



## Legislation Details (With Text)

**File #:** 19-0142 **Version:** 1  
**Type:** Public Hearing - Staff Report **Status:** Agenda Ready  
**In control:** City Council Regular Meeting  
**On agenda:** 6/18/2019 **Final action:** 6/18/2019  
**Title:** Conduct Public Hearing Adopting Resolution Nos. 19-0051 and 19-0052 Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2019-2020 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 2018-2019 Assessments Collected (Finance Director Charelian).  
a) CONDUCT PUBLIC HEARING  
b) ADOPT RESOLUTION NOS. 19-0051 AND 19-0052  
c) RATIFY BOARD

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution No. 19-0051, 2. Resolution No. 19-0052, 3. Agreement – DMBBPA (2019-2020), 4. BID Advisory Board Member Nominees (FY 2019-2020), 5. Business Improvement & Activity Plan (April 2019)

Date	Ver.	Action By	Action	Result
6/18/2019	1	City Council Regular Meeting	approved	Pass

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director  
Cynthia Mickschl, Acting Revenue Services Manager

**SUBJECT:**

Conduct Public Hearing Adopting Resolution Nos. 19-0051 and 19-0052 Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2019-2020 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 2018-2019 Assessments Collected (Finance Director Charelian).

- a) CONDUCT PUBLIC HEARING
- b) ADOPT RESOLUTION NOS. 19-0051 AND 19-0052
- 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. 19-0051 authorizing the collection of assessments; c) ratify the nominees for the Fiscal Year (FY) 2019-2020 Downtown Business Improvement District (BID) Advisory Board; d) adopt Resolution No. 19-0052 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 2018-2019 (approximately \$108,000).

**FISCAL IMPLICATIONS:**

The Downtown Business Improvement District is funded through an 80% surcharge on the annual business license tax, up to a maximum of \$600 per business. The BID surcharge is collected around April/May of any given year, and disbursed to the Downtown MB Business & Professional Association at the beginning of the next fiscal year in July.

The FY 2019-2020 proposed operating budget for the Downtown MB Business & Professional Association projects revenues of \$339,853 and expenses of \$340,273. Revenues for the Association is comprised of 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 7, 2019 meeting that set June 18, 2019 as the public hearing date to hear testimony regarding the proposed assessment. The 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. Attached is a list of the FY 2019-2020 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 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 2019-2020:

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, 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 authorize the City Manager and the Chairperson of the Advisory Board (Mike Zislis) to enter into an agreement (Attachment) with the DMBBPA to provide the services to the District for FY 2019-2020.

If the City Council performs the following actions tonight, the Business Improvement District and associated assessments will remain in place for FY 2019-2020:

1. Conduct a public hearing
2. Adopt Resolution 19-0051 authorizing the collection of assessments;
3. Ratify the FY 2019-2020 Business Improvement District Advisory Board;
4. Adopt Resolution No.19-0052 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 - April 2019
5. Authorize the disbursement of funds collected for the Business Improvement District for FY 2018-2019 (approximately \$108,000).

#### **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 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. 19-0051

2. Resolution No. 19-0052
3. Agreement - DMBBPA (2019-2020)
4. BID Advisory Board Member Nominees (FY 2019-2020)
5. Business Improvement & Activity Plan (April 2019)