

# STAFF REPORT

## City of Lancaster

NB 2
02/23/16
MVB

DATE: February 23, 2016

TO: Mayor Parris and City Council Members

FROM: Vern Lawson, Economic Development Director  
Chenin Dow, Management Analyst II

SUBJECT: **Approve Addition of a Projects Assistant Position to Provide Staffing for the Downtown Lancaster Property Business Improvement District and Lancaster Tourism Business Improvement District**

---

### **Recommendations:**

- a. Approve addition of a Projects Assistant position to provide staffing for the Downtown Lancaster Property Business Improvement District and the Lancaster Tourism Business Improvement District, to be funded jointly by the two districts.
- b. Appropriate \$46,400 to account 101-4540101, and increase revenues in account 101-3615150, Staff Reimbursements, by the same amount.
- c. Authorize the City Manager or his designee to execute all related documents.

### **Fiscal Impact:**

Salary and benefits for the position total approximately \$46,400 for the current partial fiscal year, to be reimbursed by the Lancaster Tourism Business Improvement District and Downtown Lancaster Property Business Improvement District.

### **Background:**

In recent years, the private sector has partnered with the City of Lancaster to elevate our community's economic development efforts in two key areas: tourism and downtown. This proactive approach to building commerce led to the creation of the City's first business improvement districts: the Lancaster Tourism Business Improvement District (LTBID), governed by Destination Lancaster, and the Downtown Lancaster Property Business Improvement District (DLPBID), governed by The BLVD Association.

The overarching purpose of these BIDs is simple: to create value and generate revenue for their respective contributors. Destination Lancaster is funded by a 2% tourism assessment on stays at member hotels, while The BLVD Association is funded by an assessment on properties located in the downtown area.

These districts have substantially enriched our community's economic development efforts, thus helping to attract new jobs and dollars into our local economy. In terms of tourism, transient occupancy tax has increased 27% in the past five years as a result of both new hotels attracted and increased occupancy rates at existing hotels. Implemented in 2013, Destination Lancaster's activities continue to increase occupancy rates under the leadership of Board of Directors Chairman and City Council Member Ken Mann, which in turns attracts still greater interest from new hotels in locating in Lancaster. For the downtown area, The BLVD Association has implemented a number of services to benefit its members, including Desert Haven Clean Teams which provide daily cleaning services throughout the district; private security to augment law enforcement and address quality-of-life issues such as panhandling; and myriad marketing activities to attract new patrons to The BLVD.

However, these valuable services require staff to implement them. Previously, two senior City staffers dedicated much of their time, without BID reimbursement, to Destination Lancaster. However, due to ongoing City priorities and a staff vacancy, this is no longer a viable option. Challenges with previous staffing of The BLVD Association led its board of directors to explore alternatives at the end of 2015.

Both organizations face the same challenge: as nonprofits on a limited budget, it is difficult to provide the compensation, benefits, and security needed to attract top talent. Additionally, to staff these organizations individually would mean that each respective staff member would have no access to the assistance, resources, or backup staff members offered by a larger organization.

The creation of a new City position, funded jointly by the two organizations and housed at the City, would resolve these issues. Such a position would offer a substantially more competitive compensation package than the organizations could provide on their own, thus utilizing economies of scale to facilitate the attraction of a high-quality staff member. Additionally, this position would enjoy access to City resources such as clerical staff and office infrastructure, enabling a staff member to focus his or her time on the important task of managing these organizations. A number of cities have successfully managed their business improvement districts via one or more municipal staffers, including Vista, Santa Clarita, and Burbank.

The Economic Development Division is a natural fit to house this staff member, as the goal of both organizations is, in essence, economic development. In addition, our current Economic Development Director offers nearly two decades of experience running a board-managed nonprofit; this experience will undoubtedly serve as an excellent resource for the new staff member.

Finally, the missions of these two organizations support and strengthen one another. The skills needed to successfully run either include marketing, project management, public relations, and board relations. The activities of one district regularly benefit the other, such as the BLVD's upcoming "Bacon, Blues & Brews" festival which aims to attract patrons to the Antelope Valley and The BLVD, and Destination Lancaster's support of the Air Show which brings tens of thousands to the AV to eat, drink and socialize after enjoying a full day of aerial acrobatics.

In short, the creation of this position will benefit Destination Lancaster, The BLVD Association, and the City of Lancaster. For this reason, the Destination Lancaster Board of Directors and The BLVD Association's Executive Committee have asked City staff to take the needed steps to move forward in establishing this position. Once created, this position will work to further economic development in the City of Lancaster, thus catalyzing commerce and job creation for our community.

VL:cd