



Office of the City Manager

ACTION CALENDAR  
November 15, 2005

To: Honorable Mayor and  
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Thomas A. Myers, Acting Manager of Economic Development

Subject: Solano Avenue Business Improvement District Assessment

RECOMMENDATION

Conduct a public hearing, and upon conclusion, adopt a Resolution confirming the 2005 Annual Report of the Solano Avenue Business Improvement District (BID), thereby levying an annual assessment for the Solano Avenue BID for calendar year 2006; and adopt a Resolution authorizing the City Manager to execute a sole source contract and any amendments with the Solano Avenue Association (SAA) for \$35,000 of BID funds.

FISCAL IMPACTS OF RECOMMENDATION

Projected expenditure of \$35,000 in BID revenues, budget code 474-8703-465.35-10, CMS No. R27AZ.

The BID constitutes an independent funding source that must be targeted to organizational, promotional and other commercial revitalization efforts that are recommended by the Advisory Board. To the extent that the work of the Solano BID enhances the development of Solano Avenue and its business climate over the long term, the BID contributes towards enhanced City revenues through increased sales and property taxes.

CURRENT SITUATION AND ITS EFFECTS

On October 25, 2005, Council adopted Resolution No. 63,101-N.S. that approved the 2005 Annual Report submitted by the Solano Avenue Business Improvement District (BID) Advisory Board, declared Council's intention to levy an annual assessment for the District for year 2006, and set a public hearing for November 15, 2005, to consider levying a renewed assessment for 2006. After Council adopted this Resolution, it was published in a local paper of general circulation at least 7 days prior to the public hearing in accordance with State law requirements for public notice.

BACKGROUND

On December 9, 2003, Council adopted an ordinance creating the Solano Avenue Business Improvement District. This is a business-based BID that assesses all businesses in the District. It must be renewed annually by the City Council.

To finalize the BID reauthorization process for 2006 in compliance with State BID law, Council must hold a public hearing on reauthorization of the BID. During the course or upon conclusion of the public hearing, Council may order changes in any of the matters provided in the Annual Report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the proposed boundaries of the area. At the conclusion of the public hearing, Council may adopt a Resolution confirming the Annual Report as originally filed or as modified by Council. The adoption of that Resolution shall constitute the levy of an assessment for the BID's 2006 calendar year.

In 2006 BID activities started in 2005 will continue, and the SAA will initiate additional activities, including installation of new banners and additional planters. BID assessment collections for 2005 are estimated at \$35,000.

The recommended contract with the SAA for calendar year 2006 provides for the SAA to receive assessments to implement the work plan in the 2005 Annual Report. The Solano Avenue BID Advisory Board recommended that \$35,000 in BID revenues be spent in 2006. Therefore, the total recommended contract with the SAA is \$35,000. Exhibit A of the Resolution approving the contract provides the Scope of Services, and Exhibit B provides the payment schedule.

#### RATIONALE FOR RECOMMENDATION

State law requires that the City Council annually renew Solano Avenue BID by first passing a resolution stating Council's intention to levy an annual assessment and scheduling a public hearing on the proposed renewed assessment for the coming year.

#### ALTERNATIVE ACTIONS CONSIDERED

The Solano Avenue BID Advisory Board considered whether the assessment rates should be revised for 2006. The Board concluded that there should be no change in the rates at this time.

#### CONTACT PERSON

Thomas A. Myers, Office of Economic Development – 981-7530

#### Attachments:

- 1: Assessment Resolution
- 2: Contract Resolution
  - Exhibit A: Scope of Services
  - Exhibit B: Payment Schedule

RESOLUTION NO. -N.S.

CONFIRMING THE 2005 ANNUAL REPORT OF THE SOLANO AVENUE BUSINESS IMPROVEMENT DISTRICT (BID), THEREBY LEVYING AN ANNUAL ASSESSMENT FOR THE SOLANO AVENUE BID FOR CALENDAR YEAR 2006

WHEREAS, the Solano Avenue Business Improvement District (BID) Advisory Board submitted an Annual Report to the Berkeley City Council that outlined the activities of the District proposed for the year 2006 as required by California Streets and Highways Code Section 36533; and

WHEREAS, the Annual Report was found to be clear and complete and found to comply with the interests of Solano Avenue BID assessees; and

WHEREAS, on October 25, 2005, the Berkeley City Council adopted a Resolution of Intent which approved the Annual Report, declared its intent to levy assessments on businesses located within the boundaries of the District, and set a public hearing for November 15, 2005, where interested persons may be heard for or against the levying of the assessment; and

WHEREAS, the City Clerk published the Resolution of Intent in a local newspaper of general circulation in compliance with necessary public notice requirements; and

WHEREAS, a public hearing was held allowing all interested parties to speak on the matter; and

WHEREAS, there have not been protests by business owners in the District who collectively pay 50 percent or more of the assessment proposed to be levied.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Berkeley that the 2005 Annual Report for the Solano Avenue BID as submitted to the City Clerk by the Solano Avenue BID Advisory Board is confirmed, thereby levying an annual assessment for the Solano Avenue BID for calendar year 2006.

RESOLUTION NO. -N.S.

AUTHORIZING THE CITY MANAGER TO EXECUTE A SOLE SOURCE CONTRACT AND AMENDMENTS WITH THE SOLANO AVENUE ASSOCIATION FOR \$35,000 OF SOLANO AVENUE BID FUNDS

WHEREAS, on December 9, 2003, Council adopted an ordinance creating the Solano Avenue Business Improvement District (BID);

WHEREAS, in 2005, the Solano Avenue Association initiated activities to market, promote and improve the Solano Avenue commercial district using 2005 BID funds and other resources; and

WHEREAS, on September 28, 2005, the Solano Avenue BID Advisory Board voted to recommend a budget for the Solano Avenue BID for 2006 that includes \$35,000 of BID revenues (from budget code 474-8703-465.35-10, CMS No. R27AZ) to implement the 2006 BID Work Plan; and

WHEREAS, on November 15, 2005, the City Council held a public hearing, after which it adopted a resolution confirming the Solano Avenue BID Annual Report for the year 2005 and levying an annual assessment for calendar year 2006.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to execute a sole source contract and any amendments with the Solano Avenue Association in the amount of \$35,000 for services as outlined (Exhibit A) and a payment schedule as outlined (Exhibit B). A record signature copy of said contract and any amendments to be on file in the Office of the City Clerk.

## EXHIBIT A

### SCOPE OF SERVICES

This Scope of Services outlines the work to be performed by the Solano Avenue Association (SAA) over the course of calendar year 2006.

#### I. ADMINISTRATION OF THE SOLANO AVENUE BUSINESS IMPROVEMENT DISTRICT

Contractor shall administer activities to implement the Solano Avenue Business Improvement District (BID) in accordance with the requirements of the Parking and Business Improvement District Law of 1999 (the "Law") and in accordance with the Resolution of Intention adopted by the Berkeley City Council on October 25, 2005. Contractor shall perform the following tasks:

A. Prepare a detailed budget and work plan for all BID activities to be carried out in 2006 and submit to the Office of Economic Development for review and approval no later than December 15, 2005.

B. Administer the activities in the approved work plan for 2006. Assist in the activities of the Advisory Board for the BID in accordance with the requirements of the Law.

C. Conduct outreach and educational activities in connection with to assure that all property owners and businesses in the BID are informed of the activities of the BID and have the opportunity to participate in decisions on programs of the BID. Issue periodic newsletters or other informational materials informing business owners of the activities of the BID.

#### II. REPORTING

Contractor shall submit the following reports to City:

A. No later than July 1, 2006, a written report describing the progress of all of the activities of the BID to date.

B. An Annual Report and work plan for calendar year 2007 in accordance with the requirements of the Law to be submitted to City no later than September 1, 2006. The annual report and work plan shall be developed in close coordination with the City's Office of Economic Development and approved by the Bid Advisory Board.

C. On or before December 31, 2006, a final written report describing progress of all activities to administer the BID during the term of this Contract.

## EXHIBIT B

### PAYMENT

The City of Berkeley will make two payments to the Contractor as follows.

1. Billable upon execution of this Contract and approval of the Work Plan and Budget as required in I.A. of Exhibit A: \$17,500.
2. Billable on June 1, 2006, and after receipt by the City of one progress report, the balance of assessments received by the City for the 2006 calendar year of the District up to a maximum of: \$17,500.
3. Total maximum compensation under contract: \$35,000.