

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

Meeting Date: 11/01/10		Item Number: <u>A-1</u>	
CITY COUNCIL 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 Todd Tipton/Community Development		Phone Number: (310) 253-5752 and (310) 253-5783	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail and Telephone) Downtown Business Association (09/05/10); (E-Mail) Meetings and Agendas – City Council (10/27/10).			
Department Approval: Sol Blumenfeld (10/25/10)		City Attorney Approval: Carol Schwab (by H. Baker) (10/27/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (10/27/10)		City Manager Approval: John M. Nachbar (10/27/10)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve the Downtown Culver City Business Improvement District (BID) Advisory Committee's annual Work Program and Budget for 2011 (Report), and adopt a Resolution of Intention to conduct a public hearing on November 22, 2010, to consider the continuation of the Culver City Downtown BID (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. The BID Work Program is managed by the Downtown Business Association (DBA) in accordance with the 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 general liability insurance in an amount specified by the City Attorney's Office, and submit quarterly reports and budget			

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updates to the Community Development Director describing progress toward completing their approved work program.

In accordance with the legal process for renewing a BID, the City Council is 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 or determine to not approve the Report.

At the conclusion of the public meeting, the City Council is requested to adopt a Resolution of Intention to conduct a public hearing if the BID is to be continued for 2011. Upon completion of the public hearing, which has been tentatively scheduled for November 22, 2010, the City Council is requested to consider a final resolution to formally continue the BID. The public will be notified of the public hearing in accordance with state law.

DISCUSSION:

Accomplishments 2010

The BID accomplished a great deal in 2010. The accomplishments (attached) are extensive and relate to maintenance, communication and image, and advocacy and administration.

BID Assessments 2010

During 2010, there were 136 businesses subject to the BID assessment. Of these, the assessment was collected from 120 businesses (88%). The total amount collected was approximately \$154,518. The remaining 16 businesses owe part or all of their assessment(s). If payment is not received after a delinquent notice, the BID Advisory Committee has the option to enact further collection efforts pursuant to the Management Agreement.

BID Activities Planned for 2011

In October, the BID Advisory Committee filed the attached 2011 Work Program and Budget with the City Clerk. The Advisory Board proposes to continue its activities related to maintenance, communication and image, and advocacy and administration.

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BID Assessments 2011

The proposed activities will be funded primarily through the assessment, which applies to certain downtown businesses (attached). 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 the BID boundaries is included as Exhibit "A" to the proposed resolution. The Advisory Board recommends no increase in assessment rates for 2011 and that the assessment schedule remain unchanged. The assessment rates are attached for reference.

The BID activities and estimated costs for the coming year are set forth in Exhibit "C" to the proposed resolution (*Proposed 2011 Work Program Budget*). All funds collected are used for BID activities to enhance the business community within the BID area, attract new investment, and improve the quality of life for all downtown users.

Notes:

1. Business owners with multiple business licenses/operations at the same address will be assessed only the single highest applicable rate.
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.
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 2010 are attached for reference. These financial statements denote activities undertaken and funds expended during the DBA's 2010 fiscal year. As previously stated, funds from the 2011 BID assessment are proposed to be used for business enhancement, marketing and promotional activity and other items in accordance with Law. During 2011, the BID anticipates assessment revenues of \$164,000 and carry-over funds in the amount of \$29,640. The DBA funds the entire salary of the Executive Director.

There is no fiscal impact to the City for the approval of the BID Annual Work Program or resolution of intention to conduct a public hearing for the continuation of the BID for 2011.

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ATTACHMENTS:

1. Resolution of Intention, including BID Boundary Map (Exhibit "A"), Proposed Assessment Schedule (Exhibit "B"), and 2011 BID Work Program and Budget (Exhibit "C").
2. BID accomplishments during 2010.

MOTION:

That the City Council:

1. Approve the 2011 BID Advisory Committee's Annual Work Program and Budget as filed with the City Clerk; and,
2. Adopt a Resolution of Intention setting November 22, 2010, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District.