

Organizing & Managing BIDs

CENTER CITY DISTRICT

- (1) Define Business Improvement Districts:
What they are; what they are not
- (2) How many are there
- (3) What are their diverse roles
CCD as a case study
- (4) Steps to organize a BID

CENTER CITY DISTRICT

First BID: Bloor Street, Toronto, Canada, 1970 Retail street that was losing market share to other places



CENTER CITY DISTRICT

Business Improvement District (BID)

- Spread to United States in 1980s; huge growth in 1990s
- Response to declining urban market share/suburbanization
- Response to “new federalism” 1980s, declining public resources
- Response to declining local business ownership & leadership

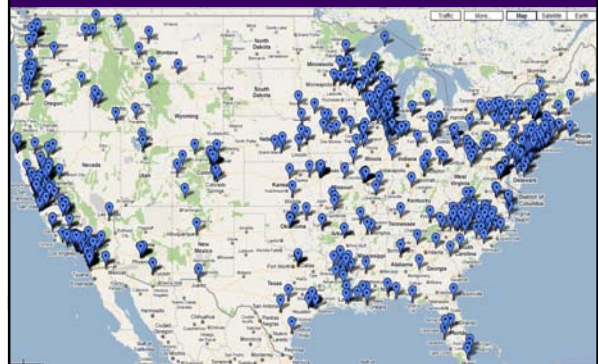
CENTER CITY DISTRICT

Business Improvement District (BID)

- Grounded initially in North American system of decentralized taxation & service delivery
- In United States & Canada BIDs are established under state or provincial law & approved by local municipal govt.
- In North America there is not one national law for BIDs, there are 50 different, though similar laws, in each American state & in each Canadian province
- In England, Ireland & Scotland national law was required to devolve & delegate authority
- German federal system similar to US; state not national


CENTER CITY DISTRICT

1,001 Business Improvement Districts in U.S.



CENTER CITY DISTRICT

**1,000 U.S. + 400 Canada
= 1,500 BIDs in North America**



- Exist in South Africa
- England, Ireland, Scotland
- Germany, Austria, Serbia
- Japan (Osaka) - 2015
- Brazil (did not proceed)
- Australia/New Zealand (special rates) – not BIDs

CENTER CITY DISTRICT

North America



New York City	72 BIDs
Toronto	70 BIDs
Los Angeles	39 BIDs
Vancouver	22 BIDs
San Diego	18 BIDs
Philadelphia	12 BIDs
San Francisco	11 BIDs

CENTER CITY DISTRICT

BIDs were organized in England



CENTER CITY DISTRICT


To restore high streets, undermined by out of town shopping centers



CENTER CITY DISTRICT

24 BIDs in London city

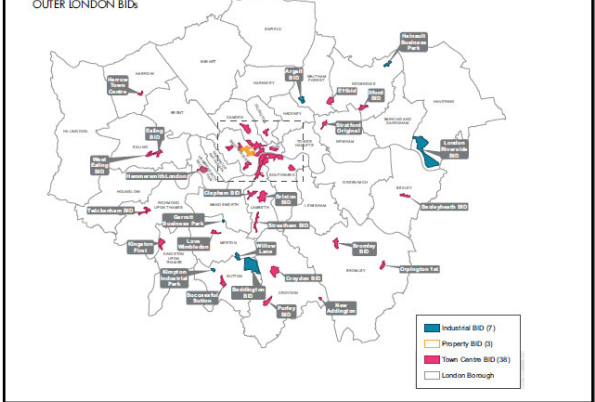
UK BIDs - the numbers



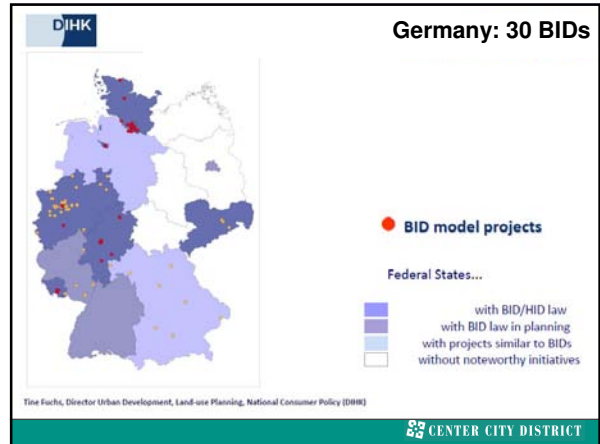
- 24 in London
- Average voting yes by number 69%
- Average voting yes by RV 67%
- Average turnout 45%

CENTER CITY DISTRICT

OUTER LONDON BIDs



CENTER CITY DISTRICT



What is a business improvement district (BID)?

- BID is an independent management organization whose purpose is to improve the competitiveness & attractiveness of a place of business
- BIDs do many different things in many different cities depending on local needs, priorities & the types of businesses that are within the BID area
- BIDs supplement, but do not replace municipal government services

CENTER CITY DISTRICT



Some definitions/characteristics

- Self-help mechanism to improve competitiveness of place; Alexis de Tocqueville, Democracy in America – voluntary associations
- BID is usually governed by a private sector board of directors but within a framework established by local government; Publicly authorized, privately managed
- BIDs have lives that extend beyond the local political cycle.

CENTER CITY DISTRICT

Business Improvement District (BID)

- BIDs are substantially different from privatization, since they are not usually spending out-sourced public resources, but rather newly raised resources;
- BIDs are not imposed by government; rather business owners take initiative, conduct a planning process in consultation with government to determine if additional services are needed, what those services should be, and how the cost of services should be allocated among beneficiaries
- Funded through a mandatory assessment that is self-imposed; different from Main Street & town center management

CENTER CITY DISTRICT

Town Center Management (TCM) & BIDs

- Both are mechanisms for area based management
- Both coordinate multiple services in a defined area
- Both seek to enhance the competitiveness of a place in the face of competition from other places
- TCM is usually funded by government or private sector donated resources
- BIDs are based on private sector funding & mandatory assessments & bring new resources to a place

CENTER CITY DISTRICT

BIDs are both service providers & place managers

- BIDs work with property owners & business leaders to establish priorities for improvement in a business district.
- BIDs organize cooperative efforts to address problems & promote strengths
- BIDs raise & control resources, provide services & benefits within an area that is smaller than a city or town; more focused on the unique aspects of the place

CENTER CITY DISTRICT

In an enclosed shopping center every tenant pays rent + a common area or service charge; For maintenance, security & marketing



CENTER CITY DISTRICT

In a large city with diverse property ownership



CENTER CITY DISTRICT

Individual businesses in a district don't always have a way to coordinate activities & act in concert



CENTER CITY DISTRICT

In voluntary associations often a few carry the load, while others ride for free



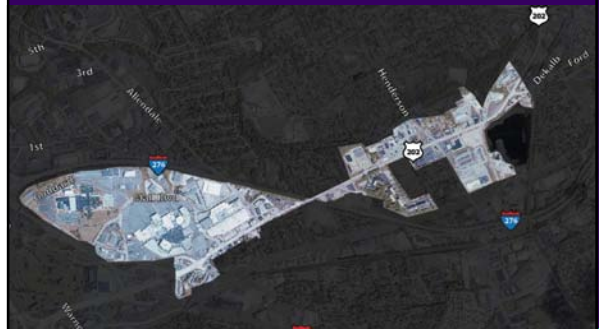
CENTER CITY DISTRICT

All taxable property owners within boundary pay for services
Delivered exclusively within boundaries of BID



CENTER CITY DISTRICT

Not redistributive tax,
but an assessment for services rendered



CENTER CITY DISTRICT

What is the context for a BID?

