

**THE CITYWIDE BUSINESS IMPROVEMENT DISTRICT
PROGRAM
FREQUENTLY ASKED QUESTIONS (AND ANSWERS)**

**WHO INVENTED THE BUSINESS IMPROVEMENT DISTRICT
("BID") CONCEPT?**

In a very real sense, the BID was "invented" by business communities themselves. The concept of special assessment districts dates to the Roman Empire. However, the idea of paying for special benefits as a form of local economic development in California is generally based on a state statute known as "The Parking and Business Improvement Area Law of 1965." This statute expanded on earlier assessment legislation designed to provide for public improvements such as street lights and provided the framework for later models. Also in 1965, the first version of the contemporary BID emerged in Canada. The Bloor West Village Business Improvement Area in downtown Toronto became a model for economic stimulation and was copied in various forms by hundreds of communities, including many in New York City. Currently in California and in the City of Los Angeles, the establishment of business improvement districts is authorized by two state laws: one which allows for the creation of merchant based special assessment districts and one which allows for property based districts. In both cases, a majority of business owners of commercial property owners in a given area decide to acquire special benefits and to pay for those benefits themselves. In this way, individual communities are able to have a direct voice regarding the economic activity in their area and can exercise considerable control.