



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 17

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: City Manager

MEETING DATE: June 03, 2019

SUBJECT:

Downtown Business Improvement Area – Resolution of Intent for Annual Renewal

RECOMMENDATION:

Accept the fiscal year 2018-19 Downtown San Mateo Association Annual Report; adopt a Resolution of Intent to Levy the Annual Assessments for the Downtown Business Improvement Area; and set a public hearing for the June 17, 2019 City Council meeting to consider levying the annual assessment.

BACKGROUND:

The Downtown Business Improvement Area (DBIA) was formed in 1986 for the purpose of improving the downtown area and promoting businesses within the area. The Downtown San Mateo Association (DSMA) has served as the DBIA administrator since its formation. Each year, as required by the California Street and Highways Code Section 36533, the DSMA provides the City Council with an annual report of activities and expenditures for the previous fiscal year and proposes assessments rates for the upcoming fiscal year.

In May 2019, the DSMA submitted its annual report, incorporating a summary of 2018-19 activities and proposed program and budget for the next fiscal year 2019-20. The report is included as Attachment 2.

Before City Council may act on the DSMA's request to renew the DBIA assessments, the request must be considered at two City Council meetings. At first the meeting on June 3, 2019, the City Council is asked to accept the DSMA's annual report and adopt the resolution of intent to levy the proposed assessment. At the second meeting on June 17, 2019, the City Council conducts a public hearing on the proposed assessment and considers adoption. At the June 17 meeting, Lew Cohen, owner of B Street Books and the current president of the DSMA, will make a presentation on DSMA's annual accomplishments and answer questions from Council.

As reflected in the annual report, the past year has been a time of transition for the DSMA with the departure of Ann Fienman, the former Executive Director. During this past year, City staff has stepped in to provide additional administrative support for the organization during this transition. In addition, the City has provided the DSMA with office space in the Main Street Garage off of 1st Avenue that is shared with the City's Downtown Coordinator staff position.

The savings from not paying an Executive Director salary and rent for office space has allowed the DSMA to enter into an annual \$80,000 service contract for a daytime porter to enhance downtown cleanliness. The DSMA daytime porter picks up trash, sweeps cigarette butts, wipes down newsracks, and spot cleans to enhance the attractiveness of the downtown. The porter is cleaning the downtown seven days a week as a supplemental service to the cleaning services done by the City.

Another key effort that the DSMA has focused on in the past year is maintaining a presence on social media and continuing

its e-newsletter. In addition, the DSMA has completed some print marketing efforts, including updating and distributing its restaurant guide and paying for print advertisements in several publications.

Annual Assessment

The DSMA is not requesting an increase in assessment rates at this time, which will mark the 10th consecutive year with no increase. However, the DSMA Board of Directors is still interested in pursuing a modification of the fee schedule to better reflect the composition of the downtown businesses in order to distribute the costs of the fees more equitably across all users of the downtown. The organization is working on hiring a consultant to study the modification and estimate the potential change in revenue.

The DSMA's projected revenue for the next year is approximately \$190,250 in estimated DBIA assessments. Its budgeted expenditures are \$237,500, which will require them to dip into their reserves this next year. The DSMA projects a cash balance of \$242,900 at the start of fiscal year 2019-20 and projects a cash balance of \$195,600 at the end of fiscal year 2019-20. As part of its efforts for the next fiscal year, the DSMA will evaluate hiring a new full-time Executive Director in 2021.

Next Steps

Once the Council adopts the Resolution of Intent to Levy the Annual Assessments and sets the public hearing, a notice will be published in the newspaper announcing the public hearing for no less than seven days prior to the meeting. At the June 17th public hearing, Lew Cohen, owner of B Street Books and the current president of the DSMA, will present an overview of their annual report and will be available to address any questions from the City Council and the public prior to Council consideration of levying the assessment for the next fiscal year.

From the printed news announcement, if written protests are received from the owners of business in the area that total 50% or more of the assessments proposed to be levied, no further proceedings to levy the assessments will be taken for one year.

Given that the DSMA is not requesting an increase in its current assessment rate, it is not legally required to send a written notification to all of the assessed businesses about the proposed public hearing. However, it will provide information about the hearing in the e-newsletter to its members. Any written protests received will be provided at the June 17, 2019 Council Meeting.

BUDGET IMPACT:

The levying of the annual DBIA assessment does not have an impact on the General Fund.

ENVIRONMENTAL DETERMINATION:

This project is exempt from California Environmental Quality Act (CEQA) requirements because it is an administrative activity that will not have a significant effect on the environment. (CEQA Guidelines section 15378(b)(5).)

NOTICE PROVIDED

All meeting noticing requirements were met. As required by the California Streets and Highways Code Section 36534, a notice shall be provided in the local newspaper no less than seven (7) day prior to the June 17, 2019 City Council Public Hearing.

ATTACHMENTS

Att 1 - Proposed Resolution of Intent

Att 2 - DSMA Annual Report for 2018-19

STAFF CONTACT

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