



Starting a Business Improvement District in Philadelphia




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MESSAGE FROM THE COMMERCE DIRECTOR

Dear Philadelphia,

Thank you for your interest in Business Improvement Districts (BIDs). We are excited by what BIDs have proven they can do in Philadelphia and are pleased to support our city's businesses in this way. This guide outlines each step of the BID formation process, describes how to evaluate whether creating a BID might make sense for your area, and offers technical information and practical advice on how to create a successful new BID, keeping cost and time efficiency in mind.

Since the founding of the Center City District in 1990, BIDs have been crucial partners in Philadelphia's economic development. The creation of BIDs is consistent with the Philadelphia 2035 Citywide Vision and Plan and contributes toward Mayor Cherrille L. Parker's overarching goal of a safer, cleaner and greener Philadelphia, with access to economic opportunity for all.

We are proud that today, 15 BIDs serve districts across the city including bustling North Broad Street, neighborly Mayfair, an industrial district in Port Richmond, a big box retail district along Aramingo Avenue, and City Avenue—the nation's first BID to include land from two different municipalities within its boundaries. BIDs make valuable contributions to Philadelphia neighborhoods, empowering property owners and businesses to collaboratively advance the economic growth of their areas.

BIDs can provide a variety of services to meet the specific needs of their districts. That includes maintaining clean sidewalks, promoting public safety, and organizing street festivals that keep shoppers anticipating their next visit. BIDs also provide a bedrock of stability for districts when times get tough. Whether it's a global pandemic, a nationwide recession or a local flood, BIDs are there to disseminate urgent information, link businesses to available resources, and support district recovery. BIDs hold a crucial role in ensuring that both businesses and neighborhoods maintain economic strength, even in the face of adversity, helping to create a foundation for long-term success.



Creating a BID is a serious effort that requires cooperation among businesses, property owners, public officials, and other community stakeholders. Be assured that the Philadelphia Department of Commerce provides support before, during, and after the BID formation process. We are a catalyst for inclusive economic growth in Philadelphia by being impact-focused, business centered, and collaborative. We will be there for you at every stage of BID development so that our shared goals become our shared accomplishments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alba Martinez', written in a cursive style.

Alba Martinez
Commerce Director
City of Philadelphia



EXECUTIVE SUMMARY

This guide is for individuals and groups who want to learn more about BIDs and understand the process of launching one in their business district.

What is it about renowned business districts like Times Square in New York, The Loop in Chicago, and Philadelphia's Center City that make them feel so inviting and vibrant? And what makes Philadelphia's smaller destination business districts like Manayunk, Old City, and East Passyunk such hotspots in our city? They all have organizations that work behind the scenes to clean sidewalks, attract new businesses, and program events. In Philadelphia, we have Business Improvement Districts (BIDs) that collect fees from property owners to fund services that make their areas thrive.

BIDs are organizations created by local property owners and businesses to improve their areas. With formal approval from City Council, BIDs collect mandatory fees from property owners in a specified area to fund additional services and improvements to help that area flourish. Like a Homeowner's Association in a residential development, BIDs provide a formal way for commercial property owners and their tenants to fund and cooperatively manage services and improvements within their area.

ABOVE

Roxborough Business
Improvement District



Interested in forming a BID? Let us help.

First things first. Once you've determined that you want to form a BID, it's crucial that you build broad support for your effort. Important constituencies include business and property owners, existing organizations, and your district councilperson. Then, you'll need to make a plan. This guide will help you create a detailed proposal that establishes your district's boundaries, what services the BID would provide, who will pay BID fees, and how much. The final step in establishing a BID is turning your proposal into a legislative bill and working with your district councilperson to pass it through Philadelphia City Council.

This guide will take you step-by-step through these aspects of BID formation. Before you take any of the initial steps in creating a BID you should read through this entire guide. Philadelphia Department of Commerce (Commerce) staff is available to answer questions and help apply information found within this guide toward your district's unique context.



Department of
Commerce

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How To Use This Guide

This guide outlines the BID formation process as four phases: Feasibility, Planning, Outreach, and Legislative, with seventeen detailed steps. It's divided into two parts:

Part A: An Introduction to BIDs in Philadelphia. Part A will introduce you to the concept of BIDs, explore what they're typically used for, and provide some background on the various roles BIDs have played in Philadelphia.

Part B: Step-by-Step Guide to Starting a BID. Part B takes you through the step-by-step process of actually creating a BID.

This guide can also be used by people involved in getting existing BIDs reauthorized. While early steps will not apply, much of the planning and all of the outreach and legislative steps are the same. In addition to detailing the steps of the process, this guide is designed to help interpret and explain the legal underpinnings of BIDs and the BID formation process specified under the Pennsylvania Community and Economic Improvement Act (CEIA) and Municipality Authorities Act (MAA). This guide summarizes the formation processes that are laid out in these laws. When you are forming a BID, you may need to refer to these laws.

Always remember: Commerce is a key partner in creating a BID. Commerce staff can offer you general advice as well as technical guidance throughout every phase of the BID creation process. They can even provide you with templates for many of the specific documents referred to in this Guide. Furthermore, there are consultants who specialize in the field of neighborhood economic development who can be hired to assist in creating a BID.

BELOW

Fishtown Kensington Area BID
(*J. Fusco for Visit Philadelphia*)



Welcome to Bidtown!

Throughout this guide we will use an imaginary community called Bidtown to help explain some ideas about how BIDs work. We hope you enjoy your stay!



GLOSSARY

BID: Business Improvement District

A commercial district in which property owners or businesses pay an additional fee to fund supplemental services or improvements within the district's boundaries. BID, Neighborhood Improvement District (NID), and Special Services District (SSD) are terms that are often used interchangeably.

CDC: Community Development Corporation*

A nonprofit corporation that is engaged in some form of "community development." CDCs typically serve a specific neighborhood but sometimes span broader service areas such as a cluster of neighborhoods or a town. Typical CDC services include affordable housing, workforce, and economic development, but also often include the types of services that BIDs provide, such as district cleaning and safety initiatives.

CEIA: Community and Economic Improvement Act

The Pennsylvania state law governing the creation of neighborhood improvement districts in Philadelphia.

Commerce: Philadelphia Department of Commerce

The City of Philadelphia department that is responsible for neighborhood and citywide economic development. Commerce staff helps new BIDs form and supports existing BIDs, among a variety of other services.

MA: Municipal Authority*

An independent governmental organization created under the Pennsylvania Municipality Authorities Act to finance and/or operate specific projects. Common examples in some PA cities are the water company or the gas utility, but in some cases, BIDs are set up as Municipal Authorities.

MAA: Municipality Authorities Act

The state law governing the creation of municipal authorities (MAs).

NID: Neighborhood Improvement District*

The term used within the CEIA for any geographic area in which an improvement district is created and a fee is levied for improvements or services. BID, NID, and Special Services District (SSD) are terms that often are used interchangeably.

NIDA: Neighborhood Improvement District Act

The state law governing the creation of NIDs everywhere in Pennsylvania (except Philadelphia).

NIDMA: NID Management Association

The term used within the CEIA for an organization that manages a NID. When applying for a BID, you will need to create an NIDMA.

OPA: Office of Property Assessment

The City of Philadelphia office that is responsible for determining how much a property is worth for tax purposes. OPA maintains records of property ownership, addresses, property value and taxes. BIDs rely on OPA property information when calculating and billing their BID fees.

RCO: Registered Community Organization*

Neighborhood organizations authorized under the Philadelphia Zoning Code to review development projects proposed in their area before being reviewed by the Zoning Board of Adjustment. As neighborhood organizations that have some role in the city planning process, BIDs often find themselves working closely with RCOs.

SSD: Special Services District*

A district with a fixed boundary in which supplemental services are provided. Services are funded either by a mandatory tax or fee, or by voluntary contributions made by property owners, institutions, or businesses within the district. BID, NID, and SSD are terms that are often used interchangeably.

**If you have any interest in creating this type of organization, please consult with the Department of Commerce at business@phila.gov. This guide is designed for those interested in starting a business improvement district.*

PART A

BIDs in Philadelphia

This section introduces the concept of business improvement districts (BIDs), the role of BIDs in Philadelphia, and why you might want to think about establishing a BID in your commercial district.

When you look around at the area surrounding your business, do you see opportunities for improvement? Could your commercial corridor use a boost? Would you benefit from being part of a group dedicated to pooling resources for services that all businesses in your area can benefit from? You might want to explore establishing a BID.

BIDs provide a formal way for the stakeholders within a business district to work together to create vibrant, inviting districts. They do this by collecting mandatory fees from property owners in a specified area to create funding for additional services and improvements to benefit that area. Typically, property and business owners in a business district organize BIDs, but their legal authority to charge fees on property requires formal authorization by the City through City Council.

ABOVE

Christmas Village,
Center City District

**ABOVE**

Manayunk Special Services District (*S. Ramones for Visit Philadelphia*)

How do BIDs work?

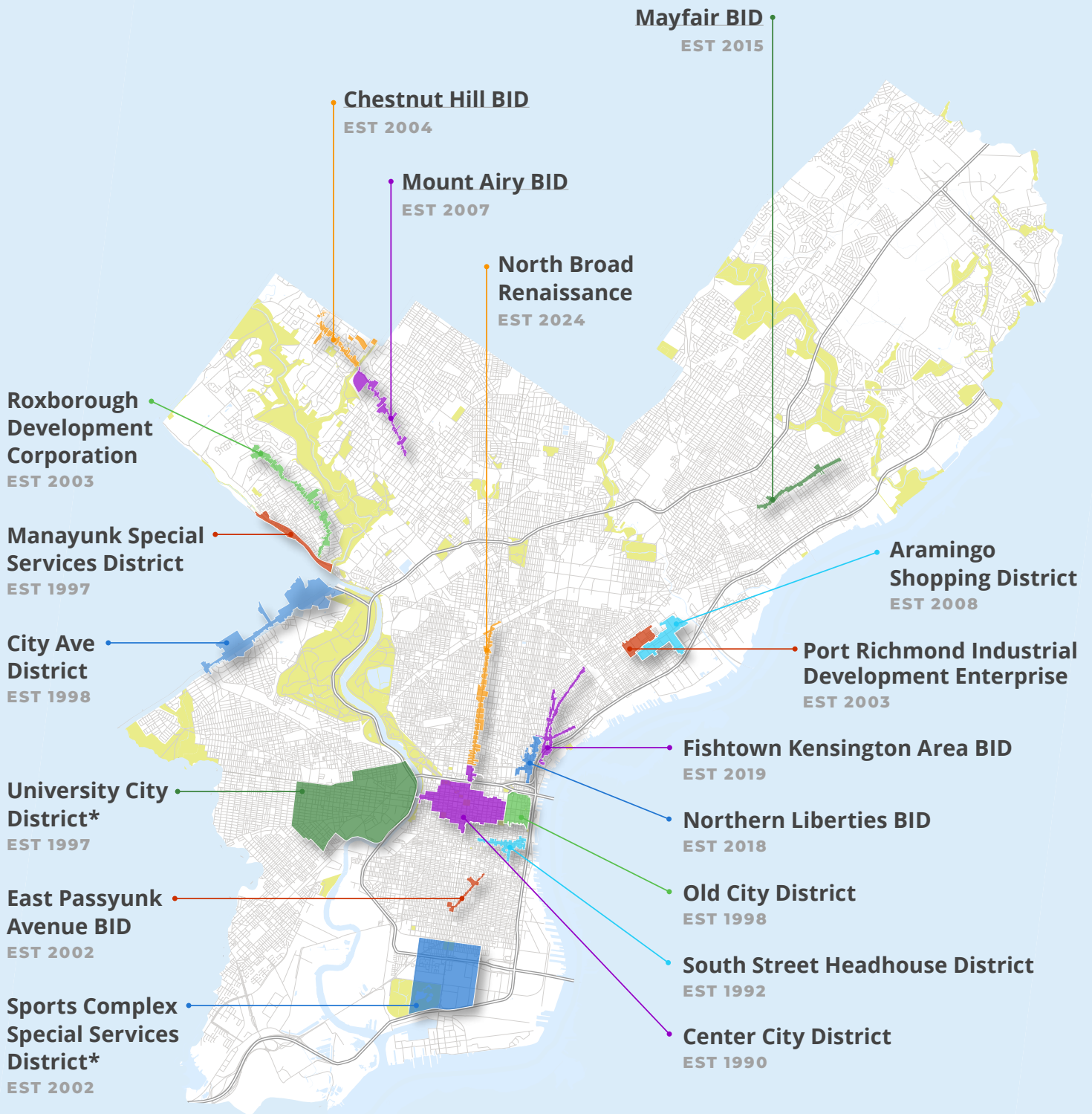
Thriving business districts all share some common attributes. They feel clean and safe and offer shoppers a sense of vitality through some combination of enticing businesses, lively public spaces, stimulating scenery and captivating events. But these attributes don't appear out of thin air. They require dedicated management and consistent funding. This is where BIDs come into play.

A BID is a type of 501(c) organization or Municipal Authority organization that is authorized by the City, usually for a period of five or ten years. This authorization status allows a BID to charge mandatory annual fees on properties within its district boundaries. It also allows a BID to file liens against properties for nonpayment of the mandatory fees during the authorization period. **This is the big difference between BIDs and other types of community-serving organizations: they can charge mandatory fees and file liens.**

The fees collected by the BID provides reliable income to hire staff and perform services that benefit the district. The BID must develop a plan for services that dictates how their fees will be spent. This ensures that all money collected from the district is reinvested back into the district. At the end of a BID's five- or ten-year authorization term, City Council must reapprove its ability to charge fees and file liens.

The map on the following page indicates the locations in Philadelphia that currently have BIDs, which should give you a sense of the variety of commercial districts that have found them useful. The map also includes two entities that are not technically BIDs but rather Special Service Districts (SSDs): University City District and the Sports Complex Special Services District. These districts perform similar services and are similar in their structures to BIDs.

Locations of BIDs in Philadelphia



*University City District and Sports Complex Special Services District are not technically BIDs. They are funded through voluntary contributions by the anchor businesses and institutions within their boundaries and do not have authority through City Council to charge mandatory BID fees or file property liens for nonpayment. We include them in this guide because they function similarly and provide many of the same services as BIDs.

