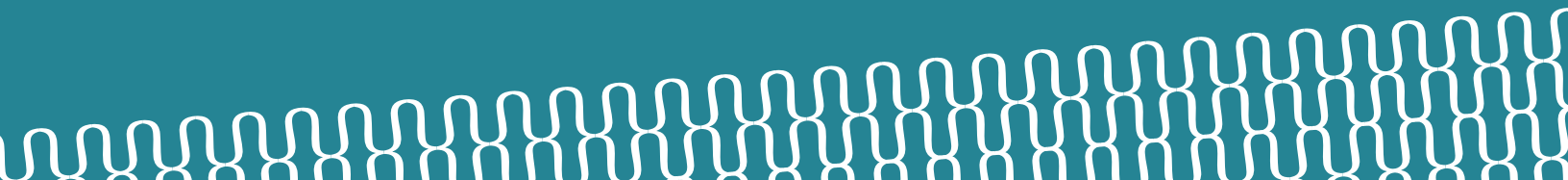


APRIL 2021

SILVER SPRING BUSINESS IMPROVEMENT DISTRICT

BUSINESS PLAN







BACKGROUND

Over the last decade, Silver Spring has become one of the most desirable areas in the Washington, D.C., metropolitan area to live, locate a business, and enjoy entertainment. Many residents and small businesses continue to choose Silver Spring over other close-in cities such as Arlington and Bethesda.

Known for its friendly business climate and high standard of living, Silver Spring offers some of the best urban amenities available in the capital region while maintaining a strong sense of community. It is the fourth most diverse city in America, according to WalletHub. Its town center atmosphere appeals to busi-

nesses and residents alike. Downtown Silver Spring offers an array of shopping, dining, and entertainment venues and is among the most accessible commuter transportation hubs for the area workforce.

It is an excellent gateway into and out of Washington, D.C., with immediate connectivity to Metro, all three airports, and the Capital Beltway. The \$91 million Paul S. Sarbanes Transit Center, completed in 2015, has significantly expanded Silver Spring's existing Metrorail station to meet the growing demand for public transportation by integrating Metrobus bays, direct access to the Metrorail Red Line and MARC trains (Maryland's commuter rail), abundant parking, taxi access, and accommodation for the future light-

rail Purple Line. In addition, the Silver Spring Urban District provides regular cleaning services and activates downtown's public spaces with lively year-round events.

Yet along with these considerable assets, downtown Silver Spring faces stiff competition from similar mixed-use districts throughout the region and complex challenges in the wake of the COVID-19 pandemic.

The city requires a much more robust business retention and attraction strategy to attract new development, employers, and office tenants. It needs far greater focus on enhancing and enlivening its public realm, with investments in landscaping and public art to soften hard edges and improve the experience of living and working downtown. Concerted coordination and services will make the area safer, especially at night, and ensure visitors have a positive experience when navigating to, from, and within Silver Spring. In short, downtown Silver Spring requires a greater level of service in the areas of intensive placemaking, economic development, and place management.

In 2017, with these needs in mind, a group of property and business owners began exploring a business improvement district (BID) model to bring a new level of programming to downtown Silver Spring with an emphasis on place enhancement, economic development, and business attraction. Modeling their efforts on the success of other BIDs throughout the region, the Silver Spring BID Planning Committee sought input from business and property owner stakeholders to develop a business plan

and set of strategies to ensure that the area continues to thrive.

Downtown Silver Spring is currently served by the Silver Spring Urban District, a Montgomery County-run program that provides cleaning and hospitality services and manages a variety of events and activations. Though this program has served the area, much more can be done to promote Silver Spring as one of the most dynamic, vibrant and well-connected urban cores in the region. Based on positive feedback from a range of property and business owners, the Silver Spring BID Planning Committee developed a plan 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.

BOUNDARIES

The proposed boundaries of the Silver Spring BID duplicate those of the Silver Spring Urban District. For a map and full description of the boundaries, please see Exhibit A.



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.



