



Agenda Item #:



# Staff Report

## City of Manhattan Beach

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

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

**FROM:** Bruce Moe, Finance Director  
Steve S. Charelian, Revenue Services Manager

**DATE:** February 7, 2012

**SUBJECT:** Renewal of the North Manhattan Beach Business Improvement District (BID) for Fiscal Year 2011-2012

### RECOMMENDATION:

Staff recommends that the City Council: a) conduct a Public Hearing b) adopt Resolution No. 6340 providing for the collection of assessments for the North Manhattan Beach Business Improvement District (NMB-BID), and c) ratify the BID advisory board members for 2012.

### 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 BID reserves total \$517,072 including \$213,707 remaining for a capital project for beautification originally budgeted in fiscal year (FY) 2006-2007 (total project cost of \$370,000). Those funds have been carried forward into FY 2011-2012.

### BACKGROUND:

In January 2004, the City Council dissolved the 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 promotions to name a few. To accommodate this change, the City Council dissolved the previous 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 17, 2012 that set tonight's meeting 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 at an 80% surcharge on the business license tax, to a maximum of \$500, for North Manhattan Beach businesses. This assessment remains unchanged from FY 2010-2011.

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 2012 advisory board and their affiliation with the district. As required by State law, the City Council is required to ratify nominees.

1. James McCleary, Sea View Inn (Chairperson)
2. Harry Ashikian, Salvatore's Shoe Repair (Vice Chairperson)
3. Janice Davenport, Pancho's Restaurant (Secretary)
4. Steven Delk, OB's Pub & Grill
5. Bernadette George, Elegance Boutique Spa
6. Brett Karas, Baja Sharkeez
7. Steve Oliveira, Steve Oliveira D.D.S.

This board was selected by the membership through an agreed-upon nomination and balloting process at the December 2011 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 potential programs for 2012 (subject to City Council approval prior to commencement):

- |                               |  |
|-------------------------------|--|
| * <i>Monuments</i>            | * <i>Solar Powered "Gas" Lamps</i>                   |
| * <i>Lighted Crosswalks</i>   | * <i>Movies on the Beach</i>                         |
| * <i>Business Directories</i> | * <i>Coordination of Summer &amp; Holiday Stroll</i> |

In past years, the City Council approved several improvements including curb extensions, landscaping and crosswalks. The BID will approach City 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, City Council may then choose to adopt Resolution No. 6340, which will maintain the BID and associated assessments for the Fiscal Year 2011-2012. Staff also recommends that the City Council ratify the BID board for 2012.

**Attachments:**

- A. Resolution No. 6340
- B. 2012 Activity Plan

## RESOLUTION NO. 6340

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 (the "Act"), 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 17th day of January, 2012, adopted Resolution No. 6338 declaring its intention to authorize the collection of assessments to provide services in accordance with the 2011 Enhancement Project and Activity Plan for the period beginning January 1, 2012, and ending December 31, 2012 (the "Report"), with said services to be performed within the District; and

C. Said Resolution did fix the time and place on February 7, 2012, for a hearing of any and all protests in relation to said proposed assessment; and

D. 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

E. 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. Following notice duly given pursuant to law, the City Council has held a full and fair public hearing regarding the levy and collection of an assessment against businesses within the District for fiscal year 2012-13. At the public hearing, the testimony of all interested persons regarding the levy of any assessment against businesses within the District for fiscal year 2012-13 was heard and considered. The City Council hereby determines that there was no majority protest within the meaning of the Act.

SECTION 3. Based upon its review of the Report, a copy of which has been presented to the City Council and which has been filed with the City clerk, and other reports and information presented to the City, the City Council hereby finds and determines that (i) the businesses in the District will be benefitted by the expenditure of funds raised by the assessment for fiscal year 2012-13, (ii) the District includes all of

the businesses so benefitted, and (iii) the net amount of the assessment levied within the District for fiscal year 2012-13 in accordance with Resolution No. 6338 and the Report, is apportioned by a formula and method which fairly distributes the net amount in proportion to the estimated benefits to be received by each such business.

SECTION 4. The City Council hereby confirms the Report as originally filed.

SECTION 5. The adoption of this resolution constitutes the levy of an assessment for fiscal year 2012-13.

SECTION 6. This resolution shall take effect immediately upon adoption.

SECTION 7. The City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED and ADOPTED this 7<sup>th</sup> day of February, 2012.

Ayes:  
Noes:  
Abstain:  
Absent:

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Nicholas W. Tell, Jr.,  
Mayor City of Manhattan Beach

ATTEST:

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Liza Tamura, City Clerk

APPROVED AS TO FORM:



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Roxanne M. Diaz, City Attorney

**NORTH MANHATTAN BEACH  
BUSINESS IMPROVEMENT DISTRICT  
(NMB BID)**

Enhancement Project and Activity Plan  
2012

**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 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 2012 includes the following items:

- Parking
  - Look to expand parking opportunities to accommodate visitors to the NMB BID
- Marketing
  - Review special event opportunities, website, hosting of "Taste of North Manhattan," Farmers' Market and other seasonal event, etc.
  - Continue efforts to promote Summer Stroll and Winter Stroll
  - Develop a Marketing Budget
  - Develop an NMB BID web site survey

- Enhance participation by NMB BID businesses
- Business Directories
- Lighted crosswalks (Steve Finton – City Engineer)
- Solar Powered “Gas” Lamps for NMB BID
  - Research options, cost and new technologies
- Review Balloting Process and Nominations
  - Goal of increased open nomination and selection process
  - Review Balloting and Absentee voting by NMB BID business owners
- Movies on the Beach
  - Review costs and options for hosting one or more movies on the beach

North Manhattan Beach Business Improvement District Financials

| <b><i>FY 2010-2011 Budget</i></b>                                      |                   |
|--|-------------------|
| Starting Fund Balance as of July 1, 2010                               | \$ 508,618        |
| Budgeted Revenues  | \$ 23,000         |
| Budgeted Expenditures ( <i>Project Carryforward from Prior Years</i> ) | \$ (232,906)      |
| <b>Ending Fund Balance as of June 30, 2011</b>                         | <b>\$ 298,711</b> |

| <b><i>FY 2011-2012 Budget</i></b>                                      |                   |
|--|-------------------|
| Starting Fund Balance as of July 1, 2011                               | \$ 517,072        |
| Revenues   | \$ 23,000         |
| Budgeted Expenditures ( <i>Project Carryforward from Prior Years</i> ) | \$ (213,707)      |
| <b>Projected Fund Balance as of June 30, 2012</b>                      | <b>\$ 326,365</b> |