- BIDs emerge when government doesn't have sufficient resources, or when government recognizes that local business leaders may be able to bring a more focused and hand-crafted approach to area based management, marketing & enhancement

BIDs emerge when local government is willing to "let go" and recognize that local businesses may bring a more entrepreneurial approach (Daley in Chicago) (Mayors Giuliani and Bloomberg in NYC)

- BIDs are organized when business leaders are willing, or feel compelled by competition or decline, to "do more"

CENTER CITY DISTRICT

BIDs are not about "governance" & are not governments: they neither make nor enforce law.

BIDs are about management, promotion, public space improvement & stimulating development

CENTER CITY DISTRICT

Legal requirement: rational nexus

There should be "...a rational, definable benefit which accrues to any property owner assessed a fee

All property owners ... paying a special assessment fee must benefit directly or indirectly from facilities or services provided ...within the BID."

CENTER CITY DISTRICT

**Pennsylvania Municipality Authorities Act of 1945
*Special services districts***

A Special Services District is a legal mechanism for property owners in a commercial area to act together to achieve common goals, such as improving the safety, cleanliness & image of public areas, marketing and promoting the district & to fund these services through a mandatory charge.

CENTER CITY DISTRICT

PA. Neighborhood Improvement District Act 130, 2000, Business improvement districts

Provide "...services which improve the ability of property owners to enjoy a safer & more attractive neighborhood through the provision of increased or expanded services, including street lighting, street cleaning, street maintenance, parks, recreational equipment & facilities, open space and/or security services."

"...improve the ability of the commercial establishments within the district to serve the consumer with free or reduced parking for customers, transportation related expenses, public relations programs, group advertising ..."

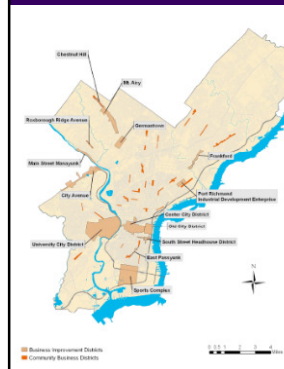
Pennsylvania: 23 active business improvement districts



Unique Pennsylvania Aspects

- Those BIDs formed under the Municipality Authorities Act (prior to 2000) are municipal authorities, not non-profit corporations
- Have the authority to bill & collect directly from property owners without the city as intermediary – relatively unique
- Have power to file liens & judgments co-equal to municipal liens
- Have the authority to issue tax-exempt debt, independent from the city debt ceiling and bond-rating

12 BIDs + managed areas in Philadelphia



Budgets range from \$20,000 to \$24 million

University City District
Stadium Special Services District

BID-like; but not BIDs
(a) No assessment
(b) those pay do not directly benefit; & those who benefit do not pay.

Organizing & Funding the CCD

Like most original business improvement districts

- CCD was a response to declining urban market share & suburbanization
- A response to 1980s "new federalism" declining public resources for cities
- Response to declining local business ownership & leadership

1990: A degraded public environment:



CENTER CITY DISTRICT

Substantial ground & upper floor vacancy



CENTER CITY DISTRICT

Neglected facades, solid security gates



CENTER CITY DISTRICT

9 to 5 downtown; empty streets at night



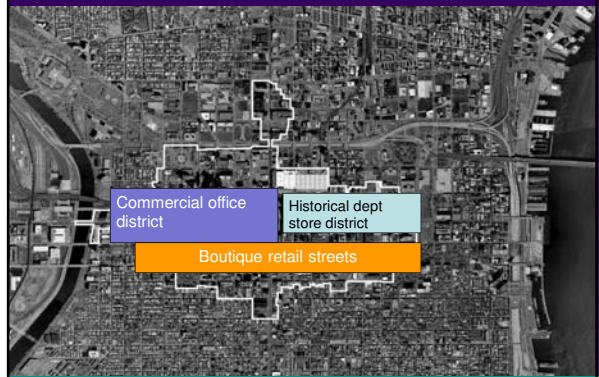
CENTER CITY DISTRICT

Convention Center under construction:
Fear & opportunity



CENTER CITY DISTRICT

1990: what size District?



CENTER CITY DISTRICT

Enlightened self-interest Reclaiming the public domain



"I already provide cleaning & security for my 15 properties in Center City. But if our holdings are just islands of clean & safe in the middle of a downtown that no one will go to, it's bad for everyone's business"

CENTER CITY DISTRICT

220 blocks: started with \$6.5 million operating budget has grown in 25 years to \$24.7 million



CENTER CITY DISTRICT

Private sector board: broad diversity of interests Assessments directed by business, not government

John Connors
Brickstone Realty

Darryl Adams
The Ritz Carlton Hotel, Philadelphia -

William M. Boone
Logan Square Neighborhood Association

Ronald E. Bowlan
Thomas Jefferson University

Julie Coker Graham
Philadelphia Convention and Visitors Bureau

Joseph Coradino
Pennsylvania Real Estate Investment Trust

Gregory L. DeShields,
PHL Diversity

Jeffrey Duvosno
Brandywine Realty Trust -

Romulo L. Diaz, Jr.
PECO Energy Company

Wayne L. Fisher
Newmark Grubb Knight Frank

Linda Ann Galante, Esq.
Stradley Ronon Stevens & Young, LLP

John S. Gathuso
Liberty Property Trust

Ernest E. Jones, Esq.
EJONES CONSULTING, LLC

Robert D. Lane, Jr., Esq.
Stevens & Lee P.C.

David G. Marshall
Ameristar Realty Company

Missy Quinn
BOMA - Ex officio

Randall L. Scott
CoreTrust Capital Partners, LLC

Peter C. Soens
SSH Real Estate

Larry Steinberg
CBRE/FAMECO

Christophe P. Terzizi
First Niagara Bank

Thomas R. Zapf
Macy's Inc. -

Joseph Zuritsky
Parkway Corporation

CENTER CITY DISTRICT

Formal plan & budget describes all services www.centercityphila.org



CENTER CITY DISTRICT

CCD Reauthorization process



Center City District Plan and Budget 2018-2022

Category	2018	2019	2020	2021	2022
REVENUE & SUPPORT					
Sliding Amenity (1)	\$16,247,820	\$15,433,420	\$16,193,000	\$16,948,500	\$17,777,000
Income from Assessed Charges (2)	\$1,106,070	\$1,214,510	\$1,052,870	\$1,177,400	\$1,544,530
Interest & Other Income (3)	\$127,440	\$127,770	\$145,740	\$150,820	\$154,740
Contributions from Affiliates (4)	\$113,500	\$117,500	\$120,000	\$120,000	\$120,000
Park Revenues (5)	\$1,732,500	\$1,177,750	\$2,300,570	\$2,511,950	\$2,729,410
Fees for Services Income (6)	\$712,250	\$744,770	\$773,410	\$803,840	\$837,550
Total Revenue & Support	\$23,794,940	\$20,372,200	\$20,562,210	\$23,559,280	\$26,412,240
EXPENSES					
Cleaning (7)	\$6,894,580	\$7,044,240	\$7,292,090	\$7,548,940	\$7,738,490
Public Safety (8)	\$3,793,440	\$3,888,840	\$4,000,450	\$4,182,220	\$4,347,040
Marketing, Communications & Interactive Marketing (9)	\$2,473,420	\$2,534,390	\$2,632,470	\$2,717,170	\$2,802,600
Streetscape, Parks & Public Spaces (10)	\$5,334,070	\$5,499,100	\$5,654,250	\$5,817,100	\$5,978,570
Administration (11)	\$2,629,490	\$2,483,740	\$2,764,680	\$2,856,420	\$2,947,620
Development Planning & Research (12)	\$866,240	\$926,740	\$979,040	\$1,039,130	\$1,099,220
Capital Program Activities (13)	\$427,200	\$1,216,000	\$1,440,000	\$1,478,100	\$1,987,210
Public Services (14)	\$1,450,000	\$1,525,000	\$1,525,000	\$1,550,000	\$1,550,000
Total Expenses (15)	\$23,794,940	\$26,372,200	\$26,362,210	\$27,559,280	\$28,412,240
IMPROL/DEFICIT	00	20	20	20	20

