

City of Alexandria, Virginia

Business Improvement Service District (BID) Guidelines

Presentation to City Council
June 28, 2022



Goals for Creating/Publishing BID Guidelines



Provide clarity for City Council, City staff and community about:

- Legal process by which City Council can put a BID in place
- What materials must be presented by the BID proponent group
- What assistance the City/AEDP will provide to group preparing a proposal
- How proposals for BIDs are considered by City Council

What is a BID?



- Place of business critical to success
- Defined geographic area
- Supplemental services
- Funded by real estate assessment
- Overseen by nonprofit
- Governed by private stakeholders
- Over 1,500 BIDs, most of them in the US
- 14 BIDs in DC and Arlington



Creating a Service District



- The Code of Virginia § 15.2-2400 gives localities the power to create service districts.
- BIDs are created as Service Districts.
- The ordinance creates a legal boundary inside of which additional services can be delivered.
- Separate tax ordinance to adopt assessments.

Code of Virginia

[Table of Contents](#) » [Title 15.2. Counties, Cities and Towns](#) » [Subtitle II. Powers of Local Government](#) » [Chapter 24. Service Districts; Taxes and Assessments for Local Improvements](#) » [Article 1. Service Districts](#) » § 15.2-2400. Creation of service districts

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§ 15.2-2400. Creation of service districts.

Any locality may by ordinance, or any two or more localities may by concurrent ordinances, create service districts within the locality or localities in accordance with the provisions of this article. Service districts may be created to provide additional, more complete or more timely services of government than are desired in the locality or localities as a whole.

Any locality seeking to create a service district shall have a public hearing prior to the creation of the service district. Notice of such hearing shall be published once a week for three consecutive weeks in a newspaper of general circulation within the locality, and the hearing shall be held no sooner than ten days after the date the second notice appears in the newspaper.

Code 1950, § 15-8.2; 1962, c. 581, § 15.1-18.2; 1981, c. 631, § 15.1-18.3; 1982, c. 96; 1984, c. 385; 1985, c. 150; 1987, cc. 61, 80, 82; 1988, c. 402; 1989, c. 3; 1990, cc. 44, 515; 1991, cc. 12, 29; 1992, cc. 232, 655; 1993, c. 744; 1994, c. 166; 1996, cc. 99, 430, 844; 1997, c. 587; 2000, cc. 853, 925.

Process- Background Scan



■ Guidelines/How-To's:

- New York City; 60-page pdf- [Comprehensive Guide to BID Formation and Expansion](#)
- Washington, DC; Steps listed on website- [Steps for Establishing a BID in Washington, DC](#)

■ How are BIDs formed locally, in:

- Washington, DC

- Arlington, VA

- [Ballston BID](#)
- [National Landing BID](#)
- [Rosslyn BID](#)



- [Adams Morgan Partnership BID](#)
- [Anacostia BID](#)
- [Capitol Hill BID](#)
- [Capitol Riverfront BID](#)
- [Downtown DC BID](#)
- [Dupont Circle BID](#)
- [Georgetown BID](#)
- [Golden Triangle BID](#)
- [Mount Vernon Triangle BID](#)
- [NoMa BID](#)
- [Southwest BID](#)



Recommendation



<https://dslbd.dc.gov/service/business-improvement-districts-bids>

- Customized Alexandria approach: Somewhere in the middle!

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Comprehensive Guide to
BID Formation and Expansion

NYC Department of Small Business Services

[Nyc.gov link](https://nyc.gov/link)

DC.gov Department of Small and Local Business Development

Home Business Opportunities Green Book Sports Betting Find District Contracts Get Certified Our Divisions Services About

Steps for Establishing a BID in Washington, DC

The first step is to meet with the Councilmember representing the Ward in which the proposed BID is located. If the Councilmember supports the BID initiative, then request the Councilmember consider introducing a bill to establish the proposed BID boundaries and the supplemental taxing rate. The bill should be introduced once steps 4 and 6 below are completed.

