

Agenda Report

DATE: JULY 30, 2007

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: ESTABLISHMENT OF THE SOUTH LAKE AVENUE PROPERTY-BASED
BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION

It is recommended that the City Council:

1. Conduct a Public Hearing on the proposed establishment of the South Lake Avenue Property-based Business Improvement District (PBID).

It is further recommended that upon closing of the Public Hearing, that the City Council:

2. Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.

Upon receipt of the report on the tabulation of ballots, if the results of said tabulation show that a majority protest does not exist, it is recommended that the City Council:

3. Adopt a final resolution "Establishing the South Lake Avenue Property-based Business Improvement District", Attachment 1.
4. Adopt the Baseline Services (Attachment 2) and authorize the City Manager to enter into a financial agreement and baseline services contract.

BACKGROUND

The South Lake Business District was initially established by Council on October 26, 1987 as a Business Improvement Area pursuant to Section 36500 of the Streets and Highways Code of California, enabling an assessment collected through the business

licenses. In recent years, the Board of Directors of the South Lake Business District have explored and pursued the formation of a Property-Based Business Improvement District (PBID) whereby the assessment would be collected through the property taxes billing system.

PBID PROPOSAL

The proposed formation of the South Lake Association would have a five-year life span and assess an estimated \$480,000 in the first year. Subsequent year assessments could be increased up to five percent per year, or in accordance with increases in the Los Angeles-Long Beach Consumer Price Index (CPI), All Urban Consumers. The assessment would be derived from a 14-block area bound by Colorado Boulevard, Mentor Avenue, California Boulevard, and Hudson Avenue. The map of the proposed PBID is included as Appendix A in Attachment 3. The proposed budget is to be spent as follows:

Maintenance & Safety

Comprehensive Clean and Safe programs will help keep the Avenue inviting.

- Clean Teams will expand the scope and frequency of sidewalk sweeping, sidewalk washing, litter removal from sidewalks, gutters, alleys and public parking lots
- Daily inspection of sidewalk trash bins; emptying, cleaning and repairing
- Downtown Ambassador assisting visitors with valuable information and hospitality
- Shoppers Lane and Median Beautification

Marketing & Promotions

Selling South Lake as a destination. Creating consumer awareness & Downtown vitality

- Destination Marketing Campaign including advertising and marketing pieces
- Monthly Newsletter
- Branding Campaign
- Promotion Campaigns
- Special Events & Holiday Activities
- Holiday Lighting

Economic Development

Program and services created to help support the growth and vitality of existing businesses, attract new businesses, and stimulate investor confidence.

- Business Expos and Workshops
- District database with market & real estate information
- Full service www.southlakeavenue.org website for members, visitors and investors
- Business Advocacy
- Comprehensive/ Strategic Planning
- Business Creation Attraction Retention Expansion (CARE) Program

Image Enhancement

Programs and projects designed to attract new investors, tenants and customers to the district.

- District Branding including street banners, way-finding signage, planters, garbage & recycling containers and lighting
- Business directory kiosks, furniture & fixture replacement
- Expand physical enhancement and beautification efforts through the district

Process

The California State Law governing the formation of PBID's requires a process which begins with a petition phase, signed by property owners in the proposed district who will pay more than 50% of the proposed assessments. The second step is for City Council to adopt a resolution of intention to establish the PBID, which authorizes the City Clerk to mail a ballot for the establishment of the PBID to the property owners within the district, and set a date for a public hearing to count the ballots with no less than 45-day public notice. Council took this step on June 18, 2007.

In order for the district to be established, the Clerk must receive ballots in support, which "outweigh" those returned in opposition to the PBID based on the amount of assessments to be levied. The City Council may then establish the assessment district by adopting a final resolution. The assessments are billed with the property tax billing and collection by the County Tax Assessor. The County returns the assessments funds to the City, and it is anticipated that the City will contract with the South Lake Association to provide the PBID services to the District in accordance with the Management Plan. The South Lake Association is required to abide by the Brown Act. The production of an annual report and an annual audit are required from the South Lake Association.

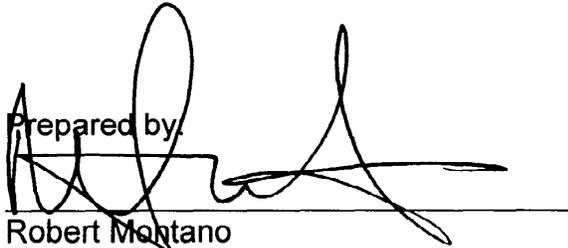
Per the requirements of the PBID law, the South Lake Avenue Association has created the South Lake Avenue PBID – A Management Plan (Attachment 3) and has collected petitions representing over the legal minimum of 50% of assessed value plus \$1, in the 14-block district as of June 11, 2007. South Lake Association has hosted a series of meetings and continues community outreach to encourage support for PBID formation through the balloting phase.

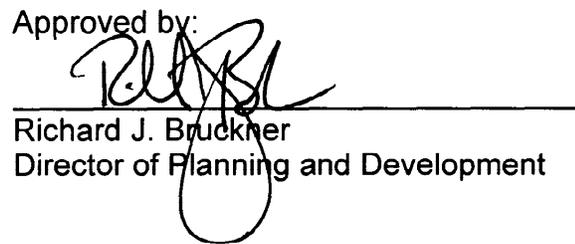
CITY ASSESSMENT

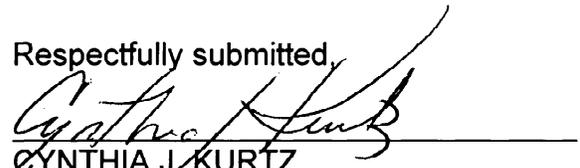
The City assessment for the PBID is valued at \$10,285 in the first year and is derived through the city-owned properties that constitute Shoppers Lane. It was the position of the South Lake Parking Place Commission that this assessment shall be paid through the income generated through parking income.

FISCAL IMPACT

The South Lake Parking Place Commission fund will contribute the City's Assessment of \$10,285 per year, subject to CPI increases for the first PBID term of five years commencing January 1, 2007.

Prepared by:

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Approved by:

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Respectfully submitted,

CYNTHIA J. KURTZ
City Manager