

**DOWNTOWN HAYWARD BUSINESS IMPROVEMENT AREA
ADVISORY BOARD**

**Special Meeting
Wednesday, May 14, 2008 8:00 a.m.**

**Room 2B, 2nd Floor
Hayward City Hall
777 B Street
Hayward, CA 94541**

The Public Comments section provides an opportunity to address the City Council on items not listed on the agenda. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.

A G E N D A

- I. Call to Order
- II. Public Comment
- III. Approval of April 2, 2008 Minutes
- III. Presentation of FY 2009 Budget
- IV. Adjournment

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Please request the accommodation at least 48 hours in advance of the meeting by contacting Maret Bartlett at 583-4261 or by using the TDD line for those with speech and hearing disabilities at (510) 247-3340.



DATE: May 14, 2008

TO: Downtown Business Improvement Area Advisory Board

FROM: Maret Bartlett, Redevelopment Director

SUBJECT: Downtown Business Improvement Area Annual Report and Proposed Budget for FY 2008-09

RECOMMENDATION

That the Downtown Business Improvement Area (DBIA) Advisory Board review the attached Annual Report and proposed FY 2009 Budget, and recommend its adoption by the City Council.

BACKGROUND

Please refer to the draft Annual Report and recommended FY 2009 BIA Budget, which are attached as Exhibit A. Staff views this year's BIA budget and slate of activities as program in transition, and an opportunity to evaluate the communications and downtown promotional services we are providing to the BIA members. Over the past year the City Council has expressed a growing concern regarding cleanliness and safety in the downtown area, and this concern has also been voiced by many property owners and businesses in the area. As a result, the BIA is currently providing additional funding for sidewalk cleaning activities. It may be that there are other services or improvements that can be undertaken in future years in support of the "Clean and Safe" effort. Staff is making plans to visit Alameda and potentially another downtown district with the BIA Advisory Board in the next month, in order to see how clean and safe strategies and promotional activities are undertaken in our neighboring communities. We hope that this will result in a different perspective and some good new ideas for promoting downtown Hayward.

The proposed FY 2009 BIA budget includes an increased amount for sidewalk steam cleaning amounting to almost \$13,000 over the current year; this increased cost would be offset by a \$20,000 proposed increase in the annual Redevelopment Agency contribution to the BIA (to \$55,000). In addition, staff is recommending repairs to hardware and the replacement of one set of the downtown banners which is becoming worn, at an estimated cost of approximately \$25,000. It is proposed that these extra costs be funded from the BIA funding reserve. The amounts proposed for publications remain the same at an overall \$22,400.

Finally, the overall amount proposed by staff for promotional events in the upcoming fiscal year is not changed significantly from FY 2008, although there is some shifting of funds among the events

being proposed. While total budgeted funding for all events in FY 2008 was \$46,000, a total of \$48,970 was spent, including \$24,000 for four Summer Street Parties, \$20,434 for Light Up the Season, and \$4,536 for a new event which was the (Santa Paws) Pet Parade held immediately after Light Up the Season.

In the upcoming year, staff is recommending that one of the Street Parties be eliminated, and that the BIA fund a one-time event celebrating the grand opening of Cinema Place at a cost of \$10,000. In addition, the Chamber has proposed a minor increase in the cost of producing the remaining three Street parties, which would amount to a total of \$21,000. In order to balance the budget and limit reserve fund expenditures as much as possible, staff is recommending that funding for both the Pet Parade and Light Up the Season be cut by a total of approximately \$9,700. Staff will attempt to achieve additional budget efficiencies, and will seek corporate sponsorships for the Pet Parade and for Light Up the Season event enhancements, such as the skating rink, so that these can be continued.

Finally, it should be noted that the Chamber had proposed a new Art and Wine Festival event this year, to take the place of the fourth Street Party that staff is recommending be discontinued. However, both staff and the Chamber agree that this year's focused investment should be directed toward promotions surrounding the Cinema Place opening. The Art and Wine Festival event is a worthy idea to consider for future funding. Such an event could involve not only local businesses, such as Neumanali's Restaurant, but could also showcase local arts organizations, such as the Hayward Arts Council, Sun Gallery and Photo Central.

DBIA assessments are currently expected to remain static at the \$55,000 level in the upcoming fiscal year, although revenues may be exceeded if a significant number of new businesses enter the downtown as a result of the City and Redevelopment Agency's efforts. Because of increasing BIA costs, it may be prudent to consider raising the DBIA levies next year, particularly if the economy improves. As previously mentioned, it is proposed that the Redevelopment Agency increase its annual contribution from \$35,000 to \$55,000 in the upcoming budget adoption process to help cover the increased cost of steam cleaning the sidewalks. In addition, \$25,462 are requested from the DBIA reserves, largely in order to cover the capital cost of replacing one of the older sets of downtown banners and making repairs to banner hardware. The DBIA currently has a fund balance of approximately \$124,000.

Prepared by:

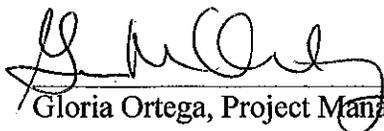

Gloria Ortega, Project Manager

Exhibit A: DBIA Annual Report and Proposed Budget for FY 09

EXHIBIT A (DRAFT)

**DOWNTOWN BUSINESS IMPROVEMENT AREA
ANNUAL REPORT AND PROPOSED BUDGET FOR FY 2008-2009**

BACKGROUND:

The Downtown Business Improvement Area (DBIA) was established in 1984. State law requires that an Advisory Board appointed by City Council submit an Annual Report identifying the activities, budget, boundaries and proposed assessments to businesses within the Improvement Area. The report may propose changes, including such items as the boundaries or benefit zones within the area, the basis and method of levying the charges, and any changes in the classification of businesses. The City Council may approve the report as submitted by the Advisory Board or may modify any particular item contained in the report and approve the report as modified (See Attachment 1: Business Improvement Area Zone)

STATEMENT OF ACTIVITIES AND ACCOMPLISHMENTS FOR FISCAL YEAR 2007-08:

The DBIA’s activities during the current fiscal year were funded by Business Improvement Area assessments, contributions from the Redevelopment Agency, and fund balance reserves from prior fiscal years. As in the past, more than half of the budget was spent on downtown promotions, with the balance spent on sidewalk steam cleaning and communications to DBIA members. Downtown promotions included: banners; “Summer Street Parties”; The Santa Paws Parade”; and “Light Up The Season” activities (see Attachment 2).

Over the past year, implementation of the “Retail Attraction Program” has resulted in increased communications with downtown property and business owners who have requested an increased focus on “safe and clean” strategies downtown. As a result of these communications additional funds were taken from the DBIA reserves to pay for additional sidewalk steam cleaning in the downtown core (B Street from Foothill to Watkins). Staff will continue to work with DBIA members to evaluate the most effective methods to address clean and safe strategies and promotional efforts to attract potential customers to the downtown.

The sources of funding for the fiscal year 2007-08 were:

FY 2007-08 BIA Budget

Revenues	Proposed	Actual
BIA Assessments	\$55,000	\$55,000
Redevelopment Agency Contribution	\$35,000	\$55,000
Reserve Funds	\$ 5,000	\$11,295
Total Revenues:	\$95,000	\$101,295
Budget		
Summer Street Parties	\$22,000	\$28,536

“Light Up The Season”	\$24,970	\$20,434
Banners – Maintenance & Rotation	\$13,600	\$13,600
Publications	\$22,400	\$22,400
Sidewalk Cleaning	\$13,000	\$16,325
Total Expenses	\$95,000	\$101,295

ACTIVITIES AND ACCOMPLISHMENTS FOR FISCAL YEAR 2007-08:

All major activities planned for FY 2007-08 have been, or are anticipated to be, accomplished by the end of the fiscal year and include the following:

- **Summer Street Parties:** Approximately 6,000 persons attend each of these Thursday night events, which were held in June, July, August and September.
- **Light Up The Season:** Approximately 2,000 persons attended this annual event to “kick-off” the holiday shopping season. This event repeated last year’s staging of the activities and various performances inside various businesses, to allow the event to carry on regardless of weather conditions. The annual tree lighting was moved from Newman Park to the City Hall rotunda which was filled to capacity with event participants. A synthetic ice rink was well received by children who kept the rink at its maximum capacity the whole evening.

