

Property-Based Business Improvement District

DEPARTMENT OF
COMMUNITY DEVELOPMENT
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Frequently Asked Questions

What Is A PBID? A Property-Based Business Improvement District (PBID) is a private sector initiative to manage and improve the environment of a business district with activities and improvements financed by a self-imposed and self-governed assessment. PBIDs provide a stable funding source for much-needed services and promotions. Activities and improvements financed by a PBID are intended to enhance, not replace, existing city services.

Why Doesn't the City Provide These Activities and Improvements? The special improvements and activities to be funded are spelled out in the enabling Legislation. PBIDs can only legally include those services over and above what a City will normally provide through public funds.

Who Manages a PBID? A PBID is governed by a Board of Directors that consists of downtown property owners, as well as downtown business owners. The elected Board Members will hire a CEO who will oversee the operations or establish a non-profit to oversee management.

How is a PBID Formed? Formation requires submission of petitions from property owners representing more than 51% of total assessments and the return of mail ballots evidencing a weighted majority in favor of the assessment.

Where Does The Money Go? All funds generated by the assessment district are reinvested in the downtown area for the benefit of assessed properties. Initial funding allocation will be based on property owner feedback collected through outreach meetings and the needs of the downtown, but a PBID's services can include public safety, maintenance and cleaning, economic development, marketing, special events, and more. PBID activities and improvements will work towards making Downtown a clean, safe and thriving business and community destination.

How Will It Affect My Property Values? There are numerous case studies on PBIDs increasing property values. In the Los Angeles Downtown Center PBID the percent increase in property values went up 86% from 1997 to 2006.

How Long Does It Last? The PBID lasts five years. At that time, if the property and business owners wish to continue the district, the formation process begins again and the district could be renewed for up to ten years.

What's In It For Business and Property Owners? The purpose of a PBID is to create a sustainable, stable funding source for needed activities and improvements and joint marketing in the downtown area. The goal of these efforts is to attract more customers and generate increased revenue, which in turn increases tenancy rates and property values. Every dollar of these funds is dedicated to making the downtown a more desirable, and thus profitable, place to be. The PBID will establish a unified voice to advocate on behalf of property owners and it unifies the private sector into a strong downtown leadership organization.

Assessment vs. Tax The PBID creates a new assessment on real property in the downtown area, which is different from a tax. Once taxes are collected, you as a taxpayer may not know how and where the money is spent, and it may or may not benefit you personally. However, assessment funds must be used to benefit the properties paying the assessment. All funds are reinvested in the downtown for the benefit of properties within the district. Expenditures are controlled by the Board of Directors, which consists of property and business owners.

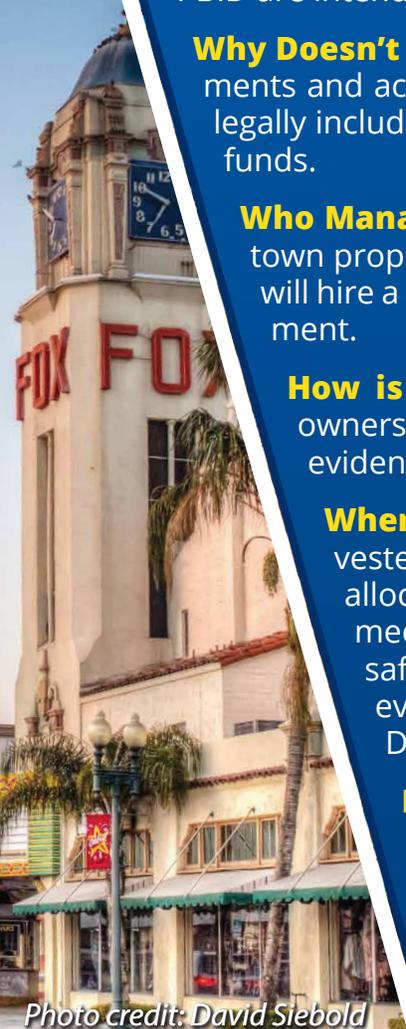


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