



May 15, 2020

Dear Mayor Goethals and Honorable City Council Members:

Since the Downtown business improvement district (BID) was formed in 1986, the San Mateo City Council has appointed the Downtown San Mateo Association (DSMA) as the manager each year. The City Council reviews the work of the DSMA and authorizes the collection of assessments from businesses within the district. The DSMA uses the collected fees to promote, clean, enhance, organize, and advocate on behalf of the Downtown business community.

For the last ten years, the DSMA has not received any assessment increases and revenues have flatlined. The limited revenue has made it difficult for the organization to grow and operate independently. Therefore, it has been the main goal of the DSMA to propose a modification of assessment fees for FY 2021 in order to provide greater equity among businesses and increase revenues in order to better serve businesses.

However, the economic damage of COVID-19 has been extremely difficult for small, independent business owners. Due to COVID-19 impacts on the economy, the DSMA has decided to temporarily postpone pursuing an assessment fees increase to help small businesses make ends meet during these difficult times and reduce the cost of doing business.

Furthermore, economic damages already created by COVID19 will continue to affect businesses for months after shelter-in-place order has ended. Consequently, DSMA is proposing a 50% reduction of business improvement district fees for FY 2021 at the annual public hearing for the DSMA.

With the reduced fees, DSMA will need to spend down existing reserves in order to continue to provide services such as Downtown cleanliness, holiday banners, and increased marketing campaign for Downtown businesses online, in print, and on social media. While the DSMA will need to pursue a modification of the assessment in the future, FY2021 is not the right time. DSMA can continue to function as a convener, facilitator, and advocate for the Downtown provided that full revenue collection resumes in fiscal year FY2022.

We hope you will continue to support the DSMA and approve of our request for a one-year assessment reduction.

Sincerely,

Lew Cohen
DSMA, President

James "Seamus" Whitley
DSMA, Treasurer

Cc: Drew Corbett, City Manager
Kathy Kleinbaum, Assistant City Manager