



## Legislation Text

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**File #:** 20-0232, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

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

**SUBJECT:**

Conduct Public Hearing for Consideration of Adopting Resolutions Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2020-2021 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 Assessments Collected through August 31, 2020 (Finance Director Charelian).

- a) **CONDUCT PUBLIC HEARING**
- b) **ADOPT RESOLUTION NOS. 20-0106 AND 20-0107**
- c) **RATIFY BOARD**

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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. 20-0106 authorizing the collection of assessments; c) ratify the nominees for the Fiscal Year (FY) 2020-2021 Downtown Business Improvement District (BID) Advisory Board; d) adopt Resolution No. 20-0107 authorizing the City Manager and BID Advisory Board Chairperson to enter into an agreement with 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 August 31, 2020, for FY 2019-2020 licensing year (approximately \$90,000).

**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 in September.

Due to the impacts of the COVID-19 pandemic, including the City Council directed deferment for Business License tax filing and payment to August 31, the amount collected for the district assessment of approximately \$90,000 is less than prior years which have averaged around \$106,000 (*three-year average*).

The attached FY 2020-2021 proposed operating budget for the DMBBPA includes a factored reduction in assessment revenue and other items such as Farmer's Market and Special Events. It conservatively projects revenues of \$229,769 and anticipate expenses of approximately \$269,529.

### **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' August 18, 2020, meeting, setting September 15, 2020, as the public hearing date to hear testimony regarding the proposed assessment and district renewal. The resolution of intention was mailed to all business district members and was published in The Beach Reporter establishing the required noticing of tonight's public hearing. 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 2020-2021 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 2020-2021:

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

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 authorize the City Manager and the Chairperson of the Advisory Board (Mike Simms) to enter into an agreement (Attachment) with the DMBBPA to provide the services to the District for FY 2020-2021.

1. If the City Council performs the following actions tonight, the Business Improvement District and associated assessment will remain in place for FY 2020-2021 Conduct a public hearing
2. Adopt Resolution 20-0106 authorizing the collection of assessments;
3. Ratify the FY 2020-2021 Business Improvement District Advisory Board;
4. Adopt Resolution No. 20-0107 authorizing the City Manager and Chairperson of the Business Improvement District Advisory Board (Mike Simms) 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 - July 2020
5. Authorize the disbursement of funds collected for the Business Improvement District through August 31, 2020 (approximately \$90,000).

**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:**

The recommended action is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(3) in that it has no 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. 20-0106
2. Resolution No. 20-0107
3. Agreement - DMBBPA (2020-2021)
4. BID Advisory Board of Directors to be Ratified (FY 2020-2021)
5. Business Improvement Budget & Activity Plan (July 2020)