



DATE: November 16, 2021

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Public Hearing on Downtown Business Improvement Areas and Allocation of 2022 Business Improvement Areas Revenues**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Levying the Annual Benefit Assessments for Fiscal Year 2021-22 for Downtown Mountain View Business Improvement Area No. 1, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Levying the Annual Benefit Assessments for Fiscal Year 2021-22 for Downtown Mountain View Business Improvement Area No. 2, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Authorize the City Manager or designee to allocate the 2022 revenues from Business Improvement Area No. 1 and Business Improvement Area No. 2 to the Mountain View Chamber of Commerce to fund a contract for services with the Mountain View Chamber of Commerce to accomplish the purposes of the areas.

BACKGROUND

Mountain View has two Business Improvement Areas (BIAs) originally created by the downtown businesses and Downtown Business Association (DBA). The 1983 Business Improvement Area, BIA No. 1, includes the entire length of Castro Street (West Evelyn Avenue to El Camino Real) and some side streets. BIA No. 1 fees are based upon type of business, specifically restaurant, retail, and professional (i.e., office). The 1991 Business Improvement Area, BIA No. 2, includes the 100, 200, and 300 blocks of Castro Street, and the fees are based upon type of business (restaurant, retail, or professional) and size of business (square feet). Businesses within both BIAs pay both fees and the total BIA revenues are then allocated to the Mountain View Chamber of Commerce (Chamber). The Chamber utilizes BIA revenues for promoting downtown, coordinating special events, and providing business advocacy.

On May 25, 2021, the City Council appointed the Chamber as the advisory board for BIA No. 1 and No. 2 and allocated the 2021 BIA assessment revenues to the Chamber for their use in accordance with the previously approved annual report and purposes Council adopted when the assessments were levied in November 2020. In addition, Council authorized the City Manager to execute a contract for services with the Chamber. The City entered into a contract with the Chamber in June 2021.

ANALYSIS

State law requires the annual renewal of both BIAs through a public meeting as well as a public hearing, in order to levy the assessments and authorize the allocation of revenues. At the first public meeting on October 12, 2021 (Attachment 3), the City Council unanimously approved the preliminary approval of the assessments and set the public hearing. At tonight's public hearing, the City Council will be asked to levy the BIA assessments and allocate the 2022 revenues from both areas to the Chamber to fund assessment activities in 2022. The Chamber would utilize allocated funds for 2022 pursuant to the contract the City executed with the Chamber earlier this year. After the City Council takes final action, BIA assessment amounts will be included with business license renewal notices and sent in January to businesses located within the BIA boundaries. Staff will work with the Chamber to ensure that businesses pay their BIA fees.

FISCAL IMPACT

All 300-plus downtown businesses are included in BIA No. 1 and are assessed \$50 (professional), \$150 (retail), or \$200 (restaurant). Businesses in BIA No. 2 are assessed an additional \$25 to \$175 depending on square footage of the business. The Chamber projects revenues from the two areas to be \$28,450 for BIA No. 1 and \$8,975 for BIA No. 2 (total of \$37,425 from both BIAs). The Chamber does not propose an increase or change in the 2022 assessment, including the rate/methodology.

ALTERNATIVES

1. Do not adopt the resolutions levying the BIA assessments. If the resolutions are not adopted, the assessments would not be collected, and there would be no allocation of the 2022 BIAs revenue to the Chamber. The Chamber would need to seek new funding or reduce its programming.
2. Provide other direction.

PUBLIC NOTICING

Notice of this public hearing was included in the standard Council agenda notice and posting procedures. Notice of the public hearing was mailed to all businesses in the two areas and published in the *Daily Post Journal*, the official record for the City of Mountain View.

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- Attachments:
1. Resolution Levying Annual Assessment for BIA No. 1
 2. Resolution Levying Annual Assessment for BIA No. 2
 3. October 12, 2021 Council Report
 4. Mountain View Chamber of Commerce Annual Report 2021