



Agenda Date: 9/9/2021

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Libby Bretthauer, Financial Services Manager

SUBJECT:

Conduct Public Hearing for Consideration of Adopting Resolutions Regarding Renewal of Downtown Business Improvement District (BID) for Fiscal Year 2021-2022 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 July 31, 2021 (Finance Director Charelian).

- a) **CONDUCT PUBLIC HEARING**
 - b) **ADOPT RESOLUTION NOS. 21-0075 AND 21-0076**
 - c) **RATIFY BOARD**
 - d) **AUTHORIZE THE DISBURSEMENT OF ASSESSMENTS COLLECTED THROUGH JULY 31, 2021**
-

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. 21-0075 authorizing the collection of assessments; c) ratify the nominees for the Fiscal Year (FY) 2021-2022 Downtown Business Improvement District (BID) Advisory Board; d) adopt Resolution No. 21-0076 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 July 31, 2021, for the FY 2020-2021 licensing year (approximately \$96,500).

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 July 31, the amount collected for the district assessment of approximately \$96,500 is less than pre-pandemic prior years which have averaged around \$107,000 (*three-year average*).

The DMBBPA submitted the attached proposed operating budget for FY 2021-2022.

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 3, 2021, meeting, which set the public hearing date of September 9, 2021, 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 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 2021-2022 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 2021-2022:

- A. Permanent Outdoor Dining
- B. Downtown Manhattan Beach Lighting and Beautification
- C. Parking and Transportation Strategies
- D. Implement Marketing Plan to Focus on Retail and Service Businesses
- E. Marketing & Advertising - Ongoing
- F. Promotions & Special Events - Ongoing
- G. Professional Management & Communications - Ongoing

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 to enter into an agreement (Attachment) with the DMBBPA to provide the services to the District for FY 2021-2022.

If the City Council performs the following actions tonight, the Business Improvement District and associated assessment will remain in place for FY 2021-2022:

1. Conduct the Public Hearing;
2. Adopt Resolution 21-0075 authorizing the collection of assessments;
3. Ratify the FY 2021-2022 Business Improvement District Advisory Board;
4. Adopt Resolution No. 21-0076 authorizing the City Manager and Chairperson of the Business Improvement District Advisory Board 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 2021;
5. Authorize the disbursement of funds collected for the Business Improvement District through July 31, 2021 (approximately \$96,500).

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. 21-0075
2. Resolution No. 21-0076
3. Agreement - DMBBID/DMBBPA (2021-2022)
4. BID Advisory Board of Directors to be Ratified (FY 2021-2022)
5. Business Improvement Budget & Activity Plan (July 2021)

RESOLUTION NO. 21-0075

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 3, 2021, the City Council adopted Resolution 21-0059 declaring its intention to authorize the collection of assessments to provide services in accordance with the 2021 Downtown Manhattan Beach Property & Business Improvement District Plan for the period beginning July 1, 2021, and ending June 30, 2022 (the "Report"), with the services to be performed within the District. Resolution 21-0059 fixed the time and place for a hearing of any and all protests in relation to the proposed assessment for September 9, 2021.

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 2021-2022. At the public hearing, the testimony of all interested persons regarding the levy of an assessment against businesses within the District for Fiscal Year 2021-2022 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 2021-2022 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 2021-2022.

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

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

ADOPTED this September 9, 2021

Ayes:
Noes:
Abstain:
Absent:

HILDY STERN
Mayor

ATTEST:

LIZA TAMURA
City Clerk

RESOLUTION NO. 21-0076

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, 2021 through June 30, 2022.

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 9, 2021.

AYES:
NOES:
ABSENT:
ABSTAIN:

HILDY STERN
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 9th day of September, 2021, 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 9, 2021, the City Council adopted Resolution No. 21-0075 overriding protests and providing for the collection of assessments within the DISTRICT for improvements and activities to be conducted during Fiscal Year 2021-2022.
- 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 2021 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, 2021 through June 30, 2022.

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, 2020 to June 30, 2021.
- 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. 21-0059, a Resolution of Intention, on August 3, 2021. 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 2021-2022 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 9, 2021.

