



# Business Improvement District *FAQ*



Photo: City of Rochester,  
Communications Bureau



# Business Improvement District *FAQ*

## What is a Business Improvement District (BID)?

Business Improvement Districts were originally conceived as a countermeasure to the disinvestment occurring in downtowns in the face of the rising popularity of suburban malls. The first BID was established in Toronto in 1970 and in the U.S. in New Orleans in 1974. Today, over 1,200 exist in municipalities across the U.S. There are over 70 in New York City alone, and they exist throughout upstate and western New York, including in places like Buffalo, Canandaigua, Syracuse, and Geneva.

At the intersection of people, place, and economy, BIDs allow for the leveraging of new resources to generate activities and services that strengthen local economies, stimulate vibrancy, and create inclusive and welcoming communities. BIDs across the country provide a wide range of services designed to meet the preferences, needs, and priorities in each individual community. Typically BIDs do this work through several primary activities:

- Marketing and promotion of the district
- Events and activities that meet the needs of the local community
- Reinvigorating public spaces for all
- Coordination and collaboration between the local community, external partners, and the public sector to address issues and strategically plan for the future
- Other programs that meet the needs of the local community (examples could include: outreach to individuals experiencing homelessness or coordination or facilitation of workforce development programs)

## Why is this effort happening now?

The City's ROC the Riverway [Phase I Vision Plan](#) strongly recommended a management entity for downtown and its riverfront public spaces. NYS and the City of Rochester, in partnership with the ROC the Riverway management entity working group, enlisted a consultant to conduct a study evaluating organizational structures. Ultimately, the study recommended the formation of a business improvement district.

While the city continues to manage and implement improvements to its parks and public spaces, a BID could generate additive dollars to fund additional upkeep and maintenance, programming, and marketing – on top of what the city already provides. A BID could guarantee consistent levels of services over time while responding directly to the unique needs of downtown.

For the first time, there is public and private sector alignment in support of a BID in downtown Rochester. The Rochester Downtown Partnership (RDP) has been formed to produce BID-like programs downtown and oversee the BID formation effort. There is a sense that, with the right tools in place, there is a moment of opportunity now to reignite the magnetic and bustling heart of Rochester.

BIDs are proven players in urban environments and have helped make some of America's most loved cities even better! Of the top five largest cities in New York State, Rochester is the only one without a BID serving its downtown core. (Notably, however, the High Falls Business Improvement District does already exist within the city of Rochester.) A long-term management entity for downtown's existing public spaces and new ROC the Riverway sites will put Rochester on par with comparable cities across the state and nation, offering local residents and workers exciting and dynamic experiences.





# Business Improvement District *FAQ*

## How are BIDs formed?

NYS law dictates how BIDs must be formed, governed, and operated. Within these guidelines, each community designs a BID that reflects its unique preferences, needs, and priorities. The NYS BID law is accessible here: [Legislation | NY State Senate \(nysenate.gov\)](#)

Across the country, BIDs are typically managed by not-for-profits with a board of directors and staff. In NYS, the board of directors must include property owners, commercial tenants, residents, and publicly elected officials. RDP will work with City Council, the Mayor, the City of Rochester, and the public throughout this process.

## What's been done so far?

The work to consider a downtown BID is in the very early stages. This is an exploratory process, and it will come with extensive community engagement to define the activities and programs of a potential BID, as well as the boundaries, budget, and formula.

Here in Rochester, the Rochester Downtown Partnership has been formed by ROC the Riverway community partners to engage in the potential BID formation process. The Rochester Downtown Development Corporation (RDDC) has been contracted to carry out the operations of RDP. [More information on RDP can be found here.](#)

RDP has yet to fund any programs, projects, or events. A program of events for summer and fall 2022 has been underwritten by RDDC membership dues and funding from ROC2025 as the regional public/private economic development entity.

The upcoming community engagement effort will direct the creation of a district plan. Using robust research, guidance, and community input, clear priorities and needs for downtown will be identified. Ultimately, the district plan will be the guiding document for BID activities, following the initiatives and priorities established.

## How are Business Improvement Districts funded?

BIDs operate within defined geographic areas (districts) and are formed when the majority of property owners in a given area choose to pitch in and pool resources to fund new programs and services that stakeholders want – and that cash-strapped cities are often unable to fund. NYS BID law states the following:

“...real property which is exempt by law from real property taxation and which would not benefit from the establishment or extension of the district may nevertheless be included within the boundaries of the district but such property shall not be subject to any district charge.” That law is accessible here: [Legislation | NY State Senate \(nysenate.gov\)](#)

BIDs can also attract additional funding through grants and event sponsorships. A potential BID budget will be determined through the detailed and needs-based community engagement effort soon to be underway. While a projected pre-BID five-year budget was required to secure funding for pre-BID activities, it is too early to speculate on what a true BID budget could be. A final BID budget would be reflective of the program of BID activities to be proposed and approved as part of the district plan.

## Are BIDs subject to FOIL and Open Meetings Laws?

Yes. A NYS legal opinion in 2016 determined BIDs operating in NYS are subject to both the Freedom of Information Law and the Open Meetings Law. [That opinion can be accessed here.](#)

# Business Improvement District *FAQ*

## Would a potential downtown Rochester BID manage arts funding?

A potential BID for downtown would not have any role in existing arts funding. A potential future BID board may determine a need to provide additive funding specifically to fund a particular public art project. However, these project(s) would be funded by net new dollars which would be made possible by the creation of a BID.

## Do BIDs privatize public space?

Business Improvement Districts do not privatize public space. BIDs cultivate greater community investment and participation in our public spaces. Through outdoor programming, litter and garbage removal, beautification, promotion, and other services, BIDs seek to protect and promote urban outdoor spaces, making them more comfortable, lively, and attractive.

## Do BIDs police the streets?

Municipalities and other governmental agencies provide policing and law enforcement. Often, BIDs employ street teams that conduct an array of sanitation, landscaping, and hospitality functions, in addition to what the city already provides. People on the street means more eyes and ears out there to help visitors, fix broken street features, and be a friendly face to the public.

## Are BIDs permanent? Can they be dissolved?

BIDs are required to revise their district plan and seek renewal and reregistration periodically. In NYS, BIDs are subject to regular review and renewal of their contract with the local municipality. Indeed, the High Falls BID in Rochester has been in existence since 2004 and has its budget, assessment schedule, and agreement with the City of Rochester reviewed by City Council each year.

NYS BID law outlines two formal paths to dissolve a BID. The first is through Council action and the second is through a petition of the owners of real property within the BID boundaries as set forth by the district plan. Additionally, if so desired, the BID board can approve a \$0 budget, effectively shutting down the BID's activities and programming. More information can be accessed here: [Legislation | NY State Senate \(nysenate.gov\)](#).

## Will there be public input? How can my voice be heard?

Downtown Rochester belongs to everyone, and community engagement is an integral part in both the BID formation process and the long-term management of a BID. The work to develop a proposed BID is just beginning, and a thorough community engagement process will accompany this effort. Community members, property owners, tenants, residents, business owners and others will be engaged in this process. All stakeholders will be encouraged to attend future public meetings and respond to community surveys.



Photos: City of Rochester, Communications Bureau