

Results of Field Interviews with the Key Players of New York City's Business Improvement Districts

This report was prepared for the Economic Policy and Marketing Group,
Office of the Deputy Mayor for Finance and Economic Development

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EXECUTIVE SUMMARY

Business Improvement Districts (BIDs) have become a popular way for New York City businesses and property owners to improve the climate for their businesses. In our study carried out for the City's Economic Policy and Marketing Group (EPM), we found the City's BIDs are generally successful at improving the climate for their members, although there are questions about whether this success comes at the expense of non-BID areas. We also found that City agencies have good relationships with BIDs, but that there are substantial opportunities for improvement.

BIDs are private non-profit organizations that accomplish their goals by providing services, like security and street-cleaning, to supplement existing City services. In the current fiscal climate, the City often can not afford to provide business owners as high a level of municipal services as they desire. The City's BID program, enacted in 1982, allows business owners to fill the gap by banding together, levying a special assessment against themselves and using the assessment revenues to fund a non-profit association that provides the supplemental services.

We agreed to help EPM undertake the City's first comprehensive study of BIDs. Our role, part of a much broader effort, was to undertake a series of in-depth interviews with key players in BIDs to provide EPM with a description of the City's BIDs as well as an evaluation of the BIDs' relationships with their communities and with City agencies. We found the City's BIDs to be highly diverse in terms of the neighborhoods they serve, the services they provide and the needs of their members. The most common services BIDs provide are sanitation and security services, but some BIDs are also involved with funding capital improvements and some are considering expanding into social services like child care.

BID members are generally satisfied with their BIDs and considered them effective at achieving their goals, although in some BIDs there was controversy about how those goals were set. BID members often also said their BID managers were an effective

conduit for getting their concerns heard by City officials, particularly at local police precincts.

City agencies were rated as helpful overall by BID members and BID managers, but there were complaints, particularly about the failure to remove illegal vendors and about ticketing by the departments of Sanitation and Transportation. Some interviewees also complained about the Department of Business Services (DBS), usually about the long time it took to get approvals from DBS. The department is the City agency that oversees the BID approval and operation process. Although BID managers were very familiar with DBS, small business owners had often not even heard of the agency and were seldom aware of City programs to aid small businesses.

The diversity we found in BIDs also contributed to some complaints. Managers of small BIDs said they had different needs than large BIDs do, particularly in terms of the technical services they need from DBS. They also complained that DBS was ignoring them in favor of larger BIDs. We also found a tension between large and small businesses in some BIDs. Small business owners complained that their needs were being ignored in favor of larger businesses'. Even large business owners in some BIDs said their BID management was unresponsive to their needs and requests for information. Few BIDs have formal communication channels between BID members and managers. This raised our concerns about whether BIDs are held sufficiently accountable to their members.

Since we talked primarily to people within BIDs, our study did not provide sufficient data to make strong conclusions about BIDs' relationships on nearby communities. Some concerns, however, were voiced by community board officials that BIDs are pushing crime, the homeless and pornographic businesses into nearby neighborhoods. One interviewee said a nearby BID had led to a decline in overall City services. These complaints echo the more abstract complaint about BIDs voiced in the press by their critics. These critics fear BIDs will become such a popular service provider with their members, that these members will become unwilling to pay general property taxes, leading to a situation where only neighborhoods able to support a well-funded BID will have quality municipal services.

Although our study does not provide sufficient data to evaluate whether BIDs do have a long-term negative effect on the tax base and on non-BID areas, we feel that it is a question of great importance and thus we strongly recommend that the City further study the issue. That and our other recommendations include:

- More study of the long-term effect if BIDs on the tax base and on non-BID areas. Also, study of whether BIDs provide sufficient opportunities to women and people of color, both as employees and as contractors.
- New legislation or City procedures to assure that BIDs are held accountable to their members and their communities.
- Greater use of BIDs as information conduits, both for the City to get information about the needs of small businesses and to disseminate information about City programs and policies to small businesses through their BID managers.
- That the City formulate separate policies for large and small BIDs to recognize that their needs are different.

INTRODUCTION.

As municipalities have come under increasing fiscal stress in recent years, public officials have sought new and innovative methods both to increase the money available to provide municipal services and to provide services more efficiently. Business Improvement Districts (BIDs) are one such new and innovative method. They allow property owners to band together, tax themselves and use the new revenues to fund a non-profit corporation. That corporation can provide services such as security and street-cleaning that might help retain and attract new business.

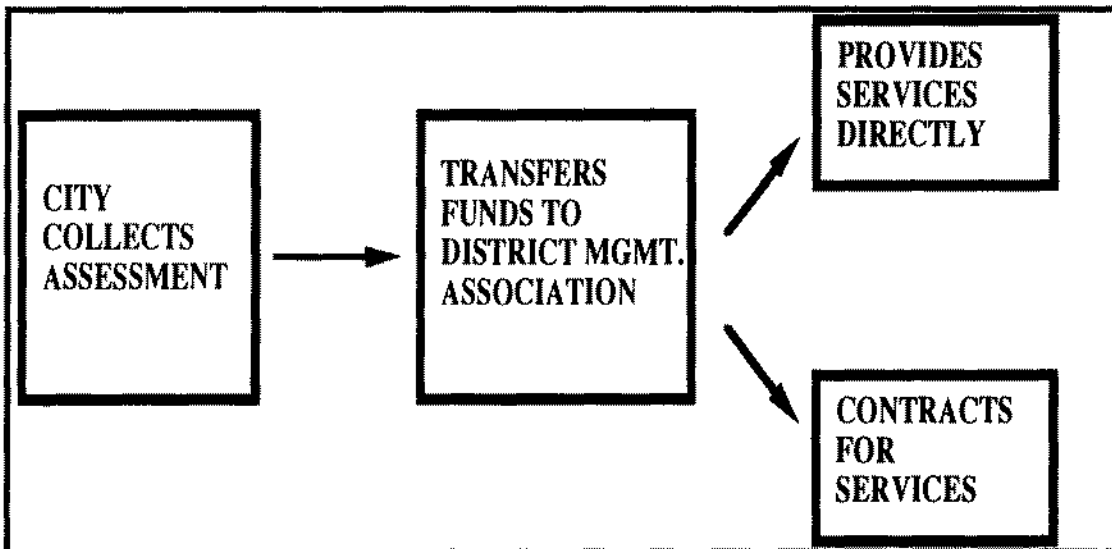
BIDs are a new and rapidly growing phenomenon. In 1981 New York City had only four of what were then called special assessment districts. Today the City has 24 BIDs and at least a dozen more are in development. Nationwide, there are some 1,000 BIDs. BIDs are highly controversial. They have strong boosters, including Mayor David Dinkins, who say they are an efficient way of both raising and spending revenue. BIDs also have strong critics who fear BIDs will increase economic divisions in our society by making quality municipal services available to only those areas that can afford them.

Because of the rapid growth of this controversial new municipal structure, the City has charged its Economic Policy and Marketing Group with carrying out the first comprehensive study of BIDs. Our workshop performed one part of that study, a series of "key player" interviews with BID managers, BID board members, community board officials and local business owners and operators. We found evidence to support both the boosters and detractors of BIDs. But we also uncovered significant new information that can help the City to better implement its BID programs and policies.

BACKGROUND: What is a BID?

Business Improvement Districts are non-profit corporations that provide municipal services to supplement those provided by local governments. BIDs can serve any type of business, but they are typically formed by retailers in an urban shopping district to provide security, street-cleaning or marketing services. In contrast to

merchants' associations which can provide similar services, BIDs are not dependent on voluntary contributions from their members. An assessment determined by the BID's board of directors is collected by local governmental officials in the same manner as local property taxes.



The municipality transfers the assessment funds to the BID's District Management Association that can either provide services directly or can contract out to private providers.

BACKGROUND: New York's Bid program

The Business Improvement District program was created by state legislation enacted in 1981. Before the 1981 law was passed, businesses that wanted to tax themselves had to receive state legislative approval to form a special assessment district. The 1981 law allowed municipalities to write their own BID laws and in 1982 New York City enacted its own legislation.

Under the City's program, property owners or others interested in forming a BID formulate a plan including the BID's proposed boundaries, its bylaws and its assessment formula and assessment level. The City's Department of Business Services is involved from the outset, providing guidance and technical assistance.

The initial decision to form a Business Improvement District may come from a number of sources, including property owners, local merchants, local development corporations, a chamber of commerce, a politician or a community board. A local organization must be willing to sponsor the BID and should form a steering committee.

The sponsoring organization proposes preliminary boundaries that should include properties with common interests and needs. The district should have a large number of commercial or industrial properties to support its assessments once it is established.

A district plan, authorized by the Mayor, must be prepared. The plan describes the district's target area, its boundaries, its services, its budget, its method of assessment, its classes of membership and the composition of its board of directors. Assessment methods and membership classes can vary widely. The Department of Business Services (DBS) provides technical services in navigating through these issues. The department is also responsible for evaluating an outreach plan to property owners and tenants.

Once the district plan is completed, DBS guides it through an approval process which includes hearings by community boards, the City Planning Commission and the City Council. To approve the district, the Council must adopt a local law. Property owners in the district have the opportunity to block the plan. If 51% or more object to the plan, it does not go into effect.

After the BID is approved, a District Management Association (DMA) carries out the services and activities outlined in the district plan. The DMA is a non-profit corporation that is made up of property owners, tenants of both commercial and retail space and City officials. The DMA board of directors is accountable to the membership and is responsible for the daily operation of the BID. The board appoints a manager or executive director of the DMA.

Each year, the City calculates an assessment for each BID based on the formula in each BID's district plan and in its budget.

Assessment formulas differ from district to district. There is a cap on the maximum annual assessment of 20% of the total City taxes levied against all real property in a district.

The assessments are levied and collected in the same manner and by the same officials as City taxes. The charge can only be passed on to commercial tenants if the lease specifies a "special assessment" pass along. The revenue is paid to the DMA in accordance with a contract with the City.

Each DMA is required to issue an annual report and to meet annually to review the BID's budget and operations. Normally, the DMA elects new directors at the annual meeting.

THE STUDY: Our role and our client

Because of the rapid growth of BIDs in New York, the City decided it was time to undertake its first comprehensive study of the phenomenon. We agreed to undertake one part of that study for the City's Economic Policy and Marketing Group: a series of in-depth interviews with key players in BIDs.

Our goal was to use the interview results to provide three things to the Economic Policy and Marketing Group:

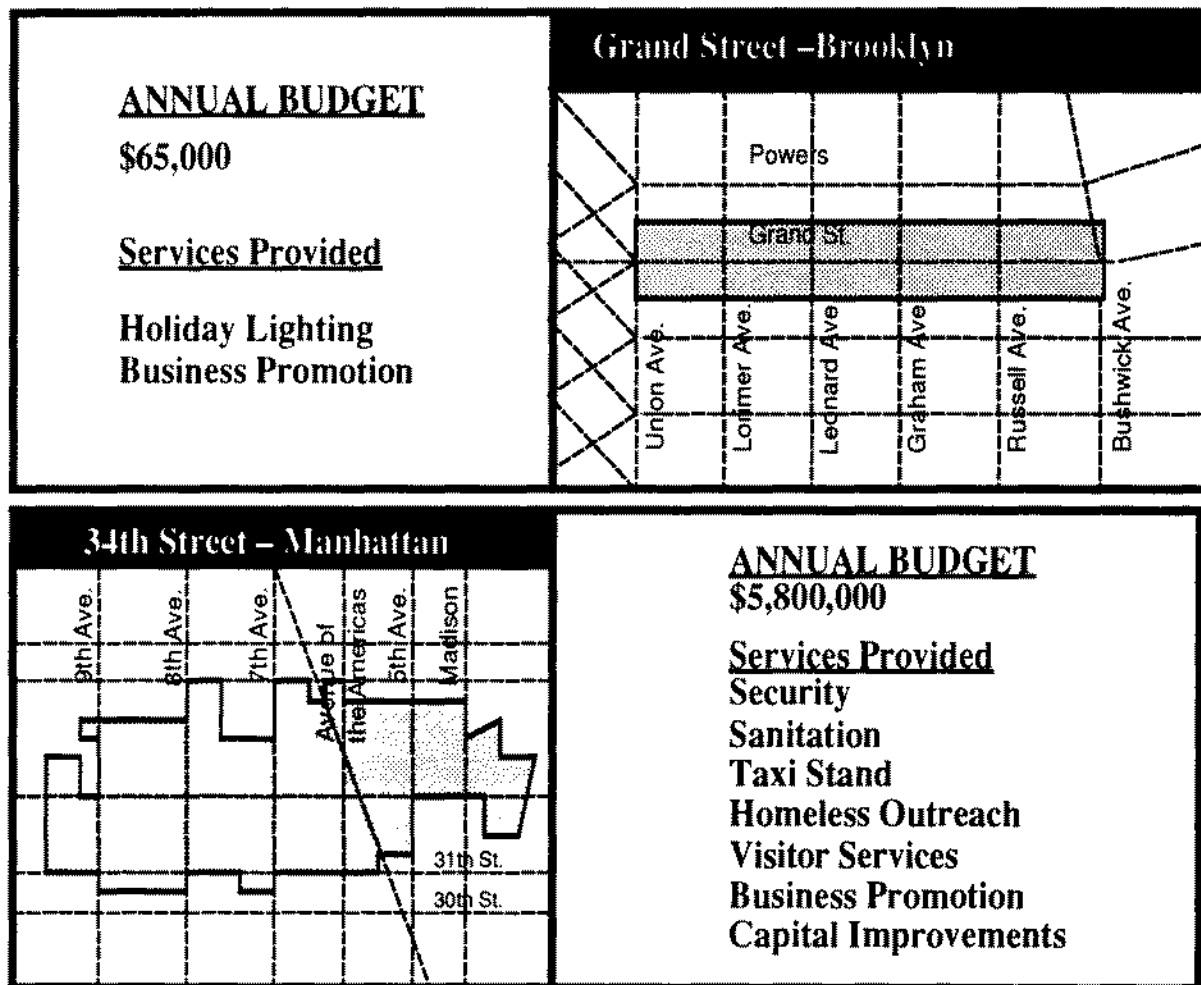
- 1) A description of the City's BIDs, their needs and an evaluation of whether BID members are satisfied with their BIDs.
- 2) An evaluation of the BIDs' relationships and impacts on their surrounding communities.
- 3) An evaluation of the BIDs' relationship with the City and recommendations on how that relationship might be improved.

