

## CITY COUNCIL

For City Clerk's Use:

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APPROVED

☐

DENIED

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

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

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

Agenda Item No.: 16  
Date: June 23, 2010

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

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

**SUBJECT:** Modify Benefit Zones and Levy Downtown Business Improvement District Assessments for FY 2010-2011

### RECOMMENDATION:

It is requested that Council adopt Ordinance No. 2010-04 to modify the BID benefit zones and approve Resolution 2010-70 to levy the Downtown Business Improvement District assessments for FY 2010-2011.

### 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:

The Downtown Business Association (DBA) presented their annual report to the City Council on June 9, 2010. The DBA described their proposed budget, activities, survey responses, and proposed changes to the zone boundary. They also described their recent efforts to work with business owners on hardship grants and deferred payment plans to assist business during difficult economic times. The City Council received and approved the annual report, and approved Resolution 2010-69, a Resolution of Intention setting June 23, 2010, at 4:00 PM as the public hearing date.

### BACKGROUND:

The California Streets and Highways Code enables the formation of business improvement districts, requires an annual review of the BID report and the annual levying of BID assessments. All businesses located within the BID area will be assessed according to the benefit zones and

corresponding schedule and rates as detailed in Resolution 2010-70 and the map (Exhibit "A") of the resolution.

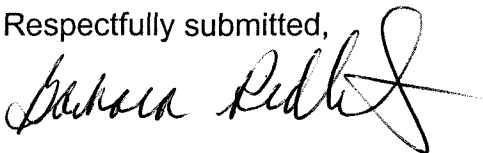
The assessment is collected when a business license is issued and then annually thereafter, when the business license is renewed. The assessments are passed through to the DBA on a monthly basis; the City does not receive any portion of the assessments. The DBA serves as the steward of BID assessments and the administrator and implementer of activities and improvements for the BID. These activities are conducted per an Agreement with the City of Escondido that was adopted in November 1990 and amended in 1995 and 2007.

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 CA Codes (form and manner of protests). Protests can also be presented at the public hearing. As of the date of this report preparation, no written protests have been received. However, the owner of a business on Washington Avenue (Benefit Zone 2) spoke at the June 9 meeting and expressed concern that they did not receive any benefit from the DBA's efforts.

By adopting Resolution 2010-70, the City Council will levy BID assessments for FY 2010-11. A copy of the proposed rate schedule as presented on June 9, 2010 is attached for reference. Some minor changes are proposed in the zone boundaries for Zones 1 and 2. Adoption of Ordinance No. 2010-04 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.

The rates for the existing business categories are the same as were levied for FY 2009-10. The Council can also choose to modify the rates and schedules, if they wish, by adopting a revised resolution at the next regular City Council meeting. Please note that all uses are still subject to the Downtown Specific Plan requirements.

Respectfully submitted,



Barbara Redlitz  
Director of Community Development



Brian Gustafson  
Code Enforcement Manager

## RESOLUTION NO. 2010-70

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING AND CONFIRMING THE  
ESCONDIDO DOWNTOWN BUSINESS  
IMPROVEMENT DISTRICT'S 2010-2011  
ANNUAL REPORT AND THE LEVY OF  
ASSESSMENT RATES FOR FISCAL YEAR  
2010-2011 WITHIN THE BUSINESS  
IMPROVEMENT DISTRICT BOUNDARY

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, in accordance with California Streets and Highway Code Section 36533, the Downtown Business Association has prepared and filed with the City of Escondido the Escondido Downtown Business Improvement District 2010-2011 Annual Report ("2010-2011 Report") and at the June 9, 2010, City Council meeting, the City Council considered and discussed the 2010-2011 Report; and

WHEREAS, pursuant to California Streets and Highway Code Section 36534, on June 9, 2010, the City Council adopted Resolution 2010-69, declaring the City Council's intention to levy and collect assessments within the Escondido Downtown Business Improvement District for Fiscal Year 2010-2011, and to hold a public hearing on June 23, 2010, at 4:00 p.m.; and

WHEREAS, the City Clerk caused a copy of Resolution 2010-69 to be

published in a newspaper of general circulation at least seven days before the June 23, 2010, public hearing; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the rate schedule for Fiscal Year 2010-2011 within the Business Improvement District Boundary and as set forth within this resolution.

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 Report prepared for 2010-2011 Fiscal Year for the levy of assessments and their collection to pay the costs of improvements and activities described in the Report is confirmed as filed.
3. That the City Council approves the assessment rates for Fiscal Year 2010-2011 as noted in the resolution, for businesses located within the Escondido Downtown Business Improvement District (BID). The BID rate schedule and BID Benefit Zone map are attached as Exhibit "A" and are incorporated by this reference.

## BID Assessment Rate Schedule

(5/6/10)

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
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	\$ -
<b>Service Providers</b>			
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
<b>Professional</b>			
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
<b>Independent Contractor</b>			
Antiques/Salon	\$ 75	\$ 53	\$ 38
Artist Space Rental	\$ 75	\$ 53	\$ 38
Booth Rental	\$ 75	\$ 53	\$ 38
Non Profit	\$ 125	\$ 125	\$ 125

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.



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## ORDINANCE NO. 2010-04

AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY CLERK  
TO MODIFY THE BENEFIT ZONES WITHIN  
THE BUSINESS IMPROVEMENT DISTRICT  
BOUNDARY FOR FISCAL YEAR 2010-2011

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, pursuant to California Streets and Highway Code Section 36540, in addition to changes authorized to be made in the 2010-2011 Report, the downtown Business Association may recommend that the City Council modify any benefit zones within the Escondido Downtown Business Improvement District; and

WHEREAS, the Downtown Business Association recommends an area within the Escondido Downtown Business Improvement District be rezoned to Benefit Zone 2; and

WHEREAS, pursuant to California Streets and Highway Code Section 36541, on June 9, 2010, the City Council adopted Resolution 2010-69 declaring the City Council's intention to adopt the proposed benefit zone modification; and

WHEREAS, the public hearing was noticed pursuant to California Streets and Highway Code Section 36541; and

WHEREAS, the City Council held a public hearing on this matter on June 23, 2010; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to modify the Benefit Zones within the Business Improvement District Boundary for Fiscal Year 2010-2011.




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 approves the modification to the Benefit Zones within the Business District Zone Boundary for businesses located within the Escondido Downtown Business Improvement District (BID). The BID Benefit Zone Map is attached as Exhibit "A" and is incorporated by this reference.





**BUSINESS  
IMPROVEMENT  
DISTRICT**

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

