



Starting a Business Improvement District in Philadelphia

The City of Philadelphia Department of Commerce and Drexel University's Center for Public Policy



June 30, 2012

From the Deputy Mayor for Economic Development

Since the founding of the Center City District (CCD) in 1990, Business Improvement Districts (BIDs) have been important partners in the economic development of Philadelphia. All across the city, BIDs have had a tremendous impact in maintaining and enhancing the vitality of the areas they serve. Since the CCD was created, 11 more BIDs have formed, serving areas as diverse as Chestnut Hill, an industrial district in Port Richmond, a big box retail district along Aramingo Avenue, and City Avenue—Philadelphia’s first BID to engage another municipality. BIDs have made valuable contributions to our neighborhoods and have provided a way for property owners and businesses to cooperate to keep their areas competitive.

The creation of BIDs is consistent with the City’s Strategic Plan, especially with the specific goals of making Philadelphia one of the safest cities in America and a place of choice. As part of the City’s strategy to revitalize neighborhood commercial corridors, we are pleased to support existing BIDs and work with property owners who may wish to explore creating a new district to serve their commercial area.

Creating a BID is a serious effort that requires cooperation among businesses, property owners, public officials, and other community stakeholders. We are pleased to provide this guide, which outlines each step of the BID formation process, describes how to evaluate whether creating a BID might make sense, and offers guidelines on how to create a successful new BID, cost-efficiently and time-effectively.

Thank you for your interest in Business Improvement Districts. We are excited by what BIDs have proven they can do, both in Philadelphia and beyond, and are pleased to support our city’s businesses in this way.

Sincerely,



Alan Greenberger

Deputy Mayor for Economic Development and Director of Commerce

Foreword

In 2010, the Drexel Center for Public Policy convened directors, staff, and board members of Philadelphia’s existing BIDs, as well as public and elected officials and scholars, for a one-day symposium on BIDs. Throughout the day, many participants commented on the importance of continued information- and resource-sharing among BID practitioners in the city and raised the possibility that the Commerce Department might help to facilitate this collaboration. In response, the Commerce Department provided funds to the Drexel Center for Public Policy to conduct a year-long professional development series for BID directors and staff, starting in 2011. This document is the final product of that series and seeks to address feedback from participants that the process of creating and re-authorizing their districts was confusing and unpredictable. We hope this guide will be a useful resource to those that are brand new to the process of forming a BID as well as to current BIDs seeking to renew their status as districts in Philadelphia.

Denis Murphy

Manager of Business Improvement District Programs, Commerce Department,
City of Philadelphia

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Glossary

BID: Business Improvement District

A commercial district in which property owners or businesses pay an additional tax or fee in order to fund supplemental services or improvements within the district's boundaries.

CEIA: Community Economic Improvement Act

The state law governing the creation of neighborhood improvement districts in Philadelphia.

MA: Municipal Authority

An independent governmental body created under the PA Municipality Authorities Act to finance and/or operate specific projects. Business district authorities provide supplemental services and improvements to benefit a business district.

NID: Neighborhood Improvement District

The term used within the CEIA for any geographic area in which an improvement district is created and an assessment is levied for improvements or services.

NIDMA: NID Management Association

The governing body that oversees the management of the NID, as provided for in the CEIA.

SSD: Special Services District

A district with a fixed boundary in which supplemental services are provided, funded either by a mandatory tax or fee, or by voluntary contributions made by property owners, institutions, or businesses within the district.

BIDS: AN OVERVIEW



Old City District

This guide is for commercial districts in Philadelphia who wish to explore creating a Business Improvement District (BID) with staff support from the Commerce Department. While the guide was designed for commercial districts, the required steps for forming a district that is primarily residential would be very similar.

What is a BID?

A BID is a legal mechanism for property owners and businesses in a defined geographic area to jointly plan and put in place a sustainable funding source that can pay for a set of services to improve their area.

The idea for a BID is similar to mandatory common area maintenance in many shopping malls. A mall normally is a single property managed by one entity that rents the retail space to multiple tenants. Each tenant pays not only to rent their leased premises, but they are also obligated by their lease to pay into common area maintenance (CAM) fees for services that benefit all of the businesses like cooperative advertising and maintenance of common areas both inside and outside the mall. CAM charges pay for both the “free” parking and highly visible regional advertising that gives malls their competitive edge.

In urban districts, properties are owned by multiple individual owners. Much like the CAM arrangement in a mall, creating a BID allows property owners and businesses to organize and pay for services that keep the business district competitive. BIDs start as a voluntary initiative among property owners to work together to plan for improvements. But once approved, BID fees are mandatory and insure that all property owners, not just a few, share the costs of maintaining and promoting the area.

BIDS are a formal, legally approved way for the stakeholders within a business district to cooperatively improve the area. BIDs are organized locally by property owners and businesses who decide what is best for their community, but their legal authority to assess all property requires the formal authorization of the BID by the City through City Council.



Why create a BID?

- » Create a cleaner, safer, and more attractive business district.
- » Create a steady and reliable source of funding for supplemental services and programs.
- » Be able to respond quickly to the changing needs of the business community.
- » Build potential to increase property values, improve sales, and decrease the number of vacant properties.
- » Help the district to compete with nearby retail and business centers.

What do BIDs do?

BIDs deliver a range of services over-and-above normal City services and invest in the long-term economic development of their districts. BID services include:

- » Public space maintenance (sidewalk litter removal, graffiti removal)
- » Public safety (security officers)
- » Hospitality (visitor assistance)
- » Business development (business attraction, small business assistance)
- » Marketing and promotions (special events, district advertising and promotions)
- » Capital improvements (streetlights, custom trash receptacles, directional signs, street furniture)
- » Landscaping (planting trees and flowers)
- » Community service (fundraising, charitable events, services for youth and for the homeless)

How are BID programs and services paid for?

Funds for BID programs and services are generated from a special assessment paid by the benefited property owners directly to the organization that manages the BID's activities. (Note: many leases have a clause that allows property owners to pass the BID assessment on to their tenants.) Because they are authorized by the City of Philadelphia, the assessment levied by the BID becomes a legal obligation of the property owner and failure to pay can result in the filing of a lien.

What is a BID assessment?

A BID assessment is a fee that each property owner pays to support BID operations. The BID allocates the cost of its services by having each property pay their proportionate share of the budget, which can be determined by such objective standards as the property's linear front footage along a sidewalk, or by its share of the total assessed value for real estate tax purposes of the entire district. BIDs can supplement their budgets from other sources such as grants, parking revenues, sponsorship income, or other income-producing activities. The total yearly assessment—that is, the total yearly amount collected for all BID properties in the aggregate—is unique to each BID in Philadelphia, ranging from roughly \$50,000 to \$15 million.

Owners of properties that are exempt from real estate taxes, such as churches and nonprofit organizations, are not subject to the BID assessment but may contribute to the BID through a voluntary agreement. Some BIDs in Philadelphia do not impose an assessment on residential properties, or only assess income-producing or multi-unit residential properties.



Above: the dashed line represents the boundaries of a sample BID (called “ABC”). Taxable assessed properties within the BID boundaries pay a yearly assessment. The sum of these assessments is the total assessment budget of BID “ABC,” which is spent to provide services and improvements exclusively within the boundaries of the BID.

