

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/14/05	Item Number: <u>A-2</u>
AGENDA ITEM: Consideration of the Downtown Culver City Business Improvement District Advisory Committee's Annual Work Program and Budget for the Continuation of the Downtown Business Improvement District.	
Contact Person/Dept.: Alicia Weintraub	Phone Number: (310) 253-5778
Fiscal Impact: Yes ☐ No ☒	General Fund: Yes ☐ No ☐
Public Hearing: ☐	Action Item: ☒ Attachments: ☒
Public Notification: Businesses located in the Downtown Business Improvement District were mailed notice of tonight's meeting and a copy of the annual Work Program and Budget on October 18, 2005; a notice was published in the Culver City News on October 29 th , November 4 th and November 11 th and the Master Notification List received notice on November 10, 2005.	
Department Approval: Susan Evans 10/24/05	CAO Approval: Jerry Fulwood 11/9/05
City Controller Approval: N/A	

RECOMMENDATION:

That the Culver City City Council (the "Council") approve the Downtown Culver City Business Improvement District ("BID") Advisory Committee's annual Work Program and Budget for 2006 (the "Report"), and adopt a Resolution of Intention to conduct a Public Hearing on December 12, 2005 for the continuation of the Culver City Downtown BID.

BACKGROUND:

A 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 or maintenance of specific improvements. The BID allows Downtown businesses to be more self reliant, which reduces their dependency on the City of Culver City (the "City") and Culver City Redevelopment Agency (the "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

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approved work program. The DBA's Tax documents, insurance and quarterly reports are attached for your information (Attachment Nos. 4, 5, 6 and 7).

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 hearing. 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 Hearing, the Council must adopt a Resolution of Intention (Attachment No. 1) to conduct a Public Hearing if the BID is to be continued for 2006. Upon completion of the Public Hearing, which has been tentatively scheduled for December 12, 2005, 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:

The following section describes BID accomplishments and delinquencies in 2005, and proposed BID activities and the BID assessment in 2006.

BID Accomplishments in 2005

In 2005, the DBA used their assessments to fund the following:

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2005 ACCOMPLISHMENTS

MARKETING/EVENTS

- Production of second annual Culver City Car Show in partnership with The Exchange Club. (Earnings to DBA of \$7,000 to support administrative costs in 2006).
- Continuing expansion of Website with additional features including "Downtown Lowdown" email newsletter, expanded Calendar and personalized feature boxes with photos on Downtown businesses.
- Implementation of discount Culver Card for all participating Downtown businesses.
- Assumption of Downtown map reprinting and distribution.
- Sponsorship of Summer Sunset Music Festival and promotional table at each concert.
- Information booth at Chamber Expo.
- Sponsorship of Fiesta La Ballona.
- Continuation of annual Holiday Lights event with 25 foot tree in Town Plaza.
- Continuation of on-screen Pacific Theatre slides promoting Downtown experience and free parking.
- Distribution of promotional materials at other public events including: Lion Fountain Town Plaza unveiling, Pan-African Film Festival, Share Our Strength Food event and Westchester/Culver City Orchestra.

DESIGN/IMPROVEMENTS

- Replacement of Culver Boulevard decorative tree lights in response to sunsetting of previous Agency contract.
- Replacement and Refurbishment of all Holiday street ornaments.
- Input with Public Art Coordinator on Harry Culver sculpture, upgrading and completion of Zoetrope installations.
- Continued consultation with Sanitation Division on completion of trash compactors and proper usage guidelines in English and Spanish.
- Meetings with Agency on implementation of Outdoor Directory project and initiation of graphic, fabrication and lighting design.

ADMINISTRATION

- Rental of office and purchase of office equipment for greater staff efficiency and Downtown physical presence.
- Supplemental payment to Executive Director in addition to Agency grant and total payment assumed upon sunset of grant funding.
- Retained Urban Place Consulting services for research and feasibility study for possible Property Business Improvement District (PBID) creation to replace current BID and increase services to District through increased funding.

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BID Delinquencies in 2005

During 2005, there were approximately 138 businesses subject to the BID assessment. Of these, the assessment was collected by the City Treasurer's Office from approximately 89 percent of the businesses. The total amount collected was approximately \$79,230. The remaining 15 businesses are delinquent. If payment is not received after a final notice, a claim will be forwarded to the City Attorney's Office and will be sent to small claims court.

BID Activities in 2006

In October the BID Advisory Committee filed the proposed 2006 Work Program and Budget (Attachment No. 6) with the City Clerk. The Advisory Board proposes the following activities within their Work Program for 2006:

MARKETING/PROMOTION

- Continuation of the *Culver Card*, a discount program available to Downtown Culver City retail, restaurant and service customers to promote all participating businesses. Continuing to provide counter-top displays for ground floor businesses to provide the card, as well as the new Downtown map.
- Continue sponsorship of City's Summer Sunset Music Festival and other appropriate events.
- Continuation of Pacific Theatre's On-Screen slide program promoting the Downtown experience and reminding patrons of locations of free parking.
- Continue to create new methods to increase visibly and positively brand and promote Downtown businesses and community activities in *all* media.
- Continue to create additional cooperative marketing partnerships with both established and new Downtown business as opportunities arise.
- Increase community activities in District that serve the needs of and provide entertainment to Culver City residents while promoting and benefiting Downtown businesses. In addition to annual Holiday Lighting Event, utilization of Town Plaza for as many activities possible.
- Producing the Third Annual George Barris Culver City Custom Car Show in collaboration with the Exchange Club of Culver City.
- Assistance in proactive recruitment of desirable tenant businesses for our

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Downtown property owners.

