



Agenda Date: 9/15/2020

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Cynthia Mickschl, Revenue Services Manager

SUBJECT:

Conduct Public Hearing for Consideration of Adopting Resolutions Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2020-2021 Including Authorization to Collect Assessments; Ratification of the District Advisory Board; Authorization to Enter Into an Agreement with the Downtown Manhattan Beach Business and Professional Association; and Authorization to Disburse Assessments Collected through August 31, 2020 (Finance Director Charelian).

- a) **CONDUCT PUBLIC HEARING**
 - b) **ADOPT RESOLUTION NOS. 20-0106 AND 20-0107**
 - c) **RATIFY BOARD**
-

RECOMMENDATION:

The Downtown Business Improvement District Advisory Board and City staff recommend that the City Council: a) conduct a public hearing; b) adopt Resolution No. 20-0106 authorizing the collection of assessments; c) ratify the nominees for the Fiscal Year (FY) 2020-2021 Downtown Business Improvement District (BID) Advisory Board; d) adopt Resolution No. 20-0107 authorizing the City Manager and BID Advisory Board Chairperson to enter into an agreement with the Downtown Manhattan Beach Business & Professional Association (DMBBPA) to provide services to the Business Improvement District; and e) authorize the disbursement of assessments collected through August 31, 2020, for FY 2019-2020 licensing year (approximately \$90,000).

FISCAL IMPLICATIONS:

The Downtown Business Improvement District is funded through an 80% surcharge on the annual business license tax for its members, up to a maximum of \$600 per business. The assessment is typically collected during the annual tax filing period that begins March 1 and

continues through April 30. Late filings and payments received through the end of the fiscal year (June 30) are also included in the disbursement to the DMBBPA in September.

Due to the impacts of the COVID-19 pandemic, including the City Council directed deferment for Business License tax filing and payment to August 31, the amount collected for the district assessment of approximately \$90,000 is less than prior years which have averaged around \$106,000 (*three-year average*).

The attached FY 2020-2021 proposed operating budget for the DMBBPA includes a factored reduction in assessment revenue and other items such as Farmer's Market and Special Events. It conservatively projects revenues of \$229,769 and anticipate expenses of approximately \$269,529.

BACKGROUND:

In 1996, during the downtown strategic planning process, the creation of a new business improvement district area was identified as a desired project. At that time, there was an existing Business Improvement District in place, pursuant to the Parking and Business Improvement Area Law of 1965, that could use its funds only for "the acquisition and construction of additional parking facilities" per Ordinance No. 1173.

There was a desire on the part of the downtown business owners to create a more flexible Business Improvement District so that the funds could be used for additional purposes as defined by the business owners. Therefore, downtown businesses requested that the City assist with the creation of a new Business Improvement District pursuant to the Parking and Business Improvement Area Law of 1989 (Streets and Highways Code Section 36500). In October 1998, the City Council adopted Ordinance No. 1989 which created a Business Improvement District under this law.

DISCUSSION:

The Downtown Business Improvement District and the associated business license tax assessment must be renewed annually. As required by law, the City Council adopted a resolution of intention at its' August 18, 2020, meeting, setting September 15, 2020, as the public hearing date to hear testimony regarding the proposed assessment and district renewal. The resolution of intention was mailed to all business district members and was published in The Beach Reporter establishing the required noticing of tonight's public hearing. If adopted, the resolution will become effective immediately and will set the assessment as an 80% surcharge on the business license tax for business members in the district, up to a maximum of \$600 per licensing year.

An additional requirement of the Business Improvement District is the establishment of an Advisory Board. Attached is a list of the FY 2020-2021 elected Advisory Board. State law requires that the City Council ratify the Advisory Board.

A primary role of the Business Improvement District Advisory Board is to review and approve the operating plan for the District. The attached plan contains all information relative to projected revenues and expenses, and it also outlines the services and programs to be funded by the Business Improvement District. This year, the operating plan identifies the following

programs for FY 2020-2021:

1. Parking, Transportation, & Community Programs
2. Marketing & Advertising
3. Promotions & Special Events
4. Professional Management & Communications

The District contracts with the DMBBPA to provide these services and implement the various programs identified in the operating plan. This relationship has been successful with programs such as the Farmers Market, Holiday Open House, advertising campaigns (newspapers, banners and television ads), and sidewalk sales. The DMBBPA has retained the services of an Executive Director, Jill Lamkin, to provide management support.

It is recommended that the City Council authorize the City Manager and the Chairperson of the Advisory Board (Mike Simms) to enter into an agreement (Attachment) with the DMBBPA to provide the services to the District for FY 2020-2021.

1. If the City Council performs the following actions tonight, the Business Improvement District and associated assessment will remain in place for FY 2020-2021 Conduct a public hearing
2. Adopt Resolution 20-0106 authorizing the collection of assessments;
3. Ratify the FY 2020-2021 Business Improvement District Advisory Board;
4. Adopt Resolution No. 20-0107 authorizing the City Manager and Chairperson of the Business Improvement District Advisory Board (Mike Simms) to enter into an agreement with the Downtown Manhattan Beach Business & Professional Association to provide the services and implement the programs identified in the Downtown Manhattan Beach Business Improvement District Business Improvement & Activity Plan - July 2020
5. Authorize the disbursement of funds collected for the Business Improvement District through August 31, 2020 (approximately \$90,000).

PUBLIC OUTREACH:

This public hearing has been properly noticed in accordance with State law. The resolution of intention was circulated to all downtown businesses and was published in The Beach Reporter.

