



introduction to
**BUSINESS
IMPROVEMENT
DISTRICTS**



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WHAT IS A BID?

A Business Improvement District (BID) is a public/private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district.



WHY IS MY SUPPORT IMPORTANT?

WHY FORM A BID?

The purpose of a BID is to improve conditions for business in a specific area, attract and retain businesses, generate jobs and improve the quality of life for those who use the district. A BID enables stakeholders to decide which services to provide to meet the district's unique needs.

These services include:

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| Maintenance <ul style="list-style-type: none">◆ Street/sidewalk cleaning◆ Graffiti removal | Public Safety/Hospitality <ul style="list-style-type: none">◆ Public safety officers◆ Visitor assistance |
| Business Development <ul style="list-style-type: none">◆ Commercial vacancy reduction | Community Service <ul style="list-style-type: none">◆ Fundraising◆ Homeless & youth services |
| Landscaping <ul style="list-style-type: none">◆ Park/open space maintenance◆ Trees/flower planting | Capital Improvements <ul style="list-style-type: none">◆ Improved streetlights◆ Custom trash receptacles◆ Directional street signage◆ Custom news boxes◆ Flower boxes |
| Marketing <ul style="list-style-type: none">◆ Special events◆ District public relations◆ Promotional materials◆ Holiday decorations | |

The BID's services supplement the services already provided by the City of New York.

HOW IS A BID FUNDED?

BID programs and services are underwritten by a special assessment collected from property owners in the defined boundaries of the district. The assessment is levied on the property-owners, who may then pass it on to their tenants, if their lease contains such a provision. The assessment is billed and collected by the City of New York and then disbursed to the District Management Association who in turn delivers the district's services.

WHAT IS THE AVERAGE ASSESSMENT? HOW MUCH WILL I PAY?

The sum of all the individual assessments that property owners pay comprise the total yearly assessment (operating budget) of the BID. Operating budgets of BIDs in NYC range from \$53,000 to over \$11 million. On average, an individual property owner will pay an assessment that is equivalent to 6% of his/her real estate tax charge.

WHO OVERSEES THE BID?

Each BID is governed by a Board of Directors that is elected by the members of the district. The Board of Directors has the fiduciary responsibility and hires management to administer the BID on a day-to-day basis. The Board is divided into classes that include: commercial property owners, commercial tenants, residents and public officials. BID members vote for directors in their respective classes. The majority of directors must be property owners. The Mayor, Comptroller, Borough President and a member of the City Council are defacto board members.

WHAT IS A DISTRICT MANAGEMENT ASSOCIATION?

The District Management Association (DMA) is the formal name of the legal entity that is the BID.

HOW CAN I BE INVOLVED?

There are many ways to become involved in establishing a BID in your district: attend meetings, join the Steering Committee, serve on the Board of Directors or work on a special project. Most important, before the BID is formed, voice your support.

For more information on forming a BID, please call 311 and ask for the Business Improvement District Program, or visit www.nyc.gov/smallbiz.