



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 28, 2017

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Public Hearing For The 2017 Downtown And Old Town Business Improvement Districts Assessments

RECOMMENDATION: That Council:

- A. Conduct a public hearing and consider appropriate protests to the renewal of the Downtown and Old Town Business Improvement Districts Assessments for 2017, as required under the California Parking and Business Improvement Area Law of 1989; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Confirming the Fiscal Year 2017 Downtown and Old Town Business Improvement District Annual Assessment Report and Renewing the Downtown Business Improvement District and Old Town Business Improvement District Assessments for 2017.

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 remitted to Downtown Santa Barbara. Downtown Santa Barbara is a 501(c)6 organization that operates both improvement districts after merging with the Old Town Merchants Association in 2005.

The Downtown Business Improvement District serves businesses located 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 located between Chapala and Anacapa Streets, from Gutierrez Street north to Ortega Street, as authorized under Municipal Code Section 4.43.

On January 10, 2017, Council approved an annual assessment report and adopted a resolution of intention to levy an annual assessment for 2017, in accordance with state law. The annual report outlines the assessment to be levied and collected from January

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1, 2017 to December 31, 2017 to pay for activities planned for the upcoming year with the estimated cost. The report also provides the method and basis of the assessment in sufficient detail for business owners to estimate the assessment amount for their business. For Calendar Year 2017, there are no proposed changes to the boundaries or assessment rates in the Downtown and Old Town Improvement Districts. The annual assessment report is attached as an Exhibit to the Resolution.

The Downtown and Old Town Business Improvement District revenues are projected to generate approximately \$280,000 to fund marketing and promotional activities for downtown businesses. Planned marketing and promotional activities include the Downtown Host program, First Thursday monthly event, Holiday Parade, State Street holiday décor, Live Art and Wine Tour, and promotion of the Downtown area by website and social media.

On January 10, 2017, Council set the date for the public hearing on February 28, 2017. Council also approved the appointment of the Downtown Organization Executive Committee to serve as the advisory board for the Downtown and Old Town Business Improvement Districts. Notices to levy and collect the assessment were mailed to all affected businesses in the districts, informing businesses of the public hearing where written or oral protests could be made.

Under state law, the City Council is required to conduct an annual public hearing to consider protests to renew the assessments. Prior to submittal of this report, staff received 79 protests from a total of 1,215 businesses in the Downtown District and 16 protests from a total of 238 businesses in the Old Town District. At the public hearing, the Council will 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.

PREPARED BY: Nina Johnson, Senior Assistant to the City Administrator

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office



DOWNTOWN AND OLD TOWN BUSINESS IMPROVEMENT DISTRICTS

February 28, 2017

Business Improvement Districts (BID)

- Managed by Downtown Santa Barbara
- Marketing and promotional services
 - Flag display program
 - Downtown Host program
 - First Thursday monthly event
 - Holiday Parade and holiday décor
 - Website, social media, and marketing campaigns

Downtown BID

- Businesses* pay 100% of business license fee
 - *Including Rentals
- Professionals pay 15% of business license fee (\$50 minimum)



Old Town BID

- Businesses on State St. pay 100% of business license fee
- Businesses not located on State St. pay 75% of business license fee (\$100 minimum)
- Automobile sales and service businesses pay up to \$600/yr.
- Other businesses and professionals pay \$100/yr.





Business Improvement Districts (BID)

- Governed by CA Streets and Highway Code, the Parking and Business Improvement Area Law of 1989
- Authorizes cities to collect assessment on behalf of a nonprofit entity to promote public events and tourism and other activities that benefit businesses

Key Steps

- Similar to City's Parking and Business Improvement Area (PBIA)
- Council adopted a Resolution of Intention to Levy the Assessment on January 12, 2016
- Notices were sent to businesses with public hearing date, assessment details, and instructions to oppose assessment (1,453)



Public Hearing

- Review number of protests received
- Council confirms whether a lack of a majority protest exists (receiving protest forms representing 50% or more of the assessment value)
- Council adopts a Resolution to Assess Businesses



QUESTIONS
