

business improvement

DISTRICTS REACH EUROPE

By Lawrence O. Houstoun, Jr.



The first year of BID operations in London are focused on the same essentials as the early activities of the US and Canadian BIDs – cleaning, supplementary, security, and marketing.

born in Canada and also flourishing in South Africa, New Zealand, Australia, and the United States, Business Improvement Districts (BIDs) have recently established a beachhead in Europe. New legislation will soon launch a BID in Dublin, Ireland, and a dozen have started in England. Authorizing legislation has been enacted in Hamburg, Germany, and there is a tourism-oriented BID in Salzburg Altstadt, Austria.

AN INTERNATIONAL DEFINITION OF BIDS

In its fundamentals, a BID in every country consists of:

1. An organization devoted to the economic advancement of the area in which it functions;
2. Services and improvements that enhance business profitability and property values;
3. Management capacity; and,
4. Tax or assessment-based revenues that are multi-year, inclusive and compulsory for the benefitting businesses or properties.

The United Kingdom has more than 200 entities that have functioned well for more than a decade, providing BID-type services in commercial areas large and small, akin to BIDs in all but the existence of sustainable financing. While this movement – Town Centre Management – has been remarkably successful at raising voluntary contributions from local authorities and businesses, these programs have suffered from financial uncertainty and, because they were almost universally underfunded, their limited effect.

Like American BIDs, Town Centre Management has introduced a rare element among economic development tools; that is, it gives expression to a sense of business responsibility for the economic welfare of the places that directly affect degrees of business success or failure and it does this through an instrument that capitalizes on another rare expression, cooperation among capitalists. While BIDs operate in the middle ground between individual entrepreneurs and government, it is nevertheless essential that they maintain a “for profit” attitude in determining investment priorities. This is not a matter of right wing political theory. Rather,

Lawrence O. Houstoun, Jr. is a principal with The Atlantic Group, Cranbury, NJ and Philadelphia, PA. (lhoustonjr@verizon.net.com)

ADOPTING AND ADAPTING THE BID CONCEPT

This article reviews the current progress of BIDs in Europe, identifies some of the similarities and differences with US BIDs, and reviews the likely advances as various European countries adopt and adapt the BID concept. The BID phenomenon is not a creature confined to North America nor is it now confined to English speaking countries. There are promising pioneers and committed BID interest on the European continent, including Hamburg, Germany, and Terrassa, Spain. A tourism-oriented BID, Salzburg Altstadt, is financed by a hotel tax and government matching funds. Rather, the BID phenomenon is associated with the edges of modern capitalism. There is a point beyond which it is unrealistic or unworkable to expect governments supported by general taxation to perform all the activities considered necessary by the for profit sector within limited commercial or industrial geographic areas. Moreover, there is considerable benefit in harnessing the collective self-interest of cooperating capitalists who assume a degree of responsibility for the places in which they function and which affect the profitability of their individual enterprises.

it reflects decades of experience with BIDs in remarkably diverse circumstances, including the countries where the formula has already successfully taken root.

The eighteenth-century economist, Adam Smith, identified the force of economic self interest as the foundation of capitalism and generation of wealth. He also observed that this force is magnified with the cooperation of self-interested entrepreneurs. With BIDs, the whole is greater than the sum of the parts, a form of "cooperative capitalism."

BRITISH TRANSITION: FROM FREE TO FEE

At the urging of the Association for Town Centre Management and others, the Blair Government agreed to enact legislation to end "freeloading" by non-contributing businesses. In late 2004, authority was available for businesses and local authorities in England to form partnerships with the assurance of a compulsory levy subject to a referendum among benefitting businesses (authorization in Scotland, Wales and Northern Ireland is in the works). Lacking a property tax, the UK levy consists of a surcharge on the existing business rate.

Two pilot programs preceded the legislation, providing services based on fairly large grants-in-aid,

although the key issue of the acceptability of a compulsory levy remained to be tested. Based on the BID election results, however, it appears that an inclusive fee is as popular in these first BID locations as it has been in the US states where a petition by property owners is often required for local approval.

In London a half dozen were waiting at the starting line when the BID law first took effect with active and diverse programs planned by local businesses. Although a few proposals were defeated in the voting, the winning plans produced approval levels of 75-80 percent in the balloting. The switch from free to fee, at least in the early examples, has been smooth.

