

**Managing the public environment:
The role of a business improvement district (BID)**



1. What is a BID?
2. Formation & evolution of the Center City District
3. What BIDs do

CENTER CITY DISTRICT

**Significant decline in federal resources
A degraded & squalid public environment:**



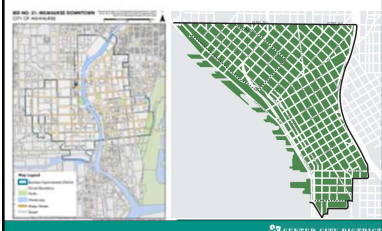
CENTER CITY DISTRICT

9 to 5 downtown; empty streets at night



CENTER CITY DISTRICT

Defined geographic area from which resources are raised & to which services are provided



CENTER CITY DISTRICT

Substantial ground & upper floor vacancy



CENTER CITY DISTRICT

**Two things prompted creation of CCD:
Public space crisis**



CENTER CITY DISTRICT

CCD formed in 1990: office boom transformed skyline



CENTER CITY DISTRICT

**Neglected facades, solid security gates
Limited retail services**

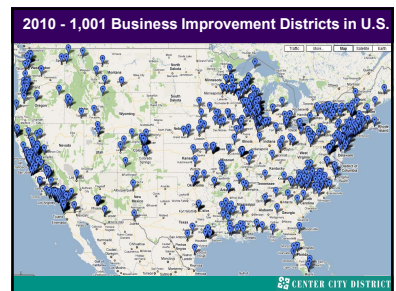
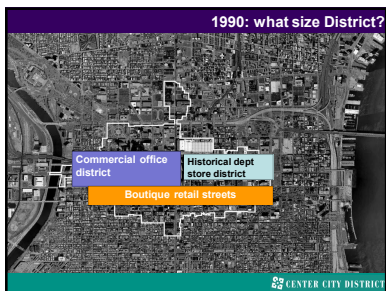
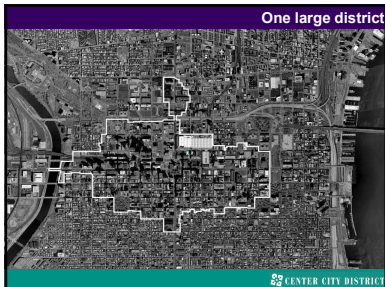
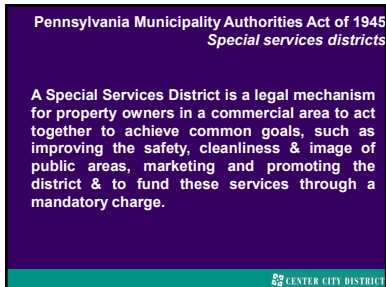


CENTER CITY DISTRICT

**Convention Center under construction:
Fear & opportunity**



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

CC CENTER CITY DISTRICT

North America



Toronto	83 BIDs
New York City	76 BIDs
Los Angeles	39 BIDs
Vancouver	22 BIDs
San Diego	18 BIDs
Philadelphia	14 BIDs
San Francisco	11 BIDs

CC CENTER CITY DISTRICT

BIDs were organized in England around 2001



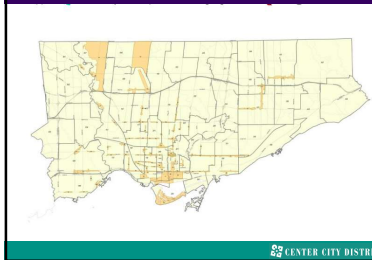
CC CENTER CITY DISTRICT

What is a business improvement district (BID?)

- BID is an independent management organization (separate from local government) 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

CC CENTER CITY DISTRICT

83 BIAs in Toronto



CC CENTER CITY DISTRICT

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



CC CENTER CITY DISTRICT

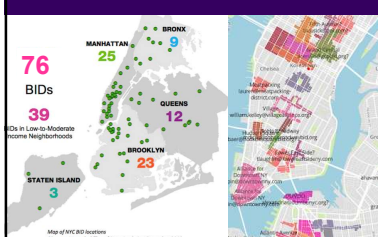
1,000 U.S. + 400 Canada
= 1,500 BIDs in North America



