

# Drexel Policy Notes

The Past, Present, and Future of Business Improvement Districts in Philadelphia Richardson Dilworth, Drexel University

New BID-City Partnerships Would Strengthen Philadelphia's Economy and Neighborhoods

The Philadelphia Commerce Department and Philadelphia's Business Improvement Districts Denis Murphy, Department of Commerce, City of Philadelphia



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# The Past, Present, and Future of Business Improvement Districts in Philadelphia

Richardson Dilworth, Drexel University

In 1850, Philadelphia was the fourth largest city in the United States with a population of 121,376 living in the two square miles now known as Center City. The surrounding cities of Spring Garden, Northern Liberties, Kensington, Southwark, and Moyamensing were also some of the country's largest, with a combined population 218,669. In 1854, these and 23 other municipalities consolidated to form the 130-square-mile City of Philadelphia that we know today. Yet the old municipalities never went away—through local institutions and commercial districts they maintained distinct identities, upon which new local institutions were founded, such as business and civic associations and community development corporations.

In the 1960s, American cities began experimenting with new forms of neighborhood governance that came to be known as business improvement districts (BIDs). BIDs are distinct from other neighborhood organizations in that they have the authority to levy special assessments on district property owners to provide supplemental services such as street cleaning and security. The power of assessment makes BIDs quasi-governmental, and, with their appointed boards and focus on commerce they resemble in structure and function older, early modern, municipalities.

Indeed, in the case of Philadelphia, the city's first BID, the Center City District (CCD) was established to provide services in a territory roughly similar to the boundaries of the original city prior to the 1854 consolidation, thus resuscitating some portion of an earlier municipal organizational structure. Later BIDs in the city were also established to serve the commercial districts of some of the smaller municipalities that had been absorbed into the larger city. In other instances, such as in the case of the City Avenue District, which spans across two municipalities (Philadelphia and Lower Merion Township), BIDs represent unique organizational innovations that blur rather than resuscitate earlier jurisdictional boundaries.

In 2010, recognizing the potential of BIDs as vehicles by which not only city service delivery but the organizational structure of the city itself might be reimagined, Drexel's Center for Public Policy (CPP) and Kline School of Law hosted a conference, leading to the publication of a special focus issue of the *Drexel Law Review* (Volume 3, Number 1, available at drexel.edu/law/lawreview/Articles/Archives/Fall-2010) that included overview essays and case studies of each of Philadelphia's BIDs (14 at the time) and quasi-BIDs (the University City District and Sports Complex Special Services District).

Stemming from our conference and publication, the Philadelphia Commerce Department committed to dedicating staff to the support of BIDs, providing financial support for the planning of new BIDs, and for integrating BIDs into the city's neighborhood and commercial corridors strategy. As part of this new initiative, the Commerce Department funded, and Drexel's CPP hosted and led, a training and information-sharing program for the city's BID directors that led to the publication in 2012 of the manual

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Starting a Business Improvement District in Philadelphia (available at business.phila.gov/wp-content/uploads/Starting-A-BID-in-Philadelphia-FINAL.pdf), that has been used in drafting proposals for new BIDs (none of which have yet actually been created), and for helping in BID reauthorizations.

This issue of *Drexel Policy Notes* is a short follow up to our previous publication, to briefly assess what has happened to the city's BIDs over the past five years and to speculate on what those changes suggest about the future. In this essay, I provide a brief historical overview of Philadelphia's BIDs, trace their development since 2010, and speculate as to what those developments suggest about their future. In the following essays, Dan Hoffman provides more concrete proposals for the future direction of BIDs and Denis Murphy reflects on what the city government has learned about the potential of BIDs over the last five years.

# BIDs in Philadelphia

Like municipalities, BIDs are creatures of their respective states and authorized under state laws. In Pennsylvania, there is a relatively long history of laws that authorize BIDs, starting with the Business Improvement District Act of 1967, which authorized municipal governments (except Philadelphia) to establish districts in which property owners could be charged an assessment that would pay for primarily physical improvements. Amendments in 1980 to the 1945 Municipality Authorities Act (MAA, originally passed in 1935,

primarily for municipalities to match federal grants without violating their legal debt limits) allowed municipalities to create BIDs as municipal authorities (the MAA had previously been used mostly to create authorities that financed, built, and managed water and sewer systems, public schools, and hospitals).

