

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/13/06		Item Number: <u>A-3</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.: 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 (11/02/06); published in the Culver City News (11/02/06 & 11/09/06); Master Notification List (11/09/06).			
Department Approval: Susan Evans (11/01/2006)		City Manager Approval: Jerry B. Fulwood (11/08/2006)	
City Controller Approval: Marlee Chang (11/07/2006)			
<u>RECOMMENDATION:</u> Staff recommends the City Council (the "Council") approve the Downtown Culver City Business Improvement District ("BID") Advisory Committee's annual Work Program and Budget for 2007 (the "Report"), and adopt a Resolution of Intention to conduct a public hearing on December 11, 2006 for the continuation of the Culver City Downtown BID. <u>BACKGROUND:</u> 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 approved work program. The DBA's Tax documents, insurance and quarterly reports are attached for your information (Attachment Nos. 4, 5, 6 and 7).			

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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 2007. Upon completion of the public hearing, which has been tentatively scheduled for December 11, 2006, 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 2006, and proposed BID activities and the BID assessment in 2007.

BID Accomplishments in 2006

In 2006, the DBA used their assessments to fund the following:

2006 ACCOMPLISHMENTS

MARKETING/EVENTS

- Production of second annual Culver City Car Show in partnership with The Exchange Club.

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- Continuing expansion of Website with additional features including “Downtown Lowdown” email newsletter, expanded Calendar and personalized feature boxes with photos on Downtown businesses.
- Sponsorship of Summer Sunset Music Festival and promotional table at each concert.

DESIGN/IMPROVEMENTS

- Replacement and maintenance of Culver Boulevard decorative tree lights in response to termination of previous Agency contract.
- Replacement and refurbishment of all Holiday street ornaments.
- Meetings with Agency on implementation of Outdoor Directory project and initiation of graphic, fabrication and lighting design.

ADMINISTRATION

- Contract with Urban Place Consulting Group for services as Interim Executive Director in order to carry out day to day Administrative responsibilities.
- 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.

BID Delinquencies in 2006

During 2006, there were 123 businesses subject to the BID assessment. Of these, the assessment was collected from 101 businesses (81.81%). The total amount collected was approximately \$46,119. The remaining 22 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 2007

In October the BID Advisory Committee filed the proposed 2007 Work Program and Budget (Attachment No. 6) with the City Clerk. The Advisory Board proposes the following activities within their Work Program for 2007:

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MAINTENANCE

- Implementing a sidewalk maintenance program:
 - o Personnel to sweep litter, debris and refuse from sidewalks, alleys (paseos) and gutters of the District.
 - o Power wash sidewalks within the District on a regular schedule throughout the year.
- Graffiti and handbill removal program:
 - o Graffiti is removed by painting, using solvent and pressure washing.
 - o Paper signs and handbills will also be removed by hand or when necessary by pressure washing.
- Landscape Program:
 - o Weed Abatement in planters and sidewalks
 - o Trash and debris will be removed from planting areas
 - o Limited Plant Replacement program, plants will be replaced within limited budget.
 - o All green spaces to be watered and maintained on a regular basis.

COMMUNICATION/IMAGE

- Continuing a program of branding and promoting Downtown businesses and community activities in the media.
- Continuing to develop marketing partnerships with established and new downtown business
- Continued upgrading of website with greater services, information and linkage provided.
- Replacement and maintenance of year round Culver Blvd. decorative tree lights.
- Continuing maintenance of previously purchased Holiday ornaments

ADVOCACY & ADMINISTRATION

- Proactive communication with City on violations of existing codes in relation to aesthetics and safety of facades and streetscape.

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- Coordination between City Sanitation Division and businesses to improve current district dumpster/trash problems. Work to include increasing the quantity of dumpsters as well as improving the maintenance of trash compactors and dumpsters. Additionally, a program to provide more frequent emptying of dumpsters and trash receptacles will be developed.
- Actively 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 Culver Card, Holiday Tree Lighting and other programs deemed important to the success of downtown.
- Day to day management of maintenance and communication programs
- Interacting with the City to insure timely assessment billing and payment

The Downtown Business Advisory Committee adopted this report on Monday, October 16, 2006, 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 2007

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

<u>Business Type</u>	<u>City Business License Code</u>	<u>Annual BID Fee</u>
<u>TYPE A</u>		
Retail 1-1000 sq. ft.	036-144, 396, 399, 402	\$300
Retail 1001-2500 sq. ft.		\$500
Retail 2501-5000 sq. ft.		\$750
Retail > 5000 sq. ft.		\$1000
Hotel	456, 480	\$1500
Restaurant 0-50 seats	390, 654-690	\$1000
Restaurant 51-100 seats		\$1500
Restaurant > 100 seats		\$2000
Computer Graphics & Computer Services	152, 200	\$500
Martial Arts Studio, Health Studios, Hair Salon		
0-25,000 sq. ft.	744, 276	\$500
> 25,000 sq. ft.		\$1000

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TYPE B

Theaters	858	\$2 per seat
Live Performance	858	\$1 per seat

TYPE C

All others, not listed		\$300
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TYPE D

Banking Institutions 0-7500 sq. ft.	342	\$1000
Banking Institutions > 7500 sq. ft		\$1500
Film Studios	490, 498	\$1000
Recording Studios	554	\$1000
Utilities		\$1000
Hospitals > 20,000 sq. ft.	780	\$2000
Hospitals and Clinics < 20,000 sq. ft.		\$1000

TYPE E

Commercial Rentals	432	
< 5,000		\$1000
5,001-15,000		\$1500
15,001-25,000		\$2000
25,001-35,000		\$2500
Over 35,000		\$3000

FISCAL ANALYSIS:

The BID's quarterly financial statements for 2006 are attached for your information. These financial statements describe activities undertaken and funds expended during their fiscal year.

As previously stated, funds from the 2007 BID assessment will be used for business enhancement, design and design activity and other items in accordance with the Law. During 2007, the BID anticipates assessment revenues of \$121,367 and carry-over funds in the amount of \$5,000. The DBA now funds the salary of the Executive Director (this was previously subsidized by the Agency).

The fiscal impact to the City for the approval of the BID Annual Work Program is the cost related to staff time associated with this process.

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ATTACHMENTS:

1. Resolution of Intention;
2. 2007 BID Work Program and Budget;
3. Internal Revenue Service tax-exempt certification;
4. DBA Certificate of General Liability Insurance;
5. Summary of 2006 4th Quarter Accounts Payable; and
6. DBA quarterly financial statements.

MOTION:

That the City Council:

1. Approve the 2007 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 11, 2006, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District.