ENVIRONMENTAL REVIEW:

The recommended action is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(3) in that it has no potential for causing a significant impact to the environment.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 20-0106
2. Resolution No. 20-0107

3. Agreement - DMBBPA (2020-2021)
4. BID Advisory Board of Directors to be Ratified (FY 2020-2021)
5. Business Improvement Budget & Activity Plan (July 2020)

RESOLUTION NO. 20-0106

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL
OVERRULING PROTESTS AND PROVIDING FOR THE ANNUAL LEVY
AND COLLECTION OF ASSESSMENTS FOR THE EXISTING
DOWNTOWN MANHATTAN BEACH BUSINESS IMPROVEMENT
DISTRICT, PURSUANT TO CALIFORNIA STREETS AND HIGHWAYS
CODE SECTION 36500 ET. SEQ. (THE PARKING & BUSINESS
IMPROVEMENT LAW OF 1989)

THE MANHATTAN BEACH CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby makes the following findings:

A. The City Council has previously formed a Property & Business Improvement District pursuant to the provisions of Section 36500 *et seq.* of the California Streets and Highways Code, the Parking & Business Improvement Law of 1989 (the "Act"), for providing services to the businesses within the area designated as the Downtown Manhattan Beach Business Improvement District (hereinafter referred to as the "District").

B. August 18, 2019, the City Council adopted Resolution 20-0095 declaring its intention to authorize the collection of assessments to provide services in accordance with the 2020 Downtown Manhattan Beach Property & Business Improvement District Plan for the period beginning July 1, 2020, and ending June 30, 2021 (the "Report"), with the services to be performed within the District. Resolution 20-0095 fixed the time and place for a hearing of any and all protests in relation to the proposed assessment for September 15, 2020.

C. Evidence has been received as to the publication and mailing of notice of the hearing in the time, form and manner required by law.

D. This Resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(3) in that it has no potential for causing a significant impact to the environment.

SECTION 2. Following notice duly given pursuant to law, the City Council has held a full and fair public hearing regarding the levy and collection of an assessment against businesses within the District for Fiscal Year 2020-2021. At the public hearing, the testimony of all interested persons regarding the levy of an assessment against businesses within the District for Fiscal Year 2020-2021 was heard and considered. The City Council hereby determines that there was no majority protest within the meaning of the Act.

SECTION 3. Based upon its review of the Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, and other reports and information presented to the City, the City Council hereby finds and determines that (i) the businesses within the District will be benefitted by the expenditure of funds raised by the assessment, (ii) the District includes all of the

businesses so benefitted and that all other businesses located outside of the District will not be charged or assessed as they will derive only, at most, an indirect benefit from the program activities, and (iii) the net amount of the assessment levied within the District for the 2020-2021 Fiscal Year in accordance with the Report is apportioned by a formula and method which fairly distributes the net amount in proportion to the estimated benefits to be received by each such business.

SECTION 4. The City Council hereby confirms the Report as filed.

SECTION 5. The adoption of this Resolution constitutes the levy of an assessment for Fiscal Year 2020-2021.

SECTION 6. This Resolution shall take effect immediately upon adoption.

SECTION 7. The City Clerk shall certify to the passage and adoption of this Resolution.

ADOPTED this September 15, 2020

Ayes:
Noes:
Abstain:
Absent:

RICHARD MONTGOMERY
Mayor

ATTEST:

LIZA TAMURA
City Clerk

RESOLUTION NO. 20-0107

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING AN AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND THE DOWNTOWN MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT AND THE DOWNTOWN MANHATTAN BEACH BUSINESS AND PROFESSIONAL ASSOCIATION

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves the Agreement between the City and the Downtown Manhattan Beach Business Improvement District and the Downtown Manhattan Beach Business and Professional Association dated July 1, 2020 through June 30, 2021.

SECTION 2. The Council hereby directs the City Manager to execute the Agreement on behalf of the City.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on September 15, 2020.

AYES:
NOES:
ABSENT:
ABSTAIN:

RICHARD MONTGOMERY
Mayor

ATTEST:

LIZA TAMURA
City Clerk

AGREEMENT BETWEEN THE DOWNTOWN MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT, THE CITY OF MANHATTAN
BEACH, AND THE DOWNTOWN MANHATTAN BEACH BUSINESS &
PROFESSIONAL ASSOCIATION FOR PROFESSIONAL SERVICES

This agreement is entered into on this 15th day of September, 2020, by and between the Downtown Manhattan Beach Business Improvement District (“DISTRICT”), the City of Manhattan Beach (“CITY”), and the Downtown Manhattan Beach Business & Professional Association (“ASSOCIATION”) (collectively, the “Parties”).

RECITALS

- A. The City Council of the City of Manhattan Beach established a Business Improvement Area known as the Downtown Manhattan Beach Business Improvement District pursuant to Section 36500 et seq. of the California Streets and Highway Code (“Act”), by and through the adoption of Ordinance No. 1989 on October 6, 1998. That Ordinance authorized the levy of a special assessment to support improvements within the DISTRICT.
- B. On September 15, 2020, the City Council adopted Resolution No. 20-0106 overriding protests and providing for the collection of assessments within the DISTRICT for improvements and activities to be conducted during Fiscal Year 2020-2021.
- C. Pursuant to the Ordinance, assessments have been levied by the CITY upon the various businesses located within the DISTRICT.
- D. Said assessments are collected by the CITY and shall be used only for the benefit of the DISTRICT.
- E. The funds collected pursuant to the assessment shall be used to provide the services identified in the Downtown Manhattan Beach Business & Professional Association’s “Business Improvement & Activity Plan,” July 2020 attached hereto as Attachment “1” and incorporated herein.
- F. Due to the COVID-19 pandemic, the Parties have been delayed in preparing and executing this Agreement.

