

**City of Culver City, California
Agenda Item Report**

Meeting Date: 11/14/2011		Item Number: <u>A-1</u>	
CITY COUNCIL AGENDA ITEM: (1) Review and Approval of the Downtown Culver City Business Improvement District Advisory Board's Annual Work Program and Budget, and (2) Adoption of a Resolution of Intent to Levy the Downtown Business Improvement District Assessment for 2012.			
Contact Person/Dept.: Glenn Heald Todd Tipton		Phone Number: (310) 253-5752 (310) 253-5783	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Downtown Business Association (11/11/11); (E-Mail) Agenda and Meetings – City Council (11/11/11)			
Department Approval: Sol Blumenfeld (10/11/11)		City Attorney Approval: Carol Schwab (by H. Baker) (11/09/11)	
Chief Financial Officer Approval: Jeff Muir (11/10/11)		City Manager Approval: John M. Nachbar (11/10/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council (1) approve the Downtown Culver City Business Improvement District (BID) Advisory Board's annual Work Program and Budget for 2012 (Report), and (2) adopt a Resolution of Intent to Levy the Downtown Business Improvement District Assessment for 2012 (Attachment No. 1). <u>BACKGROUND:</u> A 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, reducing their dependence on the City and Redevelopment Agency. Culver City's Downtown BID was formed in September 1998, when the City Council adopted Ordinance No. 98-011 in accordance with the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code). The BID Work Program is managed by the Downtown Business Association (DBA) in accordance with the Management Agreement between the City and the DBA. The Management Agreement requires the DBA to maintain tax-exempt status with the			

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Internal Revenue Service, maintain general liability insurance in an amount specified by the City Attorney's Office, and submit quarterly reports and budget updates to the Community Development Director describing progress toward completion of their approved work program.

In accordance with the legal process for renewing a BID specified in the Streets and Highways Code, the City Council is required to review and consider the BID Advisory Board'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 element contained in the Report and approve it as modified or determine to not approve the Report.

At the conclusion of the public meeting, the City Council is requested to adopt a Resolution of Intent to levy the proposed BID assessments and sets the date and time for a to conduct a public hearing to during which the City Council is requested to consider whether the BID is to be continued for the following year. Upon completion of the public hearing, which has been tentatively scheduled for December 12, 2011, the City Council is requested to consider a resolution to continue the BID and levy assessments. The public will be notified of the public hearing in accordance with state law.

DISCUSSION:

BID Assessments 2011

During 2011, there were 157 businesses subject to the BID assessment. Of these, the assessment was collected from 149 businesses (95%). The total amount collected was approximately \$153,277. The remaining 8 businesses owe part or all of their assessment(s). A delinquency notice was sent by the City to all BID accounts from which payment was not received on or before the BID renewal deadline. Further collection efforts have been assumed by the BID Advisory Board pursuant to the Management Agreement. The BID Advisory Board is currently undertaking collection efforts to recoup outstanding uncollected fees from years 2008 through 2011 totaling approximately \$38,000.

BID Assessments 2012

The BID Advisory Board proposes no change to the boundaries or assessment rates for 2012. A map illustrating BID boundaries is Exhibit "A" to the proposed Resolution, and Exhibit "B" is the proposed Assessment Schedule.

BID Work Program and Budget 2012

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The BID Advisory Board has filed the 2012 Report, including a proposed Work Program and Budget, with the City Clerk, included as Exhibit "C" to the proposed Resolution. The Work Program includes activities to enhance the business community within the BID area, attract new investment to the downtown area, and improve the quality of life for all downtown users. The Budget funds these activities through assessments levied on businesses within the BID. The Budget includes a new marketing consultant position to provide promotion for downtown and the BID member businesses. The DBA will fund a significant portion of this new line item through savings in other areas.

Notes:

Business owners with multiple business licenses/operations at the same address will be assessed only the single highest applicable rate.

Business owners with multiple business locations within the BID area will be assessed separately at each location.

Commercial rentals will be assessed for each building location, not each tenant space.

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

FISCAL ANALYSIS:

As previously stated, funds from the 2012 BID assessment are proposed to be used for business enhancement, marketing and promotional activity and other items in accordance with Law. During 2012, the BID anticipates assessment revenues of approximately \$161,200 and carry-over reserve funds in the amount of \$9,798. The DBA funds the salary of the Executive Director.

There is no fiscal impact to the City for the approval of the BID Annual Work Program or adoption of the resolution to conduct a public hearing for the continuation of the BID.

ATTACHMENTS:

Proposed Resolution of Intent, including BID Boundary Map (Exhibit "A"), Proposed Assessment Schedule (Exhibit "B"), and 2012 BID Work Program and Budget (Exhibit "C").

MOTION:

That the City Council:

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1. Approve the BID Advisory Board's 2012 Annual Work Program and Budget as filed with the City Clerk; and,

2. Adopt a Resolution of Intent to Levy Assessments and set December 12, 2011, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District for calendar year 2012.