



**SAMPLE DISTRICT PLAN**

**FOR THE**

**NYC BUSINESS IMPROVEMENT DISTRICT**

**IN THE CITY OF NEW YORK**

**BOROUGH OF MANHATTAN**

PREPARED PURSUANT TO SECTION 25-405(a) OF  
CHAPTER 4 OF TITLE 25 OF THE ADMINISTRATIVE  
CODE OF THE CITY OF NEW YORK

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I. MAP OF THE DISTRICT

The NYC Business Improvement District (the "District") is located in Downtown in the southern section of Manhattan. The District will generally include properties on A Street from B Street to C Avenue including corner properties on D, E and F Streets; and will include properties on the south side of D and the sidewalk on the north side of D from E Street to F Street; and will include properties on the north side of A Street from B Street to midblock between G Street and H Place.

The Mayor of the City of New York, by written authorization dated September 1, 2003 has provided for the preparation of this plan (the "Plan") pursuant to authority granted by Chapter 4 of Title 25 of the Administrative Code of the City of New York (the "Law").

II. DISTRICT PROFILE: PRESENT USES OF DISTRICT PROPERTY

A. DISTRICT PROFILE

The District is located in the Downtown section of Manhattan. It is generally comprised of three major commercial strips: A Street from B Street on the north to C Avenue on the south; D Street from E Street to F Avenue; and G Street from H Street to I Avenue.

Downtown is New York City's third largest commercial district, with XX million square feet of office space. It is home to major corporate tenants such as A, B and C; and numerous academic institutions and cultural venues. There are currently XX,000 people working downtown; XX,000 students attending the universities; and over XXX,000 people visiting Downtown on a daily basis. Portions of Downtown are currently served by three BIDs: K Street BID, J Avenue BID and H Road BID.

Historically, Downtown was the borough's premier commercial, retail, civic and entertainment center, comprised of office buildings, the Civic Center and a department store/entertainment corridor. However, cycles of repeated loss of major anchors and owner disinvestment yielded by the 1970s a decaying regional commercial center ripe for revitalization – at which time the plan for creating a new Civic Center was conceived and development begun. Over the years, the full Civic Center buildout, in conjunction with additional new development and rehabilitation/reuse coupled with some capital

improvements, have brought Downtown a long way forward from what it was in 1975 – although not as far as it has the potential to become.

The NYC BID, which fills the gaps in BID coverage left by the other Downtown BIDs, contains approximately XXX properties, that are a variegated mix of old, rehabilitated and new construction; historic and modern architecture; taxpayers, tenements, loft/warehouses and office/residential towers; and parking lots/garages and vacant development sites. Uses are also wide-ranging: ground-floor retail and parking, above-street-level commercial and office, government offices and public sector tenants, residential uses generally above the ground floor, with a scattering of religious, educational and cultural uses throughout. New development is yielding a true mix of uses, with new residential and retail space currently in construction, and academic, cultural and commercial use in the planning phase.

The District is located within Community Board X; the X<sup>th</sup> Police District, and Sanitation District X.

## B. PRESENT USES OF DISTRICT PROPERTY

### 1. ZONING

The District contains primarily commercial zoning (C5-2A, C5-4, C6-1, C6-2A, C6-4) mid- to high-density commercial districts allowing a range of office, retail, residential and community facility uses; with limited residential zoning (R6-A, R6-B and R7-A.) The District is also affected by the Special Downtown District, adopted in 20XX, which includes urban design guidelines that require streetwall and retail continuity, street tree plantings and restrictions on new curb cut locations along important pedestrian corridors, including J Avenue, K Avenue and D Street.

### 2. COMMERCIAL/RETAIL

Of the District's XXX properties, most are presently partially or wholly commercial with ground-floor retail use. Currently, the retail vacancy rate in the district is less than X%.