Will City services be reduced if the BID is providing similar services?

No. The services provided by the BID are in addition to services provided by the City. For example, if a BID provides sidewalk litter removal, it will still receive the same level of service from the City of Philadelphia Streets Department as it did before supplemental services were added. When BIDs are authorized, the City enters into an agreement with the BID and commits to maintain the level of services that would be provided if there were no BID in place.

Ridge Avenue,
Roxborough District



Who oversees the BID?

BIDs are democratic in that the same people who benefit from what BIDs offer are the ones who plan, manage, and finance the BID.[†] Each BID is independently governed by a Board of Directors comprising owners, business people, representatives of institutions within the district, and other individuals, as spelled out within the bylaws that govern the BID organization. The Board of Directors has a fiduciary responsibility to the BID and hires and oversees the staff who administer the BID on a day-to-day basis.

How is a BID formed?

Forming a BID requires widespread support among property owners and commercial tenants who are fully informed about the proposed program.

To create a BID, a core group of property owners and businesspeople will need to invest substantial time and effort to develop the BID plan and persuade their peers to support the BID. While the initial push for a BID can come from a neighborhood organization, ultimately businesspeople and property owners must take the lead.

In Philadelphia, the Community and Economic Improvement Act now governs the process for creating BIDs (see sidebar). Under that act, BIDs are authorized by City Council and subject to a public process that includes at least two public hearings and notification of all property owners and tenants within the district. The two hearings are followed by a 45-day objection period. If 51% or more of owners within the district who would be subject to the assessment (either by number or by the value of their property), oppose creation of a BID by writing to the Chief Clerk of City Council, the effort is defeated.

[†]Hoffman and Houstoun, “Business Improvement Districts as a Tool for Improving Philadelphia’s Economy,” *Symposium: Business Improvement Districts and the Evolution of Urban Governance*, in *Drexel Law Review*, vol. 3, no. 1 (fall 2010).

Where does the legal authority to create a Business Improvement District come from?

PA law includes two statutes that have enabled Philadelphia to authorize Business Improvement Districts.

Since 1998, districts organizing a BID have been governed by the requirements of the **Community and Economic Improvement Act (CEIA)**. The CEIA facilitated the creation of new districts by allowing the entity that runs the district to be a new or existing PA nonprofit organization, thereby giving districts more independence in selecting board members, among other changes. The CEIA also provides for the creation of districts that serve residential areas. In the act, all service districts (business, residential, industrial) are described as “Neighborhood Improvement Districts” so districts established under the law will often say that they were set up as an “NID,” as opposed to a Municipal Authority (see below).

Before 1998, BIDs in Philadelphia were established as “Municipal Authorities” under the **Municipality Authorities Act (MAA)** of 1954. Six of Philadelphia’s 12 BIDs were established under the MAA and operate as PA Municipal Authorities. Like other local Municipal Authorities such as utilities and redevelopment agencies, these BIDs are subject to Sunshine Act requirements and their board members must be confirmed by City Council.

BIDs in Philadelphia

Overview

Feasibility Phase

Planning Phase

Outreach Phase

Legislative Phase

BID Planning Worksheet

Chestnut Hill District

Date Est'd: 2004
 Type of BID: Formed under "NID law"
 Properties: 190
 Total Assessment: \$235,000

Mount Airy BID

Date Est'd: 2007
 Type of BID: Formed under "NID law"
 Properties: 201
 Total Assessment: \$125,000

Roxborough District

Date Est'd: 2003
 Type of BID: Formed under "NID law"
 Properties: 282
 Total Assessment: \$270,000

Manayunk Special Services District

Date Est'd: 1997
 Type of BID: Municipal Authority
 Properties: 262
 Total Assessment: \$225,000

City Avenue District

Date Est'd: 1998
 Type of BID: Municipal Authority (multi-municipal; Philadelphia+Lower Merion)
 Properties: 288
 Total Assessment: \$1.2 million

University City District

Date Est'd: 1997
 Type of BID: Voluntary Special Services District
 Properties: 2.2 square mile area
 Total Assessment: No mandatory assessment; \$8.4 million annual budget

East Passyunk Avenue BID

Date Est'd: 2002
 Type of BID: Formed under "NID law"
 Properties: 276
 Total Assessment: \$199,890

Germantown Special Services District

Date Est'd: 1995
 Type of BID: Municipal Authority
 Properties: 234
 Total Assessment: \$94,000

Port Richmond Industrial Development Enterprise (PRIDE)

Date Est'd: 2003
 Type of BID: Formed under "NID law"
 Properties: 120
 Total Assessment: \$70,000

Aramingo Shopping District

Date Est'd: 2008
 Type of BID: Formed under "NID law"
 Properties: 73
 Total Assessment: \$318,683

Old City District

Date Est'd: 1998
 Type of BID: Municipal Authority
 Properties: 1,200
 Total Assessment: \$630,000

Center City District

Date Est'd: 1990
 Type of BID: Municipal Authority
 Properties: 5,000
 Total Assessment: \$16.2 million

South Street/Headhouse District

Date Est'd: 1992
 Type of BID: Municipal Authority
 Properties: 988
 Total Assessment: \$525,000

Sports Complex Special Services District

Date Est'd: 2002
 Type of BID: Voluntary Special Services District
 Properties: Serves 4,200 households within a 0.8 square mile area
 Total Assessment: No mandatory assessment; \$1 million budget funded by sports venue operators





A Community Service Representative in Center City District

How to use this guide

Please use this guide to lead you through the steps to create a BID. Read through the entire document before taking any of the initial steps.

The guide refers to specific documents that you will use as you progress through the process. The Commerce Department can provide templates that you can adapt and use.

This manual is designed to supplement, not replace, the assistance you will receive from Commerce Department staff and/or a BID creation consultant.

This guide can be used by existing BIDs that need to be legislatively reauthorized. While some early steps will not apply, much of the planning and all of the outreach and legislative steps are the same.

You will be responsible for documenting the entire planning and outreach effort and submitting that documentation to your District City Councilperson and the Commerce Department before beginning the legislative authorization process. Your District Councilperson will determine whether the proposed BID is ready to proceed.

FEASIBILITY PHASE

Step 1 Contact the Commerce Department

Step 2 Determine whether creating a BID
would meet your district's needs

Step 3 Submit an application to the Commerce
Department for BID creation staff support

Step 1

Contact the Commerce Department

- Action 1.1**
 Inform the Commerce Department that your district would like to explore creating a BID

Groups considering creating a BID for their commercial area should contact the Commerce Department at (215) 683-2026 before taking the steps outlined here. A staff person will orient you to the BID formation process and help you determine whether a BID might be feasible.

Step 2

Determine whether creating a BID would meet your district's needs

- Action 2.1**
 Conduct a diagnosis to determine if your district has the traits needed for a BID

Areas that have been successful in creating BIDs typically have the following characteristics:

- A. Concentration of commercial or multi-family properties
- B. Low vacancy rates
- C. Adequate real estate values
- D. Common interests among owners in the district
- E. Strong local support

Characteristic A: Concentration of commercial or multi-family properties

Traditionally, BIDs have been created in places with a concentration of commercial properties, where owners have an economic interest in joining together to plan and pay for services that increase the value of their properties and the income they produce.

