

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/14/07		Item Number: <u>A-1</u>	
AGENDA ITEM: Approval of the Downtown Culver City Business Improvement District Advisory Committee's Annual Work Program and Budget; and Adoption of a Resolution of Intention to Conduct a Public Hearing on December 10, 2007 to Consider 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 (11/02/07); published in the Culver City News (10/25/07 & 11/01/07); Master Notification List (11/07/07).			
Department Approval: Sol Blumenfeld (10/31/07)		City Attorney Approval: Carol Schwab (by H. Iker) (11/06/07)	
Fiscal Impact Review: Marlee Chang (11/07/07)		City Manager Approval: Jerry B. Fulwood (11/08/07)	

RECOMMENDATION:

Staff recommends the City Council approve the Downtown Culver City Business Improvement District (the "BID") Advisory Committee's annual Work Program and Budget for 2008 (the "Report"), and adopt a Resolution of Intention to conduct a public hearing on December 10, 2007 for the continuation of the Culver City Downtown BID.

BACKGROUND:

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 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 (Attachment Nos. 4, 5, 6 and 7).

City of Culver City, California
City Council Agenda Item Report

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 2008. Upon completion of the public hearing, which has been tentatively scheduled for December 10, 2007, 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:

BID Accomplishments in 2007

Maintenance

- Implementation of a sidewalk maintenance program and formation of the DBA Clean Team to provide the following services: sweep litter, debris and refuse from sidewalks, alleys (paseos) and gutters of the District. Power washing of sidewalks within the District on a regular schedule throughout the year.
- Implementation of a landscape program that includes weed abatement in planters and sidewalks; trash and debris removed from planting areas.
- Established a "Public Space Management Committee" of the Board of Directors to monitor maintenance issues related to downtown.

City of Culver City, California
City Council Agenda Item Report

- Coordination with City Sanitation Division and businesses to improve the district dumpster/trash issue. Worked to include increases in the quantity of dumpsters as well as improved maintenance of trash compactors and dumpsters.
- Coordination with City to develop additional funding to increase the maintenance and landscape efforts in downtown.

Communication/Image

- Established a “Communication and Image Committee” of the Board of Directors to develop programs for promoting Downtown businesses and marketing partnerships with established and new downtown businesses.
- Continued expansion of Website with features including “Downtown Lowdown” email newsletter, expanded Calendar, and personalized feature boxes with photos on Downtown businesses.
- Partnered with City to replace downtown twinkle lights with new “green” LED lights in 110 trees downtown.
- Worked with the City to establish a holiday program and sought out sponsorships from downtown stakeholders for the holiday program.

Advocacy & Administration

- Contracted with Urban Place Consulting Group for services as Executive Director in order to carry out day-to-day Administrative responsibilities.
- Expedited communication with the City regarding violations of existing codes in relation to aesthetics and safety of the downtown district.
- Enhanced day-to-day management of maintenance and communication programs.
- Improved interaction with City to ensure timely assessment billing and payment.

BID Assessment in 2007

During 2007, there were 135 businesses subject to the BID assessment. Of these, the assessment was collected from 123 businesses (91%). The total amount collected was approximately \$110,980. The remaining 12 businesses owe part or all of their assessment(s). If payment is not received after a final notice, a claim will be forwarded from the City Treasurer’s Office to the City Attorney’s Office for consideration of taking further legal action.

BID Proposed Activities in 2008

City of Culver City, California
City Council Agenda Item Report

In October the BID Advisory Committee filed the proposed 2008 Work Program and Budget (Attachment No. 6) with the City Clerk. The Advisory Board proposes the following activities within their Work Program for 2008:

Maintenance

- Continuing the current sidewalk maintenance program/DBA Clean Team:
 - Personnel to sweep litter, debris and refuse from sidewalks, alleys (paseos) and gutters of the District.
 - Power wash sidewalks within the District on a regular schedule throughout the year.
 - DBA Clean Team on streets daily, 4 hours a day
- Landscape Program:
 - Weed Abatement in planters and sidewalks.
 - Trash and debris will be removed from planting areas.
- Graffiti reporting:
 - Graffiti is logged and reported to City on a weekly basis.
 - Paper signs and handbills will be removed.

Communication/Image

- Continuing to develop marketing partnerships with established and new downtown businesses.
- Continued upgrading of website with greater services, information and linkage provided.
- Continued distribution of the Downtown Lowdown, monthly e-newsletter.
- Year-round maintenance of Culver Blvd. decorative tree lights.
- Continued work with the City of Culver City and the downtown business community to create a festive holiday atmosphere for downtown.

Advocacy & Administration

- Proactive communication with City on violations of existing codes in relation to aesthetics and safety of facades and streetscape.
- Continued coordination between City Sanitation Division and businesses to improve the district dumpster/trash issue. Work to include increasing the quantity of dumpsters as well as improving the maintenance of trash compactors and dumpsters.
- Actively working with the City to develop additional funding to increase the maintenance and landscape efforts in downtown.

City of Culver City, California
City Council Agenda Item Report

- Fundraising effort will be explored to continue programs such as the Holiday Tree Lighting and other programs deemed important to the success of downtown
- Day-to-day management of maintenance and communication programs.
- Continued Interaction with the City to insure timely assessment billing and payment.

The Downtown Business Advisory Committee adopted this report on Monday, October 31, 2007, 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 2008

The proposed activities will primarily be funded through the assessment, which applies to Downtown businesses at the rates shown below. The Advisory Board recommends one minor change to the assessment rates. Bars and restaurants will be assessed based on **total number of seats**, including both **indoor and outdoor** seating. All other rates and classifications are to remain the same as 2007.

Business Type	City Business License Code	Annual BID Fee
<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.		\$1,000
Hotel	456, 480	\$1,500
Bar/Restaurant: Total Seats, both Indoor & Outdoor:	390, 654-690	
0-50 seats		\$1,000
51-100 seats		\$1,500
> 100 seats		\$2,000
Computer Graphics & Computer Services	152, 200	\$ 500
Martial Arts Studio, Health Studios, Hair Salon	744, 276	
0-25,000 sq. ft.		\$ 500
> 25,000 sq. ft.		\$1,000
<u>TYPE B</u>		
Theaters	858	\$2/seat
Live Performance	858	\$1/seat

City of Culver City, California
City Council Agenda Item Report

TYPE C

All others, not listed		\$ 300
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TYPE D

Banking Institutions 0-7500 sq. ft.	342	\$1,000
Banking Institutions > 7500 sq. ft.		\$1,500
Film Studios	490, 498	\$1,000
Recording Studios	554	\$1,000
Utilities		\$1,000
Hospitals > 20,000 sq. ft.	780	\$2,000
Hospitals and Clinics < 20,000 sq. ft.		\$1,000

TYPE E

Commercial Rentals	432	
< 5,000		\$1,000
5,001-15,000		\$1,500
15,001-25,000		\$2,000
25,001-35,000		\$2,500
Over 35,000		\$3,000

FISCAL ANALYSIS:

The BID's quarterly financial statements for 2007 are attached for the City Council's information. These financial statements describe activities undertaken and funds expended during the BID's fiscal year.

As previously stated, funds from the 2008 BID assessment will be used for business enhancement, design and design activity and other items in accordance with the Law. During 2008, the BID anticipates assessment revenues of \$115,000 and carry-over funds in the amount of \$25,671. The DBA now funds the salary of the Executive Director of the DBA (this was previously subsidized by the Agency).

There is no additional cost to the City for the approval of the BID Annual Work Program.

ATTACHMENTS:

1. Resolution of Intention;
2. 2008 BID Work Program and Budget;
3. Internal Revenue Service tax-exempt certification;
4. DBA Certificate of General Liability Insurance;

City of Culver City, California
City Council Agenda Item Report

5. Summary of 2007 4th Quarter Accounts Payable; and
6. DBA quarterly financial statements;

MOTION:

That the City Council:

1. Approve the 2008 BID Advisory Committee's Annual Work Program and Budget as filed with the City Clerk; and
2. Adopt the Resolution of Intention to set December 10, 2007, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District.