GOALS OF THE BID

- To promote downtown Silver Spring as Greater Washington’s most dynamic, diverse and livable urban center, competitively positioned to attract new investment in and recognition for its vibrant shopping, dining, entertainment, and living opportunities
- To foster an engaged community committed to building on Silver Spring’s assets and potential
- To nurture a dynamic, connected and livable environment through public art, landscaping, lighting and other improvements to the public realm
- To nurture and maintain relationships with key business, real estate, development and community stakeholders by providing Silver Spring resources and information
- To provide opportunities for meaningful collaboration among Silver Spring business, government and community stakeholders to identify issues and solve problems together
- To promote Silver Spring’s vibrant nightlife and cultural attractions while managing impacts of the night-time economy
- To ensure a positive experience when navigating to, from and within Silver Spring
- To increase sales and occupancy
- To foster a strong and diverse small business ecosystem, with marketing and services directly targeted to the needs of local entrepreneurs



- To improve the perception of the area both for consumers and investors
- To improve safety and security of the area day and night
- To increase visitation to area attractions and businesses
- To attract and retain more residents
- To sustain a vibrant retail mix

LEGAL DESCRIPTION

The Silver Spring Business Improvement District will be a corporation formed under Subtitle 12-602 to promote the general welfare of the residents, employers, employees, property owners, commercial tenants, consumers, and the general public within the geographic area of the Silver Spring Business Improvement District. The Silver Spring BID may receive money from its incorporating county or municipal corporation, the state, other governmental units, or nonprofit organizations. It may charge fees for its services and have employees and consultants as it considers necessary.

GOVERNANCE

Board of Directors

The organization will be governed by a board of directors that will consist of at least five but not more than nine board members, as mandated by the state-enabling legislation, appointed by the members of the district. Appointment procedures shall be provided in the local law establishing the district.

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.

The board shall exercise its powers by resolution. Voting members will be elected to three-year terms with an election held each year at the annual meeting. Approximately one-third of the board will be elected each year. The board shall file an annual report with the county each year that includes a financial statement for the preceding year, a proposed operating budget for the current fiscal year, any proposed revisions to the business plan, and a narrative statement or chart showing the results of operations in comparison to stated goals and objectives. A member of the board may not receive compensation as a member of the board but shall be reimbursed for expenses incurred in performing the member's duties. The board shall file an annual report with the governing body of the county or a municipal corporation in the county that includes: 1) a financial statement for the preceding year; 2) a proposed operating budget for the current fiscal year; 3) any proposed revisions to the business plan; and 4) a narrative statement or chart showing the results of operations in comparison to stated goals and objectives.

Executive Committee

The executive committee will serve as the primary governance contact with the CEO and includes officers and additional members appointed by the chair and confirmed by the board. It will guide the day-to-day operations and practices of the BID. There are two committees that will be organized annually to fulfill specific tasks: (1) the nominating committee and (2) the audit committee. Additionally, ad-hoc committees may be regularly formed to work on specific programs and organizational needs of the BID. The executive committee has all the powers of the board within the limits set by the policies and procedures as described in its board-approved bylaws. The executive committee



will meet monthly while the full board will meet quarterly. An annual meeting will be conducted each year to highlight the accomplishments of the current BID administration and conduct organizational and member business as necessary. The officers will be appointed each year after the election of the executive committee.

Voting Procedures

The Silver Spring BID will be governed by a board of directors of between five and nine members. The board may act on a resolution only by the affirmative vote of a majority of the voting members. Property owner representatives may include a mix of multifamily residential, office and retail. Tenant representatives will include a healthy mix of retail and entertainment venues. The Silver Spring BID may also include representatives of civic, cultural, religious and social service organizations as non-voting members.

Members

Silver Spring BID members will include non-exempt property owners. The Silver Spring BID will hold annual meetings among members to (1) elect the board of directors and (2) adopt the annual budget and business plan. Proposed voting parameters: one vote per \$500 dollars of assessed value for a property owner.

Management Team

The BID will employ an executive director who will have the overall responsibility for the management of day-to-day programs as well as its financial and operating performance. The director will also provide strategic direction for the organization and ensure that the organization follows the policies and procedures as promulgated by the board of directors. The director will represent the organization to its members, to the community, to the media, and to the government.

Other staff positions will focus on administration and budget, marketing and communications, events and outreach, public space management, clean and safe operations, and economic development.

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 with a variety of activities and projects. The organization will immediately focus on ensuring that the area is clean, safe, and friendly.

The clean and safe services provided by the Silver Spring 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.

