

Comprehensive Guide to

# BID Formation and Expansion





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# About SBS

The **NYC Department of Small Business Services (SBS)** helps unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.

SBS works with community-based organizations to build vibrant neighborhoods where New Yorkers can shop, work, and live.

As part of this work, SBS oversees the largest network of Business Improvement Districts (BIDs) in the United States. With more than 75 BIDs throughout NYC, these organizations deliver more than \$160 million in supplementary services to commercial districts that are home to nearly 25,000 storefront businesses and 50,000 properties.

SBS offers training, tools, and one-on-one assistance to local stakeholders and community organizations interested in BID formation and expansion. SBS also works with community partners to identify local commercial district needs and plan targeted solutions to revitalize and preserve diverse neighborhoods.

SBS developed this Comprehensive Guide to BID Formation and Expansion to outline the multi-year process to form a new BID and serve as a resource for those interested in expanding an existing BID.



# About This Guide

The BID formation and expansion process is divided into four (4) phases:

1. Planning
2. Outreach
3. Legislation
4. Start-Up

This guide is a supplemental tool to help community stakeholders understand the potential value of forming a BID. It also provides a comprehensive overview of the time, resources, and commitment required throughout the BID formation process.

**All steps in this process must be completed in collaboration with SBS staff.** Please contact us at [neighborhoods@sbs.nyc.gov](mailto:neighborhoods@sbs.nyc.gov) if you are interested in formation and expansion.

You can find additional information about the BID formation and expansion process (including helpful templates) at [nyc.gov/bids](https://nyc.gov/bids).



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# Introduction

## What is a BID?

A Business Improvement District (BID) is a geographical area where local stakeholders oversee and fund the maintenance, improvement, and promotion of their commercial district.

BIDs are public-private entities defined by two essential parts:

### Geographic boundaries (BID)

- Individual tax lots that contribute to an assessment

### District Management Association (DMA)

- Nonprofit organization composed of a board of directors of at least 13 members who oversee the operations of the BID
  - At least nine local stakeholders within the district
  - Four elected officials

Working with the City and community, BIDs serve as a powerful voice for their districts. BIDs invest significant funding back into the commercial district and take on responsibilities that would usually be expected of individual merchants to keep their commercial districts clean and attractive.

### Advantages of a BID

- Cleaner, safer, and more attractive business district for all stakeholders
- Reliable funding source for supplemental services and programs
- Quick response to changing needs of the business community
- Increased value for stakeholders in the district

### What do BIDs do?

BIDs provide supplemental services and invest in the long-term success of the businesses in their commercial districts. BIDs are locally focused, with a built-in awareness of community needs. This allows them to provide custom services, addressing each commercial district's unique challenges.

The services provided by BIDs are in addition to existing services provided by the City. **BID services do not replace those provided by the City, and the City does not reduce services because of BID formation.**

Supplemental services or improvements offered by BIDs may include:

*BIDs offer a variety of supplemental services, depending on the conditions and needs of their districts*

<b>Sanitation &amp; Maintenance</b> 	<b>Public Safety &amp; Hospitality</b> 	<b>Marketing &amp; Public Events</b> 
<b>Business Development</b> 	<b>Streetscape &amp; Beautification</b> 	<b>Capital Improvements</b> 



## How are BIDs Funded?

BIDs are funded through a special assessment that is collected from the properties within their boundaries. Property owners are liable for paying the assessment, however, depending on the terms of a commercial tenant's individual lease, the tenant may be responsible for paying a portion or all of the assessment.

According to the BID law, each property must pay an assessment that is proportionate to the benefit they receive from BID services. Therefore, a unique assessment formula is used for each BID to accurately reflect the needs and character of its district.

The NYC Department of Finance (DOF) bills and collects the assessment fee from the properties in the BID. The BID assessment is listed as a separate line item on each individual property tax bill. After collection, DOF fully disburses the total assessment to the BID.

**Once a BID is signed into law, all properties within the BID boundaries are responsible for paying the assessment. There is no opt-out option for properties within an established BID.**

*The purple boxes represent properties within the boundaries of "ABC" BID. The owners of the purple-colored properties pay an annual assessment. The sum of these assessments is the BID's total assessment budget. The BID uses this budget to provide services and improvements to the colored properties exclusively.*



**It is also important to note how different property types are typically assessed.**

*Residential properties typically pay a reduced assessment fee. Commercial and mixed-use properties are fully assessed. Nonprofit and government-owned properties are usually exempt.*



Like other nonprofits, BIDs can raise additional revenue to pay for supplementary programs and services for businesses in their commercial district. Across the NYC BID network, approximately 80% of BID funding comes from assessment fees, and 20% of revenue comes from external sources.

External revenue sources may include fundraising from events or private donations; program service revenue from advertising or concessions; and philanthropic or government grants.

## Who Manages the BID?

BIDs are managed by a nonprofit organization with a board of directors. The composition of the board and the election of its directors are unique for BIDs.

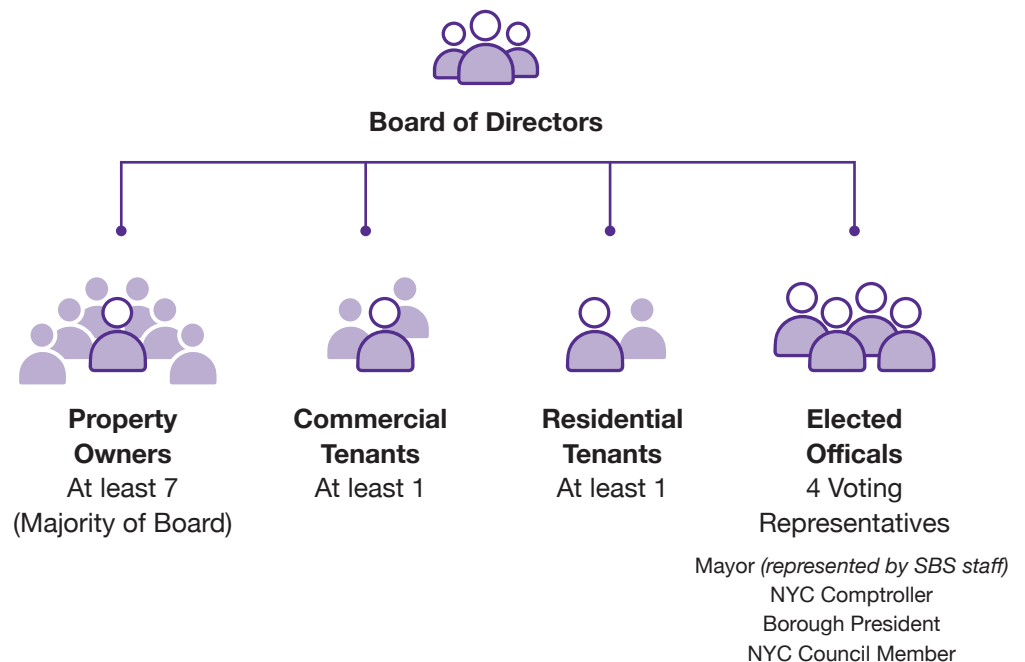
By law, the board of directors must have at least 13 members:

- » Seven must be property owners
- » At least one must be a commercial tenant
- » At least one must be a residential tenant
- » Four are elected officials:
  - Mayor of the City of New York
  - NYC Comptroller
  - Borough President
  - NYC Council Member (that represents the district where the BID is located)

In the case where multiple Council Districts overlap a BID, the Speaker of the Council will designate one Council Member as a voting member of the BID Board.

BID board members are elected by property owners and tenants from the district and have a fiduciary responsibility to the BID. The board is also responsible for recruiting and overseeing the BID executive director, who manages the day-to-day BID operations.