Large nonprofit institutions, such as hospitals or universities, normally will not be required to pay the BID assessment. If this type of institution has a large presence in your district, involve them in the BID planning, as other property owners may only be willing to support the BID once these large nonprofits have committed to making financial contributions to the BID.

Characteristic B: Low vacancy rates

Districts with many empty commercial properties may encounter opposition from these owners, since they receive no income from a vacant property and BID services will be less meaningful to them since there is no user in the property who will benefit.

There should be little undeveloped property within the district. Vacant land and long-term vacant properties often are tax delinquent and, if so, it is unlikely that these owners will pay the BID assessment.

Characteristic C: Adequate real estate values

Properties within the proposed BID area must have high enough real estate value to generate enough income to pay for a meaningful level of services. Owners will want to see a high proportion of their assessment contributions go to paying for services, rather than administrative costs and overhead.

\$100,000 per year is a ballpark estimate of the minimum amount of income a BID needs to generate to effectively serve a small commercial area. The Commerce Department will compile tax data to help you determine whether real estate values are high enough to support a BID.

Characteristic D: Common interests among owners in the district

BIDs are most successfully organized in areas where property owners can rally around a package of services that are widely valued. In a neighborhood shopping district, for example, it's important to all of the businesses and property owners that the district as a whole is inviting and well-promoted, and individual owners would benefit from services such as marketing, beautification, and cleaning. If there are current or pending capital improvements, owners may support creating a BID to sustain the positive momentum created by the improvements and to provide maintenance.

Districts with a wide variety of uses (residential, retail, industrial, institutional) will have more difficulty organizing owners around a package of services.

Characteristic E: Strong local support

The process of organizing and administering a BID requires public review, approval, and oversight. To successfully organize a district, a core group of owners within the district must be willing to act as champions for the idea of creating a district. Other organizations working to revitalize the area must understand and support the BID organizing effort. Local elected officials, in particular the District City Councilperson, must understand and support the concept of BIDs.

BIDs and Residential Properties

CEIA allows flexibility in how residential properties are assessed. Some BIDs created under the act assess only commercial properties (including residential rental properties). Section 7(b)(4) of the act allows a higher assessment to be levied on industrial, commercial, and institutional owners than that levied on residential owners, provided that the difference in calculating rates can be rationally justified by the difference in benefits each class of owners receives.

Multifamily rental properties normally have been assessed in the same manner as commercial property. The primary interest of an owner of either property type is economic: maximizing the value of their asset and the income it produces. This distinguishes these properties from owner-occupied residential property.

If the goal is to create a “business” improvement district, care should be given to exclude owner-occupied areas. Most BIDs are business-led and the interests of business owners are not the same as owner-occupants. In addition, recent opposition to districts serving residential areas suggests that both single-family and condo owner-occupants will be less likely than owners of commercial property to see the benefit of paying an additional fee for special services. BIDs that assess only commercial properties may state within their enabling ordinance that rental properties will be assessed, but owner-occupied properties will not.

If the nature of the BID is such that organizers wish to include residential properties within the district and make these properties subject to the assessment, it may make sense to assess these properties at a lower level than a commercial property, both because BID services and benefits are business-focused, and because owner-occupants often cannot treat NID assessments as tax-deductible business expenses, like commercial owners do. Care must be taken to ensure that the difference in commercial and residential assessment rates is equitable, and complies with the requirements of the CEIA.

Banner,
Old City District

Checklist: Does a BID make sense for your district?

- The district consists largely of commercial property with a minimal amount of single-family residential.
- There is little vacant land.
- Less than 20% of the existing commercial properties are vacant.
- There are few tax delinquent properties.
- A BID could generate enough money annually to provide a meaningful level of service to the district (normally at least \$100,000/year).
- Property owners have a track record of working together and investing in their neighborhood.
- The large nonprofit institutions with buildings located within the district are involved and willing to consider making a multiyear financial commitment.
- Local elected officials are supportive.
- The local neighborhood associations and/or Community Development Corporations are aware of, and supportive of, the BID effort.
- There are current or pending capital improvements or public amenities that need to be maintained.



“What if my neighborhood lacks these characteristics?”

Even if a BID doesn't currently make sense, your district may be ready for a BID in the future. Until then, you should build partnerships, encourage investment, and lay the foundation for a healthier commercial district. Here are some good first steps:

- » Create a formal or informal business association where owners meet regularly to address shared concerns.
- » If your district has high levels of vacancy or undeveloped land, stakeholders should focus on strategic investments and business development that will stimulate further private investment. Once there is increased activity, there will be greater demand for the services that BIDs provide.
- » Maintain relationships with your elected officials and local government agencies, so that if you choose to pursue creating a BID later, these officials will already be familiar with your goals and activities.

Step 3

Submit an application to the Commerce Department for BID creation staff support

■ Action 3.1 Write a statement of need

If you determine that creating a BID is feasible, the Commerce Department can provide you with an Application for Commerce Department BID Creation Staff Support.

Included within your application will be a statement of need: a short statement summarizing the case for a new BID. The statement should reflect the feelings and input of multiple businesses and property owners who are generally representative of the various interests within your district. The group should discuss the following key questions:

- » What kind of district do you have? How would you describe the user groups (shoppers, residents, daytime workers, tourists) and businesses that are there?
- » What are the quality-of-life issues that a BID could address immediately? What is the need for better maintenance of streets, sidewalks, street furniture, and public places throughout the district?
- » What are the long-term development goals for the district?
- » How could a BID support these goals?

The statement of need itself will be a useful tool and can be modified into a summary handout to give stakeholders throughout the BID planning and outreach process.

Gateway signage,
City Avenue District

■ Action 3.2 Complete and submit an application for staff support

For the Commerce Department to provide staff support, the application (including the statement of need) must be prepared and signed by a group that includes at least eight property owners or businesses who would pay an assessment if a BID were created. Submit the completed application for staff support to the Commerce Department and provide your District City Councilperson with a copy.





PLANNING PHASE

Step 4 Notify your City Councilperson of your interest in creating a BID

Step 5 Form a Steering Committee

Step 6 Hold an initial Steering Committee meeting

Step 7 Develop a database of property owners and commercial tenants

Step 8 Conduct a needs-assessment survey

Step 9 Draft the district plan

Step 4

Also necessary for renewing BIDs

Notify your Councilperson of your interest in creating a BID

Action 4.1 Meet with the City Councilperson who represents the BID area

If, in consultation with the Commerce Department, you determine that creating a BID is feasible, meet with your District City Councilperson before taking additional steps. Creating a BID requires that an ordinance be passed by City Council—typically introduced by the City Councilperson representing the BID area. The BID planning process will not succeed without the full support of your District Councilperson and the participation of their office(s) in the BID process.

An agenda for an initial meeting with your District Councilperson should include:

- » Reason for BID exploration
- » Background on BIDs and examples of BID successes from similar areas
- » Description of the process to date
- » Review of the anticipated process going forward
- » Feedback from the Councilperson on the plan and the process
- » Assistance from the Councilperson in making contact with owners within the district with whom he or she may have relationships
- » Request that the Councilperson designate a staff person to participate in BID Steering Committee meetings

Local elected officials often support BIDs because they bring a higher level of services to address issues faced by constituents, but your District Councilperson may be reluctant to lend support to the effort if he or she believes that there will be significant opposition to creating the BID.

