Business Improvement Districts as important influencers for changing to sustainable urban freight

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1. Introduction

Urban freight is characterized by a wide range of stakeholders with often contradictory interests. Business activities generate large flows of goods resulting in multiple vehicles trips to deliver those goods to receivers. While this activity is essential for the economic well-being of urban areas it also creates negative environmental and socio-economic externalities in urban areas. With a rise in urban populations and increasing consumption levels the efficiency of goods movement can be jeopardized due to capacity and infrastructure limitations. Urban freight is affected by various regulations that mainly come from city authorities. Collaboration with local authorities, their support for sustainability improvement initiatives and the possibility to have a two-way dialogue seem to be critical for a well-functioning urban freight system in the city (Ballantyne, Lindholm, & Whiteing, 2013).

Many studies have been conducted on the activities and behaviour of the carriers (transport companies) and those receiving the goods (e.g., retailers, offices, hotels, restaurants and so on). The research shows that both carriers and receivers can make changes to achieve more sustainable urban freight systems (Browne, Macharis, Sanchez-Díaz, Brolinson, & Billsjö, 2017; Holguín-Veras & Sánchez-Díaz, 2015; Holguín-Veras, Sánchez-Díaz, & Browne, 2016; Sánchez-Díaz, Georén, & Brolinson, 2016). Previous research on receivers shows the heterogeneous nature of their business activities and the extent to which they can influence the deliveries they receive (Allen, Browne, Woodburn, & Leonardi, 2012; Holguín-Veras & Sánchez-Díaz, 2016). The research on goods receivers indicate that they do not prioritise freight deliveries in their efforts to contribute to sustainability probably because they are not aware of their power, they are fragmented and for smaller companies the perceived impact could be low (Aditjandra & Zunder, 2017; Balm, van Amstel, Habers, Aditjandra, & Zunder, 2016; Zunder, Aditjandra, & Carnaby, 2014). One solution could be to identify companies that can orchestrate or coordinate some of the freight-related business activities. We refer to such companies as influencing organisations. There are different types of such influencing organisations and during previous exploratory research (Brettmo, Browne, Holguín-Veras, Wojtowicz, & Allen, 2017) we identified several of them: (i) those that bring local businesses together in some way - for example Business Improvement Districts (BIDs) as important in both carriers and receivers can make changes to achieve more sustainable urban freight movements in urban areas. The qualitative research was conducted by studying eight BIDs in three cities and in three countries - all the BIDs studied had considered or taken actions related to urban freight and sustainability. The results show that BIDs in different countries have similarities and differences in their organisational structure and functions, the main services provided and readiness to promote initiatives related to urban freight improvements. We identified that differences in their accomplishments relate to their motivation, awareness of the scope to influence urban freight and the extent of their collaboration with local and city authorities concerning urban freight initiatives. In general, we suggest that BIDs have the potential to act as important influencers in urban freight as they (i) unite the receivers and encourage them to address joint operations that bring economic and environmental benefits (ii) give the receivers the possibility to implement changes through the power of collective action (iii) facilitate the dialogue and collaboration with local and city authorities. As a result, we suggest that the measures directed to BIDs on improving urban freight can have much more significant return on time and funds invested than if invested in a single businesses and organisations. Our recommendation to BIDs that would like to reach higher level of accomplishments is to ensure stakeholder engagement including engaging and collaboration with local authorities and to demonstrate their willingness to take a lead.

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ABSTRACT

This paper explores the ways in which Business Improvement Districts (BIDs) can promote initiatives that lead to more sustainable urban goods movements in urban areas. The qualitative research was conducted by studying eight BIDs in three cities and in three countries - all the BIDs studied had considered or taken actions related to urban freight and sustainability. The results show that BIDs in different countries have similarities and differences in their organisational structure and functions, the main services provided and readiness to promote initiatives related to urban freight improvements. We identified that differences in their accomplishments relate to their motivation, awareness of the scope to influence urban freight and the extent of their collaboration with local and city authorities concerning urban freight initiatives. In general, we suggest that BIDs have the potential to act as important influencers in urban freight as they (i) unite the receivers and encourage them to address joint operations that bring economic and environmental benefits (ii) give the receivers the possibility to implement changes through the power of collective action (iii) facilitate the dialogue and collaboration with local and city authorities. As a result, we suggest that the measures directed to BIDs on improving urban freight can have much more significant return on time and funds invested than if invested in a single businesses and organisations. Our recommendation to BIDs that would like to reach higher level of accomplishments is to ensure stakeholder engagement including engaging and collaboration with local authorities and to demonstrate their willingness to take a lead.

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Improvement Districts (BIDs) (Browne, Allen, & Alexander, 2016; Brettmo and Browne, 2017; Browne et al., 2015). The organisations listed above are neither goods senders nor goods receivers however they have certain connections to goods receiving companies, and their activities can significantly influence how goods receivers manage their physical flows. This influence comes from the way they design and manage property and also how they can encourage initiatives aimed at more sustainable urban freight movements (Browne et al., 2016).

This paper is focused on a selection of BIDs in three countries: USA, UK and Sweden. The choice of focusing on BIDs was made in order to build on earlier research in London and New York that had indicated that several BIDs had been observed to play a role in promoting urban freight initiatives among their members. The other categories of influencing organisations form the basis for on-going research (Brettmo & Williamsonsson, 2019). The research purpose is to explore and compare BIDs as organisations, to gain an understanding of their awareness of urban freight issues, understand their current and planned activities that can lead to more sustainable goods movement, and try to provide insights into which factors are decisive in their achievements in promoting more sustainable urban freight solutions among their members.

To achieve this, we have looked at a range of BIDs in order to understand their formation and organisational structure, the range of services provided to their members, explore the opinion of management teams about urban freight problematics, analyse their current and future freight related initiatives, and consider how the BIDs collaborate with public organisations.

2. Literature summary

The literature section summarizes the definition of BIDs, describes their purpose, their functional and geographical areas and explains the connection between BIDs and urban freight related issues.