*Each board must have at least 13 members, and a majority of voting members must be property owners. Many BID boards also include non-voting members that may represent the Community Board or other local nonprofit organizations.*



### **BID expansion note:**

Established BIDs interested in expanding should start with a board level discussion, as they will need to formally approve the expansion. The board may form a subcommittee to lead the BID expansion effort. Members of the BID expansion subcommittee will eventually serve on the formal BID expansion steering committee.

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## Role of SBS

BIDs are unique nonprofit organizations established and authorized by NYC local law. As such, the NYC Department of Small Business Services (SBS) oversees each BID. SBS also serves as an advisor and resource for commercial districts interested in forming a BID.

### SBS BID Responsibilities

SBS staff serve as board representatives for all BIDs. Additionally, the SBS BID team supports the BID network by:

- Collecting required documents
- Monitoring organizational health
- Managing BID billing process
- Overseeing the entire BID formation and expansion process
- Sharing best practices and interagency advocacy

At least one SBS project manager guides groups through the four phases of BID formation.

Before getting started, SBS may conduct an analysis to ensure a BID can proceed.

SBS will consider the following:

- Commercial density
- Vacancy
- Planned development
- Historic conditions

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## How You Can Use This Guide

This Comprehensive Guide to BID Formation and Expansion is designed to lead you through the first three phases of BID formation and provide a general overview of the fourth:

1. Planning
2. Outreach
3. Legislation
4. Start-Up

This guide is designed to supplement—not replace—the assistance from your assigned SBS project manager who will advise you throughout BID formation. As you complete the BID formation process, your SBS project manager will be your most important resource to help you navigate the unique challenges you may encounter.

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## Does Your Commercial District Need a BID?

BID formation is a grassroots effort that merchants associations, other neighborhood groups, or local stakeholders initiate to improve, advocate for, and manage a commercial district. BID formation may take several years and involves cooperation from:

- Property owners
- Commercial & residential tenants
- Elected officials
- Other community stakeholders

SBS can help commercial districts understand the benefits of a BID and determine if it is their best option. Communicate with your neighbors, store owners, and property owners before contacting SBS for BID formation assistance. Review our *Comprehensive Guide to Starting a Merchants Association*, which provides tips on how to leverage existing relationships through local stakeholders.

Support from property owners, merchants, and community leaders can also accelerate the BID formation process by providing access to funding for required mailings, outreach materials, and staffing resources.

Once a BID is identified as the best option for a commercial district, a group of local stakeholders must form a steering committee to lead the BID formation effort. The steering committee’s responsibilities are discussed in the Phase 1: Planning section of this guide. Interested groups are required to submit a list of at least seven initial steering committee members who live, work, or own property in the area.

Ultimately, the steering committee will be responsible for deciding the four key decisions of the BID formation plan:

1. Boundaries
2. Programs and services
3. Budget
4. Assessment formula

The BID formation process requires extensive documentation and significant recordkeeping. Steering committees should maintain these records for eventual digital submission to SBS:

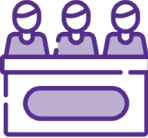


		
<b>Steering Committee Business</b>	<b>Outreach Documentation</b>	<b>Public Meeting Documentation</b>
Handouts Meeting minutes Sign-in sheets PowerPoint presentations	Mailing materials Media and press coverage Phone and email logs Presentations Signed statements of support	Handouts PowerPoint presentations Sign-in sheets

Photo credit: Flatiron/23rd Street Partnership



### End of section questions:

- Are there any merchants associations or organizations in your neighborhood?
- If yes, have you communicated with them to determine their interest in forming a BID?
- Do you have an initial group of interested members in your commercial district who can start the conversation with SBS?
- Is there a strong network of community leaders with established relationships with local merchants and property owners?

“A BID is a powerful tool because it starts with listening and is all about empowerment. You have to ask hard questions and take the time to listen for the answers. Who are we as a district? Who do we want to be in 10 years? What could we accomplish together?”

— Lowell Herschberger  
Cypress Hills Local Development Corporation

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## Phase 1

# Planning

### Steps

1. Formalize a Steering Committee
2. Hold Initial Planning Session
3. Conduct a Needs Assessment Survey
4. Determine Services and Budget
5. Determine Property Assessment Variables
6. Finalize the Four Key Decisions

During the planning phase, a steering committee is formed to guide the development of a BID proposal. The committee consists of commercial & residential property owners, tenants, elected officials, and community stakeholders. They facilitate planning sessions, survey various stakeholders, and document all activities and decisions. Ultimately, the steering committee determines key decisions about the proposed BID and drafts a statement of support to collect and track stakeholder support during outreach.

# Step 1: Formalize a Steering Committee

## Action items:

1. Create list of steering committee members with affiliations and submit to SBS before first meeting
2. Schedule first meeting (all BID formation planning sessions must be coordinated with SBS)
3. Select designated committee chair(s)

The first step to start the BID formation or expansion process is forming a steering committee of local stakeholders. This group will lead the process and guide important decision making and outreach along the way. Starting with a strong, diverse, and representative steering committee is integral to successfully forming a BID.

## Refine Steering Committee

Ultimately, BID formation success will depend on the support and participation of property owners and tenants in the commercial district. Hence, their involvement in the steering committee is critical.

The composition of a steering committee should represent the geographic diversity of the district and resemble a formal BID board of directors, including:

- Property owners
- Commercial & residential tenants
- Elected officials (involvement varies)
- Other community stakeholders

Steering committee members should work together to make decisions and exhibit genuine interest in improving the commercial district.

The steering committee should:

- Advocate for and leverage relationships to increase and document support
- Attend meetings and maintain active participation throughout the BID formation process
- Collectively represent the varied interests of the neighborhood

In addition, the steering committee can contribute by:

- Editing documents
- Providing pro bono legal review or other technical skills and support
- Donating complimentary office supplies or meeting spaces
- Networking with influential community groups (e.g. community boards, merchants associations, local development corporations, other nonprofits or institutions)

## BID expansion note:

The steering committee should consist of members of the existing BID and stakeholders in the proposed expansion area.



**SBS tip:**

Property owners often know one another. Take advantage of these networks when identifying stakeholders to serve on the steering committee: commercial & residential owners; brokers; real estate professionals.

Once a preliminary assessment and steering committee contact list is submitted, SBS will assign you a dedicated project manager. Next, coordinate your first official steering committee meeting. Use the initial meeting to prepare the group for an efficient and successful BID formation planning phase.

It is SBS policy to attend all BID formation steering committee meetings. Always coordinate steering committee meeting dates with your SBS project manager. The first steering committee meeting will include an overview of the formation process and a review of this guide. The committee will also discuss significant decisions in the BID formation process.

Early in the planning process, members should identify a chair or co-chairs to lead the committee. Chairs should own or lease a commercial property in the proposed BID. Typically, successful co-chairs are individuals comfortable with public speaking and have strong community networks. Appointing multiple co-chairs ensures that diverse stakeholders lead and speak on behalf of the BID formation effort.

**Steering Committee Chair(s):**

- Lead meetings
- Encourage participation
- Motivate committee members
- Help gain support of significant stakeholders
- Serve as point person for external communications, including:
  - Addressing press inquiries
  - Testifying at public meetings in support of the BID formation

*Photo credit: NYC SBS*



**SBS tip:**

The BID formation effort should represent the diverse interests and industries of the commercial district. Lack of diversity and community leadership can create significant challenges during the BID formation process

**By the end of the planning phase, the BID formation steering committee must submit the following to SBS:**

- » List of approved steering committee members with affiliation
- » Designated committee chair(s)
- » Final needs assessment survey, approved by steering committee and SBS
- » Survey results summary
- » Final vision statement
- » Summary of proposed programs and services
- » Itemized budget
- » Definitions of proposed property classes
- » Property assessment formula
- » Verification and review of simulated assessment roll
- » Drafted statement of support, approved by steering committee and SBS
- » Email address for BID formation effort
- » Website representing BID effort, including BID details and contact information

**End of section questions:**

- Does the steering committee consist of a diverse section of the local community?
- Are steering committee members aware of the significant time and effort required during the BID formation process?
- Has the steering committee elected one or two leaders who can publicly represent the BID during this process?

