



**Agenda Date:** 2/15/2022

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**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 Renewing the North Manhattan Beach Business Improvement District and Approval of the Annual Collection of Assessments for Fiscal Year 2022-2023 (Finance Director Charelian).

(Estimated Time: 15 Min.)

- A) CONDUCT PUBLIC HEARING**
  - B) ADOPT RESOLUTION NO. 22-0023**
  - C) CONSIDER THE PROPOSED 2022 ACTIVITY PLAN**
- 

**RECOMMENDATION:**

Staff recommends that the City Council:

- a) Conduct a Public Hearing regarding the proposed assessment;
- b) Adopt Resolution No. 22-0023, renewing the district and authorizing the collection of the assessment to provide services of the North Manhattan Beach Business Improvement District (North MB BID);
- c) Review and approve the Proposed 2022 Activity Plan.

**FISCAL IMPLICATIONS:**

The North Manhattan Beach Business Improvement District (NMB BID) is funded through an 80% surcharge to the business license tax paid by those businesses located within the district, not to exceed \$500 annually. Collections for this fiscal year are estimated to be \$26,000. NMB BID has approximately \$451,300 in reserve for projects and activities.

**BACKGROUND:**

In January 2004, the City Council dissolved the North End Business Improvement District, which was formed in 1969 under the State's Parking and Business Improvement District Act of 1965.

The BID was limited in scope and was mainly responsible for addressing parking acquisition and construction. Because opportunity for acquiring additional parking in the North Manhattan Beach is limited, business district members wanted to use the funds for other types of activities, such as physical improvements, beautification, signage, marketing, and promotion. To accommodate this request, City Council dissolved the 1969 Business Improvement District and created the current Business Improvement District using the broader 1989 BID Act.

**DISCUSSION:**

Assessments

The NMB BID and its associated assessments must be renewed annually. In conformance with applicable law, the City Council adopted Resolution No. 22-0001 on January 18, 2022, declaring its intention to authorize the collection of assessments to provide services in accordance with the 2022 Activity Plan and Annual Budget. Tonight’s public hearing to allow testimony both in support of and against the proposed assessments was established at that meeting and has been properly noticed in accordance with State law.

The Resolution of Intention was circulated to all current North Manhattan Beach business members and was published in The Beach Reporter. If adopted, Resolution No. 22-0001 will be effective immediately and will set the assessment as an 80% surcharge on the business license tax not to exceed \$500 annually for NMB BID member businesses. This assessment remains unchanged from last fiscal year and will be in effect for the next assessment cycle, which coincides with the fiscal year 2022-2023 business license period (March 1, 2022 - Feb 28, 2023).

Advisory Board

The 1989 Business Improvement District Act requires that the City Council select a BID Advisory Board. Advisory Board duties include recommendations to the City Council on expenditure of revenues derived from the assessments, as well as the method and basis of levying the assessments. The North MB BID Advisory Board voted unanimously in November 2020 to change the 2021-2022 term from one year to two years.

The current board was elected at the December 16, 2020, North MB BID Advisory Board meeting through a nomination and election process via zoom virtual meeting for a two-year term. If a board vacancy occurs throughout the term, a board majority may appoint a qualified person to fill the vacancy, at an agendaized and noticed meeting. A mid-term appointment requires ratification by the City Council delegate or alternate. The current board as of February 2022 includes:

- |  |                         |
|--|-------------------------|
| Peter Kim (Sloopy’s Restaurant)            | BID Chairperson         |
| Janice Davenport (Pancho’s Restaurant)     | BID Vice Chairperson    |
| Steve Delk (OB’s Pub & Grill)              | BID Recording Secretary |
| Harry Ashikian (Salvatore’s)               | BID Board Member        |
| Roxanne Faire (Aesthetics on Highland)     | BID Board Member        |
| Tom Torii (Manhattan Beach E-Bike Rentals) | BID Board Member        |
| Lorenzo Pittera (Baja Sharkeez)            | BID Board Member        |

Annual Budget and Activity Plan 2022

The Business Improvement District Advisory Board reviews and approves the operating plan for the District. The attached Annual Budget and Activity Plan 2022 contains all information relative to projected revenues and expenses, and outlines the services and programs to be funded by the BID. This year, the operating plan identifies the following programs:

- 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 (e.g. surveys, individual business outreach), website, social media, and e-notifications.
- Trademark and begin to utilize the approved North Manhattan Beach logo.
- Continue to develop North Manhattan Beach branding using the new approved logo throughout the District.
- Continue to grow the Annual Holiday Stroll Community Event in December.
- Solicit Bids for Public Art and work with the Cultural Arts Commission for installation and placement.
- Continue to develop event and partnership opportunities to draw more foot traffic and awareness to North Manhattan Beach.
- Collaborate with City departments to implement programs for alternative e-transportation events.
- Continue to work with City on the implementation of string lights on NMB BID light poles.
- Continue to work with City to beautify the area around the City parking structure and medians.
- Collaborate with City and BID businesses on various crosswalk and intersection improvements.
- Continue collaborating with Downtown Business District and Manhattan Beach Chamber of Commerce.

**CONCLUSION**

If there is not a majority protest by the assessment payers, staff recommends that the City Council:

- a) Adopt Resolution No. 22-0023 renewing the district and authorizing the collection of the assessment to provide services of the North Manhattan Beach Business Improvement District; and
- b) Review and approve the Proposed 2022 Activity Plan.

**PUBLIC OUTREACH:**

In compliance with State law, copies of the Resolution of Intention adopted on January 18, 2022, were mailed to all current NMB BID members on January 24, 2022. A Public Notice was placed in the February 3, 2022, The Beach Reporter publication.

**LEGAL REVIEW**

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

**ATTACHMENTS:**

1. Resolution No. 22-0023
2. 2022 Annual Budget and Activity Plan

RESOLUTION NO. 22-0023

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL OVERRULING PROTESTS AND PROVIDING FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE EXISTING NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO CALIFORNIA STREETS AND HIGHWAYS CODE SECTION 36500 ET. SEQ. (SB 1424 – PARKING & BUSINESS IMPROVEMENT LAW OF 1989, CHAPTER 2)

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES, FINDS AND DETERMINES:

SECTION 1. The City Council hereby finds:

A. The City Council has formed a Property & Business Improvement District pursuant to the provisions of the Parking & Business Improvement Law of 1989 (the “Act,” codified at California Streets and Highways Code Section 36500) for providing services to the businesses within the area designated as the North Manhattan Beach Business Improvement District (the "District").

B. On January 18, 2022, the City Council adopted Resolution No. 22-0001 declaring its intention to authorize the collection of assessments to provide services in accordance with the 2022 Activity Plan for the period beginning January 1, 2022, and ending December 31, 2022 (the “Report”), with such services to be performed within the District.

C. Resolution No. 22-0001 fixed the time and place for a public hearing of any and all protests in relation to the proposed assessment for February 15, 2022.

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

E. This Resolution is Categorically Exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the approval may have a significant effect on the environment.

SECTION 2. On February 15, 2022, the City Council held a duly noticed full and fair public hearing regarding the levy and collection of an assessment against businesses within the District for fiscal year 2022-2023. At the public hearing, the Council considered testimony of all interested persons regarding the levy of any assessment against businesses within the District for

fiscal year 2022- 2023. 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 in the District will be benefitted by the expenditure of funds raised by the assessment for fiscal year 2022-2023, (ii) the District includes all of the businesses so benefitted, and (iii) the net amount of the assessment levied within the District for fiscal year 2022-2023 in accordance with Resolution No. 22-00 and 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 originally filed.

SECTION 5. The adoption of this resolution constitutes the levy of an assessment for fiscal year 2022-2023.

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 February 15, 2022.