Using a detailed survey instrument that the Economic Policy and Marketing Group provided us, we conducted some 100 interviews with BID managers, BID board members, community board members and officials and business owners in BIDs.

FINDINGS:

New York City's BIDs, their members and their goals

We found that the City's BIDs vary widely in both in terms of the neighborhoods they serve and the services they provide. Most BID members were satisfied with their BIDs, but tensions have arisen in some districts, particularly between large and small businesses whose needs can vary greatly. During our study, we also found enthusiasm for providing new services among BID managers, a troubling dependence of some BIDs on energetic leaders and a lack of formal communication channels in most BIDs. BIDs, we found, are also an excellent source of information about their neighborhoods and the needs of small businesses.



The City's BIDs range from the Graham Avenue district in a low-income predominately residential Hispanic neighborhood in Brooklyn to the 34th Street BID in a busy mid-town Manhattan retail and office district. Graham Avenue has an annual budget of only \$65,000 and provides only promotional and holiday lighting services. 34th Street, in contrast, has an annual budget of \$5.8 million. It provides not only security and sanitation services, but also helps fund capital improvements. The BID maintains a taxi stand and a tourist information booth. It also provides some social services to address the homelessness problem in its area.

The 34th Street BID and its 150 employees provide most services directly, while many other BIDs contract out for services. BID managers said providing services directly gives them more control over those services, but contracting out relieves them of some administrative and insurance burdens.

Goals and Satisfaction

The most common goals for BIDs are to improve retail activity and to stop or reverse a trend of deterioration in their neighborhood. A large number of survey respondents also cited giving BID members control over how their tax money is spent as an important goal. Most BIDs pursue these goals primarily by providing sanitation, security and marketing services.

Overall, BID members are satisfied with their BIDs and consider them effective at achieving their goals, although in some BIDs there was controversy about what those goals should be. Sanitation was cited most often as an area of success.

In some BIDs, however, there was controversy about whether the goals the BID had selected were appropriate. Small businesses in a BID may support some goals while large businesses, which can have very different needs, may use their greater clout to support other goals.

This tension between small and large businesses was apparent in the Metrotech BID. Metrotech is a new neighborhood in downtown

Brooklyn where Chase Manhattan Bank is a major tenant. Chase was very concerned about security for its workers and was a key player in setting up a BID that now spends 76% of its budget on security. Both small and large businesses rate the BID as successful in achieving its goal of making the area more suitable for white-collar professionals, but small business owners feel the amount of money spent on security is too high. They would rather see more spent on marketing.

But, due to the weighted voting system in the BID, the small business owners have little power to influence goals. Also, it is much more difficult for small business owners to find time to attend BID meetings since many would have to close their shops to do so.

One other large BID appears to have avoided this problem by adopting a policy of inclusiveness. The Times Square BID's management has earned a reputation both within and without the BID for being willing to listen to all points of view and for being open about its operations. For example, when the Times Square BID was first being formed, small business owners had feared their voices would be drowned out by large businesses in the area. But one such small business owner we talked to said he found the BID's organizing process to be surprisingly open. This calmed his fears about the BID being dominated by any one party. Although he is not currently heavily involved in the BID's operation, he feels confident that he has not been disenfranchised and that any information about the BID is available to him.

Accountability and Communication

In one BID, Jamaica Center, we found a more serious conflict over goals. One group within the BID has lost faith in the BID management. Although we can not take sides in this dispute, we were concerned that the dissident group was unable to obtain detailed information about how their money was being spent from the BID's managers.

Other BIDs have also been reluctant to release information about their spending.

Most BIDs lack formal communication channels for communicating with their members and other interested parties. This

does not appear to be a serious problem in BIDs like Times Square and the Hub in the Bronx that have earned the trust of their community and a reputation for openness. But in Brooklyn's Fulton Mall BID, for example, community members complained that the annual meeting was their only source of information about BID operations.

Future Plans and Marketing

We found an enthusiasm, particularly among BID managers, about expanding BID operations, although some survey respondents said their BID should stick to the basics. Some 27% of the respondents said their BID is considering engaging in capital improvements and 17% said their BID is considering setting up child care facilities to serve their members. Some BIDs were interested in expanding their boundaries.

Survey respondents mentioned marketing as another area where BIDs could do more to aid their members. Small retailers need technical assistance to learn how best to present their products and how to organize their stores and storefronts.

Another issue in the future is leadership. Some of the most successful and highest profile BIDs appear to be highly dependent on energetic managers who were involved in the BID from the outset. We were concerned about what would happen to those BIDs when their managers left.

FINDINGS: Relationship with City

Our survey respondents overall gave City agencies high marks, but there were many complaints about ticketing by sanitation officials and about the failure to remove illegal street vendors. Many BID members felt their BID had been successful at voicing their concerns to City agencies and obtaining increased services, particularly from the police department. Respondents in smaller BIDs and BIDs in the outer boroughs felt the City paid too much attention to the larger BIDs in Manhattan. Some complained the City was too slow to help BIDs form and obtain their desired tax status. Some BID managers said the City put unnecessary obstacles in their BID's way. Among business owners we found a very low awareness of the Department of Business Services and its programs to aid small

businesses, although there is a strong desire for the technical assistance services that department can provide.

Local police precincts were termed helpful by the highest percentage of respondents, 82% . Some respondents said their BID had led to increased police protection in their area.

The Department of Sanitation was next in the helpfulness ratings with 62% of respondents rating it helpful, but 15% called the department a hinderance, the highest figure for any agency. Many complained about receiving sanitation tickets. BID members said that the ticketing is counterproductive and unfair because through their BID they are clearly making an effort to keep their sidewalks clean. The costly tickets are often for minor violations not caused by the store itself. The members of the Hub BID in the South Bronx are so upset about this issue that they have asked their one full-time staffer to spend part of his time appealing the citations.

BID members expressed a great deal of dissatisfaction with the City's efforts to deal with illegal vendors. Illegal vendors pay no overhead, make no contribution to the services provided by the BID and take away valuable business from BID store owners. Several business owners did say that they would like to have peddlers pay fees for the use of property in BID areas.

Some BID members said that landlords are unfairly passing on BID assessments. Such a pass-on must be specified in a tenant's lease, but a BID member may have difficulty determining whether a landlord is passing on more than the landlord is actually paying the City.

Department of Business Services

Although BID managers work closely with the City's Department of Business Services (DBS), other survey respondents, particularly small business owners, were not familiar with the department or its programs. Some 42% of respondents said the department was either not relevant to their BID or they did not know the department's effect. Said one business owner in an outer borough BID, "I don't know who those people are. They never come out here."

BID members, however, said they need the kind of technical services DBS can provide. Small business owners would like assistance from the City in developing business plans and strategies, improved record keeping and applying for government loans, grants and programs of assistance. One business owner made mention of his efforts to work with City agencies to get assistance for his efforts to create and expand his business. His only feedback from the City was the suggestion that he take community college classes.

Feelings were also expressed regarding the level of giveaways and financial incentives given to big corporations to retain higher profile, glamorous business in the City while smaller businesses, which employ far greater numbers of people, have been subject to higher taxes and less efforts on the part of City officials.

Others said the department is geared too much towards serving larger BIDs. One small BID manager said he attended a City seminar where they talked about how to provide your own security services if you have a large budget. With his small budget, he did not find the seminar relevant to him. He suggested separate seminars for large and small businesses. He and many other respondents said seminars for both BID managers and BID members could help them to learn to run their operations better.

Small BIDs and outer borough BIDs said they get less attention from the City than larger BIDs do. One small BID manager complained that the City had not done enough to help it get the 501(c)3 tax status most Manhattan BIDs have.

Some 58% of respondents said the BID formation process could be improved. Many felt it had taken too long to set up their BIDs. One respondent suggested that the City put different parts of the approval process on parallel tracks so that it is not necessary to wait for one type of approval before seeking the next one.

A small number of dissatisfied BID members complained about their inability to secede from their BIDs. Under current law, the only way to get out of a BID assessment is for your BID to dissolve

itself, which has never happened in the City.

FINDINGS: Relationship with Community

As most of our interviews were with people within BIDs, it is difficult for us to make strong judgments about BIDs' relationship with their communities. However, some respondents in community boards found a negative impact on areas near BIDs. Several respondents said some midtown Manhattan BIDs had driven drug dealers and the homeless into nearby areas. One community board manager said the BID had led to decreased City services.

Some respondents feared BIDs were displacing undesirable businesses to other communities. For example, the Times Square BID has worked to have strip joints, porno shops and low priced merchants removed from its district. That removal may be responsible for the appearance of such businesses in Queens and in the nearby Chelsea neighborhood.

BIDs relationship with their community boards varied widely. Some BIDs span several community boards, making it more difficult to form solid relationships. Several community board official said their goals differ from the BIDs. Other respondents, however, said they had good relationships with their BIDs.

ANALYSIS: Why BIDs?

[BIDs] may be the best hope of getting parts of America's cash-strapped cities working again.

--The Economist

[BIDs are] a shameless abdication by the city of its responsibility to the people.

--Howard Wolfson in the April 1992 Metropolis

BIDs are highly controversial. As our study has shown, BIDs are effective at both generating revenue and providing services that New York City could neither generate nor provide on its own. BIDs clearly mean cleaner and safer streets in the areas that have them and are able to fund them adequately. What is less clear is what BIDs mean for non-BID areas and for overall municipal revenues and services in the long term. Critics fear that over time BID members will become less and less willing to pay general municipal property taxes, leading to a further erosion of the urban tax base. Under this scenario, general municipal services would decline greatly, leading to a City with quality municipal services only in those areas able to afford a well-funded BID.

Some of our survey respondents echoed the critics' concerns by saying BIDs had solved their crime and homelessness problems by shunting them off into non-BID areas. However, our data is far from sufficient to draw solid conclusions from those statements. Many years of detailed data would be required to evaluate these questions. We can, however, lay out a detailed framework for evaluating the BID phenomenon and make some preliminary conclusions about it. To do this, we must ask ourselves the fundamental question of why BIDs exist. After all, most of the services provided by BIDs were traditionally carried out by municipalities. Critics rightly wonder if it wouldn't be better for the cities themselves to carry out these services. Below, we suggest a number of reasons BIDs may be better service providers than municipalities. We also discuss some more ephemeral benefits of BIDs that we classify as voice and community. Later we discuss some of the costs that may come along with BIDs and we also ask whether BIDs are in fact fulfilling their potential superiority over

municipalities as service providers.

Enhanced Services: BIDs as Harbingers of Access, Control & Accountability

In contrast to municipalities, BIDs can afford their members a great deal of local control, accountability and access to necessary and supplementary social and business services. BID members are the direct beneficiaries of the BID assessments they pay and they have greater control over how those assessments are spent than they do over how general tax revenue is disbursed. Therefore, BID members are more willing to agree to pay additional BID assessments than they are to agree to general tax increases. In an era when most municipalities are under increasing fiscal stress, BIDs can be an excellent source of revenue to fund municipal services.

BIDs as Conduits for Optimal Implementation of City Services

BIDs are not only good service providers themselves, but they can improve the implementation of City services by effectively monitoring the work of City agencies. BIDs are relatively compact in size and BID management generally closely scrutinizes conditions and City services in their area. Thus, BID management may be able to supply large City agencies with a thorough understanding of area-specific problems and challenges. Also, BIDs can act as quasi-public monitors on City agency work. Since City bureaucracy is so large and complex, independent oversight may be valuable for making sure that City agencies are performing their jobs efficiently.

A More Abstract Service Benefit: BIDs as Local "Consumer-voter" Preference Indicators

BIDs can also be an excellent source of information for the City about the needs and preferences of the City's constituents. The problem of assessing voter preferences in the allocation of public funds has been widely discussed in academic circles. Experts say there is no direct mechanism for establishing how voters truly feel their tax dollars should be spent. To avoid having to pay for public goods such as roadways, parks and street cleaning,

consumers of public services may claim not to need them even though they use them widely. For example, suburban residents commuting daily into New York City may resist paying a commuter tax by claiming that they do not need City services that they in fact use often, such as a clean park to eat lunch in. This concealment of preferences allows some people to "free ride" on the tax dollars of others and makes it difficult for governments to determine the proper level of services to provide to match the public's true preferences.

Because BIDs are so much smaller than City government they may do a better job of making certain that services meet the needs and desires of those they are meant to benefit. Since the tax is self-assessed and since expenditures are chosen by BID members, BIDs can provide a rough mechanism of what economists call a centralized pricing of public services. One expert writes: "[Special assessments] still [provide] one of the few automatic devices for reconciling demands for public expenditures with willingness to pay." (L. Moak, "The Revenue Source with Vitality", p. 488, in *Cities Under Stress* (R. Burchell & D. Listokin eds. 1981))

BIDs as Sources of Local "Voice" and Empowerment

In a large city like New York, BIDs may be an important source of local "voice," both for businesses and other constituencies in their district (compare to Frug, *The City as a Legal Concept*, 93 Harv. L. Rev. 1057 (1980)). When people channel their concerns and complaints in concert through a single empowered voice (i.e., the BID manager), they may be more likely to get their opinions heard and listened to at higher levels. Perhaps more importantly, when people discover that they can get their voices heard they may have more incentive to participate in the political process, thus in some way giving people back "...those portions of his [or her] life now determined by others." (Id., at 1069).

A complex government system like that in New York City may make the very process of voicing concerns and complaints an overwhelming task to an individual. BIDs, however, with their well-trained managers and direct links to government agencies, have a much better opportunity to overcome ungainly procedural barriers.

BIDs as a Source of Community

BIDs can also provide a local network for community for areas otherwise lacking spiritual and political cohesion and power. Because BIDs can bring people together to talk about, channel and act upon local concerns, they can serve as a local community network. BID members have incentive to take part in discussion because their money is to be spent. As discussed above, people may be more likely to participate in such discussion at a very local level of government like a BID because smaller voices will be able to be more readily heard. Once communication is established, BID members may find that their common concerns are strong enough to break down other barriers which might exist between them, thereby establishing community link.

