



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director

DATE: May 20, 2008

SUBJECT: Consideration of Resolution of Intention to Provide for Annual Levy and Collection of Assessments for the Downtown Business Improvement District and Setting June 17, 2008 for a Public Hearing

RECOMMENDATION:

The Downtown Business Improvement District Advisory Board and City staff recommend that the City Council adopt Resolution No. 6138 announcing the City's intention to set assessments for the Downtown Business Improvement District (BID) for fiscal year 2008-2009, and setting the public hearing for June 17, 2008.

FISCAL IMPLICATION:

There is no budgetary or other financial implication associated with the adoption of the Resolution of Intention.

BACKGROUND:

In 1998, the City Council, at the request of the downtown business owners, dissolved an existing parking district and created a new Business Improvement District (BID) for the downtown area. The new district was created under the Parking and Business Improvement Area Law of 1989, which provides flexibility with respect to the use of funds. The previously existing parking district restricted the use of the funds to the acquisition and construction of parking facilities.

The Parking and Business Improvement Area Law of 1989 requires that the district and the associated assessments be renewed annually. Therefore, at its meeting of June 17, 2008, the City Council will hold a public hearing to consider the request from the Downtown Business Improvement District Advisory Board to renew the district for fiscal year 2008-2009 and levy the associated assessments (80% surcharge on business license fees to a maximum of \$600).

DISCUSSION:

The purpose of the Resolution is to announce the City's intention to renew the BID, establish the method of assessment, outline the activities and services to be funded by the assessment, and to set the date for a formal public hearing (June 17, 2008). The funding for the BID is an 80% surcharge on the business license tax, not-to-exceed \$600.00 for any individual business.

On April 30, 2008 the Downtown Manhattan Beach Business Improvement Advisory Board met to discuss the proposed service program and associated budget for fiscal year 2008-2009. At that time, the Board approved the FY 2008-2009 program (Exhibit "A") and subsequently the Chairperson of the Advisory Board (Ron Koch) submitted the attached letter (Exhibit "B") requesting the City Council consider adopting the Resolution of Intention (Exhibit "C").

If adopted by the City Council, this Resolution of Intention will be circulated to all business owners within the BID, as notification of the public hearing on June 17, 2008. In addition, a notice advertising the public hearing will be placed in *The Beach Reporter*. At the public hearing, all proponents and opponents of the proposed BID will have an opportunity to present information to the City Council.

Exhibits:

- A. Fiscal year 2008-2009 Downtown Manhattan Beach Property & Business Improvement District Plan
- B. Letter from Ron Koch, Chair, BID Advisory Board
- C. Resolution No. 6138

cc: Mary Ann Varni, Executive Director - Downtown MB Business & Professional Association
Ron Koch, BID Advisory Board Chair

DOWNTOWN MANHATTAN BEACH
Business & Professional Association

2008-2009 Business Improvement & Activity Plan

Office Management

- Purchase New Chair for office

Special Events

- Sidewalk Sales - August 22-24, 2008; January 9-11, 2009; April 24-26, 2009
- Surf Festival 6-Man Volleyball – August 2&3, 2008
- National Lifeguard Championship – August 7-9, 2008
- 53rd Annual Catalina-MB Paddleboard Race – August 24, 2008
- Arts Festival - Sept 7, 2008
- AVP Tournament – Sept. 19-21, 2008
- Halloween Trick-or-Treat – October 26, 2008
- Holiday Open House - November 19, 2008
- Fireworks Festival – December 14, 2008

Community Programs

- Farmers' Market – 2nd Anniversary - July 11, 2008; Community support through Growing Great sponsorship. Continuing marketing Farmer's Market through strategic advertising; utility bill insertions; distribute flyers at local 5&10K races; Junior Guard day (offer something special) during the summer; continue sale of merchandise at market that features logo.
- Landscape & Street Improvements – Parking lot & structure lighting improvement; planters upgraded with blooming annuals.
- 13th Street & Morningside Drive Crosswalk Project – 4/30/08-5/19/08
- Parking Study Promotion – cash keys dispensing machines, raise some meter rates, increase time limits lower level Metlox- ongoing
- Valet Parking

