



# Business Improvement Districts

## New York City

October 2011

**NYC**<sup>TM</sup>  
Small Business  
Services

# The Department of Small Business Services

## Serving Businesses

SBS oversees a network of NYC Business Solutions Centers in all five boroughs, offering a free set of services to help businesses start, operate, and expand. SBS offers incentives, courses, connections to financing and pro-bono legal advice, and more.



## Serving Jobseekers

SBS oversees a network of Workforce1 Career Centers in all five boroughs that connect qualified job applicants to available opportunities. Last year, SBS placed 31,000 people into jobs.

## Serving Minority- and Women-Owned Business Enterprises

SBS oversees NYC's Minority- and Women-owned Business Enterprise Program, promoting the development of the City's M/WBEs and opportunity in City purchasing.

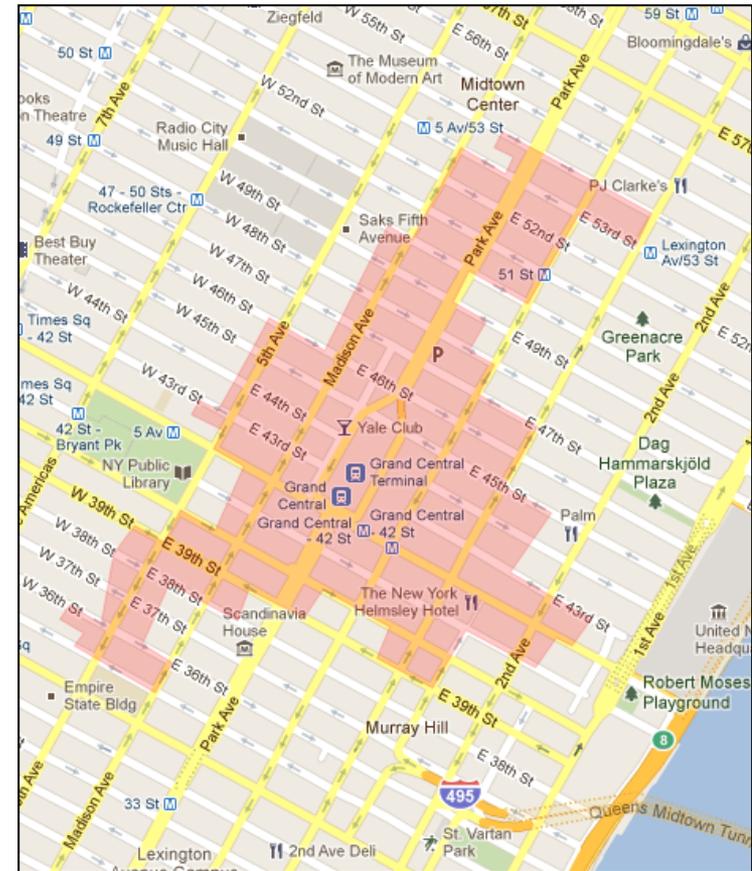


## Serving Neighborhoods

SBS partners with community-based economic development organizations throughout the City, overseeing 66 Business Improvement Districts and administering the Avenue NYC program.

