



DATE: October 12, 2021

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Public Hearing on Downtown Business Improvement Areas**

RECOMMENDATION

1. Preliminarily approve the Mountain View Chamber of Commerce Annual Report.
2. Adopt a Resolution of the City Council of the City of Mountain View 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 16, 2021 (Attachment 1 to the Council report).
3. Adopt a Resolution of the City Council of the City of Mountain View 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 16, 2021 (Attachment 2 to the Council report).

BACKGROUND

A business improvement area (BIA) is a common way to generate funds to promote a downtown area. BIAs require each business in the area to pay a BIA fee in addition to the business license fee. The amount of BIA fee that each business pays varies by the type, size, and/or location of the business. State law requires that BIA fees be used for advertising, promotions, special events, or other activities that promote the designated business area. The fees can either be used by the jurisdiction or allocated to an appropriate organization, such as a business association or chamber of commerce. BIAs are usually formed by a business association or chamber of commerce, given the interest of such organizations to support a business district.

Mountain View has two BIAs (Attachment 3), both originally created by the downtown businesses, historically organized as the Central Business Association and, later, the Downtown Business Association (DBA), with revenues historically allocated to them. In May 2021, the Mountain View Chamber of Commerce (Chamber) was appointed by City

Council to provide support to the downtown businesses and receive and manage BIA revenues. The 1983 Business Improvement Area, BIA No. 1, includes the entire length of Castro Street (from West Evelyn Avenue to El Camino Real) and some side streets. BIA No. 1 fees are based upon the type of business, specifically restaurant, retail, and professional (i.e., office). In 1991, the DBA recommended, and the City Council approved, the formation of a second BIA when the DBA identified the need to increase BIA revenues. BIA No. 2 includes a smaller area in the 100, 200, and 300 blocks of Castro Street and is geographically contained entirely within BIA No. 1. The rationale for the boundaries of BIA No. 2 is that this area receives the most benefit from the resources provided by the BIA. BIA No. 2 fees are based upon the type of business (restaurant, retail, and professional) and size of business in square feet.

Both BIAs serve the same purpose of supporting the downtown businesses but were enacted under different State enabling legislation. BIA No. 1 was created under the Parking and Business Improvement Area Law of 1979. The 1979 BIA law was replaced by a 1989 law under which BIA No. 2 was created. Businesses located within both BIAs pay both fees.

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 (Attachment 4).

ANALYSIS

Under State law, both BIAs require an annual public meeting and public hearing to levy assessments and authorize expenditure of funds. The Chamber estimates the two BIAs will generate \$37,425 in assessment revenues (\$28,450 for BIA No. 1 and \$8,975 for BIA No. 2) in 2022. The Chamber does not propose an increase or change in this year's BIA assessment, including the assessment rate or methodology.

For the public meeting on October 12, 2021, the City Council is being asked to review the proposed programming the BIAs should fund, receive any comments or other input from members of the public, preliminarily approve the annual report submitted by the Chamber (Attachment 5), and set November 16, 2021 for the public hearing. The Chamber report identifies businesses within the BIAs, their proposed assessment, and recommendations for how the Chamber plans to use the revenue for downtown promotions and activities for 2022 (see below for a summary). The City Council may also identify additional information it would like to be available.

At the public hearing on November 16, 2021, the City Council will be asked to review and give final approval to the Chamber report, levy the assessments, and allocate the 2022 funds from both BIAs to the Chamber. After the City Council takes final action, BIA fee amounts are included with the business license renewal notices and will be sent in January to the businesses located within the BIA boundaries.

The Chamber's primary role is to provide staffing to the downtown businesses through the creation of an advisory group, which will continue to be known as the Downtown Business Association and advise the Chamber on the BIAs, utilize BIA funds for marketing and promotional events in downtown, and expand its business advocacy role in supporting the downtown area. While 2021 focused on the transition of downtown business support from the former DBA to the Chamber, some highlights of the 2021 accomplishments include:

- Developed and launched the Mountain View Marketplace – an online portal which represents over 140 local businesses (58 downtown businesses).
- Maintained a social media presence, including the use of a dedicated social media contractor.
- Published the Community Guide and Business Directory –featuring a detailed Shopping Map of Downtown. Five thousand (5,000) hard copies were printed and distributed to more than 50 strategic locations.
- Hosted Open Air Artisan's Market with 40 booths to bring vitality and traffic to downtown.
- Held ribbon cuttings, featuring local leaders and special festivities, to bring customers and press coverage to downtown.
- Hosted outreach meetings with the City and elevated issues and concerns specific to individual businesses. Average attendance has been 30 to 50 participants.
- Increased outreach via phone and business visitation and surveys. Direct contact has been made with more than 200 downtown businesses.

For 2022, the Chamber developed a work plan that is focused on marketing and promotions, small-business advocacy, growing the advisory group of the downtown businesses, and providing direct assistance to businesses. Most of the activities accomplished in 2021 will continue in 2022. Additionally, the Chamber, with the

guidance and advice of downtown businesses, plans to undertake the following:

- Discontinue the A La Carte and Art Festival and hold other events, such as a Wine Walk, that have a greater impact on downtown, better engage merchants, and drive more foot traffic.
- Resume State of the Downtown meetings, an event to provide an annual report of activities and programming organized by the Chamber and downtown businesses.
- Partner with property owners to activate vacant storefronts and work with the City on identifying potential businesses/tenants.
- Work with the City to facilitate the ease with which a business can successfully understand, navigate, and complete the permitting process.
- Recognize all downtown businesses as entry-level Chamber members, with full benefits provided at that level, including online and offline listings, advertising, seminars, trainings, and other valuable services. The Chamber will need to identify long-term funding for this effort, including the exploration of a third BIA.
- Relaunch Downtown Mountain View web resources and incorporate into high-traffic sites, such as ilovemv.org and chambermv.org.

FISCAL IMPACT

The Chamber projects revenues from the two areas to be \$37,425 (\$28,450 for BIA No. 1 and \$8,975 for BIA No. 2) and are allocated to the Chamber for downtown promotions, business advocacy, and event planning in the downtown area. The assessments for both areas are added to the business license fee and are due with the renewal of the business licenses in January 2022. Staff works with the Chamber to ensure that businesses within the area pay their BIA fees.

ALTERNATIVES

1. Do not preliminarily approve the Chamber report and do not set November 16, 2021 for the public hearing. If the report from the Chamber is not preliminarily approved and the resolutions are not adopted, the BIAs' fees would not be levied, and there would be no funds for 2022 from either area to be allocated to the Chamber. The Chamber would need to seek new funding or reduce its programming.
2. Provide other direction.

PUBLIC NOTICING

The renewal of the current annual BIAs and the summary of proposed activities in the 2021 Chamber Annual Report were presented at the September 7, 2021 Downtown Committee meeting. 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 and published in the *Daily Post Journal*, the official record for the City of Mountain View.

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- Attachments:
1. Resolution of Intention to Levy Assessments for BIA No. 1
 2. Resolution of Intention to Levy Assessments for BIA No. 2
 3. Business Improvement Area Map
 4. May 25, 2021 City Council Report
 5. Chamber Annual Report 2021

cc: Mountain View Chamber of Commerce