

City Planning 642-001
Spring 2026, University of Pennsylvania
Paul R. Levy

4th Class

<https://centercityphila.org/bidclass>



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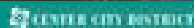
The role of a business improvement district (BID)
Intermediate scale management: between public & private
*How to get things done in cities without
robust public sector funding*

1. What is a BID & where do they exist?
2. Why form a BID
3. What BIDs do
4. The organizing process



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Defined geographic area from which resources are raised & to which services are provided by entity below municipal scale



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



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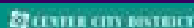
Change in transportation technology



Bloor Street in Toronto was served by a major east-west streetcar line, known as the **Bloor route**, which operated until February 1966.

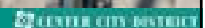
This line was a critical component of Toronto's transit network before it was replaced by Bloor-Danforth Subway that connected to a new regional shopping center.

Undermined competitiveness of a place



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Local business leader approached municipal government with proposal:
Can we create a mechanism to generate revenue on a mandatory basis & direct it exclusively to this commercial area to regain market share?



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Business Improvement District (BID)

- Spread to United States; first in New Orleans in 1975 (loss of market-share due to falling oil prices)

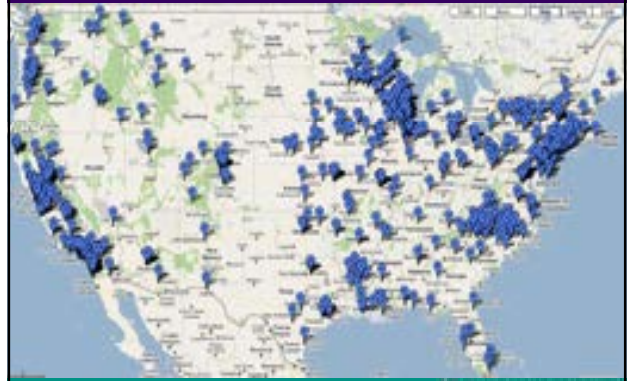
Huge growth in 1990s

- Initially: A response to declining urban market share/suburbanization
- Response to "new federalism" 1980s, declining public resources Bruce Katz. "the new localism"
- Response to declining local business ownership & leadership (globalization)
- But then spread to successful city and commercial centers
- Expanded globally after 2000



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2025 - 1,200 Business Improvement Districts in U.S.



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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
- BIDs as non-profit corporations & municipal authorities (very limited)



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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 commercial area
- 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 are usually private sector initiated & supplement, but do not replace municipal government services



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1,200 U.S. + 500 Canada
= 1,700 BIDs in North America



- 23 in South Africa
- 340: England, Ireland & Scotland
- Germany, Austria, Serbia
- Japan 55 formal Area Management Organizations (AMOs),
- New Zealand 50 BIDs
- Australia/ (special rates) – not BIDs

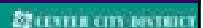


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North America

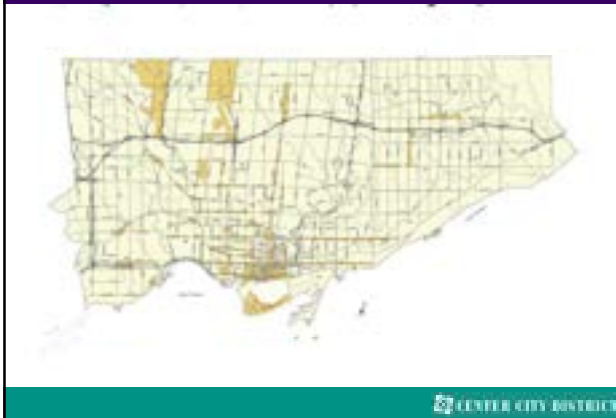


Toronto	84 BIDs
New York City	76 BIDs
Los Angeles	39 BIDs
Vancouver	22 BIDs
San Diego	18 BIDs
San Francisco	15 BIDs
Philadelphia	14 BIDs



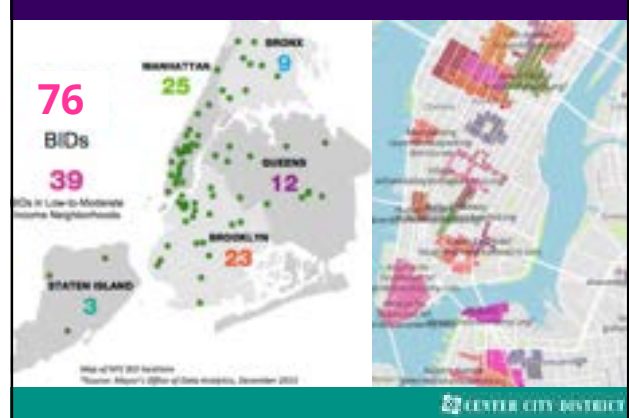
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84 BIAs in Toronto: city center & neighborhoods



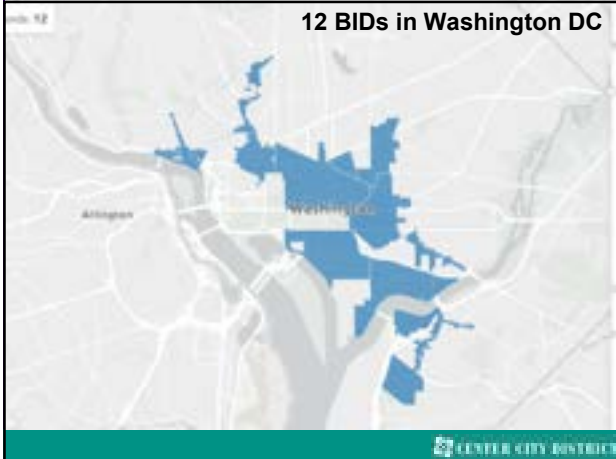
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Map of NYC BIDs



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12 BIDs in Washington DC



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Philadelphia's 14 BIDs (+2 voluntary) Germantown & Frankford (defunct)



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BIDs were organized in England around 2001