NOW, THEREFORE, in consideration of the recitals, mutual promises, covenants, representations and agreement set forth below, the Parties hereby promise, covenant, agree and represent as follows:

Section 1. TERM OF AGREEMENT

- 1.1 The term of this Agreement shall be from July 1, 2020 through June 30, 2021.

Section 2. ASSOCIATION RESPONSIBILITIES.

- 2.1 The ASSOCIATION or an agent of the ASSOCIATION shall render professional services and shall cooperate with the DISTRICT to provide work program coordination consisting of program development and implementation, program administration, and financial reports.
- 2.2 The ASSOCIATION shall submit to the DISTRICT program plans and reports, including the following:

Proposed Program Report

A program plan detailing services to be provided and operational/program budgets for each fiscal year. The report shall be submitted 30 days prior to the end of each fiscal year outlining the plans, goals and budgets for the ensuing fiscal year. The report shall include all documentation as required by Section 36533 of the Act, as well as all other pertinent provisions of the Act.

Quarterly Reports

The ASSOCIATION shall provide the CITY with updated quarterly reports outlining revenue and expenditures for the quarter. These reports shall be submitted to, and reviewed by, the Chairperson of the Downtown Manhattan Beach Advisory Committee & the CITY.

End of Year Report

The ASSOCIATION has submitted to the CITY a complete end-of-year report which includes the following:

- A) A full disclosure financial statement including supporting documentation of all expenditures covering the period from July 1, 2019 to June 30, 2020.
 - B) A statement by the President of the Downtown Manhattan Beach Business & Professional Association certifying that staff time expended and payment requested was for services performed in accordance with the provisions of this Agreement.
- 2.3 The ASSOCIATION shall administer the entire program in a prudent manner, within the parameters of the work program and budget approved by the City Council through the adoption of Resolution No. 20-0095, a Resolution of Intention, on August 18, 2020. The ASSOCIATION assumes full responsibility for contracting support services as required, and paying for all such direct out-of-pocket expenses as may be necessary for the timely completion of work. Obligations or expenditures for items not budgeted shall not be paid through assessments collected by the DISTRICT.
 - 2.4 The Chairperson of the Downtown Manhattan Beach Business Improvement District Advisory Committee or his or her designee shall have the authority to make reasonable

budget and program adjustments, not to exceed 15 percent of the total budget, between the program elements as necessary, and as limited by the total annual budget for the DISTRICT. Any budgetary changes in excess of 15 percent must be reviewed and approved by the entirety of the Downtown Manhattan Beach Business Improvement District Advisory Committee.

For fiscal year 2020-2021 the program elements shall include:

- A. Parking, Transportation & Community Programs
 - B. Marketing & Advertising
 - C. Promotions & Special Events
 - D. Professional Management & Communications
- 2.5 The disbursement of funds to the ASSOCIATION does not constitute approval by the CITY for any individual project or program that requires City Council and/or Planning Commission approval, requires use of CITY property or requires appropriate permits/approval from the CITY or any other governmental agency.
- 2.6 The Advisory Board of the DISTRICT shall be responsible for preparation of a Resolution of Intent to continue the establishment of the Business Improvement District and the levying of assessments for the next fiscal year. The Advisory Board shall participate in the public hearing process and make any recommendations to modify boundaries, benefit zones, methodology and activities.

Section 3. CITY RESPONSIBILITIES.

- 3.1 The CITY shall be responsible for collection of assessments, for effecting the collection of delinquent assessments, and for authorizing the disbursement of funds collected by the CITY, on behalf of the DISTRICT, to the ASSOCIATION.
- 3.2 The CITY shall review the ASSOCIATION'S quarterly progress reports and end-of-year financial report.

Section 4. DISBURSEMENTS.

- 4.1 Upon the execution of this Agreement, the DISTRICT shall disburse monies from the Downtown Business Improvement District assessments to the ASSOCIATION, as approved by the City Council on September 15, 2020.

Section 5. NOTICES.

- 5.1 Notice to the parties shall, unless otherwise requested in writing, be sent to:

DISTRICT: Chair, Downtown Manhattan Beach Business Improvement
District Advisory Committee
Attn: Mr. Mike Zislis
321 12th St., Suite 112
Manhattan Beach, CA 90266

CITY: City of Manhattan Beach
Attn: Steve S. Charelian, Finance Director
1400 Highland Avenue
Manhattan Beach, CA 90266

With one copy to: City of Manhattan Beach
Attn: City Manager
1400 Highland Avenue
Manhattan Beach, CA 90266

ASSOCIATION: Downtown Manhattan Beach Business & Professional Assoc.
Attn: Jill Lamkin
PO Box 3298
Manhattan Beach, CA 90266

Section 6. CONFLICT OF INTEREST

6.1 For the duration of this Agreement, the DISTRICT or its employees will not act as consultant or perform services of any kind for any person or entity in regard to the CITY without the prior written consent of the CITY.

Section 7. COST RECORDS.

7.1 In accordance with Generally Accepted Accounting Principles, the ASSOCIATION shall maintain full and complete records of services performed under this Agreement. Such records shall be open to inspection by the DISTRICT at any time.

7.2 The records maintained by the ASSOCIATION shall include all receipts for expenditures incurred. The DISTRICT reserves the right to perform a contract compliance audit at least once annually. The DISTRICT shall pay the cost of such an audit. The ASSOCIATION agrees to keep all receipts and other supporting documents available for inspection for a period of two years.

Section 8. FINANCIAL POLICIES

8.1 To maintain fiduciary responsibility, the ASSOCIATION shall, at all times, comply with its established financial policies.

