City of San Diego

City Council

FACT SHEET

Business Improvement District Reform

Question 1: What do the reforms do and why is it important?

The reforms will allow Business Improvement Districts (BIDs) to have direct access to the money which funds their ability to promote, serve, and advocate for their small business members.

Currently, money assessed from businesses in these districts is collected each month and put into a city account. For the BID to access the money, they must submit reimbursements and wait what can be 90 days or more to get the money back.

This causes cash-flow problems, is time-consuming, and hampers the mission of these BIDs. The thought of throwing a major street fair, for example, and having to wait months to get reimbursed for the cost not only harms existing BIDs, but is a disincentive for additional neighborhoods to take advantage of the otherwise successful program.

The reforms which will be voted on at Council on Monday will ensure that each month each BID will get a check of the previous month's assessments. While still requiring the BID to submit a monthly report of expenditures and requiring an annual fiscal audit to ensure accountability and transparency, this new system will allow BIDs to have direct access to funds which are theirs to begin with.

Question 2: Why did these four Councilmembers support these reforms?

Council President Tony Young

> *"Small businesses are the backbone of our local economy. BIDs provide many great benefits and these reforms will help support our neighborhoods' small businesses so they can continue to succeed and grow."*

Councilmember Carl DeMaio

> *"This reform is vital to ensuring that San Diego's Business Improvement Districts are focused on promoting, serving, and advocating for their small business members – rather than being caught up in a time-consuming bureaucratic process at City Hall,"*

Councilmember David Alvarez

> *"We would like to take the success of the San Ysidro Business Association and replicate it in other parts of our district," said Alvarez. "We have several commercial corridors that are prime locations for BIDs or Micro-BIDs."*

Councilmember Lorie Zapf

> *"As a small business owner, I'm happy to see a government reform that makes it easier for businesses to succeed instead of acting as a barrier."*

Question 3: What is a "Business Improvement District (BID)?"

As the San Diego BID Council's website states, "San Diego's BID program is a precedent-setting collaboration between the City and San Diego's small business community. For over 20 years, San Diego's BID system has sponsored various activities designed to improve business conditions in San Diego's older business districts." Here is a list of some of the programs BIDs work on:

- BIDs organize some of the City's largest outdoor festivals
- Manage street banner programs
- Provide newsletters, websites and business directories
- Generate special marketing campaigns
- Manage public parking programs
- Drive redevelopment activities
- Organize security programs
- Supervise public right-of-way maintenance
- Manage public improvement and beautification projects
- Recruit new business starts
- Sponsor various neighborhood activities such as farmers' markets and restaurant walks.

The dramatic turnaround of some of San Diego's older commercial areas is a direct result of the BID program's activities, advocacy, and ingenuity. The reforms supported here today will help this great program become even more successful.

Additional Details:

The reforms will be presented as item 150 at Monday afternoon's 2pm Council meeting. City Administration Building – 202 C Street, San Diego, CA 92101.