





# 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:** February 3, 2009

**SUBJECT:** Renewal of the North Manhattan Beach Business Improvement District (BID) for Fiscal Year 2008-2009:

- a) Consideration of a Resolution Providing for the Collection of Assessments for the North Manhattan Beach BID;
- b) Ratification of the 2009 BID Advisory Board Members

---

### RECOMMENDATION:

Staff recommends that the City Council: a) Conduct a Public Hearing; b) Adopt Resolution No. 6171 authorizing the collection of assessments, and c) ratify the BID Advisory Board Members for 2009.

### FISCAL IMPLICATION:

The North Manhattan Beach BID is funded through an 80% surcharge on the business license to a maximum of \$500 per year. Collections for last fiscal year totaled approximate \$23,369. North Manhattan Beach reserves total \$555,569, including \$355,106 remaining for a capital project for beautification originally budgeted in FY 2006-2007 (total project cost of \$370,000). Those funds have been carried forward into FY 08-09. Expenditure of these funds is subject to Council approval.

### BACKGROUND:

In January 2004, the Council dissolved an existing North End BID formed in 1969 under the state's Parking and Business Improvement District Law of 1965, which was fairly limited in scope, and was mainly designed to address parking acquisition and construction. Because opportunity for the acquisition of parking in the North End is limited, the businesses being assessed wanted to use the funds for other types of activities, such as physical improvements, signage, marketing, and promotional to name a few. To accommodate this change, the City Council dissolved the BID and created the new BID under the broader 1989 BID law.

### DISCUSSION:

The North Manhattan Beach BID and the associated assessments must be renewed annually. As required by law, the City Council adopted a resolution at its meeting of January 6, 2009 that set

tonight's meeting, 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 North Manhattan Beach businesses paying into the BID, and was published in *The Beach Reporter*. If adopted by the City Council tonight, the resolution would become effective immediately and would set the assessment of an 80% surcharge on the business license tax, to a maximum of \$500, for North Manhattan Beach businesses. This assessment remains unchanged from FY 2007-2008.

A necessary requirement of the Business Improvement District is the establishment of an Advisory Board. The Advisory Board's duties include making recommendations to the City Council on expenditure of revenues derived from the assessments, as well as the method and basis of levying the assessments. The following is a list of nominees for the 2009 advisory board and their affiliation with the district. As required by State law, the City Council is required to ratify nominees.

- |  |   |
|--|---|
| Melissa Roy (Chairperson) – Sur La Mer | Ab Lawrence – Pancho's Restaurant       |
| Alie Volk – Volk Clothing              | Bruce Greenberg – resident              |
| Todd Mannix – Krise's                  | Mike Quagletti – Upper Manhattan Lounge |
| Clayton Parmelee – Baja Sharkeez       |   |

Another role of the BID Advisory Board is to review and approve the operating plan for the District. The plan (Attachment "B") contains all information relative to projected revenues and expenses, and outlines the services and programs to be funded by the BID. This year, the operating plan identifies the following programs for 2009:

- Crosswalks
- Valet Parking
- Signage
- Landscaping

The City Council previously approved the purchase and placement of several pole banners in the BID. This was the first step in revitalizing the BID and creating an identity for the area. Most recently, valet parking was tested as a way to address the parking issues in the area. Additionally, new refuse and recycling receptacles are scheduled to be placed in the next few weeks. Power washing of the area sidewalks was also performed. The BID will approach Council with future requests as they are identified.

**CONCLUSION:**

Staff recommends that the City Council conduct a public hearing. If there is not a majority protest of the assessment payers, Council may then choose to adopt Resolution No. 6171, which will maintain the BID and associated assessments for the Fiscal Year 2008-2009. Staff also recommends that the Council ratify the BID board for 2009.

Attachments:

- A. Resolution No. 6171
- B. 2009 Plan

RESOLUTION NO. 6171

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, OVERRULING PROTESTS AND PROVIDING FOR THE ANNUAL LEVY AND COLLECTING OF ASSESSMENTS FOR THE EXISTING NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO THE STREETS AND HIGHWAYS CODE SECTION 36500 ET. SEQ. (SB 1424 - PARKING & BUSINESS IMPROVEMENT LAW OF 1989, CHAPTER 2) OF THE STATE OF CALIFORNIA

SECTION 1. The City Council hereby makes the following findings:

A. The City Council has previously formed a Property & Business Improvement District pursuant to the provisions of Section 36500 of the Streets and Highways Code of the State of California, the Parking & Business Improvement Law of 1989, for providing services to the businesses within the area designated as the North Manhattan Beach Business Improvement District (hereinafter referred to as the "District"); and

B. This City Council, on the 6<sup>th</sup> day of January, 2009, adopted Resolution No. 6168 declaring its intention to authorize the collection of assessments to provide services in accordance with the 2009 Enhancement Project and Activity Plan for the period beginning January 1, 2009, and ending December 31, 2009, with said services to be performed within the "District;" and

C. Said Resolution did fix the time and place for a hearing of any and all protests in relation to said proposed assessment; and

D. The public hearing took place on February 3, 2009, and all interested persons were given full opportunity to present their protests or objections; and

E. Evidence has been received as to the publication and mailing of notice of said hearing in the time, form and manner required by law; and

F. 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 no potential for causing a significant impact to the environment.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 2. The City Council, after due consideration of all objections and protests, does hereby overrule and deny any such protests and objections and authorizes the proposed services to be performed within said "District," and authorizes the proposed assessment to be collected.

SECTION 3. The public interest and convenience demands and requires, and this City Council does hereby order, the said contemplated services to be performed in accordance with the Enhancement Project and Activity Plan for the period beginning January 1, 2009, and ending December 31, 2009, and the City Council does hereby levy said proposed assessment to pay for the services outlined in the said Plan.

SECTION 4. The City Clerk shall certify the passage and adoption of this resolution; shall cause the same to be entered among the original resolutions of said City; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

PASSED, APPROVED and ADOPTED this 3<sup>rd</sup> day of February, 2009.

Ayes:  
Noes:  
Abstain:  
Absent:

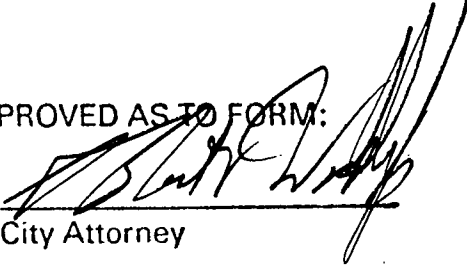
\_\_\_\_\_  
Mayor, City of Manhattan Beach California

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By

  
\_\_\_\_\_  
City Attorney

NORTH MANHATTAN BEACH  
BUSINESS IMPROVEMENT DISTRICT

Enhancement Project and Activity Plan  
2009

**Location:** The area generally surrounding the Rosecrans Avenue and Highland Avenue intersection. Specific boundaries are:

- (north to south) the extent of the Highland Avenue right-of-way from the northernmost City line at 45<sup>th</sup> Street to 32<sup>nd</sup> Place on the south;
- (east to west) the extent of Rosecrans Avenue right-of-way from Bell Avenue to the west side of Highland Avenue

**Stakeholders:** North Manhattan Beach Businesses – All business license holders in the North Manhattan Beach area, with the exception of home-based businesses and commercial property owners.

**Improvements  
And Activities:**

- A. Capital improvement Project Design
- B. Marketing & Advertising
- C. Project Implementation
- D. Professional Communications

**Method of  
Financing:** Benefit-based assessments on City Business License Tax

**Assessment:** An 80% surcharge on the City Business License Tax not to exceed \$500.00.

**Collection** The fees are collected in March/April of each year with the Business License Tax. The funds shall be retained in a designated fund and disbursed through the City.

