WHAT IS A BUSINESS IMPROVEMENT DISTRICT (BID)?

- A self-help tool to fund important business district programs
- Developed, managed and controlled by owners who pay into the fund
- Can fund an array of supplemental District programs such as: Physical improvements, Public safety/maintenance and Image enhancement/marketing/promotions

PROPERTY BASED BID

- Nearly 100 PBIDs in California today! 1,000 throughout USA
- PBIDs must receive a majority endorsement by owners prior to adoption
- PBIDs can be set up for 5 years and re-established for 10 year periods
- Assessment fees are included on property owner’s tax bill.

BUSINESS BASED BID

- Renewed annually
- Fee collected through business license
POTENTIAL BENEFITS OF PBID

- Real and perceived public safety improvements - safer environment
- Attract new businesses and investors
- Enhanced rental incomes from vacant and underutilized space
- Improved business climate
- Properly funded corridor improvements and services
- Stronger and united voice on corridor matters
- Grant and contract opportunities
- Co-branding and marketing opportunity with a business association.
STEPS TO FORM A PBID

1. Assemble a core group of local stakeholders as a steering group
2. Identify District issues, needs/priorities, develop solutions, evaluate options
3. Transform solutions into a Management District Plan, including:
   - Boundaries and benefit zones
   - Work plan /budget (5 years)
   - Assessment formula
   - District management structure
5. Outreach/education program
6. Petition campaign
7. File majority petition with the City for formal processing/adoption
8. Ballot election, formal adoption, billing/collections
9. Non-profit formation
10. District implementation
# SAMPLE PBID WORK PLAN/BUDGET

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>LOCATION</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Security</td>
<td>Zone A &amp; B</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>2. Entryway Signage</td>
<td>Zone A</td>
<td>$25,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$25,000</td>
</tr>
<tr>
<td>3. Decorative Streetlights</td>
<td>Zone A &amp; B</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$0</td>
<td>$0</td>
<td>$150,000</td>
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<tr>
<td>4. Hwy 18 Median Landscaping</td>
<td>Zone A</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$600,000</td>
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<tr>
<td>5. Entryway Treatments (windmills etc)</td>
<td>Zone A</td>
<td>$80,000</td>
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<td>$0</td>
<td>$0</td>
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<td>6. General Landscaping</td>
<td>Zone A &amp; B</td>
<td>$25,000</td>
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<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$125,000</td>
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<tr>
<td>7. Village Theme Signage</td>
<td>Zone A &amp; B</td>
<td>$0</td>
<td>$0</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$90,000</td>
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<td>8. Village Theme Furniture</td>
<td>Zone A &amp; B</td>
<td>$0</td>
<td>$0</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$150,000</td>
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<tr>
<td>9. Professional Services - as needed</td>
<td>Zone A &amp; B</td>
<td>$0</td>
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<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$100,000</td>
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<tr>
<td>Total</td>
<td></td>
<td>$400,000</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$2,000,000</td>
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</tbody>
</table>
SAMPLE PBID FORMULA

Assessment Revenue Goals:

- Primary zone (Zone A) will include Hwy 18, Navajo & Central frontage
- Secondary zone (Zone B) will include all others
- Zone A will generate 60% - Zone B 40%
- Developed Land will generate 65% - vacant land 35%
- Assessment formula will be based on four factors:
  - Flat parcel fee (22.5%)
  - Land area fee (12.5%)
  - Building area fee (40%)
  - Street frontage fee (25%)
### SAMPLE PBID FORMULA

#### ASSESSMENT RATES

<table>
<thead>
<tr>
<th></th>
<th>ZONE A</th>
<th>ZONE B</th>
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</thead>
<tbody>
<tr>
<td>Flat Parcel Fee ($/parcel)</td>
<td>$230</td>
<td>$230</td>
</tr>
<tr>
<td>Land Area Fee ($/SF)</td>
<td>$0.003</td>
<td>$0.0012</td>
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<tr>
<td>Building Area Fee ($/SF)</td>
<td>$0.193</td>
<td>$0.0772</td>
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<tr>
<td>Street Frontage Fee ($/LF)</td>
<td>$1.90</td>
<td>$0.76</td>
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SAMPLE PBID ASSESSMENT CALCULATIONS

Sample 1:

5,000 sq. ft. building on a 10,000 sq ft lot with 100 ft of frontage in Zone A (Hwy 18)

PBID Fee = Flat Parcel Fee + Building Area Fee + Land Area Fee + Frontage Fee

PBID Fee = \$230 + 5000 \times 0.193 + 10000 \times 0.003 + 100 \times 1.90

PBID Fee = \$1,415/\text{year} \quad \text{PBID Fee}
= \$118/\text{month} \quad \text{PBID Fee}
= \$3.93/\text{day}

And relative to building rents - PBID Fee
= 2.4 \text{ cents/sq ft bldg/mo}
SAMPLE PBID ASSESSMENT CALCULATIONS

**Sample 2:**

100,000 sq ft vacant lot
with 300 ft of frontage in Zone B (Powhatan Rd)

PBID Fee = Flat Parcel Fee + Building Area Fee
            + Land Area Fee + Frontage Fee

\[
PBID \text{ Fee} = 230 + 100000 \times 0.0012 + 300 \times 0.76
\]

\[
PBID \text{ Fee} = \frac{578}{\text{year}} = \frac{48}{\text{month}} = \frac{1.60}{\text{day}}
\]
SAMPLE PBID IMPROVEMENTS

- Enhanced Paving in Intersection
- New Thematic Street Lights
- Thematic Windmills Used as Entry Gateways
- High Desert Landscaped Median
- Special Rock Pylon Entry Marker
- Enhanced Rock Walls at Edges of Median
SAMPLE PBID IMPROVEMENTS

Covered Sidewalk for Shade

New Architectural Facades

Sign Proliferation Under Control

New Thematic Street Lights

High Desert Landscape Median

New Thematic Street Lights

Diagonal Parking

BEFORE
SAMPLE PBID IMPROVEMENTS

- Trees which Permit Motorists to See Commercial Signage
- New Thematic Street Lights and Banners
- Enhanced Paving Crosswalk
- High Desert Landscape
- Enhanced Rock Wall
- Comfortable Wood Bench
SAMPLE PBID IMPROVEMENTS

- New Thematic Architecture
- Median Clipped Back to Allow Diagonal Parking
- High Desert Landscaped Median
- Enhanced Sidewalk
- Diagonal Parking
- Enhanced Rock Wall on Edge of Landscaped Median
- Midblock Access Design Feature
- New Thematic Street Lights

BEFORE
FOCUS GROUPS

- Property Owners
  - Commercial
  - Industrial
  - Mixed-use

- Business Owners
  - Retail
  - Manufacturing
  - Service

- Non-profits, Churches and Housing Developers
- Public Agencies (Police, Fire, Schools, Library, RAP etc)
- Trade and Business Organizations
- Neighborhood Councils and Block Clubs
- Art and Youth Constituents
- Community Police Advisory Board
- Real Estate Brokers and Property Managers
NON-PROFIT FORMATION

- Board Development
- Mission (Purpose), Goals and Responsibilities
- Nomination of Officers
- Articles & Bylaws
  - Board Composition
  - Meetings
  - Committees and Partnerships
- Operating Budget
- IRS 1023 Request for 501c3 Status
- Filing Requirements
CONSULTANT TEAM

- Urban Design Center
  - Sherri Franklin
  - Van Scott
  - Griffin Wright

- The Sotelo Group
  - Dalila Sotelo
  - Blayne Sutton-Wills

- Edward Henning and Associates
  - Edward Henning

- Coalition for Responsible Community Development
  - Grant Sunoo
  - Johnny Andrade
  - Cecilia Ngo

www.urbandesigncenter.com
RESOURCE AND BID LINKS

- **South Park Business Improvement District**
  http://southpark.la/

- **Wilshire Center Business Improvement District**
  http://www.wilshirecenter.com/index.htm

- **San Pedro Historic Waterfront Business Improvement District**
  http://www.sanpedrobid.com/

- **Greater Leimert Park Village Crenshaw Corridor BID - 2020 Vision Initiative**
  http://www.leimertparkvillage.org/

- **Business Improvement Districts - General Information**
  http://clerk.lacity.org/BusinessImprovementDistricts/index.htm

- **Zimas (Get information about your property/parcel)**
  http://zimas.lacity.org/

- **Map of community assets in some of Central Avenue's key cultural spaces and local business corridors**
  http://vojo.co/groups/centralave