

Agenda Date: 1/16/2018

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, Acting City Manager

FROM:

Steve S. Charelian, Acting Finance Director

SUBJECT:

Resolution of Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 20, 2018 for a Public Hearing (Acting Finance Director Charelian).

ADOPT RESOLUTION NO. 18-0005

RECOMMENDATION:

The North Manhattan Beach Business Improvement District (North MB BID) Advisory Board and City staff recommend that the City Council adopt Resolution No. 18-0015 announcing the City's intention to renew and to set assessments for the North MB BID for 2018, and set the public hearing for February 20, 2018.

FISCAL IMPLICATION:

There is no budgetary or other financial implication associated with the adoption of the Resolution of Intention.

BACKGROUND:

From 1969 to 2004, a North Manhattan Beach Business Improvement District existed (then called North End BID) for commercial properties located along the northern portion of Highland Avenue and a few businesses located along Rosecrans Avenue just east of Highland. This Business Improvement District, formed under the Parking and Business Improvement District Law of 1965, was fairly limited in scope and was used mainly to address parking acquisition and construction.

In December 2004, Council approved revamping the North MB BID because it was apparent that opportunities for increased parking were limited. Business owners in this area were interested in using the accumulated funds (then totaling around \$300,000) for promotional

purposes, and to create an identity for North Manhattan Beach. As a result, this BID was dissolved to form a new BID pursuant to the Parking And Business Improvement Area Law of 1989 (Streets and Highway Code 36500), which permits funds to be used for broad purposes such as marketing, promotions, capital improvements and special events. Districts and the associated assessments were also required to be renewed annually.

At its meeting on February 20, 2018, the City Council will hold a public hearing to consider the request from the North MB BID's Advisory Board to renew the district and levy the associated assessments (80% surcharge on business license fees to a maximum of \$500).

DISCUSSION:

The purpose of the Resolution is to announce the City's intention to renew the BID, establish the method of assessment, outline the activities and services to be funded by the assessment, and to set the date for a formal public hearing. The funding for the BID is established through an 80% surcharge on the business license tax, not-to-exceed \$500 for any individual business.

On January 8, 2018, the BID's Advisory Board met to discuss the proposed projects and activity plan, along with the associated budget for the coming year. At that time, the Advisory Board approved the project and activity plan (Attachment 2), reviewed the budgetary material and now requests that the City Council consider adopting the Resolution of Intention (Attachment 1).

The BID has used its funds in recent years to beautify and upkeep the area. These activities include all of the following: maintaining curb extensions with landscaping and irrigation at certain intersections, installing three directories with area maps, enhanced crosswalk treatments unique to the area, power sidewalk washing, purchase of aluminum branding signs, planting of sidewalk trees, installation of an entry monument on Rosecrans Avenue. The BID also provides for several community events during the year, which includes an art walk and winter walk-about stroll. The BID currently has reserves around \$500,000.

The BID has elected an Advisory Board for 2018 which will be presented for Council ratification at the February 20th Council meeting. The full roster of board members-elect are as follows:

- James McCleary, Sea View Inn (Chairperson)
- Harry Ashikian, Salvatore's Shoe Repair (Vice Chairperson)
- Janice Davenport, Pancho's Restaurant (Recording Secretary)
- Peter Kim, Sloopy's
- Anthony Sulaiman, Baja Sharkeez
- Megan Richardson, Sand Spa
- Gretchen Tiernan, Polish Nail Salon

Mayor Pro Tem Napolitano currently serves as the BID's Council representative, with Councilmember Lesser as the alternate.

If adopted by the City Council, this Resolution of Intention will be circulated to all business owners within the BID as notification of the public hearing on February 20, 2018. In addition, a notice advertising the public hearing will be placed in *The Beach Reporter*. At the public

hearing, all proponents and opponents of the proposed Business Improvement District will have an opportunity to present information to the City Council.

CONCLUSION:

The North Manhattan Beach Business Improvement District Advisory Board and City staff recommend that the City Council adopt Resolution No. 18-0005 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District for 2018, and setting the public hearing for February 20, 2018.

Attachments:

1. Resolution No. 18-0005
2. Annual Budget and Activity Plan 2018

RESOLUTION NO. 18-0005

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL DECLARING ITS INTENTION TO PROVIDE FOR ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO CALIFORNIA STREETS & HIGHWAYS CODE SECTION 36500, AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON

WHEREAS, the Manhattan Beach City Council formed a Parking and Business Improvement District in North Manhattan Beach, pursuant to California Streets and Highways Code Section 36500 *et. seq.*;

WHEREAS, the North Manhattan Beach Business Improvement District Advisory Board met on January 8, 2018 and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2018; and

WHEREAS, the City Council desires to continue the assessment on businesses within the Parking & Business Improvement District to allow the business owners within the District to utilize the funds for a range of services and activities that will promote and enhance North Manhattan Beach.

NOW, THEREFORE, THE MANHATTAN BEACH CITY COUNCIL DOES HEREBY RESOLVE, DECLARE, FIND, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Parking and Business Improvement District is known as the North Manhattan Beach Business Improvement District (hereinafter referred to as the "District").

SECTION 3. The District's physical boundaries include all operating businesses along Highland Avenue from 45th Street to the North and to 32nd Place to the South and along Rosecrans Avenue from Highland Avenue to the West to the 500 block of Rosecrans to the East. A map identifying the specific, legal boundary for the District is available for review in the Finance Director's Office.

SECTION 4. All businesses, with the exception of home based businesses, commercial property owners who rent/lease to licensed businesses, and residential rental units, within the boundaries of said District as described herein are subject to the provisions of the additional assessment which will be levied annually to pay for all improvements and activities within the District.

SECTION 5. The assessment methodology for funding the services and activities of the District shall be a surcharge of 80% on the business license tax, not to exceed \$500.00 per business license.

SECTION 6. The funds generated by the business license surcharge shall be used for the following purposes:

- Parking and Transportation
- Marketing and Promotions
- Special Events
- Capital Improvements
- Management Services

SECTION 7. The City Council will convene a public hearing regarding the levying of assessments by the District on February 20, 2018 at 6:00 p.m., City Council Chambers, 1400 Highland Avenue, Manhattan Beach, to consider testimony of all interested parties for or against the levying of assessments by the District, the extent of the District, and the activities and services which shall be provided through the District.

SECTION 8. This Resolution shall be provided to each business owner within the District seven days of the date of adoption by the City Council.

SECTION 9. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED January 20, 2018.

- Ayes:
- Noes:
- Absent:
- Abstain:

Amy Howorth
Mayor

ATTEST:

Liza Tamura
City Clerk

**NORTH MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT
(NORTH MB BID)**

Annual Budget and Activity Plan
2018

- Location: The general area surrounding the Rosecrans Avenue and Highland Avenue intersection. Specific boundaries are:
- (North to South) the extent of the Highland Avenue Right-Of-Way from the northernmost City line at 45th Street to 32nd Place on the south.
 - (East to West) the extent of Rosecrans Avenue Right-Of-Way from Bell Avenue to the west side of Highland Avenue.
- Stakeholders: North Manhattan Beach Businesses – All business license holders in the North Manhattan Beach area, with the exception of home-based businesses, residential rental units and commercial property owners.
- Improvements and Activities:
- A. Capital Improvement Project Design
 - B. Marketing & Advertising
 - C. Project Implementation
 - D. Professional Communications
- Method of Financing: Benefit-based assessments on City Business License Tax.
- Assessment: An 80% surcharge on the City Business License Tax not to exceed \$500.00.
- Collection: The fees are collected in March/April of each year with the Business License Tax. The funds shall be retained in a designated fund and disbursed through the City.
- Governance: A City Council-ratified Advisory Board serves to make recommendations to the City Council for the North Manhattan Business Improvement District (BID) on such topics as budget and assessments. The Advisory Board consists of seven (7) members composed of area business owners, residents, or members at large. The City Council ratifies the board members annually. It is anticipated that the Advisory Board will meet at least once per month, on the 1st Wednesday at 6:00 PM.
- In delivering BID improvements and activities, the Advisory Board will strive to meet the following objectives:
- Maximize coordination with the City and other civic organizations to leverage resources.

