



# CITY OF HUNTINGTON BEACH

## INTERDEPARTMENTAL COMMUNICATION

OFFICE OF BUSINESS DEVELOPMENT

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

**SUBMITTED BY:** David Kiff, Interim City Manager

**PREPARED BY:** Kellee Fritzal, Deputy Director, Economic Development

**DATE:** September 16, 2019

**SUBJECT:** Correction to Council Action item 11-940 Public Hearing for Downtown Bid, September 16, 2019

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This memo serves as correction to Council Item 11-940, *Public Hearing to consider adoption of Resolution 2019-69 approving an Annual Assessment within the Huntington Beach Downtown Business Improvement District (DTBID) for Fiscal Year 2019-2020; and authorize appropriation of funds.*

Under the **2019-2020 (PROPOSED)** expenses, the amount of \$18,000 under **Surf City Nights (SCN) Miscellaneous** was left out of the total amount. With this update of \$18,000, the correct total amount for **2019-2020 (PROPOSED)** is **\$708,000**.

In addition, attached is the PowerPoint for tonight's presentation.

### SUPPLEMENTAL COMMUNICATION

Meeting Date: 9-16-2019

Agenda Item No.: #22 (19-940)

City of Huntington Beach  
September 16, 2019

**2019/2020  
DOWNTOWN BUSINESS  
IMPROVEMENT DISTRICT  
RENEWAL**

**Renewal Process**

- ⦿ Resolution of Intention to Levy Annual Assessment
  - Adopted on August 19, 2019 and
  - Conducted public meeting on Sept. 3, 2019
  - Published in HB Wave on August 29, 2019
- ⦿ City mailed a letter, Resolution, map, and assessments on August 28 to all DTBID members



**Huntington Beach  
Downtown Business  
Improvement District**

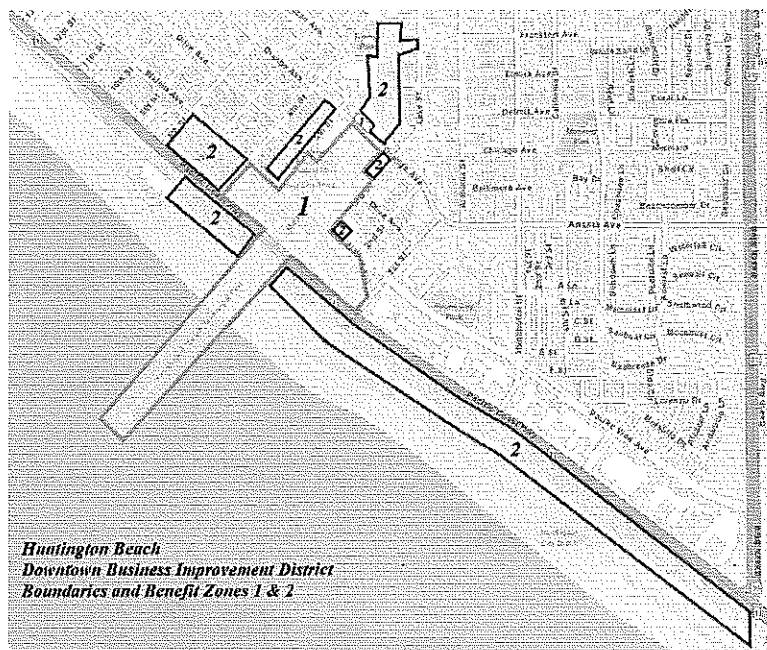
**2019-2020  
Renewal**

**2018-2019 Accomplishments**

- New website for better business listings
- Increased security guard service--7 days a week
- Partnership with City on benches
- Changed from BID Manager to Executive Director
- Increased Transparency

## Proposed Changes

- ⦿ Modified Zone 1– increase assessments by 17% for majority of businesses
- ⦿ Modified Zone 2 – minor – services and kiosks. Two categories were decreased in Zone 2 including retail, restaurants, and hotels



*Huntington Beach  
Downtown Business Improvement District  
Boundaries and Benefit Zones 1 & 2*

