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Are business improvement districts a force for good in cities like Philadelphia? Pro/Con I Opinion

Staff Reports

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Business improvement districts are contentious. The latest example is the death of a proposed district “that [divided Italian Market property owners](#), tenants, and residents,” as WHYY reported Oct. 29. Such districts — also known as BIDs — are created by business owners who agree to pay an extra tax to fund projects within their commercial corridor. The funded services can include street-cleaning, beautification, and security that proponents argue will better the whole community. But others believe these structures amount to privatizing government, by handing over decision-making to businesses.

In Philadelphia, this debate has lately played out in the advancement of a contested [BID in Fishtown](#), the dismantling of a Germantown Special Services District

(similar to a BID), and the failure of a [long-controversial Callowhill district](#). The city's biggest BID, the Center City District, has been around since 1990. This past May, the Pennsylvania Supreme Court weighed in on the [state law governing how BIDs are created](#), ruling that only business owners who would have to pay fees toward these districts legally get a vote in their formation.

To determine the impact of BIDs, the Inquirer turned to organizers and researchers in Philadelphia and California, which has a long history with such organizations, to ask: Are business improvement districts a force for good in their communities?

Yes: With sufficient community input, BIDs bring services, promote growth, and create jobs.

In partnership with community stakeholders, our North Broad Renaissance (NBR) organization works to revitalize the community, create opportunities, and improve the economic power and quality of life along North Broad, from City Hall to Germantown Avenue. Our work is based off a simple belief that there is no single solution to address the issues facing many communities, and there must therefore be a collective commitment to improve public safety, create greener, cleaner, and more vibrant communities (regardless of income and class level), and, perhaps most importantly, create good-wage jobs.

As a Special Services District (SSD), the organization accepts voluntary donations from stakeholders and those funds help us execute strategies under a five-year plan. Creating a Business Improvement District allows developing neighborhoods like ours to sustain programs that benefit diverse communities, including under-served populations.

North Broad Renaissance has already made huge strides for its community and the city as an SSD, including awarding its largest contract to TWB Cleaning, a business owned by an African American woman that helped inspire Councilwoman [Cherelle Parker's Taking Care of Business](#) initiative to invest \$10 million in a city-wide cleaning program. Most of the opportunities we have created have gone to minority firms operating in the city, as well previously unemployed or underemployed and low-skilled individuals.

Our initiatives like the NBR Clean and Safe Program, the Maintenance and Landscaping program, and the Marketing and Communications program provide opportunities for employment for low-income and low-skilled individuals, and the skills they receive can lead to long-term employment. In fact, one of the employers who worked part-time as a cleaner was recently hired by the Laborer District Council (LDC) as a full-time receptionist, because LDC leadership recognized her hard work and friendly personality as an NBR Cleaning Team member.

While BIDs may not be the best solution for everyone, they

can create opportunity for property owners to invest in needed services — as identified by them — that support growth and quality of life along a commercial corridor and extend to local residents.

These accomplishments require sustainability and scaling up. As a Special Services District, the NBR had to rely on voluntary donations and other funding we had to continually pursue. Shifting to a Business Improvement District model is the best solution to guarantee a steady stream of money from local business owners that would go right back into serving their community.

Succeeding in economic equity is challenging. While BIDs may not be the best solution for everyone, they can create opportunity for property owners to invest in needed services — as identified by them — that support growth and quality of life along a commercial corridor. These services are in turn made available to local residents.

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Of course, adequate research and community engagement is important to determine if a district is feasible, and organizers must also be able to provide additional revenue streams to leverage funding from a BID. However, research does show that when combined with the right policies and practices, BIDS can boost communities' economic growth.

When considering community development and planning in general, the possibility of gentrification is important to address. All residents – regardless of class, income and race – want and deserve a better quality of life. They just don't want to be displaced and exploited in the process of attaining that. When planning and creating policy, it's important to do so in a manner that prevents displacement and educates the community on opportunities to grow as their neighborhoods change and improve. BIDs are fully compatible with an approach that does that.

Shalimar Thomas serves as the Executive Director of North Broad Renaissance and is a member with the PHL Growth Initiative working to create broader-based prosperity in Philadelphia.

No: BIDs represent modern-day corporate fiefdom.

We live in a democracy that professes to be of the people, for the people. Yet, in cities across the US, local governments enter into exclusive contracts with *private* property owners, in order to control thousands of blocks of *public* space.

Business Improvement Districts (BIDs) are geographically bounded areas in which special taxes on property owners are used to maintain, develop, and market the district. The city of Philadelphia classifies BIDs as “[private-sector-directed municipal authorities](#)” and collects the assessments

on behalf of the BIDs. The city is authorized by [state law](#) to employ any legal methods to collect assessments.

BIDs use this publicly collected money to govern public space, at the whims of a select few private and commercial property owners. When property owners vote to establish or disestablish a BID, for instance, their votes are typically weighted by the size or assessed value of their property. The bigger and more valuable your property, the larger your say in whether a BID forms — and how it ultimately functions. Understanding how BIDs are created and who they benefit makes clear that a BID is more corporate fiefdom than democracy.

Our research shows BIDs overwhelmingly replacing local governments as administrators of public spaces — while remaining accountable only to cities' largest landowners.

Most people whose day-to-day lives are affected by BIDs are renters and have no control over the creation, funding, or decision-making of the district. This is problematic because BIDs narrow the range of activities permitted in public spaces to those directly conducive to consumption. All else can become criminalized — especially the activities of poor and homeless people.

Our research on BIDs has found that they have employed security to “sweep” homeless people away in cities across the US, from Los Angeles to New York City, Milwaukee to Denver. In California, Colorado, and Oregon, we have found

that [BIDs have lobbied for laws](#) that exclude street vendors, buskers, homeless and poor people from public space, and make it a crime to sleep or eat in public. And they have funded hostile architecture, including spikes on benches, signaling to those with nowhere else to go that they are unwelcome.

The Center City District (CCD) encompasses 233 blocks and works “in partnership” with the Philadelphia Police. The [CCD provides a police substation](#) within its own offices that deploys foot and bicycle patrol officers from the City police. The substation also has a police captain, supervisors, and dozens of patrol officers. An additional 52 uniformed but unarmed CCD security staff patrol the district, with direct radio communication to police as their “eyes and ears.” But it’s not clear these services improve public safety. What is clear is that they increase surveillance and the blatant overlap of private interests and public resources.

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Our team at the Western Regional Advocacy Project has researched BIDs since 2008. While BIDs differ slightly in name, formation process, and funding mechanisms, our research shows them overwhelmingly replacing local governments as administrators of public spaces—while remaining accountable only to cities’ largest landowners. We believe this is what BIDs were designed to do. And our

governments enable them to do it, willingly abdicating responsibility to ensure public spaces provide public benefit for all in BIDs.

Anyone concerned about this private cooptation of public space for the privileged few, at a cost for the masses, should pay close attention to BIDs, whether they're as big as the CCD or smaller emerging groups.

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