RIGHT

Mount Airy BID maintains a number of landscaped pocket parks along Germantown Avenue. (Mount Airy BID)



Let's think about BIDs in two ways:

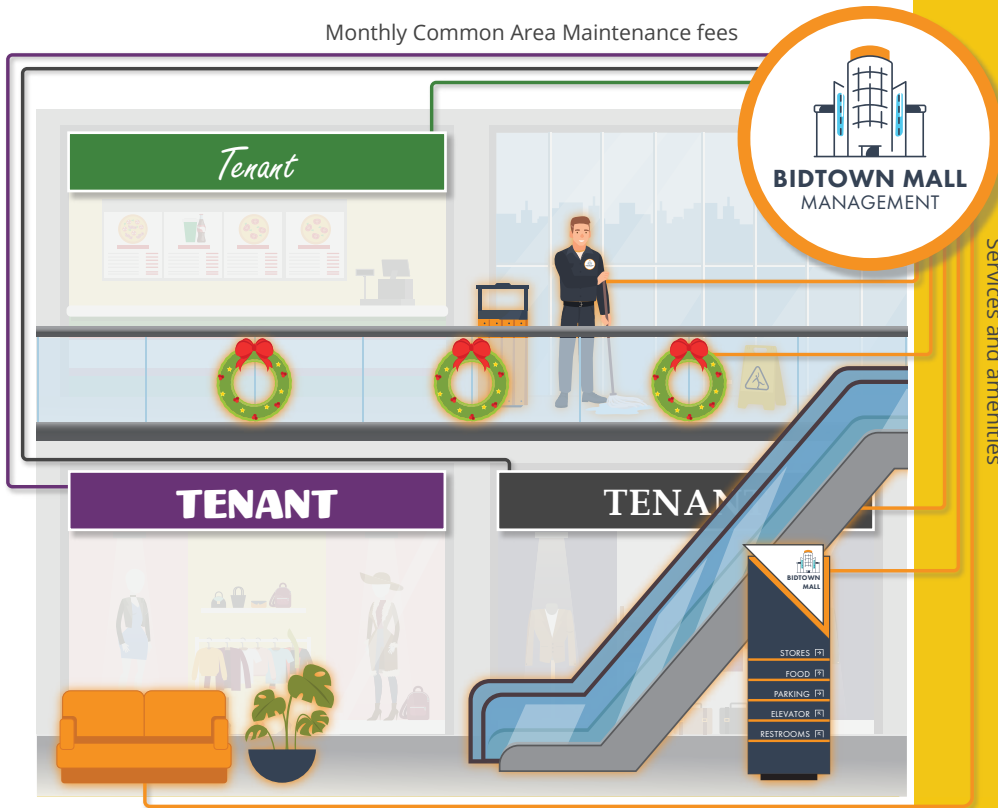
- 1. BIDs as common area maintenance providers.**
- 2. BIDs as business district advocates and boosters.**

1. BIDs as common area maintenance providers.

The idea for a BID is similar to mandatory common area maintenance (CAM), which we see in commercial properties like shopping malls. A mall is normally a single property with one owner and one property manager that rents retail spaces to multiple tenants. Each tenant pays rent and pays CAM fees for services that benefit all of the businesses. Those services might include cooperative advertising and the maintenance of common areas both inside and outside the mall. CAM fees also pay for shared amenities like customer restrooms and holiday decorations, and services like security, parking lot maintenance, and landscaping. Everyone contributes and costs are shared by everyone who benefits.

In urban commercial districts, unlike malls, properties are owned by multiple individual owners and public spaces receive the same baseline municipal services as other areas of the city. However, much like a CAM arrangement in a mall, creating a BID allows property owners to pay for additional amenities and services that help make the business district cohesive and regionally competitive. For example, BIDs oftentimes install branded light pole banners and outdoor decorations to add holiday appeal, similar to what you might see in a mall common area.

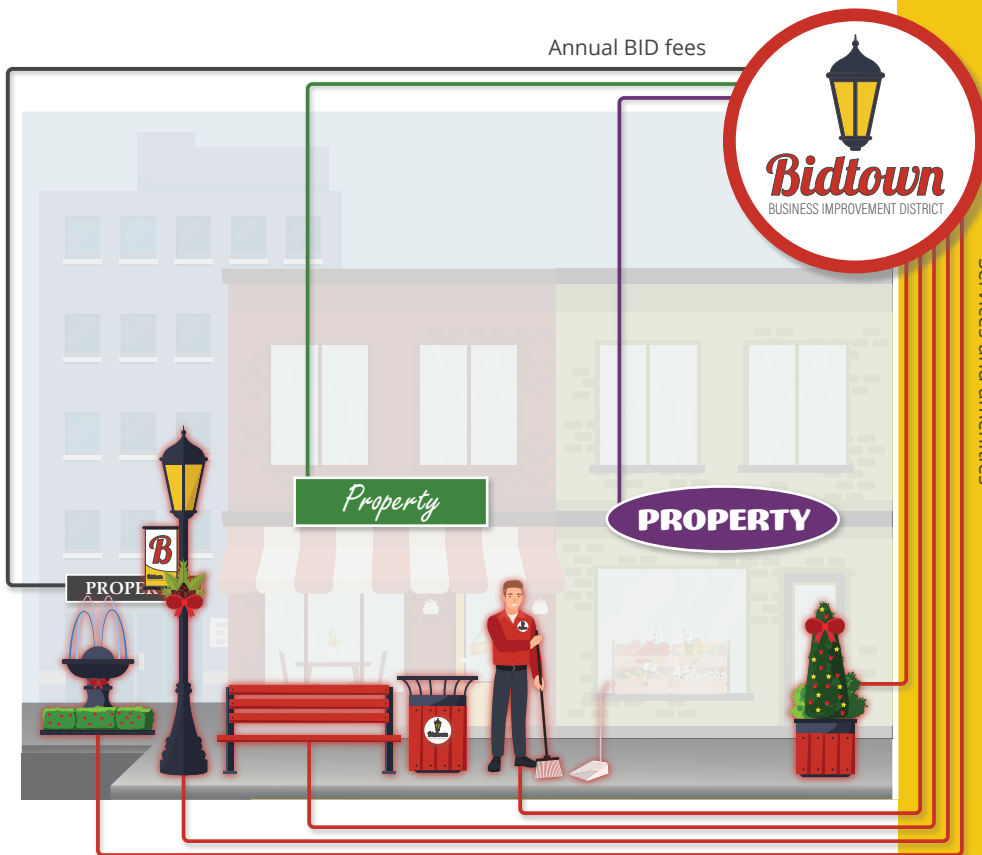
Monthly Common Area Maintenance fees



Bidtown Mall

Like other malls, Bidtown Mall charges rental tenants monthly Common Area Maintenance fees to pay for a variety of amenities and services that make for a clean, comfortable, and uniform shopping environment.

Annual BID fees



Bidtown BID

The BID charges properties within its boundaries an annual BID fee to fund services and amenities. This adds cleanliness, comfort, and uniformity while maintaining the authentic character of the district.

2. BIDs as business district advocates and boosters.

Business districts that establish BIDs can use them to improve their areas however they see fit within the boundaries of the law. Though their typical functions are primarily cleaning, public space maintenance, and security, they have also been used effectively to recruit desirable businesses to fill vacancies, plan events such as street festivals, install and maintain unique street furniture, market and advertise the district, and serve as liaison between the business community and city agencies. That's because they have steady funding and staff to address issues and tackle problems in their areas—and to adapt and respond when different problems arise.

As such, BIDs fit in with other types of community-based organizations like business associations (BAs) or community development corporations (CDCs). In many commercial districts, BIDs and CDCs work together or have interlocking organizational structures. The important difference is that BIDs are authorized under state law and city ordinance to charge mandatory fees and file liens if those fees go unpaid.

RIGHT

Third Thursday, Mayfair
BID (John Leong)



Legal underpinnings of BIDs.

Just as municipalities are created through state law, BIDs are created through city law (known as an ordinance). Before every BID in Philadelphia was created, at some point, a bill was submitted to City Council that outlined the BID's proposed boundaries, budget, and organization. The bill had to survive an objection period, be approved by City Council and be signed by the mayor to be authorized as an ordinance (this process is explained in the Legislative Phase of this guide starting on page 56). When a BID's authorization term comes up for renewal, it must go through the same approval process as before.

The City of Philadelphia is empowered to create BIDs under two separate state laws: The Municipality Authorities Act (MAA) and the Community and Economic Improvement Act (CEIA). The first BIDs in Philadelphia, starting with the formation of the Center City District in 1990, were created prior to any state law that specifically authorized BIDs. They were thus created under the MAA, which was more typically used to authorize the creation of such things as port authorities or school financing authorities. In 1998, the Pennsylvania General Assembly passed the CEIA, which was tailored specifically for the creation of BIDs. Since that time, all BIDs in Philadelphia have been created by city ordinance, under the authority of the CEIA.

The CEIA facilitated the creation of new districts by allowing the entity that runs the district to be a new or existing nonprofit organization, thereby giving districts more independence in selecting board members, among other changes. The CEIA also provides for the creation of districts that serve residential areas. In the act, all service areas (business, residential, industrial) are described as "Neighborhood Improvement Districts" so districts established under the law will often say that they were set up as a "NID," as opposed to a Municipal Authority.

Who can legally do what in a business district?

	Community Development Corp., Business Assn., Civic Assn. & other community groups	Business Improvement District	Municipal Government
Provide amenities like holiday decorations, flower planters, and public benches	✓	✓	✓
Receive donations and grants to fund amenities and services	✓	✓	✓
Impose mandatory fees/taxes on properties to fund amenities and services	✗	✓	✓
File liens on properties for nonpayment of mandatory fees/taxes	✗	✓	✓
Rezone properties to allow or restrict different property uses or building types	✗	✗	✓
Enforce building codes , historic designations or other municipal regulations	✗	✗	✓
Change public infrastructure like adding crosswalks or streetlights	✗	✗	✓
Change parking regulations in an area like adding meters or setting prices	✗	✗	✓
Offer tax incentives and other government subsidies to attract business investment	✗	✗	✓
Mandate what specific businesses come and go from a property, a business district or elsewhere	✗	✗	✗
Mandate who can or can't own a property within a business district or elsewhere	✗	✗	✗

Frequently Asked Questions

WHY CREATE A BID?

- Create a cleaner, safer, and more attractive business district.
- Create a steady and reliable source of funding for supplemental services and programs.
- Be able to respond quickly to the changing needs of the business community.
- Build potential to increase property values, improve sales, and decrease the number of vacant properties.
- Help the district to compete with nearby retail and business centers.



ABOVE

Roxborough Development Corporation staff, board members, and volunteers participate in the Philly Spring Cleanup. (Roxborough Development Corporation)

WHAT DO BIDS DO?

BIDs deliver a range of services over-and-above normal city services and invest in the long-term economic development of their districts. BID services typically include:

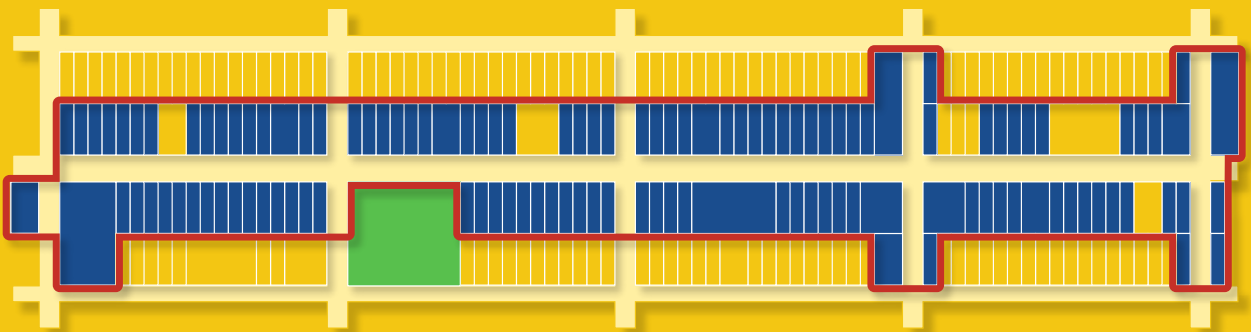
- Public space maintenance, such as sidewalk litter and graffiti removal.
- Public safety, such as “safety ambassador” patrols.
- Hospitality, such as visitor assistance and retail maps.
- Business development, such as business attraction and small business assistance.
- Marketing and promotions through special events, district advertising, and promotions.
- Capital improvements, such as specialty streetlights, custom trash receptacles, directional signs, and street furniture.
- Landscaping, such as new street tree plantings and flower planters.
- Community services, such as fundraising, charitable events, and services for youth and for the homeless.

HOW ARE BID PROGRAMS AND SERVICES PAID FOR?

Fees paid by the property owners that benefit from the BID help to fund BID programs and services. Because they are authorized by the City of Philadelphia, the fees levied by the BID become a legal obligation of the property owner, and failure to pay can result in a lien filed against the property.

WHAT IS A BID FEE, AND WHO IS RESPONSIBLE FOR PAYING BID FEES?

A BID fee is what each property owner pays annually to support BID operations. Fees are determined by the assessed value of the owner’s property and go directly toward services provided by the BID. BIDs can supplement their budgets from additional sources such as grants, parking lot revenues, sponsorship income, or other income-producing activities. To get a sense of BID budgets in Philadelphia, see the table on page 40.



Bidtown BID boundaries.

The red line represents the boundaries of Bidtown BID. Eligible properties (dark blue) within the BID boundaries pay a yearly BID fee. The sum of these fees is the total budget of the BID, which is spent to provide services and improvements exclusively within the boundaries of the BID. Exempt properties (gold) are typically nonprofit, city-owned or owner-occupied residential properties, and do not pay a BID fee. Exempt properties may still be included within the BID boundaries in case they become an eligible property in the future.

WHO IS EXEMPT FROM PAYING BID FEES?

Owners of properties that are exempt from real estate taxes, such as places of worship and nonprofit organizations, are not subject to the BID assessment but may contribute to the BID voluntarily. Some BIDs in Philadelphia do not impose a BID fee on residential properties, or only impose fees upon rentals.

WHO OVERSEES THE BID?