DESIGN/IMPROVEMENTS

- Outdoor directory program: In partnership with the Redevelopment Agency, designing, purchasing and installing informational directories for pedestrians in key areas of the Downtown district. Establish ongoing maintenance program and annual updating of information in directories.
- Replacement of Culver Boulevard decorative tree lights in response to sunsetting of previous Agency contract.
- Continuing maintenance of previously purchased Holiday ornaments.
- Continuing to provide Holiday tree, lighting elements and garlands to annual lighting event in Town Plaza.
- Consultation and cooperation with Public Art Coordinator on Zoetrope upgrade program, Harry Culver sculpture project and other public art projects in the Downtown area.
- Coordination between City Sanitation Division and businesses on use and maintenance of new trash compactors.
- Encourage business and property owners to continue to improve facades.
- More proactive communication with City on violations of existing codes in relation to aesthetics and safety of facades and streetscape.

ADMINISTRATION

- Continue upgrading of website with greater service, information and linkage provided.
- Maintain office space for use of Executive Director, building of volunteer work force and increased visibility of DBA.
- Continue consultation with Urban Place Consultants regarding feasibility of establishment of PBID to replace current BID and to provide greater services to Downtown District through increased funding.

COMMUNITY OUTREACH

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- Coordinate between Culver City Regional Occupational Program and new businesses to facilitate hiring of Culver City youth.
- Continue to identify charitable opportunities tied to Downtown event programming to benefit local non-profit organizations.

The Downtown Business Advisory Committee adopted this report on Monday October 17, 2005 in a publicly noticed meeting. During this meeting staff had the opportunity to ask questions and discuss how the various activities could be implemented and funded without duplicating either the City/Agency or DBA's efforts.

BID Assessment in 2006

The proposed activities will primarily be funded through the assessment, which applies to Downtown businesses as follows:

Business Type (assessment per business)	2006 Assessment
<u>TYPE A</u>	
Retail (0-25,000 sq.ft.)	\$ 300
Hotel	\$ 500
Restaurant (0-300 seats)	\$ 500
Restaurant (> 300 seats)	\$1,000
Computer Graphics and Services	\$ 300
Martial Art Studios, Health Studios, Hair Salons (0-25,000 sq.ft.)	\$ 300
<u>TYPE B</u>	
Theaters	\$1 per seat
<u>TYPE C</u>	
All others not listed	\$ 100
<u>TYPE D</u>	
Financials (>7,500 sq.ft.)	\$1,000
Film Studios	\$1,000
Recording Studios	\$1,000
Retail (> 25,000 sq. ft.)	\$1,000
Utilities (> 7,500 sq.ft.)	\$1,000
Hospitals (> 20,000 sq. ft.)	\$1,000
Hospitals, Clinics (<20,000 sq. ft.)	\$500

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Martial Art Studios, Health Studios, Hair Salons (> 25,000 sq.ft.)	\$1000
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TYPE E

Commercial Rentals

< 5,000 sq. ft.	\$ 500
5,001-15,000 sq. ft.	\$ 750
15,001-25,000 sq. ft.	\$1,000
25,001-35,000 sq. ft.	\$1,250
>35,001 sq. ft.	\$1,500

FISCAL ANALYSIS:

The BID's quarterly financial statements for 2005 are attached for your information (Attachment No. 6). These financial statements describe activities undertaken and funds expended during their fiscal year.

As previously stated, funds from the 2006 BID assessment will be used for business enhancement, design and design activity and other items in accordance with the Law. During 2006, the BID anticipates assessment revenues of \$65,000 and carry-over funds in the amount of \$22,000. Previously the Agency provided the DBA with annual financial assistance in the amount of \$20,000 (to subsidize the salary of the Executive Director). However, the agreement between the Agency and DBA for this expenditure was for three years and expired this past October. The DBA will now be funding this expense.

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

ATTACHMENTS:

1. Resolution of Intention;
2. 2006 BID Work Program and Budget;
3. Internal Revenue Service tax-exempt certification;
4. DBA Certificate of General Liability Insurance;
5. Summary of 2005 4th Quarter Accounts Payable; and
6. DBA quarterly financial statements;

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MOTION:

That the City Council:

1. Approve the 2006 BID Advisory Committee's Annual Work Program and Budget as filed with the City Clerk; and
2. Approve the Resolution of Intention to set December 12, 2005, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District.