As you plan for the initial meeting, keep in mind the following concerns your Councilperson will have in evaluating whether to support the BID planning effort:

- » Is the leadership group representative of the BID area?
- » Has the BID group consulted with other neighborhood organizations in the area that the Council office may have been involved with?
- » Where is the BID organizing effort “coming from?” Is the Councilperson aware of your past activities and goals?
- » How committed is the leadership group to doing the intensive outreach needed to build support for the effort and persuade those who may oppose the BID?
- » If the BID is created, what entity will receive the BID assessments and manage the operations?

Step 5

Also necessary for renewing BIDs

Form a Steering Committee

Action 5.1 Assemble a Steering Committee to guide the formation of the BID

The Steering Committee will guide the BID planning process and be the public face of the BID effort. When recruiting, consider which owners, businesspeople, and other stakeholders could be champions for the BID and bring the diverse owners and businesses within your district on board. A key factor in determining whether undecided individuals in your district will support the BID often is who reaches out to them, and who is already on board.

The Steering Committee should be roughly 12 to 20 people: big enough so that members can effectively reach owners throughout the district, but small enough so that individual members can participate in discussions and feel that they have made a significant commitment by joining.

Singing Fountain, East Passyunk Avenue Business Improvement District

Individuals from each of the following groups should be recruited:

- » Commercial/industrial property owners
- » Business owners who rent space within the district
- » Representatives of large nonprofit institutions located within the district
- » Community organizations (merchants associations, community development corporations, neighborhood civic organizations)
- » Residents

The Steering Committee should:

- » Consist of a majority of property owners, tenants and/or representatives of large institutions who will be paying a large share of the BID assessment (or making an agreed upon annual contribution)
- » Represent the varied interests of the area and the varied geographical sections of your district
- » Be able to reach consensus on important issues
- » Include individuals who are respected by property and business owners not presently represented on the committee

It is important to understand when assembling your Steering Committee that proposals to implement BIDs can be defeated either by 51% or more of the property owners voting against them or by a small group of large property owners whose assessed value adds up to 51% or more of the total assessed value of the district. While the BID Steering Committee should be inclusive of a broad range of different business interests and types, you should pay special attention to those owners who may be paying the lion's share of your assessments when putting the committee together.

Existing BIDs that are reauthorizing may wish to create a re-authorization Steering Committee that is separate from, but includes members of, the BID board. This provides an opportunity to get new individuals involved in support of the BID, while the board continues to focus on its ongoing business.



“Do we need to hire an expert?”

Ask the following questions to determine what resources the Steering Committee will need to carry out the BID process:

- » Does your committee include members with experience and expertise regarding community revitalization and how organizations are created and managed?
- » Does the committee include a member organization that can dedicate someone to staff the Steering Committee? Activities include assisting the committee chair(s) in developing meeting agendas, scheduling meetings, taking and distributing minutes, and coordinating outreach.
- » Is there an organization that can provide the office supplies, duplication, and mailing services needed?

If you answered yes to all of the above, your Steering Committee may be able to move forward without developing a budget for BID planning services and hiring a BID creation consultant. Otherwise, you will likely need to develop a budget for BID planning services that includes the cost of a consultant, and may also include costs for staff functions and for materials.

The Commerce Department awards a limited number of BID Planning Grants, depending on the availability of funds.

Step 6

Also necessary for renewing BIDs

Hold an initial Steering Committee meeting

Action 6.1 Select Steering Committee chairperson(s)

The committee must choose a chairperson, or co-chairs. The chair(s) should:

- » Have extensive knowledge of the community
- » Be capable of gaining the support of property and business owners
- » Have a reputation for seeking positive change within the community
- » Have a vested interest in the long-term economic stability of the area

The chair(s) will:

- » Lead the committee through the planning and outreach phase of BID formation
- » Communicate regularly with the Commerce Department and City Council staff
- » Ensure that target dates in project timeline are met

If no individual is willing to chair, designating two individuals as co-chairs is an option and may be desirable if your district consists of distinct sections in which the needs and desired services may be different.

Action 6.2 Agree on a vision for the district

The committee should agree on a common vision for the development and management of the proposed district. Ask committee members to consider:

- » Why have they joined the committee?
- » What are the area's greatest strengths and greatest weaknesses?
- » Which problems can be readily solved locally by the application of additional BID resources?
- » What kind of a place do they want the district to be?

Identify the goals and aspirations most widely held and build a statement that reflects the thinking of the group. Publish and circulate the vision statement to all members and invite them to respond to it. Refine the statement as the planning process unfolds. A good vision statement is a shared point of view that will mobilize the community and help prioritize the work of the BID. A good vision statement should identify short-term goals that can be achieved almost immediately through the application of BID resources, like the removal of litter or graffiti.

Action 6.3 Define tentative boundaries for the district

Once the group has agreed on a common vision, identify boundaries for the district. Although boundaries may change during the planning process, you must identify them up front in order to estimate the costs of proposed services and know whom to contact during outreach. The boundaries should state exactly which streets to include, specifying the property addresses (e.g., 601 Main Street to 1199 Main Street). Properties in the district should be contiguous (adjacent, with no gaps in between).

Gateway landscaping,
East Passyunk Avenue Business Improvement District



■ Action 6.4 Identify resources needed for BID planning

You will need the following resources to complete the BID process successfully:

- » Staff to coordinate Steering Committee meetings and outreach. The steps required to create a BID will take at least 12 months. During the least demanding phases, these “staff” functions will require roughly 8 hours per week. The most demanding times can require a staff person working a full 40-hour week.
- » Material costs and advertising. The group will produce flyers/literature and may do a number of general mailings. Depending on what languages owners in your district speak, the Steering Committee may need to pay to have outreach material translated into other languages.
- » Expert guidance. While the Commerce Department will provide guidance throughout, you may decide you need to hire an independent expert as a consultant to help lead the BID process.

■ Action 6.5 Set a project timeline

Using the “BID Planning Worksheet” form included at the end of this guide, the Steering Committee should draft a project timeline with target dates for the completion of the action items listed. The timeline will help the committee use its time efficiently. Adjust the timeline as steps are completed ahead of or behind schedule and redistribute the revised plan to all committee members.

Care in Selecting Boundaries

As the group considers boundaries, there may be a desire to expand the district, so that areas on the edge of the district also benefit from BID services, or to capture high-value properties within the boundaries. Keep in mind that a BID that serves a dense, cohesive district can be more easily organized in support of the BID and may function better into the future.

As you evaluate boundaries, consider:

- » Do the BID boundaries encompass an area that is commonly thought of as a district—an area with a distinct identity and shared interest among the owners?
- » Are there natural boundaries like parks or highways that determine the edges?
- » Do owners on the fringes of the district feel like they are part of the rest of the district?
- » Will providing services throughout the district make economic and operational sense? Here you should be thinking both as a community organizer and as a businessperson: can you create a zone of shared interest and also raise enough money to provide services that will have a visible impact?

Step 7

Also necessary for renewing BIDs

Develop a database of property owners and commercial tenants



Action 7.1

Develop a database of property owners and commercial tenants within the tentative boundaries of the district

Once the tentative BID boundaries are established, develop a database with information on every property within the boundaries. As you move forward, you will use this information to contact property owners and commercial tenants about the BID, soliciting their feedback and support. (Remember to keep accurate and comprehensive records of these communications because outreach is an important consideration in the public approval process.)