Step 1: Form a non-profit BID Corporation.

- Designate incorporators
- Designate the initial Board of Directors
- Prepare and adopt articles of incorporation and bylaws
- File incorporation documents with the DC Department of Consumer and Regulatory Affairs
- Apply for a federal employer identification number
- Apply for IRS recognition as a non-profit, tax-exempt corporation

Step 2: Establish the boundaries of the BID.

Step 3: Develop a database of property owners and commercial tenants in the BID area.

Step 4: Establish the mechanism for calculating supplemental taxes. It may be helpful to understand why current BIDs chose their particular tax formulas.

Step 5: Develop a business plan, including a budget and scope of services covering the first 5 years of operation.

Step 6: Prepare and submit the BID application to the Mayor, through DSLBD, for registration. The application is to include the following components:

- Signed statements in support of the BID formation by the required number of commercial real property owners and tenants in the proposed district.
- Business plan for the first 5 years of BID operation.
- Map of BID area.
- List of initial BID board members.
- Articles of Incorporation and Bylaws of BID Corporation
- List of all commercial property owners in BID area
- List of all commercial tenants in BID area
- Tax formula used for the BID fee and proposed first-year charges
- Other materials, as specified by DC Statute § 2-1215

Step 7: Mayor, through DSLBD, makes preliminary review of the BID application within 15 working days of submission.

Step 8: Mayor, through DSLBD, issues a finding that application criteria have been met and schedules a public hearing to be held within 45 days.

Step 9: At least 21 days prior to the public hearing, the BID Corporation must submit a notice of the hearing to each commercial property owner and commercial tenant, each Advisory Neighborhood Commissioner, the Council of the District of Columbia, and each major citizen association within the BID area.

Step 10: Within 10 days after the public hearing, the Mayor shall either register the BID or determine that the BID application requirements have not been met, in which case the BID has 45 days to correct the application.

Step 11: Once the BID has been registered, it can begin operations, including working with the DC Office of Tax and Revenue to collect assessments.

Framework



- **Support:** Petition of support from at least 60% of the commercial property owners in the Business Improvement Service District's (BID) proposed area.
- **Assessment Timing:** In order to accord with City's annual tax assessment valuation and budget cycle, it is recommended that:
 - Service District Ordinance be adopted the calendar year prior to which the assessment goes into effect.
 - Tax Ordinance would be presented with City's other annual tax ordinance amendments.
- **Allowable Services:**
 - The ordinance or ordinances establishing the service district shall limit the powers of the BID to those allowable in Code of Virginia § 15.2-2403.
 - District specific services shall be reviewed on an application-by-application basis.



Proposed Steps

- Phase 1: Planning & Outreach
 - Step 1 - Notification/Letter of Intent (PG)
 - Step 2 - Tentative Business Plan (PG)
 - Step 3 - Data Requests to AEDP/City staff team (PG, City+)
 - Step 4 - Formalize documents for submission; Conduct Outreach; Petition campaign (PG)
- Phase 2: Application Submission and Administrative Review
 - Step 5 - Submission of “application” including evidence of support (PG)
 - Step 6 - City/AEDP staff team completes review of application (City+)
- Phase 3: Legislative Approvals
 - Step 7 - Legislative Process begins- Service District Ordinance (City+, CC)
 - Step 8 - Refined organizational formation (SCC filing, governance updates, etc.) (PG)
 - Step 9 - Legislative Process finishes- Tax Ordinance (City+, CC)
- Phase 4: Operations
 - Step 10 - BID operations begin with reporting requirements

Roles:

- PG - Proponent Group (Business & Real Estate Community)
- City+- City Departments and AEDP
- CC- City Council

Application Package



1. Type of organization (structure & board make-up)
2. Boundaries
3. Programs and services to be provided
4. Benefits Expected
5. Business Plan: start-up (year 0 - year 3)
6. Assessment amount/formula
7. List of all commercial property owners in BID area.
8. Petition of support from the required number of commercial real property owners in the proposed district.

Questions?