

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/11/06	Item Number: <u>PH-2</u>
AGENDA ITEM: Public Hearing to Continue the Downtown Culver City Business Improvement District.	
Contact Person: Glenn Heald	Phone Number: (310) 253-5752
Fiscal Impact: Yes ☐ No ☒	General Fund: Yes ☐ No ☒
Public Hearing: ☒	Action Item: ☐ Attachments: ☒
Public Notification: The Resolution of Intention was mailed to businesses in the Downtown Culver City Business Improvement District (11/27/06); published in the Culver City News (11/23/06 & 11/30/06); Master Notification List (12/07/06).	
Department Approval: Susan Evans (11/30/2006)	City Manager Approval: Jerry Fulwood
City Controller Approval: Marlee Chang	

RECOMMENDATION:

Staff recommends the City Council (the "Council") adopt a resolution to levy the proposed 2007 BID assessment and adopt the recommendations for the 2007 BID Advisory Committee, unless a majority protest is made.

PROCEDURE (Noticed Public Hearing):

Mayor: Announces that this is the time and place for the hearing of protests or objections to the continuation of the BID.

City Clerk: Announces that the Resolution of Intention, which included notice of this public hearing, was published in the Culver City News on November 23 and 30, 2006, and was mailed to all affected businesses.

Mayor and Council: Moves to receive and file all affidavits.

City Clerk: Announces the number of written protests received and verifies that all protests have been delivered to the Council.

Mayor: Calls to the podium those individuals who filed a written protest, who wish to make oral protests or presentations.

Staff: Reports on protests received.

Mayor and Council: Moves to declare the Public Hearing closed.

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If business/property owners representing less than fifty percent of the total assessment to be levied submit protests, move to overrule and deny all protests and then consider the adoption of a resolution to levy the 2007 BID assessment;

OR

If business/property owners representing more than fifty percent of the total assessment to be levied submit protests, move to deny the BID for a period of one year.

BACKGROUND:

The BID provides a mechanism for businesses to levy assessments on themselves for the promotion of business activities and public events; decoration of public places; and the acquisition, construction, installation and maintenance of specific improvements. The BID assessment reduces Downtown business dependency on the City and Redevelopment Agency.

On November 13, 2006, the Council approved the BID's 2007 Annual Work Program and Budget, as filed with the City Clerk, and adopted a Resolution of Intention to conduct a public hearing on December 11th. Additional information related to the Annual Work Program and Budget was included in the November 13, 2006, City Council Agenda Item Staff Report, which is attached for review (Attachment No. 1).

DISCUSSION:

During 2006, the BID reported approximately \$83,848 in total BID assessment revenues, Agency Executive Director grant, and carryover funds from 2005. These funds were used toward the 2006 DBA BID Work Program, with an anticipated carryover of \$5,000 for 2007. This is further described in the Downtown Business Association's (the "DBA") Quarterly Financial Statements, which are attached for review (Attachment No. 3).

BID revenues are managed by the DBA in accordance with the Management Agreement between the DBA and the City. The Management Agreement was renewed this year and will not expire until December 31, 2008. The DBA uses BID revenues to implement the Work Program defined in the BID Advisory Board's Annual Report (the "Report"). The 2006 Report is attached for review (Attachment

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No. 2). The DBA's responsibilities are fully described in the Management Agreement, which is attached for review (Attachment No. 4).

Staff has identified the following issues that require discussion: protest of the proposed assessment, appointment of BID Advisory Board members, and renewal of the Business Improvement District Management Agreement.

Protest of the Proposed Assessment

State Law [Streets and Highways Code Section 36525.(a)] states: "If written protests received from the owners of businesses in the proposed area which will pay fifty percent or more of the assessment proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that fifty percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the Resolution of Intention, shall be taken for a period of one year from the date of the finding of a majority protest by the Council."

BID Advisory Board Membership

State law requires the Council to appoint a BID Advisory Board, which is responsible for compiling the Report. The Report identifies how BID assessment revenue will be spent, proposed improvements and activities, the classification of businesses, the method and basis of levying assessments, and other matters the Advisory Board deems appropriate.

The BID Advisory Board members for 2006 were:

- 1) Andrew Weissman - Attorney at Law/Business Owner
- 2) Kamaren Henson - Wonderful World of Animation/Property Owner
- 3) Greg Reiner - The Actor's Gang/Business Representative
- 4) Jim Rodriques - Santa Maria BBQ/Business Owner
- 5) Gerald Weiner - Attorney/Business Owner

The DBA recommends the following BID Advisory Board Members for 2007:

- 1) Ken Chernus – Property Owner
- 2) Debbie Weiss - Property Owner
- 3) Heidi Fahringer - Business Owner
- 4) Stu Freeman – Property Owner
- 5) Andrew Weissman - Business Owner
- 6) Gerald Weiner - Attorney

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As part of the Management Agreement between the City and the DBA, all members of the BID Advisory Committee must be in good standing with the City, Redevelopment Agency, and BID in terms of business tax payments, BID assessments, refuse billing and Redevelopment Agency debt agreements. Upon review by the City Treasurer's Office it appears that none of these individuals show any record of debt to the City, Redevelopment Agency, or BID.

The Council may appoint the members recommended by the DBA or appoint new members to the BID Advisory Board.

FISCAL ANALYSIS:

In 2007 the BID assessment total is estimated to be approximately \$126,367, which will be used to fund maintenance management (\$61,200), advocacy and Administration (\$53,800), and communication and image-enhancement expenses (\$11,000).

At the City Council meeting of November 13, 2006, the City Council did comment on the subject of delinquent assessments as a shortfall in revenue would impact the Bid's ability to fully implement its work program. The BID will work with BID members to encourage prompt and timely payment of assessments (both current and prior years). Additionally, staff will work cooperatively with the BID should additional encouragement be necessary.

ATTACHMENTS:

1. November 13, 2006 City Council Agenda Item Report;
2. 2007 Annual Work Program and Budget (Approved by the Council on November 13, 2006);
3. BID Advisory Board Recommendations 2007;
4. Management Agreement;
5. DBA Quarterly Reports;
6. Internal Revenue Service tax-exempt certification;
7. DBA Certificate of General Liability Insurance; and
8. Resolution to levy the proposed assessment.

MOTION:

(IF THERE IS NOT A MAJORITY PROTEST) THAT THE CITY COUNCIL:

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1. Adopt a resolution to levy the proposed 2007 BID assessment; and
2. Appoint Ken Chernus, Debbie Weiss, Heidi Fahringer, Stu Freeman, Andrew Weissman, and Gerald Weiner to the DBA BID Advisory Board;

OR, (I F THERE IS A MAJORITY PROTEST) THAT THE CITY COUNCIL:

1. Approve a finding that protests have been received from the owners of businesses in the proposed district who represent fifty percent or more of the assessment proposed to be levied, and no further proceedings to continue the Downtown Culver City Business Improvement District shall be taken for a period of one year from the date of this meeting.