



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager *RT*

FROM: Bruce Moe, Finance Director *BM*

DATE: February 16, 2010

SUBJECT: Renewal of the North Manhattan Beach Business Improvement District (BID) for Fiscal Year 2009-2010:

- a) Consideration of a Resolution Providing for the Collection of Assessments for the North Manhattan Beach BID;
- b) Ratification of the 2010 BID Advisory Board Members

RECOMMENDATION:

Staff recommends that the City Council: a) Conduct a Public Hearing; b) Adopt Resolution No. 6246 authorizing the collection of assessments, and c) ratify the BID Advisory Board Members for 2010.

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 this fiscal year are estimated to be \$23,000. North Manhattan Beach reserves total \$598,328, 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 09-10.

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 19, 2010 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 2008-2009.

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 2010 advisory board and their affiliation with the district. As required by State law, the City Council is required to ratify nominees.

Todd Mannix (Chairperson) - Krise's
Bruce Greenberg - resident
Steve Oliveira, DDS
Harry Ashikian - Salvatore's Shoe Repair

Ab Lawrence - Pancho's Restaurant
Bernadette George - Elegance Spa
Clayton Parmelee - Baja Sharkeez

This board was selected by the membership through an agreed-upon nomination and balloting process at the December 2010 BID Advisory Board meeting.

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 2010:

- Lighted Crosswalks
- Valet/Expanded Parking
- Monument Signage
- Marketing & Business Directories
- Bicycle Racks

This past year, the City Council approved several improvements including curb extensions, landscaping and crosswalks (the specialized logos for the crosswalks are on a separate agenda item for Council's consideration tonight). 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. 6246, which will maintain the BID and associated assessments for the Fiscal Year 2009-2010. Staff also recommends that the Council ratify the BID board for 2010.

Attachments:

- A. Resolution No. 6246
- B. 2010 Plan

RESOLUTION NO. 6246

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 19th day of January, 2010, adopted Resolution No. 6239 declaring its intention to authorize the collection of assessments to provide services in accordance with the 2010 Enhancement Project and Activity Plan for the period beginning January 1, 2010, and ending December 31, 2010, 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 16, 2010, 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, 2010, and ending December 31, 2010, 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 16th day of February, 2010.

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
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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