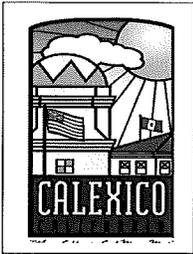


**AGENDA  
ITEM**

**6**



# AGENDA STAFF REPORT

**DATE:** December 7, 2016

**TO:** Mayor and City Council

**APPROVED BY:** Armando G. Villa, City Manager *Armando G. Villa*

**PREPARED BY:** Rosalind Guerrero, Grants Manager *Rosalind Guerrero*

**SUBJECT:** Public Hearing to Determine whether there exists a Majority Protest to Levying the Calendar Year 2017 Assessment for the Calexico Business Improvement District.

- a) Adopt Resolution assessing the levy for the Calexico Business Improvement District for calendar year 2017

=====

**Recommendation:**

1. Hold a public hearing to determine whether there exists a majority protest to levying the calendar year 2017 assessment for the Calexico Business Improvement District.
2. If no majority protest is determined, adopt a Resolution to Levy an Assessment for the Business Improvement District for calendar year 2017.

**Background:**

In February of 2000, the Calexico City Council established the Calexico Business Improvement District (BID) by the adoption of Ordinance No. 990 which provided for the levying of an assessment. In 2009, the Calexico City Council appointed a BID advisory board.

Pursuant to Streets and Highways Code Section 36500 - 36537, an annual report is attached which outlines the activities in 2016 and estimates revenues for the calendar year 2017. The Annual Report recommends the assessment be continued for calendar year 2017. The assessments may only be used for the promotion, marketing and advertising of professional and retail businesses located in the BID.

**AGENDA  
ITEM**  
**6**

**Discussion & Analysis:**

The City Council approved a Resolution of Intent, No. 2016-32, on November 16, 2016, to levy the BID assessment for calendar year 2017 and set a public hearing on December 7, 2016 to consider the levy. The public hearing notice was advertised on December 1, 2016.

**Fiscal Impact:**

The amount to be collected in assessments is estimated to be thirty-six thousand dollars (\$36,000.00). The assessment is calculated on 360 business licenses at \$100.00 each. The total amount estimated to be available for BID activities in 2017 is forty-nine thousand dollars (\$49,000.00) which includes monies carried over from the prior year. BID assessment revenues are restricted for BID purposes.

**Coordinated With:**

BID Advisory Board on November 9, 2016 reviewed and approved the 2016 Annual Report and estimated revenue for calendar year 2017.

**Attachments:**

1. Report to the City Council prepared by the City of Calexico on behalf of the Calexico Business Improvement District, dated November 9, 2016.
2. Resolution of the City Council of the City of Calexico assessing the levy for the Calexico Business Improvement District for calendar year 2017.



REPORT TO THE CITY COUNCIL  
CALEXICO BUSINESS IMPROVEMENT DISTRICT (BID)  
ANNUAL REPORT - 2016

Prepared for:  
Business Improvement District Advisory Committee

Prepared by:  
City of Calexico  
November 9, 2016

[www.calexicobid.com](http://www.calexicobid.com)

## **HISTORY**

Ordinance No. 990 established the Calexico Business Improvement District (BID) in which an annual assessment is to be collected at the same time and manner as the Business Tax License fees.

Ordinance No. 990 established the fees and the boundary of the BID. Assessments were based on zones and the business category. The categories established under the Ordinance are general retailers, restaurants, non retailers/service providers, and state regulated companies and specifies fees to be collected.

Revenue collected is to defray the cost of services and programs which will benefit businesses in the area, including, but not limited to any of the following:

- The acquisition, construction, or maintenance of parking facilities for the benefit of the area;
- Decoration of any public place;
- Promotion of public events which are to take place on or in public places in the area;
- Furnishing of music in any public place in the area;
- The general promotion of business activities in the area.

In 2009, the City Council of the City of Calexico thru Resolution 09-82 established an annual fee of \$100.00.

The BID Advisory Committee appointed by the City Council meets on the 2<sup>nd</sup> Wednesday of each month and continue to accomplish promotional events and advertising. The events hosted by BID include advertising in print, radio, electronic boards, and television media and events held in the downtown area. Advertising provided by BID promotes all businesses within the zone boundaries.

The activities undertaken by BID for the calendar year 2016 emphasized efforts in advertising and activities in downtown to draw as well as retain people to the downtown.

## **DOWNTOWN ADVERTISING AND PROMOTIONAL EVENTS**

The 7<sup>th</sup> Annual Car Show was held on April 2, 2016 and drew approximately 10,000 people to downtown. This is a family event that showcases over 100 classic, low riders, and bikes. Raffle prizes are donated by downtown merchants and distributed throughout the day. Music, food, and activities for children are provided as well. Sidewalk sales were allowed for this event.

The Mother's Day annual event, in its 5th year, invites merchants to participate by purchasing corsages to give to clients shopping in their store. Nineteen merchants participated with a total of 1,425 corsages given out. BID pays the cost of advertising for participating merchants and provides music during the day. This year, Mariachi music was made available for the shoppers enjoyment.

Back to School advertising begins in late July and continues through the months of August and September. Merchants pay 50% of the cost of advertising and BID pays for 50%, hence the 50/50 program. The 50/50 program was implemented by BID in 2009. The 50/50 advertising program includes a booklet with ads and coupons that is distributed to border crossers and in businesses in Calexico, ads in print media, electronic billboards, and television commercials.

The 50/50 program was extended for the month of November 2016 because of the merchants interest in continuing the promotions for Black Friday sales.

Brown Bag Coalition cleanup efforts were assisted by BID with the purchase of cleaning equipment.

This calendar year, BID offered merchants the opportunity to display their business logos on banners displayed along Imperial Avenue from Second Street to Hwy 98. The advertising campaign included three (3) seasons. Season 1 included the months of June, July, and August 2016; Season 2, September, October and part of November; and, Season 3, includes the remainder of November/December 2016 and January 2017. The banners have been hung from light posts along Imperial Avenue with the assistance of City Public Works employees.

The 6th Halloween Carnival was held on Monday October 31, 2016. Activities for the children were provided by the participating merchants. Food vendors, music, raffle prizes, and trophies for the Scariest costume and the Best Costume were part of the evening program. It is estimated approximately 800 people were in attendance.

The start of the holiday shopping will begin on Black Friday, November 25<sup>th</sup> with advertising featured in El Lechugon, Imperial Valley Press, and flyers that will be distributed. Advertising is free for the merchant as long as they agree to open at an hour that is earlier than their established hours.

For the Christmas season 2016, holiday flags will be placed along 2<sup>nd</sup> Street from Heffernan to Rockwood Avenue to decorate the downtown.

### **ROCKWOOD AVENUE CLOSURE**

During the calendar year, BID members discussed and reviewed implementation of a pilot program to close Rockwood Avenue between 1<sup>st</sup> Street and 2<sup>nd</sup> Street to traffic and make the area pedestrian access only. Discussions included allowing kiosks for vendors to sell, whether the BID should consider purchasing the kiosks and renting, where would kiosks be stored, the need to provide additional lighting and electricity. Concern whether this project would be seen as a competition with the existing merchants was expressed. It was determined the project will require time and funds to develop.

With the assistance of the City's Engineering Department, staff provided a sample site plan of the closure with shaded areas, benches, and a water feature. The proposal was presented to the City's Project Review Committee (PRC) and recommendations were made by each of the city departments. The estimated cost to close the street and construct the amenities is

approximately \$80,000. BID members and city staff continue to review options on the closing of the street and identify funds that may be used.

City staff submitted a grant application to the National Endowment for the Arts (NEA) proposing to extend the current Mural Program to the downtown area. The application requested \$50,000 to have murals painted in the alleys between 1<sup>st</sup> and 2<sup>nd</sup> Streets to include improvements to the alleys. BID allocated \$10,000 as a match to be used towards the closure of Rockwood Avenue as a part of the mural program.

### **DOWNTOWN METERS**

With the peso devaluation in Mexico, local retail businesses continue to experience a drop in sales. BID members are concerned that Calexico is the only city in Imperial County that continues to have parking meters. Downtown merchants complain they compete with businesses that do not have parking meters and therefore sales are impacted. BID members requested and received approval to allow 2 hour free parking in downtown from May to November 2016. However, in July 2016, parking meters were reinstated because of the city's financial deficit.

### **RECOMMENDATIONS FOR CALENDAR YEAR 2017**

#### **BID Boundaries:**

Recommendation to leave current boundaries as established by Ordinance No. 990.

#### **BID Zones:**

Recommendation to continue with Zone 1 and Zone 2, as shown on map.

#### **BID Assessment Fees:**

Recommendation to leave fee at \$100.00 to be collected for each business license issued within the zone boundaries for calendar year 2016.

The fees assessed will be collected and used for the following activities:

Marketing and promotional activities to include advertising, entertainment, and general promotion;

Maintenance and update of BID website ([www.calexibid.com](http://www.calexibid.com));

Decoration of any public place in the BID boundaries;

Assist the City in enforcing ordinances previously established.

Encourage businesses to voice their concerns to the members of the BID board and assist in resolving concerns expressed.

Continuing efforts of Rockwood Street closure between 1<sup>st</sup> and 2<sup>nd</sup> Streets.

**Fiscal Impact:**

Estimated amount to be collected in the calendar year 2017 assessments is \$36,000.00. The assessment is calculated on three hundred sixty (360) business licenses to be paid at \$100.00 each.

The total amount estimated to be available for BID activities is \$49,000 for the calendar year 2017.

**RESOLUTION OF INTENT**

The BID Advisory Committee recommends the City Council adopt the Resolution accepting the annual BID report and the Council's intent to levy an annual assessment for the BID and hold a public hearing on December 7, 2016 or sooner to consider levying the assessment for January 1, 2017.

**RECOMMENDATIONS**

Adopt the Resolution of the City Council of the City of Calexico approving the 2016 Annual Report of the BID and declaring the Council's intention to levy an annual assessment for the BID for calendar year 2017 and hold a public hearing on December 7, 2016 or sooner to consider levying the assessment.

Attachments:

BID Zone Map

## **RESOLUTION NO. 2016-36**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO ASSESSING THE LEVY FOR THE CALEXICO BUSINESS IMPROVEMENT DISTRICT FOR CALENDAR YEAR 2017**

**BE IT RESOLVED** by the Council of the City of Calexico as follows:

**WHEREAS**, by Resolution No. 2016-32, adopted November 16, 2016, the City Council approved the 2016 Annual Report of the Calexico Business Improvement District, declared its intent to levy and collect an annual assessment for the Calexico Business Improvement District for calendar year 2017, and set a public hearing on the matter for December 7, 2016.

**NOW, THEREFORE IT IS HEREBY RESOLVED** that:

**SECTION 1.** The City Council conducted a public hearing to consider the levy of the proposed Calendar Year 2017 levy of assessments for the BID on December 7, 2016.

**SECTION 2.** The City gave notice of the public hearing on December 1, 2016, published in a newspaper of general circulation in the city before the public hearing.

**SECTION 3.** At the public hearing, the City council heard and considered all protests against the Calendar Year 2017 levy of assessments for the Business Improvement District. The rules and procedures used in receiving and considering protests complied with those set forth in Streets and Highways Code section 36524, 26525, and 36534.

**SECTION 4.** The City Council has received and approved an annual report prepared by the City of Calexico on behalf of the Calexico Business Improvement district that includes a description of the activities to be provided in Calendar Year 2017. A full and detailed description of the improvements and activities to be provided in calendar year 2017 are set out in the report. Copies of the report are on file with the City Clerk.

**SECTION 5.** The City hereby levies and shall collect assessments for Calendar Year 2017 within the Calexico Business Improvement District, as described in City of Calexico Ordinance No. 990. The assessment shall be collected by the City from the business owners commencing January 1, 2017. Each and every business in the district shall pay an assessment of one hundred dollars (\$100.00) for the calendar year 2017.

**SECTION 6.** There is no change in the boundaries of the district as established and set forth in City of Calexico Ordinance No. 990.

**PASSED, ADOPTED, AND APPROVED** by the City Council of the City of Calexico at the regular meeting this 7th day of December 2016.

\_\_\_\_\_  
Mayor

**ATTEST**

\_\_\_\_\_  
Gabriela T. Garcia, Deputy City Clerk

**APPROVED AS TO FORM**

\_\_\_\_\_  
Carlos Campos, Interim City Attorney

State of California     )  
City of Calexico       ) ss.  
County of Imperial    )

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico do hereby certify that the foregoing Resolution No. 2016-36 was duly adopted by the Calexico City Council at a regular meeting thereof held on the 7th day of December 2016, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Gabriela T. Garcia, Deputy City Clerk