



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 13, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Public Hearing For The 2015 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 2015, as required under the California Parking and Business Improvement Area Law of 1989;
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Confirming the Fiscal Year 2015 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 2015.

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 the Santa Barbara Downtown Organization. The Downtown Organization is 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 Montecito Street north to Ortega Street, as authorized under Municipal Code Section 4.43 (Map provided in Attachment).

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On December 9, 2014, Council approved an annual assessment report and adopted a resolution of intention to levy an annual assessment for 2015, in accordance with state law. The annual report outlines the assessment to be levied and collected from January 1, 2015 to December 31, 2015 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 the calendar year of 2015, 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 \$261,500 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, Musical Wine Tour, and promotion of the Downtown area by website and social media.

On December 9, 2014, Council set the date for the public hearing on January 13, 2015. 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 22 protests from a total of 1,177 businesses in the Downtown District and 3 protests from a total of 237 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.

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

PREPARED BY: Nina Johnson, Assistant to the City Administrator

SUBMITTED BY: Paul Casey, Acting City Administrator

APPROVED BY: City Administrator's Office



D O W N T O W N
SANTA BARBARA

DOWNTOWN BID
 Business Improvement District

OLDTOWN BID
 Business Improvement District

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



Downtown and Old Town Business Improvement Districts



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Downtown and Old Town Business Improvement Districts

- ◆ Managed by the Downtown Organization
- ◆ Marketing and promotional services for Downtown businesses
 - Flag display program
 - Downtown Host program
 - First Thursday monthly event
 - Holiday Parade and holiday décor
 - Website, social media, and marketing campaigns



Downtown Business Improvement District

- Businesses* pay 100% of business license fee

*Including Rentals

- Professionals pay 15% of business license fee (\$50 minimum)





Old Town Business Improvement District

- 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.





Downtown and Old Town Business Improvement Districts

- ◆ 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



Downtown and Old Town Business Improvement Districts

◆ Key Steps

- Similar to City's Parking and Business Improvement Area (PBIA)
- Council adopted a Resolution of Intention to Levy the Assessment on December 9
- Notices were sent to businesses with public hearing date, assessment details, and instructions to oppose assessment (1,400)



Downtown and Old Town Business Improvement Districts

- ◆ Conduct a 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