A good database will include:

- » The Office of Property Assessments (OPA) account number and address of each property. (Note that the OPA address may not match the mailing address.)
- » Information on the building type/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/fax numbers and email addresses for all property owners and commercial tenants (where possible).

Frequently information from City tax records can be out of date. If there is any doubt about ownership, make inquiries through multiple sources to confirm ownership and mailing address information.

The Commerce Department will supply a template for this database with the property information and owner information from the OPA already in place. The Steering Committee will need to gather information on commercial tenants. Free Library of Philadelphia card holders can obtain business names, addresses, and contact information online by accessing a database such as Reference USA through the Free Library's website.

Personally contacting business owners within your district is not only a way to gather accurate data, but also can be an excellent way to gain support for the proposed BID and to confirm ownership information.

As the process continues, you will track the positions (support or opposition) of property owners. You will also need to produce logs of phone calls and meetings with property owners and commercial tenants.

Step 8

Also necessary for renewing BIDs

Conduct a needs-assessment survey



Action 8.1

Prepare a needs-assessment survey

A needs-assessment survey helps identify which services and programs property owners and commercial tenants feel are highest priority for the BID to provide. Survey responses will be used to develop the proposed district plan in Step 9. The Commerce Department can provide a sample survey that the committee can use or modify. In this process, reach out and establish a close working relationship with the police captain for your area. He or she can provide good information about crime patterns and can make suggestions about BID activities and programs that can reinforce the efforts of the Philadelphia Police Department.

■ Action 8.2 Distribute the needs-assessment survey

Mail or hand-deliver the survey to all property owners and commercial tenants. You can survey residents and shoppers to understand the district from the users' perspective; SurveyMonkey or other online tools can be an efficient way to gather this type of feedback.

■ Action 8.3 Collect the survey and tabulate the results

Make a concerted effort to collect as many completed surveys as possible. Once surveys have been collected, tabulate the results and have committee members review them. Survey results provide a snapshot of what owners in the district want and can be used as a promotional tool for the BID effort. A short description of the survey process and a summary of the results should be incorporated into literature used during the support-building and outreach phase.



Step 9

Also necessary for renewing BIDs

Draft the district plan

The district plan is the “business plan” for the BID and the most important deliverable in the planning process. It describes the programs and services to be delivered by the BID, includes the operating budget, identifies the formula used to calculate the special assessment, and indicates the length of time that the BID will be authorized (normally five years) and how the BID will be governed and managed. Once complete, the district plan should answer all reasonable questions about the new BID and be part of the legislation to be considered by City Council to establish the BID.

■ Action 9.1 Determine services and improvements

Review the prior work of the Steering Committee and the results of the needs assessment survey to formulate a list of planned services and improvements for the district plan.

Common services and improvements provided by BIDs include:

- » **Sanitation and maintenance:** Maintenance workers are hired to regularly sweep sidewalks, remove graffiti, and paint public amenities (light poles, mailboxes, etc.).
- » **Security and hospitality:** Public safety officers are hired to serve as unarmed security guards and often provide hospitality services to visitors by giving directions and aiding in other ways. Some BIDs have provided substations and negotiated improved deployment strategies with their local police captain.

Holiday lights,
Germantown Avenue, Chestnut Hill District

- » **Marketing and promotion:** Common activities include displaying holiday lights, hanging banners, publishing restaurant/shopping guides, and hosting special events or festivals.
- » **Landscaping and beautification:** Common improvements include purchasing new trashcans, custom street signage, and landscaping improvements such as street trees.

Once you have identified which services and improvements you want to provide, determine their scope and estimate their cost. If the BID will provide sidewalk cleaning, estimate how many workers will be needed and how many hours per week they will work. The Commerce Department can provide a list of companies that currently provide services to existing BIDs, which you can contact for planning and pricing purposes. Consult with these firms in the planning phase, but make no commitments. You will achieve the best prices if you competitively bid your services when you are ready to start operating.

Action 9.2
Determine the first-year budget

The list of programs and services and their estimated costs will yield a “service-driven budget.” This budget will identify the cost of the desired package of services and can be used to figure out the assessment rate that would be required to pay for them. If the required assessment rate is too high, revisit the draft budget by determining which services can be scaled back.

The proposed first-year expenses and revenue from the proposed assessment for a BID normally would be equal. For more mature BIDs, the operating budget (expenses) and the total assessment levied within a particular district (revenue) often are not equal, because they often have additional sources of revenue (e.g., gifts, grants, and contractual funding from other agencies).

Consider the following expenses when developing a service-driven budget:

| | |
|---|--|
| Supplemental Services | |
| Security | |
| Sanitation | |
| Promotions/Advertising | |
| Holiday Lighting | |
| Landscaping/Beautification Projects | |
| Other | |
| Total Supplemental Services | |
| General and Administrative | |
| Staff Salary | |
| Staff Fringe Benefits | |
| Rent | |
| Telephone | |
| Printing/Postage | |
| Office Supplies | |
| Insurance | |
| Audit/Legal | |
| Payroll Services and Bank Charges | |
| Total General and Administrative | |
| Total Program Cost | |
| Contingency (including allowance for uncollectable) | |
| Total Budget | |

■ Action 9.3 Determine the method of calculating assessment

State law requires that the costs of BID services be shared fairly and that each owner pays an amount roughly proportional to the benefit received by the property. The assessment formula is used to compute the exact amount each property owner will pay each year. Under the CEIA, the total amount of assessments levied cannot exceed the estimated cost of proposed programs, improvements, and services.

Fixed-budget method

The most common method for determining BID assessments has been the fixed-budget method. The BID's annual budget is identified for each of the years that the BID will be authorized, and each property is responsible for a portion of the budget equal to that property's portion of the value of all of the assessed properties within the district.

Note: All of Philadelphia's BIDs have used property values assigned by the Office of Property Assessments (OPA) as the basis for their assessment calculations.

The BID bill for a property owner equals:

$$\left(\frac{\text{OPA value of the owner's property}}{\text{Total OPA value of all taxable, assessed properties in the district}} \right) \times \text{the annual BID budget amount}$$

Example 1

Owner A with properties worth one-fifth of the value of all of the assessed properties in the district would pay an annual BID assessment equal to one-fifth of the annual BID budget.

Example 2

- » BID X has annual budget of \$200,000.
- » BID X has 200 properties in the district where the average total OPA assessment is \$15,000 and the total OPA assessed value of all the properties is \$3,000,000.
- » Owner B's property is worth \$100,000 but has a total OPA "assessed value" of \$12,800.

$$\$12,800 \text{ (Owner B value)} \div \$3,000,000 \text{ (total assessed value)} = 0.0043$$

$$0.0043 \times \$200,000 \text{ (BID budget)} = \$853.33/\text{year}$$

Owner B's BID bill equals \$853.33/year.

Figuring in tax abatements

BIDs are legally independent entities under State law. While nearly all of Philadelphia's BIDs rely on data from the Office of Property Assessment, BIDs are not automatically required to mirror the City of Philadelphia's real estate tax abatement programs. Most BIDs have made properties with real estate tax abatements subject to a BID assessment based upon the total value of their property, including the abated amount. The reason for this difference is that while real estate taxes support general services citywide, BID assessments are for services that directly benefit and are exclusively provided to properties within the BID. This situation most frequently arises with newly constructed or rehabbed properties that participate in the 10-year abatement on property improvements.

