



**DATE:** October 25, 2016

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** **Public Meeting on Downtown Business Improvement Areas (BIAs)**

### **RECOMMENDATION**

1. Hold a public meeting on the Downtown Business Improvement Areas.
2. Preliminarily approve the report from the Central Business Association.
3. Adopt a Resolution of the City Council Declaring Its Intention to Levy Assessments for the Downtown Mountain View Business Improvement Area No. 1, to be read in title only, further reading waived, and set a public hearing date of November 22, 2016 (Attachment 1 to the Council report).
4. Adopt a Resolution of the City Council Declaring Its Intention to Levy Assessments for the Downtown Mountain View Business Improvement Area No. 2, to be read in title only, further reading waived, and set a public hearing date of November 22, 2016 (Attachment 2 to the Council report).

### **BACKGROUND**

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

Mountain View has two BIAs (Attachment 3). The 1983 Business Improvement Area, BIA No. 1, includes the length of Castro Street and some side streets. The 1991 Business

Improvement Area, BIA No. 2, includes a smaller area in the 100, 200, and 300 blocks of Castro Street. The areas serve the same purpose but were enacted under different State enabling legislation. In 1991, the CBA recommended, and the City Council approved, the formation of the second area when the CBA identified the need to increase BIA revenues in 1991. The rationale for the boundaries of BIA No. 2 is that this is the area which receives the most benefit from CBA events and promotions.

Although BIAs were formed by City Council action, at some point, past City Council reports incorrectly referred to these business assessment areas as business improvement districts (BIDs). The annual renewal of the BIAs will reflect the correction of this error.

### ANALYSIS

The two BIAs provide an estimated \$43,000 in assessment revenues, which constitute approximately 22 percent of the CBA's operating budget. Under State law, both areas require a public meeting as well as a public hearing (the public hearing is scheduled for November 22, 2016) in order to adopt fees and authorize expenditure of funds. At today's public meeting, the City Council will be asked to set a date for the public hearing and to preliminarily approve the report submitted by the CBA (Attachment 4). The report summarizes how the 2016 BIA funds were used and how the CBA intends to use the 2017 BIA funds. At the November 22, 2016 public hearing, the City Council will be asked to review and give final approval to the CBA report, levy the assessments, and allocate the 2017 funds from both areas to the CBA.

The CBA's primary role is to utilize BIA funds for downtown promotional events and continue to expand its role in supporting the downtown through new programs and opportunities. The CBA continues to sponsor the annual A La Carte and Art event (in its 20th year) and held the fourth annual Downtown Mountain View Wine Walk on August 11, 2016. Last year, the CBA added another event to its programming—Halloween Trick-or-Treating, where participating businesses handed out treats to children. They will be hosting the event again on October 29, 2016 from 1:00 p.m. to 4:00 p.m. Meanwhile, the CBA continues several marketing programs—a downtown guide and website (<http://mountainviewdowntown.com>) to help downtown businesses establish or expand their marketing presence over the Internet. The CBA also continues to maintain both a Facebook page (*Mtn. View Central Business Association*) and a Google Plus page.

At today's public meeting, the City Council may discuss the BIA and receive any comments or other input from members of the public. The City Council may also want to identify any additional information it would like available for the November 22, 2016 public hearing. After the City Council takes final action at the public hearing on

November 22, 2016, the business license renewal notices will be sent to the businesses located within the BIAs.

### **FISCAL IMPACT**

Holding a public meeting preliminarily approving the report and setting a public hearing date has no fiscal impact. At the public hearing on November 22, 2016, the City Council will determine: (1) how much to assess businesses in BIA Nos. 1 and 2; and (2) how to allocate those funds for downtown promotion and improvement activities.

The revenues from the two areas are estimated to be \$33,300 for BIA No. 1 and \$9,700 for BIA No. 2, and can be used for a variety of activities, including downtown promotion. The assessments for both areas are added to the typical \$30 business license fee and are due with the renewal of the business license in January. Staff is working with the CBA to ensure that businesses within the area are paying their BIA fees, and sent letters to new businesses that had not yet paid their business license fee. The attached report from the CBA (Attachment 4) identifies each business affected, their proposed assessment, and the CBA's recommendations for how it plans to use the revenue for downtown promotion and activities for 2017. The CBA does not propose an increase in this year's BIA assessment.

### **ALTERNATIVES**

If the report from the CBA is not preliminarily approved and the resolutions are not adopted, the BIAs' fees would not be levied and the 2017 funds from both areas would not be allocated to the CBA. The CBA would need to seek new funding or reduce its programming.

**PUBLIC NOTICING**

Notice of this public meeting was included in the standard Council agenda notice and posting procedures. Notice of the public meeting and hearing was mailed to all businesses in the two areas, will appear in a flyer the CBA distributes to every downtown business, and in the *San Jose Post Record*—the official record for the City of Mountain View.

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TC-AA/2/CAM  
822-10-25-16CR-E

- Attachments:
1. Resolution of Intention to Levy Assessment for BIA No. 1
  2. Resolution of Intention to Levy Assessment for BIA No. 2
  3. Business Improvement Area Map
  4. Business Improvement Area Annual Report 2016

cc: Ms. Julie Smiley – Central Business Association