“The steering committee is the engine of the BID formation process, and the Chair is the conductor. It’s important to have committed members who know their community and can explain why a BID should be formed”

— William Pedone  
Morris Park BID

# Step 2:

## Hold Initial Planning Sessions

### Action items:

1. Conduct stakeholder analysis
2. Establish BID boundaries
3. Create database
4. Draft vision statement

The first responsibility for the steering committee is to hold an initial planning session to determine the proposed BID's boundaries and start developing a database of properties. There are many factors to consider when determining the geography of the future BID, and SBS will provide guidance in making these decisions. This is the first major decision that will shape the rest of the planning phase for the proposed BID.

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### Conduct Stakeholder Analysis

The BID formation steering committee will identify existing stakeholders in the commercial district to assess their potential roles in the BID formation process. SBS will provide a stakeholder analysis template for reference.

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### Establish BID Boundaries

Identifying boundaries will help the BID formation steering committee:

- Estimate the cost of proposed services
- Develop a budget
- Target community engagement

When establishing tentative BID boundaries, it is vital to consider:

- Interest levels of stakeholders
- Natural clusters of businesses and commercial activity
- Geographic neighborhood boundaries
- Planned future developments

The BID formation steering committee should discuss multiple boundary options. During the planning process, boundaries can be modified by a steering committee vote. However, BID boundaries must be finalized before community outreach efforts begin during Phase 2.

Consider the following factors when establishing BID boundaries:

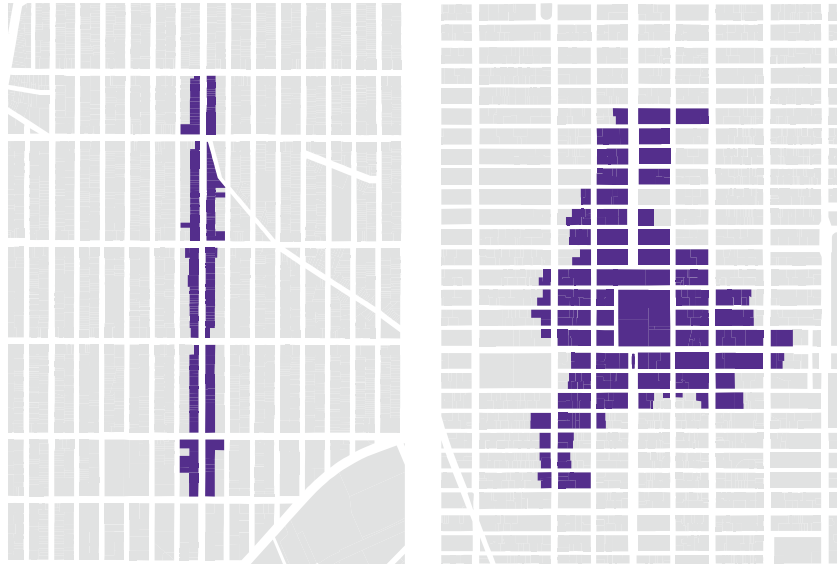
#### Commercial District Size

If the proposed BID boundaries are too small, the district may not generate sufficient assessment revenue to operate effectively. Larger districts may pose challenges in gathering support but can generate a larger assessment revenue and make a more noticeable impact.

### Commercial District Boundaries

Properties in the proposed BID should be contiguous but may include various property types. BID boundaries should consider other local districts, including community boards or City Council districts. It is also important to be aware of natural boundaries like highways, public transit routes, rivers, or parks.

BID districts can look different based on the distribution of commercial activity. Two common examples are a commercial corridor surrounded by solely residential use (left) and a central business district with mixed-use throughout all blocks, often including retail on the first floor and residential or office space above.



### District Composition

BIDs improve the economic vitality of a district. Therefore, BIDs are typically formed along corridors with concentrated, regular commercial use. Commercial and mixed-use properties typically pay most of the BID assessment.

Include major commercial district anchors:

- Shopping centers
- Destination retail stores
- Office buildings

The steering committee should give extra consideration to including the following properties within a BID because they may receive BID services but typically have a reduced or no assessment fee:

- Fully residential properties
- Nonprofit-owned properties
- Government-owned properties

#### **SBS tip:**

Consider meeting with elected officials early in the planning process to get their feedback on preliminary boundaries. While it is up to the steering committee to decide, they may have opinions that are worth exploring.

**BID expansion note:**

Consider surrounding commercial activity and planned developments that may benefit from the types of programs and services the BID provides. Multiple BID expansion options may be proposed to accommodate these activities. Ensure that the needs assessment survey from Step 3 is used to inform final decisions.

**Create Database**

Once the tentative BID boundaries are established, the steering committee will submit a list of the block and lot numbers for each property in the boundaries. SBS will then pull available property data and provide a template that will serve as the foundation for the BID database.

The BID formation steering committee should:

- Verify the initial property data
- Continue to update the data throughout the formation process and include additional properties

The database must include:

Property Information	Source
Tax block, lot number, and address of every property	Steering committee
Property use information and additional relevant property data	SBS provides; steering committee verifies & updates
Contact names, mailing addresses, phone numbers, and emails for all commercial and residential property owners	Steering committee
Business names, manager names, mailing addresses, phone numbers, and email addresses for commercial tenants	Steering committee
Mailing addresses for residential tenants	Steering committee
Outreach log with property owners and tenants	Steering committee
Support status for each property	Steering committee

An accurate and regularly updated database is a critical component in completing important steps of the planning and outreach phases, including:

- Distributing needs assessment survey
- Mailing statements of support for proposed district
- Notifying stakeholders about public meetings and City Council hearings
- Tracking support and outreach efforts

**Draft Vision Statement**

Collectively, the steering committee members should identify priorities and create a draft vision statement for the proposed commercial district, explaining why a BID is necessary. This statement will provide strategic direction throughout the formation process.

The draft BID vision statement should be revisited after the needs assessment survey is completed and finalized to reflect any new insights about community needs revealed by the data.



### End of section questions:

Has the steering committee:

- Conducted initial canvassing to identify major stakeholders?
- Asked stakeholders to consider the needs in the commercial district?
- Identified rough boundaries of the commercial district?
- Collected commercial and residential tenant information to build the database?
- Researched real estate and business databases for additional ownership information?
- Conducted meetings to identify owners and tenants who are difficult to contact such as those out of state or on upper floors?
- Developed a plan to correct contact information for returned mail?

“All stakeholders may not agree, but that doesn’t mean we should leave them out. We need all perspectives. You will be surprised who wants to be included when you ask them for their opinion first. You may also be surprised at the level of agreement when you focus on the vision.”

— Lowell Herschberger  
Cypress Hills Local Development Corporation

# Step 3:

## Conduct a Needs Assessment Survey

### Action items:

1. Draft needs assessment survey
2. Get SBS approval of the needs assessment survey
3. Collect responses to the needs assessment survey and analyze results
4. Prepare final vision statement based on results

The BID formation steering committee must conduct a needs assessment survey within the proposed BID boundaries. SBS will support the steering committee by providing templates and help with the survey analysis. The results from the needs assessment survey will inform decisions about supplemental services and programming. The survey should include questions about the most significant concerns and priorities of local stakeholders.

### Survey Format & Distribution

The needs assessment survey must be distributed to all stakeholders in the commercial district, including property owners, commercial tenants, and residents within the proposed boundaries. The BID formation steering committee must mail or hand-deliver the needs assessment survey to all stakeholders or use a postcard directing stakeholders to an online survey.