ANALYSIS: Are New York's BIDs fulfilling the promise to their members

As discussed above, we break out potential benefits into two main groups: service benefits, and, much more ephemeral, benefits of enhanced voice and community.

Service Benefits

Access and Control

BIDs obviously do provide access to services and service levels New York City could not afford to provide under its current tax and expenditure structure. Almost every person interviewed from every BID recognized that their BID did carry out its service functions, such as sanitation and security.

Enhanced control of the services received due to the BIDs' small size is another benefit. The high level of satisfaction expressed by BID members suggests that New York's BIDs have been successful in this area. Many respondents said their BID managers had been effective at interfacing with City agencies like the Police Department and obtaining better services from them.

Despite these successes there are problems. For one, as we found in the Metrotech BID, larger BID members which have proportionately more power on the board of directors (voting power) can come to control the use of the funds, thus smaller members may not get what they want or deserve for their contributions. Another shortfall of control of direct BID services is that most BIDs are forced to contract out for services because of large insurance premiums. This does not mean that the service providers contracted out to do not perform an excellent job (in some cases they do), but it does mean that if the contractors do not perform well the BID can do little to correct things during the duration of the contract.

Accountability

As discussed above, a danger of BIDs is the potential for larger and, therefore, more powerful BID members to take control of the BID purse and operations. This potential is very real due to the weighted voting schemes which all BIDs have. Also, we have noted a tendency of larger, corporate businesses to demand somewhat different mixes of services than smaller businesses. Whereas corporate businesses tend to be mostly concerned with safety and cleanliness of the area, small businesses and retailers are also looking for area promotion and marketing.

The easy solution to this problem is to not allow weighted voting, but then the City would have a difficult time finding large businesses which would participate. Perhaps a better solution would be to plan BIDs such that smaller businesses will be large enough in numbers to form a powerful voting bloc.

Small businesses also tend to get less benefit of accountability over BID goals and management because they are less able to attend BID meetings and serve on BID management and research groups. This is in marked contrast to large businesses and corporations which often have public relations people who can dedicate substantial amounts of time to BID concerns.

One large caveat to the accountability problem with BIDS is that their power can not be too abused because they have strict

power checks on them as embodied in the controlling BID formation legislation. BIDs are restricted to activities specifically delegated to them in their charters, they are audited by the City to make certain that their budgets are being spent in ways consistent with their goals and they all have representatives on their boards from the Mayor's Office, the Comptroller's Office, the local Community Board and the City Council. Another safeguard is that they can be dissolved by the City Council.

Optimal Implementation

BID managers clearly can affect the implementation of City services in their area by closely monitoring the actions of City agencies. The special knowledge BID managers have about their districts and their members' needs can be invaluable.

A problem arises, however, if BID managers obtain excessive influence over City agencies and use that influence to champion policies that benefit their BID at the expense of other groups. One community board member told us that a BID's influence over City agencies and community affairs has altered bus stops, sanitation routes and zoning ordinances to benefit the BID members, but not necessarily the entire community board area constituency. She said the City should get involved in long-range planning of BIDs so that there will at least be competing powers in the area. Because of their power, BIDs may also make it more difficult to find sites for unwanted city functions (e.g., detention cells, garbage incinerators).

This area warrants further study by the City and should be considered in long-range planning.

Preference Indicators

BIDs are excellent sources of information about what services their members desire and are willing to pay for. The City may profit from this knowledge, but it may also be lead astray by it. BIDs are made up of a narrow class of citizens who can afford to pay more for more services. They are not representative of all concerns, nor should they be treated as such. Nonetheless, City agencies, such as the Department of Business Services and the Economic

Development Corporation that have a mandate to serve small businesses, could learn a great deal from BIDs.

Benefits of Enhanced Community and Voice

Voice

It is clear from talking to community board members that BIDs can provide substantial empowerment of small areas by giving them a mechanism to act in concert. BIDs have direct links to the Mayor's office, the City Council, the Comptroller's office, the community boards and to the numerous City agencies they work in tandem with. The BIDS also have professionals representing them.

Many of the business people, community board members and managers we spoke to mentioned the heightened sense of community which BIDs have brought with them. BIDs bring together businesses and residents in a small area for a common cause. They often provide holiday events within the area, some publish newsletters and some are concerned with summer employment for local youth.

Heightened community is not a quantifiable matter. Nonetheless, it appears as if BIDs have made some amount of impact in this area.

The above, of course, leads one to question whether those not in BIDs are left that much more worse off. Since few respondents seemed aware of the impact of BIDs on surrounding areas, this is an area which warrants further study.

ANALYSIS: Costs of BIDs

As we saw in the previous section, BIDs provide a wide range of benefits to their members, but they can also have a negative impact on non-BID areas. Community board members told us some BIDs have solved problems with crime, homeless and undesirable businesses by shunting them off to nearby areas. We saw that BIDs also have the potential to drown out the voices of other constituencies in demanding City services.

In addition to these costs, BIDs have the potential to lead to long-term declines in the municipal tax base and therefore the general municipal services that low income and non-BID areas depend on. The potential exists for a California style Proposition 13 scenario as BIDs proliferate. One of our interviewees went so far as to say that City taxes should be reduced because the BID is providing the services that the City should have been providing a long time ago. The proliferation of BIDS may cause resistance from those paying both property taxes and BID assessments to the collection of property taxes. Furthermore, the presence of the BIDs may create the potential for resistance to increasing all forms of taxation in the future. Businesses and landlords may try to opt out of paying taxes because of the services they are paying for themselves and because of what they perceive as paying a disproportionate amount of City taxes for not receiving an adequate level of services.

The above scenario would widen the existing gap between municipal service quality in low and high income areas with severe social consequences.

Although, our study lacks sufficient data to evaluate the magnitude of the negative impact of BIDs, it is clear that they have troubling long-term consequences and troubling impacts on services in non-BID areas. More study is needed.

RECOMMENDATIONS

There can be very little doubt that BIDs are beneficial to their members and provide services that the City simply can not provide on its own in the current fiscal climate. The concern comes in the area of BIDs' effect on neighborhoods outside of BIDs. There are also concerns about whether BIDs are held sufficiently accountable to their members and their communities. In terms of the City's relationship with BIDs, there is reason to believe that the City has yet to fully exploit the benefits BIDs can provide in helping the City to formulate and implement its policies for businesses. BIDs provide the City with the opportunity to interface with a small number of professional BID managers whose full-time jobs are concerned with municipal services rather than with the masses of individual small businessmen who have little time for City officials. The City has yet to take full advantage of this interface potential. It also has yet to maximize its relationship with BIDs by formulating separate policies and programs for large and small BIDs.

In light of these factors, we have four recommendations we would like to make to the City:

1. That the City formulate separate policies for large and small BIDs. Large BIDs usually have a large number of professionals on their staff that can overcome the legal and administrative hurdles BIDs face. For these BIDs, the main City functions should be in the area of accountability and oversight. Smaller BIDs, however, often only have one full-time employee, the BID manager. Those managers, and the small businesses they serve, could greatly benefit by technical services geared towards BIDs of their size. City seminars on subjects like security, marketing techniques, administration and accounting could be of great benefit to the small BIDs and their members. Small BIDs could benefit, in particular, from seminars for their managers that would help the managers to provide their members with technical marketing services about such issues as store display and signage.

2. That the City use BIDs more often as information conduits. BID managers usually have an intimate knowledge about the needs of their neighborhoods and their members. BID managers often, also,

have a high degree of contact with their members. Therefore, the BID managers provide an excellent opportunity for the City to collect information, to evaluate policies and to implement policies. There is reason to believe that the City has yet to recognize this opportunity. For example, in pursuing its goal of encouraging merchants to keep their sidewalks clean, the Department of Sanitation is still dealing with each small business on an individual basis through its punitive policy of ticketing. A more efficient method of guaranteeing clean streets might be for Sanitation to interface with BID managers and negotiate solutions for an entire district at once.

3. That the City undertake stricter accountability and oversight. Once a BID is approved, property owners have no way to get out of paying their assessments. Therefore it is vital that they be guaranteed access to both information and influence over the BID management process. While we will not recommend any particular piece of legislation or any particular enforcement mechanism, it is clear that present laws and regulations are not now doing this job. Additionally, as BIDs have strong impacts on nearby areas, it is important that the public at large have access to information about BID plans and operations.

4. That the City undertake a detailed long-term study of BIDs' impacts on the tax base and on non-BID areas. BIDs have the potential to widen yet further the gap between the haves and the have nots in our society. It is vital to determine whether this potential is an unreasonable fear or a troubling reality.

Appendix A

Individual BID Profiles Compiled from Interviews

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14th Street

BID Snapshot

The 14th Street BID encompasses the streets bordering Union Square Park and 14th St. from 1st through 6th Aves.. With such a wide east to west spread it borders on 5 community board sanitation districts and four police precincts. It also touches on a wide variety of neighborhoods, bordering on Greenwich Village, Gramercy Park and Chelsea. Some blocks of the district are busy with business customers, while others, particularly in the eastern section, have empty storefronts and vacant lots. Once Union Square was the home to several major department stores, but May's location sits vacant now and the former S. Klein site is now Zeckendorf Towers, the largest building in the district has been operating since 1984. The BID has had some conflicts with the local development corporation. Those were finally resolved when the leadership recently became one and the same.

Satisfaction with BID

As there is a new leadership in place it is difficult to evaluate their progress in satisfying their members, although, there appears to have been some problems with the old leadership, particularly with overseeing security services. The new management has hired a former New York City police department employee to take over that situation.

BID's relationship with the community

The BID's biggest problem with community relations is that it spans so many community boards. That has made it difficult for the BID managers to maintain contact with community officials. However the BID is trying to address this situation.

City's relationship with the BID

Overall the BID management is pleased with City agencies, but there were complaints about the Department of Sanitation. BID members feel that they have proved that they are already doing their

best to keep their streets clean by forming the BID that provides extra sanitation services. Yet they continue to receive tickets. Other departments were called quite helpful, especially the police precincts in the area. The BID had some problems with the Department of Transportation while the streets were recently rebuilt, but BID management said that the department appeared responsive once complains were made.

Future trends in programming, priorities

The new BID management is enthusiastic about starting new programs, particularly in the marketing and social service area. They were very excited about the Mayor's proposal to make grant money available to BIDs to help them set up child care centers. They also said that they would like to give seminars in marketing to their members. They said their members were often small businesses that do not know a great deal about proper display and signage techniques. As far as empty properties in the district, the BID hopes to get some help from trends in nearby neighborhoods, particularly the growth in the health services and education fields nearby St. Vincent's hospital, New York University and the New School. Particularly, it is hoped that the empty Mays building will be used in this way.

34th Street

BID snapshot

The 34th Street Partnership lies between 31st to 35th Streets from the east side of Tenth Avenue to 6th Avenue, and 32nd Street to 35th Street from 6th Avenue to the west side of Park Avenue. The BID was formed just last year and already has quantified measures of its success. 34th Street Partnership has taken after its older sister BID, Grand Central Partnership, by launching efforts to make streets cleaner, safer and more attractive. Its annual budget has almost doubled this year to \$5,775,000 from 1992's \$3,000,000. There are 150 partnership employees, including sweepers, maintenance worker, security officers, social service workers and office staff. Management staff is shared with two other business districts, Grand Central and Bryant Park. Fifteen agencies take part in the Network, the Partnership's effort to connect homeless people with sources of help. The Partnership employs its own staff for all services, with the exception of some outside design and advertising. Most major decisions for the BID are made by Dan Biederman, yet the financing and budgeting of the BID is brought to the board committee, for which members are selected based on their operating experience within the Partnership for the full year.

Satisfaction with BID

Respondents are generally satisfied with the BID. All said that the Partnership was making progress towards its goals, especially in its efforts in sanitation and security. One business owner said that before the BID was formed, he was summoned all the time by the Department of Sanitation due to litter dropped by passers-by in front of his store (and over which he had no control.); yet since the Partnership established and employed its own sanitation staff, he hasn't been summoned once and hasn't needed to sweep outside. Other business owners said that they saw Partnership management making outreach efforts and offering its assistance, such as visiting their businesses, removing old signs, etc. Other comments were made about the steps the Partnership has taken to help homeless people connect with services. One respondent summed up the general attitude of the BID as "a crackerjack organization."

BID's relationship with the community

Community Districts 4,5,6 lie partially within 34th Street Partnership so the BID upholds three different community relationships. Because the community board 4 district manager was the only one interviewed for this profile the BID-community relationship is discussed on a limited basis.

This board feels that BID is generally doing what it set out to do, mainly because Mr. Biederman has good experience with other BIDs. It was suggested that the BID formation process could have been improved by making the DMA required to get a positive approval for the BID from a majority of property owners, rather than having a majority of property owners in the district simply not oppose the plan. Moreover, while it is felt that the BID is trying to improve the appearance of the business climate and the community boards want this improvement, sometimes the community boards will have different ideas of how to achieve these goals. BID staff members feel that sometimes the community boards are too preoccupied with politics. Also, the community is having to face the problem of displaced crime--crime that has been pushed to another area of the community due to BID activity.

City's relationship with BID

Respondents felt that the city's role is apparent in the day-to-operations of the BID: police cars patrol the area and sanitation workers pick up bags with street cleaners. Also, the city funds about 75% of the homeless effort and is a regulator of capital projects--the Department of Transportation was mentioned as a help to the street projects and traffic changes. Yet respondents did feel there needed to be stronger communication and cooperation with the city. Certain staff levels of O.B.D were thought to be uncooperative making daily operations difficult. D.B.S. was said to be hindering BID goals because it consumes a lot of time on unproductive matters.

Future trends in programming, priorities

Because the Partnership is new, it's programming is just taking off. The BID is constantly inventing new programs like day care, teenage mentoring, new taxi and newsstands, and new forms of street furniture. Priorities for the Partnership are ways to capital projects built rather than just financed. It would like to increase its budget by other means than more assessments and would like to launch a business recruitment and retention effort. Also, it would like to bring in new ideas from other cities or even countries.