CENTER CITY DISTRICT

Five-year budget

BUDGET: 2018-2022

	2018	2019	2020	2021	2022
REVENUE & SUPPORT					
Sliding Amenity (1)	\$16,247,820	\$15,433,420	\$16,193,000	\$16,948,500	\$17,777,000
Income from Assessed Charges (2)	\$1,106,070	\$1,214,510	\$1,052,870	\$1,177,400	\$1,544,530
Interest & Other Income (3)	\$127,440	\$127,770	\$145,740	\$150,820	\$154,740
Contributions from Affiliates (4)	\$113,500	\$117,500	\$120,000	\$120,000	\$120,000
Park Revenues (5)	\$1,732,500	\$1,177,750	\$2,300,570	\$2,511,950	\$2,729,410
Fees for Services Income (6)	\$712,250	\$744,770	\$773,410	\$803,840	\$837,550
Total Revenue & Support	\$23,794,940	\$20,372,200	\$20,562,210	\$23,559,280	\$26,412,240
EXPENSES					
Cleaning (7)	\$6,894,580	\$7,044,240	\$7,292,090	\$7,548,940	\$7,738,490
Public Safety (8)	\$3,793,440	\$3,888,840	\$4,000,450	\$4,182,220	\$4,347,040
Marketing, Communications & Interactive Marketing (9)	\$2,473,420	\$2,534,390	\$2,632,470	\$2,717,170	\$2,802,600
Streetscape, Parks & Public Spaces (10)	\$5,334,070	\$5,499,100	\$5,654,250	\$5,817,100	\$5,978,570
Administration (11)	\$2,629,490	\$2,483,740	\$2,764,680	\$2,856,420	\$2,947,620
Development Planning & Research (12)	\$866,240	\$926,740	\$979,040	\$1,039,130	\$1,099,220
Capital Program Activities (13)	\$427,200	\$1,216,000	\$1,440,000	\$1,478,100	\$1,987,210
Public Services (14)	\$1,450,000	\$1,525,000	\$1,525,000	\$1,550,000	\$1,550,000
Total Expenses (15)	\$23,794,940	\$26,372,200	\$26,362,210	\$27,559,280	\$28,412,240
IMPROL/DEFICIT	00	20	20	20	20

CENTER CITY DISTRICT

June 13, 2017, the CCD mailed a formal notice of a public hearing, a copy of plan and budget, information about how to object and estimated CCD charges for 2018 to all 1,688 benefitting property owners within the boundaries of the CCD, including 56 condominium associations, 4 cooperative associations & 34 townhouses. CCD also mailed the proposed Plan and Budget and information about property owner charges to 6,572 commercial tenants and more than 4,000 individual condominium owners.

On June 13, 2017, the CCD also posted the proposed Plan and Budget prominently on its website. On June 14, 2017 notices of the public hearing were formally placed in *Philadelphia Inquirer* and *Philadelphia Daily News*.

CCD held advertised public hearing at Temple University's Center City campus at 1515 Market Street on July 18, 2017 from 12:00 pm to 6:00 pm.

Twenty-three (23) individuals testified in favor of the plan and budget; none testified against.

On Friday, September 1, 2017 at the end of 45 day formal comment period, the CCD had received two objection letters from the same owner of two different properties within the District. The owner objected to the amount of his estimated 2018 CCD charge, which had increased largely because the property had been reassessed by the Office of Property Assessment. The CCD responded to that owner explaining the formal method for appealing assessments to the OPA.

Two properties represent 0.118483% of the 1,688 benefitting properties within the CCD and represent 0.007540% of the total assessed value of the CCD in 2018. Given that these percentages are substantially below the 33% threshold of objecting property owners or assessed value, we are formally requesting that the attached legislation, following its review by the Administration and Council, be introduced in the fall session of City Council.

Method of assessment

Based on municipal valuation of real estate

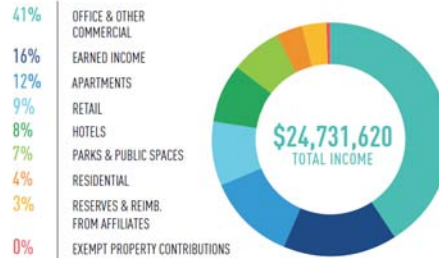
BID independently calculates charges creating a fraction:

$$\frac{\text{Assessed value of property}}{\text{Assessed value of CCD}} \times \$18.3 \text{ million} = \text{charge}$$

Billed and collected by CCD

Where the Money Comes from: \$24.7 million

WHERE THE MONEY COMES FROM



High density office district backbone of CCD
Top 15 properties pay 23% of total budget



Top 10 properties pay 17%
Average for office = \$173,413; hotels = \$75,884.

TOP 10 PROPERTIES BY BILLING AMOUNT IN 2017

RANK	PROPERTY NAME	2017 BILLING AMOUNT
1	Centre Square	\$414,562.98
2	1735 Market Street	\$390,353.51
3	Comcast Center	\$356,659.27
4	One Liberty Place	\$348,624.81
5	Philadelphia Marriott Hotel	\$341,937.59
6	Two Commerce Square	\$299,142.60
7	One Commerce Square	\$285,497.44
8	1818 Market Street	\$285,326.75
9	1717 Arch Street	\$263,021.58
10	1700 Market Street	\$238,984.65
TOTAL		\$3,224,111.18

Pass-through to tenants



One Liberty Place / Comcast Center
\$348,642/ \$356,659 annually

Divided by 1.2 million sf = 29-30cents/ft

On top of rent of \$27- \$35/sq. ft.



Payment proportional to assessed value



The top 200 properties pay 80% of total program cost, with an average charge of **\$72,767**

The typical Market Street West office building pays **\$173,413**

The average hotel pays **\$75,884**

The average Chestnut Street property pays **\$3,906**

The average Walnut Street property pays **\$4,834**

The average commercial property pays **\$28,231**

The average retail property pays **\$2,308**

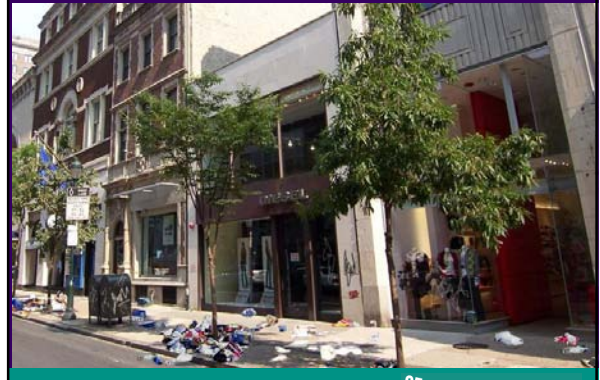
The average residential property charge is **\$227**



What do BIDs do?



#1: BID as direct service provider: Now you see it



Now you don't



What do you see: uniformed presence on the street



**BID as service provider
CCD 1.0: Clean & Safe**



CENTER CITY DISTRICT

Safety & tourist information services



CENTER CITY DISTRICT

Unique partnership: Daily combined roll-call



CENTER CITY DISTRICT

**#2 BIDs as "place marketers"
attract customers to businesses and places**



CENTER CITY DISTRICT

Highlight downtown amenities & attractions



CENTER CITY DISTRICT

**BIDs organize special events to attract
people to a place**



CENTER CITY DISTRICT

Events, paid & free media strategies



CENTER CITY DISTRICT

Largest retail promotion: 2 x year: Restaurant Week



CENTER CITY DISTRICT

After work amenities
Promote bars & outdoor cafes: SIPS



CENTER CITY DISTRICT

Summer 2017



CENTER CITY DISTRICT

Center City Sips

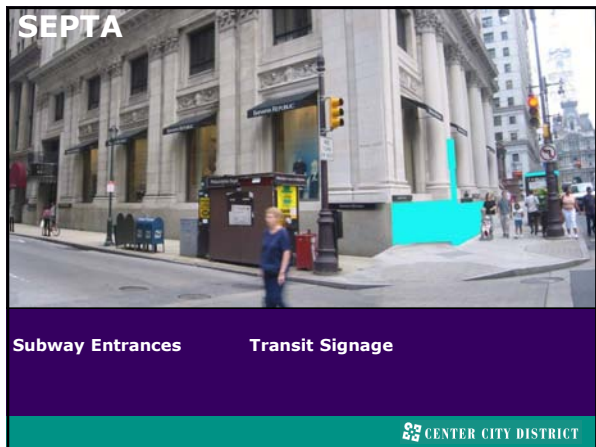


CENTER CITY DISTRICT

#3: BID as public space manager



CENTER CITY DISTRICT



Additional Agencies

PPA	USPS	Verizon	Viacom
Parking Authority(PPA)	USPS	Verizon	Viacom
Parking Signage	Mailboxes	Pay Phones	Transit Shelters
Parking Meters	Mail Drop Boxes		
Parking Enforcement			

CENTER CITY DISTRICT

CENTER CITY DISTRICT

All problems are geo-coded and recorded

CENTER CITY DISTRICT

Email reports to municipal government departments

CENTER CITY DISTRICT

BID as place-manager: meet regularly to review

CENTER CITY DISTRICT

Alert Philadelphia

Brought to you by the Philadelphia Police Department and the Center City District

Coordinated by CCD & Philadelphia Police 1,500 users. Serves as critical communications network for CC.

Homeland security notifications & threat level changes. Evacuation information & shelter-in-place practice drills. Demonstrations & marches. Crime patterns or trend alerts. Major fires & traffic detours. Significant transportation emergencies.

Appeals for witness information, CCTV photos, etc. Credited w/ aiding police in 3 separate arrests.

CENTER CITY DISTRICT

#4: BID as vehicle for improving the product



CENTER CITY DISTRICT

Begin in mid 1990s installing banners



CENTER CITY DISTRICT

Grand Central Partnership first BID to finance streetscape improvements: 1994



CENTER CITY DISTRICT

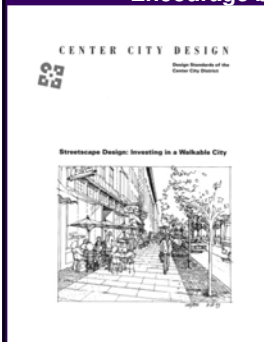
CCD 2.0: Financing public area improvements



- 1994
 - 20-year reauthorization
- 1995
 - \$21 million tax-exempt bond issue backed only by CCD revenues
 - +\$5 million City funding

CENTER CITY DISTRICT

Strategic priorities: reinforce nodes of strength Encourage broader circle of development



- Office district
- Hospitality zone
- Retail corridors
- Leverage private development

CENTER CITY DISTRICT

1996: Streetscape Improvements

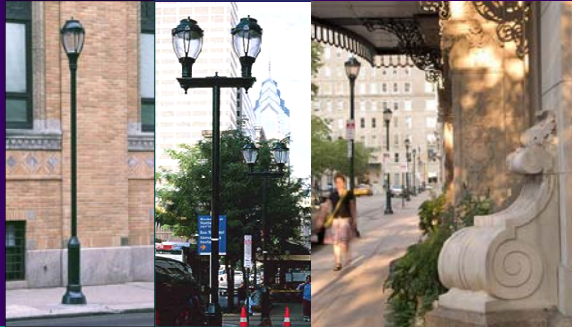
- 893 trees
- 72 planters



CENTER CITY DISTRICT

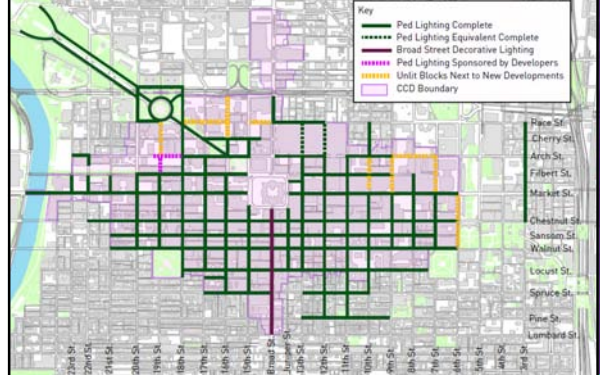


2,200 Pedestrian-scale lights
Doubled nighttime illumination



CENTER CITY DISTRICT

Pedestrian light fixtures, 75% of downtown sidewalks



CENTER CITY DISTRICT

Support the evening economy



CENTER CITY DISTRICT

Building façade lighting: animate the city



CENTER CITY DISTRICT

But ...no amount of streetscape improvements...



CENTER CITY DISTRICT

Can leverage change when the street is dwarfed
by larger issues & problems



CENTER CITY DISTRICT

BIDs improve the appearance of retail shops



- Provide storefront design & window display services
- Advise on marketing & promotion
- Coordinated advertising campaigns



 CENTER CITY DISTRICT

BIDs can attract businesses & residents to help fill & reuse older buildings




 CENTER CITY DISTRICT

#5: BID as catalyst for change & diversification
Residential revival
 1996: 4.5 million sf. Vacant Class “C” office space

- Retained architect & developer to evaluate buildings
- Survey to determine best buildings: floor layout, window size & exposure
- Detailed economic analysis of 10 buildings: evaluation for code compliance, cost-estimate, pro-formas.

 CENTER CITY DISTRICT


10 year residential tax abatement
Approved 1997





- Extraordinary costs of converting from vacant office or industrial to residential use
- 10 year abatement on improvements
- Available city wide

 CENTER CITY DISTRICT

1998–2016: 180 buildings of all sizes
Converted to residential use



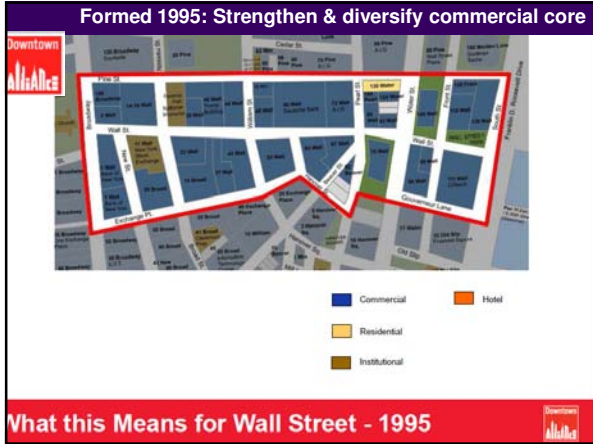
 CENTER CITY DISTRICT 

BIDs play role in helping to reposition & repurpose real estate



The Downtown Alliance manages the Downtown-Lower Manhattan Business Improvement District (BID) 