The BIDs established under the MAA in the 1980s were mostly in smaller municipalities such as McKeesport, Media, Pottstown, and Conshohocken. In Philadelphia, the first BID established was the CCD in 1990, followed by the South Street Headhouse District (1992), Frankford Special Services District (1995), Germantown Special Services District (1995), Manayunk Special Services District (1997), Old City District (1998), and the City Avenue District (1998).

The CCD largely set the pattern for later BIDs, possibly most importantly in terms of collecting assessments. Typically a municipality will include the BID assessment in the larger property tax bill and then transfer the assessment to the BID. By contrast, given both the unwillingness of the Philadelphia Department of Revenue to collect BID assessments, and a lack of trust among Center City property owners in the capacity of the city government (part of the motivation for proposing a BID in the first place), the CCD agreed that it would collect assessments itself, as have all subsequent BIDs in the city. The individual collection of assessments provides Philadelphia's BIDs somewhat greater autonomy. However, especially for the smaller BIDs, keeping track of property records, tracking down incorrect mailing addresses, and dealing with noncompliant

property owners, including putting liens on properties, can divert attention and resources away from the core tasks of marketing, cleaning, and providing security to the districts.

In 1998, the Pennsylvania General Assembly passed the Community and Economic Improvement Act (CEIA) for establishing BIDs specifically in Philadelphia, and in 2000, the Neighborhood Improvement District Act (NIDA), for establishing BIDs elsewhere in the state. Under both laws, BID governance was made more flexible than under the MAA, where the BID was established as a municipal authority with a board appointed by the city government (in the case of Philadelphia the City Council). Under both the NIDA and CEIA, BIDs are governed by nonprofit corporations—designated as NID management associations, or NIDMAs—whose governance is determined by their specific corporate charters.

Under CEIA, eight new BIDs were created: The East Passyunk BID (2002), Port Richmond Industrial Development Enterprise (2003), Roxborough District (2003), Chestnut Hill District (2004), Mount Airy BID (2007), Frankford Special Services District (which had briefly disbanded and was recreated under the CEIA in 2007), Aramingo Shopping District (2008), and Greater Cheltenham Avenue BID (2010 – like the City Avenue District, a joint venture between Philadelphia and a neighboring municipality). Proposals in 2004 and 2009 to establish BIDs on Woodland Avenue in West Philadelphia and in the East Falls neighborhood of northwest Philadelphia, respectively, never made it beyond City Council.

#### BIDs since 2010

While the Philadelphia City Council approved the Greater Cheltenham Avenue BID in 2010, the district never actually came to fruition, largely due to resistance among property owners. Shortly thereafter, the Frankford Special Services District, lacking political support under a newly elected district council member, was disbanded. The Germantown Special Services District was also disbanded, largely as a result of mismanagement, but has since been resuscitated under new leadership and is now on its second executive director since its reformation. Since 2010 as well, the Chestnut Hill BID, Mount Airy BID, Old City District, South Street Headhouse District, Aramingo Shopping District, and Roxborough District, have all appointed new executive directors, while those directing the Manayunk Special Services District, City Avenue District, East Passyunk BID, Port Richmond Industrial Development Enterprise, Aramingo Shopping District, and CCD, have all remained the same.

Given the relatively small size of most BIDs, many of which have only one or two fulltime employees, changes in leadership represent potentially significant changes in the directions of the organizations. The major exception is the CCD, which covers the largest and most densely populated territory with the highest land values, has a budget more than three times the size of the budgets of all the other BIDs combined, and employs by far the largest staff, including more than 100 uniformed cleaning personnel and supervisors. Indeed, though the CCD and its founding and current President and CEO Paul Levy

have been some of the primary forces and supporters behind the creation of other BIDs, the CCD is unique, and in some respects more comparable to the University City District (UCD), which covers a similarly large territory and has an annual budget of approximately \$8.5 million, which, while less than half the budget of the CCD, is much larger than the budget of the next biggest BID (City Avenue District, with a budget of approximately \$1.5 million). And while the UCD depends not on assessments but on voluntary commitments, mostly from large nonprofit universities and health systems, it performs the same services as BIDs.