This will include activities such as:

- Sidewalk cleaning
- Trash collection
- Litter removal
- Tree box maintenance
- Graffiti removal
- Snow and ice removal
- Maintenance of elements in the public streetscape needing repair.

Additionally, as part of the place management program, the Silver Spring BID will engage with county agencies to ensure that the area receives the highest level of attention for its basic services, concerns, and community priorities. This program will ensure the BID staff remain in communication with public agencies, businesses, and property owners.

Special attention will be paid to improving safety in and around parking garages and coordinating with both nonprofit and county homeless service providers to address housing and service needs of unhoused Silver Spring community members. A major part of this program area will entail ongoing communications with public safety stakeholders including police, public health, and social service agencies.

Place Enhancement

In addition to ensuring that the public spaces are well maintained and secure, the Silver Spring BID will work to enhance the sense of place by creating a more dynamic and vibrant public realm. This may include but



will not be limited to such initiatives as:

- Planting and landscaping services: softening some of the hard edges in the streetscape through plantings and public art;
- Installing additional bike racks;
- Installing public art and using other placemaking strategies to improve the pedestrian experience;
- Providing street pole decorations and street banners;
- Assisting with storefront façade improvements; and
- Activating public spaces with events and activities in coordination with retail, restaurant and community stakeholders.

The BID staff will also create a high-quality set of voluntary streetscape standards that may be used by all property owners for new construction or redevelopment. The BID will work with stakeholders to develop streetscape enhancements and lighting to create a decorative atmosphere and promote retail shopping on a seasonal basis.

Place Branding/Marketing/Economic Development

Promoting the area with a vibrant brand and innovative economic development strategies will be key functions of the Silver Spring BID. The place branding program will work to promote downtown Silver Spring as Greater Washington's most diverse and livable urban center, competitively positioned to attract new investment in and recognition for its vibrant shopping, dining, entertainment, and living opportunities.

In addition to providing consumer marketing and communication activities, it will also focus on communicating the benefits of opening businesses, developing property, or living in the area. It will employ an integrated marketing strategy to include cultivating relationships with the media and PR outlets, building community partnerships in collaboration, and differentiating the Silver Spring brand among others.

To carry out the overall program, it will focus on specific areas of attention, including digital and print marketing, social media, and public relations. A key aspect of this program area will be to nurture and maintain relationships with key real estate and development stakeholders by providing Silver Spring resources and information.

REVENUE

Parking Lot Revenue:

The Silver Spring BID budget includes the Montgomery County revenues formerly funding the Silver Spring Urban District, including the Parking Lot District Funds, optional method developer contributions, and general fund contributions (if needed).

BID Tax Rate:

Commercial buildings (which include apartment buildings) at \$0.024 cents per \$100 of assessed value.



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.

It is the intention of the board of directors to attempt to keep the tax rates fixed for the initial three years that the BID is in existence. View the full budget on the following page.

MEASURING SUCCESS

The Silver Spring BID will measure its impacts in the following ways:

- Growth in occupancy rates and new investment

- Increased retail sales
- Attendance at events and activities
- Pedestrian counts
- Attitudinal surveys of businesses, residents, visitors
- Website visitors
- Social media followers and reach
- Amount of trash collected
- Crime statistics
- Number of media citations using BID information

SILVER SPRING BID PROPOSED BUDGET

Revenues

Urban District Tax (@ \$0.024 per \$100 of assessed value)	\$1,153,308
Parking Lot District Funds	\$2,533,484
Total Revenues	\$3,686,792

Administration and Leadership

Executive Director	\$180,000
Supervisor (Clean and safe/Redshirts)	\$100,000
Office Manager/Receptionist	\$60,000
Operating expenses	\$100,000
Total Administrative	\$440,000

