

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/10/08		Item Number: <u>A-10</u>	
AGENDA ITEM: 1) Approval of the Downtown Culver City Business Improvement District Advisory Committee's Annual Work Program and Budget; and 2) Adoption of a Resolution of Intention to Conduct a Public Hearing for Continuation of the Downtown Business Improvement District.			
Contact Person/Dept.: Glenn Heald		Phone Number: (310) 253-5752	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Meeting notification and copy of the annual Work Program and Budget mailed to all businesses located in the Downtown Business Improvement District (10/23/08); published in the Culver City News (10/30/08 & 11/06/08); Master Notification List (11/05/08).			
Department Approval: Sol Blumenfeld (10/22/08)		City Attorney Approval: Carol Schwab (by H. Baker) (11/05/08)	
Chief Financial Officer Approval: Jeff Muir (by MVN) (11/03/08)		City Manager Approval: Jerry B. Fulwood (11/05/08)	

RECOMMENDATION:

Staff recommends the City Council 1) approve the Downtown Culver City Business Improvement District (the "BID") Advisory Committee's annual Work Program and Budget for 2009 (the "Report"); and 2) adopt a Resolution of Intention to conduct a public hearing on December 8, 2008, for the continuation of the BID.

BACKGROUND:

The BID provides a mechanism for businesses to levy assessments on themselves for, among other things, the maintenance of public spaces and the acquisition, construction, installation and maintenance of specific improvements. The BID allows Downtown businesses to be more self reliant, which reduces their dependency on the City of Culver City and Culver City Redevelopment Agency.

The BID Work Program is managed by the Downtown Business Association (the "DBA") in accordance with a Management Agreement between the DBA and the City. The Management Agreement requires the DBA to maintain tax-exempt status with the Internal Revenue Service, maintain one million dollars of General Liability insurance, and submit quarterly reports and budget updates to the Community Development Director describing progress toward completing their approved work program. The DBA's tax documents, insurance and quarterly reports are attached (Attachment Nos. 3, 4, and 5).

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In accordance with the legal process for renewing a BID, the Council is first required to review and approve the BID Advisory Committee's Report during a public meeting. The Report describes any proposed changes in the BID boundaries, a description of activities to be undertaken (a work program), an estimate of the cost to provide the activities (a budget), the assessment formula, the amount of surplus/deficit to be carried over from the previous year, and the amount of other expected BID contributions. The City Council may modify any particular element contained in the report and approve it as modified.

At the conclusion of the public meeting, the Council must adopt a Resolution of Intention (Attachment No. 1) to conduct a public hearing if the BID is to be continued for 2009. Upon completion of the public hearing, which has been tentatively scheduled for December 8, 2008, the Council must approve a final resolution to formally continue the BID. The public will be notified of the public hearing in accordance with State law.

The BID was formed in September 1998, when the Council adopted Ordinance No. 98-011, in accordance with the Parking and Business Improvement Area Law of 1989 (the "Law").

The BID was amended in December 2000, when the Council rescinded Ordinance No. 98-011 and adopted Ordinance No. 2000-027. The new ordinance revised the BID assessment formula to increase the amount of the assessment and revised the BID Management Agreement to clarify ambiguous language in an attempt to streamline the administrative process.

DISCUSSION:

BID ACCOMPLISHMENTS 2008

Maintenance

- Continuation of the DBA's sidewalk maintenance and landscape program provided by the DBA Clean Team.
- Coordination with City of Culver City to implement a Memorandum of Understanding (MOU) for downtown maintenance. The MOU transfers funding to the DBA to perform increased maintenance and landscape services in downtown. Beginning September 2008, the following services are being provided by the DBA per the MOU agreement:
 - A sidewalk maintenance program with the DBA Clean Team on the streets daily conducting the following services: sweep litter, debris and refuse from

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sidewalks, alleys (paseos) and gutters of the District, empty sidewalk trash receptacles, sweep and pressure wash sidewalks, plaza, paseos, and alleys, parking structure entrances, landings and stairwells. Sweep and maintain areas around trash compactors, cleaning of street furniture (benches, bike racks, parking meters, mailboxes, and pay phones). DBA Clean Team on streets daily.

- A Landscape Program that includes the following: weed abatement in planters, medians and sidewalks; trash and debris removed from planting areas; removal and replacement of dead vegetation; and trimming of bushes and shrubs. Plants and flowers are to be provided in planting areas and pots on an annual basis.
- Coordination with City Sanitation Division and businesses to improve the District's dumpster/trash issue. Worked to include possible increases in the quantity of dumpsters and trash receptacles as well as improved maintenance of trash compactors and dumpsters.