The three most pressing problems facing the 34th Street Partnership are basically the ongoing problems of the city: security, sanitation, and homelessness. As previously mentioned, the BID is making headway in each of these areas and already has reported numbers, such as number of incidents reported by the security force, quantity of trash removed by the Partnership's 50-person sanitation crew, and number of homeless attendees at monthly Network meetings that find jobs and housing.

Another concern mentioned was the encroachment of pornography and its seedy effect on the environment. The partnership has embarked on a kind of door-to-door improvement campaign where retail consultants have mastered local zoning and building codes and have visited merchants to make them aware of the Partnership's offerings.

82ND STREET

BID Snapshot

The 82nd Street BID encompasses the 82nd Street, Jackson Heights commercial district, bordered by 37th and Baxter Avenues. The BID began operations in 1990. Its budget blossomed from 74,000 in 1990 to its current level (almost cap) of 130,000 in 1993. The assessment it collects is based on frontage. Its major activities are sanitation, maintenance and promotion. The BID was formed and is maintained as an effort to keep a neighborhood struggling with urban problems of decline. BID activities are overseen by one staffer, who reports directly to the BID's DMA. Most BID services are contracted out after a competitive bidding process. All other activities are handled in-house by the BID's Executive Director. There seems to be a high degree of communication between the BID and its members both in and out of the BID meetings. While less than half of the members attend the meetings, after random discussions with local businesspeople, it was clear that people are aware of the BID's activities and any progress on local improvements (or problems). The Executive Director generally receives information problems from the BID members and then discusses them with the DMA. The topic is put on the agenda at the BID's monthly meetings after following procedure. Recommendations are voted on by the BID Board. Few businesspeople are truly active within the BID. The Board members tend to be rather involved with the BID and have a good working relationship.

Satisfaction with BID

Respondents are generally satisfied with the BID's activities. They are particularly pleased with the sanitation services. The BID's existence, it appears to them, has increased the amount of police protection, which is also greatly appreciated. Respondents were also pleased with physical infrastructure improvements, including lighting and walkways. None of the respondents was convinced that the promotional activities increased sales, but all stated that they led to better community relations. All of the respondents would like to see more BID activities. The BID is close to its assessment cap. The Executive Director suggested that the BID could solicit funds from

private and public sources if the BID were granted 501c3 tax exempt status (apparently other BIDs do have this status). The BID could also expand and there is discussion for a 37th Avenue BID. Perhaps an enlargement of the BID's geographic borders would raise the required revenues.

There is also a strong desire to increase business services. This includes a more proactive relationship with the property owners to get more stores that appeal to the community and less discount stores as well as assistance in promotions and display design. As the BID was created to stop neighborhood decline, this should be a priority.

The members vociferously noted that despite the BID's efforts to increase cleanliness, the Department of Sanitation is particularly aggressive in issuing tickets. The members also complained that the local Meter Maids tended to "lie in wait" for a parking infraction. This, compounded by high costs for limited parking, tended to decrease commercial interaction. A new parking lot is currently under construction but not considered sufficient for the local parking problems.

The members were also concerned that the assessments were being unfairly passed off to the merchants. They claimed that the current system provided ample opportunity for property owners to charge above the assessment rate and gain a profit or for unfair distribution of the assessment costs. It was suggested that a general system within the BID (or city-wide) be implemented to assure fair distribution and collection.

Overall, the members were quite pleased with the BID's activities and the ubiquitous involvement of the Executive Director. All of the respondents would like to see an expansion of BID activities and an increase in services (although none mentioned paying more for them as a possible option).

BID'S relationship with the community

The Community Board's relations with the BID remain unclear. The Community Board representative was aware of the formation process and several of the BID's activities. However, she appeared out of contact with the current status of the neighborhood. Her interests were generally limited to the type of stores permitted within the BID and the neighborhood decline, rather than with the dynamic conditions of an evolving region. (The area is experiencing a rapid demographic

change which results in a host of new opportunities and problems). Her interaction with the BID's current activities appears to be quite limited. Other community organizations are involved, but no one could specify how.

City's relationship with the BID

The City has a high interaction with the BID's Executive Director. Everyone seemed generally pleased with the City's involvement in both the start-up and maintenance phase. However, few were able to pin point what the City's continuing role (outside of collecting the assessment) was. All were concerned about the time required to implement any actions or to organize a BID. As one respondent noted "I couldn't run my business with a two year time lag on something... Sometimes it's just better to spend a little bit more money to get something done." Some noted that as the BID process is no longer a revolutionary idea, the time required for start-up and for change should be drastically curtailed. Several noted the need for a guide to show exactly how to create a BID.

As noted above, the respondents were quite pleased with the Police Department's response to their concerns about pickpockets, shoplifting and sidewalk vendors. The proliferation of drugs and outlying prostitution continue to affect both the safety of the neighborhood and the desire of customers to frequent the area. They would like to see an even more aggressive stance, however. Overall they are concerned about the ticket-issuing aggressiveness by the Departments of Transportation and Sanitation.

Future trends in programming, priorities

The three main problems remain petty crime, illegal vendors and parking. The BID cannot raise its assessment under the current District Plan. There seems little inclination to change the plan. There is however, interest in alternative, public entrepreneurial financial arrangements. The possibility of grants and external funding seemed of the most interest. The City could assist the BID in getting tax exempt status and in pushing the BID's applications for small business development grants. Small business conferences designed to instruct

how to increase sales might also be of use. Better community involvement in the choice of local businesses is strongly desired. Continued policing appears to be the only current solution for the crime and vendor issues. Perhaps alternative licensing or a fenced vendor commercial area are possibilities for the vendor problem. Further investigation appears necessary to curtail this problem.

Brighton Beach

BID Snapshot

The Brighton Beach BID is fairly conventional in its structure and orientation. Its primary focus is on business development in the Brighton Beach area and specifically on Brighton Beach Avenue. To pursue these goals a major ongoing program in the BID is advertisement on local radio stations to promote shopping in the area. The BID also maintains supplemental sanitation crews for the area but does not have an organized security program.

Satisfaction with BID

Overall there is concurrence that the BID has had a positive impact in what it has tried to do. Specifically in Business development in the area and in enhancing local community spirit among the local merchants. There is an minority view that the costs of the BID may not be justified and that the services provided should be done by the city. The area seems to have developed along two lines: one representing old line merchants who have been in the area a long time and the newer element represented mostly by recent Russian emigres. It is the old line merchants that are very supportive of the BID with any dissention being among the newer merchants.

BID's relationship with the community

The BID appears to be a major player in community events and planning for the area. A major new program for the BID, discussed below in greater detail, is in planning a large street fair for the spring. This is done in complete cooperation with local community groups and is receiving a significant amount of funding from the BID. The BID management believes that the occupancy rate in the area is greater than in areas surrounding the BID. If this is true and the BID is the causal force then there would be a negative impact on nearby business districts. I have no way of judging the extent of such impact. The nature of the area being extremely residential would seem to imply that the amount of business depends of the local demographics more than other factors.

The BID does appear to make an effort to deal with the multi-

ethnic nature of the are. BID flyers are put out in English, Russian and Korean.

City's relationship with the BID

Those knowledgeable about the BID's interaction with the city expressed no major problems. It seems that the BID management has a good working relationship with the Department of Business Services. This seems to be derived mostly from personal relationships with the BID manager who has been active in the community for many decades. The relationship with specific city agencies: sanitation, police, etc, were seen as positive but without a significant amount of enthusiasm.

Future trends in programming, priorities

There does not seem to be any emphasis on expanding the BID into some of the more traditional functions of other BIDS such as security. This is curious considering that the major problem of the area is considered to be crime by all interviewed. Future plans seem to further the primary goal of the BID of increasing business for the local merchants. As mentioned above a large local festival is being planned under the joint sponsorship of the BID. Because of this sponsorship, the major emphasis of the festival will be on the local shopping district. No thought seems to have been given to expanding into other services. If there were a larger budget available expansion of existing programs--i.e. advertising, sanitation would be a priority.

Bryant Park

BID Snapshot

The Bryant Park Business Improvement District was created in 1987 to renovate Bryant Park, located in mid-Manhattan, adjacent to the New York City Library's main branch. The BID itself is quite small, encapsulating only those properties directly surrounding the park (Fifth to Avenue of the Americas, 40th to 42nd Streets). Despite its small geographic size, due to the fact that it is in the heart of the Midtown Manhattan business area, not far from Grand Central and Times Square, the BID has over 20 property owners and over 5,000 businesses as members.

The Bryant Park BID funds and manages the Bryant Park Restoration Corporation (BPRC), a corporation which was created to restore and preserve the once dilapidated and sealed-up Bryant Park. Bryant Park remained inaccessible to the public for six years before the BPRC, in conjunction with the Parks Department, the New York City Library, the City of New York and with the help of some large private gifts, restored the Park's beauty and safety.

While construction still continues at Bryant Park (for instance, new newspaper stands were recently erected at the corners of the park and a gourmet restaurant will soon be constructed there), the mission of the Bryant Park BID and its BPRC has become one of maintenance and careful enhancement. The Bryant Park BID works with several city agencies to maintain security and sanitation and improve the space. It also operates kiosks which sell tickets to cultural events and sponsors numerous shows, musical performances and other special events which take place in the park itself.

Satisfaction with BID

All those interviewed about Bryant Park were highly satisfied with the BID. An owner of a building on the park, member of the BID, and former Director of Economic Development for the State of New Jersey commented that prior to the BID pushing through the reopening of Bryant Park several floors of his building remained vacant and other tenants were threatening to move out. Since the opening of the park, however, and despite the coming of the recession, his building has been fully let and he has even been able to raise rates quite considerably.

This businessman is quite adamant that he has gotten back much more money from the BID's existence than he has paid out to the BID.

Management seems likewise satisfied with the progress of the BID, and it claims to strive to make the park "the greatest urban space in the world."

BID's relationship with the community

The BID is extremely active with the community by its very nature. Since it manages a public park, a primary client of the BID is the community at large: it does not serve the BID members alone. The BID sponsors numerous shows and entertainment events in the park to which the public at large is invited. It is also active with the problems of the homeless in the area, and it sponsors horticultural education programs for New York City school children. Another consideration is that the BID derives a fairly substantial sum of money from private gifts from philanthropists, a sign that much of what it does is done in the public weal.

City's relationship with the BID

The BID claims to have an excellent working relationship with most city agencies. As a general rule, the Bryant Park BID seems to work quite well with operations agencies it deals with, but it does not seem to work as well with city agencies that deal with management and oversight.

Bryant Park's security force head is a former New York City police commissioner, so its relationship with the New York City Police Department is thought to be excellent. The BID also maintains good working relationships with the Department of Sanitation, the Parks Department (though this department at times can be "intrusive"), the Department of Transportation and the New York City Library. As an anomaly to the rule above, this BID does not have a supportive relationship with the Department of Consumer Affairs.

In stark contrast to the BID's generally good relationship to many city operations agencies, BID management commented that the Department of Business Services has been outright obstructive, caustic and antagonistic. Additionally, BID management commented that the Community Board is given too strong of a role in BID matters. Lastly, the BID has experienced a much soured relationship with the New York

City Comptroller's Office since a related BID, Grand Central Partnership, released tax-exempt bonds in 1992 without the prior consent of this agency. Providing another anomaly to the rule above, the Bryant Park BID does claim to have a supportive working relationship with the Mayor's Office.

A general complaint by the BID manager about city management agencies was that they are often too intrusive in the management of the unused (paved) park space abutting the New York Public Library. Additionally, the BID plans to continue innovations in its public events programming, it may build a playground, and it may expand its horticultural education program.

BID management commented that the one thing it would most like to see improved is its relationship with the Department of Business Services. It would like to be able to work with that agency to minimize "red tape" rather than be obstructed by it.

Church Avenue

BID Snapshot

The Church Avenue BID encompasses both sides of Church Avenue from 16th to 21st Street and seven blocks on the north side of Church Avenue from 21st Street to Coney Island Avenue. It is a busy commercial area. Most of the stores are small street level retail stores in two and three story walk ups with upper-floor apartments. The Church Avenue BID organization is closely linked with the Church Avenue Merchants' Block Association or CAMBA. In fact, there are no services that are funded exclusively by the BID. BID assessments (110,000 in 1993) go towards sanitation, security, promotion, holiday lighting, and social services provided jointly with CAMBA.

Satisfaction with BID

Of the persons interviewed, the BID manager and Community Board District Manager were most satisfied with the BID. They cited progress towards all BID goals and in current operations. The BID board member, a store owner, was not satisfied with the BID. He says that he was asked to serve on the BID board because he is one of the larger property owners on the strip. He has stopped going to BID board meetings because he does not feel the BID is doing anything relevant for his business. Specifically, he expressed a concern that the BID had been "coopted" by CAMBA, the merchants' association, so that remitted assessments could be used to fund additional social services. CAMBA and the BID are involved in several social service activities including: TESL, youth programs, day care, substance abuse treatment, homelessness prevention, HIV AIDs counseling, immigration assistance, and family literacy. The Board member felt that BID activities should be more directly tuned to business needs.

BID's relationship with the community

The neighborhood has not recovered from the "Korean grocer" episode a few years back. Racial tensions are still high in the BID area. Boycotts of the Church Avenue strip are periodically revived. The BID, CAMBA, and the Community Board have been working together closely to defuse the situation and to promote cross cultural awareness. Social

service activities carried out by the BID seemed to have helped these efforts. The BID manager also felt that BID activities, whether geared directly or indirectly to business, have helped stabilize the area. He says that there are fewer store vacancies along Church Avenue than there were a few years ago. The area has also been recovering from the "blackouts." Many properties were smashed and looted during the loss of power that occurred years ago. The greatest problems confronting the BID area remain crime, sanitation, and social tension.

City's relationship with the BID

The BID manager is new to the position and could not comment on the City's role during the formation process. He did feel that the City's role in the day to day operation of the BID is appropriate but it took him some time to remember what the role is. He had no idea how the City supervises the BID's district plan. The process he described of how the BID makes decisions, adopts budgets, and transmits information is similar to the processes described by other BIDs. The Community Board Manager and BID board member had no idea what the City's relationship with the BID is. The Community Board Manager explained that the Community Board was a conduit between the BID and other City agencies but could not think of a recent instance in which this function was fulfilled. The BID manager was mildly critical of the Department of Transportation for traffic problems in the area.