Section 9. EQUAL OPPORTUNITY PROGRAM

9.1 Nondiscrimination and Affirmative Action. The ASSOCIATION shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City of Manhattan Beach. In performing this Agreement, the ASSOCIATION shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status or medical conditions. The ASSOCIATION shall also comply with all rules, regulations, and policies of the United States of America, the State of California and the City of Manhattan Beach, relating to nondiscrimination and affirmative action, including the filing of all forms required by said agencies. Any subcontract entered into by the ASSOCIATION relating to the agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

Section 10. AMENDMENTS

10.1 The ASSOCIATION may periodically request a change in the scope of services of the contract to be performed hereunder. Such changes, which are mutually agreed upon by and between the DISTRICT and the ASSOCIATION, shall be incorporated in written amendments to this Agreement. This agreement may not be amended except in writing by mutual agreement of both parties. A failure to object to a breach of this Agreement shall not constitute an amendment thereof, and it shall not waive any future breach of the agreement.

Section 11. ASSIGNMENT

11.1 Neither this Agreement, nor any portion thereof, shall be assigned by ASSOCIATION without prior written consent of DISTRICT.

Section 12. PRESERVATION OF AGREEMENT

12.1 Should any provisions of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

Section 13. ENTIRE AGREEMENT

13.1 This agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that representations by any party not embodied herein, and any other agreements, statements or promises concerning the subject matter of this Agreement, not contained in this Agreement, shall not be valid and binding. Any modification of this Agreement will be effective only if it is in writing signed by all parties. Any issues with respect to the interpretation or construction of this Agreement are to be resolved without resorting to the presumption that ambiguities should be construed against the drafter.

Section 14. AUTHORIZATION TO EXECUTE AGREEMENT

14.1 The Chair of the Downtown Manhattan Beach Business Improvement District & the President of the Downtown Manhattan Beach Business & Professional Association declare that they are authorized to execute this Agreement on behalf of the parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

DISTRICT:

DocuSigned by:

Mike Eslis

CACBF12A60F54C6...
Chair, Downtown MB Business Improvement District

ASSOCIATION:

DocuSigned by:

Eric H. Paul

B362389F8AFF453...
President, LMBBPA

CITY:

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

DocuSigned by:

City Attorney, Quinn Barrow

C8CC9C5685B24EB...
City Attorney

APPROVED BY FINANCE DEPARTMENT:

DocuSigned by:
Steve S. Chavelian
E6C7B3D6337748F...
Finance Director

ATTACHMENT 1

BUSINESS IMPROVEMENT & ACTIVITY PLAN JULY 2020



**DOWNTOWN MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT**

Business Improvement & Activity Plan
July 2020

*Prepared by the **Downtown Manhattan Beach Business & Professional Association**
pursuant to the State of California
And the Parking and Business Improvement Area Law of 1989
to maintain the Business Improvement District for
Downtown Manhattan Beach, California.*

DOWNTOWN MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT INFORMATION AT-A-GLANCE

This Business Improvement District has been in existence since April of 1969 under the authority of the “Parking and Business Improvement Area Law of 1965”. This law was restrictive with respect to the use of funds. In 1989 the State Legislature adopted Senate Bill 1424, “Parking and Business Improvement Area Law of 1989”. In 1998 a group of concerned merchants and a growing coalition of downtown stakeholders, developed the proposal to establish a new Downtown Manhattan Beach Business Improvement District (BID) under the new legislation. In October 1998, that legislation was approved and adopted as City Ordinance No. 1989. In January 1999, the BID contracted with the Downtown Manhattan Beach Business & Professional Association (DBPA), a 501 (c) 6 not-for-profit corporation established in 1985, to provide specific benefits to the members of the BID.

Location: The Existing Business District of Downtown Manhattan Beach.

Stakeholders: Downtown Businesses - All business license holders in the Downtown area except commercial property owners.

**Improvements
And Activities:**

- A. Parking, Transportation & Community Programs
- B. Marketing & Advertising
- C. Promotions & Special Events
- D. Professional Management & Communications

**Method of
Financing:**

Benefit-based assessments on City Business License Tax.

Assessment:

Based on the existing assessment. An 80% surcharge on the City Business License Tax not to exceed \$600.

**Collection of
Assessment:**

The fees are collected in March/April of each year and disbursed through contract, to the Downtown Manhattan Beach Business & Professional Association (DBPA).

Governance:

Advisory Board: Annual recommendations on Downtown Manhattan Beach Business Improvement District (BID) budgets and assessments will be submitted to the Manhattan Beach City Council by a seven–nine (7-9) member Advisory Board composed of business owners located within the boundaries of the BID. The Advisory Board will also monitor the delivery of improvements and activities, which will be the day-to-day responsibility of the Downtown Manhattan Beach Business and Professional Association (DBPA).

Business owners that are assessed within the BID, and, per State law, appointed by the Manhattan Beach City Council can nominate members of the Advisory Board.

Representation should consist of businesses on Manhattan Beach Boulevard, Manhattan Avenue and Highland Avenue. It should also contain a mix of retail, service and restaurants.

It is anticipated that the Advisory Board will meet at least once annually.

**Downtown
Association:**

The BID will contract with the DBPA to carry out improvements and activities described in the Plan, as well as the day-to-day operations. In delivering BID improvements and activities, the DBPA will aim to meet the following objectives:

- Maximize coordination with the City and other civic organizations to leverage resources;
- Deliver programs through a cost-effective and non-bureaucratic organization that features one executive director that works for all Downtown Manhattan Beach stakeholders;
- Provide for accountability to business owners who pay assessments.

***Maintaining the
District:***

The City Council can maintain the district by adopting a Resolution of Intention. A public hearing shall be held not less than 20 or more than 30 days after the adoption of the Resolution of Intention. If there is not written protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

***Benefits
Of the District:***

The BID costs no more than the prior assessment and allows the district's funds to be self-governed and to go beyond parking issues.