Marketing & Promotions

- Web Site – Update photos and look to reflect downtown Manhattan Beach. Listings, searches, information, links, advertising opportunities. Tourist information.
- Tourism Video – 3-3-1/2 minute video promoting Manhattan Beach as a great destination. – Projected delivery - 5/31/08
- Public Relations Firm - Triple a- Press Slumber Party – 5/4/08-5/5/08
- Hotel Kiosk Concierge Program - Showcase International : currently available in 22 local hotels
- Business Listing & Outdoor Map- Brochure & directory maps updated 2009-2010
- Visitor Guide Brochure – Updated annually
- Permanent Way-finding Directories/Maps – Updated annually.
- Ocean Express - Trolley service, advertising opportunities –
- LA Inc. Coupon Book – Free opportunity offered to Downtown businesses. 175,000 will be printed and distributed to airport area hotels, convention centers and at the LA Tourist Bureau.
- Advertising Campaign – on-going (Beach Reporter, Chamber Directory)
- Cable Commercial – Public Access channel to show tourism video upon completion

2008-2009 Proposed Budget

	INCOME	EXPENSES	NET FUNDS
General Administration			
BID Contribution	98,000.00		98,000.00
Interest income			-
Operating Expenses		66,000.00	(66,000.00)
SUBTOTAL	98,000.00	66,000.00	32,000.00
Fundraising			
AVP Water Sales	2,000.00		2,000.00
Downtown Dollars	-		-
SUBTOTAL	2,000.00	-	2,000.00
Special Events			
Halloween Trick or Treat		3,500.00	(3,500.00)
Holiday Open House*	3,200.00	9,700.00	(6,500.00)
January Sidewalk Sale	2,800.00	2,800.00	-
April Sidewalk Sale	2,800.00	2,800.00	-
August Sidewalk Sale	2,800.00	2,800.00	-
Slumber Party/Invitations		410.00	(410.00)
SUBTOTAL	11,600.00	22,010.00	(10,410.00)
Community Relations			
Donations		600.00	(600.00) Catalina
Fireworks Festival		1,000.00	(1,000.00)
Farmers' Market	60,000.00	48,853.00	11,147.00
Valet Program	3,000.00	-	3,000.00
SUBTOTAL	63,000.00	50,453.00	12,547.00
Marketing & Promotion			
Advertising			
December Ad		1,357.00	(1,357.00)
double A/PR (\$1500/month)		9,000.00	(9,000.00)
Tourist Video		2,000.00	(2,000.00)
Mother's Day		1,357.00	(1,357.00)
Father's Day		1,357.00	(1,357.00)
Chamber Directory		900.00	(900.00)
New Banners for Sdwk. Sale		1,400.00	(1,400.00)
Visitor's Guide Brochure		8,000.00	(8,000.00)
Conciege Program		500.00	(500.00)
Downtown Maps/Directory		(Update 7/2009)	(Update 7/2009)
Ocean Express		10,000.00	(10,000.00)
		-	-
		-	-
Website		1,400.00	(1,400.00)
SUBTOTAL	-	37,271.00	(37,271.00)
TOTAL	174,600.00	175,734.00	(1,134.00)

Estimated Cash Reserve as of 6/31/07	17,589.54
Estimated Projected Reserve as of 6/31/08	16,455.54

* Includes 90 Posters, 1 F/P Ad, revision of ad dates ,banner revisions/hanging and entertainment

2008-2009 Proposed Budget

	INCOME	EXPENSES	NET FUNDS	
General Administration				
BID Contribution	98,000.00		98,000.00	
Interest income			-	
Operating Expenses		66,000.00	(66,000.00)	
SUBTOTAL	<u>98,000.00</u>	<u>66,000.00</u>	<u>32,000.00</u>	
Fundraising				
AVP Water Sales	2,000.00			
Downtown Dollars	-			
SUBTOTAL	<u>2,000.00</u>	<u>-</u>	<u>-</u>	
Special Events				
Halloween Trick or Treat		3,500.00	(3,500.00)	
Holiday Open House*	3,200.00	9,700.00	(6,500.00)	
January Sidewalk Sale		2,000.00	(2,000.00)	
April Sidewalk Sale	-	2,000.00	(2,000.00)	
August Sidewalk Sale	-	2,000.00	(2,000.00)	
Slumber Party/Invitations		410.00	(410.00)	
SUBTOTAL	<u>3,200.00</u>	<u>19,610.00</u>	<u>(16,410.00)</u>	
Community Relations				
Donations		600.00	(600.00)	Catalina
Fireworks Festival		1,000.00	(1,000.00)	
Farmers' Market	60,000.00	48,853.00	11,147.00	
Valet Program	3,000.00	-	3,000.00	
SUBTOTAL	<u>63,000.00</u>	<u>50,453.00</u>	<u>12,547.00</u>	
Marketing & Promotion				
Advertising				
December Ad		1,357.00	(1,357.00)	
double A/PR (\$1500/month)		9,000.00	(9,000.00)	
Tourist Video		2,000.00	(2,000.00)	
Mother's Day		1,357.00	(1,357.00)	
Father's Day		1,357.00	(1,357.00)	
Easy Reader/Contract 5 X \$350		1,050.00	(1,050.00)	
Chamber Directory		900.00	(900.00)	
New Banners for Sdwk. Sale		1,400.00	(1,400.00)	
Visitor's Guide Brochure		8,000.00	(8,000.00)	
Conciege Program		500.00	(500.00)	
Downtown Maps/Directory		(Update 7/2009)	(Update 7/2009)	
Ocean Express		10,000.00	(10,000.00)	
		-	-	
		-	-	
Website		1,400.00	(1,400.00)	
SUBTOTAL	<u>-</u>	<u>38,321.00</u>	<u>(38,321.00)</u>	
TOTAL				
	<u>166,200.00</u>	<u>174,384.00</u>	<u>(10,184.00)</u>	<u>-</u>