There are approximately XX national and regional retail chains store concentrated in the District, including Barnes & Noble, Sleepy's, Dunkin' Donuts/Taco Bell/Nathan's, McDonald's, New York Sports Club, Radio Shack, Duane Reade, True Value Hardware, American Apparel, H & R Block, and Jackson Hewitt Tax Services, among others. Several banks either own/operate or have branches in the District including Chase, Washington Mutual and Commerce Bank

Until recently, both B and C Streets have not been the focus of new or re-development activity, the majority of the retail businesses along these corridors are one-of-a-kind ownership in smaller and older commercial spaces, including many nail salons, food stores and takeout/delis. As new developments with mandated ground-floor retail come online over the next decade, the district's retail is expected to become more diverse, attracting shoppers from a broader socioeconomic stratum.

The District is serviced by one public indoor parking facility, one free-standing parking garage and 3 outdoor lots.

### 3. RESIDENTIAL

There are X properties which are wholly residential in the District, out of approximately XXX properties. Another XX properties have some residential use, in mix with retail and/or commercial use.

### 4. NOT-FOR-PROFIT, INSTITUTIONS AND PUBLIC

Within the NYC BID boundaries can be found the newly-restored Civic Center, the historic Municipal Building, Law School, the YMCA, and offices of various New York City and New York State governmental agencies.

### 5. TRANSPORTATION

The District is extremely well served by a comprehensive public transportation network: the following subway lines have one or more stops within or immediately adjacent to the District: A, B, C, N, Q and R. In addition, the following bus lines which connect Downtown with the rest of the City have stop(s) and/or start/end points within the District.

## III. PROPOSED SERVICES

### A. DESCRIPTION OF SERVICES

The services to be provided pursuant to this Plan (the "Services") shall include any services required for the enjoyment, protection, and general welfare of the public, the promotion, and enhancement of the District, and to meet needs identified by members of the District. The Services shall not take the place of, but supplement those services provided by the City on a citywide basis. The Services shall be performed under the direction of the NYC District Management Association (hereinafter, "DMA").

## 1. STREET MAINTENANCE

The Maintenance Program may be carried out in-house or it may be contracted out. The Program may include, but shall not be limited to: manual sweeping and cleaning of sidewalks, curbs and gutters, emptying of pedestrian trash receptacles by replacement of trash receptacle liners and preparing garbage for pickup by the City; cleaning of graffiti from street furniture including security gates, maintenance of street trees and tree pits; and snow removal at bus shelters and crosswalks. Special attention will be paid to problems of over-flowing trash receptacles, trash bags awaiting pickup being ripped open, and sanitation problems in the hours before shops open – all negatively impacting a vibrant shopping area. Posters will be removed; catch basins will receive special attention. Close coordination will be maintained with the New York City Sanitation Department, the local Community Board, and with private carters.

It is anticipated that uniformed maintenance personnel will work seven days a week with 7-8 persons per shift. The Program will include such equipment, supplies, insurance and uniforms as are required to deliver the services. The Program may include such other maintenance services as are required from time to time to achieve a clean environment. The Program will complement but will not replace City Sanitation services.

## 2. MARKETING, PROMOTION AND HOLIDAY LIGHTING

A Marketing and Promotion Program for the District, including joint advertising, special events, festivals and publications (such as business directories, maps, etc.) may be carried out. The purpose of the Program is to increase business activity for all retailers and businesses within the District.

Holiday and seasonal decorations may include, but will not be limited to, the installation of ornaments and/or lighting in the District during holidays and the winter holiday season.

## 3. SECURITY

The Security Program may include, but shall not be limited to, unarmed patrol of the District, creation of a Neighborhood Watch and/or safety education programs. A licensed and bonded security company would work in conjunction with the local Police Precinct to provide services during weekends and holiday periods. It is anticipated that security services will be undertaken on a part-time basis, primarily during the holiday shopping period and for special events, in the first year of operation.

#### 4. ECONOMIC DEVELOPMENT & NEW INITIATIVES

Economic development activities and new program initiatives may include, but shall not be limited to, operating business attraction and retention programs, operating a storefront improvement program, creating heritage tourism links, and hiring a development consultant to identify and secure additional financial resources for the DMA program initiatives.