The BID allows for integrated marketing efforts such as cooperative promotions, advertising and publishing downtown directories and calendars of events.

The DBPA provides key promotional and organizational support through a variety of functions that directly benefit its ratepayers as well as the City. Such as:

- Creating a public/private partnership to manage the Downtown environment to ensure high standards for signage, security, maintenance, parking and marketing;
- Increasing sales and revenues throughout the district as well as tax and parking revenue to the City;
- Advocating Downtown interests and for the City at large;
- Establishing and implementing a Downtown vision, an image of a thriving city center that reflects the good health and economic vitality of the entire city, making the city an attractive venue for businesses;
- Assisting the City in policy making, administration and implementation of City programs;
- Streamlining communications and saving time and energy, by providing the City with a single, unified Downtown entity.

ACHIEVEMENT vs. ACTIVITY PLAN 2019-2020

A. Downtown Manhattan Beach Lighting and Beautification

Lighting

Goal: Increase ambiance Downtown with new lighting.

Achievement: The DBPA allocated \$20,000 to purchase LED lights to be installed and maintained by the City of Manhattan Beach Public Works Department. Research was done and it was determined that the most practical first step is to install lights in the trees where power exists (non-palm trees). The first set of test lights has been purchased.

Beautification

Goal: Enhance landscaping, seating and walkway options throughout the District.

Achievement: The DBPA worked with a professional landscape architect to map out every planter within the BID and provided the City with suggestions for each area (see attached). Most beds require some construction, such as raising the borders around the planters to contain and protect plantings, or adding bench seating, which is outside the scope of the funding of the BID. The DBPA created and submitted plant diagrams we recommend for each planter and allocated \$20,000 to purchase plants that will be installed and maintained by the City of Manhattan Beach Public Works Department.

Goal: Improve overall aesthetics and sanitation of shared recycling bins in Lot 3 which have been problematic for years.

Achievement: The DBPA and Public Works met with all participating businesses to discuss solutions. New rules were established, and it was determined a locked enclosure would ensure only our businesses used the area to maintain responsibility for its cleanliness. The DBPA paid the City of Manhattan Beach Public Works Department \$5,491.02 to build a locked enclosure surrounding the shared recycling bins in Lot 3. The cleanliness and aesthetics have been greatly improved since this installation.

B. Parking and Transportation Strategies

Goal: Eliminate valet parking in Downtown Manhattan Beach due to rising operational costs and lack of vendor interest. Request that City updates parking meters previously utilized for valet parking to allowing payment during what were valet. The signs on these meters should also be updated so they no longer indicate they are reserved for valet parking.

Achievement: Complete.

Goal: Request final implementation of smart parking technology originally installed during construction of the Metlox parking structure. This technology should be utilized with parking space count displays at both entrances to the structure. This would eliminate the unsafe and unhealthy circling of vehicles in the garage looking for spaces that are not available.

Achievement: DBPA met with Public Works to determine feasibility and timeline for this project as a part of the meter replacements and enhancements within the BID. Project was approved and was due to be installed prior to summer 2020 but has been delayed due to COVID.

Goal: Re-instate the two “merchant only” spaces in Lot 1 that were removed when the Lot 1 retaining wall project was completed in late 2017.

Achievement: Complete.

Goal: Allow immediate Permit Parking access to the approximately 75 parking spaces previously allocated to dealer.com in Lot 1.

Achievement: To be completed by July 31, 2020. DBPA worked with City Traffic Engineer to determine need and availability of spaces available for merchant parking in Lots 1 & 2, concluding that up to 75 permits may be issued. Merchants on waiting lists for these lots have been contacted and permits are in the process of being distributed this month.

Goal: Request dedicated rideshare and taxi loading zones. Streets within the BID experience unnecessary congestion when ride share vehicles stop in the middle of a street or in front of a specific business, creating both a safety issue and traffic problems.

Achievement: Discussed, but not finalized. Will remain in 2020-2021 Plan.

Goal: Install a traffic light or flashing light crosswalk at the highly traveled and dangerous intersection at Manhattan Beach Boulevard & Morningside Drive.

Achievement: Public Works has completed this project.

Goal: The DBPA was directed to continue to explore hotel/concierge relationships and potential ride share options, partnering with the MB Chamber of Commerce and City where applicable.

Achievement: Initial conversations occurred with a local provider (ZiiP) to determine if an on-demand service was a possibility, but it was determined the service was very similar to Uber and less cost-effective. Subsequently, the DBPA Marketing Committee created a campaign through Facebook, targeting travelers near LAX and offering them a \$5 Uber voucher to visit Downtown Manhattan Beach. The campaign received over 14,000 impressions, but only created two conversions, so the campaign was suspended. This will remain an ongoing goal, particularly as travel resumes post COVID restrictions.

Goal: Continue to work with the City to explore options similar to the Downtowner EV shuttles.

Achievement: The DBPA met with the Chamber of Commerce as well as Councilmembers Hadley and Napolitano to discuss creative options through the LADOT as well as other alternatives. No progress has been made on this issue to date, but this remains a continued goal for 2020-2021.

C. Support Weekly Manhattan Beach Certified Farmers' Market

Goal: Continue to increase revenue of Farmers Market to support additional initiatives within the BID.

Achievement: Farmers Market sales increased by 12% over the prior year (pre-COVID).

Goal: Complete and execute a Farmers Market Agreement with the City of Manhattan Beach

Achievement: Complete.

