

**Massachusetts Institute of Technology
Department of Urban Studies and Planning**

11.422 Business Improvement Districts

Lecture Six

Findings from lectures 1 through 5:

- ⇒ An examination of the *BID movement* provides evidence of a transnational urban development policy network
- ⇒ The BID movement is characterized by (1) the diffusion of BID policy, (2) the proliferation of BID organizations and (3) the persistence of individual BID organizations
- ⇒ Evidence shows that BID policy diffused from Canada to the United States to South Africa (policy success), as well as the United Kingdom, Japan and Brazil (policy emergence)
- ⇒ Evidence shows that BID organizations proliferate in a variety of urban contexts (Toronto, Philadelphia, Cape Town)
- ⇒ Individual BID organizations persist as evidenced by expanding budgets, boundaries, and term limits

**What are the advantages and disadvantages of transnational policy transfer to spatial management and development?
Said another way, how does the BID movement impact urban management and development?**

MANAGEMENT		
Impacts	Advantages	Disadvantages
BIDs raise money from private sector interests	BIDs give business and property owners an opportunity to respond positively to urban fiscal crisis (diminished financial assistance from federal and state governments) and attempt to fill funding gaps	BIDs allow business and property owners to influence the management of public spaces
BIDs provide supplemental public services	<p>BID services contribute to the cleanliness and safety of commercial districts</p> <p>BIDs promote accountability by reinforcing the nexus between taxation and service provision and developing baseline service</p>	<p>BIDs decrease the demand for city services (Moshe Adler, 2002)</p> <p>BIDs create wealth-based inequalities in service delivery (Briffault, 1999)</p>

	<p>agreements with local government</p> <p>BIDs create jobs and provide job training to low skilled workers</p> <p>BIDs allow municipality to focus attention on other areas of the city</p>	<p>BIDs create space-based inequalities in service delivery</p> <p>BIDs create jobs that undermine union positions and reinforce minimum wage standards</p> <p>BIDs are singularly focused and services may detrimentally affect other neighborhoods (ie. crime spillover)</p>
BIDs represent a new form of urban governance	<p>BIDs represent a more focused and flexible form of urban governance (Levy, 2001)</p> <p>BID organizations are privately managed and operate with considerable autonomy</p> <p>BIDs are new governments, political actors, that effectively advocate change and influence local decision-making processes</p>	<p>BIDs contribute to the spatial and political fragmentation of the urban realm</p> <p>BIDs call into question the notion of democratic accountability (Briffault, 1999)</p> <p>BIDs are a new and powerful constituency that represent commercial, rather than residential interests</p>
BIDs are self-empowered organizations	<p>BIDs organizations provide a framework for building social capital while avoiding the free rider problem</p>	<p>BIDs provide evidence of eroding social capital because they encourage civic minded leaders to indulge in self-promotion</p>

DEVELOPMENT

Impacts	Advantages	Disadvantages
BID alter perceptions of the urban environment	<p>BIDs foster a changing attitude in the approach to revitalization (Garrett, 2003)</p> <p>BIDs develop niche markets and work to promote business attraction, retention and expansion</p>	<p>BID organizations over simplify the problems facing cities by focusing on “clean and safe”</p> <p>Multiple BID images can dilute or contradict municipality’s image</p>
BIDs alter the physical nature of the urban environment	<p>BID streetscape improvement programs visually and physically unify public spaces, creating a sense of place.</p> <p>BIDs have the power to float bonds for significant capital improvements.</p>	<p>BIDs allow business and property owners to influence the character of public spaces and programs often encourage generic design schemes</p> <p>BID proliferation may detrimentally impact the comprehensive plan or undermine long term development strategies</p>
BIDs focus attention to discrete geographical boundaries	<p>BID activities are intended to draw people into public urban spaces; hence, BIDs invite rather than exclude people.</p> <p>BIDs are effective because they focus on the health of a particular community.</p>	<p>BIDs seek to control social behavior in public spaces, and discriminate against people who live on the street as well as merchants that target low income customers (ie. dollar stores, etc.)</p> <p>BIDs do not concern themselves with city-wide or regional issues.</p> <p>Comprehensive Planning</p>

Closing Remarks

Like Briffault, we concluded that BIDs are a sign of the times and are fundamentally “good.” While there is little empirical evidence examining the impact of BIDs, we concluded that the collective and net impact of BIDs in most municipalities is likely positive. Further, we will continue the discussion with a focus on new metrics for performance evaluation and mechanisms that require individual BIDs to coordinate activities across municipal jurisdictions.