



DATE: November 17, 2020

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Public Hearing on Downtown Business Improvement Areas and Allocation of 2021 Business Improvement Areas Revenues**

RECOMMENDATION

1. Adopt a Resolution of the City of Mountain View Levying the Annual Benefit Assessments for Fiscal Year 2020-21 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 of Mountain View Levying the Annual Benefit Assessments for Fiscal Year 2020-21 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 to execute a contract for services with the Downtown Business Association for 2021 and authorize the allocation of 2021 revenues from Business Improvement Area No. 1 and Business Improvement Area No. 2 to the Downtown Business Association.

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 DBA. The DBA utilizes BIA revenues for promoting downtown, coordinating special events, and providing business advocacy.

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 27, 2020 (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, authorize the City Manager to execute a contract for services with the DBA, and allocate the 2021 revenues from both areas to the CBA. After the City Council takes final action, staff will work with the DBA to finalize the contract. 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 DBA 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 DBA projects revenues from the two areas to be \$31,150 for BIA No. 1 and \$9,200 for BIA No. 2 (total of \$40,350 from both BIAs). The DBA does not propose an increase or change in the 2021 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 2021 BIAs revenue to the DBA. The DBA 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 *San Jose Post Record*—the official record for the City of Mountain View.

Prepared by:

Tiffany Chew
Business Development Specialist

Approved by:

Aarti Shrivastava
Assistant City Manager/
Community Development Director

Kimbra McCarthy
City Manager

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822-11-17-20CR
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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 27, 2020 Council Report
 4. Downtown Business Association Annual Report 2020