

## **DIMOND BUSINESS IMPROVEMENT DISTRICT FORMATION: FAQs**

### **1. Who is the DIA?**

- a. For nearly 75 years, the Dimond Improvement Association (DIA) - a community-based, 501(c)(3) non-profit organization - has worked to make the Dimond neighborhood a vibrant, safe, and beautiful place for everyone to live, work, shop, and play.
- b. Through programs like Keep Dimond Clean and Dimond Public Art, as well local and regional events such as Picnic in the Park and Oaktoberfest, the DIA has demonstrated that the Dimond commercial corridor and the greater neighborhood can be significantly improved through focused efforts that involve residents, property owners and businesses in pursuit of a common goal.
- c. The DIA is an all-volunteer organization with no paid staff, which is currently overseen by a diverse Board of 21 members.

### **2. What is a BID?**

- a. Business improvement districts are special financing districts that leverage funds collected through a special assessment on business or property owners to provide enhanced or supplemental services and programs that benefit those paying the assessment (i.e. the ratepayers).
- b. BIDs are typically managed by a nonprofit composed of business and property owners and residents, and they require local government approval to operate.
- c. Simply put, business improvement districts aggregate resources from a diverse group of stakeholders and then provide for a nonprofit to use those resources to address what stakeholders identify as their greatest needs.

### **3. What types of services does a BID provide?**

- a. BIDs provide whatever supplemental services the ratepayers want the BID to provide, but typically they fall into one of a few categories:
  - i. Cleaning and maintenance, including graffiti removal, litter abatement and pressure washing
  - ii. Neighborhood beautification efforts, such as landscaping, tree maintenance or the installation of planters
  - iii. Public safety and visitor services, such as security camera installation, neighborhood watch and community ambassadors
  - iv. Economic development efforts, including new business recruitment, retention and development
  - v. Marketing and promotional programs, such social media, advertising and public events
  - vi. Capital improvements, including facade revitalization and revolving loan programs to support building or tenant improvements
  - vii. Parking enhancements

### **4. How are BIDs paid for?**

- a. Rather than relying on membership dues, events or fundraising, a BID has a long-term, sustainable revenue stream that helps ensure that programs are funded several years into the future .
- b. The most common type of BID - and the model we are focusing on - raises money from property owners through a small assessment levied on the property tax bill, typically based on the size of the property and the building, as well as the land use.

- c. Under a BID, even government entities like the City of Oakland and Oakland Unified School District are required to pay assessments if they own property in the district.
- d. In return, property owners determine which services are offered and decide whether the BID is established and renewed.

**5. How are BIDs formed?**

- a. A group of community stakeholders conduct a feasibility study to assess the likelihood that a BID can be formed that will be large enough to provide the services that those in the community say they want and need.
- b. Then, a petition is submitted to the city, signed by property owners representing more than 30% of the assessments to be paid in the proposed district.
- c. Once a petition is submitted, the City Council must pass a “resolution of intention” that initiates the legal formation process to establish the BID. The resolution calls for the City to mail assessment ballots to each property owner and schedules a public hearing.
- d. At the public hearing, the City Council will hear public comment, and will then proceed to open and tabulate the returned ballots. If the returned weighted ballots of support exceed the returned weighted ballots in opposition, the City Council may adopt a Resolution of Formation to establish the new BID.

**6. Are there other BIDs in Oakland?**

- a. Oakland has a more than 20-year history with business improvement districts, which exist in many of Oakland’s most important commercial areas, including Jack London Square, Koreatown-Northgate, Laurel, Lakeshore Avenue, Montclair Village, Temescal-Telegraph and Chinatown

**7. How much will I be asked to pay for the special services? Are residential units taxed at the same rate as commercial properties?**

- a. There is no formula determined yet for commercial or residential properties.
- b. Typically, each parcel’s assessment may be allocated to a combination of parcel and building size as well linear street frontage. Residential and commercial parcels may be assessed differently depending on the services, as not all services benefit each land use type the same.
- c. All properties (commercial and residential) legally must receive special benefit services above what the City of Oakland generally provides. Please review question 3 for a list of services that affected properties might receive.
- d. The purpose of the Survey is for property owners to share their concerns, prioritize their needs and to indicate their interest in the development of a business improvement district. Based on the Survey input, the next step for the Formation Consultants is to develop a District Service Plan, that will outline proposed services and parcel assessment fee methodology. All affected property owners will receive a copy of the proposed Draft District Service Plan and Assessment Fee Schedule for their continued input.

**8. Why should I agree to assess myself? What do BIDs do for my property?**

In addition to providing beautification and marketing services, BIDs across the U.S., in California and Oakland, have proven to increase property values and business activity. Studies have also shown that BIDs significantly reduce crime and increase occupancy rates, public perception of an area, lease rates, retail sales, and pedestrian counts. Improving the “walkability” of a commercial street can enable Dimond District residents and visitors to more easily access businesses and spend their discretionary income.

## **9. Is this an additional tax?**

No. Business Improvement District assessments are not taxes. BID districts carry an assessment that conveys a special benefit upon those who pay, in this case being the Dimond District property owners in the designated area. While it is true that all affected parties in the district must pay the assessment, it is important to remember BIDs are only established through the consent of a majority of the proposed Dimond District property owners.

## **10. Why is a BID Needed?**

- a. To Bring More Shoppers and visitors to the Area: the BID will bring more customers to the local area to shop, dine and visit increasing retail sales, enhancing property values and expanding the area's share of the retail market.
- b. To Keep Up with the Competition: The BID is key to the local area's future growth and enhanced marketability.
- c. To Provide the Extra Services Needed to Improve the Local Business Climate: the BID will supply business-enhancement services required to maintain competitive advantages. Services may include: sanitation, graffiti removal, area maintenance and beautification, holiday decorations, marketing and promotion, security and a strong administrative/advocacy presence.
- d. To Establish a Collective Voice for Property and Business Owners: the BID will ensure that the needs of the local property and business owners are heard, and local businesses will have a united voice – when issues arise and City agencies need to be contacted, when new development occurs in the neighborhood.