 CENTER CITY DISTRICT



CCD 3.0: 2008; Park renovation & management
BID as “placemaker”



CENTER CITY DISTRICT

Started with neglected empty space
Long-term lease from City



CENTER CITY DISTRICT

Create a thriving gateway to the Parkway



CENTER CITY DISTRICT

Café revenue pledged to park maintenance



CENTER CITY DISTRICT

Collins Park, 1700 block Chestnut Street



CENTER CITY DISTRICT

2012: Sister Cities Park: long term lease



CENTER CITY DISTRICT

Took a barren and forgotten space



CENTER CITY DISTRICT

Created a place for families with children



CENTER CITY DISTRICT

Attractive for all ages: amenity for office workers



CENTER CITY DISTRICT

Part of an animation strategy for the Parkway



CENTER CITY DISTRICT

Completed \$60 million renovation in September 2014



CENTER CITY DISTRICT

\$60 million construction project
 Broad range of public, private & foundation funding
 Federal TIGER grant

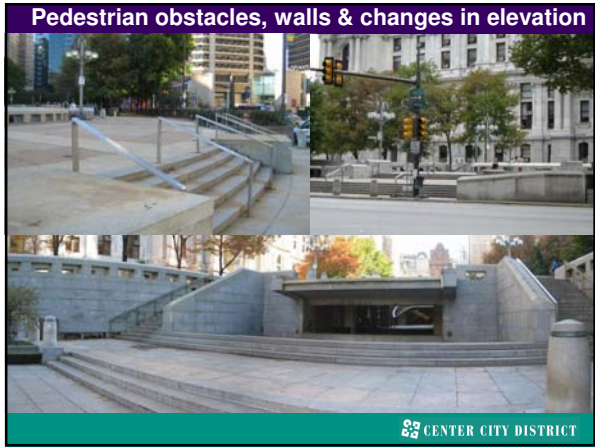
Contributors to the Transformation of Dilworth Park
 Major Public Donors

Center City District	\$15 million
City of Philadelphia	\$5.75 million
Commonwealth of Pennsylvania	\$16.35 million
Federal Transit Administration	\$15 million
SEPTA	\$4.3 million

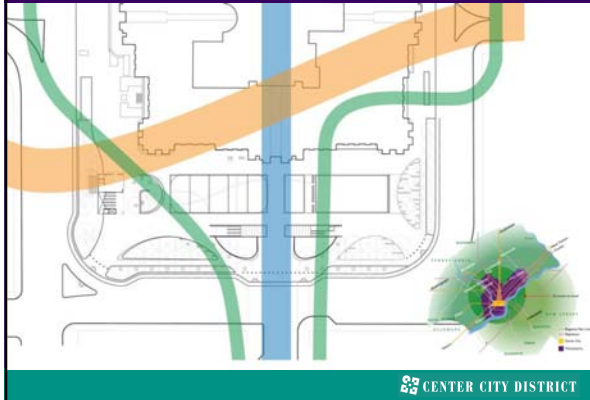
Major Donors to Construction

The Albert M. Greenfield Foundation	\$225,000
John S. and James L. Knight Foundation	\$400,000
PNC	\$300,000
William Penn Foundation	\$1.2 million

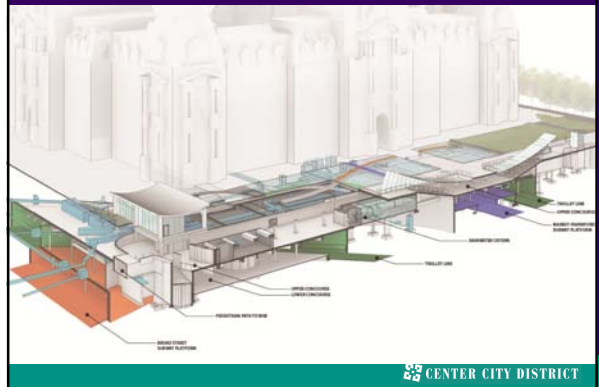
CENTER CITY DISTRICT



Opportunity: Confluence of 3 transit lines



Completely reconstructed two levels + accessibility



**Designed as a flexible space
120,000 sf + 40,000 subway concourse**



Walk directly in from the street



Goal: Create first-class gateway to transit



Clear glass entrances to transit

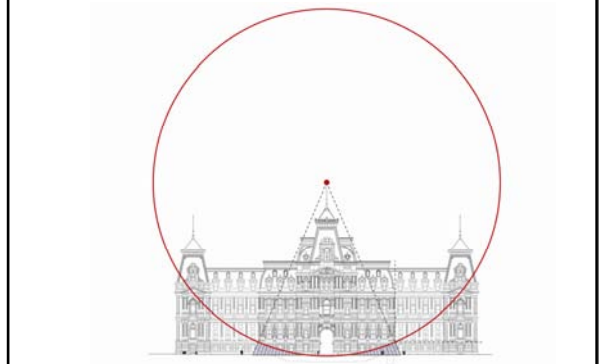


Curving shape of the headhouses



CENTER CITY DISTRICT

Defined by an imaginary circle frame City Hall



CENTER CITY DISTRICT

Café & terrace at northern end



CENTER CITY DISTRICT

Café: competitively selected operator



CENTER CITY DISTRICT

Programmed with events



CENTER CITY DISTRICT

Attractive water feature



CENTER CITY DISTRICT





Since 1997: \$46 million from CCD leveraged \$89 million = \$145 million in capital investments

CCD INVESTS IN DOWNTOWN IMPROVEMENTS

STREET IMPROVEMENTS

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

LANDSCAPE

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

ARTS

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

WATER

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

CCD INVESTS IN DOWNTOWN IMPROVEMENTS

LANDSCAPE

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

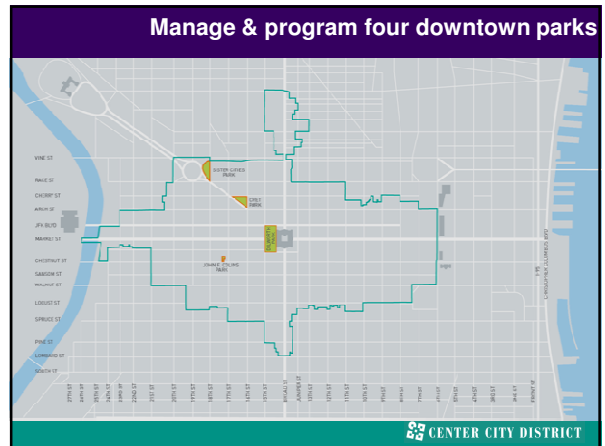
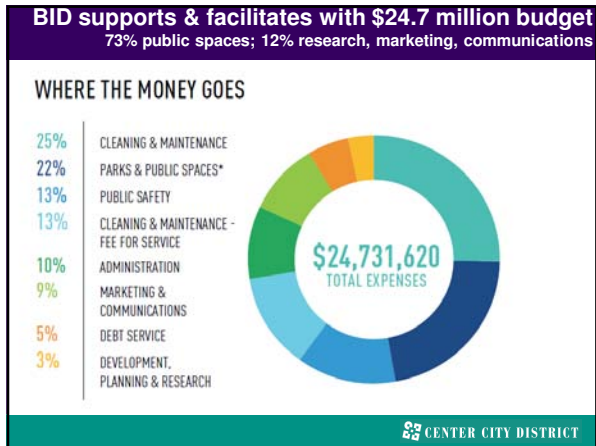
ARTS