Estimated Cash Reserve as of 6/31/08 16,000.00
 Estimated Projected Reserve as of 6/31/09 5,816.00

* Includes 90 Posters, 1 F/P Ad, revision of ad dates ,banner revisions/hanging and entertainment

**MB Farmers Market
2008-2009 Proposed Budget**

Account	Annual	Quarterly	Weekly	Note
<u>Income</u>				
Market	\$55,000			\$1,100 Based on 50 wks.
Merchandise	\$5,000			\$100 Based on 50 wks.
Total:	\$60,000			
<u>Expenses</u>				
Permits				
CFM Certificate	\$440			Yearly. Jan thru Dec.
Temp. Event Health Permit	\$399			Yearly. July thru June.
CFM Health Permit	\$302			Yearly. July thru June.
CDFA Fee	\$600	\$150		Quarterly.
Cal Fed. Of CFM Dues	\$50			
MB business license	\$400			
Labor				
1 or Mkt. Mngr/Raise from last year	\$12,500			\$250 Based on 50 wks(\$25/hour 10hrs/wk)
Mkt Assist	\$3,750			\$75 Based on 50 wks.
Set up	\$14,500			\$290 Based on 50 wks.
Web Site	\$500			
Supplies	\$1,250			\$25
Insurance	\$1,500			
Signs	\$500			
Volunteers	\$500			Dinners, bdays, T-shirts, etc.
Donation - Growing Great @ 5% Sales	\$2,750	\$688		
Programs	\$1,200	\$300		
Merchandise	\$4,000			Assumes 3 to 4 basket orders / yr @ \$550 ea. T-shirts, totes, aprons @ \$2300 + any additional merch. w/4/C logo
Advertising				
Banner Hanging	\$810	\$810/\$400*		\$810 for Sepulveda/\$400 DMB
New Flyers/Utility Bill Insert	\$1,190			25,000 flyers (tax & shipping add'l)
Revise Flyer/time change on banner	\$412			*price is based on 2 consecutive weeks for each banner
Promotions				
Magnets or Wooden \$1 coins	\$500			
Vendor promotions	\$800	\$200		
Total:	\$48,853			



Business Improvement District

DOWNTOWN MANHATTAN BEACH

May 15, 2008

Mayor Richard Montgomery
Members of City Council
1400 Highland Avenue
Manhattan Beach, California 90266

Re: BID Fund Renewal

Dear Members of City Council:

The Business Improvement District (BID) Advisory Board met on April 30, 2008 with a quorum present. Upon reviewing the 2007-2008 year end progress report and the 2008-2009 projected Business Improvement District Activity Plan and Budget, the Board is requesting the City Council to approve the enclosed Resolution of Intent.

Sincerely,

BID ADVISORY BOARD

Ronald Koch
BID Board Chairman

RESOLUTION NO. 6138

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA DECLARING ITS INTENTION TO PROVIDE FOR ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO SECTION 36500 OF THE STREETS & HIGHWAYS CODE OF THE STATE OF CALIFORNIA AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON

WHEREAS, this City Council has previously formed a Property and Business Improvement District in Downtown Manhattan Beach, pursuant to Streets and Highways Code Section 36500 et. seq. (SB 1424 - Parking & Business Improvement Law of 1989, Chapter 2); and

WHEREAS, the Downtown Manhattan Beach Business Improvement District Advisory Board met on April 30, 2008 and supported the proposed operating program and budget of the Downtown Business Improvement District for FY 2008-09; and

WHEREAS, this City Council is desirous of continuing the assessment on businesses within the Parking & Business Improvement District to allow the business owners within the District to utilize the funds for a range of services and activities that will promote and enhance Downtown Manhattan Beach.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES HEREBY DECLARE, FIND, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Business Improvement District is known as the Downtown Manhattan Beach Business Improvement District (herein referred to as District).

SECTION 3. The exterior boundaries of said District are all operating businesses within the general area bounded by the Southwest corner of 15th Street and Ocean Drive, the Southwest corner of 8th Street and Ocean Drive, the Southeast corner of 8th Street and Valley Drive, and the Northeast corner of 15th Street and Valley Drive. The specific legal description is as follows:

Beginning at the intersection of the southerly line of 15th Street with the westerly line of Highland Avenue; thence southerly along said westerly line of Highland Avenue to the southerly line of 13th Place; thence easterly along the prolongation of said southerly line of 13th Place; which prolongation is the southerly line of Tract 2541, to the westerly line of Valley Drive; thence southerly along said westerly line of Valley Drive to the northerly line of 10th Place; thence westerly along said northerly line of 10th Place to the easterly line of Morningside Drive; thence northerly along said easterly line of Morningside Drive to the southerly line of 11th Place; thence westerly along said southerly line of 11th Place to the westerly line of Crest Drive thence southerly along said westerly line of Crest Drive to the northerly line of 11th Street; thence westerly along said northerly line of 11th Street to the westerly line of Bayview Drive; thence southerly along said westerly line of Bayview Drive to the northerly line of 8th Street; thence westerly along said northerly line of 8th Street to the southwesterly corner of Lot 10, Block 9 Manhattan Beach Tract; thence northerly to the southwesterly corner of Lot 10, Block 12 Manhattan Beach Tract, said corner being on the northerly line of 11th Street; thence westerly along said northerly line of 11th Street to the easterly line of Ocean Drive; thence northerly along said easterly line of Ocean Drive to the northerly line of Center Place; thence easterly along said northerly line of Center Place to the southwesterly corner of Lot 15, Block 13 Manhattan Beach Division No. 2; thence northerly to the northerly line of 12th Street; thence easterly along said northerly line of 12th Street to the southwesterly corner of Lot 11, Block 14, Manhattan Beach Division No. 2; thence northerly to the southerly line of 13th Street; thence easterly along said southerly line of 13th Street to the easterly line of Manhattan Avenue; thence southerly along said easterly line of Manhattan Avenue to the northerly line of 12th Street; thence easterly along said northerly line of 12th Street to the southwesterly corner of Lot 10, Block 65, Manhattan Beach Division No. 2; thence northerly to the northwesterly corner of Lot 13, Block 65, Manhattan Beach Division No. 2; thence northerly to the southwesterly corner of Lot 10, Block 64,

Manhattan Beach Division No. 2; thence northerly to the northwesterly corner of said Lot 10; thence northwesterly to the southwesterly corner of Lot 34, Verano Beach Tract; thence northerly to the northwesterly corner of Lot 2 Verano Beach Tract, said corner being on the southerly line of 15th Street; thence easterly along the southerly line of 15th Street to the point of beginning.

A map identifying the specific, legal boundary for the Manhattan Beach Downtown Business Improvement District is available for review in the Office of the Finance Director.

SECTION 4. All businesses within the boundaries of said District as described herein are subject to the provisions of the additional assessment which will be levied annually to pay for all improvements and activities within the District.

SECTION 5. The assessment methodology for funding the services and activities of the Manhattan Beach Downtown Business Improvement District shall be a surcharge of 80% on the business license tax, not to exceed \$600.00 per business license.

SECTION 6. The funds generated by the business license surcharge shall be use for the following purposes:

- Parking & Transportation
- Marketing and Promotions
- Special Events
- Management Services

SECTION 7. The City Council shall convene a Public Hearing regarding the levying of assessments by the Manhattan Beach Downtown Business Improvement District on June 17, 2008 at 6:30 p.m. in the City Council Chambers located at 1400 Highland Avenue in said City. At that time, the City Council will hear testimony of all interested parties for or against the levying of assessments by the District, the extent of the District, and/or the activities and services which shall be provided through the District.

SECTION 8. This Resolution shall be circulated to each business owner within seven (7) days of the date of adoption by the City Council.

SECTION 9. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 10. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED and ADOPTED this 20th day of May, 2008.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk