



Office of the City Manager

CONSENT CALENDAR

October 15, 2019

To: Honorable Mayor and Members of the City Council
 From: Solano Business Improvement District Advisory Board
 Submitted by: Kate King, Chair, Solano Avenue BID Advisory Board
 Subject: Renewal of the Solano Avenue BID for Calendar Year 2020

RECOMMENDATION

Adopt a Resolution approving the Solano Avenue Business Improvement District Advisory Board's (hereafter "Solano BID Advisory Board" or "the Advisory Board") recommendation that Council: 1) approve the 2019 Annual Report and preliminary budget on proposed improvements in the District for calendar year 2020; 2) declare its intent to levy an assessment to finance improvements in the District for calendar year 2020; and 3) direct the City Clerk to schedule a public hearing on the renewal of the assessment for October 29, 2019.

FISCAL IMPACTS OF RECOMMENDATION

Projected BID revenue of approximately \$25,000 will be deposited into the Solano Avenue BID Fund, revenue budget code 783-21-208-251-0000-000-000-412110 and expensed from budget code 783-21-208-251-0000-000-446-636110. The BID constitutes an independent funding source that must be targeted to commercial revitalization efforts that are recommended by the Solano BID Advisory Board. To the extent that the work of the Solano BID enhances the economic development of Solano Avenue and its business climate over the long term, the BID contributes towards improving City revenues through increased sales and property taxes.

CURRENT SITUATION AND ITS EFFECTS

Renewal of the Solano BID is a Strategic Plan Priority Project, advancing our goal to foster a dynamic, sustainable, and locally-based economy. Under the State of California Parking and Business Improvement Area law of 1989 (California Streets and Highways Code section 36500 et. seq.) the City Council must approve an Annual Report prepared by the Solano BID Advisory Board with a proposed budget for the next year as a requirement to levy new assessments. Accordingly, at its meeting of September 10, 2019, the Solano BID Advisory Board voted to recommend that the City Council approve the Report for the Solano Avenue Business Improvement District for 2019-20 and adopt a Resolution of Intention to renew the assessment for that year (M/S-Snidow/Smith, Ayes: Snidow, Smith and King; Absent: Taylor). The Resolution of Intention also sets a public hearing date for October 29, 2019 where affected Solano

businesses can express support or opposition to renewal of the BID for calendar year 2020. If written and/or oral protests are received from businesses proposed to pay a majority of the assessment, Council cannot vote to levy assessments for 2020. If no majority protest is received the Council may renew the assessment.

BACKGROUND

Since its revival in May 2012, the Solano BID Advisory Board has used Solano BID revenues to finance three programs: 1) a tree watering contract to ensure the health of 48 young street trees on Solano; 2) installing a program of 40 hanging planter baskets on light poles; and 3) sponsorship of events that attract customers to the district and improvements that enhance the pedestrian experience. In 2019, the BID program has focused on sponsoring activities and improvements intended to market and promote the Solano Avenue business district. In the wintertime, the BID in conjunction with the Solano Avenue Association (which represents both Albany and Berkeley businesses along Solano Avenue) pays a contractor to erect holiday lights and decorations on City street light poles. This will continue for the 2019-20 season. Although the BID will spend a good portion of its funds on the holiday décor program, in 2020 it plans to use some funds to establish an expanded landscaping program for merchants to clean and level tree wells. Also, the BID will continue to support local marketing and “shop local” campaigns, and events including the “Art Walk” and Solano holiday programming “Santa on Solano”, as requested by partnering Solano based organizations. BID expenditures are to be made through an established fiscal agency contract with Telegraph Property and Business Management Corporation.

