Business Improvement Districts
New York City

October 2011
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-Own 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**.
BIDs: Improving NYC Neighborhoods for 30 Years

1976
State legislation passes to form the first Special Assessment Districts (SADs), Fulton Mall, Jamaica Center, Nassau St., and 165th St.

1981-1982
Legislatures in NY City and State pass BID legislation

1984
Property owners form the City’s first BID, Union Square

1985
5 BIDs invest $1.3 million into NYC

1988
First BID in the Bronx, HUB/3rd Avenue, is formed

1990
22 BIDs invest $9.4 million in NYC

2000
44 BIDs invest $52.1 million in NYC
BIDs and City Hall in the Late 1990s

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 Bloomberg Administration

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
Mayor Bloomberg announces a new policy for BIDs in 2002.

- 2002: 2 BIDs formed
- 2004: 3 BIDs formed
- 2005: 5 BIDs formed, including the first BID in Staten Island
- 2006: 3 BIDs formed
- 2007: 3 BIDs formed
- 2008: 3 BIDs formed
- 2009: 4 BIDs formed
- 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.
66 BIDs

BIDs in planning (in green)
- SoHo
- Westchester Square
- 8th Avenue/ Sunset Park
- Burnside Avenue
- East Harlem/ 116th Street
- Hudson River Park
- Utica Avenue

BID s 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

Blue indicates BIDs formed prior to 2002
Red indicates BIDs since 2002 (22)
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
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
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
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
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
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

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

August 21, 2010
Washington Heights BID names director

November 16, 2010
W. 181st 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.
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.
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.
Core Services

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

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