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

CC CENTER CITY DISTRICT

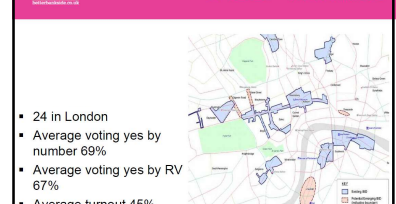
Map of NYC BIDs



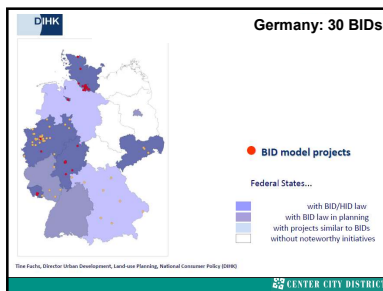
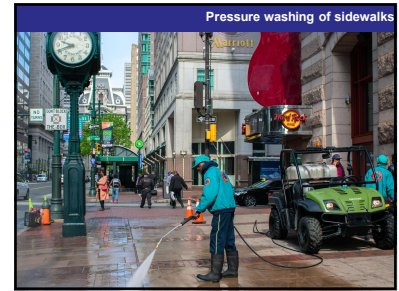
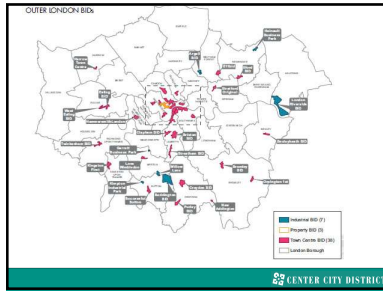
CC CENTER CITY DISTRICT

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%



100 sidewalk cleaners/supervisors work 7 days/week
364 days per year; Union scale wages & be



CENTER CITY DISTRICT

Unarmed; no powers of arrest
Hotel concierge + professional town watch



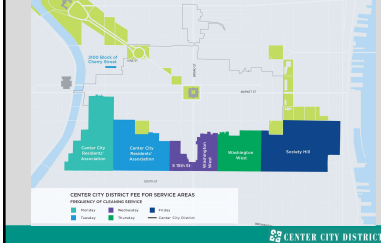
CENTER CITY DISTRICT

Downtown Alliance; Lower Manhattan
www.downtownny.com



CENTER CITY DISTRICT

Fee-for-service cleaning contracts
With adjacent residential neighborhoods



CENTER CITY DISTRICT

Continuum from Security to Hospitality
Grand Central Partnership, NYC; Tampa, Florida



CENTER CITY DISTRICT

Winnipeg, Manitoba, Canada
Downtown Watch Ambassadors
<http://downtownwinnipegbiz.com>



Easily recognized in red and black, Downtown Watch ambassadors have been walking the streets seven days a week, year round, during the day and evening since 1995. This goodwill team patrols downtown, offering directions, tourist info, first aid (CPR-certified), and assistance wherever needed. They also participate in community events and act as additional "eyes and ears" for the Winnipeg Police Service.

CENTER CITY DISTRICT

CCD 1.0: Public safety & visitor information
Community Service Representatives
Unionized, with benefits + tuition reimbursement



CENTER CITY DISTRICT

Downtown Center, Los Angeles, "Purple Patrol"
www.downtownla.com/

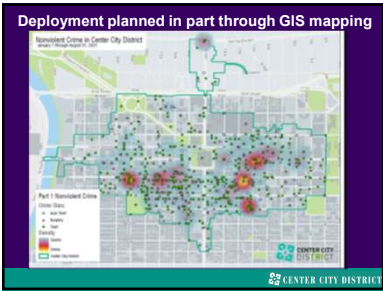
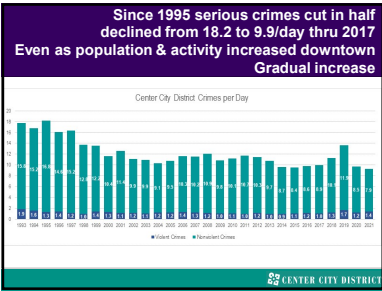
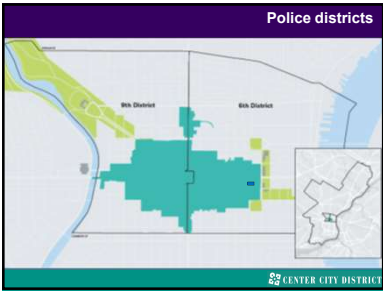


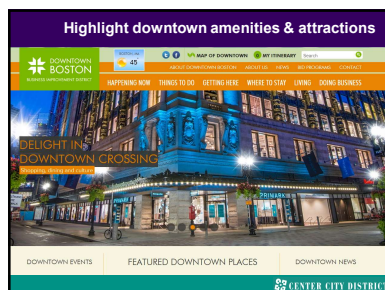
CENTER CITY DISTRICT

Unique partnership: CCD Police Substation
Where Police & CSRs stand joint roll call



CENTER CITY DISTRICT





Who do you call?

