

## Business Plan Highlights

### BACKGROUND

Over the last decade, Silver Spring has become a desirable area in the Washington, D.C., metropolitan area to live, locate a business, and enjoy entertainment. However, Silver Spring remains a lower-cost alternative to other submarkets in the region, such as Alexandria, Arlington, Ballston, and Tysons Corner. Based on positive feedback from a range of property and business owners, the Silver Spring BID Planning Committee is now proposing a set of strategies that will highlight the downtown area as one of the most distinctive places in the region. The proposed initiative consists of a three-part program that includes place management, placemaking and place branding.



Such an initiative can yield many of the same benefits as BIDs in other areas with similar investments. These benefits include: appreciation of property values between 10-20% as a premium above what could normally be expected; higher residential and commercial occupancy rates; improved retail sales; and greater attendance at events, activities and cultural institutions. The area is currently served by the Silver Spring Urban District, a Montgomery County-run program that provides cleaning and hospitality services and manages a number of events and activations. An in-depth study of the current organizational structure and local programs reveals that these can be greatly improved in terms of efficiency and effectiveness, and much more can be done to strategically promote Silver Spring as one of the most dynamic, vibrant and well connected urban cores in the region.



### MISSION OF THE BID

THE MISSION OF THE SILVER SPRING BUSINESS IMPROVEMENT DISTRICT IS TO PROVIDE INNOVATIVE SERVICES AND PROGRAMS THAT LEAD TO A MORE VIBRANT DOWNTOWN, STIMULATING BUSINESSES AND RESIDENTIAL QUALITY OF LIFE. THE BID WILL ENSURE THE AREA IS CLEAN, SAFE, AND FRIENDLY, AND ALSO CHAMPION A VISION OF THE AREA THAT IS DYNAMIC, INVITING AND INCLUSIVE.

View the full plan at [SilverSpringBID.org](http://SilverSpringBID.org)

# OPERATING PLAN

## Place Management

Working in conjunction with individual property owners and businesses, the Silver Spring BID will be committed to enhancing the experience of a welcoming and inviting place through activities such as sidewalk cleaning, trash collection, and maintenance of public streetscape elements.

The BID staff will be also be trained in hospitality services and a public safety program.

## Place Enhancement

The Silver Spring BID will work to enhance the sense of place by creating a more dynamic and vibrant public realm through initiatives such as installing art and bike racks; providing landscaping services; assisting with storefront facade improvements; and activating public spaces with events and activities in coordination with retail, restaurant and community stakeholders.

## Place Branding/Economic Development

In addition to providing consumer marketing and communication activities, the Silver Spring BID will also focus on investor needs to communicate the benefits of opening businesses, developing property, or living in the area. To carry out the overall program, it will focus on specific areas of attention, including digital and print marketing, social media, and public relations.

# ABOUT THE BID

## Board & Staff

The Silver Spring BID, a registered 501(c)6 organization, will be governed by a Board of Directors of up to nine members and managed by a chief executive officer who will oversee day-to-day affairs.



## Budget

The Silver Spring BID budget includes the Montgomery County revenues formerly funding the Silver Spring Urban District, including the Parking Lot District Funds.

Commercial buildings are currently taxed at a rate of \$0.024 cents per \$100 of assessed value. It is the intention of the board of directors to keep the tax rates fixed for the initial three years of the BID's existence.

The annual budget of the Silver Spring BID in FY2019 will be \$3,175,000.

## Boundaries

The proposed boundaries of the Silver Spring BID duplicate those of the Silver Spring Central Business District.

# GOALS OF THE BID

- To promote downtown Silver Spring as a dynamic, diverse and livable urban center, competitively positioned to attract new investment
- To foster an engaged community
- To nurture a dynamic, connected and livable environment through public art, landscaping, lighting and other improvements to the public realm
- To maintain relationships with key business, development and community stakeholders
- To promote a vibrant nightlife and cultural attractions
- To ensure a positive experience when navigating
- To increase sales and occupancy
- To improve the perception of the area
- To improve safety and security of the area day and night
- To increase visitation to area attractions and businesses and retain more residents
- To sustain a vibrant retail mix



## 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 entities 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.

### **If I am already subject to the Silver Spring Urban District tax, will my tax rates go up under this plan?**

No: the property owners and businesses behind the plan to establish a Silver Spring BID are NOT suggesting any tax increase under the BID model. The adopted business plan of the Silver Spring BID Advisory Committee would simply shift control and operations of the Silver Spring Urban District into the hands of a BID governed by a board of directors.

### **What types of properties would be included in a Silver Spring BID and thereby subject to the BID tax?**

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

### **What are the approval thresholds required to establish a Silver Spring BID?**

MC 12-17 altered the BID approval rate in Montgomery County to require approval of owners of 51% of the assessed value AND approval of owners of 51% of the total number of parcels within the proposed district. Previously, adopting a BID in Maryland required 80% approval of all property owners in the district – the 2nd most restrictive BID creation process in the nation, aside from Louisiana's 100% property owner approval requirement. According to Jim Peck, Director of Research for the Maryland Municipal League (MML), there have been no BIDs in the state that have been approved under the BID Act of 2010 due to the high approval rate of 80%.

### **What do other states/jurisdictions in the U.S. require for the creation of a BID?**

Some states and jurisdictions grant approval based on the owners of a certain percentage of assessed value in the proposed BID, including Alabama, Arkansas, Pennsylvania and Pittsburgh. Others use a hybrid system requiring a certain percentage of assessed value and a certain percentage of property owners, including Kentucky, Massachusetts, New York and the District of Columbia.

### **If property owners meet the necessary approval thresholds, does that mean the creation of a Silver Spring BID would automatically occur?**

No, MC 12-17 specifies that the County or municipality has sole discretion on whether to approve the creation of a BID after property owners have petitioned their local government for approval. Owners who want to establish a BID must submit a proposed three-year business plan containing the proposed tax and formula used to create the tax. A public

hearing must be held with at least 21 days' notice to all property owners and commercial tenants in the district. After the hearing, a County/municipal government would have 10 days to decide whether to approve or reject the proposed BID.

### **What conversations have taken place with County government officials?**

Silver Spring BID Advisory Committee members have had preliminary discussions with MCDOT regarding the continuation of PLD funds to support a Silver Spring BID; and additional discussions with each Councilmember concerning their support and the potential for introducing a local bill to establish the BID.

### **Do BIDs in Montgomery County need to be reapproved?**

Yes, BIDs in Montgomery County need to be reapproved every 3 years per the state enabling legislation.

### **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, 10 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.

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

Additional foot traffic due to increased promotions; events and marketing efforts; clean and safe programming tightly coordinated with business needs; and additional resources for infrastructure and placemaking efforts to attract more customers to local businesses.

### **What are the benefits of a BID for commercial property owners?**

Greater interest in companies leasing space, lower vacancy rates, and increased property values.

### **What are the benefits of BIDs for residential property owners?**

Greater interest in living within a vibrant and enjoyable downtown, lower vacancy rates, and increased property values.

