



CITY OF MANHATTAN BEACH

1400 Highland Avenue Manhattan Beach, CA 90266
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STAFF REPORT

Agenda Date: 6/20/2023

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 Intention to Provide for Annual Levy and Collection of Assessments for the Downtown Business Improvement District and Setting a Public Hearing for July 18, 2023 (Finance Director Charelian).

- A) ADOPT RESOLUTION NO. 23-0069**
 - B) SCHEDULE PUBLIC HEARING DATE TO CONSIDER ASSESSMENTS ON JULY 18, 2023**
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RECOMMENDATION:

The Downtown Business Improvement District Advisory Board and City Staff recommend that the City Council adopt Resolution No. 23-0069 announcing the City's intention to set assessments for the Downtown Business Improvement District (BID) for fiscal year (FY) 2023-2024 and setting the public hearing for July 18, 2023.

FISCAL IMPLICATIONS:

There are no budgetary or other financial implications associated with the adoption of the Resolution of Intention.

BACKGROUND:

In 1998, the City Council, at the request of the downtown business owners, dissolved an existing parking district and created a new Business Improvement District (BID) for the downtown area. The new district was created under the Parking and Business Improvement Area Law of 1989, which provides flexibility with respect to the use of funds. The previously existing parking district restricted the use of the funds to the acquisition and construction of parking facilities. The Parking and Business Improvement Area Law of 1989 requires that the district and associated assessments be renewed annually. Therefore, the City Council will hold a public

hearing at its meeting on July 18, 2023, to consider the request from the Downtown Business Improvement District Advisory Board to renew the district for Fiscal Year 2023-2024 and levy the associated assessment (80% surcharge on business license tax to a maximum of \$600).

DISCUSSION:

The purpose of the Resolution is to announce the City’s intention to renew the BID assessment, outline the activities and services to be funded by the assessment (not-to-exceed \$600 for any individual business in the BID), and to set the date for a formal public hearing on July 18, 2023. The public hearing item will include the renewal of the BID, authorization to enter into an agreement with the Downtown Manhattan Beach Business and Professional Association, ratification of the District Advisory Board roster, and authorization to disburse assessments collected through June 30, 2022.

On April 11, 2023, the Downtown Manhattan Beach Business Improvement District Advisory Board met to review the FY 2022-2023 year-end progress report and the FY 2023-2024 BID Activity Plan. The Board unanimously approved the FY 2023-2024 Budget via email on June 9, and subsequently, the Chairperson of the Advisory Board (Mike Zislis) submitted the attached letter requesting the City Council adopt the Resolution of Intention and ratify the roster of the BID Board.

PUBLIC OUTREACH:

If adopted by the City Council, the Resolution of Intention will be circulated to all business owners within the BID as notification of the public hearing on July 18, 2023. 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 annual assessment will have an opportunity to present information to the City Council.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

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

ATTACHMENTS:

1. Resolution No. 23-0069
2. BID Advisory Board Chairperson Letter from BID Advisory Board to City Council
3. Fiscal Year 2023-2024 DMBBID Business Improvement and Activity Plan

RESOLUTION NO. 23-0069

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL DECLARING ITS INTENTION TO PROVIDE FOR ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO CALIFORNIA STREETS AND HIGHWAYS CODE SECTION 36500, AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON

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

Section 1. The City Council hereby finds:

- A. A business improvement district (BID) is a defined area within which businesses pay an assessment in order to fund services and improvements within the district's boundaries to specially benefit the assessed businesses; and
- B. BIDs provide services, such as cleaning streets, providing security, making capital improvements, construction of pedestrian and streetscape enhancements, and marketing the area; and
- C. The services provided by BIDs supplement those already provided by the municipality to attract customers to the assessed businesses; and
- D. This City Council has previously formed a Property and Business Improvement District in Downtown Manhattan Beach, pursuant to Streets and Highways Code Section 36500 et seq. (SB 1424 - Parking & Business Improvement Law of 1989, Chapter 2); and
- E. The Downtown Manhattan Beach Business Improvement District Advisory Board met on April 11, 2023, supported the proposed operating program and budget of the Downtown Business Improvement District for FY 2023-24, and prepared a report in accordance with Streets and Highways Code Section 36533; and
- F. The Business Improvement District is known as the Downtown Manhattan Beach Business Improvement District (herein referred to as "District"); and
- G. This City Council desires to continue the assessment on businesses within the 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 Downtown Manhattan Beach.