Each BID is independently governed by a board of directors made up of property owners, businesspeople, representatives of institutions within the district, and other individuals, as spelled out within the bylaws that govern the BID organization. The board of directors has fiduciary responsibility to the BID and hires and oversees the staff who administer the BID on a day-to-day basis.

BELOW

Residential property in the East Passyunk Avenue BID.

**BIDs and residential properties.**

CEIA allows flexibility in how residential properties are assessed. Some BIDs created under the act only bill commercial properties (including residential rental properties). Section 7(b)(4) of the act allows higher BID fees for industrial, commercial, and institutional properties than on residential properties, provided that the difference in calculating rates can be rationally justified by the difference in benefits each class of owners receives. BIDs typically charge residential rental properties BID fees like they do commercial properties. This is because residential rental properties generate income for their owners and are therefore a profit-seeking venture.

If the goal is to create a “business” improvement district, it’s typically best to exclude residential owner-occupied areas. Most BIDs are business-led and the interests of business owners are not the same as residential owner-occupants. Past opposition to districts serving residential areas suggests that both single-family and condo owner-occupants are more reticent than commercial property owners and residential rental property owners to welcome BID fees in exchange for special services. For this reason, most BIDs state within their enabling ordinance that they charge residential rental properties a fee but not owner-occupied residential properties.

If the nature of a district requires significant inclusion of residential properties subject to BID fees, BIDs can include provisions within their enabling ordinances to implement a tiered fee structure, allowing lower fee rates for residential properties. It can make sense to charge lower rates for residential properties because BID services are typically business-focused and because owner-occupants often cannot treat BID fees as tax-deductible business expenses like commercial owners do. No matter the case, BIDs must ensure that the difference in commercial and residential fee rates is equitable and complies with the requirements of the CEIA.

WILL CITY SERVICES BE REDUCED IF THE BID IS PROVIDING SIMILAR SERVICES?

No. The services provided by the BID are additional to services provided by the City. For example, even if a BID provides sidewalk litter removal, it will still receive the same level of service from the City of Philadelphia Department of Sanitation as it did before supplemental services were added. When BIDs are authorized, the City enters into an agreement with the BID and commits to maintain the level of services that would be provided if there were no BID in place.

HOW IS A BID FORMED?

Forming a BID requires widespread support among property owners and by extension, their commercial tenants. Both groups should be fully informed about the proposed venture.

That's where you come in.

To create a BID, a core group of property owners and businesspeople will need to invest substantial time and effort to develop a plan and persuade their peers to support the BID. While the initial push for a BID can come from a neighborhood organization, ultimately commercial property owners and businesspeople must take the lead.

A state law, the Community and Economic Improvement Act (CEIA), governs the process for creating BIDs in Philadelphia. Under that act, BIDs are authorized by City Council and must follow a public process that includes:

- notification of all property owners and tenants within the district.
- at least one public hearing.
- a 45-day objection period. If one-third or more of property owners within the district (or the owners of one-third or more of the properties in the district, measured by assessed value), oppose creation of a BID by writing to the Chief Clerk of City Council, the effort is defeated.



LEFT

Seasonal decorations installed by Roxborough Development Corporation on Ridge Avenue inspire holiday cheer. *(Roxborough Development Corporation)*

**ABOVE**

East Passyunk Avenue
 BID (*J. Fusco for Visit
 Philadelphia*)

Does a BID make sense for your district?

Areas that have been successful in creating BIDs typically have the following characteristics:

CHARACTERISTIC A

Concentration of commercial properties

Traditionally, BIDs work best in places with a concentration of commercial properties, where owners can benefit from—and pay fees to support—services that increase the value of their properties and the income they produce.

While large nonprofit institutions, such as hospitals or universities, normally will not be required to pay BID fees, it still makes sense to involve them in the BID planning process. Their support may raise awareness and investment among other property owners.

CHARACTERISTIC B

Low vacancy rates

BIDS receive the most support when there is little undeveloped property in the district. There are two reasons for this. First, vacant land and long-term vacant properties often are tax delinquent and, if so, it is unlikely that these owners will pay the BID fee. Also, when a property is vacant, there is no one in the property to benefit from the BID's services.

CHARACTERISTIC C

Adequate real estate values

Properties within the proposed BID area must have high enough real estate values to generate enough income to pay for a meaningful level of services. Owners will want to see a high proportion of their fees go to paying for services, rather than administrative costs and overhead.

CHARACTERISTIC D

Common interests among owners in the district

BIDs are most successfully organized in areas where property owners can come together to identify services that would be valued by all. In a neighborhood shopping district, for example, it’s important to all businesses and property owners that the district is inviting and well-promoted. That may mean focusing on services such as marketing, beautification, and cleaning. Or, if there are current or pending capital improvements, owners may want to create a BID to sustain the positive momentum created by the improvements and to provide maintenance. On the other hand, districts with a wide variety of uses (residential, retail, industrial, institutional) may have more difficulty organizing owners around a package of services.

CHARACTERISTIC E

Strong local support

The process of organizing and administering a BID requires public review, approval, and oversight. To successfully organize a district, a core group of owners within the district must be willing to act as champions for the idea of creating a BID. Other organizations and individuals working to revitalize the area—including local elected officials and your district councilperson—must understand and support the BID organizing effort, too.



TOP

The Port Richmond Industrial Development Enterprise funds sidewalk cleaning and advocates for district businesses.

BOTTOM

South Street Headhouse District (M. Fischetti for Visit Philadelphia)

BID districts comparable to yours.

The table below can help you identify existing BIDs in areas of Philadelphia most comparable to yours.

Regional hub						
City Ave District	735	425	396	\$1.3B	34,025 ³	\$61,616 ³
North Broad Renaissance	2550	325	261	\$2.3B	20,562 ⁴	\$31,025 ⁴
Neighborhood scale						
Chestnut Hill BID	289	628	289	\$384M	12,770 ³	\$81,838 ³
Fishtown Kensington Area BID	550	1099	817	\$661M	13,690 ⁴	\$75,950 ⁴
Manayunk Development Corp.	250	340	294	\$262M	5,540 ⁴	\$76,763 ⁴
Mayfair BID	360	317	308	\$139M	11,826 ⁴	\$51,218 ⁴
Mount Airy BID	220	418	240	\$220M	30,367 ³	\$54,959 ³
Northern Liberties BID	250	800	500	\$660M	6,915 ⁴	\$100,462 ⁴
Roxborough Development	230	460	323	\$319M	10,157 ⁴	\$76,451 ⁴
Big box & strip mall						
Aramingo Shopping District	213	80	80	\$333M	37,117 ³	\$40,000 ³

¹ 2021 Business Improvement Districts in Philadelphia Report
Philadelphia BID Alliance

² 2024 BID Director Survey
Department of Commerce

³ Within < 10 min drive of district

⁴ Within < 10 min walk of district

Number of businesses ¹

Total number of properties ²

Properties billable for BID fee ²

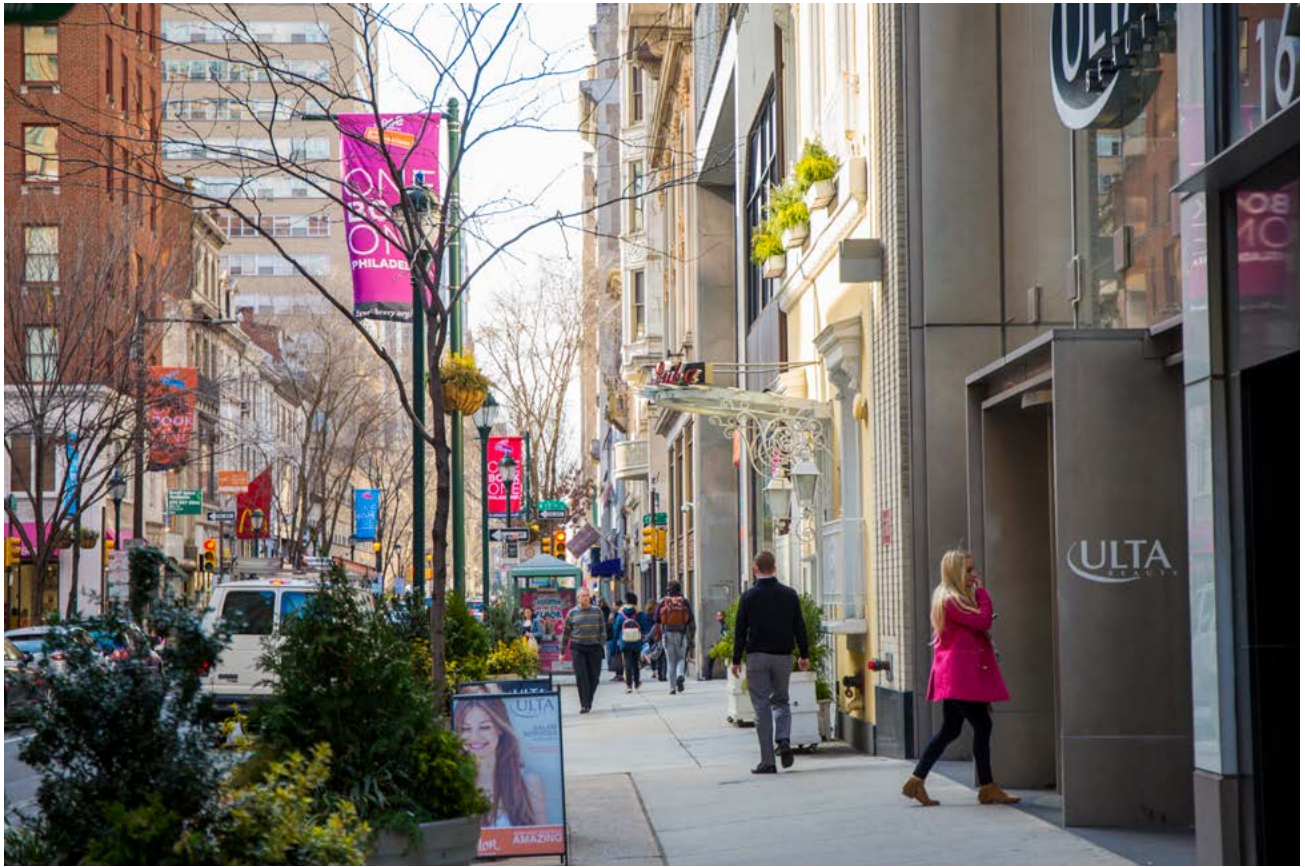
Total assessed value of all billable properties ¹

Households within 10 minutes of BID ¹

Median household income ¹

Checklist: Does a BID make sense for your district?

- It consists largely of commercial property with a minimal amount of single-family residential.
- There is little vacant land.
- Less than 20% of existing commercial properties are vacant.
- There are few tax delinquent properties.
- A BID could generate enough money to provide a meaningful level of service (normally at least \$200K/year).
- Local elected officials are supportive.
- Property owners have a track record of working together and investing in their neighborhood.
- Large nonprofit institutions within the district are involved and willing to consider a multiyear financial commitment.
- Local neighborhood associations and/or community development corporations are aware of, and supportive of, the BID effort.
- There are current or pending capital improvements or public amenities that need to be maintained.

**ABOVE**

Walnut Street in Center City District (*M. Fischetti for Visit Philadelphia*)

A brief history of BIDs in Philadelphia.

Like most large cities during the 1970s and 1980s, Philadelphia experienced the negative impacts of deindustrialization and “white flight,” among other urban disinvestments. Declines in population, jobs, and subsequent reductions in city tax revenue left Center City and many neighborhood commercial corridors struggling with vacancy, petty crime, and deteriorated public spaces.

BIDs emerged as a formal way for local stakeholders to come together, pool resources and address issues specific to their areas. The earliest BIDs in Philadelphia formed as Municipal Authority organizations under a state law called the Municipality Authorities Act (MAA). The first BID established in Philadelphia under this legal and organizational framework was the Center City District (CCD) in 1990. It soon became a national leader in downtown revitalization by focusing on cleanliness, public safety, and adding foot traffic by helping developers convert outdated office spaces into housing units.

Seeing the success of CCD, business and property owners elsewhere in the city formed BIDs under the MAA to tackle issues specific to their areas:

- South Street Headhouse District (1992),
- Frankford Special Services District (1995),

- Germantown Special Services District (1995),
- Manayunk Special Services District (1997),
- Old City District (1998), and
- City Ave District (1998).

The Frankford and Germantown special services districts later disbanded as a result of low satisfaction among property-owners and businesses.

In 1998, a state law called the Community and Economic Improvement Act (CEIA) reduced some of the barriers for creating BIDs by allowing them to establish as 501(c)(3) organizations. Since the CEIA came into effect, all subsequent BIDs have been created under its provisions as 501(c)(3) organizations:

- East Passyunk BID (2002),
- Port Richmond Industrial Development Enterprise (2003),
- Roxborough District (2003),
- Chestnut Hill BID (2004),
- Mount Airy BID (2007),
- Aramingo Shopping District (2008),
- Mayfair BID (established 2015),
- Northern Liberties BID (2018),
- Fishtown Kensington Area BID (2019), and
- North Broad Renaissance (2024).

See a map of the city’s 15 BIDs on page 10.

There have been additional efforts to form BIDs that did not succeed. Some ended during the Planning Phase (see page 28) and Outreach Phase (see page 50) when it became clear to organizers that there was insufficient political or property owner support. Other efforts ended during the Legislative Phase (see page 56) through a formal objection process.



Should we form a Municipal Authority BID or a 501(3)(c) BID?

Although BIDs can form as Municipal Authority organizations under the MAA, The Department of Commerce strongly encourages BIDs to form as 501(c)(3) organizations under the CEIA.

Forming a BID under the MAA requires organizers to jump through additional legal hoops during the formation process and once established, Municipal Authority BIDs must comply with cumbersome requirements that 501(c)(3) BIDs don't have to. There used to be some minor advantages to establishing Municipal Authority BIDs over 501(c)(3) BIDs but adjustments to the MAA and CEIA provisions over time have all but eliminated any advantages worth pursuing.

Simply put, Municipal Authority BIDs require more red tape to establish and operate with little to no gain. For this reason, this guide instructs BID formation under the requirements and procedures of the CEIA.