The needs assessment survey should:

- Identify the sender (the BID formation steering committee)
- State the purpose of the needs assessment survey
- Capture respondent information
  - Name
  - Contact information (email, phone number)
  - Type of stakeholder:
    - Property owner
    - Business owner/commercial tenant
    - Resident
  - Address in the district
  - Mailing address (if different than address in the district)

The survey should be mailed to test and improve the quality of your database. SBS recommends using multiple survey methods, such as:

- Hosting the survey on a publicly accessible website and promoting the link
- A walking canvass of the district

### SBS tip:

The needs assessment survey also provides an opportunity for the BID formation steering committee to generate awareness about the effort, engage local stakeholders, and verify database contact information. Depending on the neighborhood, the steering committee should consider translating the survey into multiple languages.

To ensure an effective needs assessment survey:

1. Ask local businesses to publicize survey through:
  - Websites
  - Social media pages
  - Email distribution lists
  - Hard copies available at their business
2. Distribute or mail postcards with link to survey to district stakeholders
3. Obtain consent of local businesses to accept completed hard-copy surveys
4. Email online survey to local businesses and stakeholders (the steering committee may want to create a unique email address for the BID formation effort to send and receive surveys)
5. Establish a local survey drop-off location
6. Establish survey completion and submission dates

## Survey Results & Analysis

After completed needs assessment surveys are collected from all key stakeholder groups, the BID formation steering committee should:

- Analyze needs assessment survey results and response rates
- Identify common trends or patterns across stakeholder groups
- Note differences in opinions between stakeholder groups
- Use feedback to edit and finalize commercial district vision statement

The needs assessment survey results will help the BID formation steering committee:

- Determine overall stakeholder interest
- Identify the most desired supplemental services
- Guide BID proposal development and refinement

### **BID expansion note:**

The needs assessment survey must be distributed to stakeholders in the expansion area. You can also use the needs assessment survey as an opportunity to collect feedback from existing BID members about needs and challenges in the commercial district.

### **End of section questions:**

Has the steering committee:

- Drafted a needs assessment survey?
- Developed a needs assessment survey distribution plan, including:
  - Schedule and deadline?
  - Standard distribution method?
  - Information tracking tools?
- Selected digital tools to collect and analyze needs assessment survey results?
- Identified committee members to volunteer to collect stakeholder responses?
- Analyzed survey results to assess commercial district needs and priorities?
- Ensured overall vision statement matches survey results, revisiting if needed?



# Step 4:

## Determine Services and Budget

### Action items:

1. Summarize proposed programs and services to provide BID community
2. Collect price quotes and estimates for programs and services
3. Create an overall itemized budget for the proposed BID
4. Consult external resources and BID Trends Report to assess current program and service costs for existing BIDs

Using data collected from the needs assessment survey, the BID formation steering committee will determine what services the proposed BID will provide and establish an appropriate budget. The steering committee should collect price quotes and estimates and consult other data sources to assess current costs for existing BIDs. Ultimately, the committee will create an itemized first-year budget for the proposed BID.

### Consider Types of Programs & Services

#### Advocacy

Neighborhood advocacy is one of the most critical services a BID can provide. BIDs can collect and use data to highlight local challenges and issues. The BID serves as a central and amplified commercial district voice.

#### Capital Improvements

BIDs can install new:

- Custom street signage
- Fenced tree pits (tree guards)
- Lighting fixtures
- Newspaper boxes
- Security cameras
- Trash receptacles

#### Marketing and Events

Marketing activities can include:

- District maps and guides
- Holiday lighting
- Local branding efforts
- Neighborhood-specific promotional banners
- “Shop Local” campaigns

#### Public Safety and Hospitality

Hospitality ambassadors provide directions and other assistance to visitors and residents. Public safety includes:

- Installation of security cameras
- Traffic and pedestrian safety monitors
- Unarmed district security guards

#### Public Space Management and Programming

Many BIDs manage, maintain, and organize programming for public space assets, such as parks and plazas within the commercial district.

### Retail Attraction and Retention

Many BIDs work to retain existing businesses and improve the retail mix by filling vacancies along commercial corridors by:

- Analyzing retail market data
- Surveying visitor and resident shopping preferences
- Promoting vacant spaces to prospective tenants and brokers

### Sanitation and Maintenance

Although there is no standard or requirement among BIDs, sanitation and maintenance are the most common and often the most critical services BIDs provide. Maintenance workers sweep sidewalks and bag trash for pickup. Many BIDs also remove graffiti and paint public amenities.

### Social Services

Some BIDs partner with local service providers to conduct homeless outreach or provide other social services in their district.

### Streetscape and Beautification

Commercial district beautification efforts typically include:

- Planting and maintaining street trees and tree pits
- Installing hanging baskets and sidewalk planters

<b>Sanitation &amp; Maintenance</b> 	<b>Public Safety &amp; Hospitality</b> 	<b>Marketing &amp; Public Events</b> 
<b>Business Development</b> 	<b>Streetscape &amp; Beautification</b> 	<b>Capital Improvements</b> 

## Create a BID Budget

Budgets should be drafted based on the estimated costs of the proposed programs and services your BID will provide. The budget can be used to determine the total annual assessment expenditures required to support BID operations.

### Gather Information

Before starting budget discussions, research estimates for potential expenditures. To get started:

- Meet with BID executive directors in comparable neighborhoods to determine the potential scope and costs of their services
- Call vendors for estimates
- Take advantage of available SBS data:
  - Annual BID Trends Report
  - Lists for vendors currently providing services in existing BIDs
  - Budgets from comparable BIDs around the city

### Provide Budget Options

BID formation should include multiple budget options with varying scopes, allowing BID formation steering committee members to consider different service levels and associated costs. When in doubt, aim high. Instead of underestimating expenditures, assume expenses will be higher than planned. Prevent unnecessary budget conversations with stakeholders in the future by preparing an adequate budget in the planning process.

### Remember Administrative Costs

BIDs require full-time executive directors and competent staff to administer programs and serve as critical district advocates. Include all administrative costs in your budget estimates:

- Staff salaries and benefits
- Payroll taxes
- Audit fees
- Insurance
- Office space
- Supplies
- Computer software
- Website fees
- Other digital tools
- Additional administrative costs

### Balancing the BID Budget

The budget must be sufficient to fund the proposed scope of services and reasonable for local property owners and businesses to pay. A low operating budget can reduce the BID's effectiveness in demonstrating a tangible impact for the commercial district. A large budget results in increased assessment fees, potentially hindering stakeholder support during the outreach phase.

#### **BID expansion note:**

In most expansions, the BID elects to increase its legal assessment cap to extend the same levels of services to the additional geographic area while beginning new initiatives. In these circumstances, the BID should:

- Review existing programs and services and consider expansion costs
- Leverage the results of the needs assessment survey before starting new initiatives
- Focus on new or different needs expressed by respondents in the expansion area

### End of section questions:

Has the steering committee:

- Assessed the results of the stakeholder needs assessment survey to determine the top needs of the district?
- Reviewed the latest BID Trends Report?
- Discussed the various services that meet the needs of the commercial district?
- Identified comparable BIDs to consider when developing the draft budget?
- Reviewed BID supplemental services and rough programming estimates?
- Considered administrative costs, including salaries and benefits for staff?
- Determined the levels of service that will be provided? (e.g. Will sanitation services be five or seven days per week?)
- Considered the costs and benefits of each scenario?

# Step 5:

## Determine Property Assessment Variables

### Action items:

1. Define the types of property classes included in the BID
2. Consider potential formula calculation variable(s)
3. Collaborate with SBS to create a simulated assessment roll

The BID formation steering committee must determine how properties in their commercial district will be assessed. The most important factor in this discussion is equity. Properties must pay in proportion to the benefit they will receive from the new BID's services. Each BID's formula is unique to the district's local conditions and built environment. SBS can assist with crafting an appropriate assessment formula and weighing which variables to use in calculating individual property assessments.

### Develop BID Assessment Formula

After agreeing on a tentative budget, the BID formation steering committee will create a formula to determine how the total assessment will be distributed across properties.

