

## What do BIDs do? What can BIDs do?

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Rutgers University's center for nonprofit corporations reports that there are more than 1500 Business Improvement Districts (BIDs) in North America, a result of steady increases in new BID formation and virtually no BIDs that have been terminated. After almost fifty years' experience, it is fair to question what BIDs were intended to do and what they are doing now.

Business Improvement Districts, by whatever names state or provincial governments have assigned to them, have several common characteristics:

1. They are created by local governments and authorized by state law;
2. They are intended to advance economic conditions in commercial districts;
3. They are managed by public or non profit boards, heavily weighted with local business representatives;
4. Together, BIDs create economic benefits for business organizations that the members cannot achieve individually;
5. They are not intended to substitute for ordinary municipal services;
6. BID revenues are derived from assessments on commercial properties. Annual revenues range from \$10,000 to several million dollars.

### Priorities When BIDs Were New

The early BIDs were typically formed in large, urban places suffering from shrinking commercial sectors. What did they do? The early BIDs emphasized "safe and clean" services, dealing with the two most common complaints about urban commercial centers. These pioneer BIDs employed sidewalk cleaners and uniformed "security" personnel. Sidewalk litter is the responsibility of property owners, for whom the BID substituted. Few, if any, cities take on that responsibility. Sidewalk cleaning by BID employees became a popular amenity, with those who were paying property assessments.

As for the unarmed security personnel, urban BIDs often claim that their uniformed crews deter crime or reassure visitors, although there is no research to support that belief. BIDs typically say that their security personnel can communicate with police departments to report an incident or to ask for help, often claiming that the BID security personnel serve as the "eyes and ears" of their police. When the early BIDs were formed, these uniformed personnel served as a response to public fear of urban places with poor lighting, closed stores and few pedestrians. The media generated enough fear of crime to keep some shoppers home or office workers in their offices. Because commercial areas rarely have high crime rates police departments rarely station patrols there.

Downtowns have changed and so have BIDs. Those formed in the past decade are typically more suburban and more retail oriented than the earlier organizations. For example, fear of crime has greatly diminished. There are more people on sidewalks and more people living in business districts, circumstances that contributed greatly to the reduction of whatever fear earlier existed. BID security squads are luxuries that only those with very large budgets can afford. Job descriptions have been broadened to include such tasks as counting homeless persons on the sidewalks. Many suburban BIDs now neither need nor can they afford sidewalk cleaning. BID security squads remain a luxury.

## Services by Type

BID budgets are influenced by the value of the real estate from which they derive their property assessments, the ambitions of their leaders and the challenges they face. In one of their surveys, the Downtown Research and Development Center ranked ten categories of “BID services”, listed here in order (most frequently reported to least frequently reported).

- Maintenance, mainly sidewalk cleaning
- Marketing and promotion
- Visioning
- Capital improvements
- Business recruitment and retention
- Advocacy and enforcement
- Urban design
- Security
- Parking, transit and transportation management
- Social services

The 40 BIDs found in the survey included ones large and small, some in cities and others in suburbs and some with substantial residential populations. The differences in patterns of services include BID size and degree of urban vs suburban influences.

## Diverse Services Today

There is no “standard BID”. To illustrate the diverse patterns of services, one or more BIDs are funding and /or managing these services:

### Services to the community

- Organized system to remove and reuse 400 Christmas trees. University City District, Philadelphia
- Trained and equipped BID personnel with defibrillators to deal with sudden cardiac arrest. Downtown DC BID
- Organized a council of seven BIDs. Downtown DC BID
- Distributed blue cans for new recycling program. Downtown DC BID
- “Chronic Homeless Daily Needs Team” composed of: a clinical director, two social workers, a certified addiction counselor, licensed psychologist and community support worker. Downtown DC BID
- Conducted biennial pedestrian survey. Downtown DC BID
- Showcasing Downtown schools. East Passayunk BID, Philadelphia
- Created seasonal sculpture garden with borrowed pieces. Downtown Albany, New York
- Serves as area’s Transportation Management Organization. Tampa BID
- Downtown “drop in center” for homeless. Downtown DC BID
- Assist with winter homeless count. Center City District, Philadelphia
- Averted movie house closing, using BID rehab funds for needed repairs to meet code requirements. Bergenfield, NJ BID
- Secured 1100 pounds of donated food in first week for the Arlington ,VA Food Assistance Center. Crystal City BID
- Compost drop off. University City District, Philadelphia
- Energy audit for homeowners. University City District, Philadelphia
- Started Downtown Neighborhood Resident Association. Downtown DC BID
- Green Initiative: Reduced Paper and Plastic Use. Downtown DC BID

### Services to business owners

- Produced a series of information seminars for owners and tenants e.g., “How to reduce energy costs.” Roxborough BID, Philadelphia
- Fundraiser: “Guess Who’s Coming to Dinner?” Mount Airy BID, Philadelphia
- Competition with \$25 Reward: “Tell us your favorite restaurant.” Albany BID, New York
- Created New Logo. Downtown DC BID
- Organized canoe-based picnic to watch fireworks. Red Bank, NJ BID
- Saturday Free Parking. Ardmore, Pennsylvania BID

- Participant, Ardmore PA Redevelopment Project. Ardmore, Pennsylvania BID
- Profits from park restaurant supports area maintenance.

## **Entertainment**

- Sponsored a Winter Beer Festival. East Passyunk BID, Philadelphia
- Presented Santa and seasonal lighting. East Passyunk BID, Philadelphia
- Organized Fotoweeek and Photowalk. Crystal City, VA BID
- Capital Fringe Festival. Downtown DC BID
- Bike Night. Downtown Tempe BID
- New Year's Eve Celebration. Downtown Tempe BID
- Geeks Night Out. Downtown Tempe BID
- "Pop Up Pooch" Party. Downtown Tempe BID
- Super Bowl Sunday event
- Valet parking during Restaurant Week

## **Physical improvements**

- Two adjoining BIDs created a large pedestrian plaza from intersecting high volume city streets and constructed new barriers to improve safety in the Times Square pedestrian area. Times Square BID NYC
- Created small, temporary "parklets". University City District, Philadelphia
- Creating new two acre plaza at City Hall. Center City District, Philadelphia

If the original BIDs saw their roles narrowly, i.e., "crime and grime," both the challenges and opportunities have changed for the more recently formed. Now, BIDs are more often concerned about how to entertain Downtown regulars and visitors. A growing number are organizing parks and other urban open spaces, a substantial departure from simply disposing of sidewalk litter. These examples of what some BIDs are doing might better be headed can do. BIDs are, nevertheless, still engaged in activities that are beyond the capabilities of individual entrepreneurs—a form of cooperative capitalism.