Section 2. This action 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 3. The exterior boundary of the District is the general area bounded by the Southwest corner of 15th Street and Ocean Drive, the Southwest corner of 8th Street and Ocean Drive, the Southeast corner of 8th Street and Valley Drive, and the Northeast corner of 15th Street and Valley Drive. The specific legal description is as follows:

Beginning at the intersection of the southerly line of 15th Street with the westerly line of Highland Avenue; thence southerly along said westerly line of Highland Avenue to the southerly line of 13th Place; thence easterly along the prolongation of said southerly line of 13th Place; which prolongation is the southerly line of Tract 2541, to the westerly line of Valley Drive; thence southerly along said westerly line of Valley Drive to the northerly line of 10th Place; thence westerly along said northerly line of 10th Place to the easterly line of Morningside Drive; thence northerly along said easterly line of Morningside Drive to the southerly line of 11th Place; thence westerly along said southerly line of 11th Place to the westerly line of Crest Drive thence southerly along said westerly line of Crest Drive to the northerly line of 11th Street; thence westerly along said northerly line of 11th Street to the westerly line of Bayview Drive; thence southerly along said westerly line of Bayview Drive to the northerly line of 8th Street; thence westerly along said northerly line of 8th Street to the southwesterly corner of Lot 10, Block 9 Manhattan Beach Tract; thence northerly to the southwesterly corner of Lot 10, Block 12 Manhattan Beach Tract, said corner being on the northerly line of 11th Street; thence westerly along said northerly line of 11th Street to the easterly line of Ocean Drive; thence northerly along said easterly line of Ocean Drive to the northerly line of Center Place; thence easterly along said northerly line of Center Place to the southwesterly corner of Lot 15, Block 13 Manhattan Beach Division No. 2; thence northerly to the northerly line of 12th Street; thence easterly along said northerly line of 12th Street to the southwesterly corner of Lot 11, Block 14, Manhattan Beach Division No. 2; thence northerly to the southerly line of 13th Street; thence easterly along said southerly line of 13th Street to the easterly line of Manhattan Avenue; thence southerly along said easterly line of Manhattan Avenue to the northerly line of 12th Street; thence easterly along said northerly line of 12th Street to the southwesterly corner of Lot 10, Block 65, Manhattan Beach Division No. 2; thence northerly to the northwesterly corner of Lot 13, Block 65, Manhattan Beach Division No. 2; thence northerly to the southwesterly corner of Lot 10, Block 64, Manhattan Beach Division No. 2; thence northerly to the northwesterly corner of said Lot 10; thence northwesterly to the southwesterly corner of Lot 34, Verano Beach Tract; thence northerly to the northwesterly corner of Lot 2 Verano Beach Tract, said corner being on the southerly line of 15th Street; thence easterly along the southerly line of 15th Street to the point of beginning.

A map identifying the specific, legal boundary for the Manhattan Beach Downtown Business Improvement District is available for review in the Office of the Finance Director.

Section 4. The City Council hereby declares its intention to levy and collect assessments within the District for the FY 2023-2024.

Section 5. All businesses within the boundaries of the 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 6. The assessment methodology for funding the services and activities of the Manhattan Beach Downtown Business Improvement District shall be a surcharge of 80% on the business license tax, not to exceed \$600.00 per business license.

Section 7. The funds generated by the business license surcharge shall be used for the following purposes:

- Parking & Transportation
- Marketing and Promotions
- Special Events
- Management Services

Section 8. The report describing the improvements and activities to be provided for FY 2023-2024, the District boundaries, and the proposed assessments is on file with the City Clerk in City Hall, 1400 Highland Avenue, Manhattan Beach, California 90266.

Section 9. The City Council shall convene a Public Hearing regarding the levying of assessments by the Manhattan Beach Downtown Business Improvement District on July 18, 2023, at 6:00 p.m. in the City Council Chambers located at 1400 Highland Avenue in said City. At that time, the City Council will hear testimony of all interested parties for or against the levying of assessments by the District, the extent of the District, and/or the activities and services which shall be provided through the District. Written and oral protests may be made at the public hearing, the form and manner of which shall comply with Streets and Highways Code Sections 36524 and 36525.

Section 10. This Resolution shall be circulated to each business owner within seven days of the date of adoption by the City Council.

Section 11. This resolution shall take effect immediately upon adoption.

Section 12. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on June 20, 2023.

AYES:

NOES:

ABSENT:

ABSTAIN:

RICHARD MONTGOMERY
Mayor

ATTEST:

LIZA TAMURA
City Clerk



June 9, 2023

Mayor Richard Montgomery
Members of City Council
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Re: BID Fund Renewal

Dear Mayor and Councilmembers,

The Downtown Manhattan Beach Business Improvement District (BID) Advisory Board met on Tuesday, April 11, 2023, with a quorum present. The Board reviewed the 2022-2023 year-end progress report and the 2023-2024 BID Activity Plan. The 2023-24 Budget was approved unanimously via email on June 9th, and as such, the Board is requesting that City Council approve the Resolution of Intent and ratify the Roster of the BID Board.

Respectfully,

A handwritten signature in blue ink, appearing to read "Michael Zislis", is written over a light blue circular stamp.

BID Advisory Board
BID President, Michael Zislis

**DOWNTOWN MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT**

Business Improvement & Activity Plan
July 1, 2023

*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.

