



City of Huntington Beach

File #: 19-875

MEETING DATE: 9/3/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Dave Kiff, Interim City Manager

PREPARED BY: Kellee Fritzal, Deputy Director of Economic Development

Subject:

Conduct a Public Meeting to allow discussion regarding the adoption of Resolution No. 2019-54 Declaring the City's intention to levy an annual assessment for Fiscal Year 2019-2020 within the Huntington Beach Downtown Business Improvement District

Statement of Issue:

On August 19, 2019, the City Council adopted the Resolution of Intention to levy annual assessment fees for businesses within the Huntington Beach Downtown Business Improvement District (DTBID) within Zone 1. Government Code section 54954.6 requires that a public meeting be held, to provide members of the public an opportunity to comment on the renewed assessment. Conducting this public meeting satisfies the statutory required step in the DTBID, and the Public Hearing scheduled for September 16. The modifications would increase the assessment for businesses within Zone 1 by 17% under the categories of Retail Business, Restaurants, Hotels, Services/Office, and Cart/Kiosk.

Financial Impact:

No Fiscal Impact.

Recommended Action:

Open the public meeting to allow members of the public to provide comments.

Alternative Action(s):

Direct staff as necessary.

Analysis:

In September 2004, the City Council approved Resolution No. 3661, establishing the Huntington Beach Downtown Business Improvement District (DTBID) to fund promotional activities benefiting all businesses within the district area. In addition, pursuant to State Law, the City Council appointed an Advisory Board for the District. The purpose of the BID Advisory Board is to make recommendations to the City Council regarding the expenditures of revenues derived from the assessments, on the

classifications of businesses, and on the method of levying the assessments. The Advisory Board recommendations are then considered by the City Council at a noticed public meeting and approved or modified by the City Council.

In February 2008, the City Council adopted Ordinance No. 3797, which amended Ordinance No. 3661, to change the manner in which the District's Advisory Board was selected. Following adoption of Ordinance No. 3797, the City Council approved Resolution No. 2008-04 appointing a non-profit corporation known as the Huntington Beach Downtown Business Improvement District (the "Non-Profit Corporation") to act as the Advisory Board for the District. The Non-Profit Corporation has continued to act as the Advisory Board for the District since the adoption of the Resolution.

In April 2017, the City Council recommended that the DTBID retain the services of an outside, industry-specific consultant to review and evaluate the DTBID's operations and structure, and provide recommendations to improve the functionality and professionalism of an organization to the benefit of its members. The DTBID subsequently contracted with the International Downtown Association (IDA) to review the DTBID. The panel spent significant time in the Downtown area, interviewed over 55 stakeholders, and in July 2017, produced a report detailing their observations and recommendations. Changes to the DTBID budget, organizational structure, and employee compensation were recommended.

In July 25 2019, at a Directors special BID meeting, the committee voted in favor of amending the boundary map and assessment formula from the current year. The northeast corner of Main Street and Orange Avenue (which is under construction) has been added to Zone 1. Fees for businesses within Zone 1 under categories Retail Businesses, Restaurants, Hotels, Services/Office, and Cart/Kiosk have been increased by 17%. For businesses under the category of Services/Office that are located on the second floor, a new category has been created based on square footage. In addition, a new category, Seasonal, has been created for businesses that are open fewer than nine months per year. This category includes the beach cabanas businesses.

Environmental Status:

Not Applicable.

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. Resolution No. 2019-54, "A Resolution of the City Council of the City of Huntington Beach Declaring the City's Intention to Levy an Annual Assessment for Fiscal Year 2019-2020 Within the Huntington Beach Downtown Business Improvement."
2. Exhibit A - HBDTBID Annual Report
Exhibit B - Assessment Schedule
Exhibit C - Types of Improvements
3. HB DTBID Boundary and Benefit Zones 1 & 2 Map

4. List of Businesses to be Assessed