

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

**WHAT ARE SOME OF THE FORMULAS USED FOR BID
ASSESSMENTS?**

There are several different formulas in use throughout the City. The most popular formulas are those which most clearly show a relationship between the amount paid and the benefits received; this is the "nexus" concept which forms the basis for BID establishment. Because the three most popular categories of property based BID-sponsored activities are maintenance, security and marketing programs, the assessment variables normally used are size/area of the property, linear or front footage of the property, and square footage of improvements to the property. The most popular type of program employed by merchant based BIDs is a combination of marketing and public relations efforts. Because of this, the most frequently used type of assessment is a flat rate, which can be scaled up or down depending on the proximity of the business to the focal point of the marketing efforts. Destination marketing has become an important function of those BIDs, which feature restaurants and local attractions as well as a strong retail or consumer business base. Therefore, the scaled flat rate is accepted as an equitable assessment variable. Other formulas, such as number of employees in a business, are being employed in some districts. An easily understandable methodology is best.