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

WATER

- 100' Streetlights
- 100' Streetlights
- 100' Streetlights
- 100' Streetlights

CENTER CITY DISTRICT





Upgrades to the PNC Terrace area



CENTER CITY DISTRICT

Wall along City Hall



CENTER CITY DISTRICT



CENTER CITY DISTRICT



CENTER CITY DISTRICT

Maintenance of electrical systems supporting operations



CENTER CITY DISTRICT

Plumbing systems for fountain & landscaping



CENTER CITY DISTRICT

Marketing Department organizes major events



CENTER CITY DISTRICT

\$2.3 million in operating costs in 2016

24 Hour Security
Daily Cleaning
Landscape Maintenance
Facilities Maintenance
.....
\$2.3 Million

ANNUAL O&M COSTS

CENTER CITY DISTRICT

**Income generation: Digital screens:
90% arts, culture & non-profit on surface**



CENTER CITY DISTRICT

Commercial advertising in the concourse



CENTER CITY DISTRICT

Rental events: mark-up on tent rental & catering



CENTER CITY DISTRICT

Self-imposed rule: Cap rental events at 5% of operating hours



CENTER CITY DISTRICT

Rothman Ice rink admissions



CENTER CITY DISTRICT

Skate rentals



RINK ADMISSION AND HOURS

ADMISSION	RINK HOURS
KIDS 10 & UNDER \$3	WED - THURS
ADULTS \$5	NOON-10PM
SKATE RENTAL \$10	FRIDAY
GROUP RATE \$15	NOON-11PM
	SATURDAY
	12PM-10PM
	SUNDAY
	12PM-8PM

CENTER CITY DISTRICT

Sponsorship income



CENTER CITY DISTRICT

It has took a lot of sponsorship to get to break even & make money in Year 3



CENTER CITY DISTRICT

Café percentage rent

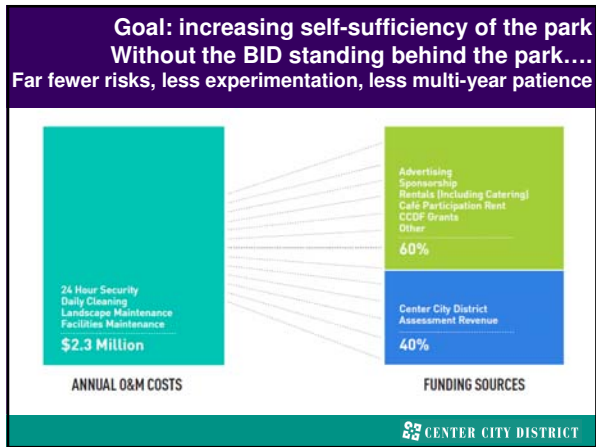
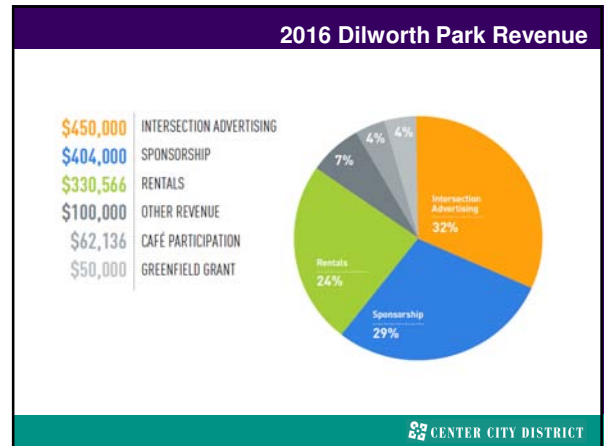


CENTER CITY DISTRICT

Café: more amenity than revenue generator



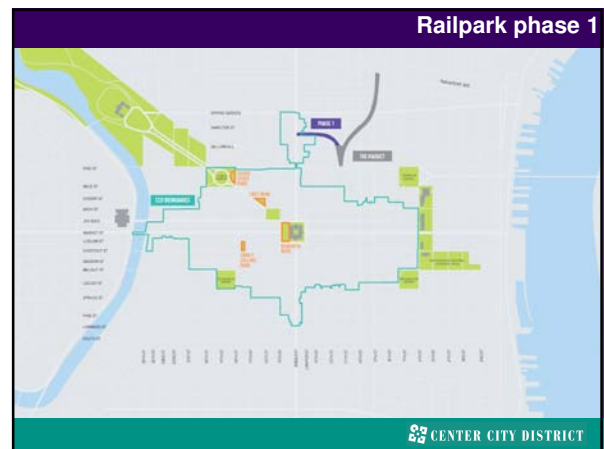
CENTER CITY DISTRICT



Three simple lessons:

- (1) Intensively used public spaces are extraordinary expensive to maintain: average 30,000/day annually; 50,000/day seasonal peaks
- (2) You need to be prepared to subsidize them deeply in the early years
- (3) You can only learn by doing & you are never done with learning & improving

CENTER CITY DISTRICT



Transforming the Reading Viaduct; Creating a new live-work neighborhood



CENTER CITY DISTRICT

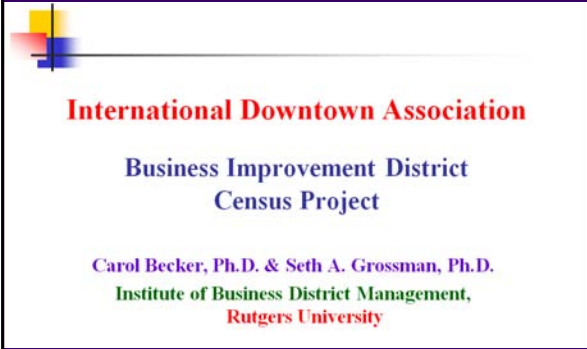
All BIDS are the same, except....

- (1) City context varies
- (2) Legal framework varies
 - (a) approval processes: positive and negative votes
 - (b) who should be on the Board of Directors?
 - all private or public/private
 - cross-section of business
 - who appoints
 - (c) What type of properties can be assessed
 - (d) how is the assessment calculated

Must start with state enabling legislation; that sets the rules

CENTER CITY DISTRICT

National survey of BIDs



CENTER CITY DISTRICT

BIDs on smaller commercial corridors



CENTER CITY DISTRICT

The principles are the same

- (1) BIDs are not just about service-delivery; they are about Place-management, place-marketing, place-development

Tasking someone with the job of getting up each day & Asking, "how do I make this place better? How do I get diverse actors to work together? How do I grow market share?"

- (2) BIDs at their best are entrepreneurial, not bureaucratic; focused on the customer who keeps asking "what have you done for me lately?"

CENTER CITY DISTRICT

Limits to BIDs

- (1) BIDs are not panaceas & in moderate & low income areas, they probably are not sustainable if free-standing

BIDs assessments should be just one revenue stream, matched by others: Manayunk & Mt. Airy Passyunk Avenue

- (2) Smaller BIDs should not be left flounder without good public support & technical assistance

CENTER CITY DISTRICT

The organizing process

CENTER CITY DISTRICT

New York City: Office of Small Business Services

BIDS: an overview

BUSINESS IMPROVEMENT DISTRICT
a step-by-step guide



1. WHAT IS A BID?

A Business Improvement District (BID) is a special geographic area in which property owners elect to form a voluntary association to fund and manage additional services and programs for their district.

The BID is a voluntary organization that is created by property owners. The BID is a legal entity that can enter into contracts, sue and be sued, and can own property. The BID is a separate entity from the city government and is not subject to city budget cuts.

BID owners elect the BID Board. The BID Board is responsible for the BID's operations and for setting the BID's budget. The BID Board is elected by the property owners in the BID.