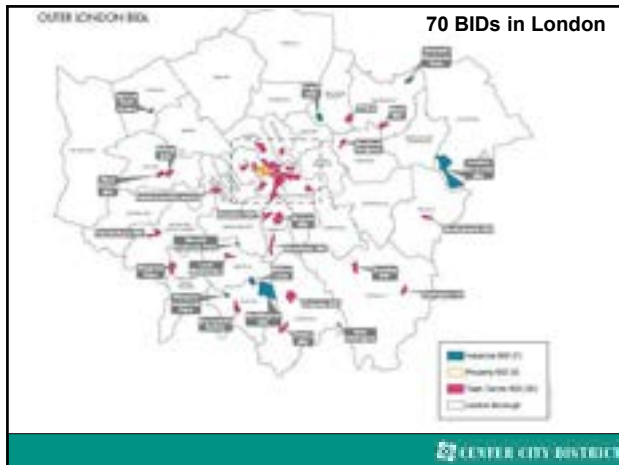


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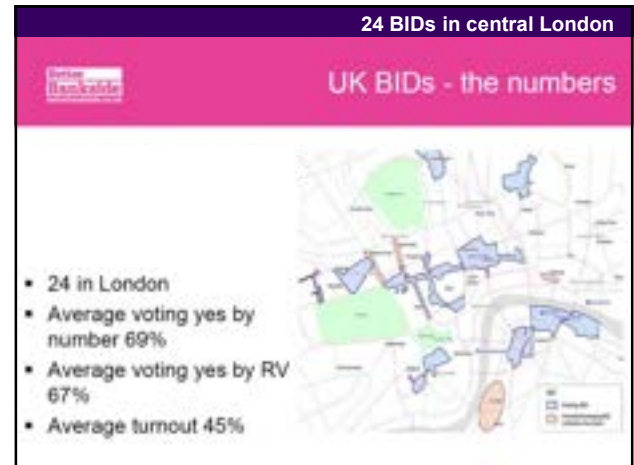
To restore high streets, undermined by out of town shopping centers



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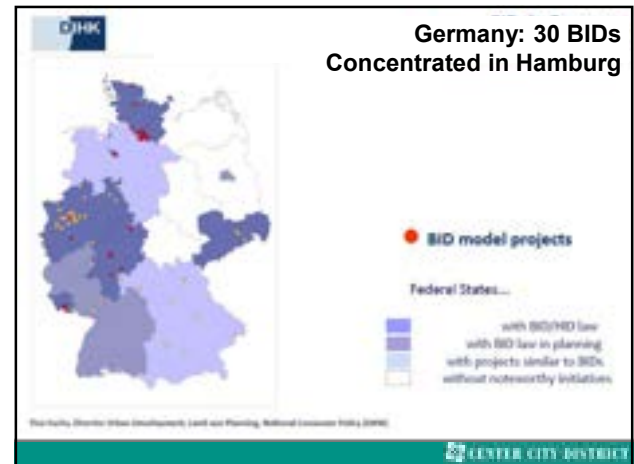
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In a large city with diverse private property ownership



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



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



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



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Not redistributive tax,
but an assessment for services rendered



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Some definitions/characteristics

- Self-help mechanism to improve competitiveness of place, that through a formal process, becomes mandatory;
- BID is usually governed by a private sector board of directors, though many have public sector directors; authorized 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.

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What is the context for a BID? A continuum from top-down to bottom-up

- 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 (Giuliani, Bloomberg in NYC) Rendell in PHL; Australia & Bulgaria; Rio in Brazil)

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



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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 thru mandatory assessment that is self-imposed; different from Main Street & town center management



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Management vs. governance

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

False analogy to "gated communities"

BIDs are about management, promotion, public space improvement & stimulating development
In a context in which government is either insufficiently funded or doesn't see it as their role



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Government provides the cake (basic services);
BIDs add the special topping or icing



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CCD formed in 1990: office boom transformed skyline



37



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



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Substantial ground & upper floor vacancy



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



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9 to 5 downtown; empty streets at night



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**Center City (42.2%) of jobs
8% of land-area; 1990 perhaps 6% of city's voters**

PHILADELPHIA EMPLOYMENT BY AREA



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



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Convention Center under construction:
Fear & opportunity



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Capitalizing on state law: business improvement district
Self-help effort by business community



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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 & promoting the district & to fund these services thru mandatory charge.

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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."

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1990: what size District?



48

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"

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Approval process 1990

On March 22, City Council passes enabling legislation creating Special Services District Authority for the commercial core of Philadelphia.

Between June 30 & July 2, the CCD plan, budget and estimated charges mailed to 2,752 property owners & 6,598 tenants in the District.

CCD holds public hearings August 1-2. Seventy-two individuals testify - 46 supportive of the CCD, 18 opposed. Forty-five-day public comment period began at close of public hearings.

Public comment period ends September 17. 316 (12.2%) property owners file objections, representing 11.7% of total taxable assessed value of District (State-enabling legislation requires objection from at least 33% of District property owners to defeat

Full City Council voted 14-1 in favor of CCD; Mayor Goode signed the Bill into law on November 2, 1990, Authorizing the operation of the District through 1995.

March 21, 1991 Programs Commenced

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Formal plan & budget describes all services
Reauthorization every 5 years

52

220 blocks in CBD: started with \$6.5 million operating budget
Grown in 34 years to \$32 million
Supplement but not replace city services

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CCD 1.0: Since 1991
Focus on the basics – comprehensive cleaning

54

Municipal government cleans roadway

55

CCD: each walkway swept manually minimum 3 x day
Competitively outsourced to One Source
Employees represented by SEIU (job training)



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Mechanical cleaning throughout the day



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CCD only cleans sidewalk; City Sanitation empties cans



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City removes snow from streets, property owners, sidewalks



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Pressure wash sidewalks



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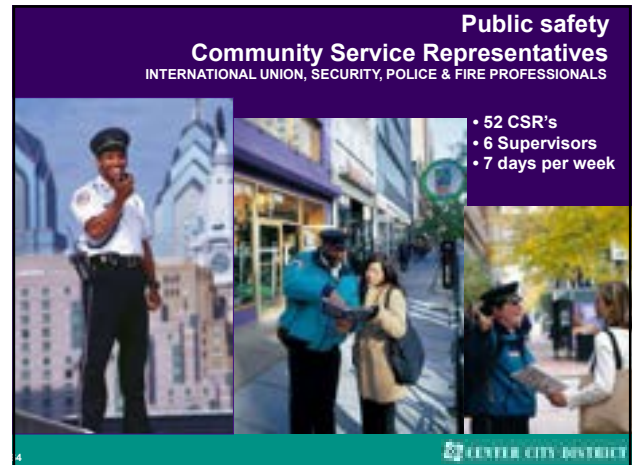
Continuous graffiti removal from first floor only
During warm weather months