Equity is a critical factor in the formula determination, and the amount each property pays should be proportional to the benefit it will receive from the BID. The total assessment amount and assessment formula are set, not individual rates. Rates may fluctuate each year depending on changes in the district (e.g. development, demolition, change in use).

The property classes and assessment formula must be approved by a formal steering committee vote.

### Define Property Classes

Property classes should capture the range of different property types in the commercial district and consider the impacts of future development.

Examples of property classes include, but are not limited to:

Commercial	Mixed-Use	Residential	Parking lots
Development sites	Government-owned	Nonprofit-owned	Vacant land

### Choose Assessment Formula Variables

The BID formation steering committee should consider which variables to use for the assessment formula. All data used in assessment formulas is also publicly available through [the DOF website](#).

SBS will work with the committee to:

- Provide variable data
- Determine most appropriate variables for their commercial corridor
- Help sort through data

Four variables can be used to create an assessment formula:

Variable	Definition	Best When
Front Footage (FF)	Property length measured along sidewalk at front of property	Much of the assessable property exists as storefronts on the ground floor
Assessed Value (AV)	As defined by the City for use in computing real property tax	Much of the assessable property exists above the ground floor, or AV varies widely across the proposed district
Commercial Square Footage (CSF)	Area of all built commercial space in tax lot	Much of the assessable property exists above the ground floor, or depths of buildings vary significantly
Lot Size	Area of whole tax lot (not only built space)	<ul style="list-style-type: none"> <li>• Low-density district</li> <li>• Most pieces of land have only one tax lot</li> <li>• Used to capture vacant lots</li> </ul>

### Consider Different Types of Properties

Different kinds of property classes can create more complicated formulas. BID formation steering committee members should consider the following properties and define how they will be included in the proposed BID's assessment formula:

#### Condominiums

- Have you considered any existing or planned condominiums in the commercial district?
- How will condominiums be assessed compared to other properties?
- If the formula includes front footage, how will that be allocated across condominiums on the same lot?

#### Parking Lots

- Are there parking lots in the district?
- What is the primary use of parking lots?
- Will parking lots be assessed differently or the same as commercial properties?

#### Vacant Lots

- How will vacant lots be assessed?
- At what point is a vacant lot no longer considered vacant?

#### Development

- How will lots in development be assessed?
- What will the district look like in five or 10 years?
- What provisions should be written into the district plan to ensure assessments for existing and future properties are clear?

SBS can provide guidance if any of these types of properties exist in your commercial district.

## Additional Budget Considerations

In addition to selecting variables for the assessment formula, additional fees may be appropriate for the commercial district. Additional fees capture features in the commercial district that are not measured or covered by the assessment variables.

Commonly used examples are below:

Tool	Scenario
Base Fee	<ul style="list-style-type: none"><li>• Typically used in commercial districts where the AV and lot size vary significantly</li><li>• Ensures property owners across the commercial district pay equal minimum assessments</li></ul>
Corner Fee	<ul style="list-style-type: none"><li>• In addition to services received along the primary corridor, assesses properties that also receive services:<ul style="list-style-type: none"><li>• Around the corner</li><li>• On multiple sides</li></ul></li></ul>

### SBS tip:

When determining an assessment formula for the proposed BID, make sure to consider what the district may look like in the future and how to maintain an equitable formula going forward.

- Are there any proposed new developments or available development sites?
- What does the district's zoning allow for?
- Do you anticipate any demolitions?
- What trends in changing use and developments do you already see?

After the steering committee votes on the proposed formula, SBS will use the selected variables to generate a simulated assessment roll to illustrate the amount each property owner will be billed according to the proposed formula. The BID formation committee should examine each property's assessment fee and determine if it is proportional to the benefit they will receive from BID services.

SBS will assist the BID formation steering committee by:

- Helping BIDs analyze the simulated assessment roll to better understand how the assessment will be distributed
- Developing a basic histogram with class intervals
- Providing examples of helpful assessment analyses

The steering committee can then use this information to help outline the outreach process.

### BID expansion note:

The steering committee should review the existing formula and assess its relevance for the expansion area. The BID may consider changing its assessment formula to fit the proposed expanded BID better.

Amending an assessment formula is a legislative process that can be done in conjunction with an expansion

## Assessment Formula Example

Suppose a steering committee proposes an annual budget of \$500,000 and determines that a frontage formula is the most equitable option. SBS's property data shows 10,000 frontage feet total in the proposed district, and the typical building has a 20-foot storefront.

**To calculate the average rate per frontage foot:**

$\$500,000 \text{ budget} / 10,000 \text{ total district frontage feet} = \$50 \text{ annual per frontage foot}$

**The assessment for an assessable building with a 20-foot storefront would be calculated in the following manner:**

$\$50 \text{ annually per frontage foot} \times 20 \text{ frontage feet} = \$1,000 \text{ per fiscal year}$

### End of section questions:

Has the steering committee:

- Considered the current and future conditions in the area to determine the appropriate property classes for the district?
- Determined if the commercial district merits base or corner fees?
- Discussed different formula scenarios and reviewed their impact on various properties?
- Discussed the interests of the largest potential contributors in various scenarios to address any questions or concerns?

Photo credit: Filip Wolak for  
Lincoln Square BID



# Step 6:

## Finalize the Four Key Decisions

### Action items:

1. Prepare a statement of support to be approved by SBS
2. Establish email address for BID formation effort
3. Develop BID website or social media

Before moving forward with the outreach phase, the BID formation steering committee must finalize these four key decisions:

1. Boundaries
2. Programs and services
3. Budget
4. Assessment formula

Once these elements are established, and the BID formation steering committee begins its community outreach, there is limited flexibility to modify these elements.

These four decisions are approved by a formal vote, and all final decisions must be outlined in a document referred to as the “statement of support”, which is used to track and collect formal support for the proposed BID in the outreach phase.

**The steering committee must appropriately engage key stakeholders before finalizing the statement of support.**

SBS will provide templates and a draft statement of support.

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### Draft the Statement of Support

Like a petition or ballot, the statement of support is a formal document prepared by the BID formation steering committee. It is distributed to community members to sign in support of or in opposition to the proposed BID. SBS can provide a statement of support template to help the steering committee create an initial draft.

The statement of support must include the following components:

#### Return Mailing Information

- Mailing address and email contact information for the BID formation steering committee and SBS (required)

#### Stakeholder Identification

To effectively and efficiently track support and opposition, the following information should be requested:

- Name
- Contact information (email, phone number, mailing address)
- Stakeholder class (property owner, tenant, elected official, other)
- Borough, block, lot, and street address in the proposed district



## Establish Contact Channels

### Email Address

If not already established, create a public-facing email address where questions and inquiries can be directed.

### BID Website and/or Social Media Platforms

The BID formation steering committee should create an official website and/or social media profile for the formation effort.

Outline the vision for the district and include contact information:

- Steering committee co-chairs and member name(s)
- Email address
- Phone number

Include information about:

- Proposed boundaries
- Programs and services
- Budget
- Assessment formula
- Public meeting notifications

It may be strategic to purchase a domain name and select/register social media handles for the proposed BID as public awareness grows throughout the effort.

Social media is often an effective way to reach residents and business owners.

### **BID expansion note:**

Expansion information should be posted on the BID's website before conducting the needs assessment survey in Step 3. The BID can create a new email address for expansion inquiries or continue using the existing BID email address.

### **End of section questions:**

Has the steering committee:

- Confirmed the statement of support accurately reflects the key facts about the proposed BID, including:
  - Basic information about proposed services?
  - Assessment formula?
  - Median and average assessment?
- Ensured the statement of support defines how stakeholders can participate in the public outreach process?
- Defined dates for future public meetings?
- Gained approval from SBS for the statement of support?
- Developed a clear digital presence with important facts, updates, and directions for submitting statements of support?
- Received authorization from SBS for the steering committee to begin outreach (Phase 2)?