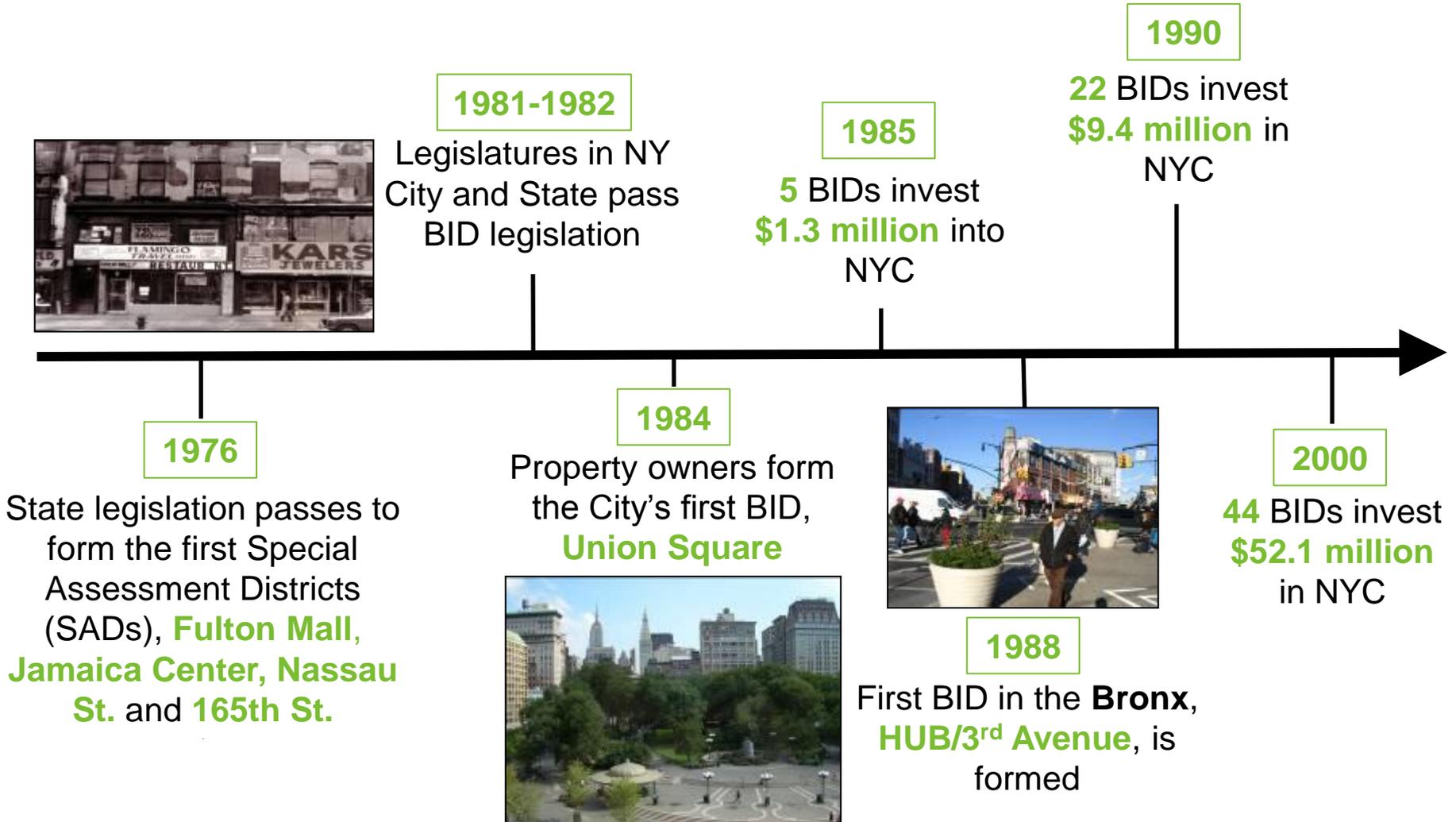
# What is a BID?

- A **Business Improvement District** is a public/private partnership, set up as a nonprofit organization, that collects a mandatory assessment from property owners in a defined geographic area for supplemental service delivery such as street and sidewalk sanitation, security, marketing, and special events.
- The BID model has become widespread along commercial corridors and downtown neighborhoods in the United States and abroad, including Canada, England, New Zealand, Japan, and South Africa.
- New York City's network of 66 BIDs in all five boroughs is overseen by the **Department of Small Business Services**.



Grand Central Partnership

# BIDs: Improving NYC Neighborhoods for 30 Years



## The New York Times

April 2, 1998 | By Dan Barry and Thomas J. Lueck

### Control Sought On Districts For Businesses

## The New York Times

April 03, 1998 | Editorial

### The Mayor vs. the BIDs

## The New York Times

February 4, 2001 | By Terry Pristin

### Improvement Districts Balk At City Plan For New Fee

## The New York Times

July 29, 1999 | By John Tierney

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

- **Mayor Bloomberg** recognized the impact BIDs have on the economic development of New York City and created a 5-point plan to re-energize the BID Program:
  1. Simplify formation and expansion procedures and create one-stop, user-friendly BID Formation guide
  2. Allow BIDs to increase budgets and boundaries
  3. Streamline the assessment collection and distribution process
  4. Provide grants to spearhead formation targeting neighborhoods outside Manhattan
  5. Allow issuance of long-term debt



