

TORONTO, 1970—FIRST BUSINESS IMPROVEMENT AREA

The **first business improvement area formed in Toronto in 1970**, where a group of business owners from the Bloor West Village neighborhood wanted to find new ways to compete with suburban shopping malls. These urban district business owners noted that mall tenants enjoyed an array of services to maintain and market the mall as a clean, safe, and dynamic place to visit and to locate a business. Bloor West businesses, in contrast, on their own managed and marketed their district, relying on spotty municipal services and voluntary efforts to compete as a shopping and dining destination.

BUSINESS IMPROVEMENT AREA/DISTRICT MODEL EMERGES

Bloor West Village business leaders, working with government partners, decided to explore a new structure that would enable commercial property owners to pool their resources and support programs and services focused on their urban district as a whole. They were looking for programs with an intensely local focus, beyond traditional municipal services, and they required a funding source more sustainable than traditional merchant associations could offer. The business improvement area/district model emerged from this effort. Bloor West Village business leaders developed a model in which **property owners within a defined area paid a special assessment**, collected by a government taxing authority and used to fund programs, projects, and services specifically tailored to improving the places in which they operated.

BID MODEL DEFINED

The BID model enables business and property owners to bring collective resources to bear on their neighborhoods and **carry out programs that improve the business environment** in targeted and intentional ways. It creates the context to bring together the diverse stakeholders of a place to define priorities and to make and implement plans collaboratively. BIDs differ from traditional merchant associations because they are financed by a special assessment enabling them to avoid the “free rider” problem that can destabilize local business and merchant associations. They also differ from neighborhood Main Street organizations, which depend on government funding and are subject to the vicissitudes of citywide budgeting processes.

BIDS TODAY

Since their founding nearly 50 years ago, BIDs have grown and evolved. According to the International Downtown Association, there are now **over 4,000 urban place management organizations globally**, many of which use the assessment-based funding mechanism that characterizes the BID model. These organizations support a range of urban districts with a variety of focus areas, including beautification, placemaking, social services, and economic development, and they use a sustainable funding mechanism to support the hyperlocal ecosystems that help to make urban places thrive.