ENVIRONMENTAL SUSTAINABILITY

By maintaining and enhancing the district, the Solano BID creates shopping opportunities for residents and visitors alike while encouraging alternative forms of transportation. The District is adjacent to the popular surrounding residential North Berkeley neighborhoods and is served by AC Transit lines and has upgraded bike parking and shelters which provide easy accessibility for both residents and visitors coming to and from this retail destination. The environmental enhancements such as the added street trees, hanging planters, parklet, and holiday decorations contribute to making Solano a more pleasant walking destination. Because the District is well served by public transportation and biking infrastructure, these services indirectly support environmental sustainability goals of encouraging alternative transportation choices and decreasing vehicle miles traveled.

RATIONALE FOR RECOMMENDATION

State law requires that the City Council annually renew the Solano BID by first passing a resolution stating Council's intention to levy an annual assessment and scheduling a public hearing on the proposed renewed assessment for the coming year.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Eleanor Hollander, Secretary to the Solano BID Advisory Board, (510) 981-7536.

Attachments:

1: Resolution

Exhibit A: Report for the Solano Avenue Business Improvement District 2019-20

Exhibit A1: Map of the Solano BID

Exhibit A2: Assessment Rates

RESOLUTION NO. ##,###-N.S.

APPROVING THE ANNUAL REPORT AND PROPOSED BUDGET OF THE SOLANO AVENUE BUSINESS IMPROVEMENT DISTRICT FOR 2020; DECLARING COUNCIL'S INTENTION TO LEVY AN ASSESSMENT IN THE DISTRICT FOR 2020; AND DIRECTING THE CITY CLERK TO SCHEDULE A PUBLIC HEARING FOR OCTOBER 29, 2019 TO CONSIDER LEVYING A RENEWED ASSESSMENT FOR 2020

WHEREAS, the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code section 36500 et seq.) authorizes cities to establish parking and business improvement areas for the purpose of imposing assessments on businesses for certain purposes; and

WHEREAS, on December 9, 2003 the Berkeley City Council established such an area known as the Solano Avenue Business Improvement District (the "District"); and

WHEREAS, the City Council established a Solano Avenue Business Improvement District Advisory Board (Advisory Board) to act in compliance with State law to oversee the activities of the District; and

WHEREAS, the City Council established a Solano Avenue Business Improvement District Advisory Board (Advisory Board) to act in compliance with State law to oversee the activities of the District; and

WHEREAS, the Advisory Board has submitted an Annual Report to the Berkeley City Council that outlines the activities of the District proposed for 2020 as required by the California Streets and Highways Code Section 36533; and

WHEREAS, the Annual Report is clear and complete and found to comply with the interests of Solano Avenue assessees; and

WHEREAS, the annual process for levying assessments in Business Improvement Districts requires that cities adopt a Resolution of Intent that declares their intent to levy such an assessment and then set a date for a public hearing where interested parties may be heard on the issue.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley as follows:

Section 1. The City Council hereby approves the Solano Avenue Business Improvement District Annual Report for the year 2020 (Exhibit A) as submitted to the City Clerk by the Solano Avenue Business Improvement District Advisory Board.

Section 2. Pursuant to the provisions of Section 36500 et seq. of the California Streets and Highways Code (the "Act"), the City Council declares its intent to levy an annual assessment for the parking and business improvement area known as the Solano Avenue Business Improvement District.

Section 3. The boundaries of the District are set forth in Exhibit A1 to the 2019-20 Annual Report which is attached hereto and incorporated herein by reference.

Section 4. The improvements and activities proposed for the District are as described in the Report and budget (Exhibit A) and appended hereto.

Council intends that these funds be used for designated activities and improvements in the Solano Avenue commercial area. Council explicitly intends that funds generated through this BID shall not be used to pay for activities routinely paid for by the City.

Section 5. The City Council intends to levy assessments on businesses located within the boundaries of the District shown Exhibit A1 and according to the business classifications and rates set forth in Exhibit A2 which is attached hereto and incorporated herein by reference.

Section 6. A public hearing shall be held before the City Council on October 29, 2019 in the Council Chambers, 1231 Addison Street, Berkeley, California. Following the hearing the Council will consider adoption of a resolution levying an assessment as recommended by the Solano Avenue Business Improvement Advisory Board. At this hearing the Council will hear all interested persons for or against the levying of such an assessment.

Formal protests against the levying of the District assessment must be made in writing. All written and oral protests should contain the following certification: "I certify that I am the owner of the business listed below, and that the business is located or operates within the boundaries of the Solano Avenue Business Improvement District." Protests should also contain the following information: business name (printed), business address (printed), City Business License Tax Registration number, name of protester (printed), signature of protester, date of protest and the reason(s) the protester is against the levying of the District assessment. Protests will not be considered valid unless signed and submitted by the owner of a business located within the boundaries of the proposed District. Written protests shall be filed with the City Clerk, First Floor, City Hall, at 2180 Milvia Street, Berkeley, California, 94704, at or before 3 pm on October 29, 2019 and shall contain a description of the business sufficient to identify the business, and if the person so protesting is not listed on City records as the owner of the business, the protest shall be accompanied by written evidence that the person subscribing the protest is the owner of the business. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made. If written protests are received from the owners of businesses in the District which will pay fifty percent (50%) or more of the assessment proposed to be levied, no further proceedings to levy the assessment shall be taken for a period of one year from the date of the finding of a majority protest by the City Council. If the majority protest is only against the furnishing of a specified type or types of improvements or activities within the District, those types of improvements or activities shall be eliminated.

Section 7. The City Clerk is directed to give notice of said public hearing by publishing the Resolution of Intention in a newspaper of general circulation seven days prior to the public hearing.

Exhibits

A: Report for the Solano Avenue Business Improvement District 2019-20

A1: Map of the Solano BID

A2: Assessment Rates

Report for the Solano Avenue Business Improvement District for 2019 and Budget for 2020

Background

The first version of the Solano Business Improvement District (BID) operated from 2002-2007 with administration of the BID headed by the Solano Avenue Association. In January, 2012, the Council appointed the Solano BID Advisory Board to administer the Solano Avenue BID, to fund physical improvements to the street and dedicate marketing and promotion efforts towards the businesses on the portion of Solano Avenue that lies in Berkeley. This Annual report and budget updates the seventh full year of operational programs and progress on the revived Solano BID.

Landscape program

In 2013, the Solano BID financed a tree watering program for young street trees along upper Solano Avenue. In 2016, per the City of Berkeley arborist, the trees were mature enough to not require additional water services. In early 2016, the board voted to enhance Solano's landscape by installing a program of 41 hanging planter baskets on light poles distributed throughout the district; utilizing the Downtown Berkeley Association's (DBA) services. The DBA watered and maintained the baskets through the end of calendar year 2018, but has declined to continue this contract. In 2019, significant rain supported the baskets, and the Solano BID started a conversation with The Streets Team to supplement other efforts to clean, weed, and level the tree wells through the district, and to develop an ongoing watering and maintenance system for the hanging flower baskets. This work should begin soon, and provide support for 2020 and beyond.

In addition, funds have recently been approved for a full traffic/transportation study on Solano, and the BID will support Councilmember Hahn in involving both local merchants and local residents in the effort to re-imagine Solano Avenue in a way that brings more vitality to the Avenue. This effort will consider also the concurrent efforts of the City of Albany in its similar effort with the middle section of Solano Avenue, with the intention of strengthening the Solano Avenue 'brand' overall.

Marketing and promotion of Solano

Marketing and promotion of Solano Avenue constitutes the second priority of the Solano BID. To promote the avenue during the holiday season, a holiday light display program was established by the Solano BID. In 2016 and 2017 the BID contracted with a vendor, the Christmas Light Pros of SF, to deploy decorative unlit multi-colored garlands. In 2018, the board approved funding for a new vendor which, under direction of the Solano Avenue Association (SAA), covered more poles and provided greater decoration coordination opportunities with neighboring Albany, all at a lower cost than previous seasons. The intention for the holiday season in 2019-20 is to use the same vendor and reimburse the SAA after the lights are installed. This partnership underscores the leverage that the SAA organization has been able to provide to support BID efforts for the Berkeley portion of Solano Avenue.

In the remainder of 2019, the Advisory Board may again decide to participate in the development of holiday campaigns and activities (i.e. supporting the Solano Avenue Association

in the ‘Santa on Solano’ event or similar). In 2019, the group worked with the Solano Avenue Association to produce the second annual Art Walk, with a 50% increase in merchant participation overall. In addition, the BID district hosted (via one merchant) a Bike to Work Day location for the second year in a row. The details of the overall 2020 event and marketing program will be developed over the remainder of the year, with a possible Wine Walk and coordinated launch party for the new Touchstone Oaks bouldering gym at the top of the Avenue.

Expanded landscaping improvements have yet to be determined by the board. It is presumed that provided a successful demonstration of landscaping maintenance this fall/winter season (2019-20), a multi-year contract could be extended accordingly.

Solano BID Administration

The Solano BID has one existing contract; a fiscal agent contract with the Telegraph Property and Business Management Corporation (Telegraph PBMC), who charges a 5% fee on their total contract size annually.

FINANCIAL STATUS OF THE SOLANO BID, SEPTEMBER 2019

Solano BID Revenue, as of 9/10/2019	=	\$34,881.76
Less fiscal agent fee to Telegraph PBMC (5%) ¹	=	(\$1,250.00)
Less funds for Flower Basket/Tree well Landscaping	=	(\$2,000.00)
Less funds for Art Walk event(s)	=	(\$1,000.00)
Less funds allocated for decorative holiday garlands		
+ Installation + Removal + Storage (11/19 – 1/20)	=	(\$7,500.00)
Unallocated as of 9/10/2019	=	\$23,131.76

BUDGET FOR THE SOLANO BID FOR 2020 (Calendar Year)

Estimated new revenue	=	\$25,000.00
Carryover from 2019 (estimated)	=	\$23,131.76
Total available for expenditure in 2020	=	\$48,131.76

PROPOSED EXPENDITURES FOR 2020 (Calendar Year)

Landscaping installation/tree well porous pavement	=	\$3,000.00
Watering and Maintenance for hanging flower baskets	=	\$3,700.00
Installation, removal and storage of holiday decor 2020-21 season	=	\$8,000.00
<u>Other marketing expenditure (Art Walk/Holiday Campaign etc.)</u>	=	<u>\$ 3,000.00</u>
Total projected expenditure	=	\$17,700.00

¹ \$1,250.00 is the anticipated the “not-to-exceed” amount of the fiscal agent fee (5%) of the total contract amount for the time period 1/1/20 to 12/31/2020. This may change slightly depending on the size of the collected new revenue for 2020 (which is currently estimated at \$25,000.00).

Recommendations

The Advisory Board recommends that the Council approve the Annual Report and Budget for 2020.

The Advisory Board recommends that the Council make no changes in the boundaries of the Solano Business Improvement District or in the two Benefit Zones, A & B.

The recommended improvements and activities for 2020 are those stated in the Report. The cost for providing them is stated in the Budget for 2020.

The method and basis for the assessment is as stated in Exhibit A2.

The estimate for surplus revenues to be carried over from 2019 is as stated in the Budget for 2020.

Exhibit A1

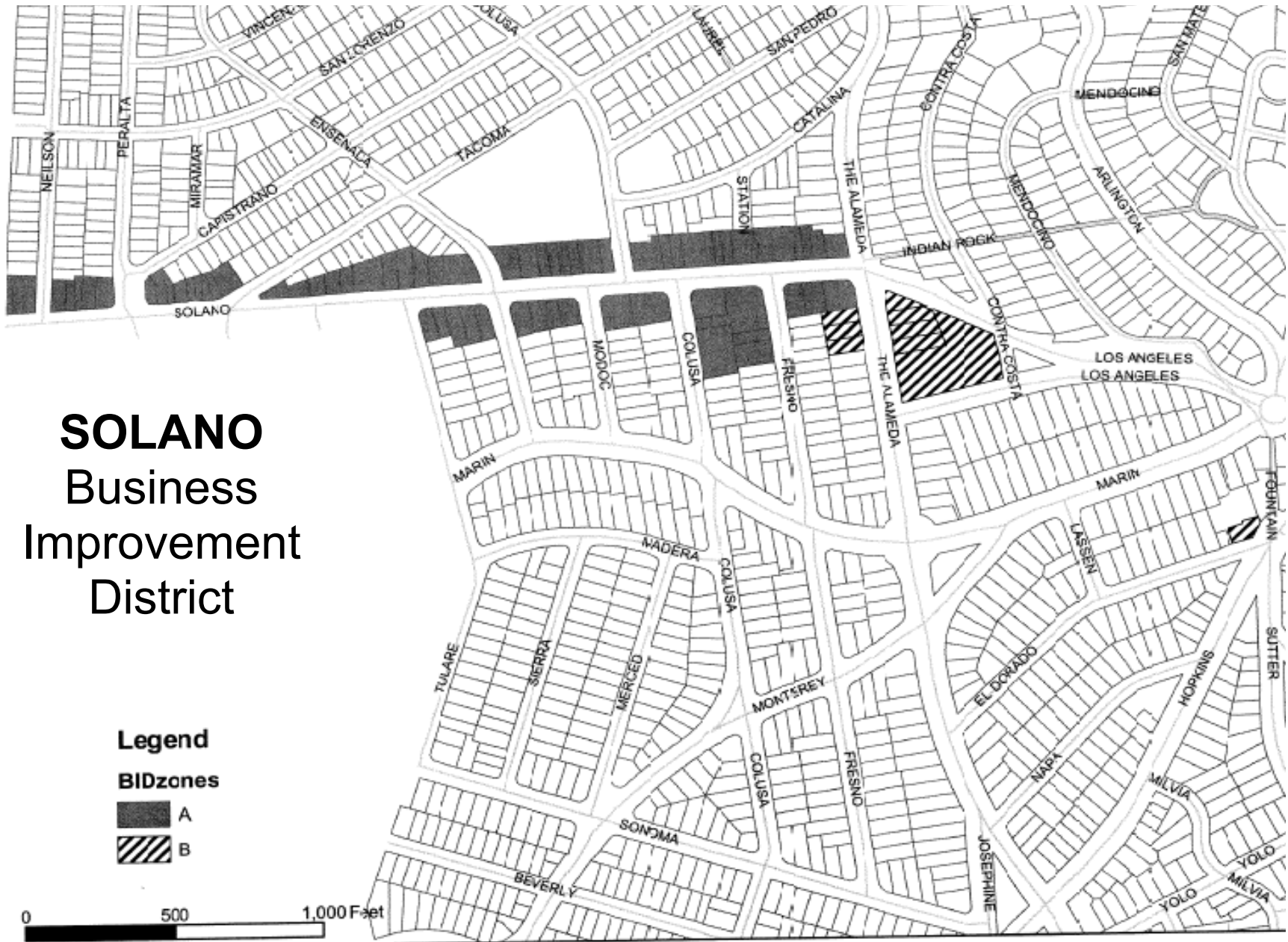


Exhibit A2

Berkeley Solano Avenue Business Improvement District Annual Assessment Formula

Type of Business		Annual Assessments	
		Zone A	Zone B
a. Retailers and Restaurants	1-5 employees	\$200	\$125
	6-9 employees	\$300	\$175
	10+ employees	\$400	\$225
b. Service Businesses		\$175	\$100
c. Professional Services		\$100	\$65
d. Financial Institutions		\$500	\$500

