

Frequently Asked Questions

What is a Business Improvement District (BID)?

A BID is a defined area within which entities volunteer to pay an additional tax in order to fund projects within the district's boundaries. BIDs are 501(c)6 nonprofit organizations with a board of directors and an executive director that are often funded primarily through the tax but can also draw upon other public and private funding streams. BIDs typically fund services that are a supplement to those already provided by the government, such as street cleaning, additional security, management of capital improvements, construction of pedestrian and streetscape enhancements, and marketing, events and brand management.

Doesn't Silver Spring already have an Urban District? Why shift from an Urban District to a BID model?

The Urban District was designed to fund County-led supplemental services and special events in downtown Silver Spring. It has laid a good foundation. However, downtown Silver Spring faces an array of complex challenges, intensified in the wake of the COVID-19 pandemic. It also faces stiff regional competition for residents, customers and businesses. A more robust and integrated approach is needed to ensure a thriving downtown Silver Spring.

BIDs have a proven track record around the world of helping urban, mixed-use commercial districts meet these challenges. They are designed to bring private-sector creativity and ground-level expertise to downtown Silver Spring's evolution in collaboration with County partners.

Will there still be an Urban District tax?

No, the Silver Spring BID tax will be the same as the current Urban District tax. The Urban District tax will be zero. The proposed business plan of the Silver Spring BID replaces

the Urban District with a nonprofit BID utilizing County employees to continue to provide the clean and safe services they do today. It will also provide management positions, reallocating money for promotion and marketing of Silver Spring.

How does the BID service area compare to the Urban District's?

The proposed Silver Spring BID boundaries are the same as those of the Urban District; view the boundaries at silverspringbid.org.

What are the differences between the BID and the Urban District's governance structures? Will the BID diminish opportunities for small businesses and other stakeholders (besides large property owners) to have a voice?

The Urban District model is a County-run program. Though there are opportunities for stakeholders to offer input as members of its advisory board, the Urban District's priorities, budget, and staffing are decided by the County.

In contrast, BIDs are nonprofit 501(c)(6) organizations governed by a Board of Directors and elected by members that include a mix of property owners and business owners. Like many place management organizations and BIDs, the Silver Spring BID will also involve non-voting members mirroring the Urban District's advisory committee, ensuring multiple stakeholders (besides property and business owners) have a seat at the table. The board will shape the organization's programming priorities and hire a leader and staff to carry out a collaboratively defined vision.

Seats on the board will be allocated as follows: three (3) large property owners, two (2) small property owners, one (1) businesses with over 75 employees, and three (3) small businesses with under 25 employees. In addition, there will



be non-voting advisory board seats including stakeholders from nonprofit, community, and cultural entities with strong ties to Silver Spring.

What are the benefits of a BID for the small business community?

BIDs have proven to be remarkably successful in supporting small businesses. In addition to supporting small businesses through joint marketing campaigns, economic development research, and placemaking services, BIDs have the nimbleness and flexibility to respond quickly to business concerns, to provide information and support as they navigate municipal issues, and to create opportunities for small businesses to make their voices heard around key decisions impacting a district.

What are the benefits of BIDs for residential property owners?

The Silver Spring BID will take a much more robust role in cultivating downtown Silver Spring's many overlapping ecosystems. It will help support a unique and thriving small business community and attract the office and retail tenants that are so necessary for creating daytime and nighttime vibrancy.

Does the proposed BID area cover the same area as the Urban District, including Fenton Village?

Yes, the BID service area includes all the areas covered by the Urban District, including Fenton Village.

Will the current clean and safe team members be replaced?

The clean and safe services, including the Red Shirts provided by the Urban District, will continue under the BID through a contract with the County. This agreement will require the BID to pay the County for the delivery of clean and safe services by County employees. The same level of services will be delivered to the BID by County employees reflecting the scope and personnel service standards. The BID will work closely with the clean and safe team to ensure a high level of service and coordination around the BID's key priorities.

Will there still be County oversight of the BID activities?

Yes, the County Council will have oversight of the BID by annually appropriating money to the BID. This is the same process that happens with the Urban District. The BID will also have to go through a renewal process every three years.



What types of properties will be included in the Silver Spring BID and thereby subject to the BID tax?

All real property that is not exempt from paying property taxes will be included except: residential condos and coops that exist on or before the establishment of a BID; homeowners associations; or residential properties with fewer than four (4) dwelling units. Under the enabling legislation (MC 12-17), existing condominiums and co-ops would have the option to "opt-in" to be a member of the BID. Government and nonprofit buildings are exempt.

Did the proposed Silver Spring BID comply with the approval requirements of the state law MC 12-17?

Yes. 52% of the property owners representing over 80% of the assessed value of properties in the proposed Silver Spring BID boundaries signed a petition in support of the BID, exceeding the 51% requirement. The proponents did extensive outreach over a year-long period and provided information to all property owners in Silver Spring; some property owners did not respond.

Has legislation been introduced to form the Silver Spring BID?

Yes, the Silver Spring BID formation committee submitted a proposed three-year business plan containing the proposed

tax and formula used to create the tax. Councilmember Hans Riemer and Councilmember President Tom Hucker introduced a bill to form the BID on January 12, 2021. The proposal is currently under review.

If the BID model fails in Silver Spring, will the Urban District be able to return?

In this unlikely scenario, the Urban District can be reinstated to replace the BID. However, BIDs have been remarkably successful throughout North America and the world, bringing together the creativity and efficiency of the private sector with the collaboration and public focus of the public sector.

How many BIDs are there across the U.S.?

Currently, there are more than 2,500 BIDs in North America, including more than 70 in New York City, 11 in Washington, D.C., three in Northern Virginia, and several in Baltimore. The Downtown Baltimore Partnership, which functions similarly to a BID and has taxing authority on both residential and commercial properties, was enabled by state legislation passed in 1992 that gave Baltimore City the ability to authorize its creation.