Future trends in programming, priorities

The BID manager would like to see the BID undertake capital improvements, particularly repair of the water main along Church Avenue. The BID board person would like the BID to place less emphasis on social services and concentrate on services of more direct benefit to area merchants.

Columbus/Amsterdam.

BID Snapshot

The Columbus/Amsterdam BID was established in July of 1987. The District runs from Columbus Avenue between 104th Street to Cathedral Parkway (110th Street), and Amsterdam Avenue between West 96th Street to Cathedral Parkway (110th Street). From fiscal years 1988 to 1990 the budget for the BID was \$136,035. Beginning in fiscal year 1991 the annual budget was increased to \$168,000.

Most buildings within the BID are residential with ground floor retail, including many bodegas, offering household goods and services. A large percentage of the shoppers come from two large low and middle-income housing projects in the district. There are no large merchants or franchise businesses located in the BID area. A new 400 bed American Youth Hostel in the district may serve to be an additional source of customers for local stores. The area is served by two major subway lines and bus routes.

Services in the BID are focused into three primary areas: sanitation, promotion, and holiday lights. Efforts are also being undertaken to coordinate a greater police presence in the community.

The BID contracts with a private firm to provide four men to sweep the sidewalks and 18" into the street, 8:00 a.m. - 4:00 p.m., Monday through Friday. The crew collects litter in portable trash containers lined with clear plastic bags so that redeemable can or bottles can be easily identified, reducing the chance for scattered litter. Filled bags are removed, sealed and deposited for pickup at four collection sites.

The BID publishes a newsletter for local property owners, merchants and residents and selected public officials. A guide to area merchants is published annually. The first street fair was held in Fall of 1991. Silk screened banners identifying the BID areas are installed on light poles in the BID.

Winter holiday decorations are installed above the street for the full length of both Columbus and Amsterdam Avenues contained in the BID.

Satisfaction with BID

The professed level of satisfaction with the BID varied with each respondent. Overall, there was an awareness that the BID was an

attempt to bring in private resources to provide services that the city had not been adequately addressing with public funds. Also that Maria Soto, the BID Business Manager, provides a spirit of hope for a troubled community and that she is a very important source for communication with merchants and property owners alike. Outside of this narrow framework there was no agreement among the parties interviewed on the level of satisfaction with BIDS as a mechanism to improve the community or to provide services.

Respondent business and property owners were aware of the BIDS existence and could very easily determine the assessment that they paid to the BID, but were unaware of BID activities and structure. A begrudging acknowledgement of a minimal improvement in sanitation services was given by respondents. Feelings towards any positive level of improvement by merchants were diminished as a result of summonses issued by the Department of Sanitation before merchants opened their stores and from the Sanitation Department refusing to pick up litter that was not precisely placed at a designated pick up location. Other activities mentioned were Christmas decorations, a street fair and a local guide to area merchants. There was however, no discernable degree of satisfaction with the BID and questions were raised regarding the usefulness of the BID and the value of BID assessments. Dissatisfaction was expressed regarding the ability of landlords to pass on to the tenants costs associated with the BID.

The presence of the BID has resulted in a quantifiable improvement in street cleanliness. The Mayor's office keeps a scorecard on the cleanliness of streets throughout New York City. The rating for the Columbus/Amsterdam BID has improved from a 50 to a 74 since the creation of the BID. Additionally, there has been praise by the Community Board, the Sanitation Council and landlords regarding the activities of the BID.

The BID has worked to reduce the numbers of vacant stores and abandoned buildings. However, the BIDs efforts to develop businesses in this low income area are hurt by high commercial rents and city taxes.

There is a sense that the areas surrounding the BID have declined, and the presence of the BID may have served to halt neighborhood decline to some degree. Formerly there were more heroin users in the neighborhood. Now there is a predominance of crack and overall the problem of drugs in the neighborhood is getting worse. Drug dealers do not appear afraid of the police and only react

to the Marshals because of their ability to have cars towed. There has been an increase in shootings and in street fights as a result of drug dealing. The BID Management is working with the 24th Precinct Narcotics Division to try to control drug sales.

Bid's relationship with the community

Although the perception of the impact and importance of the BID to the community was mixed, there was agreement from all persons interviewed that BID Manager, Maria Soto, is working very hard to make the BID work and to improve the neighborhood. Although newsletters are distributed, the primary method of communication in the neighborhood is from Maria Soto going door to door to speak with merchants and landlords.

Business owners and landlords seemed to be unclear as to the reasons that the BID was formed or its purpose, other than for sanitation. There was little understanding of BID governance and structure. Many of the property owners in the area are absentee landlords. Only between 2 to 6 have any active involvement with the BID. Merchants expressed concerns regarding the difficulty of participation in BID management activities due to the time consuming nature of running their businesses.

City's relationship with the BID

The BID has worked with the Division of Business Services and city government staff. Overall, they have found city officials and the Community Board to be helpful. City officials attend all BID meetings. BID management attends all District Service Cabinet meetings. The Community Board staff is uncertain of what its role is and how it can be more effectively involved with the BIDS in an ongoing manner. The Community Board also expressed concerns regarding the need to improve communications with the BID and the need for the BIDS to help them to better work with local merchants.

Merchants and landlords were unsure of what the City government's role was in helping the BID. Merchant's and BID management spoke of the need for greater assistance from the city in developing small businesses, obtaining loan assistance from city programs, and the need for relief from high levels of taxation and uncontrollable commercial rent increases.

Future trends in programming, priorities

The most pressing problems in this Columbus/Amsterdam neighborhood are drugs, unemployment, homelessness and poor education. There is no line item for crime prevention or security in the current BID contract but it is being considered for the future. The BID, Con Ed, the Community Board are working together to develop street lighting to improve neighborhood security. General Electric is providing technical assistance for this project. The BID is thinking of trying to do all contracting themselves in the future. However, insurance costs prohibit the BIDS from taking a more active role. Mention was made of consideration towards creating a summer jobs program and daycare. There is interest in expanding the BID to include Broadway.

EAST BROOKLYN INDUSTRIAL PARK

Bid Snapshot

The East Brooklyn Industrial Park covers an area of the East New York region of Brooklyn. Its borders are East New York Avenue to Sutton Avenue, East New York Avenue to Atlantic Avenue, Powell Street to Sheffield Avenue and Atlantic Avenue to Sutter Avenue. The BID has been in existence since July 1985. It is a moderate sized BID with an annual budget of \$295,000. The BID is predominantly concerned with providing security services. It contracts out for those services.

Unlike many of the other BIDs, ninety-percent of the area is zoned for manufacturing use. It is currently the only industrial BID in the city. Decades of urban flight and decline of the regional manufacturing base have left the area badly scarred by burnt out and abandoned buildings. Approximately 40% of the total land use is in decay. There are some small commercial and residential properties on the borders of the BID, however, the area remains predominantly industrial. The whole BID is encompassed in the East Brooklyn Urban Renewal Area and is designated as one of the City's Economic Development Zones.

The BID structure is in tremendous disarray, with virtually no one in charge of operations or management. No one was capable of naming the BID manager even within the management or on the Board. No one was aware of the structure of the BID or of its method of communicating with BID members. Possible respondents were disinterested at best and usually hostile about discussing BID activities. A recent turnover in BID staff is hoped to alleviate this condition, but time and confidence building are the order of the day.

SATISFACTION WITH BID

Limited responses yielded little information about satisfaction with the BID. Respondents were generally pleased with the security services. Due to the endemic crime in the area, the presence of security services is perceived as both an economic necessity and a positive psychological self-help measure. There has been little or no communication about BID activities since its inception. At that time,

newsletters and public meetings communicated activities and policies. There is no communication from the members to the BID staff (probably because it was almost impossible (until April) to discern who actually worked for the BID). The BID has not delivered on promises of new jobs and expanding economic opportunities or revitalization. This is probably due to national economic decline and recession rather than to the BID itself.

The respondents would like to have more City financial and marketing assistance in keeping small- and medium-sized businesses in New York. They would like the BID to play a more proactive role in gaining those services.

BID'S RELATIONSHIP WITH THE COMMUNITY

All of the respondents felt that their assessments improved the community. They also felt that the services were worth the assessments paid and that the benefits spilled over into the community as a whole. However, there appears to be a problem in collection of assessments. One respondent noted that "The City can charge whatever it wants. But, if people don't pay, there's nothing they can do. There's no follow up, which doesn't surprise me and, from what I've heard, the whole organization is short some money."

The Community Board representative seemed just as oblivious about BID activities as everyone else concerned with the BID. He was very positive about the BID's effect on the community and on its job creation. However, in view of the fact that the BID contracts out to only one firm for the security services and that manufacturing is still in decline, it seems unlikely that the BID's activities have massively reduced unemployment.

What the Community Board could do to assist this BID and its businesses in general, was not understood.

THE CITY'S RELATIONSHIP WITH THE BID

The extent of the City's relationship with this BID remains unclear. The newly appointed BID manager appears eager to discuss the BID with the Council members and other pertinent personnel. However, to date,

it appears that the City's relationship with this BID is ill-defined and not understood. Perhaps under the new leadership, this role can be more clearly delineated and communicated. Respondents felt that the City could do more to keep businesses and to encourage more businesses to move to New York. They noted that exorbitant rents in Manhattan had forced some businesses to move to Brooklyn and that this had a positive effect on the area. However, because of the economic downturn, they feared that businesses would move out of New York entirely, and thus reduce total revenue for already decreased City services.

As for other City entities, respondents did not assert any positive or negative feelings about the City services and their effect on the BID.

FUTURE TRENDS IN PROGRAMMING, PRIORITIES

The BID has one main internal problem and two main external ones. Internally, the BID has been so disorganized for so long that even the Board members are unaware of BID activities and policies. Getting its house in order -- clearly delineated roles and responsibilities, a massive communication effort, and redefinition of the BID's mission -- is imperative. Externally, crime remains the number one problem for the area. Security patrols are effective and appreciated. However, additional assistance would be useful. While details of the contract were not revealed and a competitive bid process was used to purchase a contract, it appears that \$300,000 per year for security might be above the market rate. Perhaps an evaluation of the contract is in order. The final external problem concerns the national economic crisis and is not within the BID's purview. However, the BID could do more to promote the area as a manufacturing center and to protect those businesses currently within the region.

Flatbush Avenue

BID Snapshot

The BID was established in January of 1986. Since its full year of operation it has been funded with an assessment of \$82,500, making it one of the smallest existing BIDs in New York City. The BID is a one mile strip, including five triangular islands. This area serves as a major artery for those entering the borough of Brooklyn. The area is primarily composed of three-story building with ground floor retail establishments. The surrounding brownstone neighborhood is mixed racially and economically and has a family orientation. The BID has entered into a part-time contract with a private sanitation crew to sweep the District three times a week including triangle parks. Colorful banners are posted on lampposts throughout the BID area. The BID changes banners with each season. Holiday lighting displays are also coordinated. The BID runs seasonal advertisements in local papers to promote local businesses. Promotional materials for local merchants have also been developed. A BID newsletter has recently been written. In the future a regularly scheduled newsletter will be circulated. The BID also sponsors Christmas and Halloween events for children. The BID values the arts and has acquired sculptures for triangle parks within its boundaries. Additionally, it has sponsored events for local artists.

Satisfaction with BID:

Although the BID has an extremely small budget, it was described as being successful. It has a high level of participation from among the local businesses. The DMA seems to function well and there is a sense that all have a stake in making the avenue successful. They recognize that one of their biggest challenges is to increase the visibility of the shopping district. There is a feeling that the adjacent Metrotech BID is beginning to change things in the community. It was not clear as to whether these changes are positive or negative. As in most areas of the city the proliferation of crime and drug problems is a major concern to local businesses. The BID does coordinate efforts with the local police precinct to encourage constant police coverage on the strip. On April 21st a meeting was held with the Captain of the local police precinct and with local business people. 15 merchants and other local residents attended. The BID manager was pleased with attendance. The BID does feel restrained about

its limited activities due to its small annual budget.

Bid's Relationship with the Community:

The BID is trying to become an active part of the community through its involvement in sponsoring seasonal holiday activities for children and through sponsorship of athletic programs for children. Community beautification is also an area where the BID is working to improve its relationship with the community and to improve the community as a whole. There appears to be an ongoing effort for outreach to the community and to local businesses. Increased numbers of meetings are planned for the BID in the future.

City's relationship with the BID:

The BID has worked with the Division of Business Services and city government staff. Overall, they have found city officials and the Community Board to be helpful. City officials attend all BID meetings. There appears to be some sense that the City is very aware of the activities of the BID. Relations appear to be good between the BID and with local community Boards. The Community Boards were characterized as being both active and caring as well as being complimentary in helping the BID to achieve its goals

Future trends in Programming and Priorities:

The BID is interested in exploring the provision of daycare and other social service programs to address the needs of the community. The BID is also applying to HUD for grants for planting sod in public areas

Fulton Mall

Bid snapshot

The Fulton Mall Special Assessment District was established in July, 1977. It is technically the oldest BID, but its formation as an outside pedestrian mall pre-dates the BID concept. The Fulton Mall's boundaries extend from Adams to Flatbush Avenue including Dekalb Avenue to Flatbush Avenue Extension. The mall is thriving with shoppers, pedestrians, and vendors and this crowd constitutes most of the traffic along Fulton Street as no vehicles, except buses, are allowed to run along the mall. The BID Manager and his staff manage the day-to-day operations of the Fulton Mall out of a one-room office on the secondary story of an old building located at the north end of the mall. The BID board meets three to four times of year and is mostly concerned with the formulation of the BID budget, which is then presented to all property owners--each of whom may vote for or against the budget at the annual meeting. 55% of the Fulton Mall's budget is spent on security and cleaning, yet the BID management is trying to direct more money towards marketing, advertising and other instruments to directly help small businesses. Within the Bid board, is an executive committee of about 6 members who are trying to meet on a monthly basis to build up closer contacts with property and business owners so that it can reform its overview of operational options for Fulton Mall. Currently, the main priority of this committee is to set up new sub-committees within the board so that each area of the BID, such as refinancing or new leases for office space can be handled by its own special group. Constituencies outside of the BID board claim that they rely on the annual meeting to hear of any changes that have occurred in Fulton Mall throughout the year.