→ 83 Items in public environment surveyed

→ 23 Responsible Agencies

CENTER CITY DISTRICT

SEPTA

Subway Entrances Transit Signage

CENTER CITY DISTRICT

CENTER CITY DISTRICT

Streets Department

Benches
Bicycle Racks
Pedestrian Lights
Traffic Lighting

Street Name Signs
Streets (non-highway)
Potholes (non-highway)
Trash

Trash Receptacles
Vehicular Streetlights
Vehicular Signage

CENTER CITY DISTRICT

PennDOT

Highway Streets / Roadways Potholes (highway only)

CENTER CITY DISTRICT

All problems are geo-coded and recorded

CENTER CITY DISTRICT

Licenses and Inspections

Business Compliance
Signage Enforcement
Honor Box Enforcement

Building Hazards
Property Hazards
Street Vendor Enforcement

CENTER CITY DISTRICT

Additional Agencies

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

CENTER CITY DISTRICT

Email reports to municipal government departments

CENTER CITY DISTRICT

BID as place-manager: meet regularly to review



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

Installed & maintain: 1,200 pedestrian maps & signs



CENTER CITY DISTRICT

#3: BID as vehicle for improving the product



CENTER CITY DISTRICT

Unique Pennsylvania Aspects

- 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 co-equal to municipal liens
- Have the authority to issue tax-exempt debt, independent from the city debt ceiling and bond-rating

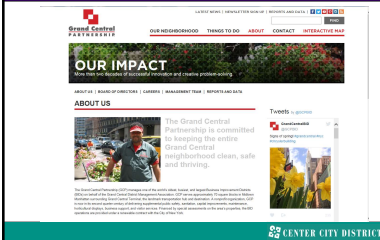
CENTER CITY DISTRICT

Creating a visitor friendly environment



CENTER CITY DISTRICT

Grand Central Partnership first BID to finance streetscape improvements: 1994



CENTER CITY DISTRICT

Installed and maintain: 800 trees; 72 planters



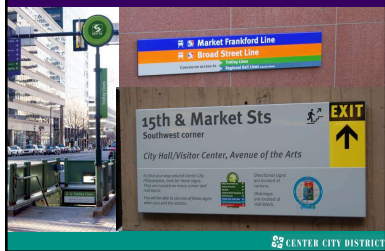
CENTER CITY DISTRICT

Integrated with 233 signs for motorist that the CCD also maintains



CENTER CITY DISTRICT

New graphics for 108 entrances to underground



Creates a sense of evening safety



Animating the city at night



2,300 Pedestrian-scale lights
Doubled nighttime illumination



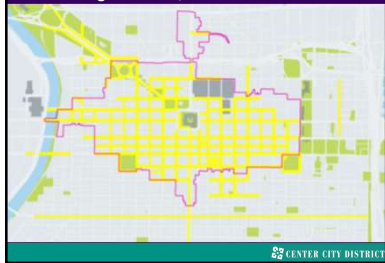
Benjamin Franklin Parkway



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



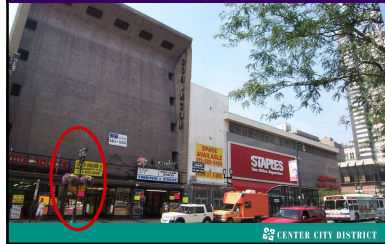
Pedestrian light fixtures, 81% of downtown sidewalks



Building façade lighting on South Broad Street



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



BIDs improve the appearance of retail shops
34th Street Partnership, NYC



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

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

Formed 1995: Strengthen & diversify commercial core



What this Means for Wall Street - 1995

CENTER CITY DISTRICT

Downtown Baltimore Partnership: Façade improvement program



IMPROVEMENT


CENTER CITY DISTRICT

BIDs play role in helping to reposition & repurpose real estate



CENTER CITY DISTRICT

Incentives to reduce office vacancy, transition to residential



What this Means for Wall Street - 2010

CENTER CITY DISTRICT

#4: 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

Wall St 1995: empty after 5:00 pm & on weekends



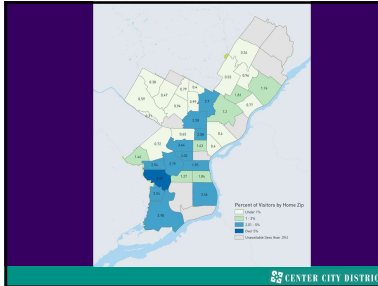
CENTER CITY DISTRICT

Wall Street 3.0
A Diversified Lower Manhattan



CENTER CITY DISTRICT

A large crowd of people is sitting on the grass in a park, with modern buildings in the background. The scene is a wide-angle shot of a large gathering in an urban park setting. The foreground and middle ground are filled with people sitting on the grass, which is a mix of green and brown patches. In the background, there are several tall, modern buildings with glass facades. The sky is clear and blue. The overall atmosphere is one of a large public event or festival.



