



Latest Census Sheds Light On BID Characteristics

- Synopsis by *Jim Cloar*, IDA Interim President -

A new national “census” of Business Improvement Districts shows that there are more than 1,000 BIDs or BID-like organizations throughout the United States. These are organizations led by the private sector and supported by special assessments. The study was conducted by the Institute of Business District Management, the Rutgers University’s School of Public Affairs and Administration and funded by several member organizations of the International Downtown Association.

BIDs exist in nearly every state and in cities and towns of all sizes, with almost half in cities of under 100,000 population, including 35% in cities of under 50,000. On the other hand, there are 97 BIDs in cities with population of over 3,000,000. California has the largest number of BIDs with 232, followed by New York (115), Wisconsin (82), New Jersey (77) and Illinois (59).

A survey asking for additional information received responses from 275 BIDs. Of these, 100 were established in the last ten years. Researchers led by Carol Becker also found an additional 60 or so in the process of being created or under discussion.

While the median city population for all BIDs was 102,804, the respondent pool reported a median city size of 144,236, thus slightly skewing the results but still providing useful information.

The budgets ranged from \$11,000 to \$17, 957,868. Three-fourths of those reporting had budgets of under \$1,000,000; the overall median was \$342,000. In addition to assessment income, many BIDs also received revenue from sponsorships, member dues, contracts, and city general revenue funding. A fifth of the reporting BIDs also received development fees.

For most BIDs (55.9%), assessments were based on assessed property value. Twelve percent used a square foot formula and 4.5% used lineage front footage. A quarter of the respondents reported “other”, which included such things as business license fees, a combination of square footage, linear footage and/or assessed value.

Though privately led, they are publicly authorized. Within the constraints of the authorizing petition, management plan or other legal authorizing instruments, the BID boards have considerable discretion to set assessment levels and budgets, as well as make personnel decisions and choices as to bundle and level of services. Instances of local government intervening in funding decisions are rare. Half of the responding BIDs have a 5 year renewal requirement and another 23% have a ten year period. About 1/3 of have no expiration or renewal requirement.

Board sizes range from 3 to 70, with a median of 13. Forty percent of BIDs select at least some of their board members by election and for 37.6% selections are made by the existing board. Appointment by the mayor and/or city council is used by 45%.

Sixty-five percent include at least one member representing a “special interest” (resident, business owner, retailer, etc). Only a quarter of the BIDs have elected officials on their governing body.

Three out of four BIDs provide litter and graffiti removal and more than half do rubbish collection and/or sidewalk washing, usually through contract. Relatively few BIDs have any form of security-related program. Of those that do, 25% provide uniformed “ambassadors”. However, 81 BIDs (40%) also offer “ambassadors” as a marketing and hospitality service.

Other common marketing programs are: advertising campaigns (86%); maps and area information (80%); holiday decorations (76%) and festivals (71%). Forty-three percent provide funding for farmers’ markets.

Business recruitment and retention is done primarily through marketing (82%). Other related programs are: market research (62%); active recruiting (57%); and performance reporting (50%). About 30% of BIDs offer financial incentives to new or expanding businesses.

Ten percent of the BIDs reported that they funded debt service to pay for capital improvements. A handful of BIDs provide transportation or social service programs.

You’ll find more detail on these and other findings in the full “2011 Business Improvement Districts: Census and National Survey”, available to IDA members for \$50.00 and to non-members for \$100.00. Look for ordering information in the next few days.