

**DATE:** June 23, 2009  
**TO:** Mayor and City Council  
**FROM:** Redevelopment Director  
**SUBJECT:** Downtown Business Improvement Area Consideration of Annual Levy

### **RECOMMENDATION**

That the City Council holds a public hearing to take testimony regarding the proposed 2010 levy, and that the City Council subsequently adopts the attached resolution authorizing the levy and collection of fees within the Downtown Business Improvement Area (DBIA) for the calendar year 2010.

### **BACKGROUND**

The DBIA exists for the purpose of undertaking improvements and activities designed to promote the business environment in downtown Hayward. Most retail, service, professional, and financial institutions within the boundaries of the DBIA are assessed an annual levy, which is collected by the City's Finance Department. The levy amount, as detailed in Attachment 1, varies by business license category and by the zone in which the business is located. A small minority of non-profit business license holders located within the DBIA are exempt from the levy.

In accordance with State law, the levy may be approved each year by City Council only after the adoption of an annual report submitted by the DBIA Advisory Board, and after holding a public hearing regarding the proposed levy. On June 2, 2009, the City Council accepted the FY 2010 DBIA Annual Report and FY 2010 budget recommendations submitted by the DBIA Advisory Board. The Report projected \$55,000 to be collected from the DBIA levy, which reflects no change from previous years. The total budget allocation for DBIA for FY 2010 is \$139,958 as detailed in Attachment 2.

### **DISCUSSION**

The DBIA's Annual Report recommended no changes to DBIA district boundaries, benefit zones, or the method of the levy at this time. The DBIA levy was last modified in June 2001. Given the current economic climate, and limited revenues among the majority of downtown merchants, no increase to the DBIA levy was recommended. Instead, the DBIA Advisory Board elected to cutback on expenses and to limit the amount of funds transferred from reserves. As a result less

money will be spent on publications, and holiday decoration will not be replaced. However, the DBIA budget included increasing the number of "Summer Street Parties" with the desire to increase the number of people who visit the downtown. At the current budget level, revenues are sufficient to fund the relatively limited scope of DBIA efforts.

**FISCAL AND ECONOMIC IMPACT**

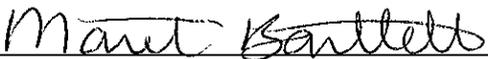
The DBIA levy is collected from downtown businesses in conjunction with the annual invoicing for the City's business licenses, and there is no additional impact to the City's General Fund. Staffing for the DBIA is provided by the Redevelopment Agency, and the annual Redevelopment Agency contribution was approved with the FY 2010 Budget.

DBIA assessments are expected to remain at the same level in FY 2010 as in the current year. The Redevelopment Agency's annual contribution remains \$55,000, and \$5,265 to be transferred from the budget reserve. The total FY 2010 DBIA budget is \$139,958.

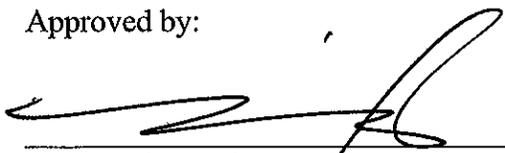
**NEXT STEPS/SCHEDULE**

Notice for the June 23, 2009 public hearing was published by the City Clerk on June 13, 2009, 10 days prior to the public hearing. If the levy is adopted, the City will issue the billing in January 2010.

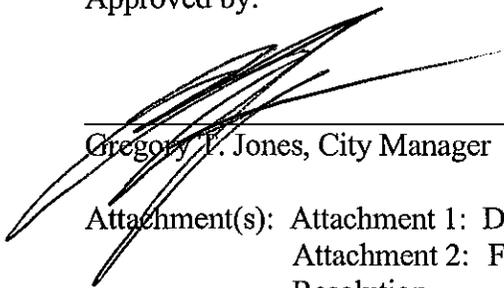
Recommended by:

  
Maret Bartlett, Redevelopment Director

Approved by:

  
Fran David, Assistant City Manager

Approved by:

  
Gregory T. Jones, City Manager

Attachment(s): Attachment 1: Downtown Hayward BIA Current Zones and BIA Fee Structure  
Attachment 2: FY 2010 Adopted Budget  
Resolution

**DUE TO THE COLOR OF  
ATTACHMENT A-1,  
IT HAS BEEN  
ATTACHED AS A  
SEPARATE LINK.**

## **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:

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

**Attachment 2: FY 2010 Adopted Budget**

|  |                   |
|--|-------------------|
| <b>Revenues</b>  |                   |
| BIA Assessments  | \$ 55,000         |
| Redevelopment Agency Contribution                              | \$ 55,000         |
| Funds Encumbered from FY09 Budget -<br>Banners                 | \$24,693          |
| Reserve Funds  | \$ 5,265          |
| <b>Total Revenues:</b>   | <b>\$139,958</b>  |
| <b>Expenses</b>  |                   |
| Summer Street Parties  | \$ 30,000         |
| Light Up The Season  | \$ 22,975         |
| Banners : Maintenance & Rotation, New<br>Hardware, New Banners | \$38,293          |
| Publications   | \$17,650          |
| Sidewalk Cleaning  | \$ 31,040         |
| <b>Total Expenses</b>  | <b>\$ 139,958</b> |

# DRAFT

## HAYWARD CITY COUNCIL

RESOLUTION NO. 09-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

*me*  
*5/29/09*

### RESOLUTION ACCEPTING ANNUAL REPORT AND DECLARING INTENTION TO LEVY ANNUAL CHARGES FOR THE DOWNTOWN HAYWARD BUSINESS IMPROVEMENT AREA FOR THE FISCAL YEAR 2010 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, 2009 to June 30, 2010, 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 2010 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 23, 2009, 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 \_\_\_\_\_, 2009

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