APPROVALS, MOSTLY

BID approval in England requires affirmative votes by more than half of the qualified business voters and more than half of the value of the business (somewhat akin to US state laws that require petitions by half of the properties by value) (see Exhibit 1). Only one of the first group of English BIDs lost on the negative votes of the highest rateable value (Runnymede). Voter participation rates varied widely from Altham, the highest, to Maidstone, the lowest. Both voted no.

Exhibit 1

BID Results and Voting Turnouts

BID	BID Type	Result	Total number of votes cast	Total number of votes cast in favor	% positive by number	% turnout
1. Kingston First	Town centre	Yes	331	218	66	37
2. Heart of London Business Alliance	Central London retail, leisure, office	Yes	123	87	70.73	62
3. Better Bankside	Central London commercial, residential, retail	Yes	153	115	75	48
4. Holborn Business Partnership	Central London commercial	Yes	230	189	82	50
5. Maidstone	Town centre	No	271	133	49	33
6. CVOne (Coventry)	Town centre	Yes	263	206	78.3	38.3
7. Altham BID	Industrial Estate	No	—	—	49	79
8. Runnymede BID	District wide	No	31	12	39	58
9. Paddington BID	Central London traditional high street	Yes	190	165	87	51
10. Plymouth BID	Town centre	Yes	305	235	77	58.4

Source: The Circle Initiative, London

Of interest is the proposed BID in Altham, an industrial area. Although it was voted down, it evidences interest by this business sector that was not expected a year ago when those knowledgeable about English industrial areas were questioned on BID prospects there. A predominately industrial BID is also being planned in the Blexley, London area. Following are some examples of the English BIDs.

1. Kingston

In late 2004, The Kingston on Thames BID was approved by 66 percent of those voting, representing about two thirds of the “total ratable value.” In a January 2005 publication, Stuart MacDonald observes that the favorable Kingston vote “was pushed through by the votes of mainly small and medium-sized businesses and offices” with “many of the major retail chains resisting the establishment of a new tax.” He notes that the 1 percent levy more than doubles the current voluntary town centre management expenditures and will generate £4 million (about \$7.5 million) over the five-year life of the BID. (*Stuart MacDonald, CLES Bulletin, 2005, Manchester, England*)

As the first to have a successful BID referendum, Kingston received a congratulatory message from Local Government Minister Nick Raynsford. The BID, he asserted, will boost the local economy by providing a “cleaner, safe, more pleasant environment to shop, work and socialize,” an example for “businesses around England which could soon benefit from similar schemes.”

The BBC quoted the owner of a Kingston fabric shop, “Everyone is reluctant to pay, but unless you pay, nothing is going to get done ... We are open until 8:00 pm on Thursdays, but not too many old ladies are going to walk down this street at 8:00 pm.” Kingston’s plan includes hiring “town centre Ambassadors” to fight fear and deter crime.

2. Heart of London BID

The Heart of London BID plan reflects research performed during the tryout period. This district includes the West End theatre district where 44 percent of the businesses operate at night and contribute 48 percent of the BID revenues. The West End has 22.5 percent of all dining jobs in London, 7,900 bar jobs and 13,300 entertainment jobs. Nevertheless, offices are the number one business type.

Pre-approval research turned up the pedestrians’ number one complaint – chewing gum. The BID is trying to convince the Wrigley company (manufacturer of 90 percent of British chewing gum) to add a penny a pack to be devoted to cleaning. This BID, which resembles America’s Times Square in its commerce and crowds, was designed to help overcome identified weaknesses including:

- Poor ground-floor experience,
- Failure to meet high expectations of visitors,

- Incoherent or uninspiring architecture,
- Strong brand names matched with mediocre product,
- Failure to harness power of events, film premiers,
- Lack of public facilities (public toilets),
- Through traffic,
- Low per person spending, and
- Unmanaged environment.

The area’s strengths upon which the BID will build include some impressive ones:

- Recognized international location, destination,
- Central London location, and
- Good transportation connections.