Advantages of the fixed-budget method

- » It's a highly transparent and predictable way to plan the BID program and determine what each owner must pay. When presenting the BID plan, organizers can clearly show annual budget amounts over multiple years and dispel suspicion about what the BID plans to spend in future years. (If, in the future, a controversial development project is proposed, using the fixed-budget method can help BIDs avoid the perception of a conflict of interest created when approval of the development would create a new high-value property that would boost the BID's annual budget).
- » It makes budgeting more predictable for BID staff, who will be able to plan over multiple years with greater confidence.

Why not use a fixed percentage?

Using a fixed percentage of either annual real estate taxes or OPA assessed value is not a reliable method for determining BID assessments. This is because tax rates can be changed by City Council, and the OPA is planning to change how they assign values to properties.

Other Options and Help Determining Your Assessment Formula

State law gives flexibility in determining the basis for the assessment, as long as the method is equitable. If basing the assessment on the property's assessed value for real estate tax purposes will not work for your district, the Commerce Department can review other possible methods for determining your assessment formula, such as formulas based on linear front footage in a retail district.

Explaining the BID formula in simple terms

The simplest way to describe the BID formula is often in terms of what percentage of the annual real estate tax bill the BID surcharge represents. BID assessments in Philadelphia have ranged from roughly 5% to 20% of annual real estate taxes.

BIDs should generally avoid proposing rates greater than 15% of annual real estate taxes. While there is no maximum, the higher the rate, the more difficult it will be to convince owners that the benefits of the BID outweigh the costs.

Run the numbers

Once the committee has determined the method for calculating the assessment, members should review projected assessments for multiple individual properties and determine if they seem reasonable:

- » If they seem reasonable, the committee should proceed with the service-driven budget as written.
- » If not, then use a more reasonable assessment level and determine which budgeted items need to be scaled back.



Action 9.4

Determine how the district will be governed and managed

The state law gives BID organizers a lot of flexibility in determining what kind of organization will manage the BID. The downside is that the law does not provide much guidance in this area.

Bring in an experienced attorney

Steering Committee members should conduct discussions about how to set up the BID organization with the full participation of an attorney experienced in nonprofit law and experienced enough to discuss the pros and cons of the various ways of structuring the organization.

Creating a NIDMA to guide the BID

The district plan must indicate what organization will manage the BID's affairs; this organization is referred to as the NIDMA in the state law (see sidebar). The bylaws of the NIDMA will be a required attachment when the ordinance goes before City Council.

The Steering Committee will need to evaluate the following key questions:

- » Should the NIDMA be a new entity or an existing organization?
- » What should the bylaws require in terms of board composition?
- » What should the name of the NIDMA be?
- » Should the NIDMA be structured so the entity can seek 501(c)(3) status?

Creating a new organization often is the only way to ensure that the mission of the NIDMA matches the goals of the BID effort and that property owners and businesses paying assessments play an ongoing role in guiding the BID (see sidebar).

Size of the NIDMA board

- » The state law limits board size to nine members.
- » If nine board seats are not adequate to represent the key interests within the district, BID organizers can designate a set number of additional non-voting "advisory" seats, and establish advisory committees.

Makeup of the NIDMA board

- » One seat should be filled by a representative or designee of City Council.
- » The vast majority of voting members of NIDMA board should be individuals representing entities that pay the BID assessment either directly or indirectly (just as the majority of BID Steering Committee members should be property owners, businesses, or representatives of institutions who will be subject to the BID assessment).

- » Consider whether the bylaws for the NIDMA should allocate board seats to individuals who represent certain types of stakeholders within your district. For example:
 - Large, geographically diverse districts may want to set aside board seats to ensure representation of different subareas within the BID.
 - Some districts have set aside seats for businesses operating within the district to ensure that the board represents both property owners and operating businesses that may be tenants. This is a best practice.

“What is a NIDMA?”

The District Plan must designate an organization to manage the district called the “Neighborhood Improvement District Management Association” (NIDMA). The Steering Committee may create a new organization, or designate an existing nonprofit or municipal authority as the NIDMA.

If a new organization is created:

- » The board must have an odd number of members totaling between 5 and 9.
- » One member must be a representative of the “municipal corporation” which, under the definition in the act, means City Council. Most BIDs ask the District City Councilperson to serve or designate a staff person.
- » The new organization must incorporate in PA as a nonprofit corporation (or be established as an authority under the Municipality Authorities Act).

Whether the NIDMA is a new entity or an existing organization, the NIDMA board must have at least one member who represents property owners within the NID, business owners located within the NID, and any institutions located in the NID.

Sample NIDMA bylaws

The Commerce Department can provide sample bylaws that other BIDs have adopted, and direct BID organizers to entities that may be able to provide pro-bono legal assistance.

The NIDMA bylaws can guarantee, for example, that everyone who pays the assessment has representation on the board by providing for annual board elections where a Nominating Committee of the Board identifies candidates and all assesses are eligible to vote.

“Should we create a new organization?”

Using an existing organization as the NIDMA may be easier, but doing so can create the impression that the purpose of the BID effort is to create another funding stream for that organization. Designating an existing active organization such as a Community Development Corporation can create conflicts of interest.

Creating a new, separate organization makes it clear to everyone that the agenda of the BID organization reflects the goals of its funders—property owners and businesses that pay the assessment. Owners in the district may oppose the BID if they feel that the governing body doesn’t represent their interests or that there is no easy way for them to shape the direction of the district. In some cases, BIDs may be able to reduce costs by using an existing organization to manage its operations. If this is the case, the NIDMA can preserve its role in guiding the BID by entering into a contract for services with that organization.

Action 9.5 File articles of incorporation with the Corporation Bureau, Pennsylvania Department of State

When establishing a new organization as the NIDMA, members of the Steering Committee will act as “incorporators” and file articles of incorporation with the Corporation Bureau, Pennsylvania Department of State. Forms and information regarding filing fees and how to file can be found at <http://www.portal.state.pa.us/portal/server.pt/community/corporations/12457/forms/571880>.

Organizers must first incorporate in Pennsylvania as a nonprofit corporation, and then seek the appropriate federal 501(c) designation. The IRS in recent years has become more restrictive in granting the most favorable nonprofit tax-exempt 501(c)(3) status. The economic development purpose of most BIDs generally has not met the charitable purpose requirement needed for that designation. BID organizations seeking this most favorable tax status will have to focus on charitable purposes such as lessening the burden of government, education, and historic preservation if those purposes match the goals of the new BID. Work with a skilled consultant or attorney to submit your IRS 1023 application so that it will meet charitable standards. If the NIDMA has already been designated as a 501(c)(6) organization, and the organization wishes to receive charitable donations or grant funding that requires 501(c)(3) tax status, BID organizers and the NIMDA board can either partner with an existing nonprofit with a compatible mission, or incorporate a separate organization that can seek 501(c)(3) status with corporate purposes that would meet the charitable missions noted above.