Center City District Plan and Budget 2018-2022

Center City District is a public-private partnership between the City of Denver and the Center City District Board of Directors. The Board is responsible for the development and implementation of the Center City District Plan and Budget. The Plan and Budget are subject to annual review and approval by the Board. The Plan and Budget are also subject to annual review and approval by the City of Denver. The Plan and Budget are also subject to annual review and approval by the Center City District Board of Directors.

Budget 2018-2022

	2018	2019	2020	2021	2022
REVENUE & EXPENSE					
Recurring Revenue	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
City of Denver	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Recurring Expense	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
City of Denver	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Non-Recurring Revenue	\$0	\$0	\$0	\$0	\$0
Non-Recurring Expense	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Total Expense	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Surplus/Deficit	\$0	\$0	\$0	\$0	\$0
Notes:					
City of Denver	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Other Revenue & Expense	\$0	\$0	\$0	\$0	\$0
Total Revenue & Expense	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Notes:					
City of Denver	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300
Other Revenue & Expense	\$0	\$0	\$0	\$0	\$0
Total Revenue & Expense	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300	\$1,341,300

Notes:

- Center City District is a public-private partnership between the City of Denver and the Center City District Board of Directors.
- The Board is responsible for the development and implementation of the Center City District Plan and Budget.
- The Plan and Budget are subject to annual review and approval by the Board.
- The Plan and Budget are also subject to annual review and approval by the City of Denver.
- The Plan and Budget are also subject to annual review and approval by the Center City District Board of Directors.

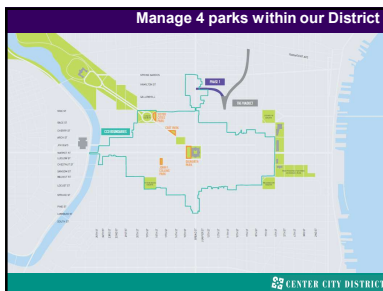
Center City District

[illegible][illegible]

Private sector board: broad diversity of interests

• John J. Connors, Brickstone Realty, Chairman
 • Joseph S. Zuritsky, Parkway Corporation - Chair Emeritus
 • Maureen Anastasi, CBRE
 • William M. Boone, LSA
 • Joseph P. Coradino, Pennsylvania Real Estate Investment Trust
 • Gregory L. Deshields, PHD, Diversity
 • Jeffrey DeVos, Brandway Realty Trust
 • Romulo L. Diaz, Jr., PECO
 • Paige Jane, JLL Real Estate
 • Ernest E. Jones, EJE, EJOES CONSULTING, LLC
 • Robert D. Lane, Jr., EJC, Greenberg Traurig, LLP
 • Clayton H. Lewis, Thomas Jefferson University and Jefferson Health
 • Gregory B. Muller, SSH Real Estate
 • Drew Murray, Logan Square Neighborhood Association
 • Randall L. Scott, Core Capital Partners, LLC
 • H. Hetherington Smith, Savills
 • Jack Soltov, Jr., Newmark Knight Frank
 • Christopher P. Tortorez, Kyrban
 • Angela Wal, Philadelphia Convention & Visitors Bureau
 • Jack Wallace, BOMA (Ex officio)
 • Carol Walton, Kingston Hotel Portfolio - Philadelphia
 • Tina Byles Williams, FIS Group

 CENTER CITY DISTRICT



Formal plan & budget describes all services

www.centercityphila.org

Plan and Budget for the Center City District

The Center City District is a unique, self-governing entity within the City of Philadelphia. It is responsible for the planning, development, and management of the Center City District, which is the central business district of the city. The District is governed by the Center City District Board, which is composed of representatives from the City, the business community, and the general public. The Board is responsible for the District's overall strategy and for approving the annual plan and budget.