The Heart of London BID plan reflects research performed during the tryout period. This district includes the West End theatre district where 44 percent of the businesses operate at night and contribute 48 percent of the BID revenues. The West End has 22.5 percent of all dining jobs in London, 7,900 bar jobs and 13,300 entertainment jobs. Nevertheless, offices are the number one business type.

All staff members and equipment carry the Heart of London brand. BID revenues for the first full year will be £930,000. Of this, £568,000 will come from the special BID tax rate and the balance from core funders and voluntary contributions. The BID did not tax businesses reporting less than £50,000 revenues which, while it limited the BID’s potential somewhat, it also eliminated a large share of those who would be eligible to vote. Occasionally a US BID will provide services to properties not assessed, most often owner-occupied residential properties.

3. Better Bankside

The BID south of the Thames is the home of the Tate Modern Museum, the Financial Times, Millennium Bridge and the Globe Theatre and is also the site of a vast concentration of overhead railroad tracks where suburban commuter lines converge. The BID planners pledged to “make the area railway arches and bridges cleaner and more friendly.” A re-lighting program has begun. Another pledge is to “increase planting around business premises and in the streets and open spaces,” to improve the area’s appeal to the growing number of tourists, plus employees and residents.

4. Holborn

The Holborn BID prepared carefully for the required vote. In an attractive promotion piece, a hotelier says of the organization that it “gives the Renaissance Chancery Court Hotel something that

no other organization or body in Holborn can provide; the power to directly and positively influence the area for the benefit of our guests, our staff and our neighbors..." The Holborn BID is using England's new "anti-social behavior orders" to deal with chronic offenders, including public drunkenness and vandalism.

5. Paddington BID

The diverse business district that includes the giant Paddington rail terminal includes merchants from many parts of the world. Ash Amin, proprietor of Photo Sprint, said "Praed Street was really run down. The Partnership (during the pilot phase) has already made a big difference and I believe the BID will build on this. That's why I support the BID."

Paddington's promotional materials made clear the planned governance structure (Exhibit 2). Almost half of the number of businesses are retailers, although they represent only 10 percent of the revenues. Still, the board predominantly reflects the value of the businesses; offices constitute more than 40 percent of the values and hold five of the 13 total seats on the board.

Exhibit 2

Paddington Proposed BID Board of Directors

Sectors	Number of Businesses	% of BID Levy Income	Number of Board Places
Retail	116	10	2
Health	11	6	1
Restaurants, cafes and public houses	62	9	1
Hotels	87	30	4
Offices	91	43	5
Others	13	2	0
Total of Levy Payers	380	100	13
Voluntary contributors	n/a	n/a	2
Residential interests (non-voting)	n/a	n/a	2

Source: Paddington Partnership

6. Liverpool

The BID proposal failed narrowly in Liverpool, a major city with serious downtown revitalization aims. Carl Speight, the projected BID's General Manager, said, "... (D)elivery of these activities would increase both customer satisfaction levels and experience, leading to new customers, repeat visits and improved business performance. Our business plan had really good feedback from the majority of businesses that we were able to speak to... Our key partners continue to believe that the BID represents the right way to enhance business performance and we will be seeking a repeat ballot during May."

Some of the national retailers in England have complained about the BID charges and have apparently voted against some BIDs, wanting a broader base of financial support. While there was no national business opposition to BIDs, in some cities the organized property managers had been opposed. Favorable promotion by developers through the Urban Land Institute probably contributed to the relatively smooth sailing. In general, big US firms have been more supportive than small ones.

SOME US-UK DIFFERENCES

English BIDs anticipate continuing to receive fairly large revenues from government and private sector contributions after the involuntary tax is applied. In contrast, only 1 percent of the Philadelphia BID's revenues come from voluntary contributions and no city funds are available for operations. Some very small US BIDs, however, do receive local government funds and a few US BIDs have been able to retain "membership" (i.e., voluntary) payments from downtown organizations, but this is rare.

While a matter of degree, there is greater emphasis in the English legislation on a tight partnership between the BID and the local authority. Most US state BID laws authorize non-profit corporations (NGOs) and for the most part these operate without much aid or interference by local government. Some states, however, define BIDs as governmental entities, with correspondingly more control over the membership in the board of directors, the budgets and even staffing.

