




Office of the City Manager

ACTION CALENDAR

November 12, 2013

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Michael J. Caplan, Manager, Office of Economic Development

Subject: Establishment of the Elmwood Business Improvement District

RECOMMENDATION

Conduct a public meeting to review and discuss the establishment of the Elmwood Business Improvement District (hereafter, “EBID” or “the District”).

FISCAL IMPACTS OF RECOMMENDATION

As noted in the corresponding section of the staff report on the Resolution of Intention to Establish an Elmwood Business Improvement District, October 15, 2013 (Attachment 1).

CURRENT SITUATION AND ITS EFFECTS

California Streets and Highway Code Section 36500, the Parking and Business Improvement Area Law of 1989, requires specific actions to create a new business based improvement district including compliance with Section 54954.6 of the California Government Code. Section 54954.6 requires Council to conduct at least one *public meeting* at which local officials allow public testimony regarding the proposed new assessment in addition to the noticed *public hearing* at which the legislative body proposes to enact the assessment.

On October 15, 2013 Council adopted Resolution No. 66,345–N.S., which states the intention to establish the EBID and directed the City Clerk to schedule a public meeting on November 12, 2013, and a public hearing on November 19, 2013 to consider the establishment of the District. The City Clerk’s Office gave joint notice of both by mailing Resolution No. 66,345-N.S. to all affected businesses in the proposed District, as is allowed by Section 54954.6 of the Government Code.

The proposed EBID would assess businesses an annual fee according to classifications and rates defined in Exhibit B to Resolution No. 66,345-N.S., attached. A committee of Elmwood business owners, the Elmwood Steering Committee, designed the assessment formula through surveys of merchant opinion and with technical assistance from Office of Economic Development staff. The Finance Department will collect the assessment at the same time as the annual business license renewal in a special fund and will remit the revenue to the Elmwood Merchants Association which will be the “operating corporation” of the EBID. Projected revenues of approximately \$35,000 per

year will be spent by the Elmwood Merchants Association on a program of services and activities intended to market, maintain and beautify the Elmwood business district. The program is described in Attachment 1 and especially its Attachment 5.

BACKGROUND

Elmwood merchants were familiar with the concept of a Business Improvement District because for twenty years they paid an assessment to assist in the restoration of the Elmwood Movie Theater and prior to that they had paid a Parking and Business Improvement Area assessment to assist in the financing of the Elmwood parking lot. When the Elmwood Theater Business Improvement Area was nearing its expiration date, the Elmwood Merchants Association requested that the City assist it to form a new BID that would finance improvements and activities that would benefit the business district. For details see the Attachment 1, staff report, and especially its Attachments 2-7.

RATIONALE FOR RECOMMENDATION

This public meeting is required by California Streets and Highway Code Section 36623 and Section 54954.6 of the California Government Code.

ALTERNATIVE ACTIONS CONSIDERED

The merchants considered various alternative assessment formulas and expenditure plans, as described in the attached staff report and the documentation attached to it.

CONTACT PERSON

Dave Fogarty, Economic Development Project Coordinator, Office of Economic Development, 510-981-7534

Attachment:

1. Staff report on Resolution of Intention to Establish and Elmwood Business Improvement District, October 15, 2013, with attachments including Resolution No. 66,345-N.S.