As for new BIDs, the years after 2010 have not been particularly fruitful. Perhaps inspired by the anti-tax rhetoric reflected as well in the rise of the Tea Party, several BID proposals were rejected or else did not move forward due to a concern that they would be rejected. Early in 2012, a proposal to establish a BID in the Callowhill neighborhood north of Center City was the first ever to be rejected in the mandatory vote among district property owners. This was especially significant given the relatively high hurdle established in the CEIA, in which 51 percent of property owners, or the owners of 51 percent of the property, in the district, must register their disapproval—known as a "remonstrance"—with the City Council clerk during a specified period and vote against the BID in order to stop its establishment. In the same year, a proposed North Central Neighborhood Improvement District around Temple University met enough local resistance that it was never reported out of committee

in City Council. Other BID proposals, including one for Chinatown and one for a later proposal in 2014 to establish an improvement district in the Washington Square West neighborhood of Center City that would have been funded through assessments on homeowners rather than commercial or rental properties, were rejected at the community level before ever reaching City Council. And failed BID proposals were not unique to Philadelphia—proposals were rejected in Pittsburgh and Harrisburg, and an existing BID in neighboring Jenkintown lost its vote for reauthorization and was disbanded after five years.

One important theme that ran through many of the failed BID proposals was either a proposed district that included substantial residential properties—as was the case with the North Central NID proposal, which also suffered from communication issues, especially between Temple University and the surrounding neighborhood—and, in the case of Callowhill, Washington Square West, Harrisburg, and Pittsburgh, proposals to assess homeowners. The NID and CEIA both allow for residential assessments, but the CCD is one of the few (possibly the only) BID in Pennsylvania to actually assess homeowners, and recent experience suggests the general unpopularity of such assessments. Yet in the essay that follows, Dan Hoffman suggests the potential utility of residential NIDs.

There are currently two pending BID proposals, for Frankford Avenue in the Mayfair neighborhood of Northeast Philadelphia (provisionally approved by City Council and as of this writing in the period when property owners can submit remonstrances) and for the Italian Market along Ninth Street in South Philadelphia (currently in the planning stage). Both would establish relatively small, traditional BIDs along neighborhood commercial corridors. Possibly of more significance for the future of BIDs in the city are at least small suggestions of how they might expand their functionality. For instance, in his brief run for City Council in 2015, George Matysik (East Falls resident and now executive director of the Philadelphia Parks Alliance) proposed "education improvement districts" that would use assessments to provide supplementary funding to local public schools. And the Philadelphia Water Department (PWD) in conjunction with the Philadelphia Industrial Development Corporation established in 2012 a grant program specifically for BIDs to develop collective stormwater management plans, as part of PWD's much larger *Green City, Clean Waters* initiative.

After 20 years of steady growth and five years of relative stagnation, new proposals suggest that BIDs may be once again expanding, and to the extent that they may extend in new directions, those would seem to most likely be into residential neighborhoods, neighborhood public schools, and stormwater management. In the following essay, Dan Hoffman suggests more specific directions BIDs might take in order to make them more effective policy tools for the city.



# New BID-City Partnerships Would Strengthen Philadelphia's Economy and Neighborhoods

Dan Hoffman

Philadelphia business improvement districts (BIDs) have demonstrated effectiveness in three ways:

- According to a 2009 Econsult Corporation study of Philadelphia commercial corridors, BIDs had a more positive impact than other corridor revitalization strategy.
- City BID renewals have been strongly supported by property owners, indicating that those paying the assessment believe that BIDs provide value; and a new BID in Mayfair is being established with essentially no opposition from impacted property owners.
- The city has successfully worked with BIDs and their closely affiliated development organizations in Center City and Manayunk to implement open space and parking expansion projects, and the city has found BIDs to be useful intermediaries in implementing various commercial corridor improvement programs.

However, despite this effectiveness, the city lacks institutionalized policies to encourage the formation of new BIDs or support existing ones. In recent years, city government has dedicated specific staff to working with existing BIDs which has improved the interface between them and city agencies. It also has made obtaining the data necessary to form new BIDs much easier to obtain. However, no unique municipal rewards or advantages are offered by the city to BIDs in response to the willingness of property owners to make additional expenditures that advance both BID goals and public policy. A more robust city policy is needed to cause, help,

and incentivize new and existing BIDs to undertake activities that simultaneously advance BID and public sector goals.

This article identifies six broad initiatives that would likely lead to more BIDs and enable and encourage BIDs to be more effective public policy partners: (1) Create an Office of Business Improvement Districts, (2) integrate BIDs into the operations of more city agencies, (3) integrate BIDs in city economic development strategies, (4) integrate BIDs in city community development efforts, (5) provide BIDs with new revenue and tax advantages, and (6) encourage and support residential BIDs. Each proposed initiative is discussed in turn below.

