

Council/Agency Meeting Held: _____	_____ City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 9/4/2007	Department ID Number: ED 07-30

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR *[Signature]*

PREPARED BY: STANLEY SMALEWITZ, DIRECTOR OF ECONOMIC DEVELOPMENT *[Signature]*

SUBJECT: Approve Huntington Beach Auto Dealers Business Improvement District Annual Report, Adopt Resolution of Intention to Levy an Annual Assessment for Fiscal Year 2007/08, and Schedule Public Hearing for October 1, 2007

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: On September 8, 1992 the City Council approved Ordinance No. 3175 to establish the Huntington Beach Auto Dealers Business Improvement District (BID) as a method for financing the construction costs, operation, and maintenance of the electronic reader board sign and other promotional programs allowed under the law. The State of California Parking and Business Improvement Law of 1989 requires an Annual Report be filed for each fiscal year, a Resolution of Intention be passed to levy an assessment for the next fiscal year, and a public hearing date be set.

Funding Source: Revenues and expenses are included in the 2007/08 Huntington Beach Auto Dealers Business Improvement District Budget (Fund 701)

Recommended Action: Motion to:

1. Approve the Huntington Beach Auto Dealers Business Improvement District Annual Report for FY 2007/08.
2. Adopt City Council Resolution No. 2007-56 a Resolution of Intention of the City of Huntington Beach to levy an assessment for the Huntington Beach Auto Dealers Business Improvement District for fiscal year 2007/08.
3. Direct the City Clerk to schedule a public hearing to be held on October 1, 2007 and send copies of the Resolution of Intention and assessment formula to each business to be assessed and publish the same in a newspaper of general circulation as required.

Alternative Action(s):

1. Return the 2007/08 Annual Report of the Huntington Beach Auto Dealers Business Improvement District for additional information.
2. Deny the request to approve the Resolution of Intention.

E-2

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: 9/4/2007

DEPARTMENT ID NUMBER: ED 07-30

Analysis:

At the request of the Huntington Beach Auto Dealers Association, City Council formed the Auto Dealers Business Improvement District (BID) in 1992 to fund the Dealers' obligation to operate and maintain the electronic reader board sign located by the 405-freeway that was first constructed in 1992. On May 3, 2004, the Redevelopment Agency approved a \$474,000 loan with the Auto Dealers Association to upgrade the existing electronic reader board sign. Under the Business Improvement District state law, the Auto Dealers raise additional monies to market and operate other programs to enhance their BID. In order for the Auto Dealers BID to be renewed, City Council needs to approve their annual report and their proposed budget for 2007/08.

As approved by the Auto Dealers Board at their July 17, 2007 meeting, the monthly assessments will include \$725 for promotional activities, including the reader board sign maintenance and operating costs and a \$630 loan payment, for a total monthly assessment of \$1,355 per dealer. The loan is amortized over a seven year period at 6% per year. The last payment will be due in April 2010.

As required by State law, a protest hearing must be held to provide the opportunity for any affected businesses to voice their protests, or they can submit protests in writing before the public hearing. The Resolution of Intention sets this public protest hearing for October 1, 2007. At that time, the City Council will tally the percentage of assessments protested and will hear additional public comments on the renewal of the Auto Dealers BID. If the protests total less than 50% of the total amount of money to be collected, the City Council can approve the renewal of the BID. The City Council also has the option of reducing assessments or modifying the BID boundary area if public comments prompt adjustment.

Beginning in the 2007/08 fiscal year, the City must exercise greater fiduciary responsibility over all Business Improvement Districts based on recent case law. Working with the Business Improvement Districts, staff will ensure that the expenditures will not exceed the approved budgets as proposed in the respective annual reports without prior approval by City Council in a public hearing.

Strategic Plan Goal: "Create an environment that promotes tourism to increase revenues to support community services and transform the city's economy into a destination economy."

Environmental Status: Not applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Annual Report for Fiscal Year 2007/2008
9	2.	Resolution of Intention to Levy Assessment for FY 2007-2008

ATTACHMENT #1

**INTENTIONALLY
LEFT
BLANK**

Huntington Beach Auto Dealers Business Improvement District Annual Report/Budget

2007/08 Business Improvement District Renewal

This report contains the following:

1. 2007/08 Report/Budget including
Assessment Formula Information
2. 2006/07 Report/Budget
3. Assessment Map

**HUNTINGTON BEACH AUTO DEALERS ASSOCIATION
Business Improvement District**

OPERATING STATEMENT FOR:

