

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 18

Date: June 22, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Barbara Redlitz, Director of Community Development

SUBJECT: Review of Status of the Downtown Business Improvement District (BID) and Levy BID Assessments for FY 2011-12

RECOMMENDATION:

It is requested that Council approve Resolution 2011-55 to levy the Downtown Business Improvement District assessments for FY 2011-2012.

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, including enforcement. BID assessments are collected by the Code Enforcement Division's Business License staff and passed through to the Downtown Business Association (DBA). The City does not receive any portion of the assessments to offset costs of administering the program. At the public hearing, staff will provide an estimate of the cost to administer and enforce the BID program.

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 DBA presented their annual report to the City Council on June 8, 2011. The DBA described their survey results, along with the proposed budget and activities for the next fiscal year. The City Council requested additional information from the DBA regarding the rate schedule for different business categories and the proposed budget expenditures, and expressed interest in a potential reduction of BID assessments due to the economic downturn. Thora Guthrie, the CEO of the DBA, agreed to provide additional budget and rate information to the Council at the June 22, 2011 hearing. Additional Council discussion included whether the City should recover some of the costs to administer the BID program, as well as whether to explore other options regarding the future program administration; discussion of these items was deferred to the public hearing, at which time Council may provide direction to staff, subject for future action. The City Council received and approved the annual report,

and approved Resolution 2011-54, a Resolution of Intention setting June 22, 2011, at 4:30 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 2011-55 (Exhibits "A" and "B").

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 22, 2011, 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.

By adopting Resolution 2011-55, the City Council will levy BID assessments for FY 2011-2012. The proposed rates for the existing business categories are the same as were levied for FY 2010-2011. The Council can also choose to modify the rates and schedules, if they wish.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barbara Redlitz", written in a cursive style.

Barbara Redlitz
Director of Community Development

RESOLUTION NO. 2011-55

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING AND CONFIRMING THE
ESCONDIDO DOWNTOWN BUSINESS
IMPROVEMENT DISTRICT'S 2011-2012
ANNUAL REPORT AND THE LEVY OF
ASSESSMENT RATES FOR FISCAL YEAR
2011-2012 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 ("BID"); and

WHEREAS, these assessments are to be used for certain improvements and activities for the benefit of the businesses located within the BID; 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 2011-2012 Annual Report ("2011-2012 Report") and at the June 8, 2011, City Council meeting, the City Council considered and discussed the 2011-2012 Report; and

WHEREAS, pursuant to California Streets and Highway Code Section 36534, on June 8, 2011, the City Council adopted Resolution 2011-54, declaring the City Council's intention to levy and collect assessments within the Escondido Downtown BID for Fiscal Year 2011-2012, and to hold a public hearing on June 22, 2010, at 4:30 p.m.; and

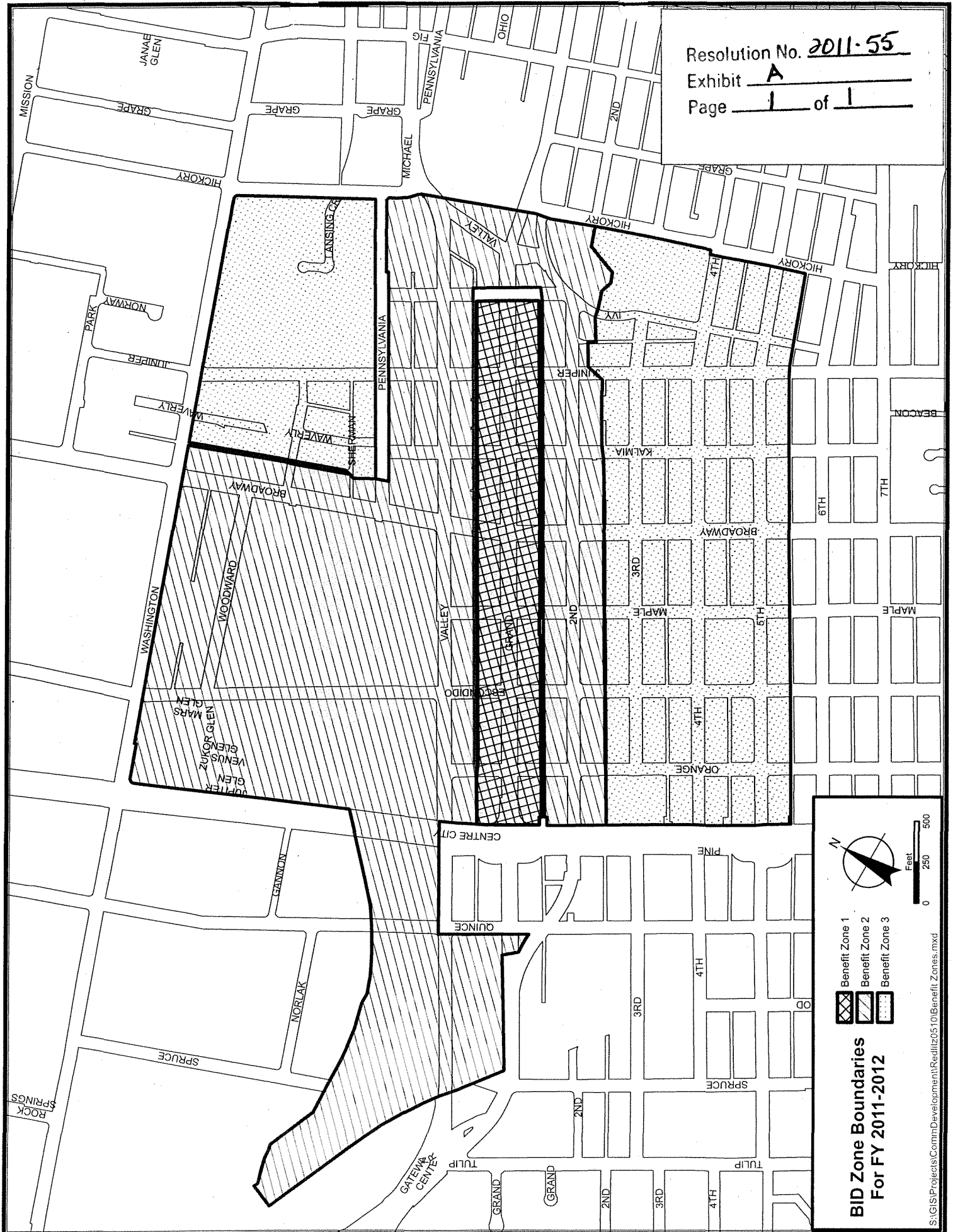
WHEREAS, the City Clerk caused a copy of Resolution 2011-54 to be

published in a newspaper of general circulation at least seven days before the June 22, 2011, 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 2011-2012 within the BID 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 2011-2012 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 2011-2012 as noted in the resolution, for businesses located within the Escondido Downtown BID. The BID map with benefit zones is depicted in Exhibit "A" and the assessment rate schedule is shown in Exhibit "B"; and both Exhibits "A" and "B" are attached to this resolution and incorporated by this reference.



Benefit Zone 1
Benefit Zone 2
Benefit Zone 3

**BID Zone Boundaries
For FY 2011-2012**

BID Assessment Formulas 5/16/2011

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	\$ -
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 Contractors

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

Non Profit

\$ 125	\$ 125	\$125
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For businesses not classified, Escondido Downtown Business Association Board/Staff 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.