Ayes:  
Noes:  
Abstain:  
Absent:

\_\_\_\_\_  
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 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 2022 includes the following items:

- A. Continue using [www.northmanhattanbeach.org](http://www.northmanhattanbeach.org) and [www.visitnorthmanhattanbeach.com](http://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 32<sup>nd</sup>-45<sup>th</sup> 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**

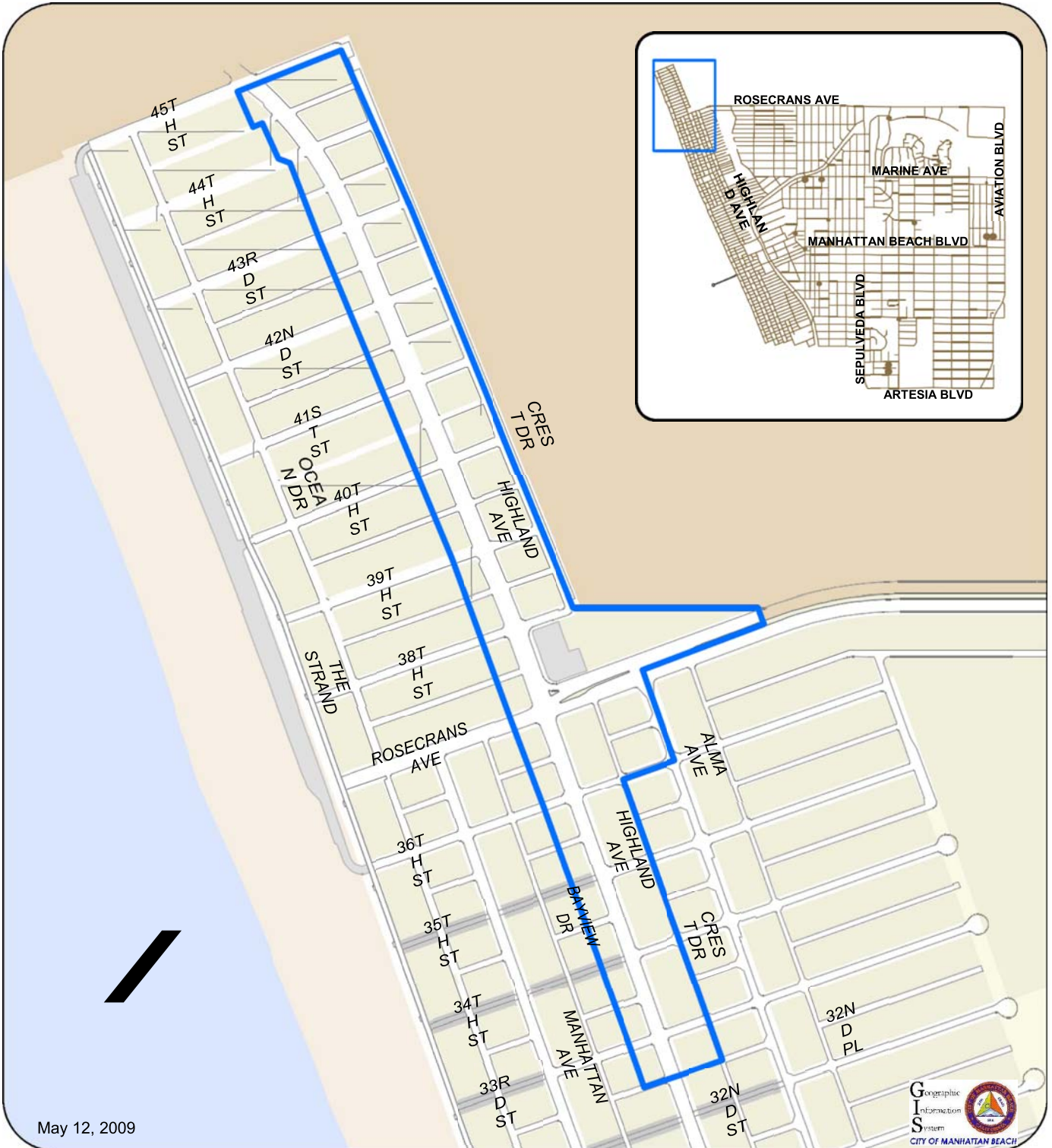
<b>FY 2020-2021 Actuals</b>	
Beginning Reserve Balance July 1, 2020	\$508,504.54
Revenues	25,054.77
Interest	6,559.91
Expenditures	(119,818.81)
Ending Reserve Balance as of June 30, 2021	<u>\$420,300.41</u>

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