June-2007

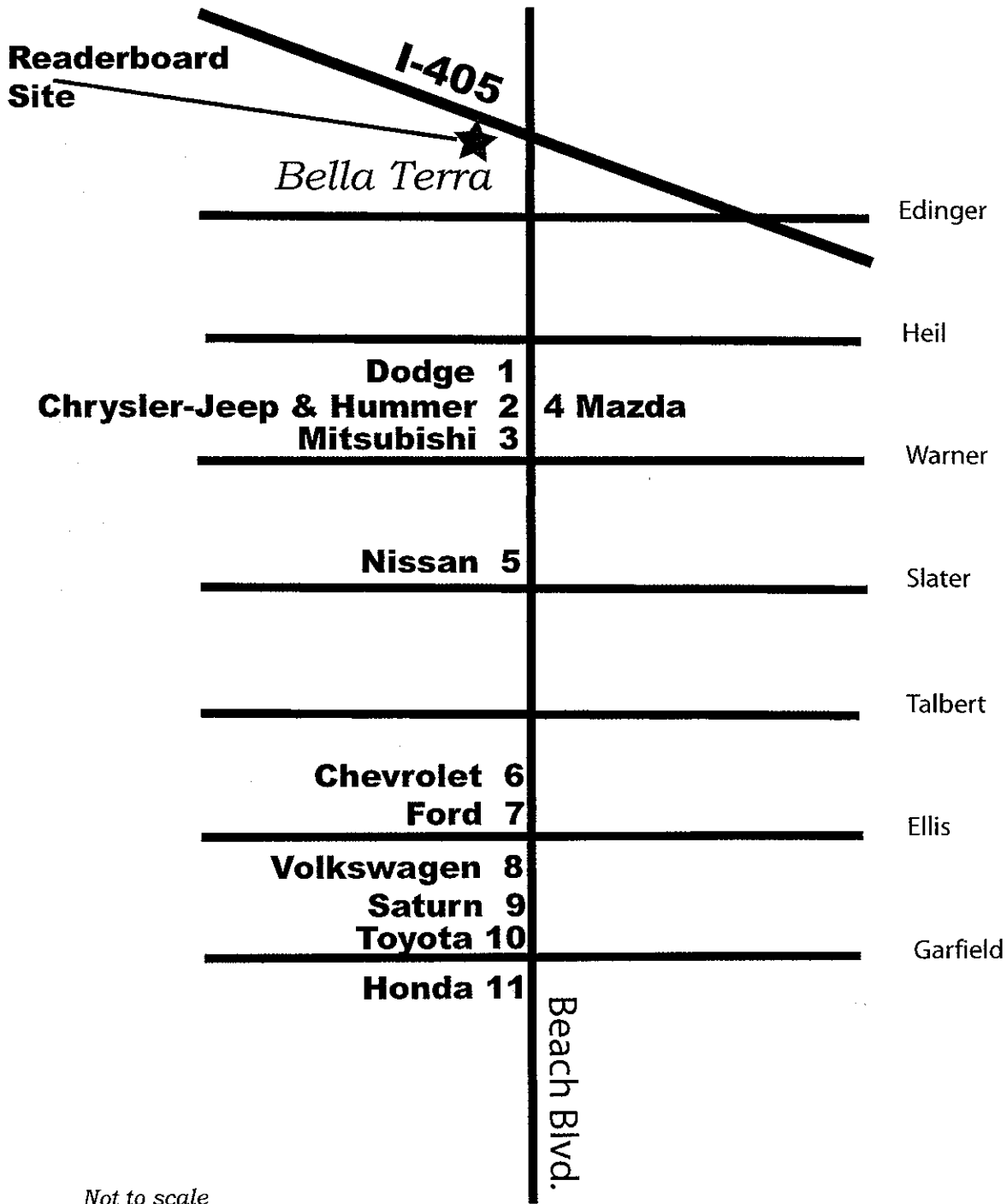
Balance forward From 2006-2007 **43,710.94**

Fiscal Year is: October 1 - September 30

INCOME	June-07	Fiscal 2006-2007 YTD
Dealer Assessments	7,177.50	60,563.25
BID Interest		
BID Misc Income	200.00	900.00
TOTAL INCOME	7,377.50	61,463.25
EXPENSES		
Advertising		
Community Relations Projects	3,400.00	15,975.00
Dues and Fees		341.86
Electricity	999.83	8,574.75
EMI Maintenance	950.00	8,550.00
EMI Program	480.00	4,320.00
Insurance/Taxes		4,575.90
Legal	2,805.00	2,805.00
Miscellaneous	300.00	300.00
Office Furniture		4,082.99
Office Rent	1,085.17	5,655.17
Office Supplies/Printing	278.61	817.99
Outside Services	2,062.86	16,556.65
Phone	38.35	316.24
Signs and Banners	181.44	181.44
TOTAL EXPENSES	12,581.26	73,052.99
Income Less Expenses	(5,203.76)	(11,589.74)

Cash in Bank as of:	June 2007	32,121.20
----------------------------	------------------	------------------