ABOVE

Old City District (R. Kennedy for Visit Philadelphia)

It's worth mentioning two organizations that function similar to BIDs but aren't technically BIDs. Instead of property owners funding their services through mandatory BID fees, large anchor institutions and businesses within their boundaries fund them through *voluntary* charitable contributions:

- **University City District (UCD)** was created out of an agreement among the major academic institutions and businesses in University City, such as the University of Pennsylvania and Drexel University, to fund cleaning, public safety, and a variety of other services.
- **The Sports Complex Special Services District (SCSSD)** was formed by the venue operators located in the Sports Complex area of South Philadelphia, as part of a community benefits agreement. SCSSD provides litter removal services to the adjacent residential areas regularly impacted by stadium and arena goers.



Creating a BID in a diverse city.

Philadelphia's business districts reflect the wide variety of racial, ethnic, cultural, and socio-economic groups that call this city home. BIDs operating in diverse settings have proven successful at enhancing the shopper's experience, filling vacant storefronts, and supporting businesses of every stripe.

Mount Airy BID serves an even mix of Black and white business-owners and shoppers. North Broad Renaissance is revitalizing the spine of North Philadelphia, which is a majority Black and low-income area with a large population of Temple students of all backgrounds. Mayfair BID, once considered one of Philadelphia's most homogenously white shopping districts, has experienced an influx of Chinese and Latin American residents and corresponding businesses over recent years. In each case, BID organization's provide services, like sidewalk cleaning, that all businesses and shoppers benefit from.

Organizing a BID in a diverse context requires sensitivity and straightforwardness around issues like gentrification and racial and ethnic conflict. It's imperative to include every major constituent group as early on as possible in the planning process, having group representatives sitting on the Steering Committee if possible. It's also important to think seriously about the BID's boundaries, and to listen carefully and incorporate suggestions from all groups within the boundaries and neighboring stakeholders that wish to be a part of the conversation. Part of this inclusive engagement may entail outreach in multiple languages.

Opponents to past BID formation efforts have stoked social differences to divide, and in some cases intimidate, stakeholder groups, instead of speaking to the legitimate pros and cons of BIDs. For BID organizers, it's always important to return the conversation back to the common interests that transcend social divisions, typically the desire for cleaner streets, less crime, reduced vacancy, and overall better business.

There are ample organizations in Philadelphia that can help with organizing a BID within a diverse district. The city is home to general chambers of commerce such as the Chamber of Commerce of Greater Philadelphia, but also to the Diverse Chambers Coalition of Philadelphia. There are also organizations such as the Welcoming Center, which works with immigrant entrepreneurs. These organizations can help BID organizers build relationships across ethnic or racial barriers.

ABOVE

Mount Airy BID board and staff members during the Philly Spring Cleanup. (Mount Airy BID)

PART B

Step-by-Step Guide to Starting a BID



ABOVE
"Summer aBroad"
event, North Broad
Renaissance

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8



The Feasibility Phase

- STEP 1** Contact the Department of Commerce.
- STEP 2** Write a statement of need.



The Planning Phase

- STEP 3** Notify your district councilperson.
- STEP 4** Form a steering committee.
- STEP 5** Hold an initial steering committee meeting.
- STEP 6** Develop a database of property owners and commercial tenants.
- STEP 7** Conduct a district needs survey.
- STEP 8** Draft the BID plan.

- 9
- 10
- 11
- 12



The Outreach Phase

- STEP 9** Send out the first informational mailing.
- STEP 10** Hold the first community meeting.
- STEP 11** Hold the second community meeting.
- STEP 12** Document the results of support gathering.

- 13
- 14
- 15
- 16



The Legislative Phase

- STEP 13** Coordinate with your district councilperson.
- STEP 14** Introduce bill and provide public notice.
- STEP 15** Testimony and objection period.
- STEP 16** Attend Council vote.



The Feasibility Phase

- STEP 1** Contact the Department of Commerce.
- STEP 2** Write a statement of need.

Photo: Daniel Colavito

MEET SHALIMAR THOMAS

EXECUTIVE DIRECTOR

NORTH BROAD RENAISSANCE

For Shalimar, North Broad Street is much more than a commercial corridor—it's the heartbeat of North Philadelphia. It's the area where she grew up, where her mother still resides, and where her son catches his morning bus to work. Deep roots fuel her passion for North Broad's future.

On the heels of a successful career in public relations, she helped establish North Broad Renaissance in 2014. Recognizing the need for sustainable, long-term funding for their revitalization services, Shalimar, her board, and the community worked tirelessly to form a BID for a significant portion of North Broad in 2024.



STEP 1

Contact the Department of Commerce.

ACTION 1.1

Inform the Department of Commerce that your district would like to explore creating a BID.

As a first step, groups considering creating a BID for their commercial area should contact **business@phila.gov**. Your inquiry will be directed to the appropriate staff within the Department. From there, a staff person will get you started with the BID formation process and help you determine whether a BID might be feasible.



ABOVE

First Friday in Old City District (Jason Smith)

STEP 2

Write a statement of need.

ACTION 2.1

Create your statement of need.

A “statement of need” helps to get all members of the group aligned and summarizes the case for a new BID. The statement should reflect the feelings and input of multiple businesses and property owners who generally represent the various interests within your district.

Your group of business and property owners should be able to answer the following questions:

- What kind of district do you have? How would you describe the user groups (e.g., shoppers, residents, daytime workers, tourists) and businesses that are there?
- What are the quality-of-life issues that a BID could address immediately? What is the need for better maintenance of streets, sidewalks, street furniture, and public places throughout the district?
- What are the long-term development goals for the district?
- How could a BID support these goals?



TIP

Down the road, you can modify the statement of need into a one-page handout to give stakeholders throughout the BID planning and outreach process.



The Planning Phase

- STEP 3** Notify your district councilperson of your interest in creating a BID.
- STEP 4** Form a steering committee.
- STEP 5** Hold an initial steering committee meeting.
- STEP 6** Develop a database of property owners and commercial tenants.
- STEP 7** Conduct a needs-assessment survey.
- STEP 8** Draft the BID plan.

Photo: Daniel Colavito

MEET DONNY SMITH EXECUTIVE DIRECTOR MAYFAIR BID

Everyone knows Donny on Frankford Avenue. He's a Northeast Philly native and was a champion for Mayfair well before becoming the BID's executive director. His goal is to retain Mayfair's history while welcoming a diversity of new businesses and shoppers to the area.

Mayfair BID launched in 2015 out of a desire for regular sidewalk cleaning, beautification improvements, marketing, and paid staff to help businesses access City resources like the Storefront Improvement Program. Under Donny's leadership, the BID reauthorized for a second 5-year term in 2020.

**STEP 3**

Notify your district councilperson of your interest in creating a BID.

ACTION 3.1

Meet with the district councilperson who represents the BID area (or their staff).

First, you'll want to find the district councilperson who represents your proposed BID area. While there are 17 members of City Council, ten members represent a specific geographic area. The districts of each can be found by navigating to the "Find My Council Member" function, currently on the front page of the City Council website (phlcouncil.com).

Setting up a meeting with the appropriate district councilperson and/or their staff is important because the BID planning process will not succeed without their support and participation. Typically, the district councilperson representing the BID area will introduce an ordinance that must then be passed by City Council (see Legislative Phase).

An agenda for an initial meeting with your district councilperson should include:

- Reason(s) for BID exploration
- Background on BIDs and examples of BID successes from similar areas
- Description of BID exploration process to date
- Review of the anticipated process going forward
- Feedback from the councilperson on the plan and the process
- Assistance from the councilperson in making contact with owners within the district with whom he or she may have relationships
- Request that the councilperson designate a staff person to participate in BID formation process and Steering Committee.

**ABOVE**

Summer aBroad, North Broad Renaissance (*North Broad Renaissance*)



LEFT, ABOVE

City Ave District staff welcomes a new franchise business to the area. *(City Ave District)*

LEFT, BELOW

City Ave District hosts networking events attended by many professionals in their district *(City Ave District)*



Prepare for questions.

Local elected officials often support BIDs because they bring a higher level of services to address issues faced by constituents, but your district councilperson may be reluctant to lend support to the effort if he or she believes that there will be significant opposition to creating the BID.

As you plan for the initial meeting, keep in mind the following concerns your councilperson will have in evaluating whether to support the BID planning effort:

- Is the leadership group representative of the BID area?
- Has the BID group consulted with other neighborhood organizations in the area? Does the councilperson have a relationship with those organizations?
- Where is the BID organizing effort “coming from?” Is the councilperson aware of your past activities and goals?
- How committed is the leadership group to doing the intensive outreach needed to build support for the effort and persuade those who may oppose the BID?
- If the BID is created, what entity will receive the BID fees and manage the operations?

STEP 4

Form a Steering Committee.

ACTION 4.1

Assemble a Steering Committee to guide the formation of the BID.

The Steering Committee will guide the BID planning process and be the public face of the BID effort. The Steering Committee should be roughly 10 to 15 people: big enough so that members can effectively reach owners throughout the district, but small enough so that individual members can participate in discussions and feel that they have made a significant commitment by joining.



When recruiting committee members, consider which owners, businesspeople, and other stakeholders could be champions for the BID and bring the diverse owners and businesses within your district on board. Why? **A main reason for undecided individuals in your district to support the BID often is who reaches out to them, and who is already on board.**

Individuals from each of the following groups should be recruited:

- Commercial/industrial property owners
- Business owners who rent space within the district
- Representatives of large nonprofit institutions located within the district
- Community organizations (merchants associations, community development corporations, neighborhood civic organizations)
- Residents

The Steering Committee should:

- Consist of a majority of property owners, tenants and/or representatives of large institutions who will be paying a large share of the BID assessment (or making an agreed upon annual contribution)
- Represent the varied interests of the area and the varied geographical sections of your district
- Include individuals who are respected by property and business owners not presently represented on the committee
- Be able to reach consensus on important issues
- Reflect the cultural background and languages of property owners and business owners within your district

When you assemble your Steering Committee, it is important to set your BID proposal up for success. BIDs can be defeated either by one-third or more of the property owners voting against them or by a small group of large property owners whose assessed value adds up to one-third or more of the total assessed value of the properties in the district. So, while the BID Steering Committee should be inclusive of a broad range of different business interests and types, you should pay special attention to those owners who may be paying the lion's share of your assessments when putting the committee together.

**ABOVE**

The Mayfair Holmesburg Parade, Mayfair BID. (*Mayfair BID*)

**TIP**

Reauthorizing an existing BID? You may wish to create a reauthorization Steering Committee that is separate from, but includes members of, the BID board. This provides an opportunity to get new individuals involved in support of the BID, while the board continues to focus on its ongoing business.



“Do we need to hire an expert?”

Ask the following questions to determine what resources the Steering Committee will need to carry out the BID process:

1. Does your committee include members with experience and expertise regarding community revitalization and how organizations are created and managed?
2. Does the committee include a member organization that can dedicate someone to staff the Steering Committee? Activities include assisting the committee chair(s) in developing meeting agendas, scheduling meetings, taking and distributing minutes, and coordinating outreach.
3. Is there an organization that can provide the office supplies, duplication, and mailing services needed?

If you answered yes to all of these questions, your Steering Committee may be able to move forward without developing a budget for BID planning services and hiring a BID creation consultant. Otherwise, you will likely need to develop a budget for BID planning services that includes the cost of a consultant, and may also include costs for staff functions and for materials.

The Commerce Department awards a limited number of BID Planning Grants, depending on the availability of funds.

STEP 5

Hold an initial Steering Committee meeting.

ACTION 5.1

Select Steering Committee chairperson(s).

The committee must choose a chairperson, or co-chairs. The chair(s) should:

- Have extensive knowledge of—and relationships within—the community
- Be capable of gaining the support of property and business owners
- Have a reputation for seeking positive change within the community
- Have a vested interest in the long-term economic stability of the area

The chair(s) will:

- Lead the committee through the planning and outreach phase of BID formation
- Communicate regularly with the Department of Commerce and City Council staff
- Ensure that target dates in the project timeline are met

If no individual is willing to chair, designating two individuals as co-chairs is an option. This may be the better choice if your district consists of distinct sections in which the needs and desired services may be different.



ACTION 5.2

Agree on a vision for the district.

This step may be the most important of all: the committee should agree on a common vision for the development and management of the proposed district. Coming to an agreement on the shared goals and aspirations is essential to rallying support, making the case to your district councilperson, persuading the opposition, and successfully creating a new BID.

Ask committee members to consider:

- Why have they joined the committee?
- What are the area’s greatest strengths and greatest weaknesses?
- Which problems can be readily solved locally by the application of additional BID resources?
- What kind of a place do they want the district to be?

Once you have gathered input, publish and circulate the vision statement to all members and invite them to respond to it. From there, you can refine the statement as the planning process unfolds.

A good vision statement is a shared point of view that will mobilize the community and help prioritize short-term goals, long-term goals, and the work of the BID.



LEFT

North Broad Renaissance volunteers clean, green, and beautify North Broad Street. *(North Broad Renaissance)*





ACTION 5.3

Define tentative district boundaries.

Once the group has agreed on a common vision, identify boundaries for the district. Within the district boundaries is where the BID will provide its services and where the BID will charge a fee upon *all* commercial properties in accordance with its fee formula, which will be explained in Action 8.3. Although these boundaries may change throughout the course of your planning process, you must identify them up front in order to estimate the costs of proposed services and know whom to contact during outreach. The district boundaries should state exactly which streets and property addresses to include.

The district boundaries should be as tight and contiguous as possible. Avoid zig zaging around commercial properties with owners who object to the BID and avoid boundary stretching to include those lone corner stores at the ends of adjacent residential blocks.

ACTION 5.4

Identify resources for planning.

You will need the following resources to complete the BID planning process successfully:

- **Staff to coordinate Steering Committee meetings and outreach.** Creating a BID will take at least 12 months. During the least demanding steps, these “staff” functions will require roughly 8 hours per week. The most demanding times can require a staff person working a full 40-hour week.
- **Material costs and advertising.** The group will produce flyers/handouts and may do a number of general mailings. Depending on what languages are spoken in your district, the Steering Committee may need to pay to have outreach material translated into other languages.
- **Expert guidance.** While the Department of Commerce will provide guidance throughout, you may decide to hire an independent expert as a consultant to help lead the BID process.

Care in selecting boundaries.

As the group considers boundaries, there may be a desire to expand the district, so that areas on the edge of the district also benefit from BID services, or to capture high-value properties within the boundaries. Keep in mind that a BID that serves a dense, cohesive district can be more easily organized in support of the BID and may function better into the future.

As you evaluate boundaries, consider:

- Do the BID boundaries encompass an area that is commonly thought of as a district—an area with a distinct identity and shared interest among the owners?
- Are there natural boundaries like parks or highways that determine the edges?
- Do owners on the fringes of the district feel like they are part of the rest of the district?
- Will providing services throughout the district make economic and operational sense? Here you should be thinking both as a community organizer and as a businessperson: can you create a zone of shared interest and also raise enough money to provide services that will have a visible impact?



■ ACTION 5.5

Set a project timeline.

Using the “BID Planning Worksheet” form included at the end of this guide, the Steering Committee should draft a project timeline with target dates to complete the action items listed. The timeline will help the committee use its time efficiently and stay on schedule. You can always adjust the timeline if steps are completed ahead of time or behind schedule, and redistribute the revised plan to all committee members.

STEP 6

Develop a database of property owners and commercial tenants.

■ ACTION 6.1

Develop a database of property owners and commercial tenants within the tentative boundaries of the district.

Once your proposed BID boundaries are established, develop a database with contact information on every property within the boundaries. The database doesn't need to be complicated - a large spreadsheet in Excel will do just fine for most neighborhood business districts.

You will use this information throughout the process to contact property owners and commercial tenants about the BID, soliciting their feedback and support. (Remember to keep accurate and comprehensive records of these communications because outreach is an important consideration in the public approval process.)

A good database will include:

- The Office of Property Assessments (OPA) account number and address of each property. (Note: the OPA address may not match the mailing address.)
- Information on the building type/use and assessed value of all taxable properties.
- Names of all property owners and commercial tenants.
- Mailing addresses for all property owners and commercial tenants.
- Fields to track property owner support or opposition to the BID.



ABOVE

Manayunk Canal Towpath,
Manayunk Development
Corporation (*M. Kennedy for
Visit Philadelphia*)



- A field to track tax-exempt properties, which would include nonprofits, places of worship, and government properties.
- Phone numbers, email addresses, or other contact information for all property owners and commercial tenants (where possible).

To get you started, the Department of Commerce will supply a template for this database complete with the property and owner information from the Office of Property Assessment (OPA). The Steering Committee will need to gather further information on commercial tenants. This is easy to do through the Free Library of Philadelphia’s website by accessing a database such as Reference USA. There, Free Library card holders can obtain business names, addresses, and contact information.

As the process continues, stay in touch with property owners. You should track the positions of property owners (support or opposition), and you will also need to produce logs of phone calls and meetings with property owners and commercial tenants.

STEP 7

Conduct a needs-assessment survey.

ACTION 7.1

Prepare a needs-assessment survey.

A needs-assessment survey helps identify which services and programs property owners and commercial tenants feel are highest priority for the BID. Survey responses will be used to develop the proposed BID plan in Step 9. The Department of Commerce can provide a sample survey that the committee can use or modify.



TIP

Information from City tax records can sometimes be out of date. If there is any doubt about ownership, try asking tenants and neighbors to confirm ownership and mailing address information.



TIP

Personally contacting business owners within your district is not only a way to gather accurate data, but also can be an excellent way to build supportive relationships for the proposed BID and to confirm ownership information.



LEFT

South Street SpringFest, South Street Headhouse District (*M. Edlow*)



TIP

In this process, it can be helpful to reach out and establish a close working relationship with the police captain for your area, who can provide information about crime patterns and make suggestions about BID activities and programs that can reinforce the efforts of the Philadelphia Police Department.



ACTION 7.2

Distribute the needs-assessment survey.

Mail, email, or hand-deliver the survey to all property owners and commercial tenants.

You can also get input from residents and shoppers on the district’s most pressing needs. SurveyMonkey or other online tools, including QR codes on flyers, can be an efficient way to gather this type of feedback. Please be aware that you may have to make the survey available in multiple languages.

ACTION 7.3

Collect the survey and tabulate the results.

Survey results provide a snapshot of what owners in the district want and can be used as a promotional tool for the BID effort. Make a concerted effort to collect as many completed surveys as possible. Once surveys have been collected, take a look at the results and have committee members review them.

Looking ahead: A short description of the survey process and a summary of the results should be incorporated into handouts used during the support-building and outreach phase.

STEP 8

Draft the BID plan.

The BID plan is the “business plan” for the BID and the most important deliverable in the planning process. It describes the programs and services to be delivered by the BID and includes the operating budget and how you will calculate BID fees. The plan also indicates the length of time that the BID will be authorized (normally five years) and how the BID will be governed and managed.

Once the BID plan is complete, it should be able to answer most questions about the new BID (within reason). Again, the plan will also be part of the legislation to be considered by City Council to establish the BID.



ABOVE

Holiday decorations set BID districts apart from many other shopping districts in the city, East Passyunk Avenue BID.



ACTION 8.1

Determine services and improvements.

The service and improvements the BID will offer will be based on all the input you've received up to now. Review the prior work of the Steering Committee and the results of the needs-assessment survey to figure out the services and improvements to be included in the BID plan.

Common services and improvements provided by BIDs include:

- **Sanitation and maintenance:** Maintenance workers are hired to regularly sweep sidewalks, maintain public trash receptacles, and remove graffiti from utility poles and alike.
- **Security and hospitality:** Public safety officers are hired to serve as unarmed security guards and often provide hospitality services to visitors by giving directions and aiding in other ways. Some BIDs have provided substations and negotiated improved deployment strategies with their local police captain.
- **Marketing and promotion:** Activities may include displaying holiday lights, hanging banners, publishing restaurant/shopping guides, and hosting special events or festivals.
- **Landscaping and beautification:** Improvements might involve purchasing new trashcans, custom street signage, and landscaping improvements such as street trees.

Once you have identified which services and improvements you want to provide, consider how much work is required and estimate the cost. (For example, if the BID will provide sidewalk cleaning, estimate how many workers will be needed and how many hours per week they will work.)



ABOVE

Pedestrian crosswalks installed on Main Street in partnership between Manayunk Development Corporation and the City.

Services offered by BIDs in districts comparable to yours.



TIP

The Department of Commerce can provide a list of companies that currently provide services to existing BIDs, which you can contact for planning and pricing purposes. Consult with these firms in the planning phase but make no commitments. You will get the best prices if you competitively bid your services when you are ready to get started.

The table below provides a broad understanding of the services provided by BIDs in districts most comparable to yours. It's worth noting that BIDs may provide varying degrees of service on a given issue based on their staffing, budget, and level of district need. For instance, one BID marked below for providing "planters / landscaping / greening" may pay tens of thousands of dollars to maintain seasonal planters while another may coordinate free tree plantings with the City.

If you're curious what BID programs look like in a district similar to yours, reach out to the Department of Commerce. Staff will share their knowledge and help connect you with relevant BID contacts.

Regional hub																	
City Ave District																	
North Broad Renaissance																	
Neighborhood scale																	
Chestnut Hill BID																	
Fishtown Kensington Area BID																	
Manayunk Development Corp.																	
Mayfair BID																	
Mount Airy BID																	
Northern Liberties BID																	
Roxborough Development Corp.																	
Big box & strip mall																	
Aramingo Shopping District																	

2024 BID Director Survey Department of Commerce

Litter removal																	
Maintain public trash receptacles																	
Sidewalk pressure washing																	
Graffiti removal																	
Planters / landscaping / greening																	
Seasonal decorations																	
Public space improvements (plazas, bike paths etc.)																	
Public art projects (murals, bike paths etc.)																	
Capital improvements (streetlights, sculptures etc.)																	
Parking lot management																	
Public safety services																	
Homeless outreach / services																	
Marketing / social media / services																	
Events / promotions																	
Business assistance																	
Business attraction																	
District advocacy																	



ACTION 8.2

Determine the first-year budget and total billing amount.

The list of programs and services and their estimated costs will help the Steering Committee develop a “service driven budget.” Use the worksheet to the right to begin drafting out a basic BID budget and fine tune further drafts in spreadsheet format.

Once there is a good idea of the total BID budget amount, it's time to factor in padding for uncollectable fees. Even though BID fees are a required payment, some will go unpaid. Eventually, the BID will file liens against delinquent properties and those funds will be recouped.

For a BID's first year, it is best to anticipate lower collections rates than following years, once property owners begin to recognize the bill in the mail and understand that it's a required payment. Future BID budgets can include lien settlement revenue as part of their funding stream.

The BID budget plus the anticipated uncollectable BID fees equals the BID's total billing amount. Understanding this and distinguishing between the BID budget and the BID's total billing amount will be important in Action 8.3.

Building a BID budget and total billing amount.

Consider the following expenses when developing a service-driven budget:

Services costs

- Sanitation
- Public safety initiatives
- Promotions/advertising/events
- Seasonal decorations
- Landscaping/beautification
- Other
- + Total supplemental services

General & administrative costs

- Staff salary & fringe benefits
- Office rent
- Technology
- Internet and phone
- Printing/postage
- Software licenses
- Office supplies
- Insurance
- Bookkeeping, audit, & legal services
- Payroll service & bank charges
- + Total general & administrative

Miscellaneous

- Contingency fund
- + Total miscellaneous

= **Total BID budget**

Uncollectable BID fees

- Allowance for uncollectable BID fees
- + Total uncollectable BID fees

= **Total billing amount**

BID organizations serving districts comparable to yours.

The table below can help you identify existing BID organizations serving areas similar to yours and understand the degree of staffing and budget needed to serve their areas. If you wish to learn more about how comparable BIDs budget and staff their organizations, reach out to the Department of Commerce. Staff will share their knowledge and help connect you with relevant BID contacts.



TIP

You may notice below that most BIDs have total annual operating budget amounts that exceed their BID fee revenues. This is because most BID organizations have additional revenue sources, including grants, funds from managing parking lots in their districts, and revenue from events and sponsorships. Some mature BIDs also contract with outside organizations on a fee-for-service basis that generates additional revenue benefitting the BID.

Regional hub						
City Ave District	\$1.8M	\$1.6M	5	0	13	0
North Broad Renaissance	\$1M	\$720,000	2	1	5	6
Neighborhood scale						
Chestnut Hill BID	\$460,000	\$460,000	2	1	0	3
Fishtown Kensington Area BID	\$980,000	\$750,000	2	1	0	4
Manayunk Development Corp.	\$1.8M	\$350,000	5	2	3	0
Mayfair BID	\$275,000	\$275,000	1	0	0	8
Mount Airy BID	\$270,000	\$255,000	1	0	2	1
Northern Liberties BID	\$690,000	\$570,000	2	1	3	0
Roxborough Development Corp.	\$650,000	\$370,000	5	1	1	1
Big box & strip mall						
Aramingo Shopping District	\$486,000	\$479,000	1	0	9	0

2024 BID Director Survey, Department of Commerce

¹ North Broad Renaissance total budget includes funds spent toward the organization's total service area, which is larger than the BID boundaries.

Total annual operating budget

Annual BID fee revenue

Full-time managerial, admin & other office staff

Part-time managerial, admin & other office staff

Full-time cleaning, safety & other on-street staff

Part-time cleaning, safety & other on-street staff

Staffing figures may include contracted labor, such as sidewalk cleaning crew members employed through a third-party cleaning company.



ACTION 8.3

Understanding how BID fees are calculated.

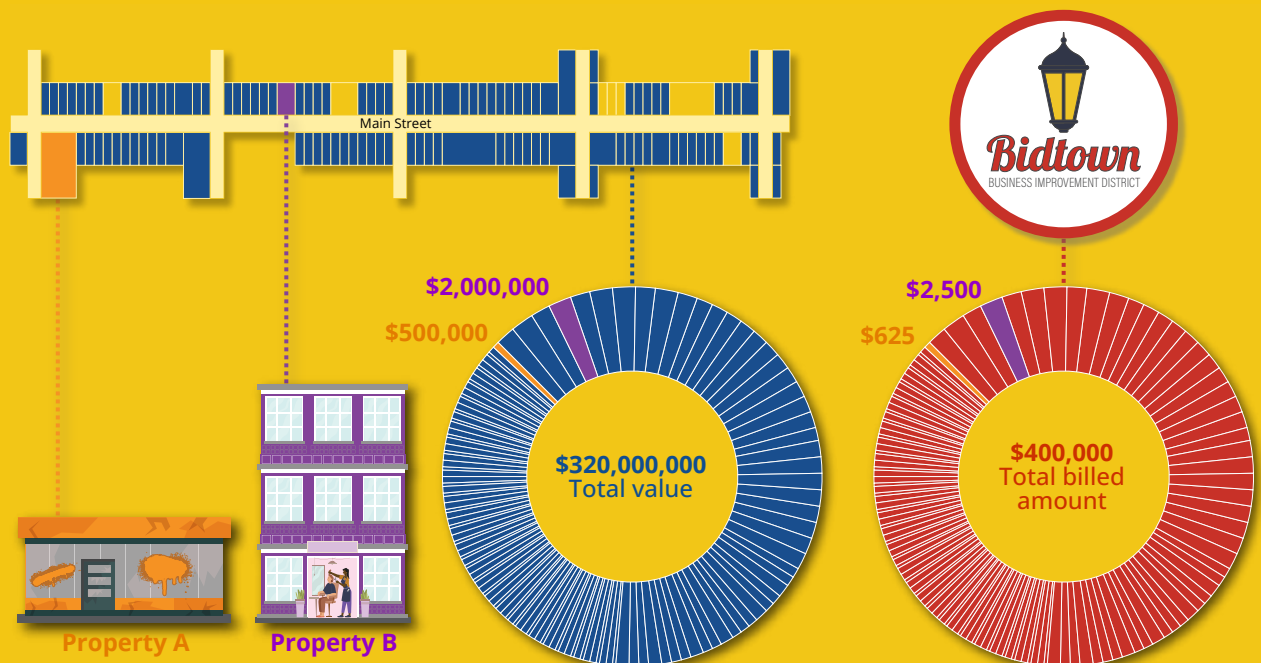
State law requires that the costs of BID services be shared fairly. That means each property owner pays an amount that is roughly equal to the benefit they will receive. With that in mind, a formula is used to figure out the exact amount each property owner will pay each year.

Although BIDs across the state and the nation have used different methods to calculate their BID fees, the Department of Commerce recommends using what is called the *fixed-budget method*. All of Philadelphia's 15 BIDs use this method so it is considered best practice.

The fixed-budget method starts with the BID's total billing amount for the year and works backward to determine each billable property's fee. This method ensures that the BID will never collect drastically more or less than what it plans to spend on its BID budget for the year.

This is unlike a standard property tax. Standard property taxes charge a fixed percentage of a taxable property's value and the total amount collected across a community can change from year to year, depending upon the real estate market and other factors. Under the fixed-budget method, the total amount that will be billed across all properties is pre-determined and all taxable properties within a community –in this case, a business district– are charged a portion of that predetermined total.

What each property pays toward the BID's total billing amount is determined by its property value. Higher value properties pay higher BID fees and lower value properties pay lower BID fees. The graphic below illustrates how BID fees run proportional to property values in Bidtown BID. Property A (shown in orange) is valued at \$500,000 and will be billed \$625, whereas Property B (shown in purple) is valued at \$2,000,000 and will be billed \$2,500.

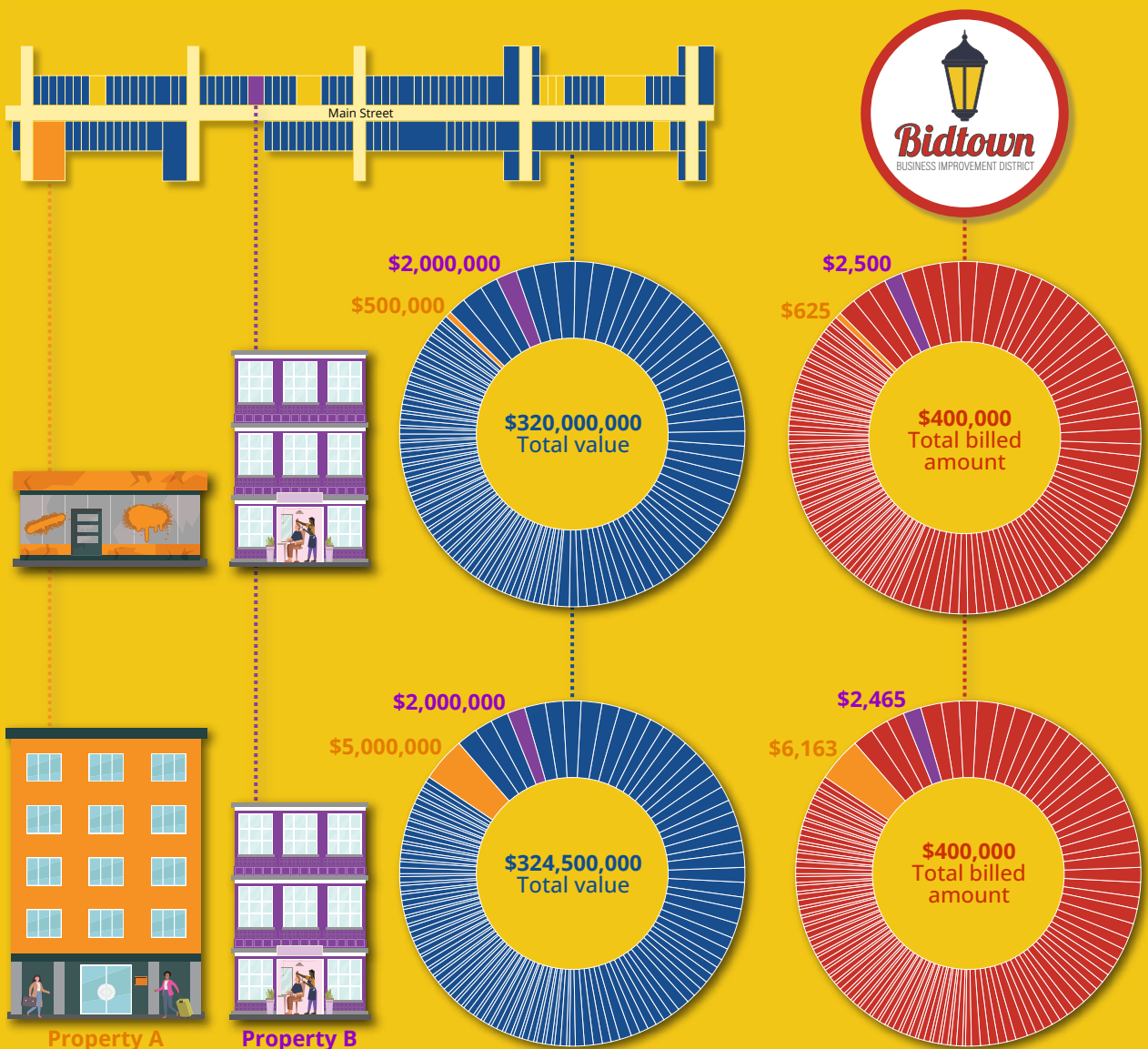




The fixed-budget method is a highly transparent and predictable way to plan the BID program and determine what each property must pay. When presenting the BID plan to stakeholders, organizers can clearly show BID budgets and total billing amounts over multiple years and dispel suspicions over unreasonable billing increases and how the BID will spend its funds.

The fixed-budget method allows for greater equity in fees charged. Large increases in the assessed value of one or more fees-paying properties can result in other properties paying lower BID fees as a result. Again, we can look to Bidtown BID as an example. If Property A's assessed value increases due to redevelopment, its annual BID fee increases and Property B's annual BID fee decreases as a result.

To think of it another way, the fixed-budget method treats the BID's total billing amount like a pie and each property's BID fee as a slice of the pie. If one slice (BID fee) gets bigger, all other slices (BID fees) get smaller, but the total size of the pie (total billing amount) remains the same.





How the fixed-budget method and its formula work.

The BID's annual budget is identified for each of the years that the BID will be authorized (typically five years). After Year One, the budget is usually increased by some small percentage every year that follows to account for inflation.

The annual BID budget amounts for every year is included in the authorizing ordinance for full transparency. These amounts specify the maximum the BID is allowed to bill in fees, but it can always charge less if it decides to do so.

Obtaining property values from the Office of Property Assessment.

Each property's BID fee is determined by the value of their property versus the combined value of all other billable properties in the district.

The Office of Property Assessment (OPA) determines these values. ***The specific OPA property value you will be using for each and all properties will be the "assessed value"*** - not market values, not the latest sale prices or other modes of valuation. Property.phila.gov allows users to search every property in the city by address to identify its assessed value.

Other helpful information on a property's profile page includes whether or not it is up to date on its City property taxes. If a property shows a history of tax delinquency, it's a pretty good bet that that they will not pay their BID fees either.

Instead of having to look up properties one-by-one, your contact at the Department of Commerce can help you get a list of assessed property values from OPA using your database information collected in Step 6.



ABOVE

Mt. Airy BID removes graffiti along Germantown Avenue. (Mt. Airy BID)



Let's break down the formula.

To calculate a property's BID fee for the year, the property's value is divided by the combined value of all billable properties within the district, then multiplied by the BID's total billing amount.

Let's use Bidtown BID to break down this formula, step by step. First, an individual property (shown in green) will have its value divided by the sum total of all *billable* property values within the district (shown in blue). Billable properties are properties within the BID that are subject to BID fees and do not include properties that are exempt from BID fees (shown in gold).

What results is a small fractional number. This number represents the property's value as a fraction of the value of all billable properties in the district.

The second step of the formula multiplies this fractional number by the BID's total billing amount. This equals the property's BID fee for the year.

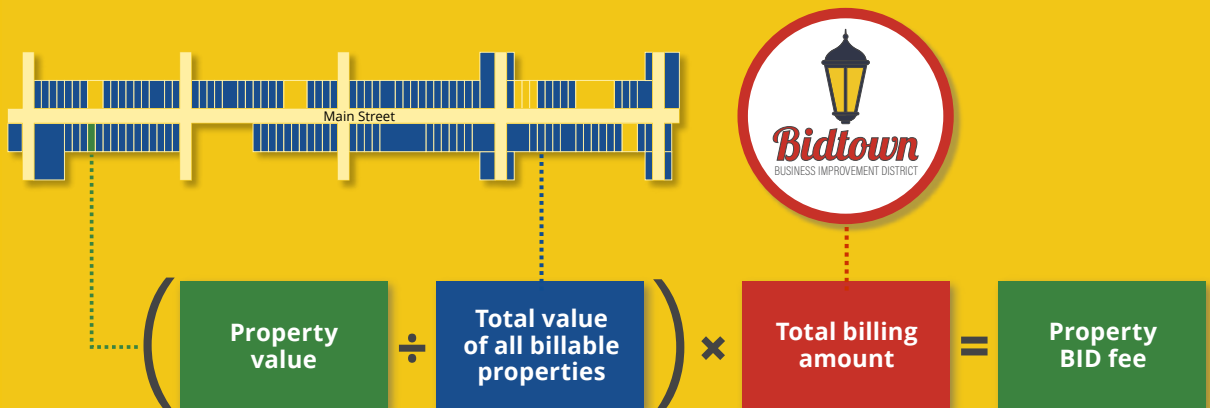
This clear and simple formula ensures that every property that pays into the BID ends up paying an amount that is proportionate to its property value.

Properties exempt from BID fees.

The CEIA dictates that tax-exempt properties are also exempt from BID fees. This includes government-owned properties, such as schools and parks, as well as non-profit-owned or operated properties or building units, such as places of worship, social services providers, most colleges and universities, non-profit healthcare providers, and alike.

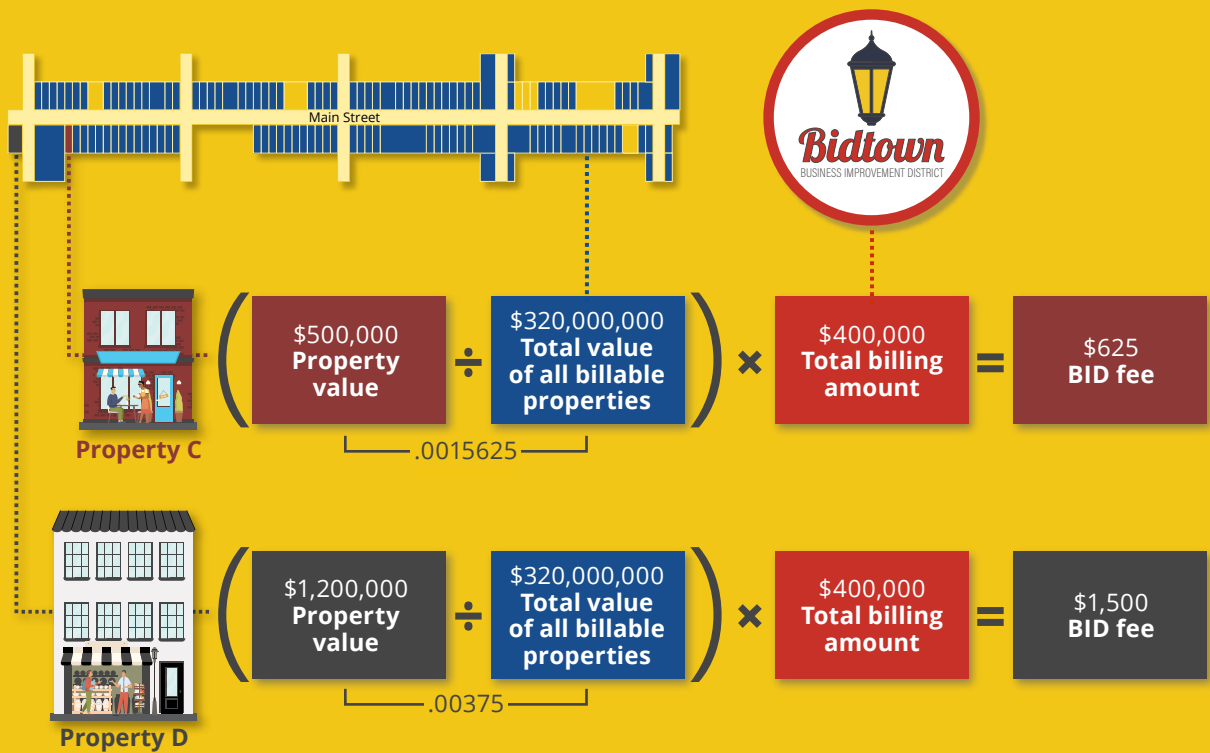
In addition to these mandated exemptions, it's common for BIDs to choose to exempt owner-occupied residential properties and building units from BID fees. These can include typical single-family homes as well as condominiums. They do this by including an exemption provision within their authorizing ordinance. The reasoning behind exempting owner-occupied residential properties and building units is that they are not being used by their owners to generate a profit.

Most BIDs do, however, levy fees upon renter-occupied residential properties and building units because they are operated for profit and can be thought of broadly as a commercial enterprise.



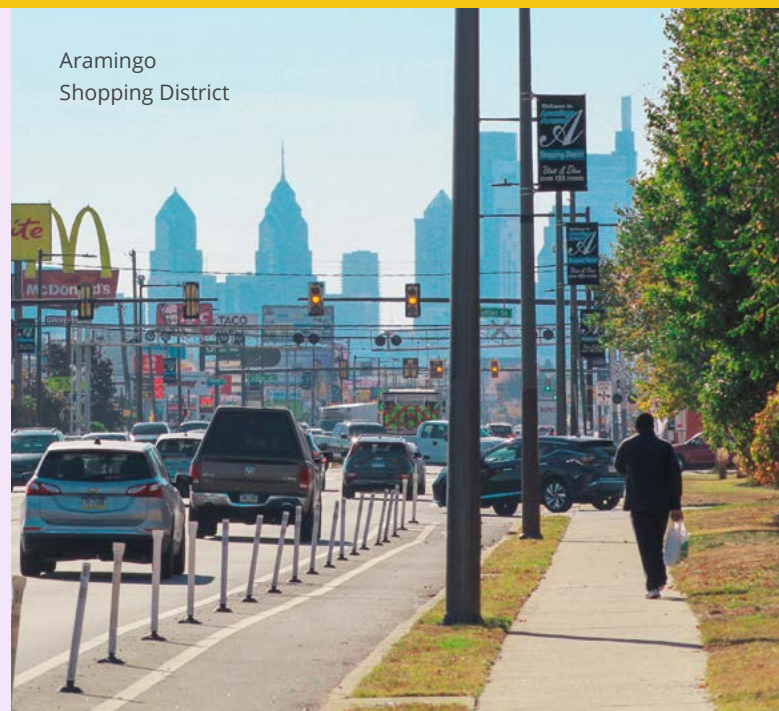
Now that we understand the reasoning behind the fixed-budget method and the mechanics of its formula, let's apply it to a couple of properties in Bidtown BID.