The Santa Paws Parade, an add-on to Light Up The Season, was held on Saturday, December 8, 2007, and featured 99 dogs as well as other pets, with the majority of owners coming from Hayward and neighboring cities of Castro Valley, San Leandro and San Lorenzo. At the request of the Chamber of Commerce Downtown Committee, it was agreed that this event should be continued but held in October rather than December. The event, as well as the downtown, benefited from media sponsorship provided by the Wolf Radio that provided hourly event commercials.

- **Banners:** Maintenance and seasonal rotation of the downtown banner stock.
- **Publications:** Included four newsletters mailed to all DBIA members; two tabloids published during the year to promote the Light Up The Season celebration; and the Summer Street Parties.
- **Sidewalk Cleaning:** Sidewalks in the entire BIA area are steam cleaned once annually in June. The sidewalks in the downtown core (Zone 1A) are steamed cleaned twice a year. In response to downtown property and business owners requesting improved environmental conditions, downtown, steam cleaning on B Street from Foothill to Watkins was increased to three times per week (two hours per visit). During this time, steam cleaners focus on heavily soiled sidewalks particularly around benches and locations where people tend to congregate. The vendor also (at no charge) steam cleaned all the black decorative garbage cans.

The Annual Report addresses the following six topic areas:

1. PROPOSED BIA BOUNDARY CHANGES DURING FY 2008-2009

The Advisory Board is proposing no changes to the boundaries at this time.

2. STATEMENT OF PROPOSED BUDGET AND ACTIVITIES, FOR FY 2008-09

The DBIA’s activities for fiscal year 2008-09 will be funded through annual business improvement area assessments, a contribution from the Redevelopment Agency, and a transfer of DBIA reserve funds. The proposed budget for fiscal year 2008-09 is as follows:

FY 2008-09 Proposed BIA Budget

Revenues	
BIA Assessments	\$ 55,000
Redevelopment Agency Contribution	\$ 55,000
Reserve Funds	\$ 34,462
Total Revenues:	\$144,462
Expenses	
Summer Street Parties	\$ 21,000
Cinema Place Opening	\$ 10,000
Howl-O-Ween Parade	\$ 5,000
“Light Up The Season”	\$ 16,824
Banners – Maintenance & Rotation, New Hardware, & New Banners	\$ 38,293
Publications	\$ 22,400
Sidewalk Cleaning	\$ 26,945
Total Expenses	\$ 135,462

DBIA Assessments and the proposed Redevelopment Agency contribution are expected to remain the same as FY 2006-07, and funding in the amount of \$5,000 from the DBIA Reserve is recommended in order to cover increased program expenses.

PROPOSED ACTIVITIES FOR FISCAL YEAR 2008-09:

Summer Street Parties	\$21,000
Cinema Place Opening	\$10,000

The Summer Street Parties are organized by the Hayward Chamber of Commerce under contract to the DBIA. Based on informal feedback from participants and some vendors,

it was concluded that the Street Parties could benefit from a “make-over”. In order to increase the number of people attending the event, including families with children, entertainment and vendor offerings need to be enhanced. In response, the Chamber has agreed to eliminate one of the summer street parties (September), and to potentially replace it in future years with a September Art & Wine Festival. An Art & Wine Festival could not only provide some variation to the summer events, but could be used to showcase the local arts community.

This year, the Chamber has proposed to produce an event for the grand opening of Cinema Place in late October or early November 2008. Given the importance of this new retail center for downtown, the extra funding for this one-time event is recommended.

Howl-O-Ween Pet Parade **\$0**

The Volunteers of the Animal Shelter expect to double the number of pets participating in the parade and in anticipation of this would also like to expand the parade route. The Volunteers are also working to identify parade sponsors(s) to cover a significant amount of the parade costs. We also anticipate continued media partnership with the Wolf Radio station giving increased visibility to the parade and Downtown Hayward. Funding of this year’s event is suggested to be taken from private and corporate donations to the greatest extent possible, in order to balance the budget.

“Light Up The Season” **\$14,824**

This event takes place the first Thursday evening after Thanksgiving Day with merchants hosting the festivities and entertainment in their stores. Estimated attendance is 2000 persons. Last year’s event benefited from event enhancements, including the small skate rink that was filled to capacity, however, in order to balance the budget and minimize the draw on BIA reserves, staff is recommending that this year’s funding be reduced an effort be made to generate corporate sponsorship to reduce the costs to the DBIA.

Banners Rotation, Maintenance& Replacement **\$38,000**

At least one set of the banners require replacing, and banner hardware in many locations is broken, missing or in need of replacement and/or repair. The cost of hanging seasonal banners (\$13,600) remains the same, however, it is estimated that approximately \$20,000 would be needed to replace a set of banners, and \$4,693 to replace the needed hardware.

Publications **\$22,400**

This budget category includes the four newsletters that are mailed to businesses in the DBIA. In addition, there are two tabloids published during the year in the Daily Review to promote downtown events. One is published for Light Up The Season and the second will be published to kick off the Summer Street Parties. The budget for this line item is \$22,400. It is also proposed that DBIA businesses be surveyed to determine if newsletters are the most effective method for informing them of activities in the downtown.

Sidewalk Cleaning **\$26,945**

As noted, the downtown sidewalks are pressure washed in late spring throughout the downtown with a second cleaning in early fall along B Street between Watkins Street and Foothill Boulevard. The budgeted amount provides for additional steam cleaning in the downtown core (B Street from Foothill to Watkins) three times a week which includes the steam cleaning of the black decorate garbage cans every three months, and painting of the garbage can tops.

3. PROPOSED BUDGET EXPENDITURES 2008-09

As noted above the total proposed budget for FY 2008-09 is \$135,462.

4. PROPOSED METHOD AND BASIS FOR LEVYING DBIA ASSESSMENTS

The DBIA zones and levy (fee structure) are indicated on Attachment 1 of this report. No changes are proposed at this time.

5. CONTRIBUTIONS FROM OTHER SOURCES

Other proposed sources of contribution for FY 2008-09 include a transfer from the DBIA budget reserve of \$25,462 and an increase in the Agency's contribution from \$35,000 to \$55,000. It is recommended that the DBIA Board evaluate how other downtown associations address clean and safe issues, promotions, and communications with members, so future budgets do not continue to rely on transfers from the DBIA budget reserve and increased contributions from the Redevelopment Agency.

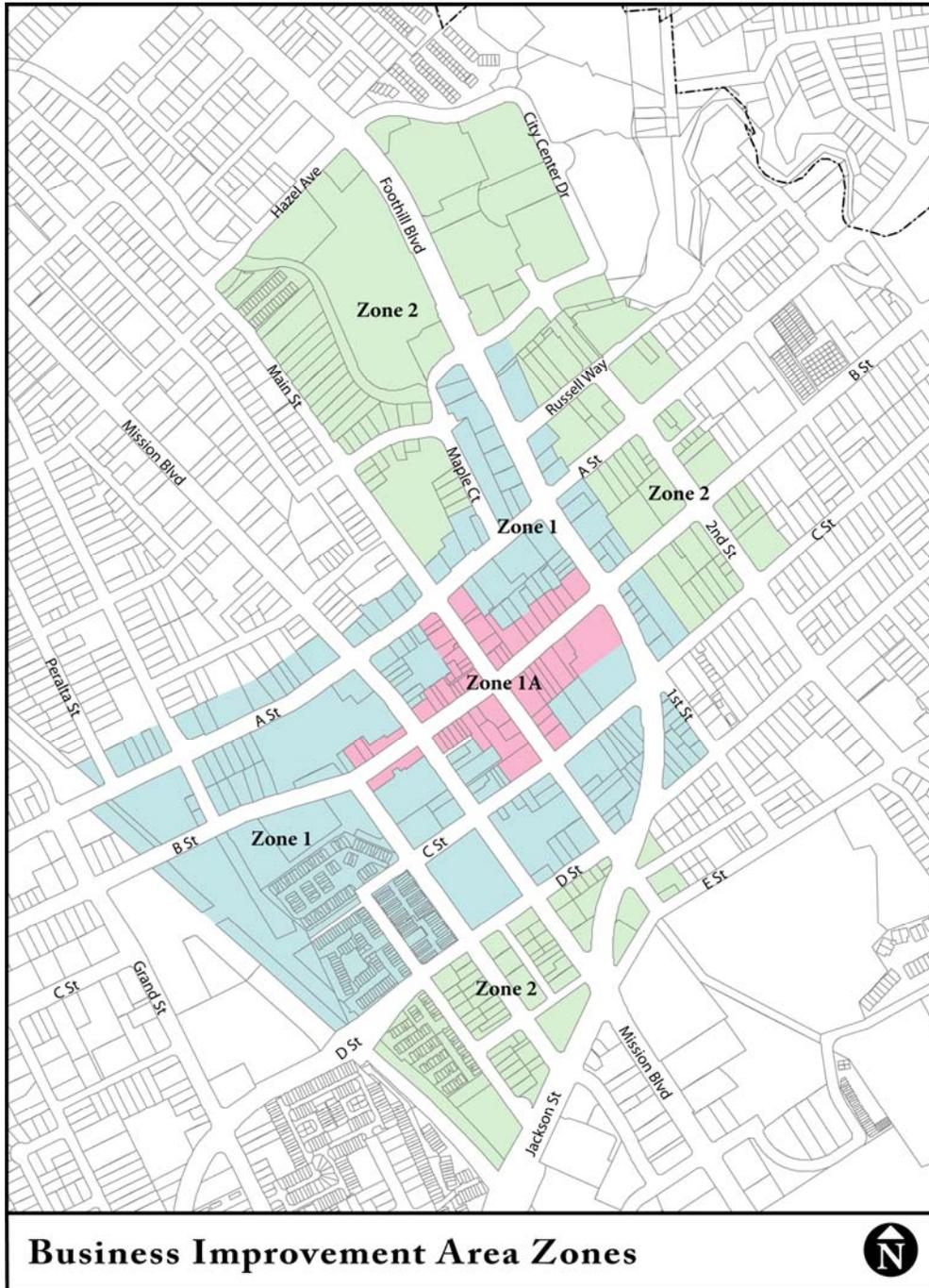
6. CLOSING STATEMENT OF THE BOARD

The DBIA Advisory Board is looking forward to continued progress and cooperation with the downtown merchants and the City in the upcoming year.

Attachment 1: DBIA Zones and Fee Structure

Attachment 2: DBIA Allocation of Funds

Attachment 1: Business Improvement Area Zones



Services	Zone 1A	Zone 1	Zone 2
Banners	√	√	√
Holiday Wreaths	√		
Street Parties, LUTS, Parade, etc.	√		
Side Walk Cleaning (Annual)	√	√	√
Side Walk Cleaning (Second)	√		
Side Spot Cleaning (B St – 3x Weekly)	√		
BIA Members News Letter	√	√	√

BIA FEE STRUCTURE

All businesses classified as PROFESSIONAL SERVICE AND MISCELLANEOUS NON-RETAIL which are located in **Zone 1A** shall pay a flat fee of \$125.00 per year. **Zone 1** is a flat fee of \$75.00 per year.

All businesses classified as FINANCIAL which are located in **Zone 1A** shall pay a flat fee of \$325.00 per year. **Zone 1** is a flat fee of \$200.00 per year.

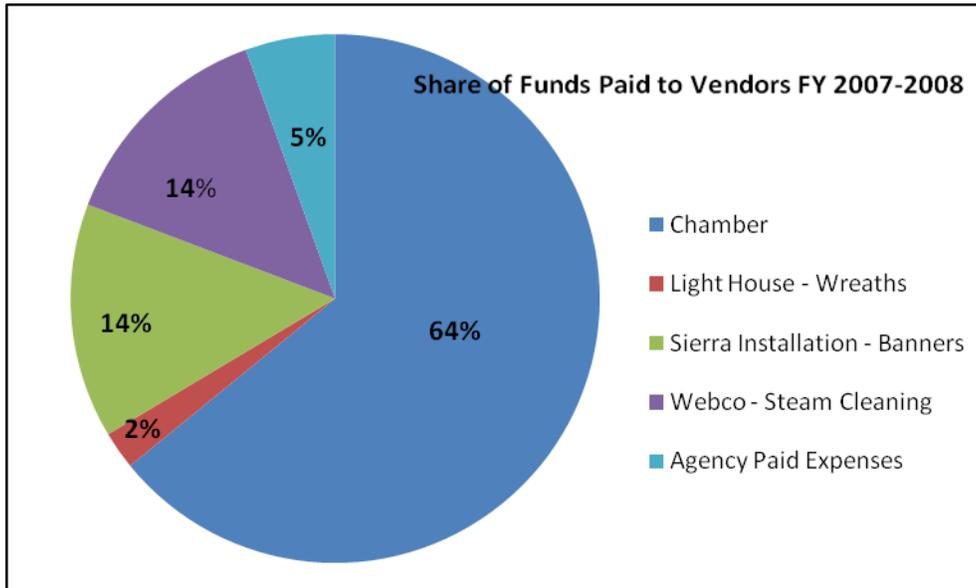
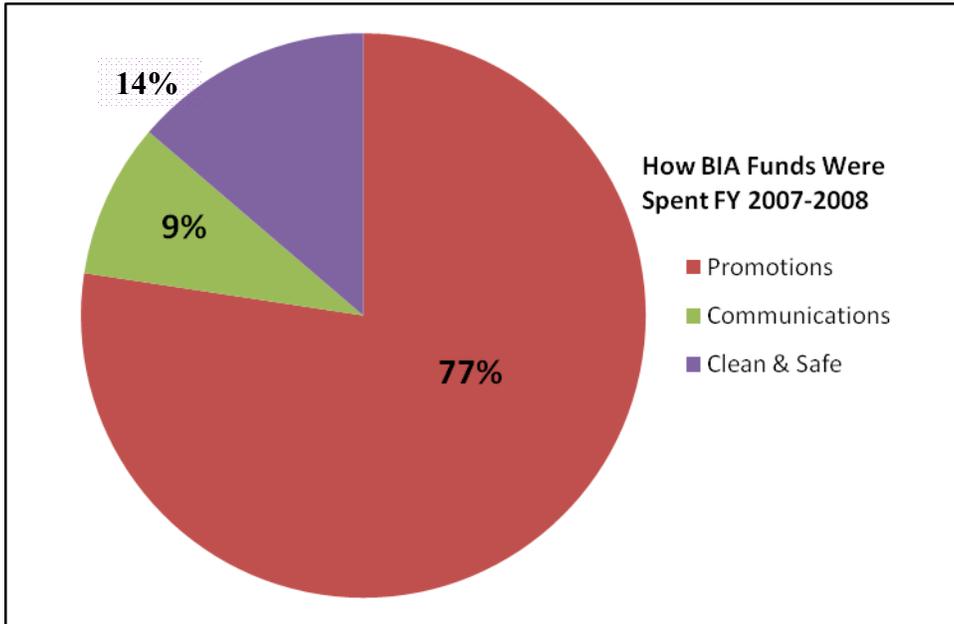
All businesses classified as PROFESSIONAL SERVICE AND MISCELLANEOUS NON-RETAIL which are located in **Zone 2** shall pay a flat fee of \$75.00 per year.

All businesses classified as FINANCIAL which are located in **Zone 2** shall pay a flat fee of \$200.00 per year.

All businesses classified as RETAIL shall pay an assessment based on the following gross receipts schedule:

GROSS RECEIPTS	ZONE 1A	ZONE 1		ZONE 2	GROSS RECEIPTS	
	ZONE 1A	ZONE 1	ZONE 2			
Less than \$100,000	\$145.00	\$120.00	\$ 90.00	\$400,001 - \$ 500,000	\$355.00	
	\$330.00	\$250.00				
\$100,001 - \$150,000	\$175.00	\$150.00	\$115.00	\$500,001 - \$ 750,000	\$425.00	
	\$400.00	\$300.00				
\$150,001 - \$200,000	\$205.00	\$180.00	\$135.00	\$750,001 - \$1,000,000	\$495.00	
	\$400.00	\$300.00				
\$200,001 - \$300,000	\$255.00	\$230.00	\$175.00	\$1,000,001 and up	\$525.00	\$400.00
	\$300.00					
\$300,001 - \$400,000	\$305.00	\$280.00	\$210.00			

Attachment 2



City of Hayward Downtown Business Improvement Area (DBIA) allocation of BIA funds based on the approved budget categories for Fiscal Year 2007-2008