NEW YORK CITY BID PROGRAM

THE BID PROCESS

1. IDENTIFY THE DISTRICT

2. FORM A BID BOARD

3. DEVELOP A BID PLAN

4. APPROVE THE BID PLAN

5. IMPLEMENT THE BID PLAN

6. EVALUATE THE BID PLAN

7. REELECT THE BID BOARD

CENTER CITY DISTRICT

Continuum from publicly-subsidized to self-sufficiency: 66 BIDs

1 contact the department of small business services (SBS)

ACTION ITEM
When you start the organizing BID process.

CONTACT SBS
The first step in the organizing BID process is to contact the Department of Small Business Services (SBS). SBS will provide you with a copy of the BID process guide and will answer any questions you may have.

the BID process

PHASE 1: PLANNING

- Identify the geographic area to be included in the BID.
- Identify the BID Board members.
- Develop a BID plan.
- Obtain approval from the City Council.

PHASE 2: IMPLEMENTATION

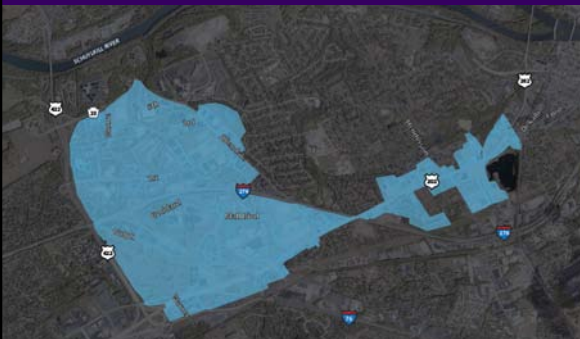
- Form the BID Board.
- Develop a BID plan.
- Obtain approval from the City Council.
- Implement the BID plan.

PHASE 3: LONG-TERM SUSTAINABILITY

CENTER CITY DISTRICT

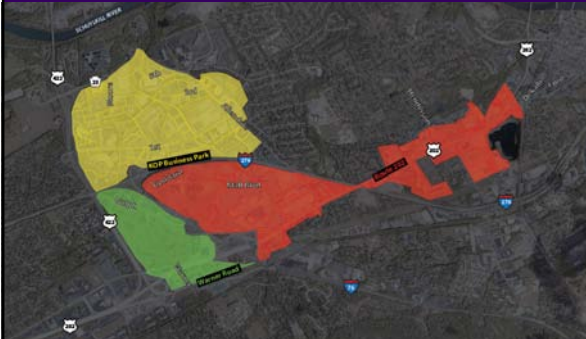
- ### Problems to be Overcome
- (a) "Are you crazy? Isn't this governments job?"
"We are already paying too much to a government we don't trust"
 - supplementing or supplanting municipal services
 - sunset provisions - market check & barrier to capital financing
 - place management/place marketing to stay competitive
 - (b) Fear of withdrawal of municipal services
 - quantifying base level of city services prior to starting
 - maintenance of base-level service agreements
 - (c) "The rich are paying for services at expense of poor"
 - downside of "buying" additional services from government
 - Brazil
 - assisting other commercial areas
- CENTER CITY DISTRICT

Does a BID make sense of Upper Merion?



CENTER CITY DISTRICT

What would boundaries be? One bid or three bids?



CENTER CITY DISTRICT

What would your priorities be for improvements?

CITY Ave
SPECIAL SERVICES DISTRICT

District Businesses & Institutions Maps and Directions Other Resources

District

Mission Public Safety Marketing Streetscape Plans

The City Avenue Special Services District represents a unique partnership between Philadelphia and the Township of Lower Merion and between the public and private parts of both Philadelphia and Lower Merion Pennsylvania. The District is the first municipal special services or business improvement district from among over 1,200 districts in Pennsylvania.

Elected officials, Pennsylvania State Representative Lita I. Cohen, Lower Merion Councilman, Lower Merion Commissioner Joseph Manio, and Philadelphia City Councilmember Heather Nutter developed the original concept for the City Avenue Special Services District during 1999. The elected officials worked with property owners, institutional leaders and business owners in the area to shape the District concept and gather their support. Three key goals in the development of the District were to reduce crime in the City Avenue area, help better shape the district's development, and to improve the image of the City Avenue area.

Following the development of a five-year plan, the City Avenue Special Services District was established by ordinances by the City of Philadelphia and the Township of Lower Merion in late 1999 and was incorporated by the Commonwealth of Pennsylvania in mid 1997. The five-year boundaries of the District were approved by ordinances by the City of Philadelphia and the Township of Lower Merion in late 1998. The District commenced operations during mid-1999.

CENTER CITY DISTRICT

Enhanced gateway identity?



CENTER CITY DISTRICT

Proposed new signs & banners



CENTER CITY DISTRICT

Improve the sense of arrival from the highways?



CENTER CITY DISTRICT

Upgrade individual business signs...



CENTER CITY DISTRICT

Uniformly higher standards?



CENTER CITY DISTRICT

Upgrading curb appeal?



CENTER CITY DISTRICT

Attractive landscaped edges?



CENTER CITY DISTRICT

Improve the pedestrian experience?



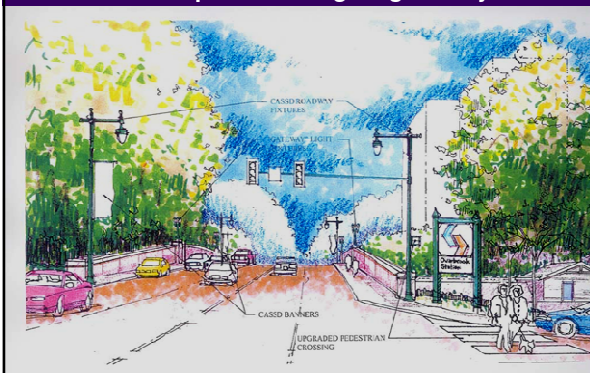
CENTER CITY DISTRICT

Fund streetscape amenities: lighting & landscaping?



CENTER CITY DISTRICT

Proposed new lighting for City Avenue



CENTER CITY DISTRICT

More outdoor cafes?



CENTER CITY DISTRICT

Reduce the auto-dominated feel?



CENTER CITY DISTRICT

Route 9 in Delaware



CENTER CITY DISTRICT

Redesigned Route 9 (4 lanes)



CENTER CITY DISTRICT

Address frustrating traffic conditions?



CENTER CITY DISTRICT

Overcome the barrier effect of highways?



CENTER CITY DISTRICT

Bring light rail services into the area?



CENTER CITY DISTRICT



Commuter shuttle: University City District Link offices to transit & lunchtime amenities?

CENTER CITY DISTRICT



- ### Next Steps
- Does the concept of paying extra make sense or is it dead on arrival?
 - Are major business/property owners willing to take the lead on exploring the options? A group needs to lead!
 - One area or three? What exactly are the boundaries?
 - What Services? Property owners will want to know what they are already getting for their tax dollars, before they agree to pay for supplemental services.
 - Township needs to quantify "base level of services."
- CENTER CITY DISTRICT

- Make a "wish list" of all desired services that would improve the competitiveness of the area & provide benefits to all types of property owners. You are very different types of businesses. What needs do you share in common?
 - Cost-out these alternative services & match them with revenue scenarios
 - Through discussions with other owners & tenants, establish priorities & determine how many additional dollars each property owner, or that owner's tenants, are willing to pay on a monthly basis for these services.
- CENTER CITY DISTRICT

Two surveys

Conditions Survey

Looking at Upper Merion's business areas and especially the area in which you live, how do you rate the current condition or quality of the Conditions listed? If you had budgeted additional dollars to make improvements, rank the importance of each of these items.