HUNTINGTON BEACH DOWNTOWN  
BUSINESS IMPROVEMENT DISTRICT  
ASSESSMENT FORMULA

Category	OCT 01, 2018 - SEP 30, 2019 Benefit Zone		PROPOSED ASSESSMENT OCT 01, 2019 - SEP 30, 2020 Benefit	
	Zone 1	Zone 2	Zone 1	Benefit Zone 2
<b>Retail Businesses (includes Nail / Ho</b>				
1,000 sq. ft. or less	\$300	\$200	\$351	\$200
1,001 to 2,500 sq. ft.	\$800	\$400	\$702	\$400
2,501 to 4,999 sq. ft.	\$900	\$600	\$1,053	\$600
5,000 sq. ft. or more	\$1200	\$900	\$1,404	\$900
<b>Restaurants</b>				
1,000 sq. ft. or less	\$300	\$200	\$351	\$200
1,001 to 2,500 sq. ft.	\$600	\$400	\$702	\$400
2,501 to 4,999 sq. ft.	\$900	\$600	\$1,053	\$600
5,000 sq. ft. or more	\$1200	\$900	\$1,404	\$900
<b>Hotels</b>				
20 rooms or less	\$400	\$400	\$458	\$400
21-50 rooms	\$800	\$800	\$916	\$800
51 rooms or more	\$1200	\$1200	\$1,404	\$1,200
<b>Services / Office</b>				
First Floor	\$240	\$160	\$281	\$160
Basement, Second Floor or higher	\$120	\$90	\$120	\$90
1,000 sq. ft. or less			\$150	\$120
1,001 to 2,500 sq. ft.			\$300	\$160
2,501 to 4,999 sq. ft.			\$700	\$350
5,000 sq. ft. or more				
<b>Cart / Kiosk</b>				
	\$60	\$40	\$100	\$60
<b>Banks / ATM</b>				
	\$600	\$400	\$600	\$400
<b>Seasonal (open fewer than 3 months)</b>			\$550	\$300

- Hyatt Regency, Waterfront Beach Resort, Pasea Hotel and Pacific City seceded from the BID in October 2019.
- Assessment excluded for apartments, real estate agents, non-profits, home-based businesses and temporary vendors.
- Businesses and non-profit organizations outside the area may join with the approval of the BID Board by paying the equivalent fee annually.
- Non-profit organizations within the BID Assessment Zone can voluntarily participate by paying \$30 to the HB Downtown BID directly.

# Proposed Budget: Income

INCOME	
City of HB -- Maintenance	\$162,000
Surf City Nights	\$315,000
BID Member Assessments	\$120,000
Other Events	\$45,000
Reserves	\$66,000
<b>TOTAL INCOME =</b>	<b>\$708,000</b>

## Proposed Budget: Expenses

<b>EXPENSES</b>	
Malco Maintenance	\$150,000
Surf City Nights	\$47,000
Events/Holiday Décor	\$65,000
Marketing	\$17,000
Wages/Payroll	\$193,500
Ambassador	\$48,000
Security	\$128,000
Miscellaneous	\$41,500
<b>TOTAL EXPENSES:</b>	<b>\$690,000</b>

## Proposed Budget 2019-2020

- ⦿ Budget includes expenditures for security, special events, marketing, ambassadors, salaries

## 2019-2020 GOALS

- ⊙ **New Data Base Software** – will include updated member information and facilitate communication
- ⊙ **Downtown Days** – offer discounts to residents of HB during off season
- ⊙ **Ambient Lighting** – research lighting to improve safety and experience in downtown during night

## Public Hearing / Protests

- ⊙ **BID Renewal Public Hearing**
  - Council to consider written and oral protests
  - Options to renew, not renew, adjust BID boundaries and/or fees
- ⊙ **Protests**
  - If written protests from affected parties equivalent to 50% or more of assessments, no further proceedings for one year
  - Business owners may also make oral protests at the hearing

## **RECOMMENDED ACTION**

- **Conduct the Public Hearing**
- **Consider Resolution to Approve Annual Assessment within the Huntington Beach Downtown Business Improvement District for 2019-2020**
- **Approve appropriation of \$29,000 for budget allocation in 2019-2020 - Fund 710**