

CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/05/07

AGENDA ITEM 4

WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Community and Economic Development
SUBJECT: Downtown Business Improvement Area Annual Report and Proposed Budget for FY 2007-08

RECOMMENDATION:

It is recommended that the City Council accept the attached Annual Report and adopt the attached resolution setting a public hearing for June 19, 2007.

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 and to attract new business to the downtown.

The boundaries of the DBIA are shown on Attachment 1 of Exhibit A, and include 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 2001-02, is in the downtown core and has the highest rates, followed by Zone 1 and Zone 2.

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

The DBIA Advisory Board has recommended the FY 2007-2008 proposed budget provide services and activities that will best benefit the business and property owners in the downtown core. DBIA assessments and the proposed Redevelopment Agency contribution are expected to remain the same as in FY 2006-07, and an additional \$5,000 is requested from the DBIA reserves in order to cover anticipated cost increases. The DBIA currently has a fund balance of approximately \$90,000. The proposed budget includes an increase of \$4,000 in the line item for "Light Up The Season" festivities in order to provide funds for holiday decorations and enhanced attractions. During FY 2007-08, Agency staff will work with a committee of BIA members to explore ways to enhance Light Up The Season festivities, and increase the number of persons

who visit downtown during the holiday season. The proposed FY 2007-08 budget also includes a reduction of \$12,000 from last year's budget for the downtown banner program, as two sets of banners have been replaced recently.

2007-2008 PROPOSED BUDGET

Revenues	
BIA Assessments	\$ 55,000
Redevelopment Agency Contribution	\$ 35,000
Carry-over Reserve	\$ 5,000
Total Revenues:	\$ 95,000
Expenses	
Summer Street Parties	\$ 24,000
"Light Up The Season"	\$ 22,000
Banners – Maintenance & Rotation	\$ 13,600
Publications	\$ 22,400
Sidewalk Cleaning	\$ 13,000
Total Expenses	\$ 95,000

In FY 2006-07, the primary focus of the DBIA was on continuing the special events which attract potential customers for businesses located downtown. These events included the Summer Street Parties, which were attended by approximately 6,000 persons, and Light Up The Season, which was attended by an estimated 2,000 persons. The Light Up The Season event this past November saw an effort to return the promotion of downtown business by staging more of the activities and performances inside various businesses. This strategy was also intended to allow the event to carry on regardless of weather conditions. In addition, four downtown newsletters were mailed to all DBIA members, and the sidewalks were pressure washed throughout the downtown in late spring and early fall. The FY 2007-08 budget allocation will be used primarily to continue to build up Light Up The Season and other downtown promotional events.

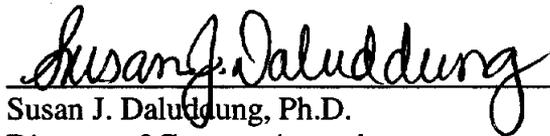
Staff recommends that the City Council adopt the attached resolution to accept the Annual Report and Budget for FY 2007-08, and to set a public hearing date of June 19, 2008, to consider the 2008 annual DBIA Levy.

Prepared by:



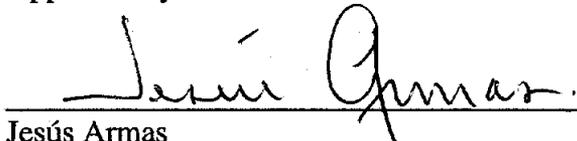
Maret Bartlett
Redevelopment Director

Recommended by:



Susan J. Daluddung, Ph.D.
Director of Community and
Economic Development

Approved by:



Jesús Armas
City Manager

Attachments: Exhibit A: DBIA Annual Report and Proposed Budget for FY 2007-08
Resolution

EXHIBIT A

DOWNTOWN BUSINESS IMPROVEMENT AREA ANNUAL REPORT AND PROPOSED BUDGET FOR FY 2007-2008

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.