D. Community Marketing Partners

Goal: Beginning in 2020-2021, the DBPA will create paid marketing partnerships with local organizations that are mutually beneficial, instead of providing cash donations. Some examples of marketing partnerships we have pursued are MBEF, Growing Great and the Roundhouse Aquarium.

Achievement: Support of partnerships will be determined based on revised revenue to the BID.

E. Marketing & Advertising

Goal: The DBPA is directed to continue with marketing programs that benefit all businesses in the BID, including:

- Creating and distributing materials in print, social media, posters, banners
- Participating in local visitor and destination guides; partnering with local hotel concierges (when travel resumes post COVID)
- Maintaining the website and email databases to ensure promotion and ease of use for public and businesses.
- Working in tandem with the Chamber of Commerce and their various advertising and marketing mechanisms, such as the Chamber Map and Destination Guide as well as seek their continued support in marketing and promotion of Downtown businesses.

Achievement: Ongoing effort.

F. Promotions & Special Events

Goal: The BID believes the Holiday Open House has been a tremendous success in bringing together the community and our Downtown Businesses. The BID directs the DBPA to consider adding an additional event this year.

Achievement: DBPA partnered with MBPD to co-host a Car Show to raise funds for the Police K-9 unit. The event was considered a great success for both the Police and for businesses and we were excited to plan another event this year, prior to COVID.

Goal:

- Sponsor (3) annual “Sidewalk Sales” to promote Downtown merchants
- Operate Sunset Beach Party at the AVP/MB Open with a portion of proceeds being donated to the Roundhouse Aquarium educational programs
- Conduct weekly Farmers Market and monthly Chef demos, business promotion booths
- Host the “Holiday Open House together with the Pier Lighting to kick-off the holiday shopping season
- Continue to work with the ‘Beach Events’ such as 6-Man/International Surf Festival, Catalina Paddleboard & Manhattan Open to ensure the downtown benefits from the events and that there

Achievement: Successful events held for previous year, and ongoing annual effort.

G. Professional Management & Communications

Goal: The DBPA is directed to continue to meet with and provide regular, professional and effective communications with the MB Residents’ Association, various City employees, Department Directors, MBPD/MBFD, City Council, DBPA membership and the BID Board.

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ACTIVITY PLAN BUDGET

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2020-2021 Operating Budget

\$229,769 total income has been budgeted.

This fiscal year's operating budget breakdown of income for the Downtown Manhattan Beach BID is outlined below.

BID Contribution

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Unless changes are made at the July 31, 2020 Finance Committee meeting, the assessment methodology will remain the same, a surcharge on the City of Manhattan Beach Business License Tax. Calculation of individual assessments for one year is determined by one factor; an 80% surcharge on the business license tax, not to exceed \$600.00.

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HOH income is a suggested \$100 contribution from each business and is allocated towards entertainment and activities that evening as well as Small Business Saturday and December Advertising.

Farmers Market Sales

\$157,836 projected income in total sales (market sales, merchandise, additional vendors, Carrot Coins and other sources).

II. FISCAL YEAR CAPITAL PLANS

Net income for 2019-2020 was \$55,209 contributing to the total equity of \$212,883, of which approximately the following \$102,058 is allocated:

- \$37,058 in BID reserves
- \$40,000 is allocated towards Beautification (lighting and plants)
- \$25,000 is appropriated for potential Parking and Transportation initiatives

III. EXPENSES

2020-2021 Operating Budget

\$229,769 is the Activity Plan budget

- **Professional Management & Administration (Rent, Supplies, Insurance, Accounting, Permits, Utilities, Security Patrol, etc.):**
\$111,255 is provided which accounts for 48% of the budget

- **Farmers Market Operations:**
\$82,340 is projected, comprising approximately 36% of the budget

- **Marketing, Advertising:**
\$61,526 is projected, comprising 27% of the budget

- **Special Events:**
\$14,408 is projected, comprising 6% of the budget (does not include advertising or marketing associated with events)

- **Budgeted Deficit:**
\$-108,163 is budgeted due to reduced BID and Farmers Market Income. This can be offset by changing capital expenditures or drawing from retained earnings.

BID Executive Board Members

2020-2021

For Ratification

1. **Michael Zislis** Shade Hotel, The Strand House, Rock'n Fish, Brewco
2. **Chandra Shaw** Owner, Trilogy Spa
3. Kris D'Errico Owner, Bella Beach Kids
4. Kelley Haley Owner, Homie Restaurant
5. Molly Hobin Williams Owner, Hobin Realty
6. David Caskey Owner, Caskey & Caskey Realty (Strand Hill Properties)
7. **Maureen McBride** Owner, Tabula Rasa Essentials
8. Kristin Coia Owner, Go Gently Nation
9. Vanessa Zippo Gallery Director, Bo Bridges Gallery

EXECUTIVE COMMITTEE

1. PRESIDENT Mike Simms - Owner, Simms Group
2. VICE PRESIDENT Lori Ford - Owner, Gum Tree
3. TREASURER **Kevin Barry** - Partner, Simms Group
4. SECRETARY Jenna Ritter - Director of Marketing, Zislis Group
5. PAST PRESIDENT **Linda McLoughlin Figel** - Owner, {pages} a bookstore

Bolded names also serve on the BID Board of Directors



**DOWNTOWN MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT**

Business Improvement Budget &
Activity Plan July 2020

*Prepared by the **Downtown Manhattan Beach Business & Professional Association**
pursuant to the State of California
And the Parking and Business Improvement Area Law of 1989
to maintain the Business Improvement District for
Downtown Manhattan Beach, California.*

DOWNTOWN MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT INFORMATION AT-A-GLANCE

This Business Improvement District has been in existence since April of 1969 under the authority of the “Parking and Business Improvement Area Law of 1965”. This law was restrictive with respect to the use of funds. In 1989 the State Legislature adopted Senate Bill 1424, “Parking and Business Improvement Area Law of 1989”. In 1998 a group of concerned merchants and a growing coalition of downtown stakeholders, developed the proposal to establish a new Downtown Manhattan Beach Business Improvement District (BID) under the new legislation. In October 1998, that legislation was approved and adopted as City Ordinance No. 1989. In January 1999, the BID contracted with the Downtown Manhattan Beach Business & Professional Association (DBPA), a 501 (c) 6 not-for-profit corporation established in 1985, to provide specific benefits to the members of the BID.

Location: The Existing Business District of Downtown Manhattan Beach.

Stakeholders: Downtown Businesses - All business license holders in the Downtown area except commercial property owners.

**Improvements
And Activities:**

- A. Parking, Transportation & Community Programs
- B. Marketing & Advertising
- C. Promotions & Special Events
- D. Professional Management & Communications

Method of

Financing: Benefit-based assessments on City Business License Tax.

Assessment: Based on the existing assessment. An 80% surcharge on the City Business License Tax not to exceed \$600.

**Collection of
Assessment:**

The fees are collected in March/April of each year and disbursed through contract, to the Downtown Manhattan Beach Business & Professional Association (DBPA).

Governance:

Advisory Board: Annual recommendations on Downtown Manhattan Beach Business Improvement District (BID) budgets and assessments will be submitted to the Manhattan Beach City Council by a seven–nine (7-9) member Advisory Board composed of business owners located within the boundaries of the BID. The Advisory Board will also monitor the delivery of improvements and activities, which will be the day-to-day responsibility of the Downtown Manhattan Beach Business and Professional Association (DBPA).

Business owners that are assessed within the BID, and, per State law, appointed by the Manhattan Beach City Council can nominate members of the Advisory Board.

Representation should consist of businesses on Manhattan Beach Boulevard, Manhattan Avenue and Highland Avenue. It should also contain a mix of retail, service and restaurants.

It is anticipated that the Advisory Board will meet at least once annually.

**Downtown
Association:**

The BID will contract with the DBPA to carry out improvements and activities described in the Plan, as well as the day-to-day operations. In delivering BID improvements and activities, the DBPA will aim to meet the following objectives:

- Maximize coordination with the City and other civic organizations to leverage resources;
- Deliver programs through a cost-effective and non-bureaucratic organization that features one executive director that works for all Downtown Manhattan Beach stakeholders;
- Provide for accountability to business owners who pay assessments.

***Maintaining the
District:***

The City Council can maintain the district by adopting a Resolution of Intention. A public hearing shall be held not less than 20 or more than 30 days after the adoption of the Resolution of Intention. If there is not written protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

***Benefits
Of the District:***

The BID costs no more than the prior assessment and allows the district's funds to be self-governed and to go beyond parking issues.

The BID allows for integrated marketing efforts such as cooperative promotions, advertising and publishing downtown directories and calendars of events.

The DBPA provides key promotional and organizational support through a variety of functions that directly benefit its ratepayers as well as the City. Such as:

- Creating a public/private partnership to manage the Downtown environment to ensure high standards for signage, security, maintenance, parking and marketing;
- Increasing sales and revenues throughout the district as well as tax and parking revenue to the City;
- Advocating Downtown interests and for the City at large;
- Establishing and implementing a Downtown vision, an image of a thriving city center that reflects the good health and economic vitality of the entire city, making the city an attractive venue for businesses;
- Assisting the City in policy making, administration and implementation of City programs;
- Streamlining communications and saving time and energy, by providing the City with a single, unified Downtown entity.

ACHIEVEMENT vs. ACTIVITY PLAN 2019-2020

A. Downtown Manhattan Beach Lighting and Beautification

Lighting

Goal: Increase ambiance Downtown with new lighting.

Achievement: The DBPA allocated \$20,000 to purchase LED lights to be installed and maintained by the City of Manhattan Beach Public Works Department. Research was done and it was determined that the most practical first step is to install lights in the trees where power exists (non-palm trees). The first set of test lights has been purchased.

Beautification

Goal: Enhance landscaping, seating and walkway options throughout the District.

Achievement: The DBPA worked with a professional landscape architect to map out every planter within the BID and provided the City with suggestions for each area (see attached). Most beds require some construction, such as raising the borders around the planters to contain and protect plantings, or adding bench seating, which is outside the scope of the funding of the BID. The DBPA created and submitted plant diagrams we recommend for each planter and allocated \$20,000 to purchase plants that will be installed and maintained by the City of Manhattan Beach Public Works Department.

Goal: Improve overall aesthetics and sanitation of shared recycling bins in Lot 3 which have been problematic for years.

Achievement: The DBPA and Public Works met with all participating businesses to discuss solutions. New rules were established, and it was determined a locked enclosure would ensure only our businesses used the area to maintain responsibility for its cleanliness. The DBPA paid the City of Manhattan Beach Public Works Department \$5,491.02 to build a locked enclosure surrounding the shared recycling bins in Lot 3. The cleanliness and aesthetics have been greatly improved since this installation.

B. Parking and Transportation Strategies

Goal: Eliminate valet parking in Downtown Manhattan Beach due to rising operational costs and lack of vendor interest. Request that City updates parking meters previously utilized for valet parking to allowing payment during what were valet. The signs on these meters should also be updated so they no longer indicate they are reserved for valet parking.

Achievement: Complete.

Goal: Request final implementation of smart parking technology originally installed during construction of the Metlox parking structure. This technology should be utilized with parking space count displays at both entrances to the structure. This would eliminate the unsafe and unhealthy circling of vehicles in the garage looking for spaces that are not available.

Achievement: DBPA met with Public Works to determine feasibility and timeline for this project as a part of the meter replacements and enhancements within the BID. Project was approved and was due to be installed prior to summer 2020 but has been delayed due to COVID.

Goal: Re-instate the two “merchant only” spaces in Lot 1 that were removed when the Lot 1 retaining wall project was completed in late 2017.

Achievement: Complete.

Goal: Allow immediate Permit Parking access to the approximately 75 parking spaces previously allocated to dealer.com in Lot 1.

Achievement: To be completed by July 31, 2020. DBPA worked with City Traffic Engineer to determine need and availability of spaces available for merchant parking in Lots 1 & 2, concluding that up to 75 permits may be issued. Merchants on waiting lists for these lots have been contacted and permits are in the process of being distributed this month.

Goal: Request dedicated rideshare and taxi loading zones. Streets within the BID experience unnecessary congestion when ride share vehicles stop in the middle of a street or in front of a specific business, creating both a safety issue and traffic problems.

Achievement: Discussed, but not finalized. Will remain in 2020-2021 Plan.

Goal: Install a traffic light or flashing light crosswalk at the highly traveled and dangerous intersection at Manhattan Beach Boulevard & Morningside Drive.

Achievement: Public Works has completed this project.

Goal: The DBPA was directed to continue to explore hotel/concierge relationships and potential ride share options, partnering with the MB Chamber of Commerce and City where applicable.

Achievement: Initial conversations occurred with a local provider (ZiiP) to determine if an on-demand service was a possibility, but it was determined the service was very similar to Uber and less cost-effective. Subsequently, the DBPA Marketing Committee created a campaign through Facebook, targeting travelers near LAX and offering them a \$5 Uber voucher to visit Downtown Manhattan Beach. The campaign received over 14,000 impressions, but only created two conversions, so the campaign was suspended. This will remain an ongoing goal, particularly as travel resumes post COVID restrictions.

Goal: Continue to work with the City to explore options similar to the Downtowner EV shuttles.

Achievement: The DBPA met with the Chamber of Commerce as well as Councilmembers Hadley and Napolitano to discuss creative options through the LADOT as well as other alternatives. No progress has been made on this issue to date, but this remains a continued goal for 2020-2021.

C. Support Weekly Manhattan Beach Certified Farmers' Market

Goal: Continue to increase revenue of Farmers Market to support additional initiatives within the BID.

Achievement: Farmers Market sales increased by 12% over the prior year (pre-COVID).

Goal: Complete and execute a Farmers Market Agreement with the City of Manhattan Beach

Achievement: Complete.

D. Community Marketing Partners

Goal: Beginning in 2020-2021, the DBPA will create paid marketing partnerships with local organizations that are mutually beneficial, instead of providing cash donations. Some examples of marketing partnerships we have pursued are MBEF, Growing Great and the Roundhouse Aquarium.

Achievement: Support of partnerships will be determined based on revised revenue to the BID.

E. Marketing & Advertising

Goal: The DBPA is directed to continue with marketing programs that benefit all businesses in the BID, including:

- Creating and distributing materials in print, social media, posters, banners
- Participating in local visitor and destination guides; partnering with local hotel concierges (when travel resumes post COVID)
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- Working in tandem with the Chamber of Commerce and their various advertising and marketing mechanisms, such as the Chamber Map and Destination Guide as well as seek their continued support in marketing and promotion of Downtown businesses.

Achievement: Ongoing effort.

F. Promotions & Special Events

Goal: The BID believes the Holiday Open House has been a tremendous success in bringing together the community and our Downtown Businesses. The BID directs the DBPA to consider adding an additional event this year.

Achievement: DBPA partnered with MBPD to co-host a Car Show to raise funds for the Police K-9 unit. The event was considered a great success for both the Police and for businesses and we were excited to plan another event this year, prior to COVID.

Goal:

- Sponsor (3) annual “Sidewalk Sales” to promote Downtown merchants
- Operate Sunset Beach Party at the AVP/MB Open with a portion of proceeds being donated to the Roundhouse Aquarium educational programs
- Conduct weekly Farmers Market and monthly Chef demos, business promotion booths
- Host the “Holiday Open House together with the Pier Lighting to kick-off the holiday shopping season
- Continue to work with the ‘Beach Events’ such as 6-Man/International Surf Festival, Catalina Paddleboard & Manhattan Open to ensure the downtown benefits from the events and that there

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CITY OF MANHATTAN BEACH CITY HALL

1400 Highland Avenue, Manhattan Beach, CA 90266

WEBSITE: www.citymb.info • **PHONE:** (310) 802-5000

TO: Honorable Mayor and Members of the City Council

FROM: Steve Charelian, Finance Director

MEETING: City Council Regular Meeting, September 15, 2020

SUBJECT: Agenda Item No. 11 – Consideration of Adopting Resolutions Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2020-2021

DATE: September 11, 2020

SUPPLEMENTAL ATTACHMENT

ATTACHMENT(S):

- 1) Replacement of Attachment No. 4 – BID Advisory Board of Directors to be Ratified (FY 2020-2021)

**Business Improvement District
DOWNTOWN MANHATTAN BEACH
BID ADVISORY BOARD ROSTER 2020-2021
(Requires Ratification)**

1. Michael Zislis – President - Restaurant
2. Ron Koch - Past President
3. John Altamura – Real Estate
4. Ric Arrigoni – Hair Salon
5. Kevin Barry - Restaurant
6. Linda McLoughlin Figel - Retail
7. Maureen McBride - Retail
8. Greg Newman - Restaurant
9. Matt Smith – Medical/Dental
10. Chandra Shaw – Personal Services/Spa