Condition	Condition				Importance			
	Poor	Average	Good	Excellent	Not at all	Low	High	Extremely
1. For shopping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. A place to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. A place for culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. A place for entertainment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. A place for dining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. A walkable environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Directional signs for drivers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Directional signs for pedestrians	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Clean sidewalks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Uniformed security presence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Sense of Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Marketing to attract visitors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Marketing to attract retail customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Marketing to attract visitors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Conditions Percentages (%)

Looking at Upper Merion's business areas and especially the area in which you live, how do you rate the current condition or quality of the Conditions listed? If you had budgeted additional dollars to make improvements, rank the importance of each of these items.

Condition	Condition				Importance					
	Poor	Average	Good	Excellent	Not at all	Low	High	Extremely		
1. For shopping	0	4	39	35	0	4	39	32	0	
2. A place to work	3	34	39	42	0	4	39	43	0	
3. A place for culture	13	45	36	3	3	19	32	23	3	
4. A place for entertainment	19	35	48	3	3	19	29	35	3	
5. A place for dining	3	19	48	29	0	3	34	39	3	
6. A walkable environment	65	23	3	3	3	4	45	35	13	6
7. Directional signs for drivers	6	42	45	6	0	18	48	42	0	
8. Directional signs for pedestrians	32	48	13	6	6	19	33	39	6	
9. Clean sidewalks	18	35	35	19	3	26	32	32	6	
10. Uniformed security presence	4	32	45	13	2	18	39	42	3	
11. Sense of Safety	0	19	38	19	3	4	26	43	3	
12. Marketing to attract visitors	3	32	39	23	3	16	23	39	3	
13. Marketing to attract retail customers	6	23	32	18	3	19	34	39	4	
14. Marketing to attract visitors	13	23	45	13	6	26	29	39	6	

CENTER CITY DISTRICT

Best conditions

	Very + Extremely
2. A place to work	100%
7. Directional signs for drivers	90%
11. Sense of Safety	87%
20. Reputation in the region	84%
5. A place for dining	77%
17. Condition and quality of buildings	77%
1. For shopping	74%
18. Condition and quality of signs	71%
23. Communication with municipal government	71%
10. Uniformed security presence	68%
14. Marketing to attract visitors	68%
15. Marketing to attract office tenants	68%
22. Cooperation among property owners	68%
9. Clean sidewalks	65%
13. Marketing to attract retail customers	61%
4. A place for entertainment	58%
12. Marketing to attract retailers	58%
8. Directional signs for pedestrians	48%
6. A walkable environment	48%
16. Marketing to attract developers	45%
3. A place for culture	35%
19. Number of undeveloped lots	32%

CENTER CITY DISTRICT

Worst condition

	Poor + Avg
6. A walkable environment	87%
8. Directional signs for pedestrians	81%
3. A place for culture	77%
22. Cooperation among property owners	68%
16. Marketing to attract developers	55%
7. Directional signs for drivers	48%
19. Number of undeveloped lots	48%
4. A place for entertainment	45%
9. Clean sidewalks	45%
15. Marketing to attract office tenants	42%
10. Uniformed security presence	39%
12. Marketing to attract retailers	35%
14. Marketing to attract visitors	35%
21. Communication with municipal government	32%
18. Condition and quality of signs	29%
13. Marketing to attract retail customers	29%
5. A place for dining	23%
2. A place to work	19%
11. Sense of Safety	19%
17. Condition and quality of buildings	19%
20. Reputation in the region	16%
1. For shopping	6%

CENTER CITY DISTRICT

Distribute priorities survey

Priorities for Spending Survey

If a \$50 were to be created for your area, how would you rank the following as options for spending that amount?

Priority	Importance			
	Not at all	Low	High	Extremely
1. Additional uniformed security personnel on foot or bikes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Additional hospitality personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Information booths for visitors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Regular sidewalk cleaning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Marketing to attract retail/service customers in the region	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Marketing to attract office tenants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Marketing to attract visitors, tourists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Public transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Shuttle service between destinations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Landscaping, flower installation, maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Urban design and redevelopment opportunities plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. More well-designed public spaces, fountains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Murals on blank walls, other public art	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Priorities Survey Continued

If a \$50 were to be created for your area, how would you rank the following as options for spending that amount?

Priority	Importance			
	Not at all	Low	High	Extremely
10. Incentives for facade and business sign improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. More well-designed public spaces, fountains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Better parking systems, e.g., shared parking, coordination, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Improved gateway markers, banners and directional signs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. More attractive parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Improved homeless services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Comments: _____

How are Census tracts (optional): _____

In which area(s) are you located?

King of Prussia Business Park

Route 202

Westtown Road

CENTER CITY DISTRICT

What are priorities for improvement?

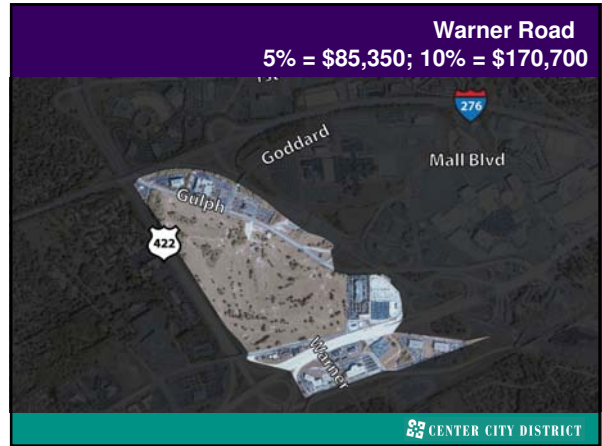
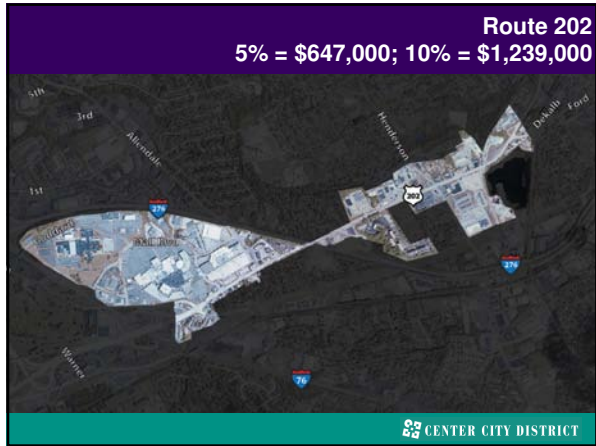
	Very + Extremely
9. Public transportation	90%
18. Improved gateway markers, banners and directional signs	87%
7. Marketing to attract office tenants	81%
11. Landscaping, flower installation, maintenance	81%
15. Incentives for facade and business sign improvements	77%
10. Shuttle service between destinations	74%
12. Urban design and redevelopment opportunities plan	74%
8. Marketing to attract visitors, tourists	68%
3. Marketing to attract retail/service customers in the region	61%
13. More well-designed public spaces, fountains	61%
20. Bright, pedestrian-scale lighting throughout the area	58%
4. Regular sidewalk cleaning	55%
17. Better parking systems, e.g., shared parking, coordination, etc.	45%
16. More parking capacity	42%
6. Marketing to attract developers	32%
19. More attractive parking	32%
14. Murals on blank walls, other public art	26%
1. Additional uniformed security personnel on foot or bikes	23%
3. Information booths for visitors	16%
2. Uniformed hospitality personnel	6%
21. Improved homeless services	3%

CENTER CITY DISTRICT

King of Prussia Business Park

5% = \$390,000; 10% = \$782,000

CENTER CITY DISTRICT



Would having \$1.1 - 2.2 million extra/year that you control
Enhance competitiveness of your business?

CENTER CITY DISTRICT

<http://kopbid.com/>

CENTER CITY DISTRICT