2.1. BIDs: definition, purpose and historical background

There is no commonly acknowledged single definition of BID; however, there are several general characteristics that many authors agree on (Briffault, 1999; Grossman, 2008; Hoyt, 2006; Mitchell, 2001; Morçöl & Wolf, 2010):

- It is a public-private partnership;
- It is non-profit organisation;
- It operates on a designated geographical area in an urban area;
- It is driven by property owners and/or business owners (occupiers, tenants);
- The main aim is to improve attractiveness and promote the commercial area for visitors, workers, customers and increase the value of properties.

To sum up, a BID refers to a geographically limited commercial area usually centrally located in an urban area where the majority of property owners or business owners decide to pay additional tax (referred to as a BID levy in the UK or assessment in the USA) in order to promote the businesses in the area or increase the value of the properties (Browne et al., 2016). Stakeholders have been motivated to pay the extra levy for a range of reasons including: (i) in order to improve the area in which they are located motivated by the way in which that will increase revenues (e.g. more visitors and shoppers) (ii) enhance the attractiveness of the area with benefits for employee recruitment and work location satisfaction (iii) to achieve reduced costs (e.g. shared procurement schemes) (iv) access to shared information and greater power vis a vis local or city authorities.

The additional tax collected (levy, assessment) is used to cover administration costs and main BID activities (De Magalhães, 2014). According to Ward (2007) the main activities of BIDs can be divided into three groups of infrastructure:

1. Physical (capital improvements, economic development, maintenance and cleaning)
2. Promotional (marketing, events organising, policy advocacy and lobbying)
3. Surveillance (public space regulation and security)

Taking action in relation to the above leads to initiatives or projects. The BID management team makes a proposal for an initiative after investigation and consultation with stakeholders. The proposal must be approved by the Board and after that the management team implement it and report to the Board.

The literature suggests that the concept of a BID originated from Toronto towards the end of the 1960s, when the local business owners and property owners with the support from the local government agreed to self-impose additional tax in order to revitalize the downtown area. Several months later the BID legislation was created as well as the first BID – Bloor-Jane-Runnymede Improvement Area (Hoyt, 2006; Ward, 2007; Wiezorek, 2004 in Richner & Olesen, 2018). In the USA the first BID was established in New Orleans in 1975 and it was followed by the BID expansion in other cities (Briffault, 1999; Hoyt, 2006; Levy, 2001; Ward, 2007). The model was transferred to other countries (including South Africa, New Zealand Australia Germany and the UK) being adapted to local environments (Blackwell, 2005; De Magalhães, 2014; Grail & Dawkins, 2008; Hoyt, 2006; Michel & Stein, 2015; Morçöl & Wolf, 2010). The regulation on BIDs in England was adopted in 2004, in Wales in 2005, and in Scotland in 2007 (Findlay & Sparks, 2008)

There are different management structures of BIDs, for example, in USA it is the property owners that are paying the extra tax – assessment, and it is compulsory for all property owners in the area (Meltzer, 2012; Ward, 2006, 2007). In UK most of the BIDs are so called occupiers BIDs, it means it is the commercial tenants or business owners who pay the additional tax (De Magalhães, 2012, 2014; Ward, 2007). However, in some countries, for example, in Australia or Sweden, the contribution is voluntary (Ward, 2007).

In the USA the basis for BID establishment is a voting process. In general the majority of property owners should vote for BID creation. The majority is established by counting the number of votes and/or the value of assessed properties (Ellen, Schwartz, Voicu, Brooks, & Hoyt, 2007; Meltzer, 2012; Ward, 2007). Once the BID is established all property owners within the BID area are obliged to pay a tax (assessment), even if initially they voted against BID formation (Ellen et al., 2007). The assessment rate is established based on the business plan proposed and the value of assessed properties (Meltzer, 2012).

In the UK the basis for BID establishment is the voting process as well; successful voting should include both the majority of votes of commercial taxpayers (business occupiers) and the majority of proportion of their taxable worth (Blackwell, 2005, 2008; De Magalhães, 2012). When the BID is established, the municipality or council agencies collect additional tax (levy) and pass it to the BID (De Magalhães, 2012). The levy is defined as an additional charge on the business property rate (or non-domestic property rate), and it is collected from the business owners or occupiers. It is a tax on the occupation of commercial properties, which is calculated as a function of nationally ascribed rental values for units of property (Blackwell, 2008).

In Sweden formally there is no BID legislation that obliges the businesses and property owners to pay the levy. The implementation of BIDs legislation has several difficulties, as it needs to conform to existing legislation, and touches upon around 15 laws (Edlund & Westin, 2009). There are no formal BIDs structure in place either in Sweden...
However, there are so called city centre associations, which are the voluntary organisation of property owners and businesses, that aim to improve the city centres, attract more visitors, businesses and employees, and compete with purpose-built shopping malls located usually outside city centres. There are more than 100 of such city centre associations in Sweden (Tornberg & Hansen, 2007). In essence although Swedish BID legislation is different from legislation in other countries these organisations function in a similar way.

To sum up, BIDs can be seen as essentially private organisations created and operated in order to improve public space and by that bring value to the stakeholders, which are usually property and/or business owners. The significant distinction of BIDs from similar organisations is the implementation of special BID legislation that regulates the formal procedure of BID creation and determination of the tax to be paid.

2.2. BIDs and urban freight

BIDs actively promote such benefits as liveability and life quality for the visitors, residents and workers in their areas. The BID approach could have a particular value in encouraging the uptake of sustainable urban freight initiatives. The concepts of liveability and quality of life became more and more used in global urban political economy (McCann, 2004). BIDs have a formal decision-making function and are an example of public-private partnership organisation. BIDs have the power to coordinate actions among their members and can help to form a “strong feeling of belonging to stakeholders” (Hogg, Medway, & Warnaby, 2003, p. 467). They coordinate actions on behalf of their members and can support and fund a wide range of initiatives and specific projects. BIDs have extensive collaboration with public authorities and tend to collaborate with them on projects; this means they are able to act collectively to adopt improvements within a given geographical area.

