

GET THE FACTS!



Exploring the Formation of a Coney Island Business Improvement District (BID)

QUESTIONS AND ANSWERS

Visit: www.ConeyIslandBID.org

For the last several decades, the formation of a Business Improvement District (BID) has been a tool used by many neighborhoods across New York City to improve the quality of life and work for all local stakeholders – property owners & tenants (be they residential or commercial), community leaders, and government representatives. However, this BID process can only be effective if all of the stakeholders can successfully work together to determine both the scale and scope of the community's needs.

NYC BIDs are a proven public-private model for neighborhood planning and advocacy for a better quality of life for all those who live, work and visit a specific community – there are over 75 BIDs across NYC serving their neighborhoods with a broad range of services and improvements. In effect, although named a Business Improvement District, its vision is always in context with “neighborhood improvement district” goals.

WHAT IS A BID (BUSINESS IMPROVEMENT DISTRICT)?

A BID, or Business Improvement District, is a specific geographic area established in accordance with New York State and City law. It allows for local property and business owners to finance supplemental services and improvements beyond those provided by the City. The governance of the BID is represented by a not for profit organization with a Board of Directors that consists of local property (commercial and residential) owners, commercial and resident tenants, community organizations and Community Board, and the required government officials (Councilmember, NYC Comptroller, NYC Mayor, Brooklyn Borough President).

At present, a BID Planning Committee has begun to meet regularly to learn more and discuss how the Coney Island community can work together to support and balance its diverse interests. All are welcome to join this Planning Committee which is still in formation, and is represented by local property (commercial and residential) owners, business and resident tenants, community organizations, and government representatives to discuss their perspective and ideas for Coney Island.

WHY IS THE ALLIANCE FOR CONEY ISLAND FACILITATING THE PROCESS OF BID FORMATION?

The Alliance for Coney Island is offering the community a forum to learn more about BIDs and how we might establish such a district to satisfy our local needs. The Alliance conducted a Commercial District Needs Assessment and heard a variety of concerns and ideas from merchants and shoppers that could improve the business environment and quality of life for the community. All of this constructive feedback has resulted in the recent meetings to discuss potential BID formation and what a BID could do to address these community issues. (Learn about the Alliance's work at www.AllianceforConeyIsland.org)

The mission statement of the Alliance is to:

- Create an economically and socially sustainable neighborhood;
- Preserve and enhance the retail and neighborhood character.

COMMUNITY DISTRICT NEEDS

Exploring the BID model for Coney Island is a response to the voices of the community who believe economic development and commercial revitalization efforts are needed. Retail surveys recently completed by property owners, local businesses, and residents have specifically identified public safety, sanitation, beautification, district marketing and business recruitment, parking, lighting as issues of concern and in need of improvement. While the City provides basic services, a BID can be the City's partner and can offer additional services that can help implement what the community believes is important.

WHAT SERVICES AND IMPROVEMENTS CAN A BID PROVIDE?

NYC BIDs in other communities have undertaken supplemental services such as the following:

- Advocacy for the District's needs,
- Public safety and sanitation programs,
- Business marketing,
- Snow and graffiti removal,
- Streetscape beautification,
- Storefront improvements,
- Technical assistance with local city agencies,
- Traffic management,
- Holiday Lights

These services & improvements, among others, are **in addition to, and NOT a replacement** of current City services.

HOW IS A BID FUNDED?

A BID is funded by commercial property owners in the BID area. In total, the BID payments equal the yearly BID budget which is used to fund BID services and improvements. The annual BID budget and the BID payment formula to generate the revenues is presented in the District Plan developed by the BID Planning Committee. The City collects the BID payments and **returns the monies in its entirety – 100%** – to be used for the services and improvements defined by the District Plan created by the community. A BID payment is NOT a tax, as it does not go into the general City fund to be spent all over the City. It would be returned 100% to establish the annual BID budget for Coney Island.

WHO PAYS THE BID ASSESSMENT?

The BID payment is the responsibility of the commercial property owner within the defined BID area. However, the commercial property owners, if the commercial leases allows for it, can “pass through” the BID payment to the commercial tenant(s). Some tax lots are occupied by multiple businesses. Therefore, if a commercial lease contains the appropriate language for a “pass through,” the property owner can decide to pass all or a portion of the BID payment to the commercial tenant(s).

DO RESIDENT HOMEOWNERS PAY A BID ASSESSMENT?

Resident property owners traditionally are assigned a symbolic \$1.00 per year and are full participants in the governance of the BID.

HOW IS THE BID ASSESSMENT DETERMINED?

First, based on comprehensive community outreach, the total amount of the BID Budget is determined by the members of the BID Planning Committee. Second, a BID assessment formula is selected to ensure that each commercial property pays its fair share. This formula can be based on one or a combination of factors: property’s linear front footage, or total assessed valuation, or square footage. **Any statement that suggests a proposed BID payment for Coney Island represents an added 6% to current property taxes is false, as the BID Planning Committee has not begun any discussion about BID budgets or BID payments.**

Fully residential buildings with no commercial space are assigned a symbolic \$1.00 per year, and tax-exempt properties as well as religious institutions are excluded from the BID payment.

WHO CONTROLS THE BID?

Once the legislation to form a BID is approved, the BID is led by an elected, volunteer Board of Directors representing a majority of property owners (commercial and residential). Business owners as well as resident tenants within the BID area also have seats on the Board of Directors. Additionally, there is public sector (Mayor, City Council, Comptroller, Borough President, Community Board) representation on the Board. The day-to-day operations of the BID are performed by an Executive Director who is hired by the Board, and is guided by By-Laws as well as a management contract between the BID and the City, ensuring proper oversight.

HOW IS A BID FORMED?

Phase I: A voluntary **BID Planning Committee** is formed and is comprised of property owners, commercial tenants, and residents within a proposed BID area, as well as other community leaders and organizations, and government representatives. The BID Planning Committee develops a preliminary **District Plan** for the BID area that includes BID boundaries, BID program of services and improvements, BID assessment formula, annual BID budget.

Phase II: The BID Planning Committee presents the BID District Plan at several public meetings for review and comment, and builds a consensus of support for the District Plan.

Phase III: The final BID District Plan with its documentation of outreach and support, is submitted to the NYC Department of Small Business Services, which guides it through the formal public review and legislative process involving local Community Board(s), City Planning Commission, City Council, and State Comptroller’s office. At the City Council, the BID becomes effective if a significant number of property owners within the BID area do not file objections to the formation of a BID. The approved BID is then signed into law by the Mayor.

Phase IV: A not-for-profit BID organization is formed and start-up tasks are undertaken with full operations typically within the year.

HOW WILL I GET THE MOST OUT OF A BID?

Get involved! Be part of the decision-making process and work with others who are committed to the success of Coney Island and seek a unifying vision that reflects the diverse interests of all who live, work, and visit.

A BID may be the most effective way to accomplish these desired goals, and that’s what this conversation is all about! Learning from each other and discuss issues and potential solutions.

Learn more: www.ConeyIslandBID.org