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 Street, 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 Eistis
CACBF12A80F54C6...
Chair, Downtown MB Business Improvement District

ASSOCIATION:

DocuSigned by:
Jill Lamkin
B362389F8AFF453...
President, DMBBPA

CITY:

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

DocuSigned by:
City Attorney, Quinn Barrow
C6CC9C5685B24EB...
City Attorney

APPROVED BY FINANCE DEPARTMENT:

DocuSigned by:
Steve Chavelian
1A2E390F2B9C494...
Finance Director



Business Improvement District
DOWNTOWN MANHATTAN BEACH
BID BOARD ROSTER
2021-2022

Michael Zislis – President - Restaurant

Ron Koch - Past President

John Altamura – Real Estate

Ric Arrigoni – Hair Salon

Kevin Barry - Restaurant

Linda McLoughlin Figel - Retail

Maureen McBride - Retail

Greg Newman - Restaurant

Matt Smith – Medical/Dental

Chandra Shaw – Personal Services/Spa



**DOWNTOWN MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT**

Business Improvement & Activity Plan
July 2021

*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.

Business Improvement District

DOWNTOWN MANHATTAN BEACH

BID Advisory Board Annual Meeting Minutes

Tuesday June 8, 2021

Zoom Video Conference

Attendance 2021-2022 Board Members

Present:

Michael Zislis, Zislis Group
John Altamura, Altamura Real Estate Group
Kevin Barry, Investor MB Post
Linda McLoughlin Figel, {pages: a bookstore}
Maureen McBride, Tabula Rasa Essentials
Matt Smith, Summer Orthodontics
Mike Simms, Simms Group (current DBPA President)
Jill Lamkin, DBPA Executive Director

Jill gave a brief introduction and Michael Zislis called the meeting to order at 9:11am. The agenda was reviewed, and feedback or changes were requested; there were none.

Reviewed Strategies & Goals for 2021-2022

- **Propose and Potentially Implement Permanent Outdoor Dining**
 - Consensus was that permanent outdoor dining is in the best interest of the BID and the residents.
 - Need to request businesses' quarter over quarter sales data for 2019 and 2021
 - Overall sales
 - Number of transactions
 - Average transaction size
 - Need to consider construction impact on businesses
 - Permanent decks would not damage public right of way
 - Estimated 2-6 weeks to build
 - Decks would be completed on individual timelines based on developing plans and putting through the permitting process
 - Sidewalk cuts to take gas and electrical to decks would create approximately 3-day impact (metal plates put in place after hours)
 - Preferred timeline for construction: Q1 2022 or Q2 2022
 - Funds collected for use of public right of way in Downtown should stay in BID to be used for security, beautification, cleanliness, shared transportation, etc. Funds should be used for something that benefits all businesses. Not acceptable for it to go into the General Fund.
 - Create a statement for DBPA membership approval: I support the City of Manhattan Beach beginning a public process to explore permanent outdoor dining in Downtown Manhattan Beach.

- This will allow an opportunity for more robust conversation between residents, businesses and the City.

Reviewed Downtown Beautification Objectives

- Build a solid relationship with the new Director of Public works and partner together to identify areas of improvement and timelines for cleanliness, general repairs, etc.
- Work toward implementing new wayfinding and parking signage
- Complete re-landscaping project with previously allocated funds.
- Continue to research potential lighting solutions.
- Develop resident/business/staff awareness of cleanliness and feeling of “ownership” of everyone
- Continue to monitor and document service levels to ensure they are achieved.

Discussed Parking/Transportation Strategies

- Downtowner Proposal
 - Proposal includes mixture of 3 Gem cars and 3 Chevy Bolts
 - Gems would service all of MB west of Sepulveda; Bolts east of Sepulveda
 - Operational hours of 11am-11pm Memorial Day to Labor Day; 4pm-10pm other months (11,106 annual service hours)
 - Need close examination of ridership metrics to see most efficient hours
 - Setup costs: \$43K
 - Year 1 operation costs: \$589,000
 - Board would like Downtowner to provide information regarding:
 - How much annual revenue can be generated by ads?
 - How much could be charged to sponsor a vehicle?
 - What grants might be available for green transportation initiatives?
 - How much cost could be offset with charging minimal rider fees of \$5?
 - Can we offset with funds from North Manhattan Beach?
 - If the two BIDs contribute, could we offer free rides or \$1/pp to those areas?
 - Is it possible to consider the new electric VW bus?
 - Could parking rates be raised to cover costs? Ex: Laguna parking rates are \$2.50-\$3/hour; Vail funded with \$8/hour rates
 - What is the DBPA contribution?
 - Funding sources: increase in parking rates, advertising, rider fees, DBPA
 - Jill to continue to work on proposal details with Downtowner and look for additional vendors
- Discussed options for off-site Employee Parking
 - Manhattan Village - \$4/space/day
 - Northrop Grumman – not available
 - Kinecta - \$100/space/month
 - All would require a shuttle @ approximately \$75/hour through ZIIP
 - Still trying to connect with MBUSD regarding Pacific parking lot
 - Based on hours stated by restaurants, 8 hours/day needing shuttle to go back and forth