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## Phase 2

# Outreach

### Steps

1. Initiate Community Outreach
2. Hold Public Meetings
3. Prepare District Plan & Compile Binders

During the outreach phase, the steering committee will gauge support for the BID proposal in their district. The committee must mail the drafted statement of support to every property owner and tenant in the district, hold public meetings, and collect letters of support from local elected officials.

The goal of the outreach phase is to demonstrate broad-based support for the proposed BID from local stakeholders. The duration of this phase can vary greatly, and many groups find this stage the most challenging and time-consuming. The ultimate goal is to demonstrate broad-based support for the proposed BID from local stakeholders.

# Step 1: Initiate Community Outreach

## Action items:

1. Initiate outreach by distributing marketing materials to stakeholders
2. Complete certificate of mailing
3. Seek support of elected officials
4. Collect letters of support for documentation binder
5. Complete support tracking sheet & submit regularly to SBS

The primary way the steering committee will demonstrate support for the proposed BID will be collecting statements of supports from stakeholders in the district. There are many ways to conduct outreach and spread the word about the BID formation effort, including distributing marketing materials like flyers and posters promoting the proposed BID. This is the time for steering committee members to use their networks and existing relationships to build support for the proposal.

## Develop an Outreach Strategy

Before gathering formal statements of support for the BID formation, the BID formation steering committee must develop a coordinated plan for community outreach.

This plan should leverage existing networks to engage as many stakeholders as possible. The steering committee should think strategically about the most effective ways to contact stakeholders in their commercial district.

### Reach stakeholders with direct mailings

- Provide property owners and commercial and residential tenants the opportunity to register support or opposition through a statement of support
- Proof of a district-wide mailing of the statement of support is required

### Facilitate community public meetings

- Public meetings are required, and dates should be included in direct mailings
- The BID formation steering committee should work with local organizations to host meetings
- Public meetings must:
  - Be accessible
  - Allow for a presentation
  - Provide opportunities to receive feedback

### Conduct one-on-one conversations and attend relevant community meetings

- BID formation steering committee members should:
  - Attend community gatherings and events to conduct additional outreach and generate buzz about the BID
  - Connect with local leaders and elected officials for support (SBS requires letters of support from NYC Council Members and other elected officials)

### Develop media relations plan for talking to the press

- BID formation steering committee co-chairs are usually the central point of contact for answering press questions and speaking on behalf of the committee

### Develop social media, digital, and door-knocking campaigns

- Use the BID website and/or social media to distribute and collect information
- Electronic statements of support can be collected if they are identical to the mailing and SBS approves the platform

### Educate the community and promote the proposal by:

- Creating and posting flyers
- Purchasing ads in local newspapers
- Being vocal and visible!

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## Distribute Statements of Support & Notice of Public Meetings

The BID formation steering committee is required to mail the statement of support and notification of public meetings to all property owners, commercial tenants, and residents in the proposed district.

The BID formation steering committee should consider the following factors when formulating a plan for mailings and public meetings:

### Resources

- The BID formation steering committee will need to fund at least one direct mailing of statements of support
- If resources are limited, the committee should publicize meeting dates and additional information in the same mailing

### Timing

- Direct mailing and public meetings usually occur after the steering committee has a support base (This support is developed through the planning process and preliminary outreach efforts.)
- It is beneficial to have supporters at public meetings to answer questions and show your neighborhood that there is local buy-in for the BID proposal

*If the broader community is unfamiliar with the BID formation effort and BID model, community members may ignore mailers or respond negatively.*

### Additional Information

Mailers may include the following to educate the community on the BID model:

- Brochures
- Cover letter
- Basic information about BIDs

To maximize the opportunity for stakeholders to attend at least one meeting, at least two public meetings should be scheduled at different times of the day at various locations. When sending notices for the public meetings, give stakeholders at least two weeks of advance notice.

BID formation committee members must verify SBS's availability for public meeting dates. Meeting dates can be in the same week or different months.

### SBS tip:

Make sure that your public meetings are accessible to all stakeholders. In addition to picking a convenient location, date, and time, you may want to provide auxiliary aids like interpreters or captions on virtual meetings. You can find guidance and resources from [the Mayor's Office for People with Disabilities](#).

## Track Incoming Support & Opposition

Every BID formation effort must show broad-based support to move forward. Evidence of broad-based support is achieved by making exhaustive efforts to reach all stakeholder groups: commercial & residential property owners and tenants, elected officials, and other community stakeholders.

SBS will provide a support tracking template to record stakeholder support and opposition.

SBS will only introduce proposed BIDs into the legislative process when a significant proportion of each stakeholder group has signed statements of support in favor of the BID formation.

At minimum, the steering committee should:

- Engage in an inclusive planning process
- Gather robust community input
- Display broad-based support from property owners and tenants

As the effort progresses, the BID formation steering committee must regularly send updates and new support information to SBS. To determine broad-based support, SBS analyzes community feedback, as well as the total percentage of support or opposition using the following metrics from the commercial district:

- Number of properties
- Assessed value
- Commercial assessed value
- Total commercial tenants
- Nonprofits
- Residential tenants
- Demonstrated effort to gather feedback from residents in BID boundaries

### **BID expansion note:**

Notify current BID members about the details of the proposed expansion boundaries and any changes in programs, services, budget, or assessment formula. The notice can be included in the stakeholder notice of public meetings or a separate notice tailored to the existing BID members. Formal statements of support must be mailed to and collected from stakeholders within the expansion area.

### **End of section questions:**

Has the steering committee:

- Reviewed their local networks?
- Leveraged existing relationships and identified new advocates to discuss the BID proposal and build support?
- Scheduled phone calls, meetings, and conversations for outreach efforts?
- Committed time and effort to contact stakeholders in their networks to generate awareness and gain support?
- Targeted stakeholders, blocks, or specific groups?
- Developed an outreach plan for uncontacted groups?
- Collected statements of support?
- Tracked support?

# Step 2:

## Hold Public Meetings

### Action items:

1. The steering committee must facilitate at least two public meetings to:
  - Generate community awareness about the proposed BID
  - Present the steering committee's vision
  - Share the needs as expressed by the community
  - Show how the BID can help address local needs and challenges

Public meetings provide community members with an opportunity to learn about the BID model, express their opinions, and ask questions about the specifics of the proposal. Members of the BID formation steering committee should present the details of the BID proposal including the four key decisions.

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### Public Meetings

Public meetings are usually the first exposure stakeholders have to a BID formation effort. Therefore, it's essential to be prepared and anticipate major questions or concerns attendees may have.

In preparation for public meetings, the BID formation steering committee should:

- Create a meeting agenda
  - Allocate time for questions following the presentation
- Develop a PowerPoint presentation with helpful visuals
- Determine how to document relevant questions/concerns and follow-up
- Print required handouts such as:
  - Sign-in sheet to document attendance
  - Blank copies of the statement of support for attendees to sign
  - Informational materials about the BID
  - BID steering committee contact information

The BID formation steering committee's presentation should include the following:

- General overview of BIDs
- Needs assessment survey results
- Details of the proposed BID including:
  - Proposed boundaries
  - Programs and services
  - Budget
  - Assessment formula
- Invitations for attendees to be advocates and help with outreach

### BID expansion note:

Expansion efforts should detail current BID operations and provide existing BID literature or marketing materials to demonstrate the BID's impact to date. Existing members may also attend and speak during the public meetings. Current board members or general members of the BID should attend public meetings to speak to the positive impact of the BID.



### End of section questions:

Has the steering committee:

- Hosted at least two public meetings at different times to generate community awareness about the proposed BID?
- Collected documentation from the public meetings including:
  - Meeting agendas?
  - Attendance sheets?
  - Presentation slides?
  - Questions asked or concerns raised?

“Public meetings are a valuable opportunity for community engagement. Walking the corridor and hosting merchant mixers are great ways to make sure your public meetings are informative for everyone in a commercial corridor.”

