What is a Business Improvement District (BID)?
A Business Improvement District (BID) is a mechanism in which all of the business or property owners within specific boundaries pay an annual fee to an assessment district.

Those paying into the district create a non-profit corporation that acts on behalf of the interests of the district. BID revenues may be used for an array of activities, programs and improvements ranging from enhanced security to special marketing events.

Why establish a BID?
There are an estimated 200 BIDs currently organized in California, including five in Oakland (i.e. Lakeshore/Lake Park, Fruitvale, Temescal, Rockridge and Montclair). The BID model of organization resolves the major problems of business groups, creating both a stable cash flow and incorporating all of the members of a business community into an entity representing the interests of that community. BIDs are gaining popularity because:
- BIDs are self-governed and privately administered.
- BIDs realize a cleaner, safer, and more attractive district which in turn maintains and/or increases retail sales and property values.
- By pooling resources, the BID collectively pays for services that individual business or property owners could not afford on their own.
- Assessments are levied on properties and/or business based on the relative benefit from improvements and activities to be funded.

Types of BID Services
BIDs provide revenue for a variety of local improvements and services above those provided by existing municipal services. BIDs may choose to undertake the following:

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<tr>
<th>Type of Service</th>
<th>Description</th>
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<tr>
<td>Maintenance</td>
<td>Includes enhanced services such as sidewalk sweeping, trash and debris removal, periodic power washing of sidewalks, and immediate graffiti removal.</td>
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<td>Security</td>
<td>Security patrols and community policing &quot;ambassadors&quot; who have customer service training to provide directions and assistance.</td>
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<td>Marketing And Promotions</td>
<td>Collaborative promotional strategies, target marketing, etc. to improve the image and competitiveness of business districts.</td>
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<td>Special Events</td>
<td>Annual or holiday events to reinforce the drawing power of the district as a destination of interest.</td>
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<td>Parking and Transportation</td>
<td>Increase/improve parking supply through construction of additional parking facilities, special token systems, etc.</td>
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<td>Economic Development</td>
<td>Strategies to attract businesses, jobs and investment in districts, including market analysis, etc.</td>
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<td>Capital Improvements</td>
<td>Additional street lights, benches, kiosks, trash receptacles and public art to improve the shopping environment.</td>
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<td>Human Services</td>
<td>Social services and initiatives.</td>
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BID Formation and Fees
A BID is initiated by local business or property owners who request that the City establish the district through a formal balloting of those owners within the specified boundaries. A weighted majority of those affected is required to approve formation of the district. The BID formation process may take 12-24 months to complete, including development of the Management Plan to guide BID activities and completion of the public process through the City Council. The total assessment dollars to be raised by the BID are determined during the formation process, and depend on the types of activities and services desired by those in the district. Individual assessments may be calculated using a variety
of factors including business type or size, lot square footage, and linear street frontage.

**Oakland’s Neighborhood BID Program**
The NBID program seeks to assist in the establishment and support of the operation of business and property-based assessment districts by providing financing and technical assistance to neighborhood business or property owner groups for business improvement district (BID) formation activities. Financial assistance will take the form of 1) seed grants (not exceed $7,500) to start the process and determine BID feasibility and 2) repayable loans (not to exceed $32,500) to fund completion of the process of BID formation. Funding will be awarded to groups on a competitive basis.

Seed grants are to be used by the BID proponent groups to develop a draft district management plan, establish levels of assessments, and to conduct a preliminary poll of support for establishing a BID. If sufficient support for formation the district can be demonstrated, the group may apply for a loan from CEDA to proceed in establishing the BID. The loan amount will be repaid to CEDA from the first year assessment district revenues according to a memorandum of understanding between the group and the City.

**Funding Process/Criteria**
Interested groups are asked to prepare a letter of request for funding that specifies requested funding amounts, and to attach any relevant information which demonstrates community support and activity toward BID formation. Criteria for evaluating requests for funding is as follows:

- the level of demonstrated community interest in the forming a BID (informal petitions, sign-in sheets from meetings, etc.);
- identification of a core stakeholder group to lead the process (provide name, phone and address);
- the availability or commitment of funds or in-kind services from the stakeholders group or other sources;
- level of activity toward BID formation (provide evidence of meetings, data collection, consultant interviews or proposals); and
- the current availability of funding in the program.
- evidence of the ability to pay $1000 matching funds to the selected BID consultant to offset the cost of the initial BID feasibility study (e.g. copy of bank statement showing sufficient funds on deposit). Attach a list of those contributing, if applicable.
- a minimum of two competing proposals from BID consultants, indicating which consultant has been selected by the district to assist with BID formation efforts.