Satisfaction with BID

Respondents generally feel that Fulton Mall has to undergo serious changes and is in need of informational outreach from the BID management to property and business owners for the BID to progress successfully. Business people, property owners and BID staff all agreed that without a Merchant's Association, Fulton Mall was not going to reach its potential as a quality shopping environment. Although an improvement of the streetscape, one of the original goals, was

accomplished, larger problems accompanied these improvements that brought the BID management to re-ask, "whom are we serving here?" Improved streetscape brought with it more illegal vendors, more loiterers, and eventually more crime. While the BID Manager is aware of these problems and pushing for more marketing and advertising to make businesses more successful, business and property owners seem to be concerned with changing legislation that currently allows illegal vendors to compete with and ultimately hurt the tax-paying businesses' profits.

BID's relationship with the community

Community Board Two represented by District Manager Evelyn Williams seems to be active and has invited the BID manager to the board's cabinet meetings, which certain agencies, like the Department of Sanitation, also attend. The community board generally likes the BID and says that the Fulton Mall acts as "the eyes and ears" of the community so this sensitivity and information makes the board's job easier. One concern about the BID, however, is that the board is concerned with certain social services, i.e. a parole program, dumped in the middle of the BID. Also, the community board sees a need for more communication with Fulton Mall, especially about issues that the BID objects to, like bus stops, but that might be good for the community. Moreover, it would like the BID to make its facilities, such as mentoring youngsters, more accessible and would like long-term planning for how all the BIDs in the area can inter-connect. Nevertheless, the district manager did feel positive about the friendliness, receptiveness and accessibility of the BID manager.

City's relationship with the BID

Overall respondents felt that the city's relationship with the BID was typical of any other part of New York City's relationship with the city. No one except the BID manager had heard of DBS. Moreover, respondents generally answered that city agencies like the Department of Sanitation were irrelevant to the goals of Fulton Mall. Also, property and business owners who were familiar with the formation of Fulton Mall remember the city being supportive, even proactive in the creation of the outside mall. However, as certain problems arose, respondents

say the city almost abandon the bid, so that, for example, the decay of the roadbed of Fulton Street became the problem of the Fulton Mall, and the city left property owners personally liable for the problem

Respondents did mention, on the other hand, the city's help in dealing with the major problem of peddlers. Apparently, local police units are helping BID security officers remove illegal vendors. Business owners did say, however, that they'd like the city to take the effort a step further and push for a change in legislation to make peddlers pay fees for the use of property on Fulton Mall.

Future Trends in programming, priorities

The three main problems in the BID area are crime, illegal vendors, and the degeneration of the retail environment. An additional concern mentioned frequently (and stemming from these problems) was the need for more lighting on the mall. A panacea to all of these problems is generally viewed to be a Merchant's Association. It is thought that, "in a strange way", merchants have been ignored throughout the development of Fulton Mall and that it is time to formally address their needs. One priority that is intended to be enacted soon is an outreach program that puts the BID management in touch with the day-to-day lives of merchants. Following this effort is a plan to launch a large-scale promotion for advertising and marketing so that the mall can offer everything from safer, more diversified shopping to more attractive store design.

Grand Central

BID Snapshot

The Grand Central Partnership is located in midtown Manhattan, and generally covers the district between from 38th to 48th Streets, between first and Fifth Avenues. The Business Improvement District was established in 1988, and has a budget of approximately 6 million dollars.

Satisfaction with BID

Throughout the interviews, a great deal of satisfaction was expressed regarding the operation and progress of the BID. The concerns and priorities were consistent (security, sanitation, physical enhancements, and homeless) and everyone interviewed felt that these issues were being well handled by the Grand Central Partnership. There has been a significant improvement in all areas and this is accredited to the BID's operation, rather than to the city's assistance. The crime rate has decreased, the physical environment has been enhanced via the capital improvements, and the number of homeless has decreased as they have all been placed in St. Agnes shelter. St. Agnes Shelter is located in community board 6's district, whose manager also expressed satisfaction with its success.

The structure of the Grand Central Partnership tends to be hierarchical and centralized. It appears that most of the decision are made at the top by either the president or chairman (Dan Biederman or Peter Malkin). They represent the majority of the proposals and provide the DMA and BID community with the necessary information. Progress reports are provided to those active on the board and other businesses in the neighborhood.

BID's relationship with the community

Grand Central appears to have a strong relationship with its community. The community consists of primarily commercial, retail, and hotel space. There was a strong awareness of the partnership as the majority of the people that were interviewed felt they had greatly benefited from its existence. A sense of inclusion was expressed by the majority of the participants in the study, with the exception of

Community Board 6's manager whose only contact with the BID was via St. Agnes' shelter.

City's relationship with the BID

As mentioned, the improvements in the Grand Central district were attributed to the BID rather than to the city. Many of the participants expressed frustration with the city's role. It was mentioned that the city has often placed unnecessary obstacles in the Partnership's way. One of the interviewees went so far as to say that city taxes should be reduced because the BID is providing the services that the city should have been providing a long time ago.

Future trends in programming, priorities

Trends for the future were again consistent among the interviewees. It was agreed that the BID should continue in the same vein - continuing capital improvements, security, sanitation, and keeping the homeless off the streets. An additional priority mentioned was business recruitment and retention. Overall, great satisfaction was expressed towards the operating of the Grand Central Partnership.

Grand Street

Bid Snapshot

The Grand Street Business Improvement District is located in Williamsburg, Brooklyn, and was established in July, 1985. It has an annual budget of approximately \$65,000. The district's boundaries are Grand Street between Bushwick Avenue and Union Avenue. It contains a mixture of commercial, residential, and industrial uses with convenience shopping. The Grand Street Business Improvement serves a broad mix of ethnic groups.

Primary goal of the BID include promoting and advertising activities, improving the business climate, and maintenance. Improving the sanitation services has also been a concern of Grand Street. Sanitation services are contracted out, whereas business services, i.e. advertising, are handled by the BID's own staff.

The executive board is central in the running of this BID. They are active in determining the budget, as well as other major decisions that are facing the District.

Policies, projects and activities are well communicated to the local businesses and the city agencies. This is done via newsletters, public meetings and visits from the respective parties.

Satisfaction with BID

Respondents were generally satisfied with Grand Street. Responses were consistent that progress has been made with regard to the specified goals. The discrepancy existed regarding whether or not more progress could have been made. One respondent claimed that the lack of further progress is due to the lack of experience of the Board and its manager, whereas another respondent claimed that good consistent communication between all parties accounts for the progress made.

It seems that the BID has had a positive impact. There are more city services, such as police, a decrease in street crime, a decrease in panhandling, and fewer illegal vendors.

City's relationship with the BID

There is a clear relationship with the city. The respondents were consistent in their claims. Every department, other than the Department of Sanitation, helps the BID achieve its goals. It was felt that the Department of Sanitation hinders the BID.

Future trends in programming, priorities

In terms of future priorities, the interviewees emphasized improving the sanitation programs. This appears to be the central concern. In specific, graffiti removal was mentioned by the majority of respondents as a program initiative that ought to be a priority.

Jamaica Center 1&2

SAD Snapshot

The Jamaica Center SAD encompasses two subdistricts: Subdistrict A, established in July of 1979, includes ten blocks on Jamaica Avenue from Parsons Boulevard to 169th Street and one block on Union Hall Street from Jamaica Avenue to Archer Avenue. Subdistrict B, established in July of 1985, includes five blocks on Jamaica Avenue from Parsons Boulevard to Stuphin Boulevard. Subdistrict A has a 1993 budget of \$433,950 and Subdistrict B has a 1993 budget of \$101,147, for a total District budget of \$535,097. The primary activities of the SAD include Sanitation/Maintenance, Promotion/Public Relations, and Holiday Lighting.

The SAD is administered by an elected Board of Directors. SAD policy decisions are usually made by a consensus of the Board of Directors with limited investigation of a matter by the Board prior to debate and vote. Contracting for services is primarily done through the Jamaica Chamber of Commerce. There is no competitive bidding process; for holiday lighting there is a rotation every few years of purveyors. On major issues, only the Board votes. SAD members who do not sit on the Board rarely attend meetings. SAD policies are communicated through a newsletter; the publication is never used to promote upcoming issues, only those previously decided. The Board itself is made up of a group of well connected and similar thinking members. There is a small opposition group within the SAD which has attempted to challenge the Board of Directors Slate over the past three years, and is also challenging the SAD in various policy areas.

Satisfaction with SAD

There is currently an ongoing dispute between two constituencies within the SAD. The majority group, including current SAD management and most businesses, is highly satisfied with the current level of performance of the SAD. It notes great improvement within and surrounding the SAD area, and feels that the economic benefits are manifold. This group would like to see the SAD expand its efforts with more funds collected through higher

assessments. Some would like to see a return to SAD efforts in increased security - an original goal of the SAD which was eliminated from the budget some five years ago.

The minority group, approximately 1-2 dozen business owners/ managers are not satisfied with the performance of the SAD. They feel it is wasting funds, and not producing the level of services they were guaranteed, especially in regard to sanitation. There is also a dispute over the traffic patterns on Jamaica Avenue. This group is currently involved in legal negotiations to demand a line-item budget. One retail store is attempting to free itself from paying the assessment without leaving the district.

Relationship with Community

All respondents note that there is a heightened awareness of the SAD and its work throughout the community, due to its extensive promotional work, including the sponsoring of "event days" for the members of the SAD. The SAD's close relationship with the Chamber of Commerce has made it an integral part of the community structure. Most felt that the Community Board was a hinderance to the SAD's goals, and there was clearly a negative relationship between the two.

All noted that change has been noticeable both within and just outside the SAD's neighborhood. There are fewer pan handlers and the streets are cleaner. Vacancy rates in both businesses and residential buildings are down sharply since the SAD's formation. The main strip is cleaner and functions much more as a unit rather than a series of individual businesses.

City's Relationship with the SAD

The City's relationship with the SAD is little if at all. As a State created district, the City had little influence at the beginning. There is a representative on the Board, but they play a perfunctory role, mainly approving the actions of the Board. According to contract,

the City is supposed to play an oversight role, however all parties interviewed reported that the City representatives never question or really examine any of the actions, budget or otherwise, of the Board. In general they felt that city services were adequate but could be better. The opposition group noted that the City was unresponsive to its complaints about the SAD.

In terms of relations with individual city agencies, the SAD was generally pleased with the local police and the Department of Sanitation. Nobody was pleased with the Dept. of Transportation. There is an ongoing dispute within the SAD and the DOT over the switch of Jamaica Avenue from a two-way street to a one-way street. Respondents generally felt that the DBS was unobtrusive at best, irresponsible at worst.

Future trends in programming, priorities

The main issues which are on the agenda include expansion of promotion efforts and dealing with growing traffic difficulties. The SAD has a number of problems involving parking regulations and the switching of a street from two to one-way. So far there has not been enough agreement within the SAD to mount a concerted effort to deal with these issues, although it appears that the issues may be dealt with soon.

A number of future issues are more internal. The largest problem facing the SAD is the expected attempt of some of the merchants within the SAD to withdraw and stop paying the assessment. The second largest retailer is currently investigating the legality of pulling out, which could cause a large ripple effect as well as long court battles. In addition, motions are being filed regarding the examination of budget records of the SAD, as some members are claiming misuse of funds.

Some people feel that if monies are increased, the SAD should return to increasing security, a role it dropped from its budget five years ago.

Kings Highway

Bid Snapshot

The Kings Highway BID is located predominantly along Kings Highway and surrounding blocks. The bid was established in 1990. It has an annual budget of \$150,000. The primary activities of the bid are sanitation, sewage, promotion and holiday lighting. It serves a largely middle class residential area. The BID Board is elected by members on a yearly basis. The budget is reviewed annually which is again voted by members. Participation in BID meetings is low with only approximately 10-15 merchants/property owners taking an active role.

Satisfaction with BID

The respondents are satisfied with the performance of the bid. Addition security has continuously been requested especially for holiday events. There are also requests for an increased number of pickups from the Department of Sanitation. There was only one negative comment angled at the Department of Transportation. This occurred largely as a result of the increased fare in the parking meters.

There has been an apparent decrease in the amount of peddlers in the BID. The amount of graffiti has decreased as well. A new security program utilizing surveillance cameras has been largely responsible for the decrease.

BID's relationship with the community

The bid communicates its ideas through a newsletter and through specific letters. It has a liaison with the city which is perceived as quite useful. The lines of communication within the bid are conducted through phone calls and letters.

City's relationship with the BID

The city is always invited to the BID's meetings. It has a liaison with the city which is perceived as useful. .

Future trends in programming, priorities

The current size of the BID is quite small but this is seen as adequate for the present. There are no major program to expand either the size or scope of BID operations.

The main problems with the BID are sanitation and security. The BID contracts out these services and places addition requests for additional assistance via the liaison officer.

The BID is currently conducting a study on determining whether to privatize a parking lot in the future.

MetroTech Center

BID Snapshot

MetroTech is located in downtown Brooklyn, not far west of Manhattan and in the general area directly south of Bridge Plaza and between Brooklyn Heights and Fort Greene. The MetroTech BID is approximately 60 acres in size, and its tenants employ approximately 13,000 workers. There are about 15-20 large private and public businesses and institutions in MetroTech, approximately 125 small businesses and a total of 135 property owners.

The land area of MetroTech is shaped roughly like an eight, one loop of the eight being somewhat larger than the other. The larger loop contains a commons area around which are found the newest of the structures in the MetroTech BID: the eight "development sites". The Long Island University campus comprises the majority of the land area in the smaller of the two loops. Many of the largest businesses in the MetroTech BID are located in the new development structures and moved into the area only after the creation of the BID.

Created in January of 1992, MetroTech has had only two annual budgets. Its budget for fiscal 1992 was \$1.67 million, and its budget for fiscal 1993 is \$2.08 million. MetroTech spends about 86% of its total budget on services and the other 14% on administration. By formula, MetroTech's eight development sites provide about 68% of its funding, 84 commercial and industrial properties contribute 21.7%, major not-for-profits (mostly schools) contribute 10%, and the five residential properties within MetroTech contribute .3%.