### **Create an Office of Business Improvement Districts**

Having an Office of Business Improvement Districts would build, expand upon, and institutionalize existing efforts within the Commerce Department by increasing the capacity to promote best practices, collect data, sponsor research, and provide information, training and development to BID staffs and boards. A BIDs Office could also operate a revolving loan fund to underwrite BID feasibility studies and prepare preliminary BID plans, with funds repaid by the assessments from approved BIDs. This would encourage the formation of new BIDs (and reduce city costs) by making it easier to obtain BID planning resources without having to navigate the often changing priorities of city grant-making processes. Finally, a BIDs Office might facilitate the creation of a BID trade association.

A number of cities, including New York (68 BIDs), San Diego (17 BIDs) and Los Angeles (40 BIDs), each have citywide BID organizations. In some instances, the BID enabling ordinance process requires that a portion of each individual BID's assessment on property owners be used to support the citywide organization.

#### Integrate BIDs into the Operations of City Agencies

BIDs work with some city agencies, notably public safety, streets, and sanitation, but opportunities for deeper relationships with these and other agencies exist. Programs could be explicitly designed to leverage BID capacities and facilitate city-BID partnerships. One area ripe for a stronger city-BIDs relationship is with planning and zoning agencies, which could promote consistency between city and BID visions for the various BID service areas.

For example, recognizing that BIDs provide a way for property owners to collectively plan for the future of their neighborhood, one of the first activities of the King of Prussia BID was to rewrite the zoning ordinance for their area, which the municipality adopted, encouraging mixed-use development so as to better compete with Philadelphia.

One way to empower Philadelphia BIDs to take greater leadership in this area would be for the city to better encourage BIDs to become Recognized Community Organizations within their service areas. BIDs are no less representative of, or accountable to, community interests than other groups with this power; and by agreeing to voluntarily spend hundreds of thousands of dollars to improve an area and with a strategy explicitly endorsed by a city enabling ordinance, BIDs can, are entitled to, and should want to have a formal role in the development process within their service areas.

Similarly, giving BIDs priority access to properties acquired by the Philadelphia Land Bank and having the BID serve as redevelopment coordinator for these lots would help ensure that these parcels are redeveloped in ways consistent with the overall BID plan. The Land Bank is prepared to offer a similar opportunity to other nonprofits; BIDs should be treated likewise. Moreover, net revenues deriving from the redevelopment of such properties are a reasonable way for the city to provide BIDs with financial support.

## Integrate BIDs into City Economic Development Strategies

Studies suggest that creating niche identities and concentrating similar businesses into an area facilitates economic development. The city should work with neighborhood BIDs to create marketable identities and then use its economic development programs to support this approach by making loans, grants, and tax breaks available on an enhanced, priority, or exclusive basis. This would also encourage the formation of new BIDs.

BIDs could serve as intermediaries to identify and assist businesses and institutional employers with expansions or opportunities to create "spin-off" businesses. Current city-BIDs relationships generally focus on "from the front-door out," with city support mostly being available for safe and clean activities and capital improvements that passersby see. New kinds of city-BID relationships could discover new economic development opportunities behind the front door that create new jobs, businesses and industries.

Opportunities may also exist to create enhanced recycling programs, develop new policies to encourage small business participation in stormwater management, organize group electricity purchases, and establish energy conservation, education, and building retrofit finance programs that reduce building operating costs, making commercial properties more competitive. Industrial BIDs (there is currently only one in the city, in Port Richmond) might also work with the city to identify brownfield sites and educate owners on the brownfield clean-up process while playing a larger role in the marketing and/or redevelopment of these and other abandoned properties.

## Integrate BIDS into the City's Community Development Efforts

City-BID partnerships could initiate "walk to work" employerassisted housing programs. These programs could be offered in ways that meet a variety of employee housing needs and employer cash, risk, and debt capacities. Home ownership programs might include down payment assistance, second mortgages and mortgage guarantees. To facilitate home ownership in affordable but challenging neighborhoods, a neighborhood equity insurance program might be initiated. Security deposit programs can be particularly useful to younger households and others with less savings when seeking a better apartment, as can employer master lease programs. Like master lease programs, organizing an employer-backed land trust would create a stock of housing permanently available to employees of participating employers, while providing employees with another type of housing choice. New and existing housing opportunities might be created. Some of these programs would cost employers little or nothing, and when properly targeted, all could create new local customers for BID retailers and reduce traffic and demand for employer parking. By targeting neighborhoods and crafting programs carefully, gentrification pressures could be appropriately managed in contrast to current development policy that neither seeks to capture workers as residents, nor manages the impact new employment opportunities may have on adjacent neighborhoods.