- Price/hour of Dial-a-Ride – unknown but it's paying for staffing of City employee
- Don't want to ask City for additional funds for now
- Create additional bike solutions
 - Working with Traffic Engineer and Public Works to identify and install additional bike racks throughout Downtown
 - Working to determine logistics of bike valet to mitigate parking issues
 - Continue pushing installation of parking count display for Metlox
 - Continue to promote locals biking, walking and ride-sharing to reduce parking issues

Marketing Plan to Focus on Retail and Services

- Refresh directory housings, maps and add QR code
- Research options and pricing for digital directories
- Print & distribute postcards with QR codes that take users directly to our website
 - Distribute to MBPD, CSC, businesses
 - Ask restaurants to add them to their to-go orders
 - Provide to Chamber of Commerce and local hotels
- Determine feasibility of an illustrated map of retail/service businesses
- Encourage restaurant and retail/service partnership
- Work on ways for businesses to share dining decks during “off” hours
- Use DBPA Board as Ambassadors to begin a “neighborly” campaign so businesses become familiar with what each other offers so employees can direct visitors and make recommendations to other businesses.

Reviewed Proposed DBPA Budget for 2021-2022 via email. On July 15, 2021, Mike Zislis made a motion to approve the budget. The vote was unanimously approved.

General Notes

Michael Zislis made a motion to contract with the DBPA to carry out the day-to-day improvements and activities described in the Plan and distribute the funds in a way that represents the entire Downtown Manhattan Beach BID. Kevin Barry seconded the motion and the motion was passed unanimously.

A new proposed budget for 2021-2122 is submitted reflecting the significant impact on revenue due to COVID. A Resolution of Intent, when provided to the BID, will be endorsed and sent to the City of Manhattan Beach and brought before the City Council for review.

Respectfully submitted by:

Jill Lamkin
 Executive Director
 Downtown Manhattan Beach Business & Professionals Association

END

ACHIEVEMENT vs. ACTIVITY PLAN 2020-2021

A. Work with City on COVID Relief Measures to Assist Businesses

Goal: DBPA is directed to meet with the City's Finance Committee to discuss Business License Tax calculations and adjustments.

Achievement: After meeting with the Finance Subcommittee, the DBPA conducted a membership vote that was unanimously approved to explore the possibility of revising the BLT calculation to more equitably tax small and large businesses. The tax has remained mostly unchanged since its inception, which included a cap of \$10,000, which equates to about \$5M in sales. At the time of implementation, \$5M was likely a high cap, however Apple Stores conservatively average \$23M/month in sales pay the max of \$10K, the same as many independently owned small businesses in Manhattan Beach. Ongoing effort.

Goal: DBPA is directed to support and promote outdoor dining as long as possible, not only as a substitute for indoor seating, but also as a means to regain losses suffered by months of closure.

Achievement: City Council has supported all requested use of right of way space for our restaurants.

Goal: DBPA is directed to work with City Staff/Council Subcommittee to:

- Identify potential new traffic/parking strategies to most effectively utilize streets and parking for outdoor dining and retail use. **Achieved.**
- Eliminate rental costs for parking spaces to allow all businesses the opportunity to expand outdoors. **Achieved.**
- Determine cooperative initiatives to drive business to the BID. **Achieved.**
- Immediately allow all applicants the ability to use adjacent walk streets for commercial use. **Sidewalks were approved instead of walk streets.**
- Explore remote parking and shuttle options for beach or employee parking (including City employees). **Many options explored; two have come to fruition for restaurant employees at American Martyr's and Pacific Elementary.**
- Brainstorm opportunities for businesses to operate outdoors in public spaces, such as hair and nail salons, fitness studios or other services. **There have been a few partnerships that have worked, such as a wine tasting on a dining deck during the restaurant's off hours, but sharing the space has proven more difficult than we thought due to the equipment stored on the decks. Continuing to work on ideas.**
- Regularly brainstorm, create and implement ideas that will support and maintain a healthy business community in response to COVID. **Implemented the Feed the Heroes program that raised over \$126,000 from residents that allowed the DBPA to purchase food prepared by Downtown restaurants to be delivered to two local hospitals for healthcare workers.**

