

Agricultural Water Rates Task Force

Business Improvement District Presentation

October 25th, 2018

Business Improvement District (BID)

What is a BID?

Business Improvement Districts (BIDs) are economic development public/private partnerships that provide funding and services to revitalize, retain, and expand commercial neighborhoods and regional business districts. They are funded through assessments on business licenses or property. The city can also set up a matching fund. A non profit is set up to manage the BID and reports to the city.

Business Improvement District (BID)

Forming a BID

These districts are formed based on the State Parking and Business Improvement Area Law (1989) and the Property and Business Improvement District Law (1994).

The first was passed to improve underutilized business districts, and the second was created to add the ability to levy assessments on both business and property owners to provide adequate services to improve business districts.

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Financing a BID

In 2004 these laws were amended in order to allow them to float bonds to finance the improvements. This was a very big change that allowed major improvements to be made and paid off using the proceeds from the bid.

The impetus for this change was the City of Sacramento wanting to use the BID system to build a new stadium downtown.

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How The City Has Used BIDs

Riverside Downtown Partnership

Formed in 1986, the Riverside Downtown Partnership (RDP) is a not-for-profit organization that partners with the City of Riverside, other not-for-profit organizations, downtown retailers, downtown businesses and downtown stakeholders whose joint mission is to promote and enhance the quality of life in downtown Riverside.

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How The City Has Used BIDs

Arlington Business Partnership

Formed in 2002, the Arlington Business Partnership (ABP) is a partnership of members representing and promoting the economy, community, and beautification of the Arlington Business District, thus creating a sense of pride for all who live, work, and do business in Arlington.

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How The City Has Used BIDs

Riverside New Car Dealers Association

Formed in 2011, the Riverside New Car Dealers Association(RNCDA) is a not-for-profit organization that partners with the City of Riverside to maintain the landscaping and other common improvements located throughout the Auto Center, and to conduct business promotion and marketing activities

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How A BID Can Be Used For Ag Water Rates

- No RPU funds used to subsidize Ag water rate
- Ability to apply Ag rate to properties in an “Ag Map”
- Ability to use General Fund money for initial subsidy
- Non profit can apply for grants for any need
- Ag Area can market as one saving dollars
- Grow Riverside partnership possibilities
- Riverside Food Systems Alliance partnership possibilities
- Self governance and self sufficiency
- Residential properties excluded

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Disadvantages of BIDS

- City Council must renew on a yearly basis
- Majority of membership can vote to eliminate BID
- City Council can “over subsidize” the BID
- All BID members need to be on the same page
- Grant funding is not guaranteed
- Self sufficiency is not guaranteed
- Need a tracking system and a subsidy system

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Conclusions

- BID system is very flexible
- Tried and true system
- Solves the prop 218 problem
- Provides a path to self sufficiency
- Is true to Prop R and Measure C intent