Place Enhancement and Management

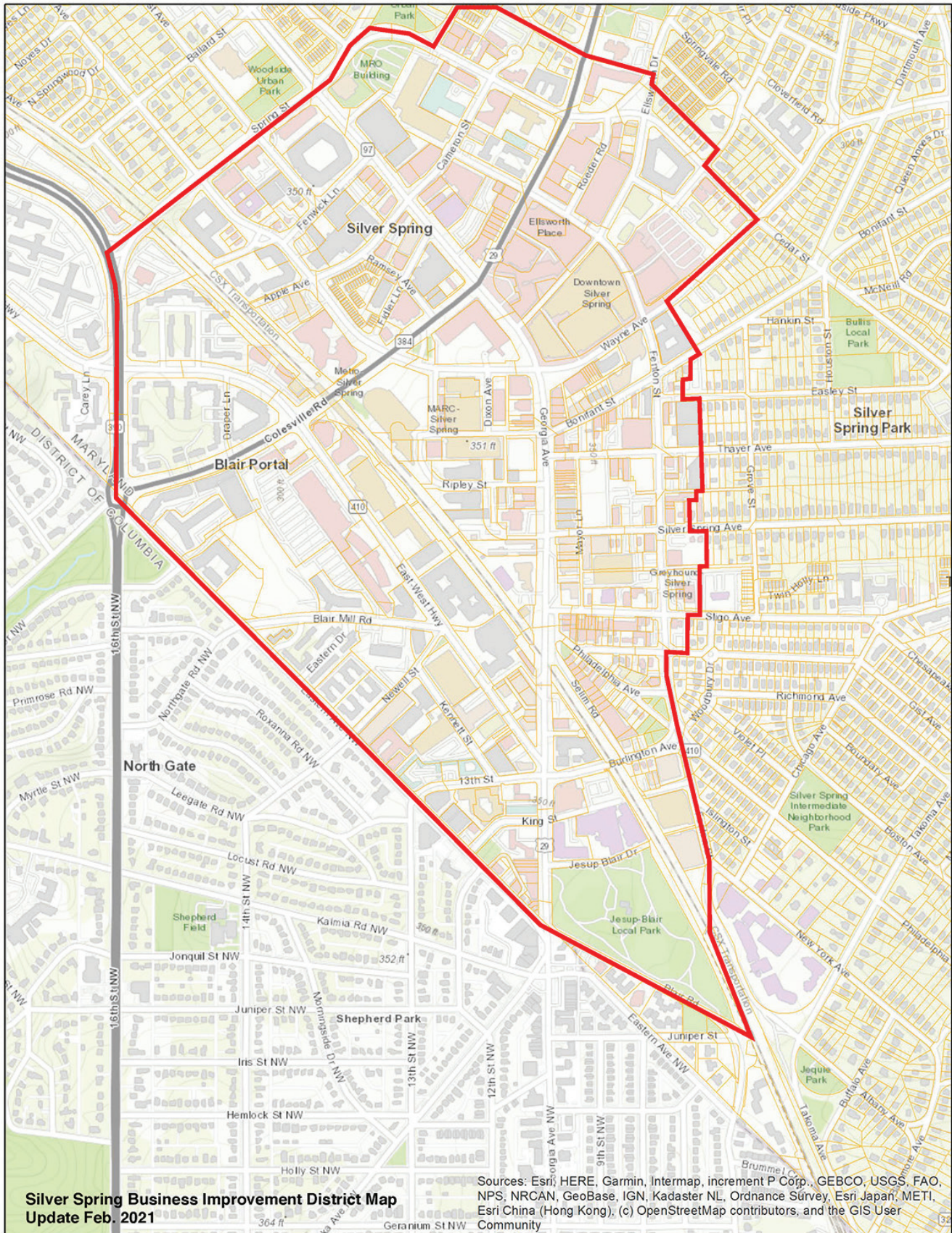
Clean and safe personnel costs	\$2,066,500
Clean and safe team operating (includes trash hauling)	\$300,000
General streetscape and tree maintenance, street sweeping	\$324,000
Total Placemaking/ Public Realm Enhancement	\$2,690,500

Marketing/Place Branding/Economic Development

Strategic Communications & Marketing Director	\$120,000
Planning & Economic Development Manager	\$90,000
Digital resources/online presence	\$35,000
Brand management and marketing efforts	\$100,000
Events	\$210,000
Total Marketing/Place Branding/Economic Development	\$555,000

Total Budget	\$3,685,500
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EXHIBIT A: PROPOSED SILVER SPRING BID BOUNDARIES



SILVER SPRING HAS
BECOME ONE OF
THE MOST DESIRABLE
AREAS IN THE
WASHINGTON, D.C.,
METROPOLITAN
AREA TO LIVE,
LOCATE A BUSINESS,
AND ENJOY
ENTERTAINMENT.

CONTACT

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The Peterson Cos., Ken Stanek Photography,
Silver Spring Arts & Entertainment District*

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