- Allow flexibility in operational hours when and where it makes sense. **Worked with the Ad Hoc Committee to determine opening hours for outdoor dining decks.**
- Collaborate to identify activities or entertainment (as allowed) that would enhance the Downtown environment. **None were allowed.**

Goal: DBPA is directed to collaborate with City resources and the Chamber of Commerce to create a coordinated Shop Local campaign. This should include the need for locals to spend locally but also to promote the level of service provided by local businesses as well as the enhanced benefits of shopping and dining in our vibrant community. **Achieved.**

B. 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). Lights were installed by Public Works in October 2020.

Beautification

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

Achievement: The DBPA created and submitted plant diagrams we recommend for each planter and allocated \$20,000 to purchase plants to be installed and maintained by the City of Manhattan Beach Public Works Department. It was determined that more research and planning was required. The new Public Works Director, Merchants Landscaping and the DBPA Executive Director have a verbal agreement on the plan and are awaiting the written agreement from Public Works.

C. Parking and Transportation Strategies

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 again to finalize the installation plan. Kiosks have been installed, parking spaces have been numbered and the parking count signs have been ordered. Implementation is projected for September.

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

Achievement: Complete.

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: Complete.

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

Achievement: The DBPA has obtained a new proposal from the Downtowner to offer a combined electric vehicle service that could serve the entire city of Manhattan Beach. A meeting with a second vendor, Circuit, who services multiple Southern California cities is scheduled for July 19, 2021. If they are deemed a fit for our needs, a second proposal will be requested.

D. Support Weekly Manhattan Beach Certified Farmers' Market

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

Achievement: Worked with Farmers Market Operator to safely operationalize a modified market during COVID. Our sales are nearly back to pre-pandemic numbers.

E. 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: Complete. In 2020 MBEF was our only Community Marketing Partner due to the mutually beneficial events we were able to schedule and support, like the Support our Schools Shopping Day.

F. Marketing & Advertising - Ongoing

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.

G. 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 has agreed to co-host the annual MBPD Car Show that benefits our local K-9 Foundation. We will provide sponsorships, marketing and operations assistance to the show while encouraging participants to patronize our businesses to ensure a mutually beneficial event.

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 communications regarding street and parking impacts are effectively communicated to businesses.

Achievement: Three sidewalk sales occurred, but the DBPA pivoted to encourage online sales and delivery options due to COVID restrictions. In lieu of the Holiday Open House, the DBPA sponsored the Joy Ride, a branded golf cart that hosted a Santa drive-by in November as well as provided businesses with an opportunity to deliver gifts with a festive touch. All other events were cancelled due to COVID.

H. 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.

Achievement: Ongoing effort.

Goal: The DBPA is directed to continue to provide affordable resources to businesses within the BID to assist with government mandated training or HR related issues through private vendors or coordination with the Chamber of Commerce, as well keep members apprised of important issues affecting their businesses.

Achievement: Ongoing effort.

Goal: The DBPA is directed to maintain professional management to ensure this cohesive Business Improvement and Activity Plan is implemented and continued maintain professional management to ensure this BID Activity Plan is implemented and that new businesses in the District are welcome and their participation is invited to ensure an economically thriving Downtown.

Achievement: Ongoing effort.

BID ACTIVITY PLAN 2021-2022

A. Permanent Outdoor Dining

Goal: Propose and potentially implement permanent outdoor dining in the BID.

B. Downtown Manhattan Beach Lighting and Beautification

Goal: Finalize purchase by DBPA (with previously allocated funds) and installation by Merchants/Public Works for landscaping in 28 identified planters throughout the BID.

Goal: Build a solid relationship with the new Director of Public works and partner together to identify areas of improvement and timelines for cleanliness, general repairs, etc.

Goal: Work toward implementing new wayfinding and parking signage

Goal: Continue to research potential lighting solutions.

Goal: Continue to monitor and document service levels to ensure they are achieved.

C. Parking and Transportation Strategies

Goal: Obtain at least two vendor proposals to provide electric vehicle shared ride services throughout the City of MB and present to Council for combined and shared implementation.

Goal: The DBPA is directed to continue to explore opportunities to provide event/employee/beach event shuttle (with parking located outside of Downtown) and/or ride share codes to attendees and staff.

Goal: Work with Traffic Engineer and Public Works to identify and install additional bike racks throughout Downtown.

Goal: Determine logistics of a bike valet to mitigate parking issues.

Goal: Continue pushing installation of parking count displays for Metlox.

Goal: Continue to promote locals biking, walking and ride sharing.

D. Implement Marketing Plan to Focus on Retail and Service Businesses

Goal: Refresh directory housings, maps and add QR Code; research and recommend installing digital directories. Determine feasibility of illustrated retail map.

- **Goal:** Print & distribute postcards with QR codes that take users directly to our website
 - Distribute to MBPD, CSC, businesses
 - Ask restaurants to add them to their to-go orders
 - Provide to Chamber of Commerce and local hotels

Goal: Encourage retail, restaurant and service partnerships and referrals & encouraged sharing outdoor dining decks during “off” hours.

Goal: Work with DBPA to serve as Ambassadors to all businesses to encourage participation in the organization and a “neighborly” campaign. This would allow businesses to become familiar with what each other offers so employees can direct visitors and make recommendations to their customers to visit others.

E. Marketing & Advertising - Ongoing

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

- Create and distribute materials in print, social media, posters, banners
- Visitor and destination guides; hotel concierges (when travel resumes post COVID)
- Maintain the website and email databases to ensure promotion and ease of use for public and businesses.
- Maintain social media presence and increase number of social media followers, as of 7/19/20: Instagram – 18.7K; Twitter – 2,986; Facebook – 8,524
- Work in tandem with the Chamber of Commerce and their various advertising and marketing mechanisms, such as the Chamber Map and Destination Guide.

F. Promotions & Special Events - Ongoing

Goal: The DBPA is directed to successfully promote and execute any Special Events that would make sense and work to ensure the events support our businesses.

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 communications regarding street and parking impacts are effectively communicated to businesses.

G. Professional Management & Communications - Ongoing

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.

Goal: The DBPA is directed to continue to provide affordable resources to businesses within the BID to assist with government mandated training or HR related issues through private vendors or coordination with the Chamber of Commerce, as well keep members apprised of important issues affecting their businesses.

Goal: The DBPA is directed to maintain professional management to ensure this cohesive Business Improvement and Activity Plan is implemented, that new businesses in the District are welcome and their participation is invited to ensure an economically thriving Downtown and that the BID Board is aware of larger concerns and opportunities such as parking and revenue streams.

ACTIVITY PLAN BUDGET

I. INCOME

2021-2022 Operating Budget

\$281,307 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

\$70,000 has been budgeted.

The assessment methodology is 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.

DBPA Event Income

\$10,000 projected income for the Holiday Open House/Pier Lighting

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

\$199,800 projected income in total sales (market sales, merchandise, additional vendors, Carrot Coins and other sources).

II. FISCAL YEAR CAPITAL PLANS

Net income for 2021-2022 was \$34,221 contributing to the total equity of \$224,908, of which approximately the following \$112,068 is allocated:

- \$37,068 in BID reserves
- \$20,000 is allocated towards Beautification (landscaping)
- \$25,000 is appropriated for potential Parking and Transportation initiatives
- \$30,000 is allocated toward potential digital directory implementation

III. EXPENSES

2021-2022 Operating Budget

\$255,858 is the Activity Plan budget

- **Professional Management & Administration (Rent, Supplies, Insurance, Accounting, Permits, Utilities, Security Patrol, etc.):**
\$115,029 is provided which accounts for 45% of the budget
- **Farmers Market Operations:**
\$81,946 is projected, comprising approximately 32% of the budget
- **Marketing, Advertising:**
\$56,684 is projected, comprising 22% of the budget
- **Electric Vehicle Shuttle Service:**
\$25,000 is budgeted, comprising 10% of the budget
- **Lighting/Beautification/Landscape**
\$36,658 is projected, comprising 14% of the budget
- **Special Events:**
\$16,950 is projected, comprising 7% of the budget (does not include advertising or marketing associated with events)
- **Budgeted Deficit (30%):**
\$-76,409 is budgeted due to reduced BID and Farmers Market Income. This can be offset by changing capital expenditures or drawing from retained earnings.

