

## Responding to Common Questions

Organizers will encounter common questions about BIDs when introducing the concept to the community. Part of the education process is to be able to address these questions early in the effort. Some commonly asked questions include:

**We pay taxes – why should we pay more for services? Isn't that the municipality's responsibility?** This is the most common question and arises from the concern that private property owners would need to provide services that some feel should be undertaken by the municipality. The simple answer is that BIDs provide supplemental services over and above those commonly offered by the municipality. The BID fee is an investment in a property that will yield returns in the form of increased property values and improved tenancy. Most BIDs can demonstrate a solid return on investment over the long haul. By making this investment, property owners and municipalities actually leverage the municipal resources available for programs offered within the BID.

**Are we privatizing public spaces?** The privatization of public space is a topic of debate for some property owners within BIDs. It is important to note that agreements between BIDs and a municipality function like land leases and the municipality does not give up ownership of the district. Most BIDs make existing public space more usable, through better programming, maintenance and security.

**Who controls the BID?** The BID is controlled and financed by the property owners in the district. A Board of Directors representing property owners oversees the execution and management of the BID Improvement Plan. The Board of Directors makes personnel, program and budget decisions within the scope of the plan and approved by the BID property owners.

**How much does it cost?** Property owners within the BID determine the budget and priority supplemental services that will be provided within the district. Property owners determine a fee structure that is considered fair and equitable. Each BID has its own unique fee structure that is appropriate for its district. This fee structure is developed as part of the planning process.

**How does the municipality participate in the BID?** The municipality participates in a variety of ways, sometimes including both cash and in-kind services. Most BIDs have a Memorandum of Agreement with the municipality that spells out the relationship with the BID, the baseline services provided by the municipality and an agreement that outlines how the municipality will participate in the BID as a property owner.

**How is a BID different from a Chamber of Commerce or Business Association?** The BID is a legal mechanism for property owners to collectively purchase supplemental programs and services within a specific geographic area, establishing a dedicated revenue stream to execute the BID Improvement Plan approved by property owners in the BID. A Chamber or Business Association typically provides member services that frequently are more geographically dispersed, sometimes over multiple communities.

**Why consider a BID in any community?** Successful downtowns are actively-managed hubs that encompass a variety of activities that contribute to its health and economic vitality. Residents, visitors, customers, employees, business owners and students contribute to its success. When property owners partner with the municipality to leverage the downtown through a well-managed and sustained effort, the downtown becomes an economic driver for the overall community.

**Do they work?** BIDs have now been in existence for over 40 years. They are so fully integrated into most major cities that multiple BIDs are commonplace, and policies and legislation are rarely modified. For example, approximately 70 BIDs exist in New York City and Toronto, Canada. Based on the success of the Pennsylvania Avenue BID in Washington DC, multiple BIDs have been developed in that city. The International Downtown Association ([www.ida-downtown.org](http://www.ida-downtown.org)) documents a proven track record of success that can be demonstrated through increased values and improved tenancy in cities across the country.