



Business Improvement Districts, District of Columbia

The District of Columbia, the nation's capital, is the home of the Federal government. Set along the Potomac River, it has almost 706,000 residents and more than 23.8 million visitors each year. Along with renowned museums, performing arts centers, memorials, monuments, and cherry blossoms, the District is known for its innovative restaurants, waterfront venues, and expansive national park.

Financing Challenges and Indicative Solution

To fund the supplemental services, the District established business improvement districts (BIDs) in various neighborhoods. BIDs are private public partnerships that provide enhanced services in commercial and mixed-use neighborhoods. Funded by business property owners, they are self-taxing sectors established by commercial property owners and tenants to enhance the economic vitality of specific commercial areas. The tax, a surcharge on property taxes, is collected by the District and returned to the nonprofit organization managing the BID. BIDs also require property owner support of 51 percent or more. Business owners, property owners, and potentially other community members have a board to control the BID and how its funds are spent.

Business Improvement Districts

There are currently 11 BIDs—Adams Morgan Partnership, Anacostia, Capitol Hill, Capitol Riverfront, Downtown DC, Dupont Circle, Georgetown, Golden Triangle, Mount Vernon Triangle, NoMa, and Southwest—that supplement District services to improve cleanliness, maintenance, safety, promotion, economic development, and other business issues.

Their annual budgets, which depend on membership and tax rate, vary widely from \$270,000 to \$12,118,000 in 2020. For example, the Golden Triangle BID's operating budget for FY2019 was \$5,663,275. Expenditures were \$2,541,268 for ambassador and safe and secure programs; \$694,492 for public realm; \$1,122,482 for research and economic development, marketing, and events; and \$1,305,033 for administration and professional services.

Each BID is responsible for services such as removing litter and graffiti, landscaping, increasing security with "ambassadors" who patrol the area, promoting the commercial district and its businesses, providing homeless and youth services, and making capital improvements like adding street furniture and decorative lighting.

The BIDs were established in accordance with the District of Columbia Business Improvement Districts Act of 1996, which was amended in 1997. Their certification and charter extensions are managed by the Department of Small and Local Business Development (DSLBD).



BID Process

Implementing a District BID requires a number of steps that start with meeting the council member representing the ward of the proposed BID to gain support. This is important because the councilperson must later submit a bill for the BID. A nonprofit corporation is then formed with the incorporators, board of directors, articles of incorporation, and bylaws. These documents are filed with the DC Department of Consumer and Regulatory Affairs.

Next, the corporation applies for a Federal employee identification number, establishes the boundaries of the BID area, develops a database of the area's property owners and commercial tenants, determines supplemental taxes (based on existing BID calculations), and creates a business plan with a five-year budget and scope of services.

To register the BID, an application is submitted through the DSLBD to the mayor. It must include all documentation, signed statements of support by a required number of commercial real property owners and tenants in the proposed BID, a map of the BID area, and other materials. At this point, the councilperson representing the Ward of the BID submits a bill to establish the proposed BID boundaries and supplemental taxing rate.

Through the DSLBD, the mayor makes a preliminary review of the BID application within 15 working days of submission, issues a finding that the application criteria have been met, and schedules a public hearing within 45 days. At least 21 days before the hearing, the BID corporation notifies each commercial property owner, commercial tenant, major citizen association, and Advisory Neighborhood Commissioner within the BID area, along with the Council of the District of Columbia.

Within 10 days after the public hearing, the mayor either registers the BID or determines that the application requirements were not met, in which case the BID has 45 days to correct the application. Once registered, the BID can begin operations, including working with the DC Office of Tax and Revenue to collect assessments. Once a BID is formed, every property owner and tenant within the boundaries becomes a member.

Examples of BID Initiatives

Along with supplementing District services, BIDs often sponsor special initiatives and actively collaborate and form partnerships to achieve their vision. For example, the Georgetown BID is working on a public-private partnership to realize its vision for a gondola connecting Georgetown, which does not have a metro, with a metro station just across the river. To help restaurants affected by the COVID-19 pandemic, the Adams Morgan BID created a Buy Restaurant Bonds campaign with a unique poster series to solicit tax-deductible donations. The BID also put up colorful streetlight banners featuring iconic community figures and artwork adapted from local history. The Dupont Circle BID is using a public investment of more than \$25 million to energize the neighborhood with a new plaza and streetscape. And the Golden Triangle BID of the downtown business district created Windows by Golden Triangle to transform windows of properties that became vacant during the pandemic into works of art.



Through their efforts, the BIDs are behind much of the District's renaissance. Already thriving areas have become even more prosperous, and formerly blighted neighborhoods have been transformed with vitality, culture, and growth. As a result, the BIDs have collaboratively addressed issues that cut across boundaries to foster a vibrant and healthy city.

Sources:

[ADMO – History of the BID](#)

[ADMO – Help Support Adams Morgan Businesses](#)

[ADMO – Streetlight Banners](#)

[Capitol Riverfront – What We Do](#)

[DC Bid – Fast Facts](#)

[DC Press – Washington, DC Visitor Research](#)

[Department of Small and Local Business Development – Business Improvement Districts \(BIDs\)](#)

[Dupont Circle – About Us](#)

[Georgetown DC – About](#)

[Golden Triangle DC – About Us](#)

[Golden Triangle DC – Windows by Golden Triangle](#)

[United States Census Bureau – QuickFacts District of Columbia](#)