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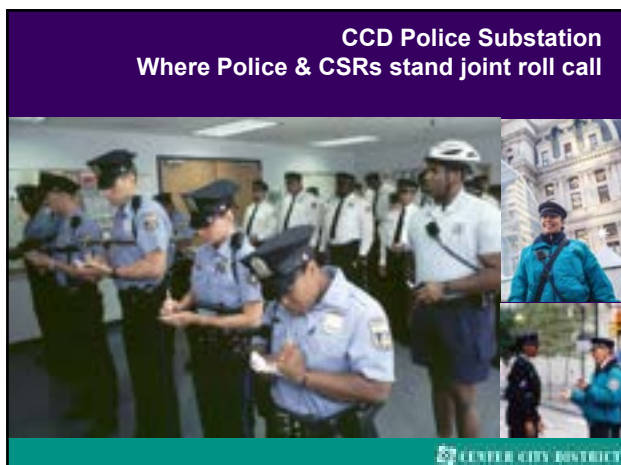
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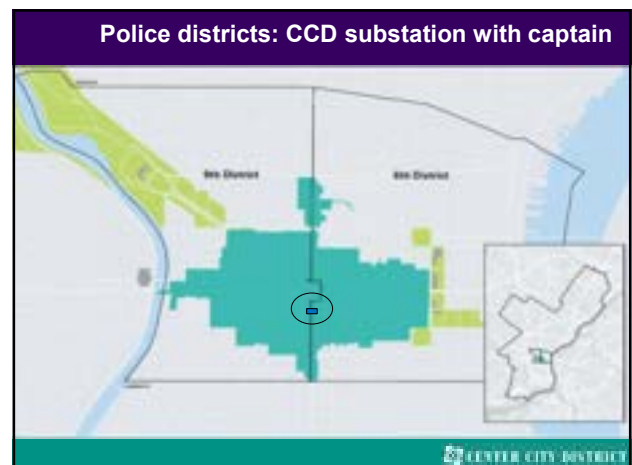
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Alert Philadelphia

Coordinated by CCD & Philadelphia Police 2,000 users.
Serves as critical communications network for CC.

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

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CSR deployment continued throughout pandemic



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**2021: Added a public safety bike patrol
Seven days per week**



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**CCD has contracted for bike patrol
Unarmed, no powers of arrest**

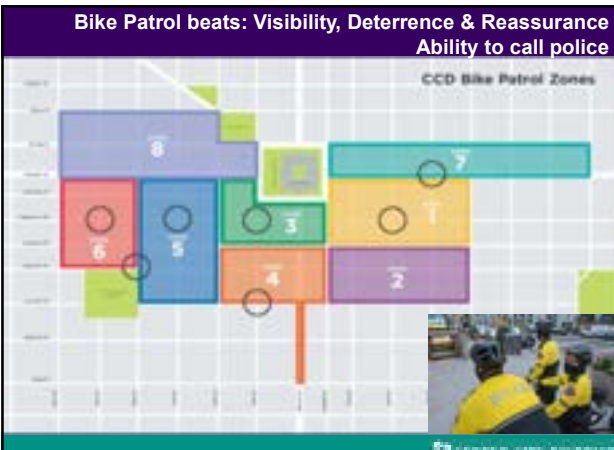


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**Bike Patrol beats: Visibility, Deterrence & Reassurance
Ability to call police**

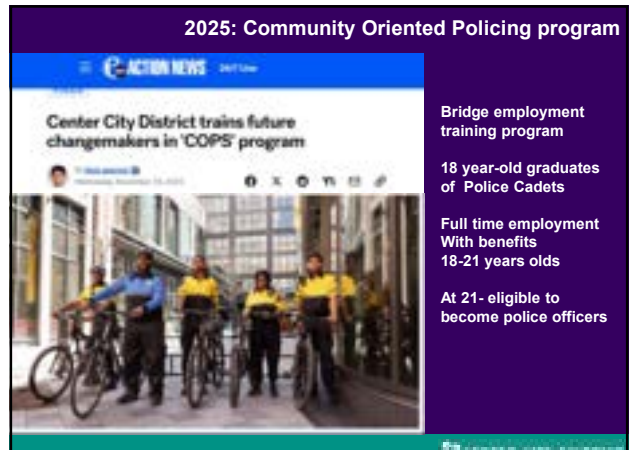
CCD Bike Patrol Zones



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2025: Community Oriented Policing program



Bridge employment training program

18 year-old graduates of Police Cadets

Full time employment
With benefits
18-21 years olds

At 21- eligible to become police officers

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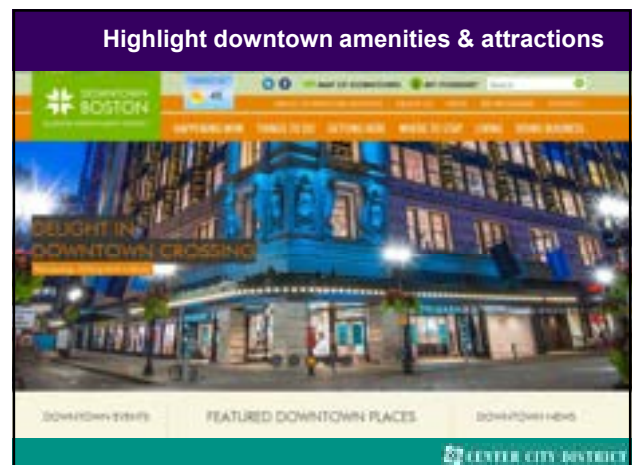
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Market & manage nighttime economy



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BIDs organize special events to attract people to a place



115

Events, paid & free media strategies



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Had some fun in the late 1990s



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SIPs promotion: After work amenities Highlighting bars & outdoor cafes



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After work social gatherings



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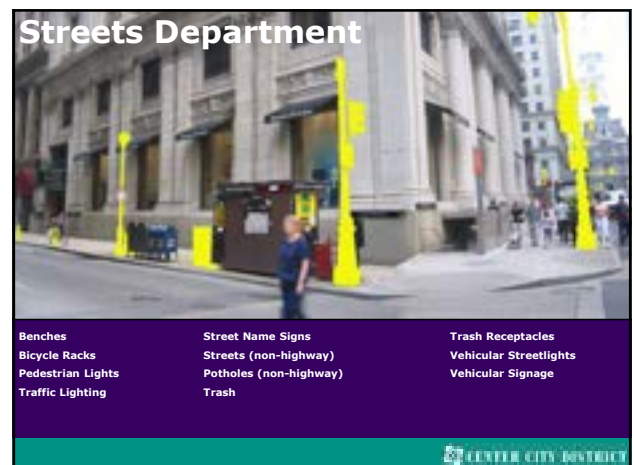
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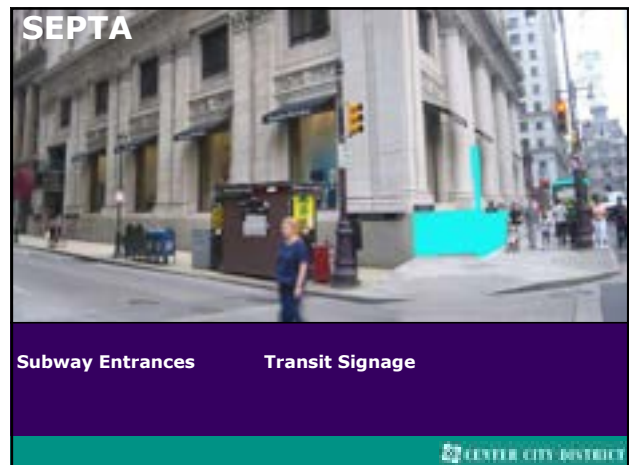
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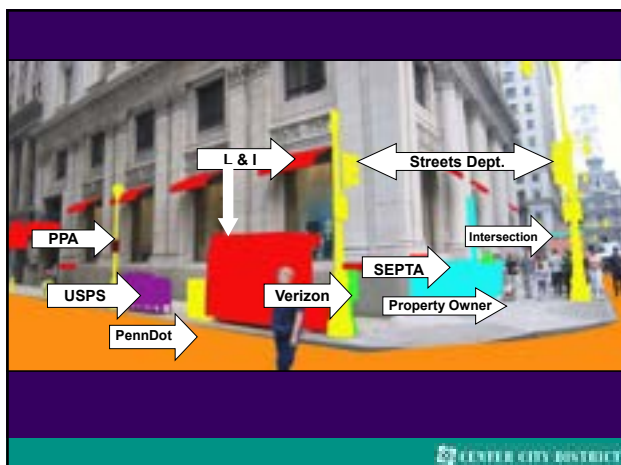
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Email reports to municipal government departments



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BID as place-manager: meet regularly to review



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#4: BID as vehicle for improving the product



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Begin in mid 1990s installing banners



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Today: 3,556 banners for 70 non-profit groups



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Grand Central Partnership one of the first BIDs to finance streetscape improvements: 1994



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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



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CCD 2.0: Financing public area improvements

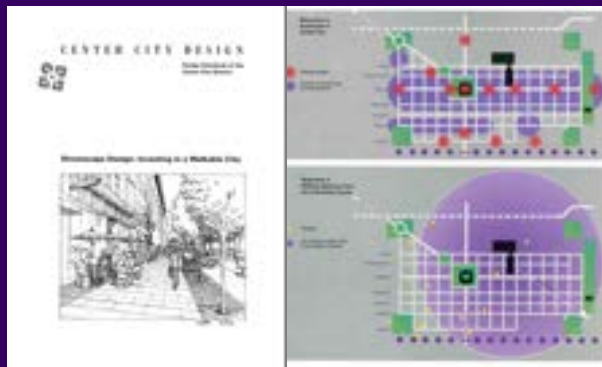


- 1994
- 20-year reauthorization
- 1995
- \$21 million tax-exempt bond issue backed only by CCD revenues
 - +\$5 million City funding
 - Master plan for streetscape improvements



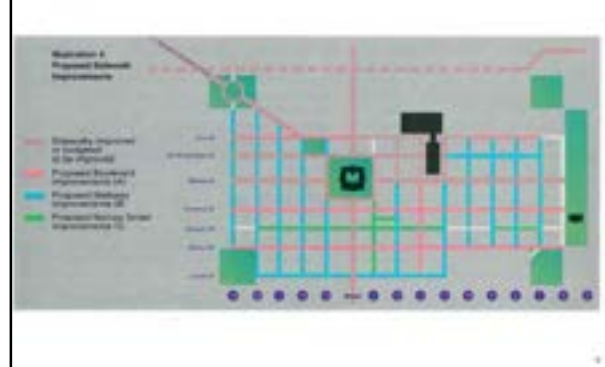
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Priorities shaped by office & retail density, transit stops & convention center



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Hierarchy of streets: Lighting, landscaping & corners: not sidewalks



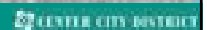
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Comprehensive sign system

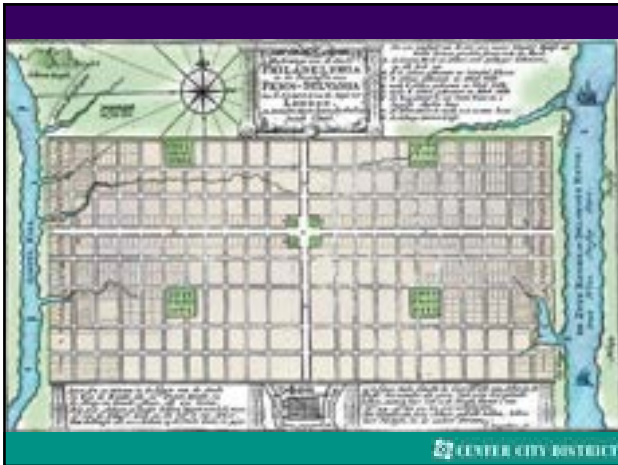


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Based on William Penn's 1682 grid



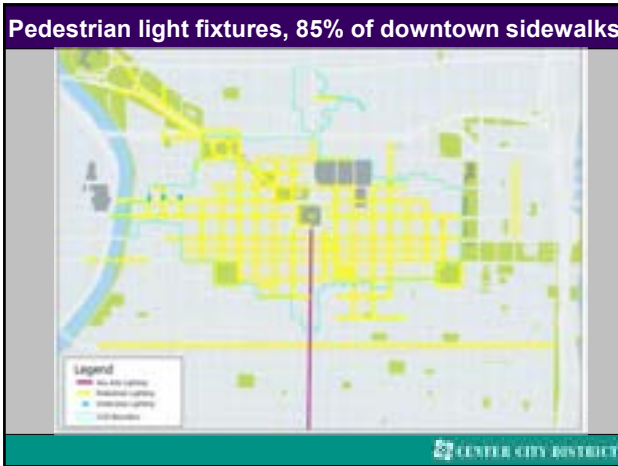
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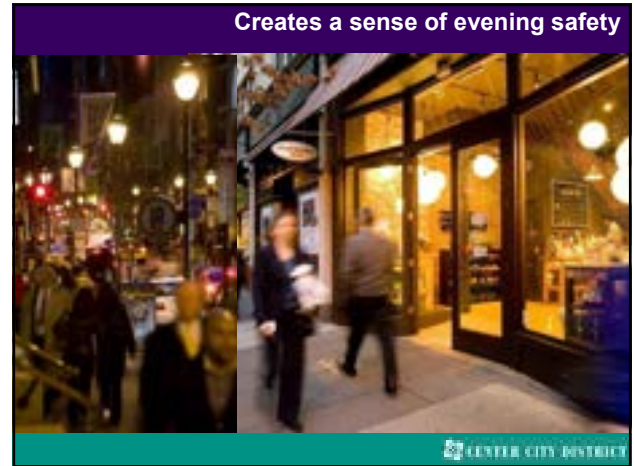
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Animating the city at night



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More recently illuminated City Hall



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Green for the Eagles win at the Super Bowl



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1996: Landscaping



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Street trees



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Installed and maintain: 800 trees; 72 planters



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West Market & JFK Boulevard Office District planters
Funded in partnership with property owners
During pandemic



166

Complemented by in-street bike lane planters; 3 locations
Funded & maintained by CCD



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Market & JFK, 15th to 20th



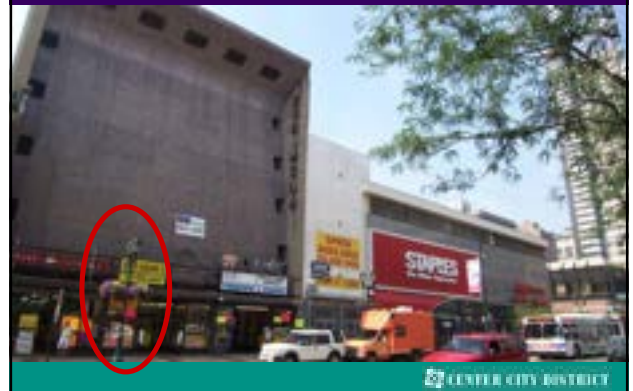
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But ...no amount of streetscape improvements...



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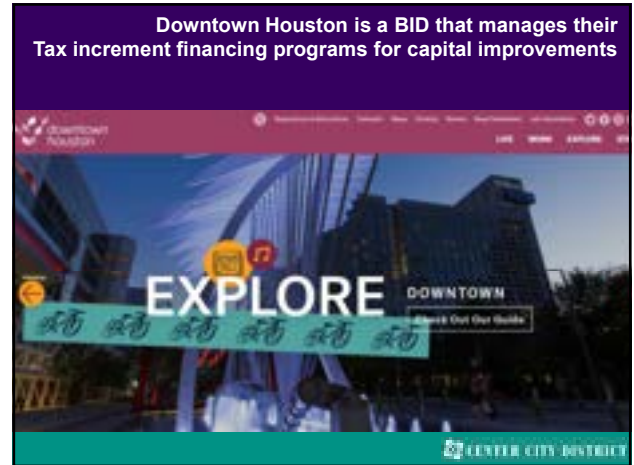
Can leverage change when the street is dwarfed
by larger issues & problems



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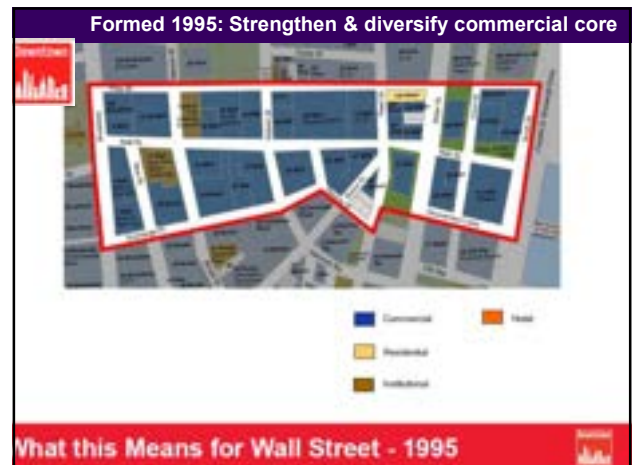
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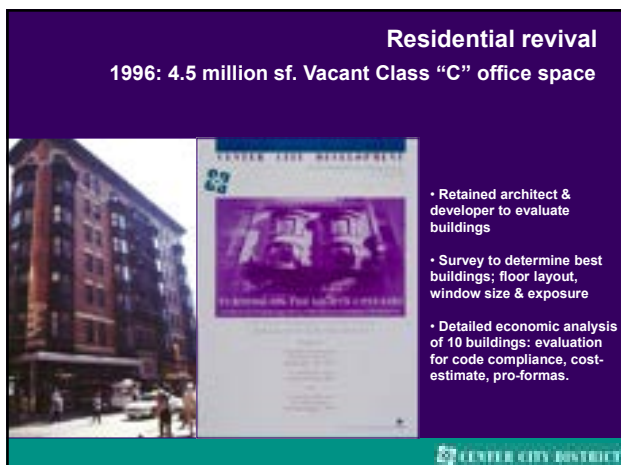
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From 1998-2024, 40 major buildings converted downtown to Residential, hotel or educational use: 10 mil sq ft of office space



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Everything below the red line is back on tax rolls

Year	Building Name	Address	Area (sq ft)	Units	Conversion Type
2001	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2002	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2003	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2004	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2005	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2006	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2007	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2008	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2009	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2010	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2011	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2012	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2013	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2014	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2015	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2016	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2017	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2018	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2019	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2020	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2021	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2022	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2023	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential
2024	One Liberty Place	1515 Market St	1,100,000	1,100	Office to Residential

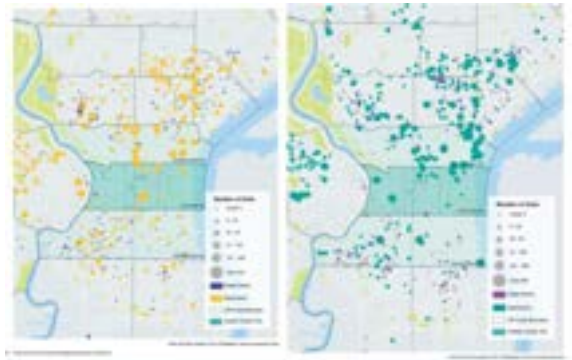
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Expanded in 2000 to include new construction



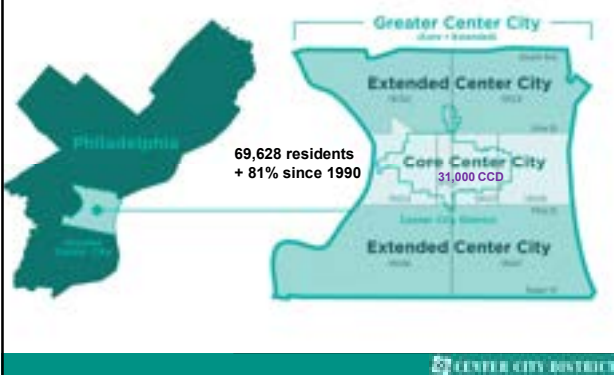
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Renovation & new construction radiating outward around prime job nodes



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Greater Center City (1.5 mile ring): 300,000 jobs
206,676 residents; up 24% since 1990 (47% work downtown)
13% of citywide



