




Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager 

FROM: Bruce Moe, Finance Director

DATE: January 19, 2010

SUBJECT: Consideration of Resolution of Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 16, 2010 for a Public Hearing

RECOMMENDATION:

The North Manhattan Beach Business Improvement District Advisory Board and City staff recommend that the City Council adopt Resolution No. 6239 announcing the City's intention to set assessments for the North Manhattan Beach Business Improvement District (BID) for 2010, and setting the public hearing for February 16, 2010.

FISCAL IMPLICATION:

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

BACKGROUND:

From 1969 to 2004 a North End Business Improvement District (BID) existed for commercial properties located along the northern portion of Highland Avenue and a few businesses located along Rosecrans Avenue just east of Highland. This BID, formed under the Parking and Business Improvement District Law of 1965, was fairly limited in scope and was mainly used to address parking acquisition and construction.

In December, 2004, Council approved revamping the North End BID because it was apparent that opportunities for increased parking in this section of the community were limited. Additionally, the business owners in this area were interested in using the accumulated funds (now totaling approximately \$600,000) for business promotional purposes, and to create an identity for the North End. As a result, the old BID was converted from the 1965 law to the 1989 BID law, which permits funds to be used for broad purposes such as marketing, promotions, capital improvements and special events to name a few.

More recently, in November 2007, the City Council approved renaming the business district from the "North End" to "North Manhattan Beach." The revised name will be used for new branding and identity purposes among the businesses. As a result of this change, the Business Improvement

District was also renamed the “North Manhattan Beach Business Improvement District.”

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 February 16, 2010, the City Council will hold a public hearing to consider the request from the North Manhattan Beach Business Improvement District Advisory Board to renew the district and levy the associated assessments (80% surcharge on business license fees to a maximum of \$500).

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. The funding for the BID is an 80% surcharge on the business license tax, not-to-exceed \$500 for any individual business.

On January 13, 2010, the North Manhattan Beach Business Improvement District Advisory Board met to discuss the proposed service program and associated budget for the coming year. At that time, the Board approved the program (Exhibit “A”) and now request that the City Council consider adopting the Resolution of Intention (Exhibit “B”).

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 February 16, 2010. 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. North Manhattan Beach Business Improvement District Plan
- B. Resolution No. 6239

RESOLUTION NO. 6239

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 NORTH MANHATTAN BEACH 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 North 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 North Manhattan Beach Business Improvement District Advisory Board met on January 13, 2010 and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2010; 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 North 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 North Manhattan Beach Business Improvement District (herein referred to as District).

SECTION 3. The District physical boundaries include all operating businesses along Highland Avenue from 45th Street to the North and to 32nd Place to the South, and along Rosecrans Avenue from Highland Avenue to the West to the 500 block of Rosecrans to the East. A map identifying the specific, legal boundary for the North Manhattan Beach Business Improvement District is available for review in the Office of the Finance Director.

SECTION 4. All businesses, with the exception of home based businesses, commercial property owners who rent/lease to licensed businesses, and residential rental units, 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 North Manhattan Beach Business Improvement District shall be a surcharge of 80% on the business license tax, not to exceed \$500.00 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 North Manhattan Beach Business Improvement District on February 16, 2010 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 19th day of January, 2010.

Ayes:
Noes:
Absent:
Abstain:

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
2010**

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 45th Street to 32nd 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, residential rental units 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 1st Wednesday of every month at 6:30 PM.

In delivering BID improvements and activities, the Advisory Board will strive 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 2010 includes the following items:

- Parking
 - explore valet options as well as the use of Veranda's parking lot
 - Monument Signs
 - develop options for signs identifying North Manhattan Beach for placement at entrances to the area.
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- Marketing
 - Review special event opportunities, website, hosting of “Taste of North Manhattan,” Farmers’ Market, Halloween event, etc.
 - Enhance participation by businesses
 - Use of Social networking sites
- Business Directories
 - Look into interactive kiosks
- Bicycle Racks
 - Work with City on placement
 - Art element to be considered
- Lighted crosswalks (open issue from 2009)

ENHANCEMENT IMPROVEMENT & ACTIVITY PLAN BUDGETS

FY 2008-2009 Results:

Starting Fund Balance as of July 1, 2008	\$555,569
Revenues	\$ 42,759
Expenditures	\$ -0-
Ending Fund Balance as of June 30, 2009	\$598,328
Reserved for On-Going Improvement Project	<u>(\$355,106)</u>
Funds-available for 2010 as of June-30, 2009	\$242,233

FY 2009-2010 Budget:

Starting Fund Balance as of July 1, 2009	\$598,328
Revenues from Member Assessments	\$ 23,000
Budgeted Expenditures (existing CIP Project)	<u>(\$355,106)</u>
Projected Fund Balance as of June 30, 2010	\$266,222

Planned Expenditures for CIP Project Include:

- Signage and banners.
 - Crosswalk improvements to coincide with street resurfacing.
 - Sidewalk extensions
 - Street trees
 - Other physical improvements
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