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

**- Mayor Michael Bloomberg**  
*2002 State of the City Address*

## The New York Times

February 18, 2002 | By Terry Pristin

**For Improvement Districts,  
Restored Alliance With City**

## The New York Times

May 15, 2002 | By Terry Pristin

**Mayor Envisions a Bigger Role For  
44 Improvement Districts**

## The New York Times

July 7, 2002 | By Jim O'Grady

**Under Bloomberg, New Life For  
Business Districts**

# The Bloomberg Administration

2002

Mayor Bloomberg announces  
a new policy for BIDs



2011

66 BIDs invest over **\$100 million** in services to **16,000+** ground floor businesses, serve **3,100+** city block faces, and employ **1,200+** people

2007

3 BIDs formed

2006

3 BIDs formed

2004

2 BIDs formed



2008

3 BIDs formed

2005

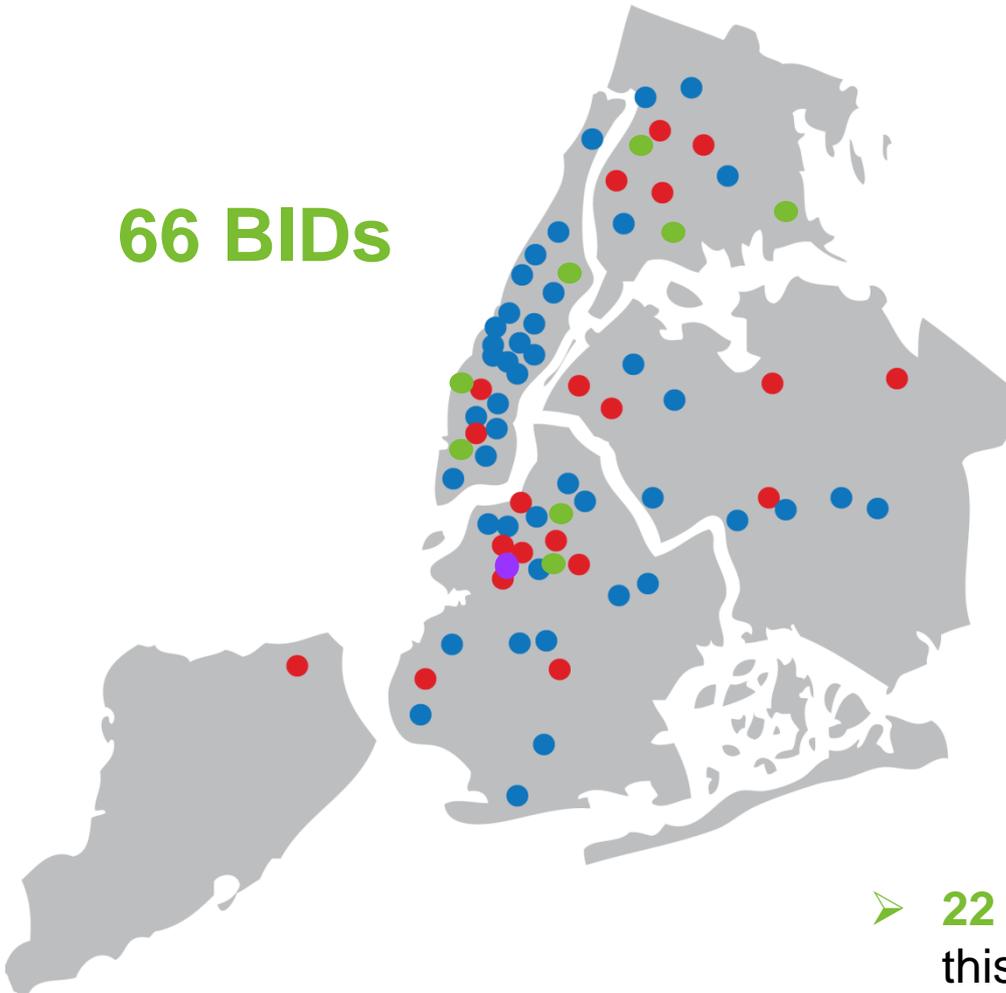
5 BIDs formed, including  
first BID in **Staten Island**

2009

4 BIDs formed



**66 BIDs**



**Blue** indicates BIDs formed prior to 2002

**Red** indicates BIDs since 2002 (22)

## BIDs in planning (in green)

- SoHo
- Westchester Square
- 8<sup>th</sup> Avenue/ Sunset Park
- Burnside Avenue
- East Harlem/ 116<sup>th</sup> Street
- Hudson River Park
- Utica Avenue

## BIDs in expansion

- Lower East Side
- Metro Tech
- Myrtle Avenue, Brooklyn
- NoHo

➤ **22 BIDs** have been created under this administration, bringing the total to 64, **19** of which are in boroughs outside Manhattan

# The Impact of BIDs in New York City

In 2010, BIDs:

- Invested nearly **\$98** million in services
- Provided services to **16,000** ground floor businesses
- Served **3,100+** city block faces
- Employed **1,200+** people

***Recent study showed commercial property values increased significantly more rapidly (15%) in BID districts vs. non-BID districts***



# The Impact of BIDs in New York City

In FY 2010 NYC's network of BIDs:

- Covered over **3,100** block faces with sanitation services
- Employed over **612** sanitation workers & **364** public safety officers
- Logged over **1.2 million** public safety/ambassador interactions
- Held over **1,173** public events that drew an estimated **13 million** attendees



# BID Formation in NYC

The BID formation process involves three phases:

## 1. Planning

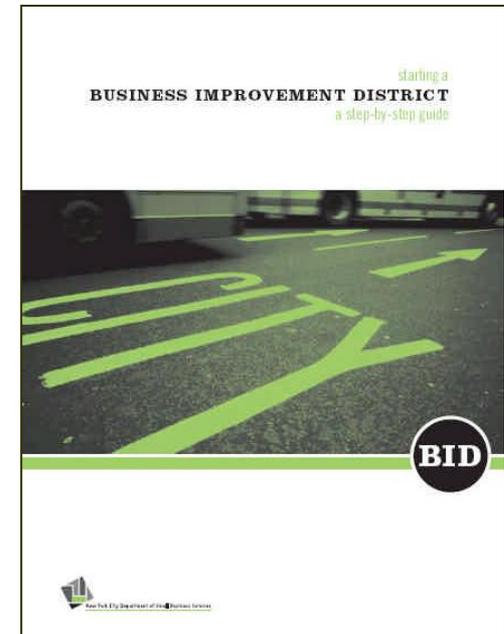
- Establish a steering committee
- Determine boundaries
- Identify services needed
- Write a formal plan for the BID

## 2. Outreach

- Gain support for the new BID from area constituents
- Explain the formation process
- Adjust the plan

## 3. Legislative Authorization

- Submit the plan to City Planning Commission, Community Boards, City Council, and Mayor
- Hold public hearings
- Review the documented support
- Sign the BID into law



# The Role of SBS: BID Formation and Beyond

Once a BID is formed and signed into law, SBS' District Development staff works with the BID to:

- Represent Mayor as Voting Member of BID Board
- Liaise with other Government Agencies on behalf of the BIDS
- Manage BID Contract and Payment
- Ensure Compliance with BID Contract, By-laws and Governance
- Promote best practices and encourage innovation



# The Role of SBS: Building Capacity

SBS develops programs and venues to promote best practices:

- Hosting roundtables to discuss service provision strategies, data tracking and district marketing initiatives
- Producing annual BID conference, bringing in leaders from across the country to discuss innovations in programs and services
- Conducting tours that engage peers and City agencies to actively solve problems that impact the BID
- Summarize annual revenue and expense data

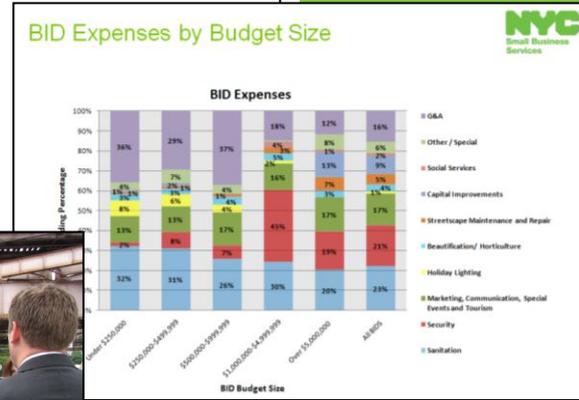
Business Improvement Districts 09



BID

Fiscal Year 2009 Annual Report Summary

**NYC**  
Small Business Services

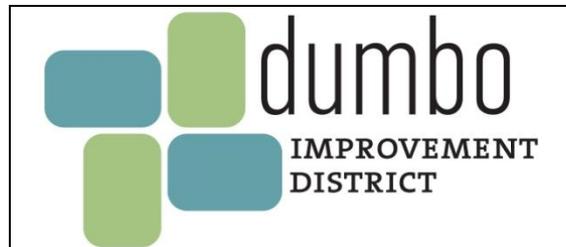


# The Role of SBS: Building Capacity

SBS hosts a series of tours called **Spotlight on a District**, where stakeholders, government officials, real estate professionals, architects and urban planners come together to problem solve and share best practices.

Topics include:

- Activating and maintaining public space
- Developing effective relationships with City agencies
- Retaining old and attracting new businesses
- Zoning and land-use strategies
- Infrastructure and capital program needs



# The Role of SBS: Building Capacity

SBS helps build the capacity of organizations by developing **workshops** and providing one-on-one **technical assistance** to support the BID programs and operations. Initiatives include:

- Launching a website development initiative to provide BIDs with a free website
- Partnering with the Lawyer's Alliance to promote best practices and compliance with BID and non-profit law
- Providing financial management, board development and program evaluation workshops



**SUPPORT CENTER FOR NONPROFIT MANAGEMENT**

CONSULTING ■ TRANSITION MANAGEMENT ■ TRAINING  
for nonprofit & philanthropic organizations

***In FY 2010, SBS provided over 1,200 hours of training to 80 staff and Board members of BIDs & LDCs***

# The Role of SBS: Building Capacity

In 2011, SBS is providing training opportunities in the following:

## Program Design and Development:

- Developing Programs that Get Results
- Measuring Impact and Communicating Success

## Fund Development:

- Cultivating Productive Funder Relationship
- Developing Realistic Fundraising Strategies

## Board Development:

- Strategies for Recruiting and Engaging a Board of Directors
- Effective Board Management: Reporting Finances and Successes

## Communications and Marketing:

- Working with the Media
- Developing Outreach and Marketing Campaigns
- Using Social Media



# The Role of SBS: Building Capacity

- Each year, SBS partners with more than **100** community-based organizations to carry out commercial revitalization initiatives in districts throughout the five boroughs through the BID program and Avenue NYC program
- The **Avenue NYC** program provides organizations with funding in specific commercial revitalization project areas and the technical assistance needed to implement successful programs
- In FY 2011, Avenue NYC is investing **\$2.2 million** in support of the commercial revitalization activities of **47 organizations**



In February 2011, SBS, in collaboration with the Coro New York Leadership Center and the Association for a Better New York, launched the **Neighborhood Leadership Program**.

**20** individuals working to strengthen New York City's commercial corridors began the five-month leadership training program in February. The program teaches:

- Conducting a Neighborhood Logic Study
- Understanding Small Business Fundamentals
- Promoting and Marketing Business Districts
- Improving Tenant Mix through Targeted Retail Leasing



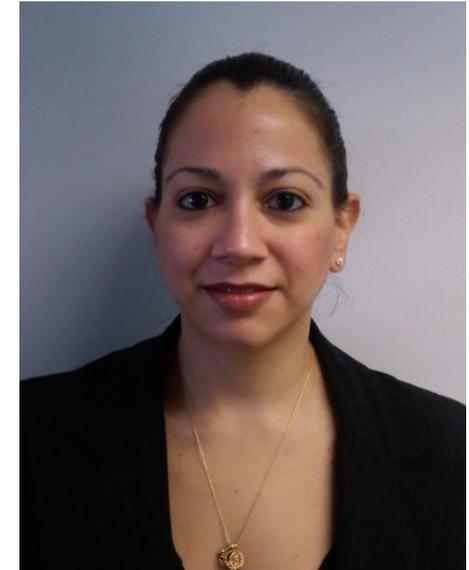
# Neighborhood Leadership Participants



**Laurel Brown**  
Executive Director  
Jamaica Center BID



**Blaise Backer**  
Executive Director  
Myrtle Avenue  
Revitalization Project LDC



**Angelina Ramirez**  
Executive Director  
Washington Heights BID

# Underperforming BIDs

In 2010, the City took action in Washington Heights, where the BID was failing to provide basic services.



**Locals Say Washington Heights BID Has A Lot Of Work To Do**  
5/12/2010 | Rebecca Spitz



# Underperforming BIDs

SBS worked with elected officials, business leaders and property owners to produce change.

**CRAIN'S**  
**NEW YORK BUSINESS**

August 21, 2010

**Washington Heights BID  
names director**

**ManhattanTimes**

November 16, 2010

**W. 181<sup>st</sup> Street: Ready for Renewal**  
Walk down W. 181st Street and it might seem like business as usual, but look closely and you'll notice changes that could signal a renaissance for the heart of Washington Heights.



# Union Square: A Case Study

## A Brief History

**1870s-** Union Square is the center of high class living and luxury shopping, the midpoint of “Ladies’ Mile” and the original headquarters of Tiffany’s and Macy’s

**1920s-** New York’s business center shifts, leaving Union Square in the gap between the ‘uptown’ and the ‘downtown’. Department stores, like Hearn’s and S. Klein’s, become linchpins of the new “bargain district.”

**1950s–1970s-** Union Square businesses and offices close or relocate; vacated lots breed drug use and homelessness; Union Square’s retail anchor, S. Klein, closes in 1975.



## Residents rally to revitalize Union Square Park

Union Square Park has been characterized for years as a backdrop for murders, muggings, gang wars and possibly the largest illegal pill market in New York. But a band of residents from the park's outlying and political approaches. "We definitely want to plan some big event," Flatto said, "some sort of event in that park that would be basically a community event, with loads of people coming in that day and having a varie-

- **1976** Community activists form "Sweet 14", aiming to renovate and restore Union Square.
- **1976** 14th Street Local Development Corporation (LDC) formed by a group of political, community and business leaders.
- **1984** Formation of New York's first Business Improvement District at 14th Street-Union Square



**Must Union Sq Park  
Always Look This Way?**

EASTSIDE EXPRESS - 3/8/79

# Union Square: A Case Study

## Core Services

- Graffiti Removal
- Sidewalk & Street Sweeping
- Security
- Street Lighting
- Marketing Initiatives & Special Events



# Union Square: A Case Study

## A Renaissance

- Union Square is an example of a successful private and public collaborative effort to revitalize a neighborhood
- BID provides services to community, including working with a local high school and developing supportive housing for the homeless
- Today Union Square is one of the most popular and heavily utilized public spaces in the City



“Business people, residents, the arts community, schools, city agencies have worked together believing we could make our community a better place. I’ve always thought that the way it’s been done here should be a microcosm for how the whole city should work.”

Eugene McGrath, former Chairman of Con Edison

## Balancing Core Mission and Innovation

- Keep BIDs focused on “clean and safe” which stretching them to take on other challenges in the community (e.g., an underperforming school)

## Solutions for Smaller Commercial Corridors

- Smaller BIDs spend nearly half of their budgets on general and administrative costs; some smaller corridors cannot afford the BID model

## Linking BIDs with Business Services

- Leverage BIDs for small business services such as capital access and workforce development; make connections to NYC Business Solutions





**Learn More**

**[nyc.gov/neighborhoods](https://nyc.gov/neighborhoods)**

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