The annual plan and budget are the primary documents that guide the District's operations. They provide a detailed overview of the District's activities, goals, and financial resources. The plan outlines the District's strategic priorities and the specific programs and projects that will be implemented. The budget details the District's income and expenses, and it provides a framework for managing the District's finances.

The plan and budget are developed through a collaborative process involving the District Board, the District's staff, and the community. The District Board provides the overall direction and approves the final plan and budget. The District's staff is responsible for developing the plan and budget, and for implementing the District's programs and projects.

The plan and budget are updated annually. The District Board typically meets in the fall to review the District's performance and to approve the plan and budget for the following year.

The plan and budget are available to the public on the Center City District's website. The website provides a comprehensive overview of the District's activities and a detailed breakdown of the plan and budget.

The plan and budget are also available in print format. The District Board typically distributes a printed copy of the plan and budget to the members of the public who are interested in the District's activities.

The plan and budget are a key tool for the District's management. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are also a key tool for the District's communication. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's accountability. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's transparency. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's effectiveness. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's success. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's future. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's growth. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's development. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

The plan and budget are a key tool for the District's progress. They provide a clear and concise overview of the District's activities and a framework for managing the District's finances.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

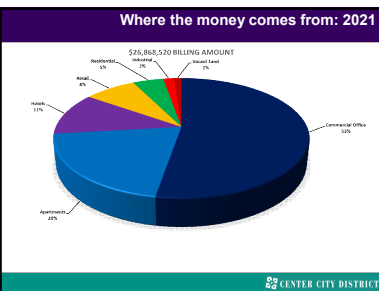
Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.

Center City District Board member walking on the sidewalk.



Method of assessment

Based on municipal valuation of real estate

CCD independently calculates charges creating a fraction:

Assessed value of property X \$26.8 million = charge
Assessed value of CCD

Billed and collected by CCD

Pass-through to tenants

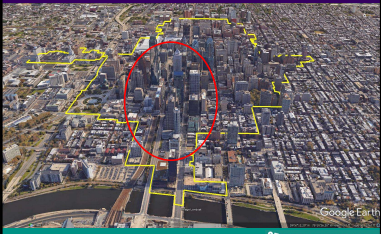


Mellon Bank
\$553,617.92 annually
Divided by 1.2 million sf = 346 cents/ft
On top of rent of \$30- \$35/sq. ft.

In a large city with diverse property ownership

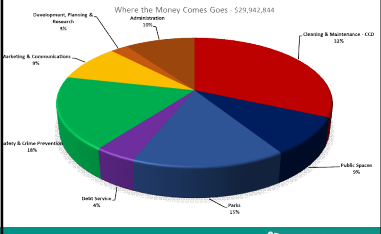


High density office district backbone of CCD
Top 15 properties pay 22% of total budget




Where money goes: clean & safe = 50%
Streetscape & parks = 24%

Where The Money Comes Goes - \$29,362,884



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



Top 10 properties pay 17%
Average for office = \$232,000; hotels = \$102,000.

The Top 10 Parcels by Original Billing Amount within the CCD

Rank	Property	2021 Billing Amount
1	Comcast Center - 1701 JFK Blvd.	\$564,354.51
2	Mellon Bank Center - 1735 Market Street	\$553,617.92
3	Centre Square - 1500 Market Street	\$550,019.93
4	One Liberty Place - 1650 Market Street	\$495,295.29
5	Comcast Innovation Center - 1800 Arch	\$438,259.46
6	One Commerce Square - 2005 Market Street	\$418,746.58
7	Two Commerce Square - 2001 Market Street	\$397,284.72
8	Philadelphia Marriott Hotel	\$393,454.84
9	401 North Broad Street	\$386,382.28
10	1717 Arch Street	\$321,053.31
	Total	\$4,559,078.86
	% of Total 2021 Billing Amount of \$26,869,520	17.01%

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



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





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, compared to Giuliani, Bloomberg, DiBlasio in NYC; Rendell in PHL)

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

CENTER CITY DISTRICT

14 BIDs + managed areas in Philadelphia

Budgets range from \$20,000 to \$29 million

Northern Liberties recently formed & Callowhill BID defeated 9th street market planning phase

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.

Place management organizations

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 (Australian & New Zealand special rates)
- Funded through a mandatory assessment that is self-imposed; different from Main Street & town center management

CENTER CITY DISTRICT

Some definitions/characteristics

- Self-help mechanism to improve competitiveness of place;
- BID is usually governed by a private sector board of directors but within a framework established by local government; Publicly authorized, privately managed Result of the delegation of public authority
- BIDs have lives that extend beyond the local political cycle.

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