**Governance:** A City Council-ratified Advisory Board serves to make recommendations to the City Council for the North Manhattan Business Improvement District (BID) on such topics as budget and assessments. The Advisory Board consists of seven (7) members composed of area business owners, residents, or members at large. The City Council ratifies the board members annually. It is anticipated that the Advisory Board will meet at least once monthly on the 1<sup>st</sup> Wednesday of every month at 6 PM.

In delivering BID improvements and activities, the Advisory Board will aim to meet the following objectives:

- Maximize coordination with the City and other civic organizations to leverage resources;
- Identify streetscape, landscape and other improvements, and create an identity plan for North Manhattan Beach;
- Provide accountability to business owners who pay assessments.

***Maintaining the District:***

The City Council maintains the district by adopting a Resolution of Intention. A public hearing shall be held not less than 20 or more than 30 days after the adoption of the Resolution of Intention. If there is insufficient protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

***Benefits of the District:***

The BID allows for streetscape, signage and landscape improvements, and creation of a North Manhattan Beach identity through integrated marketing efforts such as promotions, branding and advertising.

The BID shall provide key promotional and organizational support through a variety of functions that directly benefit its ratepayers as well as the City. Such as:

- Enhancing the appearance of North Manhattan Beach through signage, landscaping, and curb and sidewalk upgrades;
- Establishing and implementing a North Manhattan vision, a beautification image that is in line with the rest of Manhattan Beach and one that reflects the good health and economic vitality of the entire city, making the city an attractive venue for business;
- Providing an inclusive link to the north end of the city.

## **ENHANCEMENT PROJECT AND ACTIVITY PLAN**

The BID work plan for 2009 includes the following items and issues:

### **Crosswalks**

**BID Scope:** Upgrade and define the crosswalks along Highland in NMB. Our goal is to slow down the traffic and make the crosswalks visible and safe. We want to make the area shopper and user friendly. Current issues are that traffic not only speeds through NMB, but doesn't stop at the crosswalks to allow pedestrians to cross safely.

**Solution:** City of MB "Highland Project" will be addressing this issue as a city project. The scope of the "Highland Project" is to replace and repave the crosswalks all along Highland. Possibilities include stamped concrete, interlocking pavers, reflectors. Options it does not include are 1) the tile that is currently being used in Downtown MB. Those tiles are cracking and breaking and are difficult to replace. 2) Flashing lights in crosswalk. Expensive, and has been looked into.

**Next steps:** The BID will present some additional options that could present opportunities for the City of MB to roll out these changes to the rest of MB. The Highland Project will cover costs, unless an alternative option the BID presents is chosen, and is more expensive than what the Highland Project scope is.

**Open issues:** how to deal with the street closure while they are working on the new crosswalks.

**Timing:** Spring 2010

**BID Contact:** Alison Volk (Volk His & Hers). She will research options, pricing, etc and create a presentation to show to a city representative.

**Landscaping aka Streetscaping:**

**BID Scope:** Replace dead trees, and replace current trees with uniform trees. Add hanging planters to posts, similar to those that are in Downtown MB.

**Solutions:** We voted unanimously that we will replace all trees with the Queen Palm Trees the Upper Manhattan Lounge planted in front of their place. Hanging planters can possibly be added to posts that do not have the NMB Branding signs on them due to wind resistance restrictions.

**Next steps:** Find out how much each tree is and the labor costs to remove and replace trees. Find out what posts are available to hang planters. An aerial photo can be given to aid in planning what poles we might like to utilize.

**Open issues:** How much are the yearly maintenance costs? Should we have a Landscape Assessment District as an alternative to spending out of the BID? None of the light poles in NMB are city owned. We need to get permission from Edison to hang planters. Are there other opportunities for additional landscaping?

**Timing:** 2009

**BID Contact:** Todd Mannix (Krise's) & Vince DeVico (Upper Manhattan Lounge)

**Valet Parking:**

**BID Scope:** Introduce Valet Parking as an option to shoppers. This would be a solution to our ongoing and seemingly unresolvable parking issues. Entrance would be Rosecrans, not Highland.

**Solution:** Utilize Valet Company (possibly the same one Downtown MB uses) and use the Public Works Parking lot after their business hours (after 5pm).



**Next steps:** Presentation created with maps showing where the drop off and pick up location is, what company will be used, overall pricing, permission from businesses that will have to make adjustments from current situation (Sushi place on corner, El Tarasco?), logistics. Councilmember Mitch Ward will then walk the area and give feedback.

**Open issues:** How much would this cost? Not all businesses would want to pay since the hours would be evening hours. Is there a resident issue on Bell and surrounding area? Is there a business issue from places that would be impacted from drop off and pick up sites?

**Timing:** 2009

**BID Contact:** Mike Quagletti (Upper Manhattan Lounge)

**Additional Signage:**

**BID Scope:** Add entry and exit signs to El Segundo corridor. Add monument sign to entrance on Rosecrans/Sepulveda intersection. Banner/Pole signs that can be changed quarterly that announce an event that is happening in NMB (Holiday Open House, Sidewalk Sale, etc.)

**Solution:** We are willing to compromise that it does not have to say North Manhattan Beach, but Manhattan Beach.

**Next steps:** See if the city can evaluate the median on Rosecrans/Sepulveda to add a monument sign. Propose location for signage entering and exiting Highland into El Segundo. Need to check with the Cultural Arts Council to see options for banner/pole signs.

**Open issues:** None of the light poles in NMB are city owned. We need to get permission from Edison to hang pole signs. Who will change those signs? How much will it cost to have the signs changed quarterly?

**Timing:** 2009

**BID Contacts:** Ab Lawrence (Pancho's), Melissa Enriquez Roy (Sur La Mer)

**Branding:**

**BID Scope:** The BID owns the image that is being used on the NMB branding signs. We would like to use them on T-shirts, coffee mugs, etc. to sell, as a way to raise additional money for the BID fund. Maps are another idea to create awareness of the shops and restaurants in the area.

**Solution:** Sell t-shirts, mugs, maps, etc. in restaurants and stores in NMB.

**Next steps:** Get pricing and timing on items.

**Open issues:** None

**Timing:** End of the year, 2008.

**BID Contact:** Bernadette George (Elegance Boutique Spa)

**Additional Information:**

Melissa Enriquez Roy (Sur La Mer) will work with Bruce Moe (City of MB Finance Director) on all the financials for these proposed projects, as well as, determine how much the monthly/annual maintenance costs would be for these projects. The BID is working with approximately \$18-20k per year and need to stay within that budget. The BID has approx \$400k to spend on these projects.

We will also evaluate the option and process of implementing a Landscape Assessment District. What are the pros and cons, financial implications, timing, and process.

The committee proposed that the BID Advisory Board meet monthly to follow up on these projects and to keep the momentum going.

The committee proposed that the BID will meet Quarterly to give updates on progress of projects and to make changes to the work plan if necessary.

The committee proposed that at least one member of the Advisory Board will be present at the MB City Council Meetings to give a North Manhattan Beach update. We are trying to begin the process of getting into the city's rotation and need to always have representation from an Advisory Board Member who is up to date on the current events of the BID.

Finally, look into the Ocean Express Bus? Why doesn't it stop in NMB anymore? Can we get it back?

**ENHANCEMENT IMPROVEMENT & ACTIVITY PLAN BUDGETS**

**I. EXPENSES**

**A. 2008-2009 Budget - \$355,106 (carried forward from the prior year)**

- Formation, development and implementation of signage and banners.
- Design and coordinate crosswalk improvements to coincide with street resurfacing.

- Other physical improvements

**II. INCOME (FY 2008-2009)**

- \$20,000 collection from North End businesses, plus estimated accrued interest on fund balance of \$22,000

**III. SURPLUS FROM PREVIOUS FICAL YEAR (2008)**

- \$18,713.17

**IV. FUND BALANCE AS OF JUNE 30, 2008**

Total Fund Balance:	\$555,569
Less Appropriated Project Funds:	<u>(\$355,106)</u>
Total Unreserved Fund Balance	<u>\$200,463</u>