Following are some other differences between the US and English BIDs:

- A major difference is the tendency outside of the US to tax businesses rather than assessing properties.
- By launching some services in advance of the voting, London BIDs demonstrated BID potential.
- The London BIDs invested more in their campaigns to sell the business plan to fellow ratepayers than has been the case in all but a few US BIDs. The available informational materials were thorough, well-designed, and the cases well-argued. The quality of public relations suggested that the sponsors left little to chance. The resulting high approval ratings rewarded this investment.

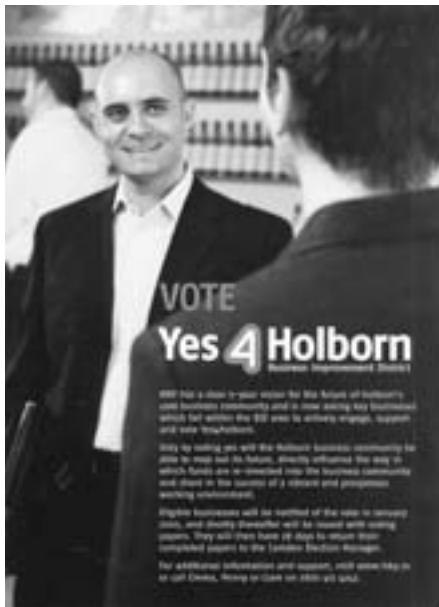


Prospective BIDs in England invested heavily in sophisticated public relations materials to sell the BID plan to those who would be the beneficiaries and share the program costs.

Two potentially important questions remain to be worked out in the UK. Where there have been active programs organizationally associated with and financially dependant on local authorities, will these ties and government financing continue as the BIDs acquire their own funds? Further, will corporate voluntary contributions continue when the BIDs have universal taxation?

While US BIDs occasionally have minimum payments (to assure, for example, that parking lots and others without improvements pay their share reflecting the added value brought on by BIDs), a waiver such as Heart of London's for small enterprises is rare or nonexistent among US BIDs. US charges are low; it is not unusual for commercial properties to be assessed as little as \$.50 per day to be certain that all pay their share. While BID property assessment formulas vary considerably in the US, the equivalent of 15 percent of property taxes or \$0.10-\$0.15 per square foot are common charges.

Having a "baseline" service agreement with the local authority is a requirement in the UK legislation, meaning that all BIDs must produce this in the planning stage. In the US, not all state laws require such an agreement and the need for this has diminished considerably in the past decade. In the early days, US BID laws and many BID planners assumed that BID services would echo those of local government and planners were fearful that BID-financed services would be used as an excuse to reduce government services. In fact, US BIDs and local governments rarely perform the same services. Marketing, for example, is a rare government responsibility. Cleaning sidewalks as a government



The London districts had funding prior to approval that enabled them to prepare public relations strategies and to adopt logos that would give the BID services clear identities.

service is almost unknown in America (it is by law the property owner's responsibility). The typical unarmed "Ambassador" is unknown as a municipal police service. Further, the early examples of such agreements were typically so complex and hedged with exceptions that they proved worthless.

One major difference concerns the legislative origins. The US, Canada, and Germany have federal government structures, meaning that authorizations for BIDs are adopted by laws passed by sub-national governments, e.g., in Britain and Ireland, national legislation uniformly defines BID law.

Left to local discretion in England is the term of BID authorization. Within a five-year limit, local authorities may set periods prior to a fresh reauthorization of as little as, in one case, two years and three months. US laws do not always require a statutory authorization period (e.g., New Jersey). Some American localities set the fifth year for reauthorization even when not required by state statute. One seldom used state BID law requires a fresh vote every year. The assurance that the BID authorization will be reconsidered after a specified term is often a selling point to skeptics who fear they are entering into a perpetual entailment. Few American BIDs have experienced difficulties with reauthorization requirements and many benefit from replanning their programs and reviewing their BID charges. Philadelphia's Center City District has been reauthorized four times (because of changes in territory and financing) and in each case objections were substantially fewer than in the prior vote. Washington, DC expanded services and increased the assessment rate.

SIMILARITIES

The English BID legislation – the shift from free to fee – underscores a lesson learned in the United States. Voluntary funding has severe limitations. First, such programs are lucky if even half the benefitting properties or businesses contribute to the programs. This results in less management capacity, lower wage staff and less money for services and improvements. Second, managers of voluntary programs have been known to spend a third of their time fundraising, time better spent on producing benefits. Third, the finances are based on a fundamentally inequitable basis. After a few years, contributors are increasingly resentful of the non-payers and contributions shrink.

A second similarity is in the pattern of services. English BIDs are doing pretty much what BIDs do in Canada, the US, and other countries – lessening fear of crime, helping visitors, keeping the place tidy, and competing with out-of-town commercial centers in the world of public relations and marketing.

In the course of planning BIDs, the most aggressive opposition generally comes from those who believe strongly that the local government, not the private sector, should assume full responsibility for whatever needs exist. Others say they fear that the BID funds will be used to offset service reductions by local government. BID planners are challenged to make the case that BID services are entirely supplemental, that they are warranted in order to produce essential economic results that are available faster, to a greater degree and/or are different from those supported by general taxation and provided by local authorities. The planners are at pains to make clear that commercial and industrial conditions and needs are markedly different from residential. The need for security, for example, is greater in places with concentrations of factories or stores. The need for cleaning is far greater in places where 5,000 pedestrians per hour jam the pavements. Dublin, Ireland, with its breathtaking shopping crowds, is such a place.

What motivates business people to support business benefitting services and a compulsory charge? While there is no solid research on this subject, some observers in England and the US agree that there are probably nine motivating reasons (Exhibit 3). Sponsors of the larger US BIDs (\$1 million and up) appear to put more value on the desire for a specific benefit (8) and the expectation that the BID will be free of municipal interference (3). The sponsors of small US BIDs often reason that “Nothing else has worked.” (6) and “Multi-year tryout then reauthorization” (4). While less often expressed, the “Low cost” (9) reason probably convinces many to take a chance and support (or not oppose) BID plans even when unconvinced of the proposed BID’s economic benefits.

Exhibit 3

Reasons for Supporting BID Plans

1. Strong program to improve property values, improve business profitability
2. Business leadership, control of budget
3. Expectation of minimum interference by the local government
4. Multi-year try out, then reauthorization
5. Everyone will share the costs, not just a few
6. Nothing else has worked
7. Voluntary funding program failed
8. Wanted specific benefit – e.g., cleaning, new lights, etc.
9. Low cost

One clear lesson from the early English BID experience is that the scale of commercial area services and improvements will be greater than before, many reaching that of the largest district budgets in the US and Canada. The importance, therefore, of experience sharing with information flowing among the continents deserves cooperation by the Association for Town Centre Management, the International Downtown Association, the International Economic Development Council and the Urban Land Institute (ULI) in joint educational activities. Rather than relying on the time and money costs of international travel, with consequent loss of benefits among the smaller BIDs, these potential partners should explore the televised educational BID meetings sponsored by the University of Wisconsin’s Extension Program.

The dynamics of the English approval process through special balloting is somewhat similar to the “remonstrance” or “objective” system used by Pennsylvania and New York states. In these jurisdictions, owners may register their objections with the municipality. After the governing body approves it, the BID plan is sent to all affected owners. If half object or the owners of half of the assessed valuation object, the BID plan is defeated. As in England, there is somewhat more burden on the part of the objectors to rally opposition; usually the supporters are better organized. In these two states, supporters do not vote. The majority of the property owners are typically indifferent and do not go to the trouble of registering their objections. A lot of this supportive indifference is probably traceable to the low cost.

RESEARCH

There has been remarkably little useful research on US BIDs. One exception is the study of crime patterns in and around the City Avenue District in

Philadelphia and the adjacent suburban town. The data indicate that crime diminished after the BID's uniformed Ambassador program was launched with police cooperation. Fears of displacement of crime from the BID-served area to adjacent neighborhoods proved unfounded; there was a comparable decline in reported crimes outside the District, as well.

Information and comparative data about BID services and managers has been collected by Jerry Mitchell for US BIDs. (*Jerry Mitchell, Business Improvement District and Innovative Service Delivery, November 1999, CUNY*) Large BIDs tend to collect data on pedestrians, real estate, businesses, employment, crime patterns, etc. Among small BIDs (that is, most BIDs), such research is rare.

With respect to the often asked question as to proof that BIDs improve business sales, property values and revenues, the author (*Urban Land*, "Are BIDs Working?") suggested that the variables of changing economic trends, the gain or loss of major concentrations of office workers, and other exogenous factors make the identification of the BIDs' role difficult to isolate reliably.

That doesn't mean that some BIDs have not published data of improved local conditions, suggesting that it was the BID (and presumably the BID alone) that caused the favorable changes. Coincidence, of course, is not causation. In England, the research undertaken by several new BIDs, guided by London's Circle Initiative prior to the approval vote, suggests that this important element will continue to guide planning and future program changes.

SCOTLAND, WALES

Governmental devolution has recently empowered these ancient lands with legislatures and significant executive branches. While not so advanced as London's BIDs, Wales is preparing regulations and has allocated £10,000 to Swansea to advance BID development there. Scottish Enterprise is exploring a "pathfinder" project, perhaps on George Street, Edinburgh. The Scots are considering an option that had proven contentious in England – including property owners as well as businesses in the compulsory revenues.

The approval process in Scotland's pending BID legislation requires that 40 percent of the eligible voters actually do vote; a majority of this electorate must approve the proposed BID. The 40 percent participation requirement was also a threshold requirement for adoption of the new Scottish legislative body.

GERMAN BID PROGRESS

Mario Bloem, a Hamburg based consultant, launched the campaign for BIDs in Germany at a 1998 conference in Dusseldorf at which American speakers included representatives of the Urban Land Institute (ULI) and The Atlantic Group. Inspired by the track record of BIDs in North America, the government of Northrhine-Westphalia (the largest state in Germany) hired Bloem to do a research study on BIDs, including an analysis of legal and constitutional considerations if BIDs were implemented in Germany. The study, published in 2001, triggered a broad discussion in Germany leading to a series of conferences on BIDs in 2002 and 2003 in various German states. In 2003, the governor of the state and city of Hamburg, Ole von Beust, declared that Hamburg would become the first in Germany to work on BID legislation. This produced support by the chamber of trade and commerce; the legislation was passed by the parliament in December 2004.

Hamburg was the first German state because several factors came together. The author of the first study on BIDs, Mario Bloem, has his office in this city; the chamber of commerce there became a strong BID advocate; and the governor who took the risk of pushing the new legislation (a comparison of BID laws is in Exhibit 5).

Bloem reports that two BIDs are being organized in Hamburg and he believes this leadership will encourage adoption in Bremen, Wiesbaden, Giessen, Marburg, Saarbrucken, and Hanover. He sees the most likely features at the beginning to be supplementary cleaning, marketing and lighting. In his view, the most popular features to sponsoring business leaders are expectations of minimum interference by local governments, business leadership and control of the budget, and the fact that

Exhibit 4

Hamburg BIDs in Planning

	Budget (Euros)	Priorities	Authorization Period (years)
Sachsentor	150,000	Management (graffiti removal, fountains, visitor information signs, vacancy management/temporary art in stores for temporary uses)	Three
Neuer Wall	6 million	Street improvements, street furniture lighting, public relations, management	Five

everyone will share the costs, not just a few. Of the two BIDs in the making in Hamburg, Bloem sees their elements as shown in Exhibit 4 (the proposed BIDs lack names at this point).

A 2005 conference in Munich of real estate experts and developers produced some skeptics on the future of BIDs in Germany, although urban developer Alexander Otto, head of ULI in Germany, spoke favorably about the concept.

Dublin is growing fast and the crowds in the shopping streets are impressive, a potential challenge for BID services in several popular retail centers. The Dublin Central Business Association (DCBA), the initiators of the BID movement in Ireland, is impatiently awaiting authorization to proceed. A national election delayed anticipated action last year. The planning process has lasted five years in all, three years building business consensus and two more years directed at achieving a BID law. DCBA head Tom Coffey predicts that 4,000-5,000 voters will be involved in the approval process.