- Identify streetscape, landscape and other improvements, and create an identity plan for North Manhattan Beach.
- Provide accountability to business owners who pay assessments.

Maintaining the District:

The City Council maintains the district by adopting a Resolution of Intention. A Public Hearing shall be held after the adoption of the Resolution of Intention. If there is insufficient protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

Benefits of the District:

The BID allows for streetscape, signage and landscape improvements, and the creation of a North Manhattan Beach identity through integrated marketing efforts such as promotions, branding and advertising.

The BID shall provide key promotional and organizational support through a variety of functions that directly benefit its ratepayers as well as the City; such as:

- Enhancing the appearance of North Manhattan Beach through signage, landscaping, etc..
- Establishing and implementing a North Manhattan vision, and a beautification image that is in line with the rest of Manhattan Beach and reflects the good health and economic vitality of the entire City; making the City an attractive venue for business.
- Providing an inclusive link to the north end of the City.

ENHANCEMENT PROJECT AND ACTIVITY PLAN

The BID work plan for 2018 includes the following items:

- Continue using the website for North MB BID visitor outreach and marketing. Maintain and enhance the current website and social media through Facebook, Twitter etc..
- Collect data from North MB BID website survey, and collect updated e-mails from each business within the North MB BID. Evaluate e-notification opportunities on North MB BID website (www.northmb.info).

ENHANCEMENT PROJECT AND ACTIVITY PLAN

(Continued)

- Explore possibility of installing security cameras in North Manhattan Beach in partnership with the City of Manhattan Beach.
- Review possibilities of seasonal yearly street light decorations.
- Explore new events such as: Wellness/Healing, Summer Stroll and Art Walk.
- Review the side walk power washing protocol.
- Continue efforts to promote Holiday Winter Walkabout event. Review holiday lighting/decoration strategies and partnerships.
- Look for opportunities to enhance participation by North MB BID businesses.
- Explore opportunities to create additional marketing for North MB BID events.
- Review feasible options to develop a North MB BID master plan.
- Landscaping, lighting and tree enchantments with grates.
- Branding logo graphics replacements on the cross walks (Rosecrans & Highland).
- Review the possibilities of new enhanced directories (digital).
- Look to expand parking opportunities to accommodate visitors to the North MB BID.
- Lighted crosswalk in conjunction with and according to the specification of the City of Manhattan Beach Mobility Plan (between 34th, 35th and 36th Streets).
- Revisit updating the aluminum pole signs for North MB BID, branded with the red surfer logo.

BUDGETARY INFORMATION:

North Manhattan Beach Business Improvement District Reserves/Budget		
2016 Actuals		
Beginning Reserve Balance July 1, 2015		\$ 549,701.58
Revenues		27,319.87
Interest		5,433.49
Expenditures		(40,591.52)
Ending Reserve Balances as of June 30, 2015		\$ 541,863.42
2017 Actuals		
Beginning Reserve Balance July 1, 2016		\$ 541,863.42
Revenues		28,609.15
Interest		6,654.97
Expenditures		(24,861.15)
Ending Reserve Balance as of June 30, 2017		\$ 552,266.39
2018 Budget		
Beginning Reserve Balance July 1, 2017		\$ 552,266.39
Budgeted Revenues (1)		29,000.00
Estimated Interest		4,000.00
Approved appropriations - CIP Carry Forward from Prior Years (2)		(50,871.00)
Projected Ending Reserve Balance as of June 30, 2018 (3)		\$ 534,395.39
<i>(1) Budgeted Revenues are projected based on business license tax assessments not to exceed \$500 annually per business.</i>		
<i>(2) Approved appropriations consist of the balance from the original \$370,000 CIP amount budgeted in FY 2006-2007 to beautify and maintain North Manhattan Beach including: directories, monuments, tree trimming, power washing, sidewalk improvements, etc.</i>		
<i>(3) The Projected Ending Reserve Balance is based on actual reserves at the beginning of the fiscal year adjusted for projected revenues and funds remaining in the CIP carried over from previous years.</i>		