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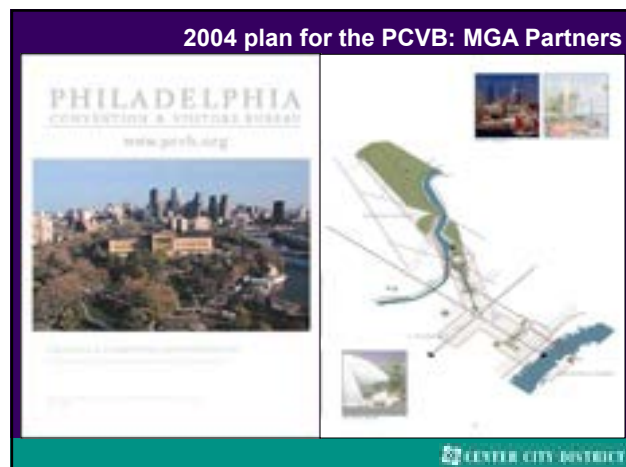
#6: BIDs manage parks & public spaces: Bryant Park



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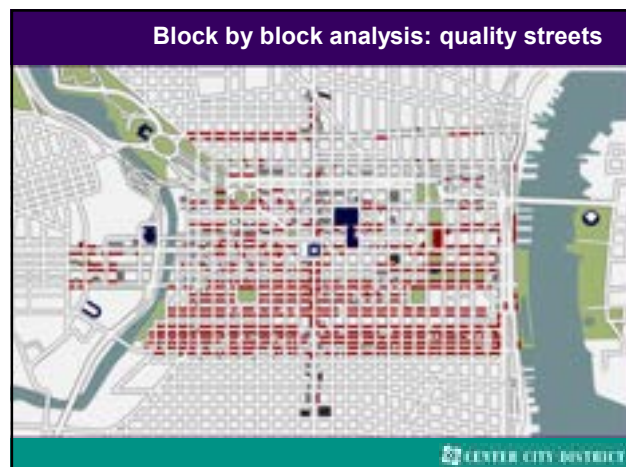
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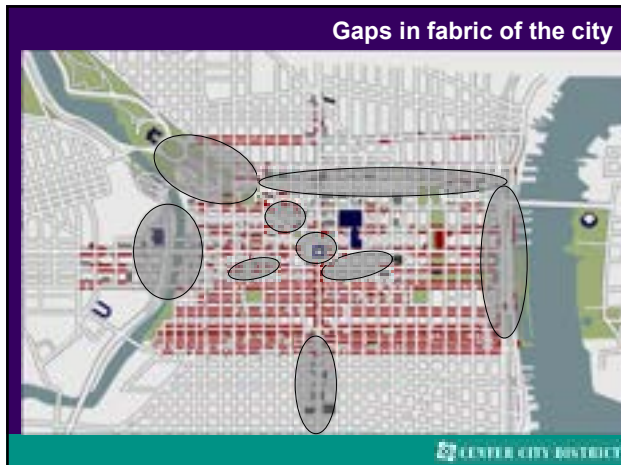
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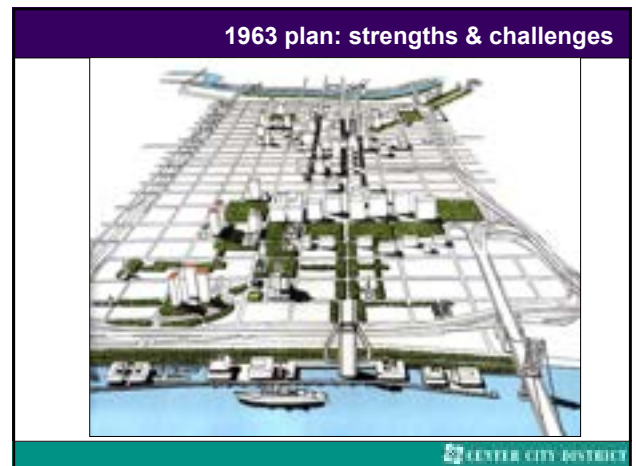
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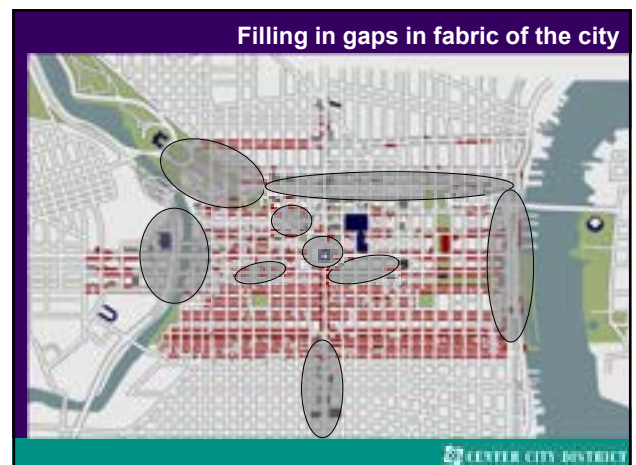
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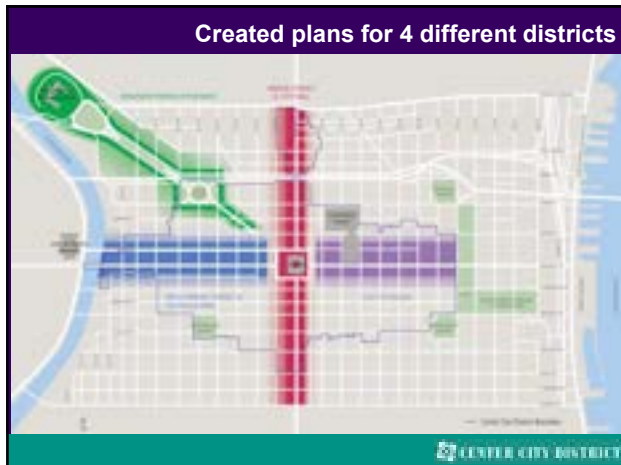
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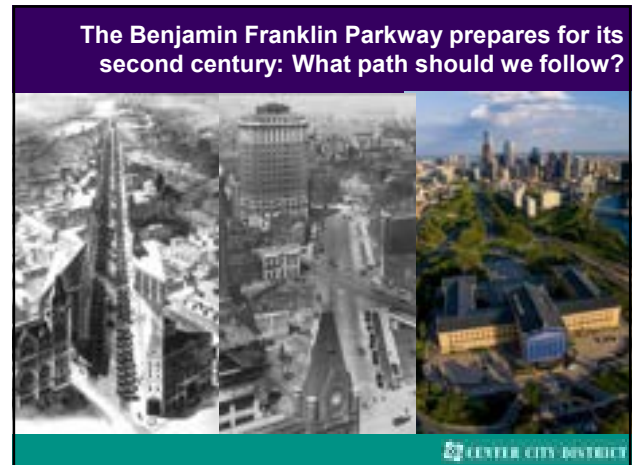
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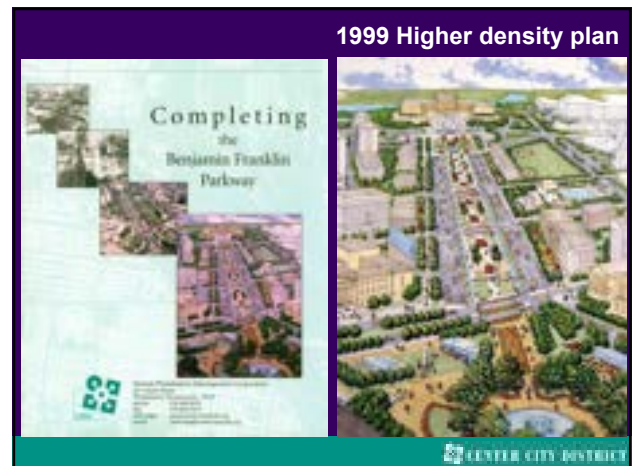
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207

