



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Montgomery and Members of the City Council

**THROUGH:** David N. Carmany, City Manager *DC*

**FROM:** Bruce Moe, Finance Director *[Signature]*

**DATE:** January 18, 2011

**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 15, 2011 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. 6294 announcing the City's intention to set assessments for the North Manhattan Beach Business Improvement District (BID) for 2011, and setting the public hearing for February 15, 2011.

### 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 used mainly 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 \$500,000) 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 15, 2011, 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 5, 2011, 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 15, 2011. 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.

By way of recent activity in the North Manhattan Beach BID, funds totaling approximately \$123,000 were expended in FY 2009-2010 to beautify the area, including the installation of curb extensions with landscaping and irrigation at certain intersections, enhanced crosswalk treatments unique to the area, purchase and installation of six bike racks, planting of several sidewalk trees, and trimming of existing trees. More activities are planned for this next year (as discussed in the Work Plan) such as installation of electronic directories and enhanced marketing of the area.

The BID has also elected a new Advisory Board for 2011 which will be presented for Council ratification at the February 15<sup>th</sup> Council meeting. The new board members-elect include:

- Ab Lawrence, Pancho's (Chairperson)
- Bernadette George, Elegance Boutique Spa (Vice Chairperson)
- Harry Ashikian, Salvatore's Shoe Repair
- Bruce Greenberg, Resident of North Manhattan Beach
- James McCleary, Sea View Inn
- Steve Oliveira, Steve Oliveira D.D.S.
- Clayton Parmalee, Baja Sharkeez

Agenda Item #: \_\_\_\_\_

The changes from last year's board include the addition of James McCleary from Sea View Inn and the departure of Todd Mannix from Krise's of Manhattan Hair Salon.

Mayor Ward continues as the North Manhattan Beach BID Council representative with Mayor Pro Tem Nick Tell as the alternate.

Exhibits:

- A. North Manhattan Beach Business Improvement District Plan
- B. Resolution No. 6294

**NORTH MANHATTAN BEACH  
BUSINESS IMPROVEMENT DISTRICT**

**Enhancement Project and Activity Plan  
2011**

---

**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, 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 1<sup>st</sup> Wednesday of every month at 6:00 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, etc.
- 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 2011 includes the following items (responsibility for assignments, where made, are shown in parenthesis):

- Parking (Ab Lawrence)
    - Expand the use of Veranda's parking lot to accommodate visitors to the business district
  - Marketing
    - Review special event opportunities, website, hosting of "Taste of North Manhattan," Farmers' Market, Halloween event, etc.
    - Update 2009 Marketing Analysis and Plan (Bruce Greenberg)
    - Develop Budget
-

- Promote an “all-inclusive” approach with BID Membership
- Enhance participation by businesses
- Use of Social networking sites (Harry Ashikian)
- Business Directories (Clayton Parmalee)
  - Look into interactive kiosks
- Lighted crosswalks (Steve Finton – City Engineer)
- Tree Installation (Steve Finton – City Engineer)
  - Identify Locations
  - Council approval for up to 30 more trees received
- Solar Powered “Gas” Lamps for District (Bernadette George)
  - Research options and cost
- Review Process of Nominating and Electing Chairperson and Vice Chairperson from elected Advisory Board Members
  - Goal of increased open nomination and selection process
- Movies on the Beach (Bernadette George)
  - Review costs and options for hosting one or more movies on the beach
- Consider coordination of Summer Stroll event with Beach Fest volleyball event in June 2011 (Bernadette George)

**ENHANCEMENT IMPROVEMENT & ACTIVITY PLAN BUDGETS**

*FY 2009-2010 Results*

Starting Fund Balance as of July 1, 2009	\$	598,329
Revenues	\$	33,211
Expenditures	\$	(122,922)
Ending Fund Balance as of June 30, 2010	\$	508,618

*FY 2010-2011 Budget*

Starting Fund Balance as of July 1, 2010	\$	508,618
Budgeted Revenues	\$	23,000
Budgeted Expenditures (Project Carryforward from Prior Years)	\$	(232,906)
Projected Fund Balance as of June 30, 2011	\$	298,711
Available Funds	\$	298,711

RESOLUTION NO. 6294

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 5, 2011 and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2011; 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 45<sup>th</sup> Street to the North and to 32<sup>nd</sup> 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 15, 2011 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 January, 2011.

Ayes:  
Noes:  
Absent:  
Abstain:

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

ATTEST:

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

APPROVED AS TO FORM:

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