



Agenda Date: 1/18/2022

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:

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 15, 2022, for a Public Hearing (Finance Director Charelian).

ADOPT RESOLUTION NO. 22-0001

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 22-0001 announcing the City's intention to renew and set assessments for the North Manhattan Beach Business Improvement District (North MB BID) for 2022, and set the public hearing for February 15, 2022.

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 \$25,000 per year. Prior to the pandemic, assessments collected were approximately \$28,000 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, City 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 15, 2022, 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 calculated as an 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 5, 2022, 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 directories with area maps, enhanced crosswalk treatments, power washing of sidewalks, purchase of 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 \$420,300.

The BID Advisory Board was elected in 2021 and ratified by the City Council at the February 16, 2021, City Council meeting. The full roster of current board members is 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)
- Roxanne Faire (Aesthetics on Highland)
- Peter Kim, Chairperson (Sloopy's Restaurant)
- Tom Torii (Manhattan Beach Ebike Rentals)

Mayor Pro Tem Franklin currently serves as the BID's City Council representative with Councilmember 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 15, 2022. 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. 22-0001 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District for 2022, and setting the public hearing for February 15, 2022.

ATTACHMENTS:

1. Resolution No. 22-0001
2. 2022 Annual Budget and Activity Plan

RESOLUTION NO. 22-0001

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 5, 2022, and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2022; 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 15, 2022, at 6:00 p.m., 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 18, 2022.

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

HILDY STERN
Mayor

ATTEST:

LIZA TAMURA
City Clerk

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



**2022 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 45th Street to 32nd Place on the south.
- (East to West) the extent of Rosecrans Avenue Right-Of- Way from Bell Avenue to the west side of Highland Avenue.

Stakeholders: North Manhattan Beach Businesses – All business license holders in the North Manhattan Beach area, with the exception of home- based businesses, residential rental units, 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 2nd 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 2022 includes the following items:

- A. Continue using www.northmanhattanbeach.org and www.visitnorthmanhattanbeach.com for visitor and community outreach and marketing. Maintain and enhance the digital presence of the North Manhattan Beach district through public engagement (surveys, individual outreach), website, social media (Instagram @visitnorthmanhattanbeach @northmanhattanbeach, Facebook @northmanhattanbeachca @visitnorthmanhattanbeach, twitter @VisitNorthMB) and e-notifications.
- B. Trademark and begin to utilize approved North Manhattan Beach Logo.
- C. Continue to develop North Manhattan Beach branding using the new approved logo throughout the district (Pole flags with approval and permits from the City, refurbish the North Manhattan Beach welcome monument on Rosecrans utilizing the new color scheme and logo).
- D. Solicit Bids for Public Art and work with the City Public Arts Commission for installation and placement.
- E. Continue to develop event and partnership opportunities to draw more foot traffic and awareness to North Manhattan Beach.
- F. Continue to establish participation and support for the NMB BID among NMB businesses.
- G. Continue to grow the annual NMB BID Holiday Stroll and establish additional collaborative events.
- H. Collaborate with Manhattan Beach's Environmental Sustainability Division, Traffic Engineer, Community Development Department and Public Works Department to implement programs for alternative e-transportation. This program will promote electric alternatives and draw much needed foot traffic to our NMB BID Businesses.
 - a. Explore a weekly e-bike, golf carts and e-scooters community outreach program on an agreed upon evening when businesses would benefit from additional patrons in the BID. We will confer with BID businesses to select a preferred evening. This program may include:
 - i. Safe e-bike, electric scooter, etc. parking
 - ii. A number (quantity to be determined by City) of parking spaces to convert to golf cart only parking during designated times
 - iii. Consideration of golf cart only parking spaces in the BID (Preferably in locations not already allocated for parking)
 - iv. Review of opportunities for additional bike & e-bike parking in the BID.
- I. Continue to work with Public Works on the implementation of string lights on NMB BID light poles owned by the City throughout the BID (Highland Ave. from 32nd-45th Streets and on north side of Rosecrans up to Veranda's and the south side of Rosecrans just past El Tarasco.) This

program with not only create a beautiful evening ambiance lighting up the NMB BID boundaries, but it will also provide inviting lighting and a welcoming feeling to our evening customers.

- J. Continue to work with Public Works to beautify the area around the City parking structure and the medians entering the NMB BID at the intersection of Highland and Rosecrans. Continue to collaborate with them on the landscaping throughout the BID.
- K. Update the community on the status of the crosswalks and other street markings and street repairs north of Rosecrans after the construction done in this area. Collaborate with the City on the replacement of the crosswalks and intersection design at the intersection of Rosecrans & Highland also affected by the construction in the area. Continue to work on the functionality of the lighting of the crosswalks south of Rosecrans.
- L. Continue the Highland Avenue improvement discussions with Community Development, Traffic Engineering and Public Works to find solutions to improve the safety of Highland Ave. especially north of Rosecrans where there are not enough crosswalks, they need to more visual indicators and implement solutions to reduce the excessive speed in the area.
- M. Continue discussions about the Veranda's parking lot to find additional parking solutions. Establish contact with Chevron to discuss the Chevron parking in this area.
- N. Continue collaborating with the Downtown Business District and the Manhattan Beach Chamber of Commerce to best serve our NMB BID Businesses.

**North Manhattan Beach Business Improvement District Reserves
FY 2020-2021**

FY 2020-2021 Actuals	
Beginning Reserve Balance July 1, 2020	
Revenues	\$ 508,504.54
Interest	25,054.77
Expenditures	6,559.91
Ending Reserve Balance as of June 30, 2021	<u>(119,818.81)</u>
	<u>\$ 420,300.41</u>

FY 2021-2022 Budget	
Beginning Reserve Balance July 1, 2021	
Budgeted Revenues (1)	\$ 420,300.41
Estimated Interest	26,000.00
Projected Ending Reserve Balance as of June 30, 2022 (2)	<u>5,000.00</u>
	<u>\$451,300.41</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.

AREA MAP

City of Manhattan Beach

North Manhattan Beach Business Improvement District



May 12, 2009



0 250 500 1,000 Feet