STATEMENT OF ACTIVITIES AND ACCOMPLISHMENTS FOR FISCAL YEAR 2006-07:

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. The sources of funding for the fiscal year 2006-07 were:

FY 2006-07 BIA Budget

Revenues	
BIA Assessments	\$ 55,000
Redevelopment Agency Contribution	\$ 35,000
Reserve Funds	\$ 10,000
Total Revenues:	\$100,000
Budget	
Summer Street Parties	\$ 23,600
"Light Up The Season"	\$ 18,000
Banners - Maintenance & Rotation	\$ 24,000
Publications	\$ 22,400
Sidewalk Cleaning	\$ 12,000
Total Expenses	\$100,000

ACTIVITIES AND ACCOMPLISHMENTS FOR FISCAL YEAR 2006-07:

All major activities planned for FY 2006-07 have been or are anticipated to be accomplished by the end of the fiscal year and included 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. The Light Up The Season event this past November saw an effort to return the promotion of downtown business by staging more of the activities and various performances inside various businesses. This strategy was also intended to allow the event to carry on regardless of weather conditions. Attendance at a couple of prior events has been hindered by rain.
- **Banners:** the DBIA purchased 65 digital “Rediscover Hayward” banners at a cost of approximately \$11,400 in order to complete a set of new banners which had been designed the prior year. The remaining budget amount was spent for 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 kick on the Light Up The Season celebration and the Summer Street Parties.
- **Sidewalk Cleaning:** included pressure washing the sidewalks throughout the downtown in late spring and early fall.

The Annual Report addresses the following six topic areas:

1. PROPOSED BIA BOUNDARY CHANGES DURING FY 2007-2008

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

2. STATEMENT OF PROPOSED BUDGET AND ACTIVITIES, FOR FFY 2007-08

The DBIA’s activities for fiscal year 2007-08 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 2007-08 is as follows:

FY 2007-08 Proposed BIA Budget

Revenues	
BIA Assessments	\$ 55,000
Redevelopment Agency Contribution	\$ 35,000
Reserve Funds	\$ 5,000
Total Revenues:	\$ 95,000
Expenses	
Summer Street Parties	\$ 24,000
“Light Up The Season”	\$ 22,000
Banners – Maintenance & Rotation	\$ 13,600
Publications	\$ 22,400
Sidewalk Cleaning	\$ 13,000
Total Expenses	\$ 95,000

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 2007-08:

Summer Street Parties **\$24,000**

The Summer Street Parties are organized by the Hayward Chamber of Commerce under contract to the DBIA. Proposed funding for the evening street parties, which take place in June, July, August, and September, reflects a slight increase over the 2006-07 level of \$23,600 to cover increases in the cost of performer honorariums. As these events have grown in scale and popularity since they were introduced seven years ago, the DBIA Advisory Board Members recommend continuing the fourth event taking place in September which was revived last year and was well received by the community.

“Light Up The Season” **\$22,000**

This event takes place during the evening of the first Thursday after Thanksgiving Day. It started as a community tree lighting ceremony in Newman Park, and for the past six years it has gradually expanded along B Street between Mission and Foothill Boulevards, featuring holiday activities and entertainment oriented to families and the community. It has been proposed that the seasonal tree lighting take place in the City Hall rotunda this year, in order to provide a better venue for this activity. A committee of DBIA members will meet to further explore ways to enhance the events and increase the number of persons who visit downtown. An additional \$4,000 has been added to this budget line item in order to provide additional holiday decorations and event attractions.

Banners Rotation and Maintenance **\$13,600**

No new banners are proposed to be purchased in this fiscal year. Two banner sets have been replaced in recent years, and all four sets are in adequate to good condition. As in previous years, seasonal banners are rotated four times a year during fall, winter, spring, and summer.

Publications **\$22,400**

The 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 Summer Street Parties. The budget for this line item is \$22,400.

Sidewalk Cleaning **\$13,000**

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. Staff anticipates a slight cost increase from last year to provide this service.

3. PROPOSED BUDGET EXPENDITURES 2007-08

As noted above the total proposed budget for FY 2007-08 is \$95,000.

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 2007-08 include a proposed contribution of \$35,000 from the Hayward Redevelopment Agency, and a transfer of \$5,000 from the DBIA Reserve Fund.

