



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/10/03
AGENDA ITEM 2
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Community and Economic Development
SUBJECT: Downtown Business Improvement Area Annual Report, Proposed Budget for FY 2003 – 2004, and Setting Public Hearing for June 24, 2003

RECOMMENDATION:

It is recommended that the City Council accept the attached Annual Report and adopt the attached resolution setting a public hearing for June 24, 2003.

BACKGROUND:

Hayward's Downtown Business Improvement Area ("DBIA") was established by the City Council in 1984. The DBIA's purpose is to promote the economic revitalization and physical improvement of the downtown business district, to attract new businesses to the downtown and to create jobs.

The DBIA's boundaries are shown on Attachment 1 of Exhibit A. This area includes slightly more than 500 holders of Hayward business licenses. Within it are three "benefit zones" each with different levy rates. State law requires that levy rates relate to the amount of benefit derived by the businesses being assessed. Zone 1A, which was adopted by City Council in FY 2001-2002, is in the downtown core and has the highest rates, followed by Zone 1 and Zone 2.

The DBIA Advisory Board's Annual Report and budget recommendations are attached to this report as Exhibit A. The Annual Report is mandated by the state enabling legislation, and it is required to discuss a variety of topics concerning boundaries, levy rates, business classifications, recommended funding from the DBIA levy and other sources, and recommended activities to be paid for from the DBIA budget.

The Annual Report and FY 2003-2004 budget recommendations reflect careful deliberation by the DBIA Advisory Board about how to best utilize the modest sums raised through the levy. The amount budgeted for proceeds from the levy is increased from \$45,000 by \$3,000 to \$48,000. This reflects an increase in the actual receipts recorded in recent years by the City. The contribution from the Redevelopment Agency would remain at \$35,000; the level at which

it has been for the previous two years. Additionally, there would be \$11,000 used in carryover funds from previous years. The resulting annual budget totaling \$94,000 is similar to DBIA budgets endorsed previously by the City Council. It should also be acknowledged that the Redevelopment Agency makes a significant non-cash contribution to the DBIA in the form of administrative staff support.

DBIA activities have generally focused on special events and promotional campaigns to improve the downtown's image, and to attract potential customers to the area. Activities during the past fiscal year included an antique and collectable fair, three summer evening street parties and a highly successful "Light Up the Season" event that featured more activities for children. In addition, new patriotic banners were purchased to replace an older incomplete set. The proposed FY 2003-2004 budget focuses on maintaining the appearance of the downtown business district and improving the quality of the events with special emphasis on attractions for people of all ages and cultures. New plans for the upcoming year include co-sponsorship by the Hayward Area Historical Society and the DBIA of a Hayward Heritage Festival and Antique Show, which will replace the Antique Faire held in previous years. In addition, the DBIA proposes to purchase one new set of customized banners for the downtown area.

Staff recommends that the City Council adopt the attached resolution to accept the annual report and budget for FY 2003-2004, and to set a public hearing date of June 24, 2003, to consider the 2004 annual DBIA levy.

Prepared by:



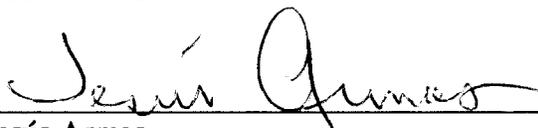
Maret Bartlett
Redevelopment Director

Recommended by:



Sylvia Ehrenthal
Director of Community and
Economic Development

Approved by:



Jesús Armas
City Manager

Attachments: Exhibit A - DBIA Annual Report and Proposed Budget for FY 2003-04
Resolution

EXHIBIT A

DOWNTOWN BUSINESS IMPROVEMENT AREA ANNUAL REPORT AND PROPOSED BUDGET FOR 2003-04

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 charges to 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.

Statement of Activities and Accomplishments for Fiscal Year 2002-03:

Fiscal Year 2002-03 Budget

The DBIA's activities during the current fiscal year were funded by business improvement area assessments, contributions from the Redevelopment Agency, and carry-over amounts from prior fiscal years. The sources of funding for the fiscal year 2002-03 are:

1.	BIA assessments	\$45,000
2.	Redevelopment Agency	\$35,000
3.	FY2000-01 carry-over funds	<u>\$13,380</u>
	Total Budget Amount FY 02-03	\$93,380

Fiscal Year 2002-03 DBIA Activities

DBIA activities during this fiscal year included the coordination and promotion of public events such as the Downtown Antique and Collectibles Fair in July, three Thursday Night Summer Street Parties, and the very successful annual "Light Up the Season" event in November. Other DBIA activities included the funding of downtown sidewalk cleaning efforts, promotional publications, and the purchase of new patriotic banners along with the rotation of existing banners four times per year. All major activities have been or are anticipated to be accomplished by the end of the fiscal year.

During the fiscal year 2002-03, the DBIA budgeted funds in the following manner:

1.	Antique Faire	\$ 4,000
2.	Summer Street Parties	\$18,000
3.	"Light Up The Season"	\$16,380

4.	New Patriotic Banners, Banner Maintenance & Rotation	\$21,000
5.	Publications	\$22,000
6.	Sidewalk Cleaning	<u>\$12,000</u>
	Total Budget 2002-03	\$93,380

Annual Report for Fiscal Year 2003-04:

The Annual Report will address the following six topic areas:

1. Proposed BIA Boundary Changes during FY 2003-04

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

2. BIA Activities and Improvements

The DBIA's activities for fiscal year 2003-04 are proposed for funding by business improvement area assessments, contributions from the Redevelopment Agency, and carry-over amounts from the prior fiscal year. The anticipated funding amounts for fiscal year 2003-04 are:

1.	DBIA assessments (anticipated)	\$48,000
2.	Redevelopment Agency	\$35,000
3.	FY 2001-02 carry-over funds	<u>\$11,000</u>
	Total Budget Amount (FY 03-04)	\$94,000

The anticipating funding derived from the DBIA assessments has been increased to \$48,000 for FY 2003-04 from \$45,000 the previous year. The increase comes as a result of a higher level of assessments collected.

As with prior years, the DBIA Advisory Board proposes to utilize funds for activities that generate the greatest return with the limitations of a modest budget. The Advisory Board proposes to expend the funds on special events, promotional materials and publications, streetscape decorations that create a high visual impact, and sidewalk cleaning/maintenance efforts.

Given the goals expressed, the DBIA Advisory Board recommends the allocation of the fiscal year 2003-04 funds for the following activities and items:

- Hayward Heritage Festival and Antique Show \$3,000

For FY 2003-04 it is proposed that the funding that went to the former Antique Faire, which took place in July of each year, be used for the first annual Hayward Heritage Festival and Antique Show which will take place on the last Saturday in September. The new event will focus on the diverse cultural heritage of Hayward residents with

activities featuring ethnic songs, dances, and foods. The event will also include an all day farmers' market and an antique show with local dealers and vendors. At previous Antique Faires an outside promoter was used to bring in antique vendors and some members of the DBIA expressed concern over the quality of the antiques. In an effort to control this, the vendors will be individually selected by the Hayward Area Historical Society, which is taking the lead role in organizing the event and will also be contributing \$5,000.

- Summer Street Parties \$18,000

Proposed funding is at the same level as FY 2002-03 for the evening Street parties, which take place in June, July, and August. The funding for these events was increased last year in an effort to enhance the activities to appeal to all ages. This year it is anticipated that games for children will be added along with the continuation of the successful "hot rod" and vintage car shows.

- "Light Up The Season" \$16,000

Proposed funding for this event is slightly less than FY 2002-03. Last year's the event moved just outside of Newman Park to provide better viewing with a larger stage and much improved lighting, sound, and power systems. There were cost savings associated with coordinating the entertainment and equipment rental and it is anticipated that these will be realized again this year.

- Banners \$24,000

There are presently three sets of banners for hanging on street poles in the downtown as follows: patriotic banners from Memorial Day through the Fourth of July, holiday banners from Thanksgiving Day through New Year's Day, and welcome/rediscover downtown Hayward banners from New Year's Day to Memorial Day, and also from the Fourth of July to Thanksgiving Day. All of the banners have been replaced within the past four years. In order to prolong the life of the banners, the DBIA Advisory Board is recommending that a fourth set of banners be purchased so that each set would be rotated only once each year. The DBIA Advisory Board is proposing to purchase a custom banner anticipated to cost approximately \$14,000. The cost of rotating and storing all banners is budgeted at \$10,000. This brings the total budget for this line item to \$24,000.

- Publications \$22,000

The DBIA Advisory Board proposes to continue with 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 first annual Hayward

Heritage Festival and Antique Show. The budget for this line item is at the same level as in FY 2002-03.

- Sidewalk Cleaning \$11,000

The sidewalk the cleaning contract is being scaled back due to the B Street Beautification Project. The sidewalks along B Street that are being replaced will be eliminated from the cleaning contract for FY 2003-04 only. The budget for this line item is being decreased by \$1,000 for this year.

3. Proposed Budget

1.	Antique Faire	\$ 3,000
2.	Summer Street Parties	\$18,000
3.	“Light Up The Season”	\$16,000
4.	Banners – Maintenance & Rotation	\$24,000
5.	Publications	\$22,000
6.	Sidewalk Cleaning	<u>\$11,000</u>
	Total Proposed Budget 2003-04	\$94,000

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 contributions for FY 2003-04 include \$35,000 from the Hayward Redevelopment Agency. The DBIA Advisory Board is recommending adoption of the proposed Budget for these funds.

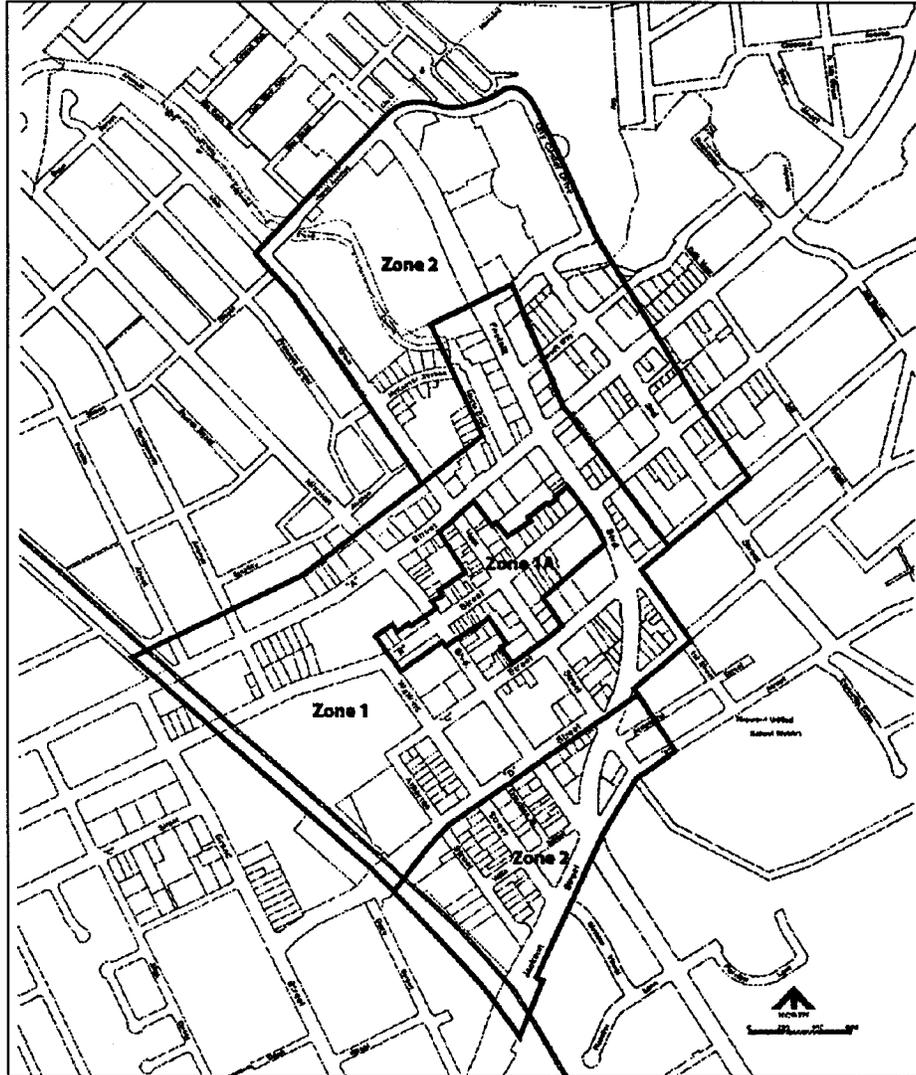
6. Closing Statement of the Board

The DBIA Advisory Board looks forward to continued progress and cooperation with the downtown merchants and the City of Hayward in the upcoming year.

Attachment 1: DBIA Zones and Fee Structure

ATTACHMENT 1

DOWNTOWN HAYWARD BIA CURRENT ZONES



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				

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 03

Introduced by Council Member _____

RESOLUTION ACCEPTING ANNUAL REPORT AND
DECLARING INTENTION TO LEVY ANNUAL CHARGES
FOR THE DOWNTOWN HAYWARD BUSINESS
IMPROVEMENT AREA FOR THE FISCAL YEAR 2003-04
AND PROVIDING FOR NOTICE OF HEARING THEREON

BE IT RESOLVED by the City Council of the City of Hayward, as follows:

1. On September 18, 1984, the City Council established the Downtown Hayward Business Improvement Area pursuant to section 36000 et seq. of the Streets and Highways Code of the State of California, commonly known as the Parking and Business Improvement Area Law of 1965.
2. The Advisory Board for the Downtown Hayward Business Improvement Area prepared an annual report for the fiscal year July 1, 2003 to June 30, 2004, on behalf of the Downtown Hayward Business Improvement Area pursuant to section 36533 of the California Streets and Highways Code, which report, on file in the office of the City Clerk, is hereby accepted by the City Council. Said report may be referred to for the particulars as to the detailed descriptions of improvements and activities to be provided, the charges to be levied, the benefit zones within the area, the proposed charges to be levied on businesses, and the exact boundaries of the area.
3. It is the intention of the City Council to levy and collect the charges within the Downtown Hayward Business Improvement Area for the fiscal year 2003-04 as set forth in the annual report or such report as hereafter modified. The charges may be used for parking facilities serving the area, decoration or music or advertising public events in public places in the area, and to promote business activities in the area.
4. Notice is hereby given that Tuesday, June 24, 2003, at the hour of 8:00 p.m., in the regular meeting place of this City Council, 777 B Street, Hayward, California, a hearing will be held on the question of the levy of the proposed charges, at which time written and oral protests may be made in compliance with section 36535 of the Streets and Highways Code.

5. Pursuant to section 36534 of the Streets and Highways Code, the City Clerk shall cause notice of the hearing to be given by publishing a copy of this resolution of intention in The Daily Review, a newspaper published and circulated in the City of Hayward not less than seven (7) days prior to the date of the hearing specified above.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: CITY COUNCIL:
MAYOR:

NOES: CITY COUNCIL:

ABSTAIN: CITY COUNCIL:

ABSENT: CITY COUNCIL:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward