

## CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 21

Date: June 9, 2010

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Barbara Redlitz, Director of Community Development

**SUBJECT:** Business Improvement District (BID) Annual Report and Resolution of Intention to Set the Public Hearing Date to Modify the Benefit Zones within the BID Boundary and to Levy BID Assessments Rates for FY 2010-11

### RECOMMENDATION:

It is requested that Council approve the annual BID report as submitted and adopt Resolution 2010-69 to set June 23, 2010 as the public hearing date to modify the benefit zones within the BID boundary and levy the BID assessments for FY 2010-11.

### FISCAL ANALYSIS:

There is no fiscal impact to the City of Escondido other than staff time to administer the collection and processing of the payments. Assessments are collected by the Code Enforcement Division's Business License staff and passed through to the Downtown Business Association (DBA).

### CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The events, activities and programs carried on within the BID relate to the Council's Action Plan regarding Economic Development.

### PREVIOUS ACTION:

Council initially adopted Ordinance No. 89-28 on June 4, 1989, establishing a Downtown Business Improvement (Assessment) District. Resolutions are adopted annually to set the assessment schedules and rates. This is done in accordance with the provisions of the California Streets and Highways Code. The benefit zones within the BID were modified and the rate structure was amended on June 18, 2008 by Resolution 2008-101.

### BACKGROUND:

The Streets and Highways Code enables the formation of business improvement districts and Section 36534 requires an annual review of the BID activities and use of the assessments. It also requires that BID assessments be set annually, even if there are no changes to the rates. The

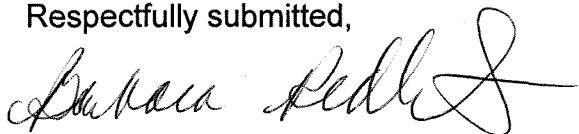
DBA has submitted the attached report that includes details about events, programs, activities, finances and budget. All businesses located within the BID area are assessed according to the schedule and rates as adopted annually. The assessment is collected when the business license is issued and annually thereafter, when the business license is renewed. The assessments are passed through to the DBA on a monthly basis; the City does not receive any portion of the assessments. The DBA serves as the stewards of the assessment funds and oversees activities and improvements in the BID area. Their responsibilities, and those of the City of Escondido, are detailed in an agreement adopted in November 1990 and amended in 1995 and 2007.

At this time, the DBA will submit their annual report and request that the Council set June 23, 2010 at 4:00 p.m. as the public hearing date and time to modify the assessment zones within the existing BID boundary and to levy assessment rates for FY 2010-11. The rates will be the same as those levied in FY 2009-10. Some minor changes are proposed in the zone boundaries for Zones 1 and 2. The change would reduce the size of Zone 1 by moving the boundary west to the middle of Ivy Street, effectively reducing BID fees for the businesses located on the east side of Ivy Street. The affected businesses would now pay the Zone 2 assessment rate. The DBA's justification for this change is to reflect the reduced benefit experienced by businesses at the east end of the BID.

Council adoption of Resolution 2010-69 will set the public hearing date for the FY 2010-11 assessments. The City Council can preliminarily approve the recommendations as stated in the DBA's attached annual report, or the Council can request that changes be made.

The City Council can receive written protests filed with the City Clerk before the public hearing date of June 23, 2010, or a business owner can speak at the public hearing if they wish to do so. Each written protest shall contain a description of the business in which the person subscribing the protest is interested, sufficient to identify the business. If a person subscribing (filing the written protest) is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest per California Codes (form and manner of protests). Protests can also be made at the public hearing.

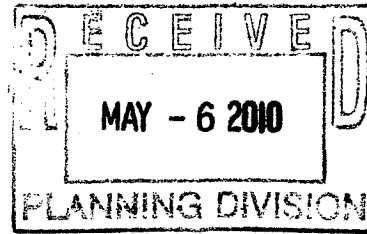
Respectfully submitted,



Barbara Redlitz  
Director of Community Development



Brian Gustafson  
Code Enforcement Manager



May 6, 2010

Office of the City Clerk  
Attn: Marsha Whalen  
City of Escondido  
201 N. Broadway  
Escondido, Ca 92025

**Annual Report of the Downtown Business Improvement District, Pursuant to section 36533 of the California Streets and Highways Code**

Enclosed is the 2010-2011 Annual Report of the Downtown Business Improvement District, in its twenty-first year of operation, overseen by the Board of Directors of the Downtown Business Association of Escondido.