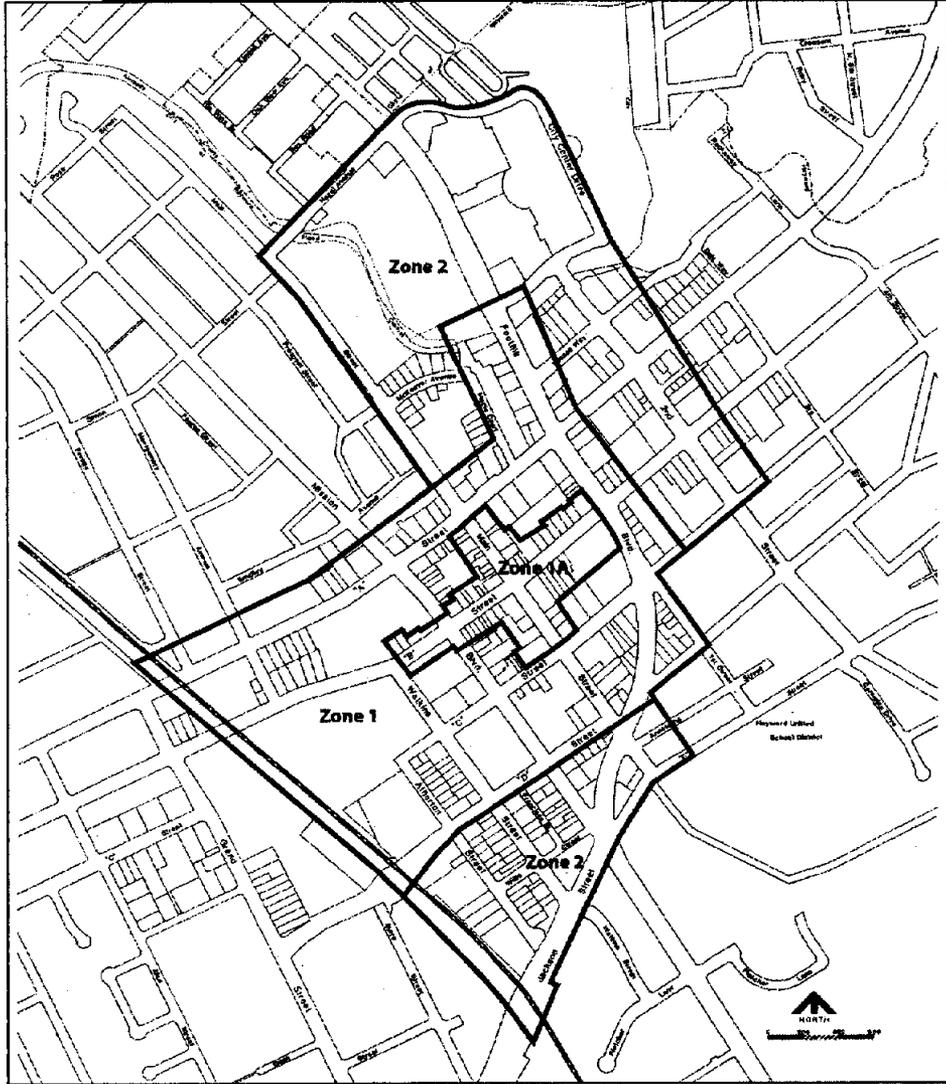
6. CLOSING STATEMENT OF THE BOARD

The DBIA Advisory Board looks 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 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. 07-

Introduced by Council Member _____

mal
6/1/07

**RESOLUTION ACCEPTING ANNUAL REPORT AND
DECLARING INTENTION TO LEVY ANNUAL CHARGES
FOR THE DOWNTOWN HAYWARD BUSINESS
IMPROVEMENT AREA FOR THE FISCAL YEAR 2007-08
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 36500 et seq. of the Streets and Highways Code of the State of California, which was commonly known as the Parking and Business Improvement Area Law of 1979 and, as now codified, is commonly known as the Parking and Business Improvement Law of 1989.
2. The Advisory Board for the Downtown Hayward Business Improvement Area prepared an annual report for the fiscal year July 1, 2007 to June 30, 2008, 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 2007-08 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. The area is generally described on the map attached hereto as Exhibit "A".
4. Notice is hereby given that Tuesday, June 19, 2007, 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 sections 36524 and 36525 of the Streets and Highways Code.

5. The City Clerk shall cause notice of the hearing to be given by publishing a copy of this resolution in The Daily Review, a newspaper published and circulated in the City of Hayward, at least seven days prior to the date of the hearing specified above.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2007

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward