





# 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:** May 18, 2010

**SUBJECT:** Consideration of Resolution of Intention to Provide for Annual Levy and Collection of Assessments for the Downtown Business Improvement District and Setting June 15, 2010 for a Public Hearing

---

### RECOMMENDATION:

The Downtown Business Improvement District Advisory Board and City staff recommend that the City Council adopt Resolution No. 6252 announcing the City's intention to set assessments for the Downtown Business Improvement District (BID) for fiscal year 2010-2011, and setting the public hearing for June 15, 2010.

### 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 15, 2010, 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 2010-2011 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 15, 2010). The funding for the BID is an 80% surcharge on the business license tax, not-to-exceed \$600 for any individual business.

On April 21, 2010, the Downtown Manhattan Beach Business Improvement Advisory Board met to discuss the proposed service program and associated budget for fiscal year 2010-2011. At that time, the Board approved the FY 2010-2011 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 15, 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. Fiscal year 2010-2011 Downtown Manhattan Beach Property & Business Improvement District Plan
- B. Letter from Ron Koch, Chair, BID Advisory Board
- C. Resolution No. 6252

cc: Mary Ann Varni, Executive Director - Downtown MB Business & Professional Association

EXHIBIT "A"

# **DOWNTOWN MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT**

## **Business Improvement & Activity Plan July 2010**

*Prepared pursuant to the State of California  
And The Parking and Business Improvement Area Law of 1989  
to maintain the Business Improvement District for the  
Downtown Manhattan Beach, California.*

Prepared by

**Downtown Manhattan Beach Business and Professional Association**

---

**DOWNTOWN MANHATTAN BEACH  
BUSINESS IMPROVEMENT DISTRICT  
INFORMATION AT-A-GLANCE**

This Business Improvement District has been in existence since April of 1969 under the authority of the "Parking and Business Improvement Area Law of 1965". This law was restrictive with respect to the use of funds. In 1989 the State Legislature adopted Senate Bill 1424, "Parking and Business Improvement Area Law of 1989". In 1998 a group of concerned merchants and a growing coalition of downtown stakeholders, developed the proposal to establish a new Downtown Manhattan Beach Business Improvement District (BID) under the new legislation. In October 1998, that legislation was approved and adopted as City Ordinance No. 1989. In January 1999, the BID contracted with the Downtown Manhattan Beach Business & Professional Association (DBPA), a 501 (c) 6 not-for-profit corporation established in 1985, to provide specific benefits to the members of the BID.

***Location:*** The Existing Business District of Downtown Manhattan Beach.

***Stakeholders:*** Downtown Businesses - All business license holders in the Downtown area except commercial property owners.

***Improvements and Activities:***

- A. Parking, Transportation & Community Programs
- B. Marketing & Advertising
- C. Promotions & Special Events
- D. Professional Management & Communications

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

***Assessment:*** Based on the existing assessment. An 80% surcharge on the City Business License Tax not to exceed \$600.

***Collection of Assessment:*** The fees are collected in March/April of each year and disbursed through contract, to the Downtown Manhattan Beach Business & Professional Association (DBPA).

***Governance:*** **Advisory Board:** Annual recommendations on Downtown Manhattan Beach Business Improvement District (BID) budgets and assessments will be submitted to the Manhattan Beach City Council by a seven-nine (7-9) member Advisory Board composed of business owners located within the boundaries of the BID. The Advisory Board will also monitor the delivery of

improvements and activities, which will be the day-to-day responsibility of the Downtown Manhattan Beach Business and Professional Association (DBPA).

Members of the Advisory Board can be nominated by business owners that are assessed within the BID, and, per State law, appointed by the Manhattan Beach City Council.

Representation should consist of business on Manhattan Beach Boulevard, Manhattan Avenue and Highland Avenue. It should also contain a mix of retail, service and restaurants.

It is anticipated that the Advisory Board will meet at least once annually.

**Downtown Association:** The BID will contract with the DBPA to carry out improvements and activities described in the Plan, as well as the day-to-day operations.

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

- Maximize coordination with the City and other civic organizations to leverage resources;
- Deliver programs through a cost-effective and non-bureaucratic organization that features one executive director that works for all Downtown Manhattan Beach stakeholders;
- Provide for accountability to business owners who pay assessments.

***Maintaining the District:***

The City Council can maintain 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 not written protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

***Benefits Of the District:***

The BID costs no more than the prior assessment and allows the district's funds to be self-governed and to go beyond parking issues.

The BID allows for integrated marketing efforts such as valet parking, cooperative promotions, banners throughout the area,

advertising and publishing downtown directories and calendars of events.

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

- Creating a public/private partnership to manage the Downtown environment to ensure high standards for signage, security, maintenance, parking and marketing;
- Increasing sales and revenues throughout the district as well as tax and parking revenue to the City;
- Advocating Downtown interests and for the City at large;
- Establishing and implementing a Downtown vision, an image of a thriving city center that reflects the good health and economic vitality of the entire city, making the city an attractive venue for businesses;
- Assisting the City in policy making, administration and implementation of City programs;
- Streamlining communications and saving time and energy, by providing the City with a single, unified Downtown entity.

## **BUSINESS IMPROVEMENT & ACTIVITY PLAN**

As a result of the concerns identified through surveying business owners and the accomplishments of the DBPA since 1999, the DBPA Board of Directors proposes the following plan.

### **A. Parking, Transportation & Community Programs**

- Work with the City to promote Downtown parking alternatives for both merchants and customers. Form parking committee to ensure that downtown parking is both convenient and reasonable for customers
- Maintain the valet parking service.
- Continue to work in supporting the **Ocean Express Shuttle Service**.
- Continue promoting and supporting the weekly **Farmers' Market** in Downtown Manhattan Beach
- Support non-profit organizations that benefit the community through proceeds from the Farmers' Market and other events.
- Continue to work with the Public Works Department to support the CART Trash & Recycling Programs for Downtown businesses.
- Continue to support the Fireworks Festival, Catalina Classic, and in-kind donations.
- Work with the MBPD & Public Works Department to improve the Downtown curb appeal through signage, flowers, etc.
- Work with City to improve parking signage downtown

### **B. Marketing & Advertising**

Develop a new marketing campaign to increase spending downtown, particularly during these poor economic times.

- Continue & expand the Downtown marketing/advertising campaign to promote the Downtown as a whole especially within our community and to visitors.
- Maintain and distribute map/listing of Downtown businesses to customers, visitors, neighborhood hotels and new residents.
- Continue to work with the City to update the permanent Way-Finding directories/maps.
- Maintain [www.DowntownManhattanBeach.com](http://www.DowntownManhattanBeach.com), which currently offers a complete listing of all businesses by category, directions, parking information, calendar of events and links to other prominent organizations.
- Continue advertising in neighboring hotels via touch screen kiosks.
- Continue to negotiate and make available discounted advertising opportunities
- Continue working with the Chamber of Commerce to promote commerce in Manhattan Beach.

### **C. Promotions & Special Events.**

- Sponsor the “**Sidewalk Sales**” to promote Downtown merchants.
- Re-think the Downtown to Trick or Treat on “**Halloween**” (possibly not promote candy giveaway at each store, but at one location near the Pumpkin Races). Continue to sponsor the pumpkin races.
- Host the “**Holiday Open House**” together with the **Pier Lighting** to kick-off to the holiday shopping season and spirit of the season.
- Continue working with the City on voicing policy and planning recommendations regarding other area events and in particular the use of the **Metlox, 13<sup>th</sup> Street & Civic Plaza** areas.
- Continue to work with the AVP to ensure the volleyball tournament understand the concerns of local businesses.
- Develop new programs and promotions to ease the parking complaints (lack of change machines) and encourage spending downtown.

### **D. Professional Management & Communications**

- Maintain professional management to ensure this cohesive Business Improvement and Activity Plan is implemented and continued.
- Continue emailed newsletter.
- Create a new welcome packet for businesses that is cohesive with our new campaign
- Maintain the Employee Parking Brochure.
- Provide representation to help mitigate traffic, construction and parking issues.
- Continue informing members of important issues affecting their businesses.
- Continue to inform businesses through the Crime Alert bulletins.
- Increase public relations opportunities for promoting the Downtown.
- Recruit participation of local business on committees and the DBPA Board.
- Meet with BID Board quarterly or as often as needed to strengthen communication with DBPA & its Board.



## **BUSINESS IMPROVEMENT & ACTIVITY PLAN BUDGET**

### **I. EXPENSES**

#### **A. 2010-2011 Operating Budget**

The 2010-2011 operating budget breakdowns of expenses for the Downtown Manhattan Beach BID are provided below. The total improvement and activity plan budget is projected at \$191,465 with the following components:

- **Parking, Transportation, Beautification & Community Programs:**  
\$74,676 is provided which accounts for approximately 39% of the budget.

(This number is comprised of expenses under the Community Relations on the DBPA 2010-2011 Proposed Budget.)

- **Marketing & Advertising:**  
\$29,689 is provided which accounts for 15% of the budget.

(This number is comprised of the expenses under the Marketing & Promotions heading on the DBPA 2010-2011 Proposed Budget.)

- **Promotions & Special Events:**  
\$19,100 is provided which accounts for 10% of the budget.

(This number is solely comprised of the Special Events heading on the DBPA 2009-2010 Proposed Budget.)

- **Professional Mgt., Rent, Supplies, Insurance & Communications:**  
\$68,000 is provided which accounts for 35% of the budget.

(This number is solely comprised of the Administration heading on the DBPA 2010-2011 Proposed Budget.)

## **II. INCOME**

### **A. 2010-2011 Operating Budget**

The 2010-2011 operating budget breakdown of income for the Downtown Manhattan Beach BID is provided in the following. The total improvement and activity plan budget is projected at approximately \$190,947.09 with the following components:

- **Assessments**

\$100,747 has been budgeted. The assessment methodology will remain the same, a surcharge on the City of Manhattan Beach Business License Tax. Calculation of individual assessments for one year is determined by one factor; an 80% surcharge on the business license tax, not to exceed \$600.00.

- **Interest Income**

\$1,200.

- **DBPA Contribution**

\$89,000 will be generated from the DBPA through special events fees and various programs. These programs include the Farmers Market and special event fees.

## **III. SURPLUS FROM PREVIOUS FISCAL YEAR**

The 2009-2010 year-end projections indicate a deficit of approximately \$662 for the current fiscal year. Current retained earnings are \$46,422.99.

Projected retained earnings for the end of this fiscal year are anticipated to be \$45,760. The reserve is above the mandated \$15,000.

**XXX**

## **Strategies & Goals Ongoing/Not Complete**

**2010/2011**

- **Farmers Market** – Tuesdays, 11am – 4pm Summer Hours 11am-5pm (Memorial-Labor Day)
    - New opening will not affect set-up time or time that vendors enter the area. 95% of the vendors are ready to sell by 11am and all have removed their vehicles from the area. We will not and do not allow customers on the premises unless all moving vehicles are gone.
    - Continue trackless train during the market hours for kids to enjoy
  - **Parking & Community Programs**
    - Continue to push to get meter rates reduced for June 1, 2009 and encourage Council to rethink extending meter enforcement hours in morning (leave at 9am vs. moving to 8am)
    - Work closely with City to get Smart Meters in downtown and create a more convenient parking situation for our community and visitors
  - **Marketing & Promotions**
    - Continue to attract people to Metlox with seasonal décor (\$'s or sponsorships permitting)
    - Continue Trackless Train on Tuesdays during the Farmers Market & weekends in December. Other weekends as deemed beneficial and if approved by the tenants.
    - Chamber Directory (small branding ad)
    - Contribute to Ocean Express Trolley – reduce contribution in 2011 by half due to budget constraints.
    - Promote Downtown as destination in 'Where' Publication to reach visitors throughout L.A. & build more relations with Concierge in L.A.
    - Encourage downtown businesses to get an exhibitor's table during the Farmers Market to promote their business.
  - **Member Services**
    - Member e-mail newsletter
    - City Representation
    - Chamber Representation: Chamber Board of Directors, Legislative Advocacy Council, Holiday Decorations, Coordinating Council
    - School District Representation: MBEF Education Committee.
-

- **DBPA Membership – 2009 Closings/Opening/Moving**

- **Store Closings:** Ebizo's Skewer, Towne Restaurant, Salon Brit, Mettle Handmade Jewelry, Baby A, Mona, Space Studio
  - **Store Openings:** Simmzy's, Memphis Café at the Beach, Kasai Hair, d'Boutique Manhattan Beach, Cupcakes Couture, All Yoo, Crème de la Crepe, Mr. Cecil's Ribs, Bella Beach Kids, Cielo-a boutique Salon, Turquoise, Jolie Designs, ALMU Home Furnishings
  - **Re-Opened:** Old Venice, El Sombrero, Riley Arts
  - **Store Movings:** The Beehive to Metlox, Mandarin (2<sup>nd</sup> location on Manhattan Beach Blvd.), 23<sup>rd</sup> Street Jewelers in new building on Manhattan Ave.
  - **Name Changes:** Body Suite became Mosaic on Manhattan, MB Brewery became Brewco, WAMU became Chase
  - **2010 Openings:** Isaka Ya by Katsuya, Pages (a bookstore), Pasha Jewelers
  - **Coming Soon:** Tea Exchange, Petros Specialty Store
-



---

**Business Improvement District**

---

**DOWNTOWN MANHATTAN BEACH**

May 10, 2010

Mayor Mitch Ward  
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 21, 2010 with a quorum present. Upon reviewing the 2009-2010 year-end progress report and the 2010-2011 project 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. 6252

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 21, 2010 and supported the proposed operating program and budget of the Downtown Business Improvement District for FY 2010-11; 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 15<sup>th</sup> Street and Ocean Drive, the Southwest corner of 8<sup>th</sup> Street and Ocean Drive, the Southeast corner of 8<sup>th</sup> Street and Valley Drive, and the Northeast corner of 15<sup>th</sup> Street and Valley Drive. The specific legal description is as follows:

Beginning at the intersection of the southerly line of 15<sup>th</sup> Street with the westerly line of Highland Avenue; thence southerly along said westerly line of Highland Avenue to the southerly line of 13<sup>th</sup> Place; thence easterly along the prolongation of said southerly line of 13<sup>th</sup> 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 10<sup>th</sup> Place; thence westerly along said northerly line of 10<sup>th</sup> Place to the easterly line of Morningside Drive; thence northerly along said easterly line of Morningside Drive to the southerly line of 11<sup>th</sup> Place; thence westerly along said southerly line of 11<sup>th</sup> Place to the westerly line of Crest Drive thence southerly along said westerly line of Crest Drive to the northerly line of 11<sup>th</sup> Street; thence westerly along said northerly line of 11<sup>th</sup> Street to the westerly line of Bayview Drive; thence southerly along said westerly line of Bayview Drive to the northerly line of 8<sup>th</sup> Street; thence westerly along said northerly line of 8<sup>th</sup> 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 11<sup>th</sup> Street; thence westerly along said northerly line of 11<sup>th</sup> 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 12<sup>th</sup> Street; thence easterly along said northerly line of 12<sup>th</sup> Street to the southwesterly corner of Lot 11, Block 14, Manhattan Beach Division No. 2; thence northerly to the southerly line of 13<sup>th</sup> Street; thence easterly along said southerly line of 13<sup>th</sup> Street to the easterly line of Manhattan Avenue; thence southerly along said easterly line of Manhattan Avenue to the northerly line of 12<sup>th</sup> Street; thence easterly along said northerly line of 12<sup>th</sup> 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 15<sup>th</sup> Street; thence easterly along the southerly line of 15<sup>th</sup> 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 15, 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 18<sup>th</sup> day of May, 2010.

Ayes:  
Noes:  
Absent:  
Abstain:

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

ATTEST:

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

APPROVED AS TO FORM:

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

