



Meeting Date: 10/07/2020
Agenda Item: 5.1

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council
REPORT FROM: Alexander J. Henderson, City Manager, ICMA-CM **REVIEWED BY:** AP
AGENDA ITEM: Public Hearing - Business Improvement District Protest Hearing
ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

In April 2017, a Community Planning Assistant Team (CPAT), a chapter of the American Planning Association (APA), made up of planning and economic development professionals from throughout the state came to Kingsburg for 3 days to provide pro bono expertise to Downtown Kingsburg. The group met with downtown merchants, city staff, and the City Council to determine issues affecting the downtown. In June 2017, the group submitted a Revitalization Strategy for Downtown Kingsburg. One of the recommendations from that strategy was to consider establishing a Business Improvement District (BID) and Downtown Business Association (DBA).

After receiving the finalized report and recommendations, the city helped organize visits to neighboring communities (Visalia and Clovis). The tours included Kingsburg business owners and meetings with business improvement district representatives in those communities. They included tours and information on how the districts operated and the pros and cons. They also discussed their coexistence with their respective Chambers of Commerce.

In September 2019, local business owners presented Council with a petition to explore the legal development of an improvement district. In November 2019, the Council authorized a contract with BID consultant, Jan Minami, to prepare a management district plan to describe the BID programs, address issues related to operation of the BID, identify the services and improvements to be provided by the BID, the benefits each business receives from the services and improvements, and identify the method for calculating the assessments to be collected through the business license process.

Since the execution of that contract with Ms. Minami, a steering committee was formed in order to help craft the management district plan, as well as hold workshops and provide educational materials. The steering committee met over several months and held community workshops to provide updates on their development of the draft management plan. A full timeline of their activities is included in your packet. On August 5, the council considered and adopted the resolution of intention, which began a process for consideration of BID creation:

1. The city council adopted a “resolution of intention” setting forth the details of the BID program, a date and time for a public hearing, and other information required by statute. (Adopted on Aug. 5)
2. Within seven days of adopting the resolution of intention, the city will mail a complete copy of that resolution, the draft management district plan, the city’s baselines services, and the notice of public hearing to each business owner in the territory of the proposed BID. (Completed week of August 10)
3. No earlier than 45 days after adopting the resolution of intention to levy the new assessment (Government Code Section 54954.6), the city council must hold a public hearing. (October 7 City Council meeting).
4. At the public hearing, the city council must consider oral and written protests to the creation of the BID. If written protests meeting the requirements of Section 36524 of the Streets & Highways Code are received

(and not withdrawn) from “the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied”, then proceedings must be abandoned for no less than one year. Otherwise, the city council may (but is not required to) adopt an ordinance establishing the BID. (October 7 Council meeting).

Tonight, the council will consider oral and written protests. Staff has a weighted spreadsheet that will be updated based upon protests received. If the protests do not reach 50% of the total district, staff recommends that the council adopt the proposed ordinance establishing the BID as part of the city’s municipal code. The proposed ordinance would codify the establishment of the BID as outlined in the management plan presented by the steering committee.

City Clerk, Abigail Palsgaard, will read and consider all protests as part of the public hearing.

RECOMMENDED ACTION BY CITY COUNCIL

1. *If protests equal less than 50% of businesses in the District are received, Staff recommends the following: waive first reading and introduce Ordinance No. 2020-03, An Ordinance of the City of Kingsburg Adding Chapter 5.40 of Title 5 of the Kingsburg Municipal Code Creating the Kingsburg Downtown Business Improvement District and pass to a second reading with the following recital constituting reading the title of the Ordinance:*

“AN ORDINANCE OF THE CITY OF KINGSBURG ADDING CHAPTER 5.40 OF TITLE 5 OF THE KINGSBURG MUNICIPAL CODE CREATING THE KINGSBURG DOWNTOWN BUSINESS IMPROVEMENT DISTRICT”

2. *If protests equal 50% or more of the businesses in the District are received, Council cannot adopt the Ordinance and cannot again consider creation of a Business Improvement District for a minimum period of one year.*

POLICY ALTERNATIVE(S)

1. N/A

STRATEGIC GOAL(S) MET:

1. Sustainable Economic Development
2. Increase Retail Opportunities

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|-------------------------------|
| 1. Is There A Fiscal Impact? | <u>Yes (For the District)</u> |
| 2. Is it Currently Budgeted? | <u>No</u> |
| 3. If Budgeted, Which Line? | <u>N/A</u> |

PRIOR ACTION/REVIEW

The council has continued to support recommendations related to the original CPAT report and has heard from local business owners as well.

On August 5, 2020, the City Council adopted the resolution of intention. In addition, they also approved the applications for the BID advisory Board, consisting of seven business owners in the proposed District.

BACKGROUND INFORMATION

In April 2017, a Community Planning Assistant Team (CPAT), a chapter of the American Planning Association (APA), made up of planning and economic development professionals from throughout the state came to Kingsburg for 3 days to provide pro bono expertise to Downtown Kingsburg. The group met with downtown merchants, city staff, and the City Council to determine issues affecting the downtown. In June 2017, the group submitted a

Revitalization Strategy for Downtown Kingsburg. One of the recommendations from that strategy was to consider establishing a Business Improvement District (BID) and Downtown Business Association (DBA).

The City subsequently hired Mike Dozier (member of the CPAT team) to provide consulting services to meet with property owners and business to educate and hear concerns about forming a new association and improvement area. A group of property owners/businesses visited Visalia and Clovis to hear about how those groups organized and benefited from a DBA and BID. After numerous meetings, staff received a request to have the issue placed on the agenda for presentation by a merchant's group. The merchant's group presented to the council in 2018 regarding the creation of a downtown improvement area. The council indicated support for the proposal.

In early 2019, the council and chamber of commerce agreed to amend their ongoing contract. One of the provisions of the contract is to support the development of a downtown improvement area and subsequent association.

As the downtown has continued its revitalization, the city often receives requests related to services and improvements that would benefit downtown businesses. The creation of a BID will allow the city to collect assessments from businesses within the BID to provide revenue to be used to pay the costs of services and improvements which will benefit the businesses in the BID.

ATTACHED INFORMATION

1. Proposed Ordinance 2020-003
2. 2020-044 Resolution of Intention
3. Management District Plan
4. Timeline of Activities/Formation
5. BID FAQ