Started with neglected empty space
Leased from the City



208

Create a thriving gateway to the Parkway



209

In 2012: Sister Cities Park



210

Took a barren and forgotten space



211

And transformed it



212

A place for families with children



213

Very successful water fountain



214

Took a solitary neglected statue



215

Wrapped a children's garden around it



216

With a pond



217

And climbing mountain



218

Upgraded Sister Cities during the pandemic



219

Added new hiding nest



220

Push button water jets



221

Jumping net at the top



223

We program events for families with children



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Arts & crafts for younger children



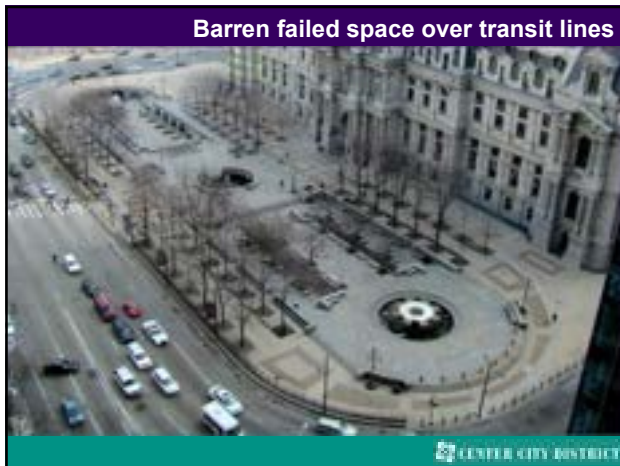
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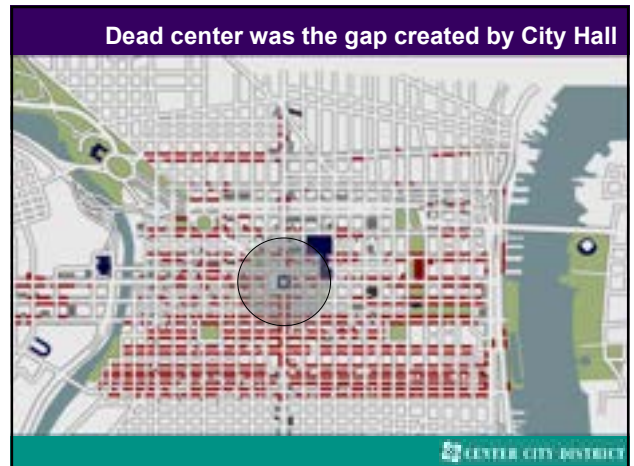
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Walk directly in from the street



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Goal: Create first-class gateway to transit



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Fountain



242

Program year-round



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With performing arts



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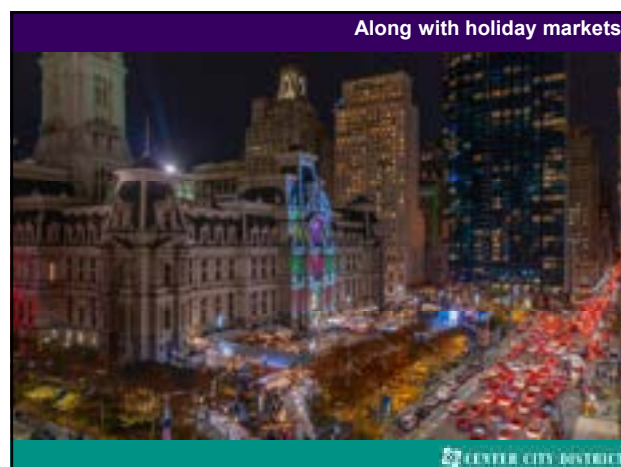
October Harvest festival



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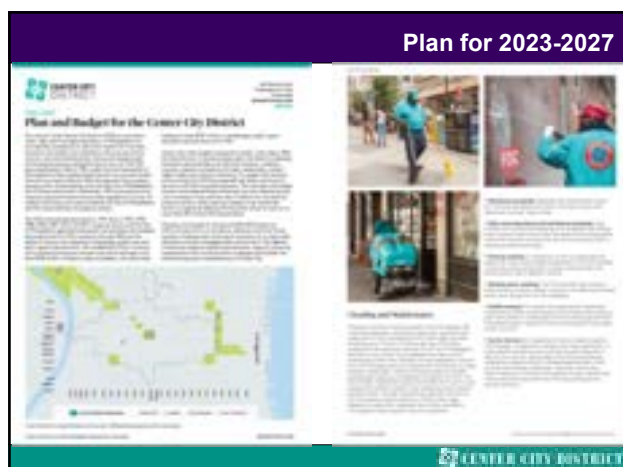
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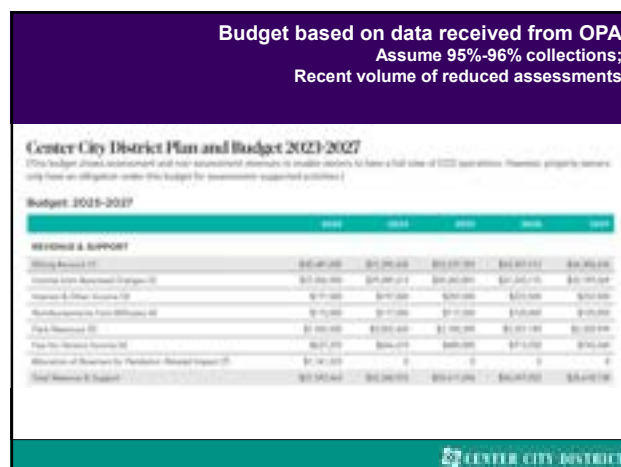
253



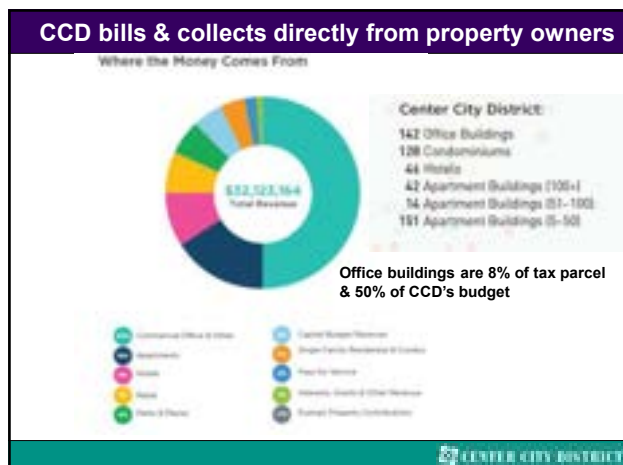
254



255



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Method of assessment

Based on municipal valuation of real estate without regard for any tax abatements or KOIZs

CCD independently calculates charges creating a fraction:

Assessed value of property X \$32.3 million = charge
Assessed value of CCD

Billed and collected by CCD

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Bills are proportionally based on assessed value

CCD 2023 BUDGET DETAILS

2023 Property Statistics

The top 15 commercial properties pay 20% of total program cost, with an average charge of \$472,830	The average hotel pays \$88,037	The average retail property pays \$3,785
The top 100 commercial properties pay 79% of total cost, with an average charge of \$121,057	The average commercial office property pays \$43,328	The average residential charge is \$336
The top 1000 commercial properties pay 79% of total cost, with an average charge of \$287,211	The average apartment building pays \$25,643	The average fee for all property types is \$5,429
	The average commercial property pays \$18,630	

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Top 10 Properties by Billing

RANK	PROPERTY NAME	2022 BILLING AMOUNT
1	Comcast Center	\$584,526.40
2	Mellon Bank Center	\$573,406.05
3	Centre Square	\$569,679.46
4	One Liberty Place	\$532,490.70
5	Comcast Innovation Center	\$453,924.30
6	Independence Blue Cross - DiBona Building	\$452,675.53
7	One Commerce Square	\$433,713.97
8	Two Commerce Square	\$411,484.99
9	Marriott Hotel	\$407,518.22
10	401 North Broad Street	\$400,192.85
TOTAL		\$4,419,419.62

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Pass-through to tenants

Mellon Bank
\$553,617.92 annually

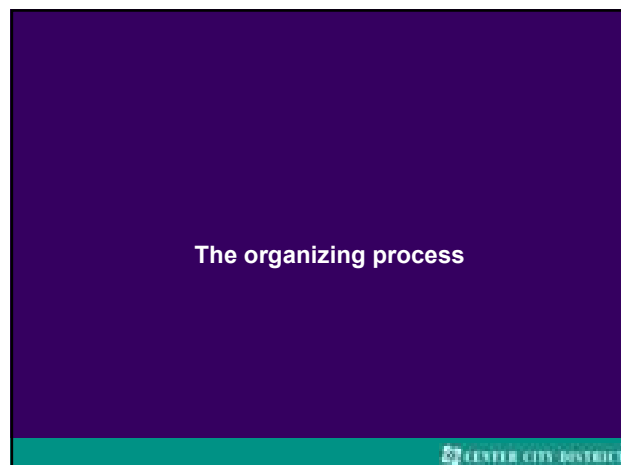
Divided by 1.2 million sf = 36 cents/ft

On top of rent of \$30- \$35/sq. ft.

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271



272

Manage illegal trading



CENTER CITY DISTRICT

273

Create a better pedestrian experience



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Make area more attractive for workers & businesses



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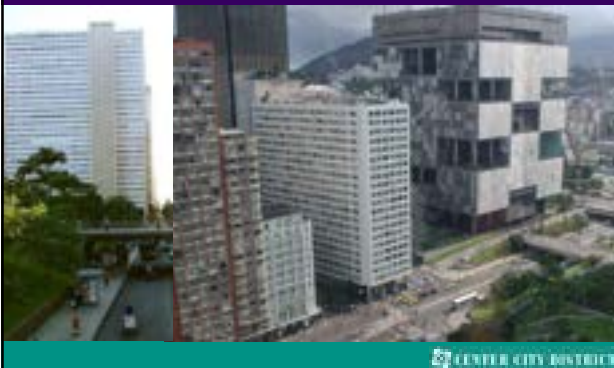
Get Rio ready for 2014



CENTER CITY DISTRICT

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Major property owners must take the lead



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- 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.

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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!
- 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.
- City needs to quantify "base level of services."



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Assess strengths & weaknesses

The image shows two survey forms titled "Conditions Survey" and "Conditions Survey Continued". Each form has columns for "Condition" and "Importance" with a scale from 1 to 5. The "Conditions Survey" lists 10 items, and the "Conditions Survey Continued" lists 10 more items. At the bottom of the second form, there is a section for "Map and location of your district" with checkboxes for "Downtown", "Midtown", and "Uptown".



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Setting priorities for spending

The image shows two forms titled "Priorities Percentages (%)". Each form has a table with columns for "Priority" and "Percentage". The "Priorities Percentages (%) form 1" lists 10 priorities, and the "Priorities Percentages (%) form 2" lists 10 more priorities. At the bottom of the second form, there is a section for "Map and location of your district" with checkboxes for "Downtown", "Midtown", and "Uptown".



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Suggestions for Rio

- 1) Start with things that are easier to achieve & have very visible impact: *clean & safe*
- 2) Add positive elements: landscaping within your control
- 3) Once you have achieved competency & success with the basics, focus on more complex challenges: *homelessness & illegal street trading*
- 4) Then focus on more systemic issues: traffic, urban design, attracting residential uses to business district



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New York City: Office of Small Business Services

The image shows a document titled "BIDS: an overview". It includes a section for "BUSINESS IMPROVEMENT DISTRICT" and a section for "BIDS: an overview". The document is divided into two main sections: "1. What is a BID?" and "2. How to create a BID?". It includes a map of a business improvement district and a list of BID members.



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Continuum from publicly-subsidized to self-sufficiency: 75 BIDs

The image shows a diagram titled "The BID process". It includes a section for "1. Select the neighborhood" and a section for "2. Develop the BID". The diagram shows a flow from "1. Select the neighborhood" to "2. Develop the BID" to "3. Implement the BID". It includes a map of a business improvement district and a list of BID members.



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The role of a business improvement district (BID)

Intermediate scale management: between public & private

*How to get things done in cities without
robust public sector funding*

1. What is a BID & where do they exist?
2. Why form a BIDs
3. What BIDs do
4. The organizing process
5. **Could intimate scale organization like BID complement
& counter-balance strong centrally directed management?**

