



Legislation Details (With Text)

File #: 24-0203 **Version:** 1

Type: Public Hearing - Staff Report **Status:** Agenda Ready

In control: City Council Regular Meeting

On agenda: 7/16/2024 **Final action:**

Title: Conduct Public Hearing for Consideration of Adopting Resolutions Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2024-2025 Including Authorization to Collect Assessments; Ratification of the District Advisory Board; Approval of the Signed Agreement by the Downtown Manhattan Beach Business and Professional Association and the City Manager; and Authorization to Disburse Assessments Collected Through June 30, 2024 (Finance Director Charelian).
(Estimated Time: 10 Mins.)

- A) CONDUCT PUBLIC HEARING
- B) ADOPT RESOLUTION NOS. 24-0082 AND 24-0083
- C) RATIFY BOARD
- D) AUTHORIZE THE DISBURSEMENT OF ASSESSMENTS COLLECTED THROUGH JUNE 30, 2024

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution No. 24-0082, 2. Resolution No. 24-0083, 3. Agreement - DMBBID/DMBBPA (FY 2024-2025), 4. BID Advisory Board of Directors to be Ratified (FY 2024-2025), 5. Business Improvement Activity Plan & Budget (July 2024)

Date	Ver.	Action By	Action	Result
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TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, City Manager

FROM:
Steve Charelian, Finance Director
Libby Bretthauer, Financial Services Manager

SUBJECT:
Conduct Public Hearing for Consideration of Adopting Resolutions Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2024-2025 Including Authorization to Collect Assessments; Ratification of the District Advisory Board; Approval of the Signed Agreement by the Downtown Manhattan Beach Business and Professional Association and the City Manager; and Authorization to Disburse Assessments Collected Through June 30, 2024 (Finance Director Charelian).
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RECOMMENDATION:

The Downtown Business Improvement District Advisory Board and City staff recommend that the City Council: a) conduct a public hearing; b) adopt Resolution No. 24-0082 authorizing the collection of assessments; c) ratify the nominees for the Fiscal Year (FY) 2024-2025 Downtown Business Improvement District (BID) Advisory Board; d) adopt Resolution No. 24-0083 approving the signed agreement by the City Manager and BID Advisory Board Chairperson for the Downtown Manhattan Beach Business & Professional Association (DMBBPA) to provide services to the Business Improvement District; and e) authorize the disbursement of assessments collected through June 30, 2024, for the FY 2023-2024 licensing year (approximately \$121,100).

FISCAL IMPLICATIONS:

The Downtown Business Improvement District is funded through an 80% surcharge on the annual business license tax for its members, up to a maximum of \$600 per business. The assessment is typically collected during the annual tax filing period that begins March 1 and continues through April 30. Late filings and payments received through the end of the fiscal year (June 30) are also included in the disbursement to the DMBBPA.

The DMBBPA submitted the attached proposed operating budget for FY 2024-2025.

BACKGROUND:

In 1996, during the downtown strategic planning process, the creation of a new business improvement district area was identified as a desired project. At that time, there was an existing Business Improvement District in place, pursuant to the Parking and Business Improvement Area Law of 1965, that could use its funds only for “the acquisition and construction of additional parking facilities” per Ordinance No. 1173.

There was a desire on the part of the downtown business owners to create a more flexible Business Improvement District so that the funds could be used for additional purposes as defined by the business owners. Therefore, downtown businesses requested that the City assist with the creation of a new Business Improvement District pursuant to the Parking and Business Improvement Area Law of 1989 (Streets and Highways Code Section 36500). In October 1998, the City Council adopted Ordinance No. 1989, which created a Business Improvement District under this law.

DISCUSSION:

The Downtown Business Improvement District and the associated business license tax assessment must be renewed annually. As required by law, the City Council adopted a resolution of intention at its June 18, 2024, meeting, which set the public hearing date of July 16, 2024, to hear testimony regarding the proposed assessment and district renewal. To establish the required noticing of tonight’s public hearing, the resolution of intention was mailed to all business district members and published in The Beach Reporter. If adopted, the resolution will become effective immediately and will set the assessment as an 80% surcharge on the business license tax for business members in the district, up to a maximum of \$600 per licensing year.

An additional requirement of the Business Improvement District is the establishment of an Advisory Board. Attached is a list of the FY 2024-2025 elected Advisory Board. State law requires that the City

Council ratify the Advisory Board.

A primary role of the Business Improvement District Advisory Board is to review and approve the operating plan for the District. The attached plan contains all information relative to projected revenues and expenses and outlines the services and programs to be funded by the Business Improvement District. This year, the operating plan identifies the following programs for FY 2024-2025:

- A. Board of Directors
- B. Downtown Manhattan Beach Beautification
- C. Parking and Transportation Strategies
- D. Downtown Future Plan - Permanent Outdoor Dining
- E. City Planning & Code Amendments
- F. Marketing & Advertising - Ongoing
- G. Promotions & Special Events - Ongoing
- H. Professional Management & Communications - Ongoing
- I. Manage Revenue Generation and Growth - Ongoing
- J. Provide Safe Environment for Business and Customers

The District contracts with the DMBBPA to provide these services and implement the various programs identified in the operating plan. This relationship has been successful with programs such as the Farmers Market, Holiday Open House, advertising campaigns (newspapers, banners and television ads), and sidewalk sales. The DMBBPA has retained the services of an Executive Director, Jill Lamkin, to provide management support.

It is recommended that the City Council approve the signed agreement with the City Manager and the Chairperson of the Advisory Board to per the attached agreement with the DMBBPA to continue providing these services to the District in FY 2024-2025.

The Business Improvement District and associated assessment will remain in place for FY 2024-2025, if the City Council performs the following actions tonight:

1. Conduct the Public Hearing;
2. Adopt Resolution No. 24-0082 authorizing the collection of assessments;
3. Ratify the FY 2024-2025 Business Improvement District Advisory Board;
4. Adopt Resolution No. 24-0083 authorizing the City Manager and Chairperson of the Business Improvement District Advisory Board to approve the signed agreement with the Downtown Manhattan Beach Business & Professional Association to provide the services and implement the programs identified in the Downtown Manhattan Beach Business Improvement District Business Improvement Activity Plan & Budget (July 2024);
5. Authorize the disbursement of funds collected for the Business Improvement District through June 30, 2024 (approximately \$121,100).

PUBLIC OUTREACH:

This public hearing has been properly noticed in accordance with state law. The resolution of intention was circulated to all downtown businesses and published in The Beach Reporter.

ENVIRONMENTAL REVIEW:

The recommended action has been determined to be exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption (formerly the “general rule”) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question can have a significant effect on the environment, the activity is not subject to CEQA, as is the case with this item.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 24-0082
2. Resolution No. 24-0083
3. Agreement - DMBBID/DMBBPA (FY 2024-2025)
4. BID Advisory Board of Directors to be Ratified (FY 2024-2025)
5. Business Improvement Activity Plan & Budget (July 2024)