In order of importance as expressed by percent of budget delegated to the service (based on FY 1992-93 projections), the services MetroTech offers include: (1) enhanced security (76% of budget); (2) enhanced sanitation (6.5% of budget); (3) area promotion (1.5% of budget); (4) merchant outreach (1% of budget); and, (5) holiday lighting (less than 1% of budget). Special events are also undertaken, and major renovation of a nearby subway stop in conjunction with the Metropolitan Transit Authority was completed in 1992.

MetroTech's DMA includes eight classes of members: (1) owners of development and commercial properties; (2) educational institutions; (3) tenants of development and other commercial properties; (4) residential tenants; (5) government officials, and, (6 to 8) "other interested parties as provided in the legislation." MetroTech has a

Board of Directors, an Executive Board which reports directly to the Board of Directors and an Operations Committee which reports directly to the Executive Board. The Operations staff has four subgroups: (1) outreach; (2) transit; (3) support services; and, (4) fiscal. The Board of directors is selected by weighted voting based on tax class (as above) and ownership (perhaps square footage of taxables). All major budgetary and program-related decisions are ultimately approved by the Board of Directors.

Satisfaction with BID

All those interviewed emphasized how very well run MetroTech is. All agreed that MetroTech's management has achieved near categorical success in meeting its goals. Opinions differed, however, with respect to just what the goals of MetroTech should be and, also quite important, who should get to decide what goals MetroTech should strive for. For closely-related reasons, opinions also differed somewhat on the benefits attributable to MetroTech: has it been worth the money spent?

The differences of opinion seemed to split along a sharp line: those interviewed from large corporate entities -- entities which moved into the area only after the construction of MetroTech Center and full-up operations of the MetroTech BID -- and those interviewed representing small enterprises which were located in the area before the BID was formed. Note that no one was interviewed from the significant not-for-profits (such as Long Island University) located in the area.

The corporate tenants were all very pleased with MetroTech. Those familiar with the area before MetroTech was created cited the dramatic improvements which have taken place. The BID manager expressed how quickly and dramatically the crime rate in the area has fallen as well. The overall cleanliness of the area was also pointed out, and it was apparent, as was the large security force.

The main concerns of the corporate clients seemed to be with the safety and cleanliness of the area, thus they got what they wanted. Related to cleanliness, MetroTech's success in jointly refurbishing the local subway stops (Hoyt Street and Lawrence Street) with the Metropolitan Transit Authority (MTA) was also stressed.¹ In short, the corporate tenants needed to make the area suitable for white collar professionals -- which it was not before MetroTech was formed.

Several of those interviewed also told me that the numerous schools in the area considered the heightened security and sanitation to be of great benefit.

In contrast to the goals of the large corporations in the area, the goal of the small business owners who joined MetroTech was simply to improve business. These businesses looked forward to having a cleaner and safer area, but the most important potential service for them was to enhance marketing of the area as a place to shop. They have viewed the 76% of the budget spent on security (88% of the budget if administration costs are deducted) as far too high.

Small businesses complain that business has not been greatly enhanced by the BID, thus the cost of having it may exceed its benefit. The new corporate workers in the area tend to solicit business only at more upscale restaurants and stores, and, therefore, do not do much purchasing at the stores which were in the area prior to MetroTech BID formation (these catered mostly to people from lower income brackets). One small business owner mentioned that business had actually declined since MetroTech, but acknowledged that she did not know whether it was the result of the BID or the recent recession. She also complained that the BID closed off a main roadway to her business to make room for a common area, an area primarily used by the corporate workers from MetroTech Center.

Small business owners also feel relatively powerless in having a say in how BID money is spent. Almost everyone interviewed mentioned that the small business owners do not have the time to put into voicing their concerns (they will lose business if they close shop to go to meetings). Also, due to the weighted-power voting system of the BID Directors, the small businesses lack legal authority to control the budget.

Small business owners may be hurt by the BID taxes. The extra taxes can be passed along to them in two ways: (1) directly through the BID taxing mechanism, and (2) indirectly through the BID's inflationary influence on local property values which increases city taxes. Renters may experience (and one claimed to be experiencing) a drop in profits due to landlord pass-along of these increased taxes.

BID's Relationship with the community

The people at Community Board Two seemed quite happy with MetroTech and all of the other BIDs in their district. They felt that the

BIDs gave some amount of political pull to the area by collectivizing action groups. The manager of the BID specifically mentioned how she felt the city treated the boroughs outside of Manhattan as pariahs of sorts, not paying as much attention to their needs as it does to the needs of business (and BIDs) in Manhattan.

Since MetroTech is composed almost exclusively of businesses and not-for-profits (schools), the community is almost strictly a business one. Nonetheless, most people I spoke with were quite positive about the revitalization of the area, and it seemed to give some sense of community spirit. The Community Board person I spoke with thought that the BIDs in her area made the community a much better run place because the BID management, which knew the "ins and outs" of getting things done by the city, served as the "eyes and ears of the community" and had power to make sure that problems were addressed. On the other hand, she commented that BIDs can object to and have power in changing area laws and services -- such as zoning ordinances, bus stop locations and sanitation work routes -- to make them better for the BID but not necessarily the area as a whole.

City's relationship with the BID

The managers of the BID all seemed relatively pleased with the various divisions of city government which they deal with from day to day. All were positive about the joint work done with the local police, most were happy with the Department of Sanitation, though some agreed there could be a better working relationship with it. The Metropolitan Transit Authority was thought to be quite helpful, but the Department of Transportation was considered by some to be lacking in helpfulness.

One department which was criticized by all was the Department of Consumer Affairs. Many I spoke with considered this department's efforts to be very poor, especially in the area of cracking down on illegal street vendors which take away valuable business from BID store owners.

On a more political front, the Mayor's Office and the local Borough President's Office were cited as being quite helpful and particularly helpful in the BID formation process. Those who had heard of the Department of Business Services (many had not) seemed to think that its service was adequate.

Future trends in programming, priorities

Most respondents believed that MetroTech has all but solved its security problems and has made a very significant impact on transportation and sanitation. New areas which have been denied much attention in the first two years of the BID's existence, but which BID management claimed it will soon address, include better marketing and management programs for the small businesses in the area. The Community Board member said that while all the BIDs in her area have had a positive impact she would like to see the city do more long-range planning grapple with understanding how the BIDS in her area will eventually interconnect to and work with each other.

The BID manager and one of the corporate business representatives interviewed were both very concerned with the city departments treating MetroTech like a "second class" BID simply because it is not located in Manhattan. Small and large businesses in MetroTech also echoed a common fear: BIDs must not be allowed to lose all power to the most powerful tenant.

Opinions differed on what to do about the increasing number of BIDs. One businessperson said it was very good to have many small BIDs as opposed to fewer, larger ones because it gives more community-based control. Another corporate business person, however, thought that BIDs should be merged where needs are similar. This second business person pointed out that BIDs are different and should not be treated as a homogenous group by the city.

Two of the corporate business representatives were concerned that BIDs remain on target with what they were originally set up to do: improve business. They should stay out of social services. Nonetheless, both of these people reported, BIDs can be excellent sources of information on what community ills need to be addressed by the city and can provide very helpful implementation tips due to their specialized knowledge. BID management generally has a very good idea of what is going on in the community at large, and this information should be better exploited by city agencies.

Nassau Street Mall

SAD Snapshot

The Nassau Street Mall SAD encompasses two subdistricts: Subdistrict A, established in July of 1982, includes five blocks on Nassau Street from Spruce Street to Maiden Lane. Subdistrict B, established in July of 1987, includes two blocks on John Street from Broadway to William Street. Subdistrict A has a 1993 budget of \$142,500 and Subdistrict B has a 1993 budget of \$56,000, for a total District budget of \$198,500. The primary activities of the SAD include Sanitation/Maintenance, Promotion/Public Relations, and Holiday Lighting.

The SAD is administered by an elected Board of Directors. SAD policy decisions are usually made by a consensus of the Board of Directors based on prior debate and input from the members of the SAD. Sanitation services are run using a staff employed by the SAD, working in conjunction with the City Sanitation Department. Most other projects are contracted out on a rotating cycle to member businesses where applicable, or to other merchants through a bidding process. Less than half of the SAD members who do not sit on the Board attend meetings. SAD policies are communicated through a newsletter as well as letters and informal communication systems.

Satisfaction with SAD

There is a generally high level of satisfaction with the SAD, although there is a belief that it could be doing more. Improvements have been noted in the general community around the SAD, as well as a higher feeling of unity among the SAD membership. There is some call to see the SAD expand its efforts with more funds collected through higher assessments. Some would like to see the SAD focus its efforts in new areas, such as increased security or stronger promotional efforts.

SAD's Relationship with Community

Respondents noted that there is a heightened awareness of the SAD and its work throughout the community, due to its increased promotional work, with numerous programs in the planning to promote the area. The SAD's has a good relationship with the Community Board which has allowed to build a working partnership with the local community.

Other than cleaner streets in the immediate area around the SAD, there has been little visible change in the area around the Mall. There have been some improvements in the surrounding areas, but no respondent was prepared to associate them directly with the SAD's establishment. The main strip is cleaner and functions much more as a unit rather than a series of individual businesses.

City's Relationship with the SAD

The City's relationship with the SAD is somewhat limited. As a State created district, the City's role is mainly one of oversight. There is a representative on the Board, but they rarely take an active role, mainly approving the actions of the Board. According to contract, the City is supposed to play an oversight role, but the City representative almost never questions the actions of the board. In general they felt that city services were adequate but could be better, and they see the SAD as a necessary supplement.

In terms of relations with individual city agencies, the SAD was generally pleased with the local police and the Department of Sanitation. The SAD's sanitation efforts, their main work to date, works directly with the Sanitation Department and seems to have a very positive relationship.

Future trends in programming, priorities

The main issues which are on the agenda center on the expansion of promotion efforts. The mall recently had a special logo created, and is in the process of organizing a number of promotional events as well as various internally unifying efforts. There is some talk of expanding to some type of security efforts in the future, as well as a possible expansion of the SAD geographical area.

STEINWAY STREET

BID Snapshot

The Steinway Street BID, located in the Astoria section of Queens includes the properties along both sides of the street from 28th Avenue to 35th Avenue. The street is a commercial strip serving mainly the adjacent residential communities, but there are also nearby municipal parking facilities, and subway and bus service. The annual budget of the BID is \$210,000, which is devoted mainly to sanitation and security services. The BID also sponsors holiday activities and is expanding its involvement in marketing the district.

Satisfaction with BID

In general, there seems to be a high level of satisfaction with the BID. Both the Executive Director of the BID and the BID board member said they believe BIDs to be a good idea, and they feel that the Steinway Street BID is effective. They point to the work of an active board, and a great deal of support in the community. The BID is still very young --it is just beginning its second full year -- and it is viewed as having a lot of potential to fulfill.

Maintaining high visibility in the neighborhood is important to staff of the BID. They consider this to be a primary evaluation criteria used by the community. Visibility means not only seeing the results of the BID's activities (cleaner streets, holiday lights installed early in the season, etc.), but also seeing security officers, sanitation workers, and BID staff out on the street.

The BID was formed because there was a general sense that the neighborhood was beginning to go downhill, and that something needed to be done before it got worse. Property owners were the group to begin organizing activities, but there was broad support throughout the community. Although most of the business property owners are not residents, many have a long history in the neighborhood. They were either residents and/or merchants themselves, and moved out once they became more prosperous. Many have since retired and moved out the metropolitan area, but still have personal ties to the community.

Changes in terms of cleaner streets have been noticed and commented upon on Steinway Street. Safety is more of a subjective

issue, but the BID believes that improvements have been made here also. While there hasn't been any noticed displacement into the surrounding residential neighborhoods, the improvements seen in the BID have attracted the attention of business people in other commercial areas. Additionally, the BID is planning to expand its marketing activities and begin advertising outside of the neighborhood. It hopes to employ a publicist under contract to conduct these activities.

BID's relationship with the community

Relations with the community appear to be very strong. There is a great deal of involvement on the part of merchants and the Board, and a lot of direct contact between the Board and other members. No problems were mentioned between the BID and the Community Board or other local organizations.

City's relationship with the BID

The BID said that the City was extremely helpful throughout the approval process, and that its oversight role is appropriate. The BID director noted that their experience may not be entirely representative, since Steinway Street was the first BID to be approved under the new City Charter, and that it was probably given more attention as a result.

There were some concerns, however, about some of the guidance that the City provides operating BIDs. The director drew a distinction between what he termed "Main Street BIDs" like Steinway Street and "Central Business District BIDs" like those found in lower Manhattan. In his opinion, these two types of BIDs deal with different types of issues, and there have different needs regarding assistance from the City. Much of the negativism regarding BIDs in general focuses on the larger organizations, not the smaller ones.

He sometimes feels that issues facing smaller BIDs are ignored. As an example, he cited a seminar for BID managers on security. He said that the meeting was geared toward organizations that have large security budgets and employ their own officers, and that he did not find it meaningful to his BID. As a solution, he suggested providing different sessions for larger and smaller BIDs.

Likewise, he also said that city requirements for reporting and accountability also seem to have larger BIDs in mind. Some of the reporting requirements are onerous for small BIDs with limited staff resources. Again, he suggested different sets of requirements for larger and smaller BIDs.

Future Trends in programming, priorities

As stated, the BID believes that it has a great deal of potential to fulfill. It is expanding its marketing and sanitation functions, and is exploring new issues such as municipal parking. It indicated an interest in becoming involved in child care and possibly other social services, as needed by the neighborhood.

Third Avenue

BID snapshot

The HUB or Third Avenue BID encompasses a seven block commercial area on both sides of Third Avenue between E. 148th and E. 153rd Street in the South Bronx. The BID has been in existence since 1988. It has an annual budget of \$256,000. The assessment it collects is based on frontage. The primary activities of the BID are security, sanitation, promotion, and holiday lighting. The BID's DMA is a Local Economic Development Corporation called SOBRO. One full time staffer there administers the BID. All BID services, with the exception of some minor business assistance, are contracted out after a competitive bidding process. BID board meetings, which occur every six weeks, while publicized, tend to be informal, attended by a handful of concerned business people, the DMA head, the BID President, and the DBS project manager. BID decisions are typically made after a committee researches a matter and reports back to the Board. Recommendations are voted on by the Board. Theoretically, any BID member attending a meeting is entitled to vote. BID members who do not sit on the Board rarely attend. Even business people who sit on the Board do not attend every meeting. The Board members have known each other for many years and there is a strong element of collegiality and trust.

