



Agenda Item No. 14

File Code No. 290.00

CITY OF SANTA BARBARA COUNCIL AGENDA REPORT

AGENDA DATE: January 12, 2016
TO: Mayor and Councilmembers
FROM: City Administrator's Office
SUBJECT: Downtown Santa Barbara Annual Assessment Report For 2016 And Intention To Levy

RECOMMENDATION: That Council:

- A. Approve the Downtown and Old Town Business Improvement District Annual Assessment Report for 2016; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Council's Intention to Levy Downtown Business Improvement District and Old Town Business Improvement District Assessment Rates for 2016, at a Public Hearing to be Held on February 23, 2016, at 2:00 p.m.

DISCUSSION:

The Downtown and Old Town Business Improvement Districts have provided marketing and promotional services for downtown businesses for over forty years. The merchants in both business improvement districts pay for these services through an assessment based on their business license fee, location, and type of business. The assessment revenue is collected each year by the City and then remitted to Downtown Santa Barbara, a 501 (c) 3 organization that operates both improvement districts after merging with the Old Town Merchants Association in 2005.

The Downtown Business Improvement District serves businesses between Chapala and Anacapa Streets, from Ortega Street north to Micheltorena Street, as authorized under Municipal Code Section 4.39. The Old Town Improvement District serves businesses between Chapala and Anacapa Streets, from Gutierrez Street north to Ortega Street, as authorized under Municipal Code Section 4.43 (Map provided in Attachment).

The City Council, as the governing body of both improvement districts, requires the preparation and adoption of an annual assessment report pursuant to the California Streets and Highways Code, Parking and Business Improvement Area Law of 1989. In accordance with state law, the City Council must approve the assessment report and adopt a resolution of intention to levy an annual assessment for the fiscal year. The report outlines the assessment to be levied and collected from January 1, 2016 to

December 31, 2016 to pay for activities planned for the upcoming year with the estimated cost. The report provides the method and basis of the assessment for business owners to estimate the assessment amount for their business.

For the calendar year of 2016, there are no proposed changes to the boundaries or assessment rates in the Downtown and Old Town Improvement Districts. On December 22, 2015, the Downtown Santa Barbara Executive Committee recommended approval of the 2016 Annual Report, attached as an Exhibit to the Resolution. The Downtown and Old Town Business Improvement District revenues are projected to be approximately \$282,000 to fund marketing and promotional activities for downtown businesses.

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Generally, the Parking and Business Improvement Area Law of 1989 allows the Downtown Organization to provide the following activities through the Business Improvement Districts:

- Promotion of public events which benefit businesses in the area,
- Furnishing of music in any public place in the area,
- Promotion of tourism within the area, and
- Activities which benefit businesses located and operating in the area.

Marketing and promotional activities of the Downtown and Old Town Improvement Districts include the Downtown Host program, First Thursday monthly event, Holiday Parade, State Street holiday décor, Musical Wine Tour, and promotion of the Downtown area by website and social media. This longstanding partnership between the City and downtown business community has helped promote the downtown area as a vital retail corridor and cultural arts destination for residents and visitors.

With Council approval of the annual report, notices to levy and collect the assessment will be mailed to all affected businesses in the districts. The notices will inform businesses of a public hearing on February 23, 2016 where written or oral protests may be presented. At the public hearing, the City Council would consider all protests, confirm whether there is a lack of majority protest (protests received from business owners who pay 50% or more of the total assessments to be levied), and adopt a resolution to assess the rates in accordance with the annual report.

NOTE: Audited financial statements for Downtown Santa Barbara for the year ended December 31, 2014 are on file in the City Clerk's Office at City Hall, 735 Anacapa Street.

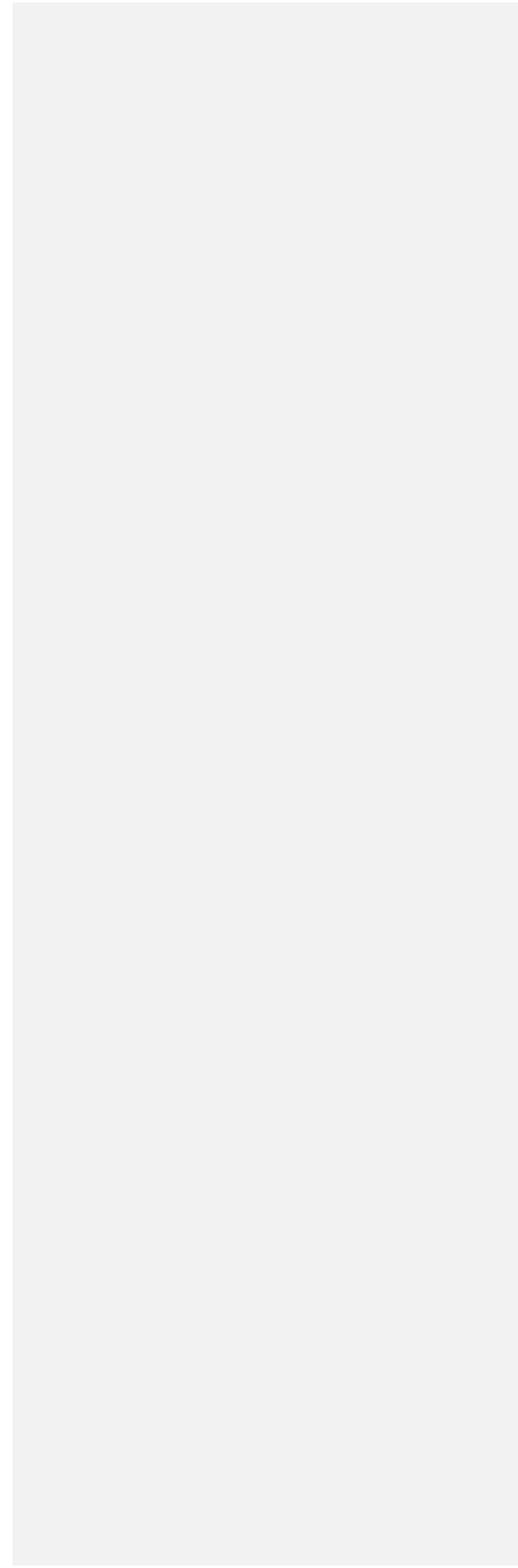
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ATTACHMENT: Map of Downtown and Old Town Business Improvement District Boundaries

PREPARED BY: Nina Johnson, Assistant to the City Administrator

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office



ATTACHMENT

D O W N T O W N SANTA BARBARA



- Public Restrooms
- Public Parking
- Downtown-Waterfront Electric Shuttle Bus Route
- Freeway On/Off Ramps