— Niles French  
Staten Island Economic Development Corporation



# Step 3:

## Prepare District Plan & Compile Binders

### Action items:

1. Draft district plan
2. Compile all documentation into digital binder
  - Retain all original copies (see list on next page)
  - Prepare a PDF document for submission to SBS and NYC Department of City Planning (DCP)

As the BID formation gains traction and support, the BID formation steering committee should work with SBS to draft a district plan and compile all necessary documentation required to submit to SBS.

The district plan and documentation binder will be part of the steering committee's formal proposal and become public legal documents.

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### Draft District Plan

The district plan:

- Acts as a business plan for the BID
- Becomes part of the local law for each BID
- Defines the BID's:
  - Proposed boundaries
  - Programs and services
  - Budget
  - Assessment formula

SBS will supply an initial template for the district plan. The BID formation steering committee will tailor the template for the proposed BID and collaborate with SBS to edit and refine the district plan. Once completed, the district plan should answer all reasonable questions about the BID's intended scope of work.

As required by law, the district plan must include the following:

- Map of the commercial district
- Description of commercial district boundaries
- Current and proposed uses of land
- Proposed improvements and services
- Total expenditures for operations, maintenance, and improvements
- Proposed funding sources
- Anticipated timeline for implementation of district plan
- Proposed rules and regulations applicable to the commercial district
- List of properties that will benefit from the BID
- Expenses statement reflective of how a BID will affect real property
- Statement identifying the District Management Association (DMA)

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## Compile the Documentation Binder

The BID formation steering committee must submit a digital binder documenting the planning and outreach phases of the BID formation effort. The binder provides a detailed understanding of the BID effort and the steps taken by the steering committee to date for SBS and other City agencies.

### The documentation binder should include the following:

#### Planning Documents

- Quick Facts (SBS will provide a template)
- District plan
- District map
- Background, including:
  - Vision statement
  - Steering committee priorities, if applicable
- Needs assessment survey
  - Template of final survey
  - Analysis of results
  - Copies of individual surveys, if available
- Detailed budget
- Simulated assessment roll
- Copy of database

#### Steering Committee

- List of steering committee members with affiliations
- List of subcommittees and members, if applicable
- Steering committee meeting sign-in sheets, minutes, handouts, and presentations

#### Documentation of Outreach

- Log of phone conversations and meetings with stakeholders
- Copies of all:
  - Media and press coverage regarding the BID formation effort
  - External presentations given outside of the public meetings
  - Materials mailed to stakeholders

#### Public Meetings

- Copy of mailing notices and summary of other channels used for notification
- Signed statement attesting the mailing(s) were completed
- Sign-in sheets
- PowerPoint presentation
- Handouts

#### Documentation of Support

- Letters of support from elected officials and other community groups
- Blank statement of support
- Signed copies of individual statements of support from property owners and tenants

When the BID formation steering committee has completed consolidating all the documentation, the completed binder is submitted to SBS. A time will be scheduled to conduct a formal presentation.

SBS will only introduce a proposed BID into the legislative process if the steering committee has completed the full planning process, solicited community input, and demonstrated broad-based support.

### BID expansion note:

BID expansion efforts should amend existing district plans and track all changes. Outdated language should be updated to reflect the current district environment or BID programs and services. SBS can provide further support and instruction on how to format the amended district plan.

### End of section questions:

Has the steering committee:

- Drafted the BID district plan and reviewed with SBS?
- Reviewed the checklist and confirmed that all materials are included in the binder?
- Submitted a digital PDF to SBS and kept original copies?

Photo credit: Photomuse for Atlantic Avenue BID





## Phase 3

# Legislation

### Steps

1. Present BID Proposal at Interagency Meeting
2. Present BID to Community Board
3. Present BID to City Planning Commission
4. Testify at City Council Hearings

During the legislative phase, the new proposed BID formation or expansion goes through the approval process to become local law. Similar to the Uniform Land Use Review Procedure (ULURP), this stage typically takes 9-12 months. SBS will only introduce proposed BIDs into the legislative process if it believes the steering committee has followed the planning process correctly, solicited community input, and demonstrated broad-based support across all stakeholder groups (property owners as well as tenants).

# Step 1: Present BID Proposal at Interagency Meeting

## Action items:

1. Prepare Quick Facts
2. Submit documentation binder
3. Finalize district plan for agency review

When the steering committee believes they have reached sufficient community support, they must submit final documentation and formally present to SBS.

Next, the committee presents the BID proposal at an interagency meeting, which officially starts the legislative phase. Before the interagency meeting, SBS will send the group an agenda for the meeting. At the interagency meeting, the steering committee will present the proposed BID to DCP, other agencies, and local officials.

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## Presenting to SBS

Once the steering committee has reached broad-based community support for the BID proposal, they may submit the draft district plan and documentation to SBS and present the full proposal to SBS Neighborhood Development Division leadership. This presentation should tell the story of how the steering committee made decisions about the BID and conducted outreach to the community, as well as the needs of the district and how the proposed BID will benefit stakeholders within the boundaries.

---

## Interagency Meeting

During the interagency meeting, BID formation steering committee members provide an overview of the proposed BID. The committee will answer questions about:

- Proposed boundaries
- Programs and services
- Budget
- Assessment formula
- Planning and outreach process background

“The interagency meeting serves as a dry run for the steering committee to field questions from City agencies about the proposed BID. It’s an opportunity to emphasize how the BID will act as the community’s voice and work with City agencies.”

— Dian Yu  
Downtown Flushing Transit Hub BID

# Step 2: Present BID to Community Board

## Action items:

1. Schedule community board hearing
2. Update presentation as needed

## Community Board Presentation

Following the interagency meeting, SBS will submit the BID proposal as an application to DCP, which refers the application and district plan to the community board(s) within the proposed BID boundaries.

The steering committee typically presents at the community board meeting, and the community board votes at committee and full board levels. SBS typically attends to provide support and answer questions.

The BID formation steering committee must coordinate with each community board to determine which committee will hear about the proposed BID and when. It is vital to confirm the expectations for the community board and ensure they add the BID proposal to the agenda beforehand.

Each community board has 30 days from receiving the application from DCP to hold a public hearing and submit a written recommendation to the City Planning Commission (CPC).

*Photo credit: Hudson Square BID*



# Step 3:

## Present BID to City Planning Commission

### Action items:

1. Draft testimony for CPC hearing
2. Plan speakers for CPC hearing
3. Provide answers to any questions after CPC review session

Within 60 days of the community board submitting its recommendation, the BID proposal is presented to the CPC, which reviews the proposal at one session and conducts a separate public hearing a few days later.

Review sessions and public hearing dates can be found on the CPC calendar at [nyc.gov/planning](https://nyc.gov/planning).

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### Review Session

At the review session, DCP staff will present the proposed BID to CPC members. This review session is an opportunity to address questions that Commissioners may ask during the hearing. Although BID formation steering committee attendance is not necessary, members are welcome to attend.

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### Hearing

After the review session, the BID formation steering committee will testify at a public hearing for CPC. During this hearing, the committee may invite 2-3 speakers to testify on behalf of the BID formation effort. SBS will work with the speakers to craft their final testimony.

The first speaker should address the facts of the proposed BID, and another speaker provides a personal narrative regarding their connection to the community and needs of the district.

“CPC is responsible for overseeing all planning in NYC related to the orderly growth and development of the City. When it comes to BIDs, we want to see that the method of assessment is appropriate for the district and that all community stakeholders had a voice in the process.”

— Alfred C. Cerullo III  
New York City Planning Commissioner



# Step 4:

## Testify at City Council Hearings

### Action items:

1. Prepare written testimony for all speakers to submit to NYC Council
2. Mail hearing notifications
3. Provide a certificate of mailing to SBS
4. Provide a signed mailing completion form

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### First Hearing

After the CPC has completed its review, SBS will schedule a hearing for the proposed BID legislation on the NYC Council's calendar. The steering committee must mail a resolution summary to every property owner within the BID boundaries and publish the summary in a local paper between 10-30 days before the hearing.

