



**Agenda Date:** 1/19/2021

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director

**SUBJECT:**

Consideration of a Resolution Declaring an Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 16, 2021, for a Public Hearing (Finance Director Charelian).

**ADOPT RESOLUTION NO. 21-0011**

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 21-0011 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District (North MB BID) for 2021, and set the public hearing for February 16, 2021.

**FISCAL IMPLICATION:**

There is no budgetary or other financial implication associated with the adoption of the Resolution of Intention. At the current rate, the assessment levied collects approximately \$29,000 per year.

**BACKGROUND:**

From 1969 to 2004, a North MB BID 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 Section 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.

On February 16, 2021, 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 13, 2021, 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), reviewed the budgetary material and now requests that the City Council consider adopting the Resolution of Intention (Attachment).

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, and the installation of an entry monument on Rosecrans Avenue. The BID also provides community events during the year such as the winter holiday stroll. The BID currently has reserves of approximately \$508,504.

The BID has elected an Advisory Board for 2021 which will be presented for Council ratification at the February 16, 2021, City Council meeting. The full roster of board members-elect are as follows (*in alphabetical order*):

- Harry Ashikian, Board Member (Salvatore's Shoe Repair)
- Janice Davenport, Vice Chairperson (Pancho's Restaurant Representative)
- Steven Delk, Recording Secretary (OB's Pub & Grill)
- Peter Kim, Chairperson (Sloopy's Restaurant)

Councilmember Franklin currently serves as the BID's Council representative, with Mayor Hadley 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 16, 2021. 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 recommends that the City Council adopt Resolution No. 21-0011 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District for 2021, and setting the public hearing for February 16, 2021.

**ATTACHMENTS:**

1. Resolution No. 21-0011
2. 2021 Annual Budget and Activity Plan

RESOLUTION NO. 21-0011

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 13, 2021, and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2021; 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.

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES 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 Avenue 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 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 16, 2020, 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.

ADOPTED January 19, 2021.

Ayes:  
Noes:  
Absent:  
Abstain:

\_\_\_\_\_  
SUZANNE HADLEY  
Mayor

ATTEST:

\_\_\_\_\_  
LIZA TAMURA  
City Clerk

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

2021 Annual Report, Budget and  
Activity Plan

Location: The general area surrounding the Rosecrans Avenue and Highland Avenue intersection (See Attachment A).  
Specific boundaries are:

- (North to South) the extent of the Highland Avenue Right-Of-Way from the northernmost City line at 45<sup>th</sup> Street to 32<sup>nd</sup> 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, commercial property owners and residents.

Improvements and Activities:

- A. Capital Improvement Project Design
- B. Marketing, Social Media & 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, including interest earned, in a designated fund and disbursed through the City. Approximately \$29,000 per year.

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 up to seven (7) members composed of area business owners or resident ex-officio members. There must be a quorum to conduct a meeting and adherence to the Brown Act. The City Council ratifies the board members annually once the membership has held its election (typically in December). It is anticipated that the Advisory Board will meet at least once per month, on the 2<sup>nd</sup> 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 around 30 days 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, improvements etc.
- Establishing and implementing a North Manhattan vision and 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.

**ACTIVITY PLAN**

The BID activity plan for 2021 includes the following items:

- Continue using the website for North MB BID visitor outreach and marketing. Maintain and enhance the digital presence of the North Manhattan Beach district



through public engagement (surveys, individual business outreach), website, social media and e-notifications.

- Develop new branding, create a new North MB BID logo to replace the red surfer logo and include trademarking.
- Hire part time marketing professional to assist with the promotion of the North Manhattan Beach Business District.
- Host Annual Holiday Stroll Community Event in December.
- Solicit Bids for Public Art and work with the City Public Arts Commission for installation and placement.
- Enhance participation by North MB BID businesses.
- Complete the installation of trees and grates.
- Look to expand parking opportunities to accommodate visitors to the North MB BID.
- Explore possibility of installing security cameras in North Manhattan Beach in partnership with the City of Manhattan Beach.

**North Manhattan Beach Business Improvement District Reserves  
FYE 2019-2020**

**FY 2019-2020 Actuals**

Beginning Reserve Balance July 1, 2019	\$ 571,597.50
Revenues	20,151.15
Interest	11,673.08
Expenditures	<u>(94,917.19)</u>
Ending Reserve Balance as of June 30, 2020	<u>\$ 508,504.54</u>

**FY 2020-2021 Budget**

Beginning Reserve Balance July 1, 2020	\$ 508,504.54
Budgeted Revenues (1)	29,000.00
Estimated Interest	<u>10,000.00</u>
Projected Ending Reserve Balance as of June 30, 2021 (2)	<u>\$ 547,504.54</u>

*(1) Budgeted Revenues are projected based on business license tax assessments not to exceed \$500 annually per business.*

*(2) The Projected Ending Reserve Balance is based on actual reserves at the beginning of the fiscal year adjusted for projected revenues with no estimated expenditures and funds remaining in the CIP carried over from previous years.*

AREA MAP

# City of Manhattan Beach

## North Manhattan Beach Business Improvement District



May 12, 2009