Satisfaction with BID

Respondents are generally satisfied with the BID. They believe the additional security presence and sanitation efforts have made the area a more attractive place to visit and shop. None of them feel however, that the BID has, or can make the area totally safe or clean given its economic and demographic circumstances. All of the respondents would like to see the BID increase its level of current services and add some new ones. The BID is near the limit of its special assessment. To expand services, the BID must either enlarge geographically or change the tax assessment formula. Given the amount of time it took to form the BID (11 years) the tax change is unlikely. Several businesses bordering the BID are petitioning to join the BID so that an expansion may be more of a possibility.

Store managers are particularly concerned about sidewalk peddlars. BID security contractors have apparently had some success

in getting these types to "move on." Loiterers from nearby drug treatment facilities have likewise been asked to "move on." Another concern is traffic and parking. The BID has been instrumental in working with NYC Department of Transportation to coordinate construction on the 149th Street subway stop. The BID is working with the City to purchase a municipal building for use as a parking lot.

None of the respondents cited a negative impact of the BID on the community. All claimed to have noticed a visible improvement in the appearance of the area. This perception is key. The BID does not measure its performance in any objective sense. It is not clear that sales are going up. There is simply a consensus that "things are getting better." Further evidence of these changes lies in the fact that businesses bordering the BID want to join and in the meantime are adopting some of its practices eg. placing new garbage cans on the sidewalk.

BID's relationship with the community

A great mystery. Apparently the Community Board representative attended meetings during the BID's formation but has since engaged the BID only sporadically. He is familiar with the BID's activities and has a list of additional things he would like the BID to do (provide loans, technical assistance) but has done little to push this agenda. All respondents feel the BID has helped the Community Board achieve its goals. Only two of the respondents (the Community Board rep and the BID President) felt that the Community Board helped the BID achieve its goals. The CB rep claims that the CB served as a liaison between the BID and other agencies. Other respondents indicate that the BID dealt with City agencies directly. Other than the CB, the presence of other local institutions has been minimal or nil. A handful attended meetings during the BID's formation but have since withdrawn.

City's relationship with the BID

The BID Board member and its President praised the DBS project manager who has been working with the BID over the years for his knowledge and ability to get things done. DBS plays an important role in most BID decisions. Most recently, the project manager has been working with the City to arrange for the sale or use of a municipal property for a parking lot.

The BID President was more critical of the City's role in the BID formation process. The way he describes it, "We [the local BID organizers] were ready to go in two years," but it took eleven years for the BID to get started. The President blames this on "redtape" and the "slow government learning process." He claims that of all BIDs in the city, the HUB had the fewest obstacles to formation within its own community. The lack of participation of nonbusiness people throughout the BID's life seems to bear this out. Of course the BID's budget and the scope of its activities are relatively small.

As for other City entities, respondents cited positive relationships with the local police precinct and the Departments of Sanitation and Transportation despite inadequate levels of the services they provide. The BID has worked closely with DOT to coordinate the timing and extent of construction on the 149th Street subway station. Respondents feel that if this had not been done traffic patterns would have been disrupted for years, hurting local business.

The BID President was critical of the City's response to requests for street signage and pest control services. He also felt the City's tax collection process was too slow. Three respondents were sharply critical of the Department of Environmental Protection for egregious citation writing over litter violations. Given the BID's attention to the sanitation problem, these citations, around \$250 a pop, are counterproductive they argue. The BID has now instructed its one full time staffer to spend a portion of his time appealing citations, apparently with some success.

The BID President, during the interview, opened a packet from EPM and threw it in the trash. He explained, "They send me this stuff all the time. I don't find it useful." A storeowner complained about a lack of attention on the part of the City's economic development bureaucracy to small businesses: "I don't know who these people are. They never come out here."

Future trends in programming, priorities

The three main problems in the BID area remain crime, garbage, and traffic. As mentioned, the BID cannot pay for more security and sanitation without a reformulated assessment. It has received some grants from nonprofits for graffiti removal and alarm installation and will continue to seek more. Parking is being negotiated. Given its financial standing, none of the respondents envision more for the BID

than an increase in the level of services it is already providing, ie., there are no plans for capital/renovation or social service projects. Keep in mind that projects of this nature are carried on in a larger area by SOBRO, the Economic Development Corporation that serves as the HUB's administering DMA. None of the businesses talked to intimated that the special assessments were too high or unfair and one suggested that he would like to see his increased if it would mean more services. It would take BID area survey to perhaps uncover some BID detractors.

TIMES SQUARE

BID Snapshot

The Times Square BID is bound by West 53rd and West 41th Streets to the north and south, and by Sixth and Eighth Avenues to the east and west, with the exception of 46th Street, where the border extends to Ninth Avenue. The BID was established in January 1992, and is now in its first full year of operation. The budget for the BID is \$4.65 million, with its major expenditures being for public safety (\$1.88 million, or 40% of the budget) and sanitation (\$1.25 million, or 27% of the budget). Given the character and needs of the community, the BID is also actively involved in promotional activities, tourist services, and provision of social services.

Satisfaction with BID

The overall level of satisfaction with the Times Square BID seems to be quite high. In particular, the respondents commented favorably on the openness of the organization, which included two BID Board members and managers of two Community Boards. One of the BID Board members is the chair of the Finance Committee and a member of the Executive Committee. The other is a small businessman who was self-nominated. Both the Board and the Executive Committee are rather large (11 members and 47 members, respectively), the general feeling is that this contributes greatly to the sense of accessibility.

Another important factor in this regard is the staff, and especially the BID manager. Her managerial style seems to emphasize consensus-building and inclusiveness, and this is reflected in the organization. This was noted by BID Board members and the Community Board managers, who contrasted both individual leadership style and organizational culture with the related BIDS, 34th Street and Grand Central. These BID's were praised for their effectiveness and professionalism, but their process (and especially the distribution of power -- or lack thereof) was questioned.

In contrast, the Times Square BID is generally viewed as being effective without overstepping its boundaries, although the Community Boards disagree with the way they bypass the public (read: Community Board) process sometimes. One of the Board members said that it was

the right kind of BID for the neighborhood.

The BID was formed to respond to particular problems in the neighborhood. When asked, each of the respondents immediately identified sanitation and security as the top two priorities of the BID, as well as the top two problems that need to be addressed in the district. Each said the BID has been successful in dealing with the problems, but these needs are such that the BID's response is to set and maintain a higher standard than previous existed. In this sense, it is not "solving" the problems. Everyone said that the streets of the district are noticeably cleaner, and they are perceived to be safer. The BID manager did note that this was not entirely due to the BID.

There was some variety in the third priority, although most respondents identified the external relations of the BID and neighborhood: tourism services, special events, media and promotion. One person (the small businessman) identified an activity focusing on BID members: the BID as an information clearinghouse and voice for business and property owners. Again, the respondents feel that the BID has been successful to date, but effort needs to be maintained.

One of the Community Board managers believes that the BID area and surrounding areas receives fewer City service as a result of the BID's activities. The other was uncertain of any impacts of the Times Square BID on surrounding areas, but commented that related BIDs had displaced drug users into surrounding neighborhoods. The BID manager stated that street crime and presence of illegal vendors has decreased due to improvements in the BID.

BID's relationship with the community

The BID believes that it has good relations with its members, and it places a high priority on outreach. It sees its major challenge as developing and maintaining effective communications, especially because many of the businesses are tiny storefront shops that see a great deal of turnover. In addition to a couple different periodic mailings, the BID staff also attend the meeting of the Community Boards, civic associations, and other neighborhood organizations. One innovative outreach tool that the BID produced for its members is a sticker containing important BID and City phone numbers that can be put on a telephone receiver.

There doesn't appear to be discernable differences between the

BID's relations with businesses, property owners, and residents. All three are represented on the Board, and there is also a mix between small and large operations. The small businessman had initial reservations when the BID was being formed, because the organizing activity was being driven by a few of the large businesses (Arthur O. Sulzberger of The New York Times, in particular). But he found the process, as stated, to be extremely open, and nominated himself for directorship. Although he has not been heavily involved in the BID over the past few months, and could not answer many of the specific survey questions, he obviously believes that the information is available to him if he needs it, and he has faith in the BID management and procedures.

City's relationship with the BID

All the respondents said that the local police precincts and the Department of Sanitation assist the BID in achieving their security and sanitation goals. This is especially important since these are the top two priorities of the BID. Additionally, there was agreement that the City in general helps the BID in its sponsorship of special events. The assessment of other City agencies was mixed. Most did not know if the Department of Transportation (DOT) was helpful or not, and one person said that DOT was a hindrance. Likewise, there was not much knowledge of the role of the Department of Business Services (DBS), but two respondents said that DBS was helpful. None of the respondents believe that DBS should be substantially involved in the management of the BID.

The Community Board managers seem to have some ambivalence about the particular BIDs that they deal with, and about BIDs in general. As stated, Times Square BID gets higher marks than the related BIDs because it is more responsive and inclusive -- if not initially, then at least eventually. For 34th Street, Grand Central, and Times Square, while accomplished and successful at some tasks, took on too much of a "governmental role." Times Square, she said, is an example of a BID working well, but she also said that she wasn't sure if the benefits outweighed the costs.

There also seems to be some envy over the financial resources available to BIDs. While both Community Board managers say that they interface with the Times Square BID as needed, they do not view themselves as being relevant to the achievement of the BIDs goals.

Neither do they perceive the BID as being relevant to the achievement of their own objectives.

The BID seems to have better feelings toward the Community Boards than the Community Boards have toward the BID. The BID manager says that the Community Board and BID have different mandates and in that sense are not directly relevant to one another's goals. Even so, there are areas where they should interact and cooperate. One of the Board members indicated that there are Community Board members on the BID Board, and that to him there seems to be a cooperative effort between the two organizations.

Future trends in programming, priorities

The BID manager and Board members feel strongly that the BID should stay focused on its original priorities of security and sanitation. While the BID does accomplish more than just this, all other program activities are secondary. The BID manager believes that the organization should be entrepreneurial with other activities so long as it does not lose its original focus. New initiatives currently being considered include:

- sidewalk and lighting projects;
- special projects to support sanitation (Project Shutterbug -- BID sanitation staff go out early in the morning and photograph illegal dumping) and security (a program directed against Three-Card Monte operators and training for security personnel); and
- involvement in the Manhattan Community Court (most misdemeanor violators in the Manhattan North and Manhattan South will be tried in a special mid-town court, and if found guilty, will be assigned to community service with one of a number of participating organizations, often that same day).

A list of potential program activities included more sophisticated public relations and tourist activities, job development programs in conjunction with neighborhood social service agencies, and tracking of available services such as drug treatment.

In contrast, one of the Board members believes that the BID should only focus on its current programs, and not expand its reach very much. Even though he feels that the BID does excellent work and is a strong supporter, it should not receive any more money that it does now. He is more interested in having the BID provide better

member services

Washington Heights

BID snapshot

The Washington Heights BID encloses the blocks between 183rd and 179th between Fort Washington St. and Amsterdam Ave. It has been in existence since 1986. It has an annual budget of \$195,000 to serve approximately 250-300 merchants/property owners. The primary activities of the BID are sanitation, promotion and special lighting. All BID services are contracted out after a competitive bidding process; usually the BID goes with the lowest bidder, with a minimum requirement of three BID proposals to start. BID board meetings, publicized via letters, tend to be informal, attended by a few concerned business people, the DMA head, the BID President, and the DBS project manager and a few property owners. BID decisions are made upon a vote at BID meetings; anyone who possesses membership is entitled to a vote with the exception of the community board. Recommendations are voted on by the Board and its management. At least half of all businesses, property owners attended and are believed to be active when the holiday season comes.

Satisfaction with BID

Most respondents generally satisfied with the BID. The DMA head strongly believes, given the budget constraint, that the BID is functioning well. All respondents believe that the NYPD helps on certain holidays, as does the Dept. of Sanitation, and the Department of Business Services. The BID communicates its ideas bilingually in Spanish and Korean where applicable and does the majority of the promotion in house. Respondents attribute the downturn of the economy as the main reason to be the result of the lack of progress toward the BID's goals.

The community board and the BID work together on issues; but there appears to be some resentment from the community board since they do not have voting power. The community board feels the DOT could do a much better job; she cites an issue where the DOT never constructed a parking garage (being requested for years). Furthermore, the MTA "refuses" to increase its stops in certain places and has not paid close attention to increasing the number of control agents for

traffic.

The merchant believes the BID is not cost effective. Certain businesses to don't pay the assessment and it ends up with having less of a budget for lighting/promotion activities. He believes that it is difficult to get any businesses to sign any documents largely as a result of "being discovered" (many of the vendors are believed to be illegal aliens). He firmly believes there should be better management of the BID when it comes to money matters and promotion for those reasons. Advertising should also be stressed.

The respondents believe the parking problems have increased. Relationship with the city police department have gotten better (when the riots came they assisted in securing businesses until they were shutdown); they also attribute to the decrease in street crime. The streets are cleaner as a result of the better result of the better relationship with the Department of Sanitation. In general, all claimed to have noticed a somewhat visible improvement in the appearance of the area. This perception is key. With the exception of the Sanitation and Police Dept. the BID does not measure its performance in any objective sense. It is not clear that sales are going up. There is simply a consensus that "things are getting better." There appears to be no knowledge of how the businesses on the surrounding area are affected by the BID's presence.

BID's relationship with the community

The community board does not have voting power at meetings. The board attends the BID meetings and does provide its services to liaison with the city agencies. The respondents believe that the community board does help with the BID's goals in general. Other than the Community Board, the presence of other local institutions has been minimal or nil.

City's relationship with the BID

The community board has the strongest connections with the city's agencies. There is a DBS representative who regularly attends the BID's meetings; he is viewed to be useful.

Future trends in programming, priorities