

BID Management Resources

Introduction

This document is targeted toward individuals who may be new BID managers in New York City and BID staff that are looking for resources to administer their ongoing relationship with SBS and other City Agencies or better understand contractual or legislative procedures.

Here you can access information and templates:

- Annual Assessment Verification
- Annual Meetings
- Assessment Increases
- Boundary Expansion
- Contract Renewal
- District Plan Amendments
- DOT Permits: Revocable Consent
- DSNY Sponsor-A-Basket Program
- Insurance Requirements
- Management Agreements
- SBS Annual Report Submission
- Strategic Planning

ANNUAL ASSESSMENT VERIFICATION

STEPS

The steps below outline the BID billing process. The City of New York Department of Finance distributes 50% of the BID's assessment at the start of the fiscal year and the other 50% in the second half of the fiscal year.

Generating Data (January)

The Department of Finance releases the data necessary for BID billing to SBS, who prepares the data and sends it to the BID for their review.

Review Process (February—April)

SBS sends the data files including the tentative assessed values and square footage of all the billed properties to the BID. The BID then compares the data against the previous year's assessment role and ensures the information is accurate. Each BID is responsible for determining its own accurate assessment roll.

SBS works with the BID to determine accurate billing. Any changes in the district properties such as billing classification, vacancies, or new developments should be reflected in the current billing. Any issues regarding exempt properties listed on the billing will also be resolved.

Billing (May)

Once the review process is complete, the BID verifies that billing information is correct by signing the [verified billing statement](#). SBS then submits the verified statement to the Department of Finance, which will begin billing properties within the district

ANNUAL MEETINGS

MEETING ORGANIZATION AND MATERIALS

Each BID must have at least one annual meeting of the full membership every calendar year. Annual meetings usually occur at the end of the fiscal year and are distinct from BID Board of Directors meetings, as the accomplishments of the past year and goals and initiatives of the upcoming year are presented. The BID's budget for the current and upcoming year is also presented.

The annual meeting also allows the membership to vote for the Board of Directors, replacing those whose terms have expired.

IDEAS TO DISCUSS AT ANNUAL MEETINGS

Meeting Agendas

The BID by-laws many times outline specific procedures and agenda items that must be included in the annual meeting of the membership and vary by district. Typical annual meeting agendas include some or all of the following elements:

- Take attendance to ensure a quorum at registration
- Call meeting to order
- Officers' reports, most often the treasurer
- Annual report presentation
- Election of Directors
- New business
- Announcements of events
- Adjournment and voting

The Executive Director usually presents the annual report detailing services provided by the organization in the past fiscal year, as well as the current assets and liabilities and the budget for the subsequent fiscal year. Annual meetings many times incorporate a guest speaker. See a sample Annual meeting agenda [here](#).

Voting on the Board of Directors

At the first annual meeting, a new Board of Directors will take over for the Interim Board of Directors. Typically, the nominating Committee Chair of the BID's Interim Board of Directors will present the candidates for membership on the Board. Voting members will also be given brief statements of Board candidates before voting. A members usually vote for A Directors, B members vote for B Directors and so on. The details of how each BID nominates and votes for Directors are outlined in their respective by-laws.

Board Composition Requirements

The Board of Directors is structured in the organization by-laws and varies by district.

The Board must be composed of:

- A majority of property owners (at least seven)
- At least one commercial tenant
- At least one residential tenant (when there are residential properties within the BID)
- Representatives of each of the BID's four public officials
- Representatives from the local Community Board and other community organizations (these representatives are non-voting members of the Board)

How to Prepare

- Set up location for meeting and reserve space
- Schedule meeting and prepare agenda
- Secure a keynote speaker
- Appoint someone to take minutes
- Produce handouts and presentations
- Contact and invite all meeting required BID members, Directors, residents (if applicable), steering committee members (if the BID is newly formed), and other interested groups (see a sample Annual Meeting invitation [here](#))

Annual Meeting Procedures

Robert's Rules of Orders provide helpful rules and procedures for discussion and decision-making in meetings.

ASSESSMENT INCREASES

STEPS

When a BID decides to increase its assessment, the organization is essentially amending their original enabling legislation. The steps below outline the process necessary for a BID to increase its assessment. The process takes between 9 to 12 months and requires legislative approval from the City Council.

