

New York City Department of  
Small Business Services

2007 - 2008

**BID annual report**  
**summary**



## BIDs By Borough

### Bronx (7)

161st Street  
Fordham Road  
HUB/3rd Avenue  
Kingsbridge  
Mosholu/J-GH  
Southern Boulevard  
White Plains Road

### Brooklyn (20)

86th Street/Bay Ridge  
Bay Ridge/ 5th Avenue  
Brighton Beach  
Church Avenue  
Court-Livingston-Schermerhorn  
DUMBO  
East Brooklyn  
Flatbush Avenue  
Flatbush-Nostrand Junction  
Fulton Street  
Graham Avenue  
Grand Street  
Kings Highway  
MetroTech  
Montague Street  
Myrtle Avenue  
North Flatbush  
Park Slope/ 5th Avenue  
Pitkin Avenue  
Sunset Park

### Manhattan (20)

125th Street  
34th Street  
47th Street  
Bryant Park  
Columbus Avenue  
Columbus/Amsterdam  
Downtown Alliance  
East Midtown  
Fashion Center  
Fifth Avenue  
Flatiron/23rd Street  
Grand Central  
Lincoln Square  
Lower East Side  
Madison Avenue  
NoHo  
Times Square  
Union Square  
Village Alliance  
Washington Heights

### Queens (12)

165th Street  
180th Street  
82nd Street  
Bayside Village  
Downtown Flushing  
Jamaica Center  
Myrtle Avenue  
Queens Plaza  
Steinway Street  
Sunnyside  
Sutphin Boulevard  
Woodhaven

### Staten Island (1)

Forest Avenue



**The number of BIDs has grown by 37% since 2001**

# in 2007 BIDs . . .

- **generated** more than \$100 million in revenue
- **served** more than 3,000 block faces in New York City
- **provided** almost 1 million man hours of supplemental sanitation services - equivalent to 480 full time employees
- **provided** almost 700,000 man hours of security and public safety services - equivalent to 337 full time employees

## BID Program Highlights

New York City is home to the largest network of Business Improvement Districts (BIDs) in the country. For almost 25 years, BIDs have catalyzed neighborhood revitalization and economic development throughout the five boroughs. Since coming to office, Mayor Michael R. Bloomberg has recognized the importance of BIDs and their collective contribution to the maintenance, development, and promotion of commercial districts. With the recent authorization of the Park Slope/5th Avenue BID in Brooklyn, the Mayor signed into law the 60th BID for the City and the 16th BID created during this Administration.

In total, BIDs serve over 3,000 block faces\* in New York City, providing a range of services from basic “clean and safe” initiatives to comprehensive business development, marketing, and streetscape enhancement programs, each designed to meet the unique opportunities and challenges of the district. BIDs have played, and will continue to play, an integral role in the growth of New York City. Collectively, BIDs invest more the \$100 million each year in their districts, representing a significant investment in the long-term economic development of neighborhoods throughout the City.

The Department of Small Business Services (SBS) supports New York City’s BID program, assisting in the formation of BIDs and providing oversight and support. SBS is privileged to work with such a dynamic group of individuals in the City’s BID community to promote some of the best neighborhoods in the world.

New York City’s BIDs vary widely in size and capacity; annual operating budgets range from \$53,000 to over \$18 million. This report provides a summary of the information provided by 52 BIDs operating throughout Fiscal Year 2007. In addition to submitting budget information, BIDs were asked to describe the programs and services provided in their respective districts and to present the priorities for the coming year. Recognizing the significant operational differences between smaller and larger organizations, the BIDs were divided into five categories based on budget size. Thirty two (60 percent) of the 52 BIDs have operating budgets under \$500,000. Fourteen BIDs have operating budgets over \$1 million. Regardless of size, every BID shares a common purpose—to improve economic conditions and the quality of life in their respective districts.

The purpose of this report is to articulate the impact that BIDs make in New York City and to show how BIDs are generating sources of revenue to provide innovative services to their districts. While this report in no way captures every program or service being offered by BIDs, it is meant to foster dialogue and assist BID leaders in thinking strategically about their organizations.

\*A block face is defined by one side of one block.

BIDs By Budget	
Budget Size	Number Reporting
Less than \$250,000	18
\$250,000 to \$499,999	14
\$500,000 to \$999,999	6
\$1,000,000 to \$5,000,000	9
Over \$5,000,000	5
<b>52 BIDs participated in the analysis with budgets ranging from \$53,000 to more than \$18 million</b>	

# revenue sources & expenditures

BIDs generated over \$100 million in revenue in Fiscal Year 2007. Of course, funding for BID programs and services is primarily generated from a special assessment collected from property owners in the defined boundaries of the district. In Fiscal Year 2007, the total BID assessment was over \$72 million, representing 72 percent of total revenues. Generally, as a BID grows in size, the assessment as a percentage of total revenues decreases as larger organizations have the capacity to engage in fundraising activities, pursue government and foundation grants, and solicit contributions from district stakeholders. Smaller organizations, on the other hand, rely heavily on the assessment as their primary source of funding.

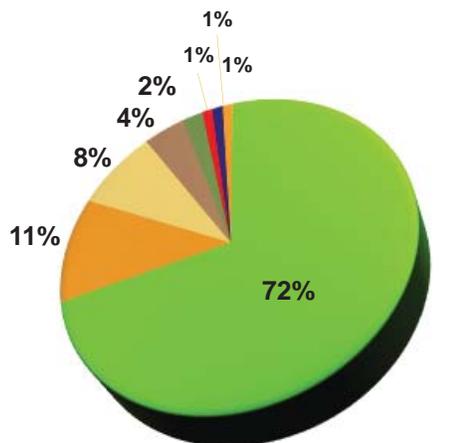
BIDs spent over \$90 million on services for their districts in Fiscal Year 2007. As expected, sanitation and security services, fundamental to the services of BIDs, were the largest program expenditure categories, accounting for a combined total of over 42 percent of total expenses. General and administrative costs and marketing expenses round out the top expense categories.

## summary of findings

### BIDs' FY 07 Assessment and Revenues

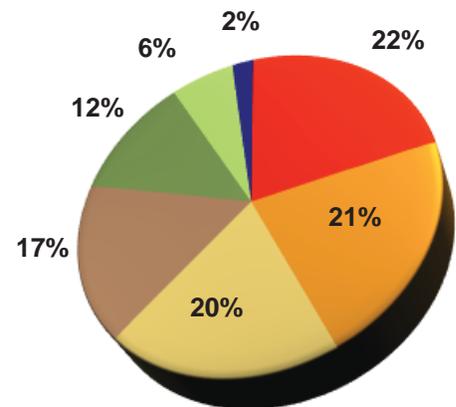
BID Budget Size	Total Assessment	Assessment as % of Total Revenue	Total Revenues
Less than \$250,000	\$2,792,124	92%	\$3,036,086
\$250,000-\$499,999	\$4,124,298	87%	\$4,737,204
\$500,000-\$999,999	\$3,114,494	78%	\$3,970,023
\$1,000,000-\$5,000,000	\$18,699,554	89%	\$20,925,380
Over \$5,000,000	\$43,581,108	64%	\$67,729,390
<b>ALL BIDS</b>	<b>\$72,311,578</b>	<b>72%</b>	<b>\$100,398,084</b>

### Generating the BID Dollar



- Assessment
- Grants and Contributions
- Special Contracts
- Other
- Program Service Revenues
- Interest
- Investment Income
- Fundraising & Special Events

### Spending the BID Dollar



- Sanitation
- Payroll and G&A\*
- Security
- Capital Improvements/Special Projects
- Marketing
- Streetscape/ Beautification/ Holiday Lighting
- Social Services

\*Does not include payroll affiliated with direct sanitation and security services.



**BIDs generate 28 percent of their collective revenue from non-assessment sources.**

# BID programs at a glance

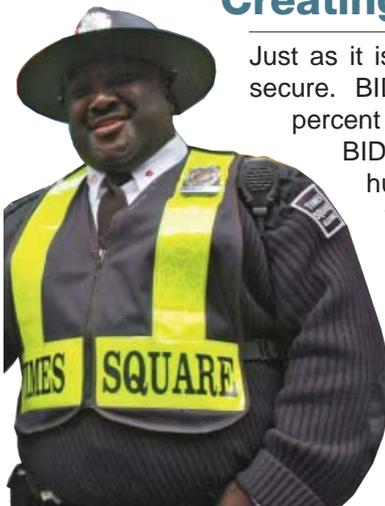
## Keeping Districts Clean

The cleanliness of a district is its most visible and immediate characteristic. Sanitation accounts for the single highest collective program expense for all BIDs, with over 19 percent of total revenue spent on sanitation services. For BIDs with operating budgets under \$1 million, sanitation services account for almost 26 percent of their total revenue. Supplementing the work of the New York City Department of Sanitation, BID sanitation teams, ranging in size from one person to 66, sweep streets and sidewalks, bag garbage, clean graffiti and remove flyers and stickers in districts throughout the year. BIDs spent over \$19 million on sanitation services throughout Fiscal Year 2007, logging close to 1 million man hours or the equivalent of an additional 480 full time employees performing supplemental sanitation services in New York City each year.



**BIDs spent over \$19 million in FY 2007 on supplemental sanitation services**

## Creating a Safe Environment



Just as it is important to maintain cleanliness, BIDs must ensure that their districts feel safe and secure. BIDs spent over \$18 million on security services in Fiscal Year 2007, representing over 18 percent of total revenue. While security is a core service provided by BIDs, only 37 percent of BIDs with budgets of less than \$1 million reported providing any type of security service. One hundred percent of BIDs with budgets over \$1 million employ security personnel or contract with security companies to monitor the streets of their district. BID security personnel respond to public inquiries, handle public safety incidents, and serve as extra eyes and ears for the New York Police Department. They also serve as a district's ambassadors to the public; uniformed and ubiquitous, BID security officers regularly provide directions and guidance to the community. The 30 BIDs providing security services logged close to 700,000 man hours throughout Fiscal Year 2007— the equivalent of 337 full time employees performing security and public safety services in NYC each year.

**46% of BIDs allocate funds to security/public safety services.**

BID Budget Size	Less than \$250,000	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000-\$5,000,000	Over \$5,000,000	ALL BIDS
<b>BIDs' FY 07 Sanitation Expenses*</b>						
<b>Total Sanitation Expense</b>	\$781,438	\$1,224,955	\$1,136,982	\$4,679,734	\$11,704,285	\$19,527,394
<b>% of Total Revenue</b>	26%	26%	29%	22%	17%	19%
<b>BIDs' FY 07 Security Expenses</b>						
<b># of BIDs</b>	18	14	6	9	5	52
<b># of BIDs Providing Security Services</b>	6	7	3	9	5	30
<b>Total Security Expense</b>	\$77,293	\$446,598	\$141,896	\$6,707,198	\$10,780,985	\$18,153,970
<b>% of Total Revenue</b>	3%	9%	4%	32%	16%	18%

\* In Fiscal Year 2007, 51 out of 52 BIDs provided sanitation services.



**Fundraising/Special events is the second largest source of funds for BIDs with budgets of less than \$500K.**

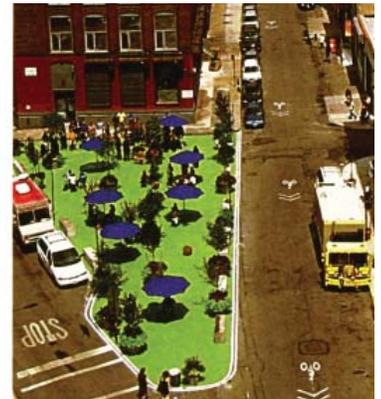
City each year, BIDs recognize the importance of encouraging tourism in their districts.

## Marketing & Special Events

Every BID must effectively distinguish and position its district to stand out. BIDs spent over 12 percent of their expenses on marketing, communication, and special events in Fiscal Year 2007. Almost every BID (94 percent), regardless of budget size, spends money on marketing. Programs vary widely as districts often tailor their marketing strategies to a specific target audience. Smaller BIDs tend to develop materials to promote the district, such as merchant directories and area maps, host festivals or promote sidewalk sales to directly market the businesses in their districts. Larger BIDs often invest in additional activities focused on attracting tourists by managing information kiosks and visitor centers, offering walking tours and sponsoring neighborhood branding campaigns. With over 43 million people visiting New York

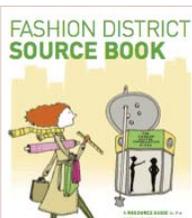
## Streetscapes & Capital Improvements

One of the signature services of BIDs in New York City is their ability to establish their district's identity. BIDs invested an estimated 12 percent of their total expenses in streetscape enhancements, capital improvements and beautification/horticultural initiatives. These projects range from new lighting to park enhancements and have transformed neighborhoods throughout the City.



**These pictures show the transformation of Pearl Street Triangle Plaza in DUMBO, Brooklyn. The DUMBO Improvement District and NYC Department of Transportation partnered to develop a public space by reclaiming a parking lot.**

## Other Programs & Services



While sanitation, security, marketing, capital improvements and general and administrative costs represent the most common expense categories, BIDs invest over 17 percent of their revenues on a range of additional programs and services targeted to meet the specific needs of their district. These programs include social service initiatives to assist homeless individuals, mentorship programs for local youth and business development strategies to assist in business recruitment and retention efforts. BIDs specifically develop these programs for their districts and they are often part of larger collaborative efforts with public agencies and the private sector.

## The BID Effect

As is evident from the fiscal year 2007 reports, New York City's BIDs have collectively made an immense impact on the quality of life of our city's commercial districts. While walking the streets in each of these districts, it is also apparent that the City's BIDs provide some of the most substantial economic development investments that are as unique as the neighborhoods they serve. The Department of Small Business Services looks forward to our continued work with New York's 60 BIDs—as well as the 12 BIDs in the development stages—in sharing district management and innovative service delivery information and best practices and in continuing to make this City a great place.



Mayor Bloomberg kicked off the creation of the Fordham Road BID in July 2005 with a ceremonial “first sweep.” Fordham Road is the busiest commercial corridor in the Bronx.

## what the future holds

**There are currently 12 BIDs in planning throughout the City including:**

**Belmont Avenue • Bedford Stuyvesant • Broadway/ Bushwick • Chinatown  
Flatbush/ Newkirk • Fulton Street/ Brooklyn • Harlem Gateway • Hudson Square  
Meatpacking District • Victory Boulevard • Westchester Square • Whitestone**

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