Action 9.6 Submit the draft plan to your City Councilperson and the Commerce Department

BID organizers must prepare a district plan with the following components:

- » Map indicating boundaries, by street and property number
- » Name of the district
- » Description of the service area of the district outlining the boundaries in words
- » List of properties to be assessed
- » List of proposed improvements within the NID and their estimated cost
- » Proposed budget for the first fiscal year, including, but not limited to, personnel and administration, programs and services, maintenance and operation, and capital expenditures. (Consider indicating budget amounts for the entire duration of the authorized period, or specifying an allowance for inflation so that budgets after YR1 can increase if costs increase.)
- » Proposed revenue source for financing all proposed improvements, programs, and services. (Aggregate amount of all fees levied during the year shall not exceed estimated costs of proposed programs, improvements, and services for the year.)
- » Estimated time for implementation and completion of proposed improvements, etc. (sunset provision) of no less than 5 years
- » Name of the NIDMA
- » Bylaws of the NIDMA
- » Method of determining amount of assessment fee to be levied on property owners. (Be clear and indicate which types of properties will be assessed: Will residential properties be excluded? What about apartment buildings? Will nonprofits be asked to make cash contributions or provide in-kind services?)
- » Method of calculating interest and penalties when assessment isn't paid on time

Parking for shoppers,
Chestnut Hill District

Once drafted, the plan should be reviewed and voted on by the Steering Committee. Once approved, the draft district plan should be mailed and emailed to your District City Councilperson and to the Commerce Department for discussion and possible revision.



OUTREACH PHASE

Step 10 Send out the first informational mailing

Step 11 Hold the first community meeting

Step 12 Hold the second community meeting

Step 13 Document the results of support gathering

Step 10

Also necessary for renewing BIDs

Send out the first informational mailing

The purpose of the outreach phase is to raise awareness of and secure support for the proposed BID. The community meetings and outreach described here should happen before initiating the legislative process.

Building awareness of and support for the BID effort is critical for the following reasons:

- » If 51% of owners within the district who would be subject to the BID assessment, either by number or combined assessed value, register their opposition to the BID in writing they can prevent creation of the district.
- » Your District City Councilperson will be reluctant to introduce BID legislation if there is strong and vocal opposition.
- » If a BID is created, but the Steering Committee did a poor job of making owners aware of the effort, it will face opposition when it begins to operate and will struggle to collect payments.

The Steering Committee should work with the Commerce Department to set target levels of documented support.

Action 10.1 Set a date for the first community meeting

Once the plan is drafted, the Steering Committee should present the proposed BID to the entire community at two or more community meetings. Community meetings allow community members to learn about the proposed BID, express their ideas, and contribute to the BID formation process. Meetings also help the project leadership gain support for the BID.

Gateway banner, Aramingo Shopping District



Action 10.2 Prepare and distribute informational packages

A meeting notice should be mailed to every owner who would be subject to the BID assessment, as well as tenant businesses and should include the following:

- » Commerce Department handout on BIDs that presents a brief introduction to BIDs in Philadelphia
- » Information about the proposed BID: A one- or two-page executive summary on the proposed BID
- » Notice of first community meeting: Written notice for the first community meeting that includes the date, time, and location of the meeting
- » Signature ballot: A signature ballot for property owners who wish to document their support for the BID

A sample meeting notice that includes all of the above can be obtained from the Commerce Department. Be sure to include a return envelope in the mailing to make it easier for property owners to submit their ballots.

Note: Record the date(s) that informational packages are mailed and retain copies of packages. You will be asked to document all outreach efforts in Step 12.

Ridge Avenue,
Roxborough District



Step 11

Also necessary for renewing BIDs

Hold the first community meeting

□ Action 11.1 Advertise the first community meeting

In addition to the mailing sent out in Step 10, pass out flyers, advertise in a local newspaper, and use word of mouth to promote the meeting.

□ Action 11.2 Prepare for the first community meeting

It is important to be well prepared for the initial community meeting because it will be the first introduction to BIDs for many people in your community. Carefully prepare your presentation for the community meeting, as well as any materials that will be distributed. Since many in the audience will have limited familiarity with the BID program, it is important that all material be as straightforward and accurate as possible.

□ Action 11.3 Hold the first community meeting

Begin the meeting by providing a basic introduction to BIDs. Following this introduction present the highlights of the district plan. At the end of the meeting, encourage attendees to join the Steering Committee, and offer property owners the opportunity to document their support of the district by signing support ballots.

Listen carefully to any concerns raised by the public and any insights they may offer. After the meeting, the Steering Committee should meet to consider changes to the plan based on information received at the community meeting. Be sure to take comprehensive meeting minutes at this and any other community meetings.

“Should we focus on owners or businesses?”

Both. Under the CEIA, property owners are given standing to oppose the BID effort during the enactment process. You will need to track owners’ support or opposition, and should include this data in your testimony to City Council in the legislative authorization phase.

Often, the reality is that BID assessments will be paid by tenants. If a business owner in your district opposes creation of the BID they may make their feelings known to their elected representatives regardless of whether they are an owner or a tenant. If the BID is authorized, they may resist paying the BID assessment. On the other hand, businesses also may be the most effective advocates for the effort since they will experience the benefits of the BID firsthand, and can be helpful in conveying information about the effort to the property owner.

Step 12

Also necessary for renewing BIDs

Hold the second community meeting

Action 12.1 Send out the notice of the second community meeting

A meeting notice package should be mailed to each prospective member with the following items:

- » Commerce Department handout on BIDs that presents a brief introduction to BIDs in Philadelphia.
- » Notice of second community meeting including date, time, and location
- » Updated information about the proposed BID
- » Signature ballot

The one or two pages of information distributed in the first mailing (Step 11) should be updated to reflect changes adopted after the first community meeting.

Action 12.2 Hold the second community meeting

You may have to begin the meeting with a basic introduction to BIDs if you find that you have new attendees. Next, present the district plan. At the end of the meeting, offer property owners who have not already provided signed support the opportunity to sign support ballots.

Listen carefully to any concerns raised by the public and any insights they may offer. Revise the district plan based on responses from the audience.

The number of community meetings and mailings required will vary depending on:

- » the initial level of support for the BID proposal
- » the degree to which property owners and merchants are already organized
- » the level of organization and cohesiveness that exists between Steering Committee members and the project leader
- » the overall effectiveness of combined outreach efforts
- » the size and compatibility of the district.

A basic rule of thumb is “There is never too much outreach.”

At this point you should proceed to Step 13 if your District City Councilperson indicates that you have a sufficient level of support. If not, you will need to repeat some of the outreach activities highlighted in Step 11 and Step 12.

Tips for Effective Outreach

Think of your base of support as a network. As the network grows, the members of the network can act as advocates for the BID.

1. Divide lists of uncommitted individuals among Steering Committee members. Identify the top twenty property owners by assessed value within the district. Where possible, preexisting relationships between members and uncommitted individuals should guide assignments. Ask Steering Committee members to use support ballots to secure written support from individuals that are assigned to them.
2. Follow up with people expressing support and ask them to serve as advocates for the BID. If you are in a retail district with an established merchants organization, you may want to appoint block captains.



Signage identifying businesses and the district, Port Richmond Industrial Development Enterprise (PRIDE)

Step 13

Also necessary for renewing BIDs

Document the results of support gathering

□ Action 13.1

Prepare and submit documentation binders to your District Councilperson and to the Commerce Department

Make two copies of the documents listed below and arrange them in three-ring binders.