There is no increase in fees being proposed.

There is benefit zone change proposed for an E. Grand section of the BID, due to fewer benefits being available there. This benefit zone change will reduce the BID fees of all businesses currently located in that area.

In April the DBA mailed a survey to the 745 BID businesses, requesting their input on how they would like their BID fees to be spent. The DBA Board and staff have incorporated the replies and wishes of the respondents into the BID Activities and Improvements planned for 2010-2011 FY.

Respectfully,

A handwritten signature in black ink, appearing to read "Thora".

Thora Guthrie  
CEO

A handwritten signature in black ink, appearing to read "Scott".

Scott Peck  
President

cc: BRIAN GUSTAFSON



## 2010-2011 ANNUAL REPORT

### BUSINESS IMPROVEMENT DISTRICT DOWNTOWN ESCONDIDO

*Pursuant to section 36533 of the  
California Streets and Highways Code*

#### BACKGROUND

On June 14, 1989, under Ordinance #89-28, a Business Improvement District (BID) was formed and, by contractual agreement with the City of Escondido, the DBA was appointed as its advisory board in accordance with California Streets and Highway Section 36500 et seq.

#### Audit

We have included funding for an audit in our current budget, which will be filed with the City Clerk within 120 days from the end of our fiscal year (October 2010).

#### New and/or Expanded Programs

1. No changes in Boundaries proposed. (See Map, Attachment "A")

**One benefit zone change is being proposed:** Change the area (currently benefit zone 1) from the center of Ivy Street to the eastern boundary of the BID, to benefit zone 2. This will result in a reduction in BID fees for those businesses located in that 1-1/2 block area.

2. Improvements and Activities:

BID members are informed of member issues and events via weekly e-mailings. The following is a summary of the events and programs that are currently being organized by DBA with the use of BID funds:

##### Improvements:

- Grand Ave Trash Receptacle Project - maintenance
- Rooftop Lighting Project - maintenance and expansion
- Sidewalk Cleaning- Grand Ave area cleaning
- Beautification - Cleanup and plantings along sidewalks/tree wells
- Decorations - New Downtown Banners

##### Activities:

- Economic Development of Downtown Escondido
- ArtWalk
- Holidays Downtown - Annual December activities, promotions and advertising
- Merchant Meetings - Monthly roundtable meetings of business members
- Annual BID Meeting/Neighborhood Block Party
- Marketing: Promotion of public events which benefit the businesses in the area, promote tourism, and provide music in a public place
  - Weekly email blasts of coming activities, to membership and wider community
  - Downtown Magazine - expanded distribution of 4,000 copies, promoting BID events (Restaurant Week, Holidays Downtown, Artwalk, Dog-Friendly Business District, Grape Day Park support) and DBA public events (Love of Chocolate, Farmers Market, *Cruisin' Grand*, Taste of Escondido, Ladies on the Loose, Downtown Live)
  - Restaurant Week - 2 week promotion in May, of Downtown eateries

An annual survey, done in April, is designed to collect member information regarding how they want to see their BID funds allocated. (See Survey Results, Attachment "B")

(2010-2011 Annual Report, cont.)

Updates on where BID fees are being spent and changes and additions of events and programs will continue to be communicated through four publications each year, in an effort to answer commonly expressed concerns and questions.

3. **Estimate of Cost of Providing the Improvements and Activities/Budget:** (See BID Budget, Attachment "C")
4. **BID Events/Programs: The Method and Basis of Levying Assessments, based on "Benefit Zones"**  
(See BID Assessment Formulas, Attachment "D")

**BID Fees:** No increases in the BID fees are requested.

5. **The Amount of any Surplus or Deficit Revenues to be Carried Over from Previous Fiscal Year.**  
(See BID Budget, Attachment "C")
6. **The Amount of Any Contributions to be made from Sources Other Than Assessments Levied Pursuant to This Report.** (See BID Budget, Attachment "C")

Sincerely,

Thora Guthrie  
CEO

Scott Peck  
President

# ATTACHMENT "A"



### Survey Results - Attachment "B"

In order to help the DBA Board determine and prioritize the needs of BID members per the approved benefits addressed in the California Streets and Highways Code, the DBA mailed surveys, to all BID members in the Business District. The survey asked "If you had \$100 per year to spend on the following programs, how would you allocate it?" Of the 65 surveys returned, the results are:

32.88%	Clean & Safe	(Sidewalks, Lighting, Trash, Maintenance)
16.83%	Economic Development	(Business Attraction and Retention, Design Assistance)
15.29%	Marketing	(Promoting Downtown as a place to live, work, shop & play; included Restaurant Week, and Downtown Escondido Magazine)
13.71%	Beautification	(Plantings, facades, and projects, Rooftop Lighting)
11.74%	Special Events	(ArtWalk, Holidays Downtown, promotion of events)
<u>9.55%</u>	Parking Issues	(Advocacy and Solutions)

**100 % of BID fees**

**Anticipated BID fees for 2010-2011 = \$173,000**

**Downtown Business Association  
PROPOSED BID BUDGET  
July 1, 2010 through June 30, 2011**

**ATTACHMENT C**

2010-2011

<b>Income</b>		
<b>City/County/Other Funds</b>		
BID fees		178,000
City Barricade Funds		0
City Contributions		0
County Community Enhancement TOT		3,500
Interest Income		
	<b>Total City/County/Other Funds</b>	<b>181,500</b>
<b>Event Income</b>		
Advertising		16,500
Grant		1,500
Sponsors		5,000
Vendor Tables		23,000
	<b>Total Event Income</b>	<b>23,000</b>
	<b>Total Income</b>	<b>204,500</b>
<b>Expenses</b>		
<b>Cost of Events</b>		
Advertising		6,500
Decorations		100
Donations - Fellowship		1,040
Entertainment		2,200
Equipment Rental		700
Equipment Purchase		14,000
Equipment Repairs		1,000
Food/Beverage		1,500
Insurance-Event		140
Marketing		1,100
Maintenance & Cleanup		4,955
Merchandise		2,600
Mileage, Fuel & Transportation		392
Paper & Supplies		620
Permit/Fees		155
Photography		500
Postage		3,785
Printing		23,780
Professional Services		3,193
Promotional Items		1,200
Repairs & Maintenance		1,775
Signage		9,120
Special Events Staffing-Events		305
Trash Receptacle Maintenance		395
	<b>Total Cost of Events</b>	<b>81,055</b>
<b>Administrative Expenses</b>		
Accounting/Bank		7,758
Administration (Staff)		83,498
BID (Fee Refund)		150
Computer		1,700
Copier		387
Credit card fees		131
Downtown Diplomats		100
Dues & Subscriptions		700
Insurance-Liability		4,021
Licenses & Permits		125
Office Equip/Maint		767
Office Supplies		1,900
Postage & Delivery		850
PR/Printing		261
Professional Services		13
Rent		9,000
Taxes-Property:Business		300
Travel-Mileage		250
Utilities		4,023
Depreciation		6,492
Website		440
	<b>Total Admin Expenses</b>	<b>123,521</b>
	<b>Total Expenses</b>	<b>204,393</b>
	<b>Total Income</b>	<b>204,000</b>
	<b>Total Expenses</b>	<b>204,393</b>
	<b>Fund Increase (Decrease): 2010-2011</b>	<b>-607</b>
	<b>Advance (From) to DBA Cash Reserves</b>	<b>607</b>
	<b>End DBA Fund Increase (Decrease): 2010-2011</b>	<b>0</b>



**BID Assessment Formulas**

5/6/2010

<b>Category</b>	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>
Automotive/Gas/Repairs/Parts	\$ 600	\$ 500	\$ 400
Bed & Breakfast	\$ 400	\$ 250	\$ 100
Computer/Software Sales	\$ 450	\$ 350	\$ 250
Financial Services and Banks	\$ 600	\$ 450	\$ 300
Food: Coffee/Snack	\$ 300	\$ 200	\$ 100
Food: Fast Food/Deli	\$ 500	\$ 400	\$ 300
Food: Restaurant Full Service/Bar/Lounge	\$ 900	\$ 600	\$ 300
Hospital	\$ 900	\$ 700	\$ 400
Retail	\$ 450	\$ 350	\$ 250
Storage Facilities	\$ 450	\$ 350	\$ 250
Theater Live per Stage/Movie Theater per screen	\$ 100	\$ 70	\$ -

**Service Providers**

Advertising/Sign Shops	\$ 400	\$ 250	\$ 100
Car Rental	\$ 400	\$ 250	\$ 100
Care Services	\$ 400	\$ 250	\$ 100
Coin Laundry	\$ 400	\$ 250	\$ 100
Collection Agency	\$ 400	\$ 250	\$ 100
Contractors	\$ 400	\$ 250	\$ 100
Court Reporting	\$ 400	\$ 250	\$ 100
Dance Studio	\$ 400	\$ 250	\$ 100
Dispatch (Trucking office)	\$ 400	\$ 250	\$ 100
Exercise Studio/Gym	\$ 400	\$ 250	\$ 100
Insurance	\$ 400	\$ 250	\$ 100
Interior Design (unaccredited)	\$ 400	\$ 250	\$ 100
Mortgage	\$ 400	\$ 250	\$ 100
Photography	\$ 400	\$ 250	\$ 100
Real Estate	\$ 400	\$ 250	\$ 100
Salons/Spas/Beauty/Barber	\$ 400	\$ 250	\$ 100
Sewing/Tailoring	\$ 400	\$ 250	\$ 100
Travel	\$ 400	\$ 250	\$ 100
Publishing	\$ 400	\$ 250	\$ 100

**Professional**

Acctg/CPA/Bkkg/Tax	\$ 300	\$ 210	\$ 120
Consulting	\$ 300	\$ 210	\$ 120
Counseling	\$ 300	\$ 210	\$ 120
Education	\$ 300	\$ 210	\$ 120
Engineering	\$ 300	\$ 210	\$ 120
Legal	\$ 300	\$ 210	\$ 120
Medical/Dental/Optical	\$ 300	\$ 210	\$ 120
Architects	\$ 300	\$ 210	\$ 120
Interior Design (accredited)	\$ 300	\$ 210	\$ 120
Veterinarian	\$ 300	\$ 210	\$ 120
Independent Film/Sound Production	\$ 300	\$ 210	\$ 120

**Independent Contractor**

Antiques/Salon	\$ 75	\$ 53	\$ 38
Artist Space Rental	\$ 75	\$ 53	\$ 38
Booth Rental	\$ 75	\$ 53	\$ 38

<b>Non Profit</b>	<b>\$ 125</b>	<b>\$ 125</b>	<b>\$ 125</b>
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For business not classified, Escondido Downtown Business Association will determine applicable rate.

Multiple Businesses: defined as where one owner has multiple businesses at same location, the total assessment for that location under this resolution shall be the highest assessment of any one of those businesses, when considered individually.

## RESOLUTION NO. 2010-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK, ON BEHALF OF THE CITY, TO SET A PUBLIC HEARING DATE OF JUNE 23, 2010, AT 4:00 PM TO MODIFY THE BENEFIT ZONES WITHIN THE BUSINESS IMPROVEMENT DISTRICT BOUNDARY AND LEVY DOWNTOWN BID ASSESSMENTS FOR FISCAL YEAR 2010-11

WHEREAS, Ordinance No. 91-37 was adopted on October 2, 1991, by the City Council, authorizing assessments for businesses within the Escondido Downtown Business Improvement District; and

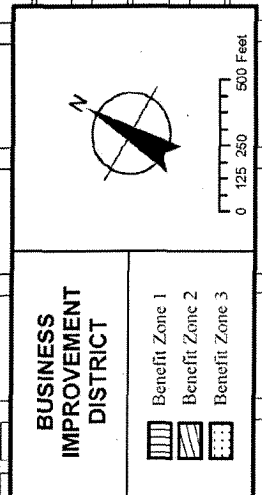
WHEREAS, these assessments are to be used for certain improvements and activities for the benefit of the businesses located within the Business Improvement District; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to set a hearing date to modify the benefit zones within the existing Business Improvement District boundary and levy Business Improvement District assessments for FY 2010-11, as set forth within this resolution; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council will consider on June 23, 2010, at 4:00 PM, the following assessment schedule and rates for FY 2010-11, noted in the resolution, for

the businesses within the Escondido Downtown Business Improvement District. The current BID map with benefit zones and assessment rate schedules are attached as "Exhibit A"; the proposed BID map, benefit zones and assessment rate schedules are attached as "Exhibit B", and both Exhibits are incorporated by this reference.



