

Business Improvement Districts—In Brief

With the support of City Hall, downtown businesses believe that their business improvement district (BID) is necessary - it provides additional private services that address downtown's "crime, presence of transients, litter and other drawbacks", which prevent people from living and shopping downtown. Is this happening in your city?

American and international businesses are thinking along similar lines and implementing BIDs of their own. The question is, how is this affecting individuals experiencing homelessness? And if the effect is negative, how can we advocate for change?

What is a BID?

A business improvement district (BID) is a special, legal subdivision of the city. The city collects taxes from businesses within the district (some remain exempt). The city then distributes that money to the BID. The BID uses those funds to run private services that serve only businesses within the district. Activities of BIDs are outlined in state and city law.

A Short History—or Why BIDs happened

In the 1970s and 1980s, federal funding decreased significantly. As well, many cities experienced an economic slowdown. Reasons for this slowdown varied, but it was generally caused by movement of the city's more affluent residents to the suburbs, and as a result, a decline in economic investment in cities.



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City downtowns had less funding for local services and therefore decreased their services, despite a common increase in demand. This included decreased services from the police, outdoor cleaning services and court systems. As services decreased, downtown businesses began to complain that downtown areas could not compete economically with the suburbs because downtown areas did not seem as "clean and safe" to shoppers or potential new businesses. This, they believed, was a direct result of downtown's lower levels of security and cleaning.

Downtown businesses believed that due to lack of funding, the city would be unable to meet their demands for a 'clean and safe' downtown. So, from 1975 to the present, they have lobbied their States for legislation that would enable them to petition their City government to implement a BID. Most were successful. It is estimated that there is between 700 to 1,500 BIDs in the US. With the support of their cities, who like that BIDs do the work for free, BIDs have expanded their borders, services and lobbying.

How could a ‘clean and safe’ city be a bad idea?

It depends on the focus. Downtown businesses’ strategy centers around shoppers and businesses needs, therefore the BID’s services are aimed at benefiting shoppers and businesses. The needs of homeowners and homeless people, who live and/or use services in the area, are not a part of the equation. They attract only negative attention from the BIDs. Homes are only considered if they are visibly in physical decay and homeless people are only considered if they are just visible (i.e. noticeably present). The businesses will deal with the issues by discouraging and removing homeless people and signs of physical decay.

Critics of this approach argue that this perspective misses a vital point – systemic issues are not being addressed. They agree that decreases in the city budget resulted in an increase in ‘nuisance activities’ (generally homelessness), low level crimes, and physical decay. They disagree, however, that targeting only the visible signs or symptoms of these issues is the right approach. This approach does not address the causes, and therefore a real reduction in homelessness, low level crimes, and physical decay will not occur. Instead, it will simply be kept in check. The focus needs to shift to address the systemic issues.

As well as not addressing systemic issues, critics also argue that there is:

- Lack of public oversight of the BID, particularly of the private security who patrol the public space.
- Lack of involvement in the BID’s decision making by the disadvantaged and home owners, even if the BID affects their daily lives.
- Often, a lack of consensus of support among affected businesses (usually need only 50% of businesses to be involved to start or renew a BID).

So, what are a few major things I can do?

1. Support solutions that address systemic issues

- √ Advocate for reversing budget cuts for vital programs
- √ Support legislation and private-public actions that address systemic issues

2. Support more research on this issue

- √ [Email WRAP for their electronic survey and fill it out](#)
- √ Research crime, BID and homeless data in your city - and share it with WRAP and other non-profits

3. Support more public oversight of BIDs

- √ Support community involvement in BID decision making
- √ Advocate for transparency of the BID’s programs and budgets

4. Don’t support the ‘harassment model’

- √ Challenge unfair ‘nuisance laws’ in court
- √ Advocate for community courts that address systemic issues - or advocate for their removal
- √ Support the police budget, support police watchdog organizations, and support education for the police on issues of poverty
- √ Advocate for the removal of the private security in the public sphere

What private services does the BID provide?

Depending on the city, BIDs can provide:

- Public space regulation
- Security
- Capital improvements
- Consumer marketing
- Economic development
- Maintenance
- Parking and transportation
- Policy advocacy



BID’s private security officer...different in appearance from a police officer?

Contact WRAP for more information, more ways to get involved and for the electronic survey.