

DATE: September 5, 2023

TO: Downtown Committee

FROM: John Lang, Economic Vitality Manager

SUBJECT: **Downtown Business Improvement Area**

BACKGROUND

The purpose of this memo is to provide the Downtown Committee with information for the annual renewal of the two Downtown Business Improvement Areas. The Committee may choose to support the renewal with a motion.

BACKGROUND

A business improvement area (BIA) is a way to generate funds for a downtown area by requiring each business in the area to pay a BIA fee in addition to a business license fee. The fees vary by the type, size, and location of the business but are not subject to Proposition 218 because they are business-based fees. State law requires that these funds be used for advertising, promotions, special events, or other activities that promote the downtown area. The fees can either be used by the City or allocated to an organization, such as the Downtown Business Association (DBA) or the Mountain View Chamber of Commerce (Chamber).

Mountain View has two BIAs (Attachment 1), originally initiated by the Central Business Association (CBA) (now known as the Downtown Business Association or DBA). BIA No. 1, formed in 1983, includes the length of Castro Street and some side streets, and the assessment formula is based on business type. BIA No. 2, created in 1991, includes the 100, 200, and 300 blocks of Castro Street. The area serves the same purpose but was created to increase revenues for the CBA. The BIA No. 2 assessment formula is based on the type, size, and location of the business. The assessments for both areas are added to the City's business license fee and are due with the renewal of the business licenses in January. Revenues have historically been allocated to the DBA. The DBA's primary role is to utilize BIA funds for downtown promotional events, marketing, and business advocacy.

ANALYSIS

The City, in coordination with the Chamber and DBA, is required to annually renew the BIAs. The process begins with developing a list of businesses within the BIA boundaries and presenting an

annual report of accomplishments and plans for the following year. For 2024, the DBA projects revenues from the two areas are estimated to be \$30,350 for BIA No. 1 and \$9,425 for BIA No. 2. Council will review the annual report and estimated annual assessments at two public hearings. At the first public hearing on October 10, 2023, the City Council will review the BIA assessments and may preliminarily approve the renewal and identify additional information Council would like available. If the City Council preliminarily approves the renewal, a second public hearing will be held on November 14, 2023, where the City Council will approve the BIA assessments and allocate the funds. After the City Council takes final action, business license renewal notices will be sent to the businesses located within the BIA boundaries.

NEXT STEPS

Staff is preparing to bring the renewal to the City Council for review at the October 10, 2023 and November 14, 2023 meetings. The Downtown Committee will receive a copy of the Council reports.

~~JL/1/CDD~~

~~819-09-05-23M~~

Attachment: 1. Business Improvement Area Map

City of Mountain View

BUSINESS IMPROVEMENT AREAS

