

# North Redondo Beach Business Association

## What is a BID?

A Business Improvement District (BID) is simply a community of businesses that has made a choice to work closely together to improve their business district through marketing, promotion, and additional services or physical improvements. This is accomplished through the business community choosing to establish an assessment that will fund the desired services and programs, therefore, benefiting the individual businesses. Since BIDs are formed by individual business communities, they vary in size, type, and form of assessment based on the needs and choices of the businesses in the area.

The business community chooses the geographic area that will be included in the BID, the priorities for BID improvements and activities, the formula for the BID self-assessments, and the allocation of these monies to fund the desired improvements or activities. These monies can be allocated to meet a variety of needs ranging from beautification activities such as decorative lighting and enhanced cleaning and maintenance, to marketing activities such as print advertising for the district and its members, cable advertising of the area as a destination for services, shopping, and dining, and the organization and sponsoring of special events. Then, a budget is proposed, and a board composed of local businesses is established to direct the activities of the BID.

Once this has been accomplished, the BID must annually obtain City Council approval of the BID's Geographic Area, Plan of Activities and Improvements, Proposed Budget, and Board Structure. A public hearing process then ensues, in which a vote of those to be assessed can be held to see if there is enough support to establish the BID. In order for the BID to be created, at least 50% of the BID, on an assessment-weighted basis, must not protest against the BID and the assessments.

If a BID is established, the assessments are mandatory for all businesses and property owners within the defined BID geographical area.

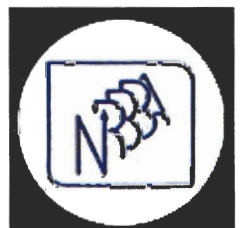
\*See other side for more details

**North Redondo Beach  
Business Association**

Phone: 310-376-6911 x65

E-mail: [info@nrbbba.org](mailto:info@nrbbba.org)

**Maximizing North Redondo  
Beach's Business Potential**





# How does this work?

For example, say that the businesses are interested in street improvements, seating, lighting, cleaning, adding amenities, common advertising and marketing, etc and have identified \$90,000.00 of improvements and activities that they would like to accomplish on an annual basis.

If there were 500 businesses in the BID area, with a total of 1500 employees, then the \$90,000.00 would be spread amongst the five hundred on as equitable a basis as possible.

There are numerous formulas that may work, but just as an example, following is a hypothetical assessment strategy. Businesses would pay the following assessments based on number of employees and rental units.

## For Example:

500 businesses and/or property owners at \$100.00 each raises	\$50,000.00
1500 employees at \$20.00 per employee raises	\$30,000.00
500 units at \$20.00 per unit raises	\$10,000.00
<b>Total BID</b>	<b>\$90,000.00</b>

\*Often, there is a maximum assessment per business; for example, a \$1000 maximum assessment per business.

## North Redondo Beach Business Association

Phone: 310-376-6911 x65

E-mail: [info@nrbbba.org](mailto:info@nrbbba.org)

