



Legislation Details (With Text)

**File #:** 18-0283      **Version:** 1

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

**In control:** City Council Regular Meeting

**On agenda:** 6/19/2018      **Final action:** 6/19/2018

**Title:** Conduct Public Hearing Adopting Resolution Nos. 18-0064 and 18-0100 Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2018-2019 Including Authorization to Collect Assessments; Ratification of the District Advisory Board; Authorization to Enter Into an Agreement with the Downtown Manhattan Beach Business and Professional Association; and Authorization to Disburse Fiscal Year 2017-2018 Assessments Collected (Interim Finance Director Charelian).

- a) CONDUCT PUBLIC HEARING
- b) ADOPT RESOLUTION NOS. 18-0064 AND 18-0100
- c) RATIFY BOARD

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution No. 18-0064, 2. Resolution No. 18-0100, 3. Fiscal Year 2018-2019 BID Advisory Board Member Nominees, 4. Business Improvement & Activity Plan – May 2018, 5. Agreement - DMBB, 6. Boundary Map of District

Date	Ver.	Action By	Action	Result
6/19/2018	1	City Council Regular Meeting	adopted	Pass
6/19/2018	1	City Council Regular Meeting	adopted	

**TO:**  
Honorable Mayor and Members of the City Council

**THROUGH:**  
Bruce Moe, City Manager

**FROM:**  
Steve S. Charelian, Interim Finance Director

**SUBJECT:**  
Conduct Public Hearing Adopting Resolution Nos. 18-0064 and 18-0100 Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2018-2019 Including Authorization to Collect Assessments; Ratification of the District Advisory Board; Authorization to Enter Into an Agreement with the Downtown Manhattan Beach Business and Professional Association; and Authorization to Disburse Fiscal Year 2017-2018 Assessments Collected (Interim Finance Director Charelian).

- a) **CONDUCT PUBLIC HEARING**
- b) **ADOPT RESOLUTION NOS. 18-0064 AND 18-0100**
- c) **RATIFY BOARD**

**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. 18-0064 authorizing the collection of assessments; c) ratify the nominees for the Fiscal Year 2018-2019 Downtown Business Improvement District (BID) Advisory Board; d) adopt Resolution No. 18-0100 authorizing the City Manager and BID Advisory Board Chairperson to enter into an agreement with the Downtown Manhattan Beach Business & Professional Association to provide services to the Business Improvement District; and e) authorize the disbursement of all assessments collected for FY 2017-2018 (approximately \$108,000).

**FISCAL IMPLICATIONS:**

The Downtown Business Improvement District is funded through an 80% surcharge on the business license tax, up to a maximum of \$600. Since the business license and Business Improvement District surcharge is not collected until April/May of any given year, the Business Improvement District is funded by assessments generated during the previous fiscal year. The Business Improvement District assessments from FY 2017-2018 to be disbursed total approximately \$108,000.

The total FY 2018-2019 operating budget for the Downtown Business Improvement District projects revenues of \$303,000 and expenses of \$302,878. Funds to implement the operating budget will be generated primarily from the Business Improvement District assessments, the Farmer's Market, and Downtown Business and Professional Association activities.

**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 assessments used to fund the activities of the Business Improvement District must be renewed annually. As required by law, the City Council adopted a resolution at its May 15, 2018 meeting that set June 19, 2018 as the public hearing date to hear testimony in support of, and against, the proposed assessments. This public hearing has been properly noticed in accordance with State law. The resolution of intention was circulated to all downtown businesses and was published in The Beach Reporter. If adopted by the City Council, the resolution will become effective immediately and will set the assessment of an 80% surcharge on the business license tax, up to a maximum of \$600, for downtown businesses.

A necessary requirement of the Business Improvement District is the establishment of an Advisory Board. Attachment #2 is a list of nominees for the FY 2018-2019 Advisory Board. State law requires that the City Council ratify the Advisory Board membership.

A primary role of the Business Improvement District Advisory Board is to review and approve the operating plan for the District. The plan (Attachment #3) contains all information relative to projected

revenues and expenses, and it also outlines the services and programs to be funded by the Business Improvement District. This year, the operating plan identifies the following programs for FY 2018-2019:

1. Parking, Transportation, & Community Programs
2. Marketing & Advertising
3. Promotions & Special Events
4. Professional Management & Communications

The District contracts with the Downtown Manhattan Beach Business & Professional Association (DMBBPA) to provide these services and implement the various programs identified in the operating plan. This relationship has been successful with such programs as the Farmers Market, downtown valet parking program, advertising campaigns (newspapers, banners and television ads), and sidewalk sales. The DMBBPA has retained the services of an Executive Director, Kelly Stroman, to provide management support.

It is recommended that the City Council authorize the City Manager and the Chairperson of the Advisory Board (Mike Zislis) to enter into an agreement (Attachment #4) with the DMBBPA to provide the services to the District for FY 2018-2019.

If the City Council performs the following actions tonight, the Business Improvement District and associated assessments will remain in place for FY 2018-2019:

1. Conduct a public hearing
2. Adopt Resolution 18-0064 authorizing the collection of assessments;
3. Ratify the nominees for the FY 2018-2019 Business Improvement District Advisory Board;
4. Adopt Resolution No. 18-0100 authorizing the City Manager and Chairperson of the Business Improvement District Advisory Board (Mike Zislis) to enter into an 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 - May 2018;
5. Authorize the disbursement of funds collected for the Business Improvement District for FY 2017-2018 (approximately \$108,000).

#### **PUBLIC OUTREACH/INTEREST:**

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

#### **ENVIRONMENTAL REVIEW**

This Resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(3) in that it has not potential for causing a significant impact to the environment.

#### **LEGAL REVIEW**

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

**Attachments:**

1. Resolution No. 18-0064
2. Resolution No. 18-0100
3. Fiscal Year 2018-2019 BID Advisory Board Member Nominees
4. Business Improvement & Activity Plan - May 2018
5. Agreement - DMBB
6. Boundary Map of District