

**STAFF REPORT
City of Lancaster**

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Date: June 11, 2013

To: Mayor Parris and City Council Members

From: Kelvin Tainatongo, Assistant to the City Manager
Chenin Dow, Projects Assistant

Subject: **Annual Assessment of the Parking and Business Improvement District (PID) Levy in The BLVD Association Boundary**

Recommendation:

Adopt **Resolution No. 13-24**, a resolution of the City Council of the City of Lancaster approving The BLVD Association's 2012-2013 Year End Report and levying the annual assessment for the Downtown Lancaster Business Improvement District for the 2013-2014 Fiscal Year.

Fiscal Impact: None.

Introduction:

The BLVD Association serves as a driving force in the ongoing revitalization of the downtown area. Since the City's streetscape transformation project was completed, the Association has become more active than ever before. Throughout the past year, the organization has hosted a number of promotional events and activities to draw patrons to The BLVD, as well as working in partnership with the City to participate in major City-sponsored events. The Association also plays an integral role in marketing for the newly-revitalized BLVD with such efforts as its website, social media, and Wedding on The BLVD marketing campaign. In addition, the Association hosts monthly meetings and periodic mixers which serve as a forum for merchants to explore cross-promotional opportunities to grow their businesses, network with fellow business owners, and more.

In addition to these accomplishments, the Association has enhanced its ongoing efforts to build a vibrant downtown by partnering with the City to conduct the process of forming a Property-Based Improvement District, or PBID. A PBID is a special benefit assessment district designed to raise substantially more funds than the existing BID for the promotion and improvement of the district. Used in approximately 200 business districts throughout California, PBIDs provide the funds needed to develop a sustainable, thriving downtown area through activities such as marketing, augmented maintenance and cleaning services, additional security, special events, and more. The PBID formation process has included extensive interaction with merchants, property owners and stakeholders to identify their needs and wishes for the downtown; developing a

formal Management District Plan based on this input; conducting a petition drive to secure the needed petitions from property owners; and finally a City hearing and balloting process which gives all property owners the opportunity to vote on whether the PBID will ultimately be established. The BLVD Association has contributed \$5,000 toward the cost of this process, and the City Council is also being asked to initiate the PBID balloting process at tonight's meeting.

In the meantime, in order to permit The BLVD Association to continue making such valuable contributions to our downtown, the City Council is required to re-levy the assessment for the existing Parking and Business Improvement District each fiscal year per California Streets and Highways Code Section 36500 et. seq. This staff report and resolution simply declare the intention to consider the continuation of the District at a public hearing to be held on June 11, 2013.

Funds generated by this assessment are used by The BLVD Association for the benefit of its member businesses, which also serve as the source of the fees. These funds help to promote the downtown area in a variety of ways, including joint marketing efforts; training opportunities for businesses; and hosting BLVD Association special events. In short, re-levying this assessment will provide the Association with the funding it needs to continue its own programs and support other BLVD events in an ongoing effort to enhance the downtown area and strengthen its many businesses. One hundred percent of the fees collected via this assessment go directly to The BLVD Association; the City merely collects the funds on the Association's behalf and disburses them to the Association.

Please note that should the Property-Based Improvement District be approved, the Association will request that the current Parking and Business Improvement District be discontinued as of December 31, 2013, as the new district would provide an alternative funding mechanism for the programs and activities of the Association.

According to the California Streets and Highways Code Section 36500 et. seq., the City Council is required to re-levy the assessment for the BID each fiscal year. The BLVD Association recommends moving forward with this action.

Background:

In the late 1980s, City officials sought a way to promote commerce in the downtown area, including satisfying a need for parking. Their efforts culminated in the adoption of Ordinance No. 521 on November 20, 1989, establishing the Downtown Lancaster Parking and Business Improvement District (BID). On the same date, the City Council also approved a formal agreement with the Lancaster Old Town Site Committee (now known as The BLVD Association) to administer the BID. This agreement requires the Association to prepare an administrative report outlining the expenditures from the past fiscal year, as well as the proposed budget for the upcoming fiscal year (please see attachments 5 through 9).

In 1990, Senate Bill 1424 was enacted, modifying California Streets and Highways Code Section 36500 et. seq. to require the legislative body (the City Council) to re-levy the assessment for each fiscal year a BID is in effect. The re-levy of the assessment procedure requires the acceptance of the report from The BLVD Association in its capacity as the BID Advisory Board

for the City Council, as well as adoption of a resolution of intent followed by a public hearing on the assessment.

The current fiscal assessment for 2012-2013 and the proposed 2013-2014 assessment are identical. The proposed assessment level is outlined in Exhibit C. Exhibit A illustrates the BID geographic boundaries, which generally encompass businesses on the north and south sides of Lancaster Boulevard from 10th Street West to Sierra Highway, with portions of these streets also included.

At its regular meeting on May 28, 2013, the City Council adopted the Resolution of Intent to set the Public Hearing for June 11, 2013 to consider the BID annual renewal for Fiscal Year 2013-2014. In accordance with the California Streets and Highways Code Section 36500 et. seq., the Council is required to hear all protests and receive evidence for or against the assessment for the new fiscal year. Proceedings shall terminate if a protest is made in writing on or before the public hearing and a majority of the owners of businesses in the BID that pay 50% or more of the assessments oppose the renewal of the BID.

Summary:

The BLVD Association, which administers the Downtown Lancaster BID, has requested the continuation of the BID during the upcoming fiscal year. This will allow businesses in the downtown area to continue to pool resources and coordinate efforts to promote the newly revitalized BLVD as a major regional destination for the arts, entertainment, shopping and dining. Adopting the attached resolution to renew the BID will contribute to the City and The BLVD Association's ongoing efforts to enhance the economic vitality of the downtown area.

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Attachments:

1. Resolution No. 13-24
2. Exhibit A – Boundary Map
3. Exhibit B – Legal Description
4. Exhibit C – Assessment Fee
5. The BLVD Association Support Letter
6. The BLVD Association 2012-13 Administrative Report
7. The BLVD Association Profit & Loss Statement
8. The BLVD Association Balance Sheet
9. The BLVD Association 2013-14 Budget