"I welcome the Business Improvement District model. In my opinion, the BID offers a good opportunity for the general upgrading of inner-city districts. In view of tight public budgets, it is important that the private sector takes responsibility for a cultivated and well-kept environment in the shopping streets. After all, one must consider the growing competition of large-scale hypermarkets in the open countryside. To achieve sustained customer retention, the retail traders in the inner-city must offer their customers a pleasant shopping experience – which includes attractively-designed streets and plaza and also an encompassing range of services. Therefore, I am quite pleased that Hamburg will take on the leading role of introducing the BID model in Germany and I hope that this concept will take hold here, as well."

IRELAND

Dublin is growing fast and the crowds in the shopping streets are impressive, a potential challenge for BID services in several popular retail centers. The Dublin Central Business Association (DCBA), the initiators of the BID movement in Ireland, is impatiently awaiting authorization to proceed. A national election delayed anticipated action last year. The planning process has lasted five years in all, three years building business consensus and two more years directed at achieving a BID law. DCBA head Tom Coffey predicts that 4,000-5,000 voters will be involved in the approval process.

Initially "clean and green" programs will be operated with local business groups in Dublin overseeing the work in key service areas and the DCBA serving as the overall citywide coordinator, facilitator, and administrative agent. A private entity, the BID board of directors will be representative of the diverse commercial interests. In anticipation, DCBA has formed the Dublin Center City BID Co Ltd. and BIDs Development Co. Ltd. DCBA also is fighting the origin of chewing gum, an expensive commodity to remove from pavements.

Irish BID legislation is now expected in 2005. Other likely Irish BID candidates include: Waterford, Carlow, Killkenny, Cork, and some suburban Dublin communities.

CONCLUSION

The circumstances in Britain that have produced the first BIDs lead one to anticipate a steady growth in numbers of places with BIDs, with many as well-financed as the largest in the US and a potential wellspring of innovation and refinements.

Countries that have greater dependence on government may move toward BIDs later than those with less such dependence. Because BIDs contribute to wealth creation, however, we may reliably anticipate that BIDs will flourish in these settings, too. European BIDs will doubtless have somewhat more government participation in BID decision making and BID financing than is typical in North America and, in ways unforeseen, may create new hybrids in terms of benefits and governance. Yet, the fundamentals will be there. If they quack like BIDs, they probably are BIDs.

Exhibit 5

BID Law Comparisons

Key Points	US	Ireland	UK	Germany
1. Approval Process	Either a. petition by % of owners/tenants or b. objection opportunity by owners or c. simple plan approval by government	Majority vote	Majority vote	More than 15% of owners (by number AND site area) => to start approval process/ less than 1/3 of property owners (by number OR site area) object => to start
2. Principal revenue	Assessment on commercial property	Business Rate	Business Rate	Assessment on all real property except streets, parks or waterways
3. Compulsory charge varies by activity, or business type	Usually uniform	N/A	Can vary	No, usually uniform, charge on base of property value
4. Voluntary contribution	Rare	N/A	Yes	Possible (not yet)
5. Governance	NGO (most often) or public Agency	NGO	NGO	Private institution or NGO (responsible for funds, contract with City, program outlined, Controlled by C of C)
6. Government represented on business-led board of directors	Several states require; many include government voluntarily	Yes	Yes	No, but gov oversees BID activities and has veto right on program or implementation
7. Principal activities	Small BIDs: marketing/Large BIDs Safe, clean, marketing	N/A	Some	Cleaning, street improvement, lighting, marketing
8. Authority to borrow, float bonds	Few states authorize; few use authority (e.g., NYC, Philadelphia)	N/A	No	Yes (see 5)
9. Can redevelop; rehab; buy, sell property	Few states authorize; few BIDs use	N/A	No	Yes (see 5)
10. Reauthorization requirement	Many states, but not all. Mostly 5 years.	N/A	Yes	5 years, or earlier if BID runs shorter

RECERTIFICATION FOR CERTIFIED ECONOMIC DEVELOPERS

Fulfill a recertification requirement without tapping into your budget!

Earn two credits towards your next recertification by having an article published in the *Economic Development Journal*, IEDC's quarterly publication.

This is one of a number of ways that you can pursue recertification credits.

Submissions are accepted throughout the year. The Journal Editorial Board reviews all articles and determines which articles are accepted for publication.

For more information contact Jenny Murphy, editor, at murp@erols.com (703-715-0147)