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## Small businesses get 'shot in the arm' -- a pinch that pays off

By: Anna Sanders



A 2011 drug bust at a bagel shop in Great Kills is often cited by Staten Island proponents of business improvement districts, better known as BIDs.

Private security funded by Councilman Vincent Ignizio's South Shore Merchant Program -- the early stages of the soon-to-be BID there -- initially tipped off police to an illegal prescription drug ring.

"At the end of the day, that helped business," said Anthony Rapacciuolo, president of the South Shore Local Development Corporation, which will eventually become a BID after City Council approval last month. "If it's cleaner and it's safer, the small businesses are able to thrive."

Until recently, only one of several dozen BIDs across the city was on Staten Island, along Forest Avenue in the North Shore. Soon there will be three, one in each of the borough's Council districts, and still more potential BIDs are in the works.

"Staten Island's mom-and-pop stores are overshadowed by the mall, by the big-box stores," said Gail Castellano of New York Community Bank, who also sits on the steering committee of the South Shore LDC. "We need a shot in the arm -- we need to act collaboratively to do more than what a single business can do."

### WHAT'S IN A BID?

The burgeoning interest in BIDs on Staten Island has been fueled by official involvement and the success of local merchant groups. Small business owners are also embracing the concept more as they face new competition online, as well as upcoming redevelopment and retail projects across the borough.

The Staten Island Mall will have expanded by 2017 and the Empire Outlets are expected to draw up to 6 million shoppers annually when they open by the end of next year.

"The genesis of the South Shore BID began with local towns fighting for their own viability in an economic climate that seems to be favoring big box stores and large-scale development," Ignizio (R-South Shore) said. "It's important that we remind Staten Islanders that the small towns and small businesses are truly the backbone of our economy and we need to foster their development."

Though most of Staten Island's towns have centralized commercial hubs, the demand for BIDs has been gradual there. Local business owners, officials and leaders say this is partially because there is a misconception that BIDs are controlled by the government.

"What took time for business owners to understand is that the BID itself is a vehicle that allows them to collect money to spend on services they want," Rapacciuolo said.

A BID is a public-private partnership in which property and business owners agree to chip-in an "assessment" to contribute to the the security, upkeep and promotion of their commercial district. That added cost is collected through property taxes by the city and redistributed back to the BID.

"Where this money is spent is 100 percent locally controlled," said Blaise Backer, deputy commissioner of neighborhood development at the city's Department of Small Business Services.

### **WHAT IT COSTS THE OWNERS**

The South Shore BID's annual budget will be \$185,000. The average assessment for property owners in the new BID will be \$662.50 annually, with a levy of \$500 plus \$6.50 per linear foot of frontage for a typical 25-foot storefront.

This works out to be just about \$1.82 a day, but the cost was still a sticking point for some proper owners.

John Scalia, owner of Scalia Home for Funerals Inc. and Kitty's Family Florist in Eltingville, sent letters to around 25 holdouts urging them to support the BID's creation.

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BID supporters like Scalia said the assessment is negligible given the payoff. A city-chartered BID guarantees a consistent funding stream for town security, marketing, sanitation services, holiday lighting and events.

These are the kind of services that the South Shore LDC currently provides.

"What I don't like about a BID is too much government interference," said Chris Williams of Williams Eye Works in Castleton Corners. "But on a different level, as someone who tries to organize things, a BID is very attractive."

Williams is president of the newly-formed Victory Boulevard Merchants Association, which represents 145 businesses from Manor Road to Jewett Avenue. Some retailers tried to form a BID on a longer stretch of Victory Boulevard several years ago, but Williams said there wasn't enough interest.

## **ROADMAP TO A BID**

Like the South Shore Merchant Program, the Victory Boulevard group represents the first step in what's becoming the new roadmap for BID formation on the Island: Merchants associations or local development corporations are formed before they are eventually transformed into official city-chartered BIDs.

Until then -- when an official budget is collected from property owners -- the groups get financial backing from various sources, including local Council members, the borough president and individual retailers.

The Victory Boulevard group is an attempt to replicate the success of the New Dorp LDC, which was modeled after the South Shore LDC.

"It's a domino effect," said Cesar Claro, president and CEO of the Staten Island Economic Development Corporation, which helped form several of the groups.

Councilman Steven Matteo (R-Mid-Island) said BID formation is a "nonstarter" to him without the backing of property owners.

"That's why the merchants groups are a great first start," said Matteo, whose district includes both the West Shore IBID, districts on Victory Boulevard, New Dorp Lane and Midland Avenue. "It gives an area a chance to understand what kind of services they can get."

Even more potential BIDs could dot Staten Island soon. Preliminary conversations have begun to gauge interest on Page Avenue in the South Shore. And on the North Shore, a Jersey Street LDC will eventually be formed with \$75,000 as part of the agreement that made the New York Wheel and Empire Outlets possible.

"More people and tourists will be coming to Staten Island, so there's a totally different base to target," Councilwoman Debi Rose (D-North Shore) said. "The hope is that they will venture further inland to shop."

Pointing to the success of existing BIDs is a key strategy for officials and property owners when trying to spur support for the new districts.

Pooling resources means consistent funding for events that attract more shoppers. BID money can be spent on advertising, a website or other mass marketing as well as additional security and cleanup.

"Small businesses rise and fall sometimes with the help of a commercial district," Backer said.

### **BID formation**

The process to create a BID can take about 18 to 24 months or even longer depending on the proposal. Support from local elected officials, merchants groups and organizations like the SIEDC can help speed up the process.

BID formation is divided into three phases:

- **Planning**, when a steering committee of individuals with a stake in the proposed BID is formed and a district plan and budget are established
- **Outreach**, intended to raise awareness and increase support for the proposal through public meetings
- **Legislative authorization**, from approval by the City Planning Commission to a signature from the mayor