City agencies could partner with BIDs to more efficiently plan and implement capital projects including new open space partnerships. Recognizing that parks and similar places benefit property owners, the city might agree to make capital investments in return for BID maintenance and cost-sharing.

#### Provide BIDs with New Revenue and Tax Advantages

Sound BID investments ultimately yield public tax revenues, especially new parking, sales, wage, and property tax revenues. In recognition that BID expenditures have increased municipal revenues (not a principal BID purpose), BIDs should have an opportunity to share in some of the public revenues that they have generated. Some ways that this might be done include:

- Rebating extraordinary parking authority revenues that reflect greater usage of parking facilities.
- Establishing tax increment finance overlays to match and support BID programs.
- Targeting particular tax abatements to specific BIDs in order to attract and support the growth of niche markets, while restricting them elsewhere.
- Providing priority access to grants and loans currently available to any commercial district. The City could work with BIDs to create and market new investment vehicles to encourage new and spin-off businesses.

#### Residential BIDs

Residential BIDs, referred to as neighborhood or residential improvement districts, are permitted under state law, but Philadelphia neighborhoods have not taken advantage of this opportunity. Opposition to residential improvement districts typically stems from homeowners who view BID assessments as paying again for services already financed through property taxes.

But there are some services that residential communities might want that clearly are not paid for by tax dollars, such as plowing and repaving alleyways, organizing coordinated security camera programs, expanding neighborhood recreation center or park programming, neighborhood promotion and advocacy, certifying historic districts, and improving parking.

Surely a BID is not suitable for every residential neighborhood, but more city attention to this possibility via outreach and funding technical assistance where groups want to consider this idea might help some neighborhoods overcome initial resistance.

#### ABOUT THE CONTRIBUTOR:

Dan Hoffman's diverse career has focused on developing new tools and implementing innovative approaches to address seemingly intractable community and economic development problems. Best known for creating the field of employer-assisted housing, Dan was a legislative drafter of Pennsylvania's nonprofit BID law and has advised BIDs in Pennsylvania and New Jersey on BID organization, renewal, and innovation, including Philadelphia's recently approved Mayfair BID. In addition to BIDs, Dan's current interests and work focuses on energy issues and geriatric policy as community development tools. He can be reached at dhoffmanhousing@aol.com.



# The Philadelphia Commerce Department and Philadelphia's Business Improvement Districts

Denis Murphy, Department of Commerce, City of Philadelphia

Since the Center City District was founded in 1990, BIDs have been formed in a variety of commercial areas throughout the city and have provided a way for property owners and businesses to cooperate to keep their areas competitive. BIDs have had a tremendous impact in enhancing the vitality of the areas they serve.

In 2010, when representatives from Philadelphia's BIDs gathered at Drexel and responded to case studies describing their organizations, a dominant theme throughout the day was that BIDs tended to operate in isolation from one another. Despite common organizational challenges such as invoicing, legislative reauthorization, vendor selection, and annual reporting, BID directors were "on their own" to figure out these responsibilities with no one in the city government to call who understood BID issues, and no forum for BID directors to draw upon the experience and knowledge of their peers.

In response, the Department of Commerce dedicated staff to support BIDs. Over the past five years I have worked with BIDs as part of our department's larger strategy to strengthen neighborhood commercial corridors. In doing this work, we have looked for ways to support BID directors so that they don't waste time having to figure out things from scratch; to shorten the learning curve regarding BID operations for BID staff and boards. Since 2010, Commerce has:

• Organized a year-long training series for BID Directors in partnership with Drexel's Center for Public Policy.

- Exposed BID staff to commissioner-level leaders from city departments that touch upon BID operations, including the Streets Department, the Philadelphia Police Department, the Philadelphia City Planning Commission, and the Office of Property Assessment.
- Created the step-by-step guide, *Starting a Business Improvement District in Philadelphia*, also in partnership with Drexel.
- Developed and shared best practices documentation on topics such as collections, annual reporting, and legislative reauthorization.
- Successfully guided BIDs in Port Richmond, Aramingo,
   Mount Airy, Roxborough, Old City, and Chestnut Hill, through their reauthorizations.
- Worked in partnership with Councilwoman Cindy Bass and Germantown businesses and stakeholders to reactivate the dormant Germantown Special Services District.
- $\bullet\,$  Provided one-on-one support to BID staff.
- Created the Commerce Fellow position where a graduate student in a field related to urban economic development works with our department part-time to enhance our support of BIDs.