After the mailing, a certificate of mailing should be signed and provided to SBS, who will provide a resolution summary. This resolution summary will include:

- Time and location of the hearing
- Boundaries
- Programs and services
- Budget
- Assessment formula

During the first City Council hearing, 2-3 speakers must provide testimony, similar to the statements provided at the CPC hearing.

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### Mandatory 30-Day Objection Period

After the first City Council hearing, there is a mandatory 30-day objection period, which is legally required to allow property owners the chance to object to the proposed BID.

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### Second Hearing

Following the 30-day objection period, the proposed BID will return to the City Council for a second hearing. Although the BID formation steering committee will not testify at the second hearing, they are welcome to attend.

SBS will testify on the number of objections, and the City Council will vote on the proposed BID.



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## Phase 4

# Start-Up

### Steps

1. Attend Mayoral Bill Signing
2. Form Interim Board and Committees
3. Complete Legal Registrations
4. Set up Financial Services
5. Issue Requests for Proposals for Services

Once a new BID has been signed into law, the steering committee will need to get the district management association (DMA) set up. This process can take up to a year, so it is vital to start as soon as possible. The organization must be incorporated and registered, and systems must be set up to receive the BID assessment funding and begin providing services to the corridor. SBS will continue to provide support and guide the interim board of directors in their first major decisions and activities as a BID.

# Overview:

## Becoming a BID & Creating a Formal Entity

### Mayoral Bill Signing

After the City Council vote on the BID proposal, the mayor will sign the proposed BID into local law. Members of the steering committee are welcomed to attend if there is a formal bill signing.

If there is no bill signing, then the BID will automatically become law in 30 days.

### Congrats! You Are the Newest BID!

#### Action items:

1. Meet to formally establish an interim board of directors
2. Establish executive, bylaws, governance, and finance committees
3. Prepare to hire staff
4. Draft bylaws

#### Now what?

Once a BID has been signed into law, getting the organization up and running is the priority. Completing the start-up phase can take up to a year, so it is vital to start this process as soon as possible.

During the start-up phase, members of the steering committee automatically become the interim board of directors. The interim board of directors will be responsible for completing the start-up activities and making sure the BID is functioning and ready to begin services.

Interim boards should elect the following officers, who will make up the executive committee:

- Chair
- Vice Chair
- Secretary
- Treasurer

In addition to the executive committee, the board must establish these committees:

- Bylaws
- Governance
- Finance
- Hiring

#### BID expansion note:

After a BID expansion is approved, the existing BID does not need to conduct most start-up activities. However, the BID should plan to elect members from the expansion area to the board at their next annual meeting to ensure a representative board.

At the first interim board meeting, directors will be introduced to the SBS BID Program Team responsible for overseeing all existing BIDs in New York City and providing support and technical assistance to these organizations. During the start-up phase, the oversight of your organization will transition from the BID Development Team to the BID Program Team as you get closer to becoming operational. SBS will work closely with the interim board to guide them through this process and provide any required assistance.

The new BID must also complete the following registrations to receive their first BID assessment deposit:

- File [Certificate of Incorporation with New York State](#)
- Get [Employer Identification Number \(EIN\) from the Internal Revenue Service \(IRS\)](#)
- Enroll in [the City's Procurement and Sourcing Solutions Portal \(PASSPort\)](#)
- Set up a bank account for the organization

After these administrative tasks are complete, the interim board of directors will draft and issue requests for proposals (RFPs) for the services they would like to immediately set up, most often supplemental sanitation. The board will also begin the search for an executive director to manage the day-to-day operations of the new BID.

At the BID's first annual meeting of the membership, the interim board will be elected by the BID members and become the official board of directors.

The SBS BID Program Team will guide the BID board members through these steps.

Photo credit: Goor Studio for Grand Central Partnership





# Appendix

# Glossary

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## **Assessment**

Total amount billed to property owners in the BID boundaries to fund supplemental services and improvements within the BID

## **Assessment Cap**

Maximum amount that the BID can collect in assessments as defined by local law

## **Assessment Formula**

Determines how much of the assessment each property will pay and may be based on many variables, including front footage, commercial square footage, assessed value, or lot size

## **Assessed Value (AV)**

Value used by the NYC Department of Finance (DOF) to calculate property taxes for individual properties; one variable that may be used in the assessment formula

## **Business Improvement District (BID)**

Geographical area where local stakeholders oversee and fund the maintenance, improvement, and promotion of their commercial district

## **Borough, Block, Lot (BBL)**

Numbering system used by DOF and in the BID billing process; identifies each individual property in NYC

## **Commercial AV**

Assessed value of only the commercial area of a property

## **Commercial Property**

Buildings or land intended for business or commerce, typically retail or office uses

## **Commercial Square Footage (CSF)**

Measures the commercial area of a property; one variable that may be used in the assessment formula

## **Commercial Tenant**

Individual who holds a lease to a commercial space or unit

## **Condominium**

Private unit of property that can take the form of residential space, such as apartments, or commercial spaces, including but not limited to retail, office, and restaurants

## **District Management Association (DMA)**

Nonprofit organization composed of a board of directors of at least 13 members who manage the physical area of the BID



**District Plan**

Legal document outlining the proposed BID's boundaries, services, budget, and assessment formula; becomes NYC local law if the BID is formed

**Documentation Binder**

Digital collection of documents (PDF) that must be submitted to the NYC Department of Small Business Services (SBS) documenting the BID formation or expansion process

**Front Footage (FF or "Frontage")**

Linear measurement of the width of an individual property; one variable that may be used in the assessment formula; front footage rates apply per linear foot

**Legislative Phase**

Third phase of BID formation and expansion processes; includes public review at the community board, City Planning Commission (CPC), and NYC Council level

**Lot Size**

Measures the area of the full lot, not only the built property; one variable that may be used in the assessment formula; often used to capture vacant lots and parking facilities

**Mixed-Use Property**

Buildings that include both commercial and residential space

**Outreach Phase**

Second phase in the BID formation process and officially documents support from community stakeholders; includes district-wide mailings, public meetings, and the collection of statements of support from property owners and tenants

**Planning Phase**

First phase in the BID formation process; formalized steering committee officially starts the BID formation process and meets regularly to develop a statement of support based on community feedback and area needs

**Property Class**

Classifies a property according to the proposed BID's district plan and is usually based on the property's land use

**Residential Property**

Buildings intended for dwelling

**Residential Tenant**

Individual who holds a lease to a residential space or unit

**Simulated Assessment Run**

Excel spreadsheet document calculating the estimated individual assessments for each stakeholder within the BID boundaries based on a specific formula

**Stakeholders**

Individuals or organizations within the defined BID boundaries with a vested interest in the BID formation/expansion process; stakeholders may include property owners, merchants, residents, elected officials, community organizations, etc.

### **Start-Up Phase**

Fourth and final phase in the BID formation process; the steering committee becomes an interim board of directors and works to set-up the organizational structure and begin supplemental services

### **Statement of Support**

Voting ballot outlining the steering committee's four key decisions (boundaries, programs & services, budget, and assessment formula) distributed to all stakeholders in the district for them to indicate support or opposition for the proposed BID

### **Steering Committee**

Group of diverse stakeholders representing the proposed district and making key decisions regarding the boundaries, services, budget, and formula during the BID formation process

### **Supplemental Services**

Sanitation, security, and other services that exceed the scope of City services; **BID-provided services do not reduce City services**

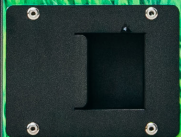
### **Total AV**

Total assessed value of the entire property (including commercial, residential, etc. uses)

ONE WAY

NO TRUCKS  
OVER 10 FEET  
WT. LIMIT  
MON - FRI

igbelly



**Keep it  
clean!**



The NYC Department of Small Business Services helps unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.

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



careers  
businesses  
neighborhoods