#### 5. ADMINISTRATION

Administration of the District shall be by a salaried staff (the "Staff") which may include an Executive Director, Community Liaison, clerical and bookkeeper support, other special staff and/or consultants that the Board of Directors may, from time to time, deem necessary. The Executive Director will oversee District Services and Improvements (hereinafter defined) as directed by the DMA Board of Directors for the benefit of the District constituency. The Executive Director will serve as spokesperson for the NYC owners and tenants collectively and individually, as authorized by the BID's Board of Directors and with permission of the individual owner or tenant. Administrative expenses also may include office rental, utility services, equipment, supplies and insurance, mailings to owners and tenants, and newsletters. Legal and accounting services will be contracted on an as-needed basis. When possible, in-kind services will be used.

#### 6. ADDITIONAL SERVICES

Subject to any approvals and controls that may be required by a City agency having jurisdiction thereof, and in addition to the approval of the Board of Directors of the DMA, in subsequent years the District may provide such additional services as are permitted by law.

#### B. IMPLEMENTATION

It is anticipated that the DMA will commence most Services during the first Contract Year (hereinafter defined).

#### C. GENERAL PROVISIONS

1. All Services shall be in addition to (and not in substitution for) required and customary municipal services provided by the City on a citywide basis. Benchmarks for existing City services will be developed and monitored by the DMA.

2. All Services need not be performed in every Contract Year.

3. The staff and/or subcontractors of the DMA may render such administrative services as are needed to support performance of the Services.

4. In the event that in any given Contract Year the sources of funding as hereinafter described do not in the aggregate produce revenues equal to the Total Annual Budget Amount (hereinafter defined) for such Contract Year, the DMA may, subject to the Contract (hereinafter defined), forego providing one or more or all Services in order to have revenues sufficient to pay debt service required in the Budget (hereinafter defined) for the Contract Year.

#### IV. PROPOSED IMPROVEMENTS

##### A. IMPROVEMENTS

The improvements (the "Improvements") to be provided pursuant to this Plan may include, but are not limited to, the following, provided that any Improvements that require review and approval by an appropriate City Agency shall be submitted to that City Agency and to the affected community board(s) prior to undertaking any Improvement.

1. Sidewalk amenities to identify, enhance and beautify the District including the following proposals but not limited to:
  - a. Sidewalk plantings, tree, shrubs and flowers in tubs, at grade or above ground level (i.e., on light standards)
  - b. Sidewalk logos, banners, medallions and/or plaques identifying the area of the District as the NYC Business Improvement District (hereinafter "BID").
2. Street and sidewalk amenities to improve pedestrian circulation and safety, which may include, but not limited to:
  - a. Trash receptacles
  - b. Light poles
  - c. Street telephones
  - d. Signage
  - e. Key building identification
  - f. Banners and/or medallions

- g. Gateways
- h. Benches and/or street furniture
- i. Parking facilities
- j. Information boards and kiosks
- k. New news boxes and newsstands
- l. Street, subway and other transportation modes identification
- m. Intersection repair

**B. IMPLEMENTATION SCHEDULE**

The Improvements may be implemented on an as-needed basis.

**C. GENERAL PROVISIONS**

1. All Improvements shall be in addition to and not in substitution for required and customary municipal improvements provided by the City on a citywide basis, benchmarks for which are presently being studied and recorded.

2. The staff and/or subcontractors of the DMA may render such administrative services as are needed to support installation of the Improvements.

**V. PROPOSED SOURCES OF FUNDING**

**A. SOURCES OF FUNDING GENERAL**

The proposed sources of funding for all (i) Services, (ii) Improvements, (iii) proceeds arising from indebtedness as permitted pursuant to paragraph D herein below, and (iv) administrative costs necessary to support the program contemplated under this Plan shall be the sources of funding described in paragraphs B through F (inclusive). Subject to requirements of the law, the DMA may apply all monies derived from the sources of funding permitted herein to fund any expenditure permitted under this Plan.

**B. SOURCES OF FUNDING: ASSESSMENTS**

The DMA may enter into a Contract for the purpose of having the City levy and collect and then disburse to the DMA, assessments with respect to the Benefited Properties. Such assessments, as described herein below, shall be defined as "Assessments" (hereinafter defined).

1. GENERAL

To defray the cost of Services and Improvements in the District as herein before described all real property in the District shall be assessed in proportion to the benefit such property receives from the Services and Improvements. Each property shall be assessed an amount, that when totaled together with amounts for other properties in the District shall yield an amount sufficient to meet the District's annual budget as determined by the DMA.

The amounts, exclusive of debt service, assessed and levied in a given year against the benefited properties as Assessments, may not exceed 20% of the total general city taxes levied in that year against the benefited properties.

2. SPECIFIC FORMULA

All properties as classified in the most recent New York City tax rolls and as described below as Classes A, B, C and D shall be assessed as follows:

CLASS A PROPERTY – COMMERCIAL

All properties in whole or in part devoted to commercial uses including vacant land shall constitute Class A property and shall be assessed at a rate anticipated to be not more than \$23 per individual property linear front foot (FF) plus not more than \$.0024 per dollar of individual property assessed valuation (AV) for the first Contract Year. Class A property shall be assessed in the following manner:

$$\text{Rate 1} = \frac{50\% \text{ of the BUDGET}}{\text{TOTAL CLASS A LINEAR FF}}$$

$$\text{Rate 2} = \frac{50\% \text{ of the BUDGET}}{\text{TOTAL CLASS A ASSESSED VALUATION}}$$

$$\text{Individual Assessment} = \text{Rate 1 (Individual Property FF)} + \text{Rate 2 (Individual Property AV)}$$

When a property has multiple frontages within the District, front footage shall be calculated as 100% of the longest frontage plus 50% of the sum of all other frontages. No individual Class A property shall pay less than \$2400 or more than \$35,000 in the first year of the BID's operation.

CLASS B PROPERTY – RESIDENTIAL

All properties devoted in whole to residential uses shall be assessed at one dollar (\$1.00) per year. (They may however, choose to make voluntary annual contributions to the NYC Business Improvement District's operating budget.) Condominiums and

cooperative properties devoted in whole to residential uses shall be assessed at one dollar (\$1.00) per year. Those portions of Cooperative and/or Condominium properties devoted to commercial and/or for-profit uses shall constitute Class A property and the portion of the property devoted to commercial and/or for-profit uses shall be assessed in the same manner as Class A properties.

#### CLASS C PROPERTY – GOVERNMENT & NOT-FOR-PROFIT

Government and not-for-profit owned property devoted entirely to public or not-for-profit use shall be exempt from district assessment. They may however, choose to make voluntary annual contributions to the NYC Business Improvement District's operating budget. Government or not-for-profit owned properties devoted in whole or in part to commercial or for-profit uses shall constitute Class A property and the portion devoted to commercial/for-profit uses shall be assessed in the same manner as those properties listed as Class A properties.

#### CLASS D PROPERTY – MIXED USE

All properties devoted in part to commercial use and in part to residential or nonprofit use shall constitute Class D property. The portion of the property devoted to residential use shall be assessed at one dollar (\$1) per year; the portion of the property devoted to nonprofit use shall not be assessed. The proportion of the property devoted to commercial use shall be assessed in the same manner as those properties listed in Class A properties.

#### C. SOURCE OF FUNDING: GRANTS AND DONATIONS

The DMA may accept grants and donations from private institutions, the City, other public and private entities and individuals, and other not-for-profit organizations.

#### D. SOURCE OF FUNDING: BORROWING

1. Subject to subparagraphs 2 and 3 immediately herein below, the DMA may borrow money from private lending institution, the City, other public and private entities or individuals and other not-for-profit organizations for the purpose of funding operations or Improvements.

2. The use of monies received by the DMA from the City or from any other public entity, whether in the form of a grant or as proceeds from a loan, shall be subject to (i) all statutory requirements applicable to the expenditure and use of such monies, and (ii) any contractual requirements imposed by the City (whether pursuant to contract or otherwise) or by any other public entity, as the case may be.

3. Any loans which the DMA may enter into as borrower shall be subject to Section VI of this Plan.

**E. SOURCE OF FUNDING: CHARGES FOR USER RIGHTS**

Subject to the approval and control of the appropriate City Agency, the DMA may, in accordance with Section IX of this Plan, impose charges as consideration for the sub-granting or sub-licensing of user rights (hereinafter defined) as such charges and user rights are described in Section IX of the Plan.

**F. SOURCE OF FUNDING: OTHER**

The DMA may derive revenues from any other sources of funding not heretofore mentioned and which are permitted by law.

**G. ASSIGNMENT OF FUNDING**

The DMA may assign revenues from the sources of funding described in paragraphs B, C, D, E and F of this Section V for the purpose of securing loans which the DMA may enter in pursuant to paragraph D of this Section V, provided such assignments are subject to the requirements of Section VI of this Plan.

**VI. PROPOSED EXPENDITURES: ANNUAL BUDGETS**

**A. TOTAL ANNUAL EXPENDITURES AND MAXIMUM COST OF IMPROVEMENTS**

The total amount proposed to be expended by the DMA for Improvements, if any, Services and operations for the first Contract Year is \$765,000, as more fully set forth in Subsection B of this Section VI.

The total, as proposed to be expended by the DMA, for any subsequent Contract Year shall not be greater than the aggregate amount of all monies which the DMA may collect for the Contract

Year in question from all funding sources permitted under Section V of this Plan. During the existence of this BID, the maximum cost of the Improvements, if any, will not exceed \$25,000,000.

**B. ANNUAL BUDGET**

**1. FIRST YEAR BUDGET**

It is estimated that the annualized budget of proposed expenditures to be made during the first Contract Year shall be as follows:

**a. SERVICES**

i. Maintenance/Sanitation	\$ 150,000
ii. Security	\$ 95,000
iii. Marketing, Promotion and Holiday Lighting	\$ 60,000
iv. Economic Development/New Initiatives	\$ 50,000
v. Landscaping/Maintenance	\$ 60,000
vi. Reserve	\$ 60,000

**b. ADMINISTRATION** \$ 200,000

**TOTAL FIRST YEAR BUDGET** \$ 675,000

**C. SUBSEQUENT BUDGETS**

The DMA shall establish for each Contract Year after the first Contract Year, a proposed budget of expenditures. Such proposed budget shall (with respect to the Contract Years to which they respectively apply): (i) reasonably itemize the purposes for which monies are proposed to be expended by the DMA; (ii) specify the amount, if any, proposed to be expended by the DMA for debt service; and (iii) set forth the total amount to be expended (the "Total Annual Budget Amount"). A proposed budget, whether for the First Contract Year or for a subsequent Contract Year shall be referred to as a "Budget."

**D. GENERAL PROVISIONS**

1. The DMA shall make no expenditure of monies other than in accordance with and pursuant to: (i) a Budget for which a Total Annual Budget Amount has been approved by the City and the Directors of the DMA; (ii) any provisions in the Contract providing for the satisfaction of outstanding

obligations of the DMA; or (iii) any provisions in the Contract provided in the Budget for, but expended in, a previous Contract Year.

2. The Total Annual Budget Amount shall not exceed the maximum total and annual amount which the DMA may expend for the Contract Year in question pursuant to paragraph A of this Section VI.

3. The Total Annual Budget Amount shall not be less than the amount needed to satisfy the DMA's debt service obligations for the Contract Year in question.

4. Subject to the DMA's need to satisfy its debt service obligations for the Contract Year in question, the DMA may revise the itemization within any budget.

5. In the event that in any given Contract Year the sources of funding do not in the aggregate produce revenues equal to the Total Annual Budget Amount for such Contract Year, the DMA may, subject to the Contract, forego some or all of the non-debt service expenditures as are provided for in the Budget in question in order to have revenues sufficient to pay the debt service provided for in such Budget.

6. In the event the DMA needs to reallocate its non-debt service expenditures for the Contract Year in question, and provided further, that any debt service has been provided for, the DMA may revise the itemizations within any Budget to accomplish such goal.

#### VII. BENEFITED PROPERTIES

The providing of Services and Improvements shall benefit all properties within the District (the "Benefited Properties"). The Benefited Properties are described by the District Map (Exhibit I) and tax block and lots indicated in Exhibit 3 herein below.

#### VIII. DISTRICT MANAGEMENT ASSOCIATION

The DMA established for the BID shall be incorporated under Section 402 of the New York State Not-for-Profit Corporation Law. The DMA shall be organized for the purpose of executing the responsibilities of a DMA as set forth in the Law. Furthermore, the DMA shall carry out the activities prescribed in the Plan and shall promote and support the District.

The DMA shall be organized exclusively for purposes as specified in Section 501 (c) of the Internal Revenue Code.

The DMA shall have four classes of voting membership and one class of non-voting membership. The voting classes are composed of: (i) owners of record of real property located within the District; (ii) commercial tenants leasing space within the District; (iii) residential tenants leasing space within the District, (iv) public representatives. The non-voting class shall include community board representatives, and may include others with an interest in the welfare of the District.

Each voting class shall elect members to the Board of Directors in the manner prescribed by the By-Laws of the Corporation. The Board of Directors includes representatives of owners of record of real property located within the District (which shall constitute a majority of the board) representatives of both commercial and residential tenants (including proprietary leases) leasing space in the buildings within the District and one member appointed by each of the following public officials: the Mayor of the City; the Comptroller of the City; the Borough President of the Brooklyn; and the City Council member who represents the District or, if more than one City Council member represents apportion of the District, by appointment of the Speaker of the City Council. The Community Board Chairperson(s) or designated representative(s) shall serve in a non-voting capacity.

#### IX. USER RIGHTS

##### A. USER RIGHTS: GENERAL

The DMA may undertake or permit commercial activities or other private uses of the streets or other parts of the District in which the City has any real property interest (the "User Rights"), provided, however, that the User Rights to be so undertaken or permitted by the DMA shall have been: (i) set forth in this Plan or authorized for licensing or granting by the City Council, and (ii) licensed or granted to the DMA by the City pursuant to the Contract and (iii) authorized by the appropriate City Agency having jurisdiction thereof. Once so granted or licensed, the User Right(s) in question shall be undertaken or permitted by the DMA in such a manner as to conform to the requirements, if any, set forth in this Plan, or the aforesaid Local Law with respect to User Right(s), and conform to the requirements authorized by the appropriate City Agency having jurisdiction thereof. Such requirements may include but shall not be limited to: (i) requirements as to what consideration the DMA shall pay to the City for the grant and/or

license in question; (ii) requirements as to whether and how the DMA may permit other persons to undertake the User Right(s) in question pursuant to a sub-grant or sub-license; (iii) requirements as to what charges the DMA may impose upon other persons as consideration for such sub-grant or sub-license; and (iv) requirements as the general regulation of the User Right(s) by whomsoever undertaken.

**B. USER RIGHTS: PROPOSED**

Subject to the approval and control of the appropriate City Agency and/or subject to any requirements set forth by in any Contract, the DMA may undertake or permit the following User Rights, subject to the requirements set forth in the Contract:

- 1) information and promotion kiosks
- 2) newsstands
- 3) news boxes.

**X. REGULATIONS**

The rules and regulations proposed for governing the operation of the District and the provision of Services and Improvements by the DMA ("the Regulations") are set forth herein below.

1. The DMA shall obligate itself to provide the Services and Improvements in a Contract or Contracts into which both the DMA and the City shall enter (collectively, the "Contract") for a specified term (each year or the Contract term to be defined as a "Contract Year"). The City shall, pursuant to the terms, conditions and requirements of the Contract, levy, collect and disburse to the DMA the assessments. Such disbursements shall be made in accordance with general procedures for the payment of other City expenditures.
2. The DMA shall comply with all terms, conditions and requirements (i) elsewhere set forth in this Plan, and (ii) to be set forth in the Contract and in any other Contracts into which both the DMA and the City may enter, and (iii) shall comply with all terms, conditions and requirements set forth by the appropriate City Agency which is required to give its approval.
3. The DMA shall let any sub-contracts that it intends to enter into in connection with providing the Services and/or the Improvements.