after CC adoption. Mayoral signing within 30 days (usually happens day of public hearing).
12. NYC sends statements regarding the financial impact of the proposed BID to State Comptroller for review and approval.	Within 20 days from the date of BID LL signing.
13. State Comptroller issues approval notification.	Within 60 days of receipt of statements.
14. SBS files LL with the City Clerk.	Within 10 days of receipt of State Comptroller's approval.
15. City Clerk publishes LL in the City Record.	Within 14 days of filing receipt.
16. Public has opportunity to seek judicial review.	Within 30 days from date of publication in the City Record.
17. SBS signs contract with District Management Association.	As soon as 30 days after judicial review period.

NOTES

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