Property C (shown in brick color) has a value of \$500,000 according to the most recent information from OPA. This amount is divided by the total value of all billable properties within the district, which is \$320,000,000. This equals .001565 and is multiplied by the BID's total billing amount of \$400,000, resulting in a BID fee of \$625. This calculation is repeated for Property D (shown in black), which is valued at \$1,200,000 and will be billed \$1,500.



Other options for determining your assessment formula.

State law gives flexibility in determining the basis for the BID fees, as long as the method is equitable. If basing the fees on the property's assessed value for real estate tax purposes will not work for your district, the Department of Commerce can review other possible methods for determining your BID fee formula, such as formulas based on linear front footage in a retail district.



Aramingo Shopping District

**LEFT**

Gateway signage installed and maintained by BIDs welcomes shoppers and creates a sense of place, City Ave District. (City Ave District)

Figuring in tax abatements.

In some districts, newly constructed or rehabbed properties have been granted a 10-year abatement on property improvements. This can lead to confusion when determining a property owner's BID fees. Here's the bottom line: while nearly all of Philadelphia's BIDs rely on OPA data, **BIDs are not automatically required to mirror the City of Philadelphia's real estate tax abatement programs.**

Most BIDs have made properties with real estate tax abatements subject to a BID fee based upon the total assessed value of their property, including the abated amount. While real estate taxes support general services citywide, BID fees are for services that directly benefit and are exclusively provided to properties within the BID—regardless of the amount of taxes paid to the City.

ACTION 8.4

Run the numbers.

Now that you and the Steering Committee understand how BID fees are calculated, it's time to run the numbers for multiple individual properties to see if they seem reasonable. For most BIDs in Philadelphia, a reasonable BID fee amounts to 5% - 15% of a property's real estate taxes. So if a property's real estate taxes are \$10,000, a reasonable BID fee will run about \$500 - \$1,500. Although higher percentages are possible –there is no legal limit to what BIDs can charge– it is best to not to exceed 15%.

- If your fees seem reasonable, the committee should proceed with the BID budget and total billing amount as written.
- If not, scale your budget and total billing amount back and recalculate fees until satisfied.



ACTION 8.5

Determine how the district will be governed and managed.

The state law gives BID organizers a lot of flexibility in determining what kind of organization will manage the BID. The downside is that the law does not provide much guidance in this area. Here are some recommendations.

Bring in an experienced attorney.

Steering Committee members should conduct discussions about how to set up the BID organization with an attorney experienced in nonprofit law who can help discuss the pros and cons of the various ways of structuring the organization.

Creating a NIDMA to guide the BID.

The BID plan must indicate what organization will manage the BID's affairs; this organization is referred to as the NIDMA in the state law. The bylaws of the NIDMA will be a required attachment when the ordinance goes before City Council.

The Steering Committee will need to evaluate the following key questions:

- Should the NIDMA be a new entity?
- What should the bylaws require in terms of board composition?
- What should the name of the NIDMA be?
- Should the NIDMA be structured so the entity can seek 501(c)(3) nonprofit status?



While an existing organization can serve as the NIDMA, creating a new entity often is the only way to ensure that the mission of the NIDMA matches the goals of the BID effort and that property owners and businesses paying assessments play an ongoing role in guiding the BID.

What is a NIDMA?

The BID plan must designate an organization to manage the district called the "Neighborhood Improvement District Management Association" (NIDMA). The Steering Committee may create a new organization or designate an existing nonprofit or municipal authority as the NIDMA.

If a new organization is created:

- The board must have an odd number of members totaling between 5 and 9.
- One member must be a representative of the "municipal corporation" which, under the definition in the act, means City Council. Most BIDs ask the District City Councilperson to serve or designate a staff person.
- The new organization must incorporate in PA as a nonprofit corporation (or be established as an authority under the Municipality Authorities Act).

Whether the NIDMA is a new entity or an existing organization, the NIDMA board must have at least one member who represents property owners within the NID, business owners located within the NID, and any institutions located in the NID.



Size of the NIDMA board.

The state law limits board size to nine members. If nine board seats are not adequate to represent the key interests within the district, BID organizers can add non-voting “advisory” seats and establish advisory committees.

Makeup of the NIDMA board.

One seat should be filled by a representative or designee of City Council. The vast majority of voting members of NIDMA board should be individuals representing entities that pay the BID assessment either directly or indirectly (just as the majority of BID Steering Committee members should be property owners, businesses, or representatives of institutions who will be subject to the BID assessment).

Consider whether the bylaws for the NIDMA should reserve board seats to ensure all types of stakeholders within your district are represented. For example: large, geographically diverse districts may want to set aside board seats to ensure that diversity is adequately represented.

Some districts have set aside seats for businesses operating within the district to ensure that the board represents both property owners and operating businesses that lease property. This is a best practice.

Sample NIDMA bylaws.

The Department of Commerce can provide sample bylaws that other BIDs have adopted as a starting point. The department can also direct BID organizers to entities that may be able to provide pro bono legal assistance.

The NIDMA bylaws are designed to protect all members of the BID. For example, the bylaws can guarantee that everyone who pays the BID fee has an active role in nominating and voting for candidates in annual board elections.

“Should we create a new organization?”

Using an existing organization as the NIDMA may be easier, but doing so can create the impression that the purpose of the BID effort is to create another funding stream for that organization. Designating an existing active organization such as a Community Development Corporation can create conflicts of interest.

Creating a new, separate organization makes it clear to everyone that the agenda of the BID organization reflects the goals of its funders—property owners and businesses that pay the assessment. Owners in the district may oppose the BID if they feel that the governing body doesn’t represent their interests or that there is no easy way for them to shape the direction of the district. In some cases, BIDs may be able to reduce costs by using an existing organization to manage its operations. If this is the case, the NIDMA can preserve its role in guiding the BID by entering into a contract for services with that organization.

**LEFT**

Outdoor movie nights are family friendly and night time sidewalk traffic to many BID districts, Northern Liberties BID. (Northern Liberties BID)

ACTION 8.6**File articles of incorporation with the Bureau of Corporations and Charitable Organizations, Pennsylvania Department of State.**

When establishing a new organization such as the NIDMA, members of the Steering Committee will act as “incorporators” and file articles of incorporation with the Bureau of Corporations and Charitable Organizations, Pennsylvania Department of State. Find forms and information about filing fees and how to file at dos.pa.gov/BusinessCharities/Charities/Pages/default.aspx.

First, you must incorporate your NIDMA in Pennsylvania as a nonprofit corporation, and then seek the appropriate federal 501(c) designation. Be prepared: the IRS in recent years has become more restrictive in granting the most favorable nonprofit tax-exempt 501(c)(3) status. Why? The economic development purpose of most BIDs generally has not met the charitable purpose requirement needed for that designation.

If you’d like to be considered for 501(c)(3) status, you will have to focus on charitable purposes your BID will fulfill, such as lessening the burden of government, education, and historic preservation if those purposes match the goals of the new BID. Working with a skilled consultant or attorney to submit your IRS 1023 application may help your BID meet charitable standards.

If your NIDMA has already been designated as a 501(c)(6) organization, you may still be able to receive charitable donations or grant funding that requires 501(c)(3) tax status. Consider incorporating a new organization—or partnering up with an existing nonprofit with a compatible mission—to meet the charitable missions noted above.



■ ACTION 8.7

Submit the draft plan to your City Councilperson and the Department of Commerce.

You should already have prepared a BID plan with the following components:

- Map indicating boundaries, by street and property number
- Name of the district
- Description of the service area of the district outlining the boundaries in words
- List of properties to be assessed
- List of proposed improvements within the NID and their estimated cost
- Proposed budget for the first fiscal year, including, but not limited to, personnel and administration, programs and services, maintenance and operation, and capital expenditures. (Consider indicating budget amounts for the entire duration of the authorized period, or specifying an allowance for inflation so that budgets after Year One can increase if costs increase.)
- Proposed revenue source for financing all proposed improvements, programs, and services. (Aggregate amount of all fees levied during the year shall not exceed estimated costs of proposed programs, improvements, and services for the year.)
- Estimated time for implementation and completion of proposed improvements, etc. (sunset provision) of no less than five years
- Name of the NIDMA
- Bylaws of the NIDMA
- Method of determining amount of BID fee to be levied on property owners. (Be clear and indicate which types of properties will be assessed: Will residential properties be excluded? What about apartment buildings? Will nonprofits be asked to make cash contributions or provide in-kind services?)
- Method of calculating interest and penalties when assessment isn't paid on time.

Once drafted, the plan should be reviewed and voted on by the Steering Committee. After it is approved, the draft BID plan should be mailed and emailed to your district councilperson and to the Department of Commerce for discussion and possible revision.



ABOVE

A public sculpture series in Mayfair BID by artist Seward Johnson attracted visitors from across the region. (Mayfair BID)



Photo: Daniel Colavito



The Outreach Phase

- STEP 9** Send out the first informational mailing.
- STEP 10** Hold the first community meeting.
- STEP 11** Hold the second community meeting.
- STEP 12** Document the results of support gathering.

MEET MARC COLLAZZO
 EXECUTIVE DIRECTOR
 FISHTOWN KENSINGTON
 AREA BID

Marc knows how to deliver for his rate-payers. Before leading BIDs, he managed a district office for a state representative, where he assisted constituents with every imaginable matter. He listens carefully to individual concerns in order to identify district-wide problems and then responds with BID programs and advocacy.

Before there was a BID, a CDC provided services to the Fishtown area commercial corridors with the help of City funds. An influx of development in the 2010s made self-funding these services possible and in 2019, the CDC worked with property and business owners to form the BID.

**STEP 9**

Send out the first informational mailing.

One of the primary reasons for BID proposals to end in failure is because some part of the community feels excluded from the process or feels that it is a project specific to some other group that doesn't represent them. For this reason it is crucial that any effort to establish a BID be as inclusive as possible. That's the purpose of this outreach phase.

The community meetings and outreach efforts described here should happen before initiating the legislative process.

Engaging the community and building support for the BID effort is critical for the following reasons:

- If one-third of the district's property owners who would be subject to BID fees register their opposition to the BID in writing, they can prevent creation of the district.
- Your district councilperson will be reluctant to introduce BID legislation if there is strong and vocal opposition.
- If a BID is created, but the Steering Committee did a poor job of making owners aware of the effort, it will face opposition when it begins to operate and will struggle to collect payments.

The Steering Committee should work with the Department of Commerce to set target levels of documented support.

ACTION 9.1**■ Set a date for the first community meeting.**

Once the plan is drafted, the Steering Committee should present the proposed BID to the entire community at two (or more) community meetings. Community meetings allow community members to learn about the proposed BID, express their ideas, and contribute to the BID formation process. Meetings also help the project leadership gain support for the BID.

**TIP**

Carefully consider some of the pros and cons of holding face-to-face or virtual meetings, or both, so as to maximize participation.

**ABOVE**

Aramingo Shopping District pole banners line Aramingo Avenue.

**ACTION 9.2****Prepare and distribute informational packages.**

A meeting notice should be mailed to every owner who would be subject to the BID assessment, as well as tenant businesses, and should include the following:

- Department of Commerce handout on BIDs that presents a brief introduction to BIDs in Philadelphia
- Information about the proposed BID: A one- or two-page executive summary on the proposed BID
- Notice of first community meeting: Written notice for the first community meeting that includes the date, time, and location of the meeting
- Signature ballot: A signature ballot for property owners who wish to document their support for the BID. Be sure to include a return envelope in the mailing to make it easier for property owners to submit their ballots.

A sample meeting notice that includes all of the above can be obtained from the Department of Commerce.

Record the date(s) that informational packages are mailed and retain copies of packages. You will be asked to document all outreach efforts in Step 12.

STEP 10**Hold the first community meeting.****ACTION 10.1****Advertise the first community meeting.**

In addition to the mailing sent out in Step 9, pass out flyers, advertise in a local newspaper, and use social media and word of mouth to promote the meeting.

RIGHT

A North Broad Renaissance volunteer cheers on Broad Street Run participants. (*North Broad Renaissance*)





Should we focus on property owners or businesses?

Both. Under the CEIA, property owners are given standing to oppose the BID effort during the legislative process. You will need to track property owners' support or opposition, and should include this data in your testimony to City Council in the legislative phase.

Often, the reality is that BID assessments will be paid by tenants. If a business owner in your district opposes creation of the BID they may make their feelings known to their elected representatives regardless of whether they are an owner or a tenant. If the BID is authorized, they may resist paying the BID assessment. On the other hand, businesses also may be the most effective advocates for the effort since they will experience the benefits of the BID firsthand, and can be helpful in conveying information about the effort to the property owner.

ABOVE

Northern Liberties BID welcomes a new vintage boutique at the owner's ribbon cutting event. (Northern Liberties BID)

ACTION 10.2

Prepare for the first community meeting.

It is important to be well prepared for the initial community meeting. This is the first introduction to BIDs for many people in your community.

Carefully prepare your presentation for the community meeting, as well as any materials that will be distributed. Since many in the audience will have limited familiarity with the BID program, it is important that all material be as straightforward and accurate as possible.

ACTION 10.3

Hold the first community meeting.

Begin the meeting by providing a basic introduction to BIDs. Following this introduction, present the highlights of your proposed BID plan. At the end of the meeting, encourage attendees to join the Steering Committee, and offer property owners the opportunity to document their support of the district by signing support ballots.

Important: listen carefully to any concerns raised by the public and any insights they may offer. After the meeting, the Steering Committee should meet to consider changes to the plan based on information received at the community meeting. Be sure to take comprehensive meeting minutes at this and any other community meetings.

STEP 11

Hold the second community meeting.

ACTION 11.1

Send out the notice of the second community meeting.

A meeting notice package should be mailed to each prospective member with the following items:

- Department of Commerce handout on BIDs that presents a brief introduction to BIDs in Philadelphia.
- Notice of second community meeting including date, time, and location.
- Updated information about the proposed BID. The one or two pages of information distributed in the first mailing (Step 9) should be updated to reflect changes adopted after the first community meeting.
- Signature ballot.

ACTION 11.2

Hold the second community meeting.

You may see some new faces at this meeting. As a result, you might want to begin the meeting with a basic introduction to BIDs. Next, present the BID plan, and be sure to highlight any changes that have been made since the initial community meeting. At the end of the meeting, offer property owners who have not already provided signed support the opportunity to sign support ballots.

Listen carefully to any new concerns raised by the public and any insights they may offer. Revise the BID plan based on responses from the audience.



Tips for effective outreach

Think of your base of support as a network. As the network grows, the members of the network can act as advocates for the BID.

1. Divide lists of uncommitted individuals among Steering Committee members. Identify the top twenty property owners by assessed value within the district. Where possible, preexisting relationships between members and uncommitted individuals should guide assignments. Ask Steering Committee members to use support ballots to secure written support from individuals that are assigned to them.
2. Follow up with people expressing support and ask them to serve as advocates for the BID. If you are in a retail district with an established merchants organization, you may want to appoint block captains.

ABOVE

North Broad Renaissance engagement and outreach. (*North Broad Renaissance*)





The number of community meetings and mailings required will vary depending on:

- the initial level of support for the BID proposal
- the degree to which property owners and merchants are already organized
- the level of organization and cohesiveness that exists between Steering Committee members and the project leader
- the overall effectiveness of combined outreach efforts
- the size and compatibility of the district

At this point you should proceed to Step 13 if your district councilperson indicates that you have a sufficient level of support. If not, you will need to repeat some of the outreach activities highlighted in Step 11 and move on to Step 12.

STEP 12

Document the results of support gathering.

ACTION 12.1

Prepare and submit your documentation to your district councilperson and to the Department of Commerce.

Gather and prepare your documentation electronically or according to your councilperson's preferences:

- Copy of the plan
- Minutes of Steering Committee meetings
- Copies of materials sent out in informational mailings
- Hard copy of database
- Minutes of community meetings
- Log of phone conversations with property owners/ commercial tenants
- Log of meetings with individual property owners/ commercial tenants
- Copies of all newspaper articles written about the BID formation effort
- Copies of all support ballots

Once complete, submit to your district councilperson and contacts within their office and to your contact at the Department of Commerce. Providing this documentation will demonstrate your outreach due diligence and readiness to enter the legislative phase of creating a BID.



TIP

Consider making additional electronic or hard copies. The Steering Committee should retain at least one copy of all documentation for its own records. When BID legislation is introduced and Steering Committee members are asked to testify, this package can also be submitted to Council as part of Steering Committee testimony in favor of the BID.



The Legislative Phase

- STEP 13** Submit your plan to your district councilperson.
- STEP 14** Provide public notice.
- STEP 15** Collect supporting documents.
- STEP 16** Testify, and get others to testify, in a committee hearing.
- STEP 17** Attend the final reading and Council vote on the BID bill.

MEET ROLANDO SANCHEZ DIRECTOR

ARAMINGO SHOPPING DISTRICT

Rolando believes that all Philadelphians deserve to meet their basic shopping needs in a clean and safe environment. That's why he manages a top notch cleaning crew and responsive security team. After all, as a Juniata resident, it's where he runs his errands too.

The BID is an arm of Impact Services CDC. Although its primary focus is around Kensington and Allegheny, Impact Services understood that Aramingo Avenue, where most residents shop, was essential to the area's quality of life. That's why they worked with property owners to form a BID in 2008.



STEP 13

Coordinate with your district councilperson.

By this point you have stakeholder buy-in for your BID plan, so it's time to turn your BID proposal into a legislative bill and then turn that legislative bill into a city ordinance with the full weight of the law behind it. Your district councilperson's legislative staff will work with you to draft a bill which passes legal muster and incorporates your BID plan. This can take around 30 days to complete.

From there, the CEIA specifies a legislative process that builds in a notification period for property owners, a hearing that is open for public testimony, and an objection period that can defeat the bill before City Council's final vote. This legislative process takes roughly 90 days if all goes according to plan.

ACTION 13.1

Plan your legislative timeline.

City Council meets weekly on Thursdays and holds various committee meetings throughout the work week, except during summer break (mid-June to late September) and winter break (mid-December to mid-January).

All meetings are held in-person. Most aspects of your BID bill's legislative process must take place while council is in session (i.e. outside of summer and winter breaks). PHLCouncil.com provides a calendar of the year's "Stated Meetings" for when council is in session.

RIGHT

Roxtoberfest, Roxborough Development Corporation. (Roxborough Development Corp)





Review the graphic below and read through all the steps in this section to familiarize yourself with the legislative process. Then work with your district councilperson's legislative staff to plot out a legislative timeline that seems appropriate for your current time of year and how long the legislative staff will need to draft a bill. **You and your district councilperson's legislative staff should plan your legislative timeline as early as possible.**

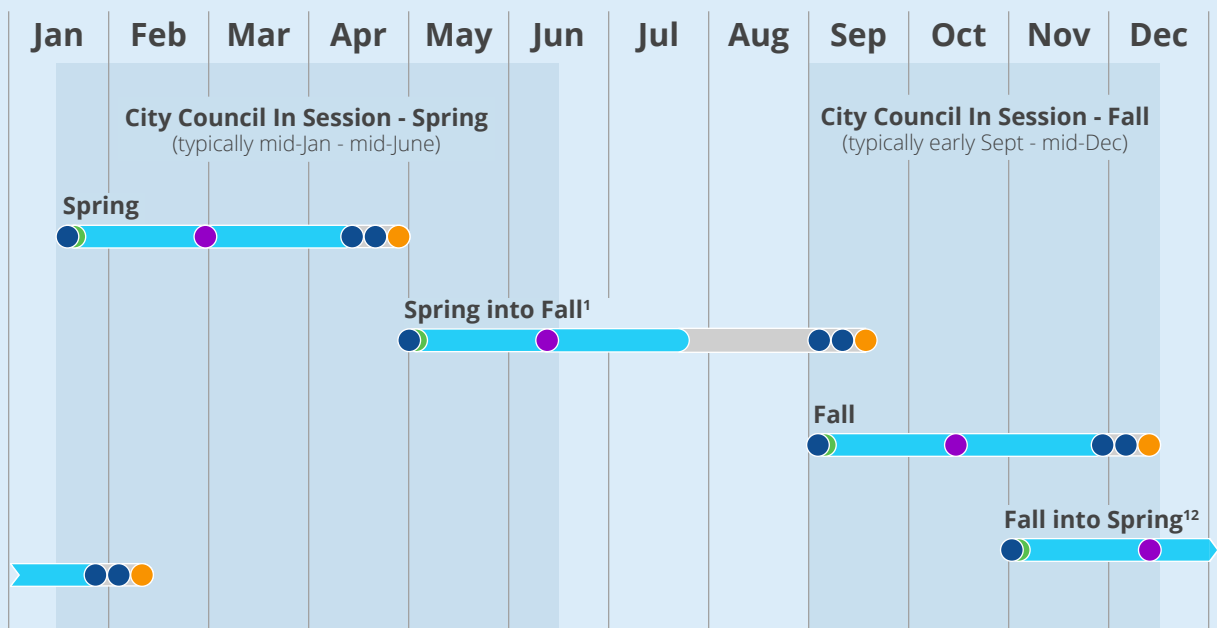


Squeezing the entire legislative process when Council is in session during the fall season (between summer and winter breaks) should be the timeline of last resort. It requires precise scheduling and leaves little time to troubleshoot any issues.

Legislative process



Legislative timeline options



¹It is possible for the 45 day objection period to occur during Council's summer or winter breaks. The objection period must start the day after the Committee on Rules hearing.
²Legislation introduced while Council is in session during the fall can typically carry over into the spring for final passage. However, when a new body of City Councilmembers is sworn in during early January following an election year, all introduced bills not yet passed "die" and their legislative processes must start anew during a future session. For this reason, do not plan on a Fall into Spring timeline spanning the following Januarys, when new City Council bodies will be sworn in: January 2028, January 2032, January 2036, and so on.



■ **ACTION 13.2**

Consult with district councilperson and draft bill.

Notify your district councilperson of your readiness to begin the legislative process and work with their legislative staff to draft a bill. You will want to do this at least 30 days before your desired legislative timeline begins to provide enough time for your councilperson’s legislative staff to draft a bill and coordinate edits. Also loop in your contact at the Department of Commerce for their awareness.

STEP 14

Introduce bill and provide public notice.

■ **ACTION 14.1**

Bill introduced and referred to Committee on Rules.

Only members of City Council can submit bills for Council’s consideration. Your district councilperson will submit your BID bill. The first submission is known as a “resolution,” which will be introduced during a regular council meeting held on a Thursday. Council will then introduce your bill and refer it to the Committee on Rules for a public hearing scheduled to take place at least 30 days from then.

LEFT

Street festivals by Chestnut Hill BID bring thousands of visitors to Germantown Avenue. *(Chestnut Hill BID)*





ACTION 14.2

Provide public notice.

The CEIA requires that all property owners within the proposed BID boundaries receive a 30-day notification of the Committee on Rules hearing. This notification is a mailed packet including:

- A cover letter summarizing the pending legislation and notice of the date and time of the public Committee on Rules hearing.
- A full copy of the bill with the BID plan and budget attached.
- Instructions for submitting objections during the 45 day objection period following the Committee on Rules hearing.

City staff will prepare and print all of these materials. It is your responsibility to prepare all of the names and addresses of the property owners to be labeled on to the notification packets. It is also typical for BID proponents to help City staff at City Hall assemble and label the packets to make sure that they are promptly mailed, as the notifications must be postmarked at least 30-days before the Committee on Rules hearing.

At minimum, a notification packet must be mailed out to the property owner's address on file with the Office of Property Assessment. It is best practice to also mail packets to each of the property addresses within the proposed BID.

ACTION 14.3

Continue outreach.

Even after all of your hard work during the outreach phase, it's not uncommon for property owners, business owners, and others to catch first word of the BID effort during the public notice period. Respond to any concerned parties and be proactive to explain the process and promote the BID to stakeholders and the general public.



LEFT

Mother's Day Shopping Stroll, Chestnut Hill BID. (Chestnut Hill BID)



STEP 15

Testimony and objection period.

ACTION 15.1

Prepare testimony.

The Committee on Rules hearing is public and the main opportunity to present your case to City Council and the general public. During the hearing, interested parties, including the BID organizers, are called to testify in support or objection to the bill.

Prepare your testimony in writing and submit it to your district councilperson's legislative staff a week before the hearing date. During the hearing, you and other testifiers will be prompted to approach a microphone to read testimony aloud and answer any questions that members of the committee might have. All testimony is recorded and becomes part of the legislative record.

ACTION 15.2

Recruit other supporters to testify.

It's important to demonstrate widespread support for the proposed BID by recruiting other supporters to testify. This includes property owners and business owners from within the proposed BID, but could also include people more generally supportive of economic development efforts. For instance, executive directors from other BIDs in the city, representatives from nearby Community Development Corporations or civic associations in the proposed BID area, or a representative from one of the regional chambers of commerce.

To make things easier, you can collect their written testimonies and submit them all together to your district councilperson's legislative staff over email a week before the hearing date. Provide your testifiers with instructions for attending the hearing. If a testifier can't attend the hearing to read their testimony, bring 5-10 print copies to the hearing and request that the sergeant of arms distribute them to the committee members.



ABOVE

Public plaza created and maintained by Fishtown Kensington Area BID. (Fishtown Kensington Area BID)



TIP

The Department of Commerce can provide testimony templates and advise you on recruiting testifiers that convey a broad message of support for the BID.



■ **ACTION 15.3**

Prepare for opposition and collect supporting documents.

At this stage, you will already have an idea of any opposing individuals or groups that may attend the hearing to testify in opposition. Prepare rebuttals to their arguments and have all of your documentation from action 12.1 printed and ready to distribute to the committee members. This will demonstrate how intensive your planning and outreach processes were if they are thrown into question.

■ **ACTION 15.4**

Continue outreach during objection period.

The Committee on Rules hearing commences the 45-day objection period. During this period, property owners within the proposed BID can file objections with the chief clerk's office. If 33.3% or more of property owners within the district object, the BID bill will automatically fail. Similarly, if property owners accounting for 33.3% or more of the total assessed property value of the district object, the BID bill will fail.

Continue to proactively explain the process and promote the BID to property owners and commercial tenants, especially those that may have expressed skepticism in the past. Respond to opposition openly and honestly and state your case for the BID in the media whenever possible.

RIGHT

Mount Airy BID's colorful flower baskets brighten Germantown Avenue. (*Mount Airy BID*)



TIP

It is not uncommon to also have people testify against the establishment of a BID. The hearings provide an opportunity for airing a diversity of opinions, and opposing testimony is hardly a necessary cause for concern. More meaningful opposition is expressed through the objection process.





STEP 16

Attend Council vote.

ACTION 16.1

Show up.

Following the 45-day objection period, if objections fall below the 33.3% threshold, the bill will move from the Committee on Rules back into City Council’s regular meetings. The bill will be read two times, usually during two separate meetings, unless City Council explicitly decides for a given bill that it can be read twice on the same day. The second reading of a bill triggers its final vote.

Unless you’re a member of City Council, there won’t be much for you to do when your bill is read and voted on, but you will want to be there to see it enacted into law, and to be present for any possible last-minute complications.

After passage of the bill by City Council, it goes to the Mayor’s desk for signature and once signed, becomes ordinance. If the Mayor doesn’t sign the bill, it automatically becomes ordinance at the next Council session 10 days after the bill passed. To date, a mayor has never vetoed a bill pertaining to the creation or reauthorization of a BID.



ACTION 16.2

Celebrate!

You created a BID! All of your hard work has paid off. You can now get started on providing your district with the services and improvements it needs to offer a world-class experience — right in your neighborhood!



ABOVE

Cheers from Roxtoberfest, Roxborough Development Corporation (Roxborough Development Corporation)



RIGHT

Singing Fountain, East
Passyunk District (*J. Fusco
for Visit Philadelphia*)

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