STEP 1: BID Board of Directors Action

In late winter or early spring of the year preceding the fiscal year in which the assessment increase will take effect, the BID Board of Directors discusses and approves an increased assessment budget and designates how additional funds will be spent in as specific terms as possible. A formal approval of the assessment increase by the BID's Board of Directors is required.

STEP 2: Submission of Proposal to SBS

The proposed budget and assessment increase proposal is submitted to the SBS by June 30th. SBS Division Legal prepares a draft of BID legislation for the City Law Department's review and approval.

STEP 3: Sample Notification Letter

The BID notifies all of its members of the amount of assessment increase by sending a notification letter. The notification letter should state the amount of the increase, a justification for the increase and the date, time and place for the City Council public hearing.

A sample member notification letter is available [here](#).

STEP 4: BID Prepares Justification Documents

The BID prepares a four-part justification for the assessment increase for the City Council which should include the following:

1. Line item comparison of existing and proposed budgets showing percentage increases or decreases for each line.
2. Explanation or justification for each line item increase or decrease.
3. Historical analysis of the BID's assessment increases since formation.
4. Estimation of the effect of proposed assessment increase on different classes of property owners.

See a sample of the four-part justification document [here](#).

STEP 5: Submission to City Council

In the early fall, SBS sends all assessment increase requests through the Mayor's Office of Legislative Affairs to the City Council for final action. SBS must also receive a letter of support from the BID's City Council member(s).

A sample City Council support letter is available [here](#).

STEP 6: Council Hearing; Property Owner Notification; and Legislative Action

Before the end of the calendar year, the City Council Finance Committee sets a date for a Public Hearing on the proposed assessment increase. At that time, the City Council requires the BID to publish, in a newspaper of general circulation in the district, not less than 10 days nor more than 30 days before the public hearing, a notice stating the time, location, and purpose of the hearing. The City Council Finance Committee then hears testimony and votes on the budget increase.

See a sample ad for public notification regarding the City Council hearing [here](#).

STEP 7: Retroactive Billing for the Current Fiscal Year

If the City Council approves the increased assessment, in December or March, the Department of Finance will send out a bill for the additional assessment due retroactive to the beginning of the fiscal year.

STEP 8: Permanent Billing for the Following Fiscal Year Onward

Effective in June, the Department of Finance begins regular billing at the new assessment rate.

BOUNDARY EXPANSION

STEPS

The steps for increasing BID boundaries are by and large parallel to the 11 steps necessary to create a BID and obtain legislative approval (see [Creating a BID](#)). A member of SBS's staff will be assigned to assist and advise you through the boundary expansion process.

Select a Project Leader and Form a Steering Committee

The BID should select a project leader to initiate and coordinate the expansion process. In many instances the BID executive director or a member of the BID staff is assigned to function as the project leader. Alternatively, the sponsoring organization may want to hire a consultant with specialized skills to assist throughout the process. After a project leader has been designated, the BID is required to create a steering committee made up of property owners from both the expansion area and the current BID boundaries. Typically, this committee should include three to four property or business owners located in the expansion area as well as three local property owners or leaders from the existing BID. The project leader reports to the BID steering committee, the sponsoring organization, and SBS throughout the establishment process keeping them informed and involved in steps taken and planned as well as problems encountered and resolved.

Develop a Statement of Need

The BID should summarize the case for BID boundary expansion in a brief Statement of Need. The Statement of Need includes a description of the district, the tentative new boundaries, the services to be provided in the extended district, and the reason for expansion. The Statement of Need should be submitted to SBS, as well as to those stakeholders whose participation you would like to have throughout the BID expansion process.

Develop a Database of Property Owners and Commercial Tenants within the Tentative Expanded Boundaries of the District

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

As in the BID formation database, the BID expansion database should include the following:

- The tax block and lot numbers and address of each property
- Information on the use and assessed value of all properties
- Names of all property owners and commercial tenants
- Mailing addresses for all property owners and commercial tenants
- Fields to track which property owners support the BID and which are in opposition
- Phone numbers and email addresses for all property owners and commercial tenants (where possible)
- Worksheets to keep logs of personal phone calls and individual meetings with property owners and commercial tenants, which will be used to document outreach

Conduct a Needs Assessment Survey

The Steering Committee should conduct a needs assessment survey for the property owners and commercial tenants who will be included within the new, tentative boundaries. The BID should distribute and collect the surveys and tabulate the results. A concerted effort should be made to collect as many completed surveys as possible. BID staff members are encouraged to develop their own surveys or customize the sample survey available [here](#).

Amend the District Plan

In order to extend the BID boundaries, the BID must also amend the district plan of the organization. The revised district plan will include the expanded boundaries of the BID, the programs and services to be delivered by the BID in the expanded area, the new operating budget for the BID and the formula used to calculate the special assessment. The BID should also use this opportunity to update any incorrect or dated information in the district plan. The revised district plan should be mailed and emailed to SBS upon completion.

Obtain Mock Run of Billing from SBS

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

Conduct Outreach

Similar to the outreach process that is conducted during the BID formation process, the steering committee needs the support of property owners, especially those who will be included within the new district boundaries. The BID should send an informational mailing discussing the desire of the BID to expand its current boundaries to all property owners in the district and in the tentative expanded boundaries. This mailing should include an invitation to the first public meeting as well as signature ballots.

After holding the first and second public meetings regarding the boundary expansion, the BID should prepare and submit the following documents to SBS:

- Copy of the new district plan
- Minutes of steering committee meetings
- Copies of materials sent out in informational mailings
- Letters of support from elected officials
- Hard copy of the 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 expansion effort

Legislative Approval

Once sufficient support is received from stakeholders during the outreach process, and SBS determines the boundary extension feasible, an Interagency Review Process (IAR) officially starts the legislative authorization process.

CONTRACT RENEWAL

PROCEDURE AND REQUIREMENTS

All BIDs have a contract with the City of New York's Department of Small Business Services. Contract terms range from one to five years. SBS has established a contract review process that places emphasis on accountability, transparency and communication. The guidelines outlined below help determine the contract renewal term for each of the BIDs:

1. Board Participation

Key to a successful BID is an active and engaged Board that is kept abreast of policy and programmatic decisions, as well as budget issues facing the organization. While the frequency of BID Board meetings is left to the discretion of individual District Management Associations (DMAs), most BID Boards meet on a quarterly or bi-monthly basis. In order to assess a BID's Board participation, SBS evaluates the percentage of Board meetings within the last calendar year at which a quorum was present (defined as majority of bona fide Board members).

2. Board Composition

To ensure that all stakeholders have adequate representation within the BID, SBS looks at each BID's current Board composition. The composition of a BID's Board is outlined in that BID's district plan and the by-laws, specifying the mix of property owners, commercial tenants, City and elected officials, and, in some cases, residential tenant that must be represented on the Board. BIDs with Boards that comply with the composition as outlined in their respective district plans will have fulfilled this requirement.

3. Fiscal Administration

Responsible fiscal management is at the foundation of any successful organization. All BIDs are required to submit CPA-audited financial statements to SBS on an annual basis. Those BIDs that have submitted their latest audited financial statements on time and whose audited financial statements have no material weaknesses will have fulfilled this requirement.

4. VENDEX and Division of Labor Services (DLS) Requirements

VENDEX is the City's means for ensuring that it engages with contractors who exhibit responsibility and integrity in their business activities. All BIDs are required to submit VENDEX and Division of Labor Services (DLS) forms. Those BIDs that submit their VENDEX and DLS forms and receive VENDEX clearance will have fulfilled this requirement.

DISTRICT PLAN AMENDMENTS

OVERVIEW

The district plan 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. When a BID expands its boundaries, it is required to change its district plan. This is the most common type of district plan amendment. However, your BID may want to amend its district plan for another reason that is specific to the service needs, physical conditions, changing priorities or other unique circumstances of your district, such as changing an activity that the BID undertakes or the type of assessment collected.

A BID should revisit their district plan approximately every five years or when major changes are needed and should consider changes in language to reflect changes in:

- Amenities that are managed by the BID
- Improvements that are maintained by the BID
- Streetscape or other capital improvements whose maintenance is the responsibility of the BID
- Services provided by the BID

It is not necessary to change the district plan each time the BID takes on a new project or service so remember to keep district plan language timeless.

As with boundary extensions, your first step is to contact SBS so that a staff member can be assigned to guide you through the process. Below is an outline of the steps involved in district plan amendment planning, outreach, and legislative processes:

PLANNING AND OUTREACH PROCESS

STEP 1: BID staff meets with SBS to discuss and agree on district amendment process.

STEP 2: BID conducts a comprehensive outreach campaign to gain support for the amended plan including one public meeting and obtaining support from the local City Council member(s).

STEP 3: BID staff prepares memo to SBS Commissioner providing justification for the district plan amendment and requesting permission to proceed.

STEP 4: After receiving approval from SBS Commissioner, the BID submits a draft of its amended BID plan to the Department of Small Business Services for approval.

STEP 5: SBS Legal Division reviews and approves the amended BID plan.

STEP 6: BID Board of Directors approves the final amended BID plan.

LEGISLATIVE PROCESS

STEP 7: SBS Legal Division prepares a draft of BID legislation, resolution, and memo-of-support for New York City's Law Department to review.

STEP 8: New York City's Law Department approves legislation and resolution.

STEP 9: The New York City Council sets a public hearing date upon the receipt of an approved law and resolution from the Law Department and a request from the Mayor's Office of Legislative Affairs.

STEP 10: The BID notifies property owners of the public hearing by mail and publishes a public hearing notice in a local newspaper.

STEP 11: The New York City Council holds a public hearing.

STEP 12: City Council votes on the BID legislation to amend the district plan.

STEP 13: The Mayor signs BID amended district plan into law.

STEP 14: If the district plan amendment includes an assessment increase or a change in the assessment formula, SBS prepares new billing and the Finance Department mails statements to property owners in the district.

DOT PERMITS: REVOCABLE CONSENT

OVERVIEW

If your BID intends to install a structure on, under or over a City street or sidewalk, such as benches or lampposts, you must apply for a revocable consent through the New York City Department of Transportation (DOT). A revocable consent is the grant of a right to an individual or organization to construct and maintain certain structures on, over or under the inalienable property of the City (that is, the streets and sidewalks).

The City retains the right to revoke a revocable consent at any time. The revocable consent cannot be sublet, assigned, or transferred without the prior written approval of DOT.

Some of the common structures that require revocable consent include:

- Bench
- Bridge
- Clock
- Conduit
- Hatch
- Electrical Socket
- Fenced or Walled-in Area not used for planting or parking; including a fenced or walled-in area containing a drainage basin
- Flagpole
- Guard Booth
- Guard Rail
- Information Sign or Kiosk

For a complete list of structures that require revocable consent and more information on rules, filing fees, how to obtain petition forms, and the review process, visit the DOT website on revocable consent:

<http://home2.nyc.gov/html/dot/html/permits/revconif.shtml>.

DSNY SPONSOR-A-BASKET PROGRAM

OVERVIEW

The Department of Sanitation (DSNY) Sponsor-A-Basket program allows BIDs to purchase customized litter baskets for their districts. While the BID may use the vendor of their choice and include their BID logo on the new baskets, DSNY must approve of the custom design.

For more information, including guidelines and specifications, please contact Ana Lafe, Director of Special Projects, Office of Community Affairs, DSNY at (646) 885-4522 or alafe@dsny.nyc.gov.

INSURANCE REQUIREMENTS

OVERVIEW

The BID must be insured to protect itself and the City against claims for injuries to persons or damages to property occurring in the BID. The insurance requirements are included in the BID's contract with the City of New York. Below is an outline of the general insurance requirements for BIDs:

- Broad Form Comprehensive General Liability Insurance must be procured with liability limits of \$1,000,000 combined single limit for personal injury, bodily injury and property damage, with an aggregate limit of \$5,000,000, with added coverage for contractual liability, personal injury liability, broad form property damage, and products and completed operations.

- Business Automobile Liability Insurance must be procured for all vehicles operated by the BID with liability limits of \$1,000,000 combined single limit for bodily injury and property damage.

The BID must obtain Worker's Compensation Insurance with employer's liability limits of \$500,000 per accident. Any deductibles or self-retentions must be declared to and approved by the Commissioner of SBS.

The BID may obtain Director's and Officer's Liability insurance to indemnify and save each director of the BID from all liability connected with his duties as director or officer of the BID.

The BID must comply with the provisions of all required insurance policies and give the insurer and the City notice of a claim, accident, or loss promptly upon its acquiring knowledge of the same.

All insurance policies must be satisfactory to the Commissioner of SBS and have a minimum "Best's" rating of no less than A:X. The DMA must deliver a copy of each of these policies to SBS and, no less than thirty days prior to the expiration of any policy, a confirmation of renewal.

For exact specifications, please see the attached document containing the standard BID contract insurance clause [here](#).

MANAGEMENT AGREEMENTS

OVERVIEW

In some instances, a non-profit organization, such as a Local Development Corporation (LDC), acts as the managing organization for the BID. Many times these organizations were an integral part in forming the BID and are an appropriate management entity because they are already established in the community and share a similar mission and vision as the BID. Furthermore, a BID that is run through an LDC can save on costs such as office space, equipment and supplies by sharing these with a management organization.

The local non-profit and BID must generate and execute a management agreement that outlines the terms, conditions, payment and roles of each organization. A sample management agreement is available [here](#).

SBS ANNUAL REPORT SUBMISSION

OVERVIEW

Annually, each BID submits a report detailing its programmatic activities and financial expenditures to the Department of Small Business Services (SBS) using a template provided by SBS. This template, which is comprised of both qualitative and quantitative information, allows BIDs to articulate their strategy and overall goals and to highlight the impact they make on their community. In addition, it lends a degree of objectivity and transparency to SBS and stakeholders evaluating the impact of the programs and activities of the BIDs in New York City.

Completing an annual report that summarizes the BID's fiscal year budget and activities provides BID staff with the opportunity to demonstrate how the organization's strategy aligns with the needs of the community, ongoing plans and goals, and uses of resources. By submitting both quantitative data that is easily comparable across all BIDs, as well as qualitative information specific to each organization, SBS can leverage these reports to identify and share trends and best practices across BIDs. In addition, it allows SBS to aggregate information about the collective impact BIDs have in New York City. A summary providing information on the programs and services provided by the City's network of BIDs in fiscal year 2007 is available [here](#).

STRATEGIC PLANNING

STEPS

Below is a basic outline of how a BID might conduct strategic planning. The process should be implemented in the first year of BID operations and then added to in later years to include more internal performance evaluation, goals and BID activities.

- 1. Identify your purpose through a mission statement** – The mission statement should describe the basic purpose of your BID and briefly describe the needs of the BID constituents and community stakeholders. The Board of Directors and Executive Director should develop and agree on the mission statement. The statements will change somewhat over the years as the needs of your district change.
- 2. Select the goals the BID must reach if it is to accomplish your mission** - Goals are general statements about what you need to accomplish to meet your purpose, or mission, and address major issues facing the BID as a district and an organization. Each fiscal year, SBS will ask you to state your top five goals in your annual report. We will then ask about progress you've made with each of those goals in subsequent years.
- 3. Identify approaches that must be implemented to reach each goal** – Some goals have easily identifiable approaches. For example, if one of your goals is to hire a marketing staff person, your approach will include determining an appropriate and feasible salary, writing a job description, and interviewing candidates. However, some goals may require more innovative approaches (such as fundraising for capital improvement projects) that will require you to examine internal and external factors and resources available to you.
- 4. Identify Indicators of Success**- How will you determine if your goals are met? Some indicators are straightforward, for example, constructing a new public plaza. Other indicators of success may require their own action steps in order to determine them. For example, if your goal is to attract residents and tourists to small businesses in the district, an indicator of success may be the satisfaction of merchants. In order to measure this, the BID may conduct a satisfaction and/or quantitative survey with business owners to measure if BID district promotions increased consumer spending.
- 5. Create action plans for each goal** – List the specific activities that each staff member or unit of your organization should follow in order to meet their assigned goals and include a timeline. Use the goals set in step #2 for a reference

end point so staff can assess if their objectives have been met or not. BID Boards may also delegate work plans to sub-committees within the Board of Directors.

6. Monitor and update the plan – The BID should regularly reflect on the extent to which the goals are being met within the timeline and whether action plans are being implemented using the work plans. It is expected that unforeseen events can derail the work plan so remain flexible in changing the timeline or adjusting goals if need be.

Source: [Carter McNamara, Authenticity Consulting, LLC](#) “Basic Overview of Various Strategic Planning Models.” Adapted from the [Field Guide to Nonprofit Strategic Planning and Facilitation](#). Copyright 1997-2006.