Moving to the link of BIDs to urban freight, at present few BIDs have sought to adopt specific urban freight initiatives (Browne et al., 2016). However, many BIDs offer a joint procurement service to members – often this starts with a focus on waste and recycling and may extend to office supplies and also to the procurement of some services (ibid). There is a strong link between procurement and the delivery of products and this provides a valuable starting point for discussions about the scope to change delivery patterns and consolidate flows (Aditjandra & Zunder, 2016, 2017; Balm et al., 2016).

BIDs can facilitate and promote such sustainable initiatives as freight consolidation activities and joint procurement for the members (Browne et al., 2016). These BIDs can be seen as influencing organisations which have the scope to orchestrate the urban freight flows within the assigned district of the city and can have a key role in improving urban freight movements. Representing the interests of the members they stand close to the businesses and understand their needs and problems. At the same time BIDs provide a framework that supports the development of a business case for action in which many or all of the members will have some involvement. Initial actions start from a business perspective and can be scaled up as they will be adopted by BID members. Such an approach improves the environment and leads to new practices that will be sustained in the long run (Browne et al., 2016; Ellen et al., 2007).

The off-hour delivery project study conducted in a partnership between Rensselaer Polytechnic Institute (RPI) and the New York City Department of Transportation (NYCDOT) showed that one of the keys to the success of program implementation is the engagement of the stakeholders that can reach specific groups of commercial establishments and businesses. The reason is that such stakeholders have already established relationships with the local communities and have knowledge and often tools how to engage businesses into program participation (Wojtowicz, Campbell, & Holguín-Veras, 2019). The study emphasized the importance of the role played by BIDs, as they actively introduced the programme to different groups of companies that could benefit from OHD and promoted participation in the programme. BIDs also provided their feedback on the programme and outreach for participant recruitment.

In London there has been recognition of the importance of local stakeholders when trying to change urban delivery practices (TfL, 2019b). The toolkit developed by Transport for London (TfL) focused on the implementation of retimed deliveries, consolidated waste management schemes and reducing the delivery and service trips to local areas. The toolkit specifically addresses the need to engage with local stakeholders and names BIDs as a key forum for this.

BIDs also provide a very clear route to discussing urban freight with a varied group of receivers (varied in terms of size and also varied in terms of type of business/activity). Previous urban freight research has illustrated the importance of addressing receivers as well as gaining the involvement of carriers (transport operators) (Holguín-Veras & Sánchez-Diaz, 2015). Focusing on receivers has been essential in persuading firms to adopt strategies such as retiming deliveries to move the delivery operations out of the peak traffic periods that prevail within many cities. In addition, BIDs as representatives of the receivers in their jurisdictions tend to take a more systemic view than the receivers themselves, which are tempted to focus on what directly matters to their businesses.

3. Methodology

The research reported in this paper is focused on a sample of BIDs from three cities in the UK, USA, and Sweden. The research has several aims: (i) to explore how BIDs are formed, what is their organisational structure, and governance (ii) to gain an understanding of the extent and depth of the awareness of urban freight issues among the selected BIDs (iii) to understand their current and planned activities that can lead to more sustainable goods movement (iv) to gain an understanding of their motivation to engage with urban freight issues and (v) to provide insights into which factors are most important in their achievements in promoting more sustainable urban freight solutions among their members.

The research approach at this stage can be characterized as exploratory and has been based on assessments of published reports and previous papers together with a number of interviews with managers of BIDs. The research reported in this paper took as a starting point the study conducted in 2014–2015 in London (Browne et al., 2016) that argued for the relevance to take BIDs into consideration while studying urban freight and identified several research questions. The current research was conducted in two stages (presented at Table 1) and all results reported in this paper were collected as a result of the two stages shown below.

The data for the Swedish case (“Innerstaden”) was collected during 2017 by having two face-to-face interviews. In order to get deeper understanding about the “Swedish model of BIDs” we consulted an organisation that mentors and promotes BIDs in Sweden – Svenska Stadskärnor – and conducted two interviews with responsible management staff. The USA cases include data collected on four BIDs, located in Manhattan in New York City, the interviews were conducted during January 2018. The UK cases include three BIDs in Central London that have ongoing projects that impact urban freight aspects. The interviews were conducted during March 2018.

We chose to use semi-structured interviews as a data collection method it gave the possibility interviewees talk freely while following the structure of the interview guide. All interviewees received the same...
Table 1
Two stages of the current research.

<table>
<thead>
<tr>
<th>Stages</th>
<th>Main activities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The analysis of the secondary data sources and review of the original study data</td>
<td>This stage included (i) the review of the data that comes from the study in London in 2014–15 (Browne et al., 2016), (ii) review of the BIDs websites, and (iii) consulting with the researchers who were directly involved in data collection for the original study. Consultations were made via e-mail and several face-to-face meetings, both in Gothenburg and in London during 2017–2018. New set of interviews were conducted in three countries and several case studies have been drafted. The list of interviews for the current study is summarized in the Table 2.</td>
</tr>
<tr>
<td>2</td>
<td>Data collection for the current study using face-to-face interview as a data collection method</td>
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</table>

The list of interviews for data collection, including the roles of interviewees, time and place of interviews are summarized in Table 2.

The choice of BIDs for each case was not random. The idea was not to look at any kind of BID, but instead to look at BIDs that have been engaged into the topic or showed some interest in urban freight questions. The intention was to obtain better understanding why they engage into these questions, what is their motivation to engage, how exactly they engage, and what are the prerequisites for such engagement. The London cases were selected with the help of researchers involved in the initial London studies from 2014–15 and in New York.

The list of interviews for data collection, including the roles of interviewees, time and place of interviews are summarized in Table 2.

4. Results from the cases investigated

This section presents the research results relating to eight BIDs in three cities: three BIDs from London, four BIDs from New York and one BID from Gothenburg.

4.1. London BIDs

4.1.1. Formation, governance and agenda

In London there are three BIDs that have been investigated: these are New West End Company (NWEC), The Fitzrovia Partnership, and The Northbank. All three of these BIDs are centrally located in London, so they share a common geography, issues and challenges, although all of them also have their specific characteristics.

The BIDs in London have similar governance structure, usually being governed by a board of directors, which represent different groups of members and non-members, as well as observers, such as city council representatives, Transport for London (TfL), police, etc. In the UK BIDs have to be re-elected every 3–5 years by the majority of voting business members, establishing the board membership and agreeing on the business plan for the mandate period.

The board approves financial decisions above a certain threshold and also annual business plans. It oversees the activity of working groups, which report directly to the board: financial, marketing, environmental, etc. NWEC differs by having two governance groups under its main strategic board: these are a property owners’ steering group and an occupiers’ steering group. Commonly the BIDs in UK are occupiers’ organisations, i.e. the tenants are paying the levy, calculated on base of rateable value of the properties. NWEC, however, is both a property and occupier BID, which means that they have two ballots: one for property owners and one for business owners, and levies are collected from both of them but into two separate accounts (each them is linked to separate business plan and budget). The levies are collected by the council against the remuneration paid by BIDs management team and sent to BIDs.

The main services provided by London BIDs are:

- Business support
- Public realm improvements
- Marketing and event organisations
- Lobbying of local businesses interests
- Cleaning and beautification
- Safety and security
- Visitors welcoming

4.1.2. Urban freight related activities

4.1.2.1. The Fitzrovia Partnership. The Fitzrovia Partnership is a BID located at Camden Borough centrally in London. The BIDs management team is involved in arrangement of activities that can contribute to sustainability of urban freight. 77% of BID members are offices and that it why many services provided by the management team are tailored for them. The freight-related activities can be grouped into the following sub-categories: (1) activities that imply the engagement in joint procurement, usually these activities are combined with waste management activities; (2) conducting studies and giving recommendations to the members; (3) engagement into activities that imply consolidation of incoming deliveries and/or using of urban consolidation centre (UCC).

To the first group belongs the project called “FitzOffice Supplies” which is a scheme for joint procurement and consolidated deliveries of office supplies to the businesses in the area. It is a sort of buyers’ club. The idea is that businesses when buying similar goods could use the same suppliers and procure products together. Businesses get better price and service, and as a bonus they have their replenishment organised in a more sustainable way. Joint procurement schemes lead to fewer delivery trips, because the supplier can deliver to several receivers at once (Fitzrovia, 2019). The participation in this club is voluntary, though the BID management team encourages its members to use this service in order to lower business operation costs and contribute to sustainability improvement. To the first group of activities belongs another joint procurement scheme – S@ving scheme. This scheme includes also commercial waste and recycling consolidation, including free recycling for some materials. The Fitzrovia Partnership was awarded during 2017 Winners of the Leadership in Green Procurement award, also recognised for seeking environmental sustainability for the benefit of Fitzrovia. That confirms that the BID has a lot of focus on their procurement undertakings.

To the second group of activities belongs the freight survey that Fitzrovias management team with the support of Transport for London (TfL) ordered and funded (original name “Tottenham Court Road Freight Surveys”), produced by Ove Arup and Partners Ltd. (ARUP,
The list of interviews conducted for the case study.

<table>
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<tr>
<th>Place</th>
<th>Interviewee</th>
<th>Date</th>
<th>Interviewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIDs in London, UK</td>
<td>The Northbank BID Responsibility Manager</td>
<td>02/03/2018</td>
<td>Author</td>
</tr>
<tr>
<td></td>
<td>The Fitzrovia Partnership Head of Place Management</td>
<td>10/04/2017</td>
<td>Author</td>
</tr>
<tr>
<td></td>
<td>Svenska Stadskärnor office, Södra Vallgatan 5, 21140 Malmö</td>
<td>27/10/2017</td>
<td>Author</td>
</tr>
<tr>
<td></td>
<td>The New West End Company Head of Place Management Cafe Tibits, Regent Street, London</td>
<td>02/03/2018</td>
<td>Author and a colleague from RPI</td>
</tr>
<tr>
<td></td>
<td>Times Square Alliance office, 1500 Broadway, Suite 311, New York, NY 10036</td>
<td>16/01/2018</td>
<td>Author and a colleague from RPI</td>
</tr>
<tr>
<td></td>
<td>SoHo Broadway Initiative Executive director 594 Broadway Suite 311, New York, NY 10012</td>
<td>16/01/2018</td>
<td>Author and a colleague from RPI</td>
</tr>
<tr>
<td></td>
<td>East Midtown Partnership office, 475 Third Avenue, NY 10022</td>
<td>17/01/2018</td>
<td>Author</td>
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Because of lacking of available warehouse space there is no working consolidated delivery scheme for incoming goods in the BID today. Currently the Fitzrovia Partnership management team is discussing with Camden Council and Camden Consolidation Centre the possibility to borrow some of their warehouse capacities or to expand the active Camden consolidation scheme by including some Fitzrovia flows into it. That planning work could be seen as a third group of freight-related activities.

4.1.2.2. The Northbank. The Northbank BID is located on the north bank of River Thames and belongs to Westminster borough in London. The BID is involved in the wide range of freight-related activities which can be grouped as following: (1) behaviour-changing and research activities and air-quality driven projects, (2) Delivery and Service Plans and waste management activities, (3) public realm programmes.

To the first group of activities belongs the project on behaviour changing of the members (operational, individual, business) in collaboration with Kings College, which includes changing of traveling patterns. Here belongs the promotion of usage of Click and Collect for the personal deliveries. The BID has won a grant from Greater London Authority (GLA) to participate in the project Business Low Emission Neighbourhoods (BLEN) being co-funded by 50% for their activities. They have won a grant the Greening project funded by Mayor’s Air Quality Fund. To the second group belongs the launched pilot project on DSP in multitenant office buildings and on Villiers Street working with 30 local businesses. In parallel the BID management team conducted Somerset House ordering and delivery investigation on possible to have joint procurement and consolidated deliveries schemes in the future. Here belongs also offered by BID free recycling of some wastes for their businesses and also encouragement to use the same service provider for the rest of collections. The third group includes Strand Aldwych Directory Scheme – public realm infrastructure change project – which includes activities that might affect urban freight movement in the area. They also plan to put a lot of focus on freight and waste consolidation activities during the next mandate period.

4.1.2.3. The New West End Company (NWEC). The New West End Company is the largest BID in UK, located in Oxford, Regent, Bond Street and approximately seventy surrounding streets. The BID initiated several freight related projects during last decade: (1) procurement-related and waste management activities, (2) consolidated deliveries and commercial vehicles reductions schemes, (3) DSP and collection points and (4) public realm projects.

To the first group of activities belongs following projects: the West End Buyers Club and waste collection optimization scheme. Monitoring of the pilot Bond Street commercial vehicle reduction scheme in 2017 indicates it led to a 94% reduction in waste vehicle movements on Bond Street. The Bond Street waste consolidation scheme is a collaboration project between NWEC, Westminster Council and Mayor of London. It

2018). Based on the results of the investigation, the report contains several recommendations how to improve accessibility of goods in the area by adopting new practices and changing goods receivers’ behaviour. The reason behind the changes is upcoming imposition of restriction on access of cars, taxis and lorries to the area connected to the opening of Tottenham Court Road Crossrail station in 2018. The recommendations includes engagement and collaboration with the residents, changing the perceptions what is “critical deliveries” in order to reduce spontaneous deliveries, remove the deliveries from the peak times, expand off-street access by better management parking places and loading facilities, for example by sharing between many residents and businesses, encouraging to book deliveries on Sundays or during off-hours, consolidating flows by using single shared suppliers or by physical consolidation through offsite UCC for Tottenham Court Road residents, encouraging businesses to restrict personal deliveries of employees, and others. Here belong also professional consultations on the potential business cost savings available to the members of the BID.

The interviews conducted between the members and project among members of the BID. The interviews were structured to understand the current status of the deliveries and waste consolidation activities. The interviews were conducted in a standard format including questions about the current delivery and waste management practices, the challenges faced, and the potential solutions. The interviews were conducted by the author and his colleague from RPI, who have relevant experience in the field of traffic and transportation management.

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was a part of Bond Street Public Realm Strategy. This strategy includes vehicle reduction scheme launched by ARUP and NWEC, which aims to reduce the number of delivery and waste vehicles by 50%, and to reduce emissions generated by commercial delivery and waste vehicles. The implementation of the first phase (which is waste consolidation) resulted in the 94% reduction of waste vehicles waste movements, and 76% reduction in carbon dioxide equivalent (CO2e), nitrogen oxides NOx and 74% reduction in particulate matter (PM10). More information can be found at Transport for London web page (TfL, 2019a, 2019b). The implementation of the first phase showed that crucial points for the project completion are:

- identification and early involvement of important stakeholders
- considering important for business criteria while tendering and choosing the suppliers (by arranging door-to-door surveys)
- measuring the output for comparison
- creating reporting mechanism for feedback is important

The second group of projects includes the consolidated delivery scheme on Regent Street. The Crown Estate property owner which is a NWEC member and Clipper Logistics launched a freight consolidation scheme on Regent Street. This service uses electric vans for the final deliveries from the urban consolidation centre (UCC) located 14 miles from Central London. The project resulted in a reduction of number of deliveries received by participating receivers around 80%. They also have a Commercial Vehicle Reduction Scheme (reduced commercial vehicle activities, pavement improvements, and bicycle facilities improvements). The third group includes implementation of DSP (Delivery and Service Plans) among their members, usage of collection points and locker banks for personal deliveries, and usage of ultra-low emission vehicle for the deliveries. The BID is a lead partner, working with the city council in the planning, design and funding of several public realm change projects, the latest included the widening, renovation and refurbishing of pavements and loading-unloading zones on Bond Street, which complements the vehicle reduction scheme.

During 2019 year New West End Company will be launching an extended preferred supplier service for business members aiming to reduce vehicles in the West End and save businesses money. The scheme offers member businesses deals on a range of services and suppliers including freight, waste, office supplies and personal deliveries.

4.2. New York City BIDs

4.2.1. Formation, governance and agenda

There are around 75 BIDs in New York City (SBS, 2018). This study focuses on four BIDs centrally located in Manhattan: Soho Broadway Initiative, Times Square Alliance, The Grand Central Partnership, and East Midtown Partnership. Unlike UK, in USA there are property owners who decide on BID formation through voting process and pay the assessment (levies in UK) to the BIDs. Another significant difference is that once the BID is established, it continues to operate ad infinitum. However, the BIDs have a 5–10 years contract with the city via the department of Small Business Services (SBS), which collects the assessment twice a year and sends the money to BIDs twice a year. SBS monitors also BIDs expenditures and the service level provided by BIDs. Once established, the assessment rate is fixed, but can be changed if approved by SBS. The BIDs are governed by their boards of directors, which represent various groups of stakeholders: property owners, residents, retailers, the Mayor, local elected officials, the controller, etc. The budget for BIDs have to be approved annually by the board.

The main services provided by BIDs are following:

- Marketing and place promotion
- Fighting homelessness
- Public realm promotion
- Traffic, safety and security
- Business support

4.2.2. Urban freight related activities

4.2.2.1. SoHo Broadway Initiative. The BID is located centrally at Manhattan and includes commercial and residential members. The BID experiences issues with garbage collection in their areas, as dozens of service providers come and pick up garbage any time they want, quite often at nights, causing such common externalities as traffic congestion during the day hours and noise at night hours. In response to that Soho BID is planning to implement garbage common collection scheme for businesses in the nearest future, starting with the pilot project during 2018. As the next step, they are considering to try to promote off-hour deliveries (OHD) among their retail members. The Soho area is famous by its wide range of retailers and show rooms in the area, being known as progressive and bohemian, eager to try to do new things. At the same time, there are many residential properties in the area and residents are strongly represented at the board. Such mix supports the importance to keep the area liveable, at the same time might limit the uptake of some initiatives, for example night deliveries because of the noise. The area has quite good accessibility and parking spaces for trucks during the day hours, which is unusual for central Manhattan. The drawback for the community is that the size and hence the budget is comparatively small to conduct wider projects without external support.

4.2.2.2. Grand Central Partnership. Grand Central Partnership is one of the oldest and largest BIDs in NYC; they are willing to discuss and eventually participate in OHD schemes conducted together with the researchers from Rensselaer Polytechnic Institute, New York. For today, they do not have extensive freight related projects. However, the strong side of this particular BID is that they have a significant capital development program (the property owners invested 50 million USD towards making infrastructure improvements) financed and run voluntarily by property owners of the area, which potentially in the future could result in substantial investments into greening infrastructure for the district. The area is close to the Grand Central Station that makes this area very popular to work and to visit, the footfall is very high. At the same time the buildings in the area are quite old and sometimes do not meet the requirements of new generation of customers, so new solutions and approach are needed. There are not many residents in the area and the district is mostly business oriented. There is no residential parking regulation that opens up possibility to implement OHD. The work of BID has been very successful through the years, some of the board members, have been at the board from the beginning and working voluntarily. One of the latest successful sustainable projects is implementing LED lamp lighting in the area – a capital expensive project which has improved lighting in the area and allows to save a lot of energy on the long run.

4.2.2.3. Times Square Alliance. Times Square Alliance is one of the richest BIDs in the world and has been very successful in promoting the area for visitors and residents. The area is very crowded, having millions of visitors coming from around the world every year. The deliveries to the area are difficult because of the crowds of people and central location. Considering actions that are connected to urban freight, the management team would like to see more initiative coming from the local authorities, though the awareness on the urban freight issues is high at this BID. They have been lobbying successfully to pedestrianize the plaza at the area, also they looked at the possibilities to consolidate some deliveries for the restaurants for the area, but with less success. They get the feedback that they care about public realm more than local authorities. They are planning to participate in traffic study and freight is going to be an important part of it. Since the geographical area is so big the governance of the
district should be done under the jurisdiction of several city councils, which sometimes is not easy to convince to implement changes.

4.2.2.4. East Midtown Partnership. East Midtown partnership is located centrally in Manhattan, NYC. For 12 years ago they ordered and funded a traffic study resulted with a number of suggestions how to improve the traffic situation in the area, for example to convert the 57th Street to one-way street, to change bus routes in order to avoid that empty buses drive around during morning hours, and other recommendations. Unfortunately the city authorities directly rejected almost all suggestions proposed and kind of discouraged from further attempts to improve traffic. Today the area is characterized by heavy traffic congestion due to location and neighbouring to East River crossings, Queensboro Bridge, Central Park. Most of the establishments in the districts are offices, historically area for different showrooms for home décor industry. The residential segment is significant, properties are expensive and many owners do not live in their residences all year around. For the uptake of urban freight sustainable initiatives the management team would like to see more leadership and incentives from local authorities and the city.

Three out of four BIDs mentioned that fighting homelessness as one of their main services provided to the community. All BIDs mentioned that they experience issues with garbage collection in their areas, as the market is deregulated and dozens of service providers come and pick up garbage any time they want, quite often at nights, causing such common externalities as traffic congestion during the day hours and noise at night hours.

4.3. Swedish case, Innerstaden

4.3.1. Formation, governance and agenda

Innerstaden governed by the board which consists of representatives from property owners association (Fastighetsägarna GFR) and merchant trades association (Göteborgs Köpmananförbund) in Gothenburg. The third partner is the city of Gothenburg (Göteborgs Stad) which supports Innerstaden by covering administrative costs and salaries for management team. The business membership is voluntary, but many businesses choose to join in order to have possibility influence the management of the area. For different project the BID management team have to raise the funds. The BID management team would prefer to have BID legislation being implemented in Sweden to avoid the problem of “free-riders” and to be able to expand the budget.

To start with, there is no so called “BID legislation” on place in Sweden, so BIDs as they are known are not presented in Sweden. However, there are similar to BIDs organisations, organised based on geographical location principle, and having similar aims and objective as BIDs in UK or USA. Unlike in these countries, the membership in BIDs is voluntary, which means that businesses decide themselves if they want to join and become the members. In Gothenburg there is only one BID (we call it Swedish BID type) – Innerstaden, located centrally in the city. The establishment of Innerstaden was initiated by property owners association (Fastighetsägarna GFR), merchant trades association (Göteborgs Köpmananförbund) in Gothenburg and supported by municipality of city of Gothenburg (Göteborgs Stad).

The main goals of Innerstaden are following:

– Safe and clean,
– Increasing the footfall,
– Managing of space in and out of the shops,
– Accessibility and traffic,
– Marketing and events,
– Sustainability.

4.3.2. Urban freight-related activities

Innerstaden is actively involved into several projects that influence goods traffic movement in the area. For example, the BID management team manage administratively quite famous project on final delivery of goods to the businesses in the city centre – Stadsleveransen. Stadsleveransen is initiated and supported by the Urban Transport Administration of the City of Gothenburg (Trafikkontoret) and the City of Gothenburg (Göteborgs Stad). It is basically a last mile delivery scheme, when the deliveries to the retailers and offices are done by smaller electrical vehicles from the consolidation centre located not far away from the city centre. The projects runs starting from 2012 have got several sustainability awards and have been an inspiration to many sustainable urban initiatives around the world. However, the project is still partially supported by Göteborgs Stad and struggles for reaching financial self-sufficiency.

Innerstaden actively collaborated with Trafikkontoret on the implementation of heavy vehicles entry restriction during certain hours per day at the central area in Gothenburg. After investigation and negotiation with the stakeholders the heavy vehicles (heavier than 3,5 t) restriction was imposed, with deliveries only allowed between 05.00 and 11.00 am every day. The main motivation for this measure is to create a safe and attractive environment in the city, giving the pedestrians and cyclists priority on the streets. The BID management team also working on lobbying of pedestrianisation of some central streets, and have been already successful at several streets, motivated by the enhancing the attractiveness of the streets to the visitors and employees.

5. Assessment of BIDs

Following section summarizes the main results based on the BIDs review discussed in section 4, using three main criteria as an assessment tool: (i) motivation of BIDs and their awareness on urban freight problems and their role in changing the situation, (ii) collaboration related to urban freight initiatives with public authorities, (iii) current actions and future plans that have impact on urban deliveries. These criteria help to understand which factors are decisive when BIDs choose to engage in urban freight improvement initiatives.

5.1. Motivation and awareness

London BIDs studied show high awareness of externalities caused by extensive urban freight traffic. The management teams are also aware that freight trips are generated by business activities and by deliveries to private people and varies a lot depending on how these deliveries are organised. Urban freight and traffic issues are important for them, in average 7–8 out 10 on the priority scale (10 is the highest priority) according their own self-estimation. The BIDs are also getting more and more aware about the role that they can play in changing things to the better.

Motivation to change things and to work on sustainable improvements is also quite high for studied London BIDs. One of the driving forces is concern about poor air quality in central London. People are aware and concerned enough to take actions and to change their behaviour, both in private life and in business organisation. Air quality in cities suffers a lot from transportation of people and goods. That is why BIDs are motivated to diminish negative impact of urban freight by implementation of organisational changes in daily business operations. Such initiatives are also supported by the different programs launched by local politicians and authorities; they grant funds for different air protection projects and recognised accomplishments by rewarding the most successful achievements.

Another motivation for London BIDs to work with environmental issues is that they are driven by competition and try to bring additional value to businesses. Since every 3–5 years BIDs have to be re-elected by businesses, i.e. businesses decide whether the BID is going to continue during the next period, the BID management team have to show their positive impact on the area, preferably measureable. In UK most of the BIDs are occupier ones, which means that it is businesses (and not
property owners) that are voting in ballots and deciding on the BIDs future. The BIDs management team is focused on the interests of their members, that includes maintaining and increasing of the attractiveness for visitors and people who work there.

In NYC the awareness of studied BIDs management teams on freight traffic issues is high since the externalities caused are visible: high congestion, double parked big trucks on central streets in Manhattan. BIDs understand that things does not work as they should, but they are not motivated enough to change something due lower awareness on the role that they could possibly play in driving to changes and due to lower support from the public authorities. For other issues when BIDs feel that they can create a change, they do a lot, being proactive and collaborating with other public organisations and institutions. The example could be fighting homelessness on the streets in their area. BIDs are driven by property owners in USA, and that is reflected also in their agenda: they are more concerned about the issues of property owners than businesses, and this difference could be reflected in their agenda.

Innerstaden in Gothenburg put sustainability high in their agenda. The motivation to improve local freight traffic has different reasons. To start with, Innerstaden is a quite unique organisation since it is created and operated by collaboration of three organisations – property owners, businesses and municipality. In municipality of Gothenburg sustainability is highly prioritised, and that is reflected in agenda of BID as well. Private owners are also interested to keep the area alive and competitive, liveable and attractive, being fiercely rivalled by e-commerce and purpose-built shopping malls. So supported by local authorities, local businesses are willing to test new things. The awareness about the negative externalities caused by freight traffic is high too. So this combination of private and public interests when tuned together gives a synergetic outcome resulted in a series of successful projects like Stadsleveransen.

5.2. Collaboration with public authorities

The results show that BIDs in different cities have different level of collaboration with local authorities. It seems that London BIDs have more collaboration with different public agencies, like Transport for London (TfL), Greater London Authority (GLA), the councils, the Major, local politicians, police and others. The collaboration extends from being controlled and monitored by council authorities, but also includes joint work on different projects like public realm and infrastructure improvement projects, for example the project on Business Low Emission Neighbourhood (LEN) driven by the Northbank BID, partially funded by GLA, or the refurbishment project on the Bond Street, funded 50/50 by Westminster council and by NWEC. All three BIDs that were studied collaborate a lot with different public organisations and expressed satisfaction with their relations with local authorities.

In NYC the BIDs studied showed less satisfaction from their attempts to collaborate with local authorities, represented by SBS (Small Business Services, NYC), which is monitoring and controlling agency for BIDs. For transport and freight related questions BIDs can turn to the Department of Transportation (DoT) of NYC, but it seems that there is no well-established dialogue between them. BIDs management team expressed that they would like to have more initiative, promotion and support from local authorities in order to implement and drive projects for environmental improvements. BIDs management team expressed that they do not feel to be welcomed with their proposals on infrastructure changes or new ideas for transportation improvements, unlike in London, where local authorities regularly make consultations with BIDs management teams on different public realm questions including transportation and freight related issues in the city. It seems that if getting more support from local authorities, in form of incentives and recognition, BIDs in NYC could be more successful in environmental improvements by increasing the engagement of their members. All interviewed BIDs in NYC mentioned that they expect DoT and other public authorities take a lead in regulating and infrastructure improvement connected to extensive transportation of goods in the city.

The Gothenburg case differs from the cases in London and NYC. The main difference is that the municipality supports the BID financially by covering the salary costs of the management team. The membership in the BID is voluntary, and the collected levy cannot cover this costs. Moreover, the BID has strong collaboration with Trafikkontoret, which is a public organisation, and supports the management team at the joint project Stadsleveransen, mentioned in section 4 and other transport-related initiatives. So support from local authorities is very strong and they have a lot of collaborative projects and on-going activities.

5.3. Current actions and future plans

The results show that London BIDs and the BID in Gothenburg today have quite many activities related to freight transportation issues and also have many planned for the future. London BIDs are trying freight consolidations schemes, consolidated waste management and free recycling schemes, different joint procurement programs, testing and promoting DSP, promoting usage of common collection points and lockers, discouraging personal deliveries to work, initiation and funding of different freight studies with the recommendations to businesses and people how to organise their deliveries in a more sustainable way, promotion of pedestrianisation of streets, and many others. There are many plans for the future, but more engagement from businesses is needed in order to scale up their achievements.

In Gothenburg there are fewer freight related activities going on, however, they succeeded to implement and keep up a few but very visible and effective ones like Stadsleveransen, time restrictions on heavy vehicles for entering the city centre, pedestrianisation of some streets within the area. The BID management team have many plans for the future, for example ensure self-sufficiency of Stadsleveransen, expanding of pedestrian streets, issuing load/unloads card for the members, project on deliveries from the restaurants, and many others.

NYC BIDs studied do not have current actions related to urban freight transportation except promoting of testing of off-hour deliveries (OHD) programmes among their members. They are more engaged in social and aesthetic issues like fighting homelessness, cleaning and beautification of the area. The common future plan for them is to implement the common waste collection scheme for businesses starting with the pilot projects. Another measure that some of them can consider to try is to promote OHD between their members. A second round of pilot project on OHD sponsored by DoT and collaborative partners from private industries, and supported by researchers from RPI, NY were about to start at the time of the interviews.

The analysis of the three assessment criteria shows that the BIDs that have accomplished most urban freight initiatives are characterized by high awareness about urban freight problems, have high awareness on their role in driving for improvements; these BIDs also have high support from public authorities, including financial support. This should be recognised while planning the policies that could enhance the expansion of sustainable urban freight initiatives.

6. Conclusion

The research has investigated eight BIDs in three cities in three countries. The main research aims were: (i) to explore how BIDs are formed, what is their organisational structure, and governance (ii) to gain an understanding of the extent and depth of the awareness of urban freight issues among the selected BIDs (iii) to understand their current and planned activities that can lead to more sustainable goods movement (iv) to gain an understanding of their motivation to engage with urban freight issues and (v) to provide insights into which factors are most important in their achievements in promoting more sustainable urban freight solutions among their members.

We collected the information about how BIDs are formed, governed and how they operate, their membership constitution, their main
activities, their view on urban freight activities in their designated area, and current actions and future plans for activities that could lead to more sustainable urban deliveries. The research shows that studied BIDs in different countries have similarities and differences in their organisations and functions, their agenda and readiness to take the leadership in urban freight improvements. Some of studied BIDs actively try to focus on initiatives that lead to more sustainable urban deliveries like consolidated deliveries, green deliveries using fewer logistics providers, OHD deliveries, joint procurement, and collaborative waste management and recycling. These activities lead to reduced traffic congestion, air and noise quality improvements, and delivery trips reduction. The level of implementation of different freight-related activities varies. We identified that difference in accomplishments lies partly in their motivation level, the level of awareness of BIDs management teams and members, and support and collaboration with public authorities, in particular support of transport and freight related initiatives. An additional important motivator for some BIDs is concern about poor air quality in the city, which received a lot of attention in the media and is related to by many people.

BIDs are an example of organisations that have not always been considered as stakeholders in urban freight supply chain: they are neither goods senders nor goods receivers, nor policymakers and rule-setters in a common sense. But they can set the example to businesses about how to do things in a more environmentally sustainable way, they can influence how businesses can rearrange some part of their activities or their delivery setups, without changing their businesses dramatically. Other key points on BIDs from the sustainable urban freight perspective are following:

- They can unite smaller companies (receivers) and encourage them for joint operations which would be beneficial economically and environmentally.
- BIDs facilitate the dialogue and collaboration between the authorities and local businesses, giving the possibility to them to speak to each other and to be heard.
- They also unite different receivers giving them more power through the scope for collective actions - in turn being able to change things to the better. Moreover, quite often environmental improvements are followed by cost reductions which add to commercial success.
- Perhaps, the measures directed to BIDs on improving urban freight can have much more significant return on time and funds invested than if invested in a single businesses and organisations.

This comparative research shows possible benefits of expanded studies of organisations like BIDs, which by their work can promote sustainable changes and address issues in urban freight. Comparing experience in different cities and countries using simple analytical framework can contribute to knowledge about influential organisations and their role in promoting urban environmental sustainability.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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Appendix A. Business Improvement District – Interview Guide

1. Background:
   a. What area does your BID cover?
   b. What is the role of your BID?
   c. How/why was your BID created?
   d. What range of activities and services does BID provide for the members?
   e. Priorities of BID?
   f. What the main challenges within your BID?
   g. Do you have any sustainability practices or programs within your BID?

2. Membership:
   a. Number of members?
   b. Sectors represented?
   c. Outreach and education programs?

3. Governance and Decision Making:
   a. How is the BID governed?
   b. What is the decision making process? Are members included in the process?

4. Freight Related Services:
   a. Have you (or members) experienced issues with goods deliveries, accessibility, loading/unloading, traffic congestion, poor air quality, noise?
   b. Do you have any activities that involve physical flows, such as:
      i. Recycling and waste management,
      ii. Consolidated or regulated deliveries, freight consolidation schemes
      iii. Consolidation centres
   c. Can consolidation initiatives be supported - both in practical ways and also by bringing members together in discussion/dialogue?
   d. Does your BID have activities that involve provision activities?
      For example, common/shared procurement.
   e. If not, would you consider being involved in common/shared procurement in the future?

5. Other contacts:
   a. Any other suggestions for other contacts/meetings?

References