Communication & Image

- Established a "Marketing Committee" of the Board of Directors to develop programs for promoting downtown businesses and marketing partnerships with established and new downtown businesses.
- Continued expansion of Website with features including "Downtown Lowdown" email newsletter, expanded Calendar, and personalized feature boxes with photos of Downtown businesses.
- Maintenance of downtown LED twinkle lights.
- Partnered with the City to purchase an artificial holiday tree with "green" LED lights and decorations to be used for the annual Holiday Tree Lighting Ceremony.
- Worked with the City to establish a holiday program and sought out sponsorship from downtown stakeholders for the holiday program.

Advocacy & Administration

- Contracted with Urban Place Consulting Group for services as Executive Director in order to carry out day-to-day administrative responsibilities. In September 2008, hired a new Executive Director to perform said services.
- Partnered with the City to implement the Culver City Downtown Valet Parking Program in July of 2008. Continued management of the Culver City Downtown Valet Parking Program; working with City's Engineering Division to determine best practices for a successful program.

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- Established “Restaurant Committee” of the Board of Directors to develop and monitor programs related to valet parking, sanitation, maintenance and marketing of downtown businesses.
- Expedited communication with the City regarding violations of existing codes in relation to aesthetics and safety of the downtown District.
- Partnered with City of Culver City on advocacy issues such as outdoor dining standards, smoking regulations, recycling, and other initiatives that may impact the quality of life for businesses and all users of downtown Culver City.
- Enhanced day-to-day management of maintenance and communication programs as well as constituency services.
- Improved interaction with City to ensure timely assessment billing and payment.

BID ASSESSMENTS 2008

During 2008, there were 147 businesses subject to the BID assessment. Of these, the assessment was collected from 135 businesses (91%). The total amount collected was approximately \$122, 085. The remaining 12 businesses owe all or a portion of their assessment(s). If payment is not received after a final notice, a claim will be forwarded to the City Attorney’s Office for consideration of filing in small claims action court.

BID ACTIVITIES PLANNED FOR 2009

In October the BID Advisory Committee filed the proposed 2009 Work Program and Budget (Attachment No. 2) with the City Clerk. The Advisory Board proposes the following activities within their Work Program for 2009:

Maintenance

The DBA Clean Team will perform increased downtown maintenance services per the Memorandum of Understanding (MOU) between the City of Culver City and Culver City Downtown Business Association. MOU services are separately funded by a separate agreement between the City of Culver City and the DBA. Other Work Plan items outside of Maintenance are not funded by MOU dollars. Downtown maintenance services, including both MOU agreed and DBA provided services, are as follows:

- Sidewalk maintenance program:
 - Personnel sweep litter, debris and refuse from sidewalks, alleys (paseos) and gutters of the District.
 - Empty sidewalk trash receptacles throughout District twice per day on Friday, Saturday and Sunday.

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- Sweep and pressure wash sidewalks, plaza, paseos, and alleys within the District on a regular schedule throughout the year
- Monthly pressure washing of parking structure entrances, landings and stairwells.
- Sweep and maintain areas around trash compactors.
- Street furniture to be wiped and cleaned daily (benches, bike racks, parking meters, mailboxes, and pay phones).
- DBA Clean Team on streets daily, 10am to 4pm (Sun-Thurs) and 1pm to 7pm (Fri and Sat).
- Landscape Program:
 - Weed abatement in planters, medians and sidewalks.
 - Trash and debris will be removed from planting areas.
 - Removal and replacement of dead vegetation.
 - Trimming of bushes and shrubs.
 - Plants and flowers to be provided in planting areas and pots on an annual basis.
- Graffiti reporting:
 - Graffiti is logged and reported immediately to the City Graffiti Removal Team for removal.
 - Paper signs and handbills will be removed

Communication & Image

- Maintenance of year-round Culver Blvd. decorative tree lights (twinkle lights).
- Continued development of marketing partnerships with established and new downtown business.
- Continued upgrading of website with greater services, information and linkage provided.
- Continuing the distribution of the Downtown Lowdown, monthly e-newsletter.
- Partner with the City of Culver City and the downtown business community to create a festive holiday atmosphere for downtown.
- Partner with City of Culver City to produce the annual Holiday Tree Lighting Ceremony.

Advocacy & Administration

- Continue management of the Culver City Downtown Valet Parking Program; working with City of Culver City Engineering to determine best practices for a successful program.
- Continue management of downtown maintenance program, including increased services set forth by the MOU agreement with the City of Culver City.

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- Proactive communication with City on violations of existing codes in relation to aesthetics and safety of facades and streetscape.
- Continuing coordination between City Sanitation Division and businesses to improve the District dumpster/trash issue. Work to include increasing the quantity of dumpsters and trash receptacles, as well as improving the maintenance of trash compactors and dumpsters.
- Partner with City of Culver City on advocacy issues and initiatives that may impact the quality of life for businesses and all users of downtown Culver City.
- Continue working with the City to develop additional funding to increase the maintenance and landscape efforts in downtown.
- Fundraising effort will be explored to continue programs such as the Holiday Tree Lighting and other programs deemed important to the success of downtown.
- Interacting with the City to insure timely assessment billing and payment.
- Day to day communication of programs with DBA constituency.

BID ASSESSMENTS 2009

The proposed activities will primarily be funded through the assessment, which applies to Downtown businesses at the rates shown below. The Advisory Committee does not propose any changes to the Advisory Committee structure, nor to the boundaries of the parking and business improvement area. A map illustrating BID boundaries is included as Exhibit "A". The Advisory Board recommends a 17 percent increase in assessment rates for 2009 which will support the ongoing management and implementation of increased programs that benefit all downtown businesses and users. This rate increase realizes a \$21,000 budget increase and was calculated using the current year's (2008) anticipated revenues and potential BID fees heading into 2009. The Advisory Board recommends changes to the assessment schedule as follows:

Business Type	City Business License Code	Annual BID Fee
<u>TYPE A</u>		
Retail 1-1000 sq. ft.	036-144, 396, 399, 402	\$ 351
Retail 1001-2500 sq. ft.		\$ 585
Retail 2501-5000 sq. ft.		\$ 877.50
Retail > 5000 sq. ft.		\$1170
Hotel	456, 480	\$1755
Bar/Restaurant: Total Seats, both Indoor & Outdoor:	390, 654-690	
0-50 seats		\$1170
51-100 seats		\$1755
> 100 seats		\$2340

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Computer Graphics & Computer Services	152, 200	\$ 585
Martial Arts Studio, Health Studios, Hair Salon	744, 276	
0-25,000 sq. ft.		\$ 585
> 25,000 sq. ft.		\$1170

TYPE B

Theaters	858	\$2.34/seat
Live Performance	858	\$1.17/seat

TYPE C

All others, not listed		\$351
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TYPE D

Banking Institutions 0-7500 sq. ft.	342	\$1170
Banking Institutions > 7500 sq. ft		\$1755
Film Studios	490, 498	\$1170
Recording Studios	554	\$1170
Utilities		\$1170
Hospitals > 20,000 sq. ft.	780	\$2340
Hospitals and Clinics < 20,000 sq. ft.		\$1170

TYPE E

Commercial Rentals	432	
< 5,000		\$1170
5,001-15,000		\$1755
15,001-25,000		\$2340
25,001-35,000		\$2925
Over 35,000		\$3510

The DCCBID's activities and estimated costs for the coming year are set forth in Exhibit "B" Proposed year 2009 Work Program Budget. All funds collected are used for BID activities which strengthen the business climate within the BID area, attract new investment and improve the quality of life for all downtown users.

Note:

1. Fee for individual business owners with multiple business licenses/operations at the same address will be based on the single highest category.
2. Business owners with multiple business locations within the BID area will be assessed separately at each location.
3. Commercial rentals will be assessed for each building location, not each tenant space.

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4. Multiple independent business owners at the same address will be assessed separately at their respective rates.

FISCAL ANALYSIS:

The BID's quarterly financial statements for 2008 are attached for your information. These financial statements describe activities undertaken and funds expended during their fiscal year.

As previously stated, funds from the 2009 BID assessment will be used for business enhancement, design activity and other items in accordance with the Law. During 2009, the BID anticipates assessment revenues of \$122,900.00 and carry-over funds in the amount of \$ 36,016.67. The DBA now funds the salary of the Executive Director (this was previously subsidized by the Agency).

There is no fiscal impact to the City for the approval of the BID Annual Work Program.

ATTACHMENTS:

1. Resolution of Intention.
2. 2009 BID Work Program and Budget.
3. Internal Revenue Service tax-exempt certification.
4. DBA Certificate of General Liability Insurance.
5. DBA quarterly financial statements and Accounts Payable summary.

MOTION:

That the City Council:

1. Approve the 2009 BID Advisory Committee's Annual Work Program and Budget as filed with the City Clerk; and,
2. Adopt the Resolution of Intention to set December 8, 2008, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District.