- Provided funding for BID formation planning and outreach, and advised emerging BIDs, including the Mayfair BID that will begin serving the Frankford Avenue commercial corridor in 2016, and a possible district to serve commercial areas in and around the South Ninth Street Market area.
- Organized ongoing quarterly networking sessions for BID directors and staff.

BIDs have been key partners in the city's effort to strengthen neighborhood commercial areas. Whenever possible, Commerce has made funding available to BIDs through storefront grants, planning grants, and funding for special events and capital improvements—often with state funds that do not carry the income restrictions of the federal funds that our department administers. Similarly, as the BID model and BID organizations have become more established within Philadelphia, our peer departments within the city have increasingly looked to BIDs as partners. They are often sought out as an audience with which to share information and gain feedback on city programs and policies.

So what has our department learned after working more intensively with BIDs over the past five years?

First, to be effective, a BID needs a solid team that includes capable staff and a critical mass of local leaders who are invested enough to serve on the BID board and develop expertise regarding the

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BID's operations. BIDs that rely on one key staff person and a two or three key board members will struggle over time. Since many of Philadelphia's BIDs only have one or two staff, BID boards must develop sufficient expertise among their members regarding the BID's operations so that the organization can successfully transition when staff changes over. To cultivate a strong and capable board, BIDs need to pay attention to their own organizational development by creating opportunities for new people to get involved that may later join the board.

Second, the day-to-day demands of managing a BID organization and providing services can take priority over the work needed to keep owners and businesses informed. It is crucial that a BID share information with its property owners and businesses and work to send a strong message to property owners and businesses that the BID is "their district" and to ask, "How do you think we're doing?" BIDs, at their best, share information, operate transparently, and invite participation and feedback and in doing so maximize the unique ability they have to adapt to changing conditions and provide value to owners and businesses. At the end of the day, BIDs are accountable to property owners when they seek re-approval. When reauthorizing BIDs in Philadelphia faced opposition, it often was due to a lack of awareness of the BID by opponents, and nearly all of the reauthorizing BIDs made renewed commitments to improve communication with their assessment pavers, and work to invite more participation.

Third, forming a BID is hard work. As outlined in *Starting a BID in Philadelphia*, organizers should be prepared for an 18- to 24-month process beginning with recruitment of a steering committee, followed by public education, one-on-one outreach to property owners and businesses, and lots of listening and reformulating. Creating the BID plan may require the help of an expert consultant, but that alone is not enough. Building the support coalition needed requires that the BID effort be "staffed" by someone whose job it is to organize the meetings, take notes, create and disseminate accurate public information, coordinate outreach and keep the process moving. This individual needs committed businesses and property owners who are willing to stand up, knock on doors, and make phone calls to sell the concept to their peers.

Fourth, residential improvement districts are a hard sell. BID services are often things like marketing that clearly are not a public sector responsibility, or supplemental services like cleaning and public safety that improve the customer experience or respond to the unique service needs of a business district. Opposition to residential districts has shown that most residents think of cleaning and safety as a homeowner, neighbor, and public sector responsibility; and quality parks and schools as a public sector responsibility worthy of neighborhood support on a volunteer basis. Organizers of residential districts in Philadelphia also face the reality that most Philadelphia neighborhoods are diverse in terms of income level and payment of the BID assessment could be a hardship for residents on fixed

incomes. As part of our strategy to strengthen organizations that help to manage and improve commercial areas, Commerce has assisted emerging BIDs but would not provide the same intensive technical support to neighborhoods pursuing a "homeowners" improvement district, or any other type of primarily residential district.

Prior to 2010, our department's work in relation to BIDs was largely limited to what was required by the state laws authorizing BIDs. Our work over the past five years has demonstrated that when the city chooses to do more, it can play a constructive role in enhancing the effectiveness of BIDs. The track record of BIDs in making change in Philadelphia commercial areas since 1990 demonstrates that they can bring new life into commercial areas and maintain their vitality over time. As we head into a new mayoral administration, we will continue to explore ways that the city can further support Philadelphia's BIDs.

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