- » Copy of the project plan
- » Minutes of Steering Committee meetings
- » Copies of materials sent out in informational mailings
- » Hard copy of database
- » Minutes of community 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 formation effort
- » Copies of all support ballots

Once complete, submit the binders to your District Councilperson and to the Commerce Department. The Steering Committee should retain at least one copy of all documentation for its own records. When BID legislation is introduced and Steering Committee members are asked to testify, this package can be submitted to Council as part of Steering Committee testimony in favor of the BID.



LEGISLATIVE PHASE

Business Improvement District* Legislative Authorization Process

Estimated timeline; actual time may vary based on requirements of CEIA, Council procedure, and individual circumstances.

| Timeline | Action | Mandated Time |
|----------|--|--|
| Day 1 | 1. Submit preliminary plan to sponsoring District City Councilperson and to Commerce Department. | No mandated time |
| Day 1 | 2. Resolution and bill introduced in City Council stated meeting. Resolution adopted. Bill referred to Rules Committee. | <ul style="list-style-type: none"> » Official start of legislative process » Bill must include the preliminary plan. From now on, any changes to the plan must be done as amendments to the bill. |
| Day 45 | 3. First public hearing on preliminary plan in Rules Committee. Amendments possible at hearing. | <ul style="list-style-type: none"> » Under the CEIA, mailing giving at least 30 days notice of this Rules Committee hearing must be given to all property owners and lessees in the proposed BID boundaries. Must include the preliminary plan as introduced in Council. » BID Steering Committee mails 1–2 page summary of BID plan with cover letter in advance of the legislative packet to all assessed owners (Commerce Department can provide example). » BID Steering Committee provides mailing labels and helps Council staff prepare required mailing. » Advertisement of Rules Committee hearing required at least 10 days in advance of hearing in a newspaper of general circulation in the City. Notice submitted to newspaper by Chief Clerk of City Council. » BID Steering Committee prepares testimony in advance and testifies at hearing. |
| Day 85 | 4. Second public hearing on final plan in Rules Committee | <ul style="list-style-type: none"> » Mailing giving at least 30 days notice of 2nd Rules Committee hearing required to all property owners and lessees in boundaries. Must include final plan with all amendments. » BID Steering Committee provides mailing labels and helps Council staff prepare required mailing. » Advertisement of Rules Committee hearing required at least 10 days in advance. |
| Day 85 | 5. Bill voted out of Rules Committee | <ul style="list-style-type: none"> » 45-day objection period begins |
| Day 85 | Forty-five-day objection period begins if objections are filed with chief clerk of city council by 51% of affected property owners, or property owners representing 51% of total property valuation, NID cannot be established. | |
| Day 92 | 6. First reading of bill in Council Stated Meeting | |
| Day 130 | 7. Second reading of bill in Council Stated Meeting. | <ul style="list-style-type: none"> » NID cannot be established if objections exceed the amount indicated above. |
| Day 140 | 8. Ordinance enacted when signed by Mayor. | |
| Day 160 | 9. Commerce Director enters into agreement with BID on City's behalf. | |

*Process is the same for "Neighborhood Improvement Districts" or any district established under the Community and Economic Improvement Act.

Annual Flavors of
the Avenue event,
East Passyunk
Avenue Business
Improvement District



BID PLANNING WORKSHEET

BID Planning Worksheet

Feasibility Phase

The Feasibility Phase should take 1-2 months to complete. With this in mind, set a target date for the completion of this phase. Once the completion date is determined, set target start/completion dates for each of the action items.

Target Completion Date: _____

| New BIDs | Renewing BIDs | Action Item | Target Start Date | Actual Start Date | Target Completion Date | Actual Completion Date |
|----------|---------------|---|-------------------|-------------------|------------------------|------------------------|
| • | | Step 1: Contact the Commerce Department | | | | |
| • | | Step 2: Determine if a BID is right for your area | | | | |
| • | | Step 3: Submit application to Commerce Department for BID creation staff support | | | | |
| • | | Action 3.1: Write statement of need | | | | |
| • | | Action 3.2: Complete and submit application | | | | |

Planning Phase

The Planning Phase should take 3-4 months to complete. With this in mind, set a target date for the completion of this phase. Once the completion date is determined, set target start/completion dates for each of the action items.

Target Completion Date: _____

| | | | | | | |
|---|---|--|--|--|--|--|
| • | • | Step 4: Meet with a City Council representative | | | | |
| • | • | Step 5: Form a Steering Committee | | | | |

Planning Phase (continued)

| New BIDs | Renewing BIDs | Action Item | Target Start Date | Actual Start Date | Target Completion Date | Actual Completion Date |
|----------|---------------|---|-------------------|-------------------|------------------------|------------------------|
| • | • | Step 6: Hold initial Steering Committee meeting | | | | |
| • | • | Action 6.1: Select Steering Committee Chairperson | | | | |
| • | • | Action 6.2: Agree on a vision for the district | | | | |
| • | | Action 6.3: Define tentative boundaries | | | | |
| • | • | Action 6.4: Identify resource needs | | | | |
| • | • | Action 6.5: Set project timeline | | | | |
| • | • | Step 7: Develop database of property owners and commercial tenants | | | | |
| • | • | Step 8: Conduct a needs-assessment survey | | | | |
| • | • | Action 8.1: Prepare needs-assessment survey | | | | |
| • | • | Action 8.2: Distribute survey | | | | |
| • | • | Action 8.3: Collect survey and record results | | | | |
| • | • | Step 9: Draft the district plan | | | | |
| • | • | Action 9.1: Determine services and improvements | | | | |
| • | • | Action 9.2: Determine first-year budget | | | | |
| • | • | Action 9.3: Determine assessment formula | | | | |
| • | | Action 9.4: Determine district governance | | | | |
| • | | Action 9.5: File Articles of Incorporation | | | | |
| • | • | Action 9.6: Submit draft plan to City Council representative and Commerce Department | | | | |

Outreach Phase

The Outreach Phase should take 3 months to complete. In addition to setting target dates for action items in this phase, also set targets for property owner (PO) and assessed value (AV) support.

Target Completion Date: _____

| New BIDs | Renewing BIDs | Action Item | Target Start Date | Actual Start Date | Target Completion Date | Actual Completion Date |
|----------|---------------|---|-------------------|-------------------|------------------------|------------------------|
| • | • | Step 10: Send out first informational mailing | | | | |
| • | • | Action 10.1: Set date for first community meeting | | | | |
| • | • | Action 10.2: Prepare and distribute information packets Target Support Level: PO____% AV____% | | | | |
| • | • | Step 11: Hold first community meeting | | | | |
| • | • | Action 11.1: Advertise first community meeting | | | | |
| • | • | Action 11.2: Prepare for first community meeting Target Support Level: PO____% AV____% | | | | |
| • | • | Action 11.3: Hold first community meeting Target Support Level: PO____% AV____% | | | | |
| • | • | Step 12: Hold second community meeting | | | | |
| • | • | Action 12.1: Send out notice of second community meeting | | | | |
| • | • | Action 12.2: Hold second community meeting Target Support Level: PO____% AV____% | | | | |
| • | • | Step 13: Prepare and distribute documentation binders to City Council representative and Commerce Department | | | | |

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