## Bid Assessment Formulas

Paid Annually

Category	Zone 1	Zone 2	Zone 3
Hospital	\$900	\$700	\$400
Restaurant Full Service	\$900	\$600	\$300
Fast Food/ Deli	\$500	\$400	\$300
Coffee/Snack	\$300	\$200	\$100
Retail	\$450	\$350	\$250
Computer and Software Sales	\$450	\$350	\$250
Storage Facilities	\$450	\$350	\$250
Theatre Live per Stage & Movie Theatre per screen	\$100	\$70	-
Financial Services & Banks	\$600	\$450	\$300
Automotive/Gas/Repair/Parts	\$600	\$500	\$400
Bed & Breakfast	\$400	\$250	\$100
Service Providers			
Dance Studio	\$400	\$250	\$100
Insurance	\$400	\$250	\$100
Interior Design (unaccredited)	\$400	\$250	\$100
Mortgage	\$400	\$250	\$100
Photography	\$400	\$250	\$100
Real Estate	\$400	\$250	\$100
Salons/Barber/Beauty	\$400	\$250	\$100
Sewing & Tailoring	\$400	\$250	\$100
Travel	\$400	\$250	\$100
Advertising/Sign Shops	\$400	\$250	\$100
Car Rental	\$400	\$250	\$100
Care Services	\$400	\$250	\$100
Coin Laundry	\$400	\$250	\$100
Collection Agency	\$400	\$250	\$100
Contractors	\$400	\$250	\$100
Court Reporting	\$400	\$250	\$100
Dispatch (Trucking Office)	\$400	\$250	\$100
Exercise Studio/Gym	\$400	\$250	\$100
Publishing	\$400	\$250	\$100
Professional			
Acct/CPA/Bkkg/Tax	\$300	\$210	\$120
Consulting	\$300	\$210	\$120
Counseling	\$300	\$210	\$120
Education	\$300	\$210	\$120
Engineering	\$300	\$210	\$120
Legal	\$300	\$210	\$120

Medical/Dental/Optical	\$300	\$210	\$120
Architects	\$300	\$210	\$120
Interior Design (accredited)	\$300	\$210	\$120
Veterinarians	\$300	\$210	\$120
Independent Film/Sound Production	\$300	\$210	\$120
Independent Contractor			
Antiques/Salons	\$75	\$ 52.50	\$ 37.50
Artist Space Rental	\$75	\$ 52.50	\$ 37.50
Booth Rental	\$75	\$ 52.50	\$ 37.50
Non Profit	\$125	\$125	\$125

*Highlighted categories have been added for FY 2009/2010*

Notes: For all other businesses not classified, Escondido Downtown Business Association (DBA) will determine the applicable rate. For any multi-purpose business, assessment rate will be based on the largest segment of the business' operation or purpose.

Resolution No. 2010-69  
Exhibit B  
Page 1 of 2

**BUSINESS IMPROVEMENT DISTRICT**




Benefit Zone 1  
Benefit Zone 2  
Benefit Zone 3

0 250 500  
Feet

N

San Jose, California

**BUSINESS  
IMPROVEMENT  
DISTRICT**

- | Benefit Zone 1  | Benefit Zone 2  | Benefit Zone 3  |
|---|---|---|
|  |  |  |



# SECRET

# BID Assessment Formulas (5/6/10)

Resolution No. 2010-69

Exhibit B

Page 2 of 2

Category	Zone 1	Zone 2	Zone 3
Automotive/Gas/Repairs/Parts	\$ 600	\$ 500	\$ 400
Bed & Breakfast	\$ 400	\$ 250	\$ 100
Computer/Software Sales	\$ 450	\$ 350	\$ 250
Financial Services and Banks	\$ 600	\$ 450	\$ 300
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## Service Providers

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## Professional

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Non Profit	\$ 125	\$ 125	\$ 125
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