Huntington Beach Boulevard of Cars



Not to scale

HUNTINGTON BEACH AUTO DEALER ASSOCIATION MEMBER LIST

**TO: GENERAL MANAGERS AND OWNERS* REVISED 8-14-07(ANY CHANGES CALL PAM
(714-847-6087)**

HB. A/DLRS ASSOC. 7755 CENTER #1100 HB, CA 92647 **714-372-7209

**H.B. CHRYSLER-JEEP-
RICK EVANS-ROSS HELMAN
16701 BEACH BLVD. 92647
PHONE 841-3999 FAX 842-2903-841-9993**

**SATURN OF HUNTINGTON BEACH
BUBA SNIDER/KIFAH KHODR
18801 BEACH BLVD. 92648
PHONE 841-9828 FAX 842-8499**

**H.B. -MAZDA
CHAD CUSTER/JOHN PATTERSON
16800 BEACH BLVD. 92647
PHONE 848-7739 FAX 847-1265**

**H.B. FORD
OSCAR BAKHTIARI/OMAR
18255 BEACH BLVD. 92648
PHONE 842-6611 FAX 847-8788**

**TOYOTA OF HB
BOB MILLER/DENNIS PRADO
18881 BEACH BLVD.
PHONE 847-8555 FAX 847-1105**

**DOUGLAS NISSAN OF HB
**** PAT PEPPER/CHRIS KOURY
17331 BEACH BLVD. 92647
842-6666 F 375-0076/847-0759**

**DELILLO CHEVROLET
DAVE DELILLO/BILL DEMAREST
18211 BEACH BLVD. 92648
847-6087 F/ 847-6721**

**HUNTINGTON BEACH DODGE
CLAY JAMES/LARRY SMITH
16555 BEACH BLVD. 92647
847-5515 F/596-0230**

**NORM REEVES HONDA
DAN KLAWITTER/SHAWN KEEBAUGH
19131 BEACH BLVD.
PHONE 842-5431 FAX 375-9783**

**HB MITSUBISHI
ABBAS AHMADI/CHUCK BIEN
16751 BEACH BLVD.
375-9493 F/842-1563(NOT MEMBER)**

**MC KENNA VW
18711 BEACH BLVD
MARIN DELGADO/DANNY MC KENNA
714-842-2000 FAX 714-843-8369
NORWALK STORE**

******* BILL NELSON A/DLR DIRECTOR
714-536-8614
surfhh@socal.rr.com
CRAIG FELTMAN 924-442-0500
X507 & SONY 949-442-9082
FAX 949-442-2886**

**INTENTIONALLY
LEFT
BLANK**

E2.9

ATTACHMENT #2

**INTENTIONALLY
LEFT
BLANK**

RESOLUTION NO. 2007-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HUNTINGTON BEACH DECLARING THE CITY'S INTENTION TO
LEVY AN ANNUAL ASSESSMENT WITHIN THE HUNTINGTON BEACH
AUTO DEALERS ASSOCIATION BUSINESS IMPROVEMENT DISTRICT FOR
FISCAL YEAR 2007-2008

WHEREAS, the Parking and Business Improvement Area Law of 1989, codified at Streets and Highways Code § 36500, et seq. (the "Act") authorizes cities to establish parking and business improvement areas for the purpose of imposing benefit assessments on businesses for certain purposes; and

The City Council has formed a business improvement area, known as the Huntington Beach Auto Dealers Association Business Improvement District (the "District"), by the passage of Ordinance 3175 on September 8, 1992. The time has come to continue the existence of the District for fiscal year 2007-2008 by levying assessments on those businesses that benefit from the improvements constructed; and

The District's Advisory Board has prepared and filed with the City Clerk a report for Fiscal Year 2006-2007, ("Annual Report") which sets forth the amount and basis of levying the assessment for Fiscal Year 2007-2008.

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve, determine and find as follows:

SECTION 1. The City Council hereby approves the Annual Report filed by the Advisory Board in the City Clerk's office attached hereto as **Exhibit A** and incorporated herein by this reference, which includes a proposed budget for Fiscal Year 2007-2008 and a description of the improvements and activities to be provided for Fiscal Year 2007-2008.

SECTION 2. The City Council hereby declares its intent to levy and collect assessments within the District for Fiscal Year 2007-2008. The levy is to apply to small businesses classified by the City of Huntington Beach License Code as Class A Retail Sales, (A1) Auto, New, Used, Parts, including new business of that classification located within the District as shown in **Exhibit B-1 and listed in Exhibit B-2**, in the amounts set forth on **Exhibit B-3**, which exhibits are incorporated herein by reference.

SECTION 3. The assessments collected will be used to cover costs to operate, upgrade, and maintain an electronic reader board located within the City of Huntington Beach west of the intersection of Beach Boulevard and Center Avenue and other promotional and advertising activities.

SECTION 4. A public hearing shall be held before the City Council on October 01, 2007, at 6:00 p.m., or as soon thereafter as this matter may be heard, in the Council Chambers of the City Hall, 2000 Main Street, Huntington Beach, California, at which time the Council will hear all interested persons for or against levying of the assessment, and the

furnishing of specified types of improvements or activities. Protests may be made orally or in writing; but, if written, shall be filed with the City Clerk at or before the time fixed for the hearing and contain sufficient documentation to verify business ownership and validate the particular protest. If written protests are received by the owners of businesses within the District, which will pay 50% or more of the total assessments to be levied, no further proceedings to levy the proposed 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 activity within the District, those types of improvements or activities shall be eliminated.

SECTION 5. The City Clerk is hereby directed to provide notice of the public hearing by causing the this resolution of intention to be published once in a newspaper of general circulation at least seven days before the public hearing.

SECTION 6. Further information regarding the proposed business improvement district may be obtained at the Huntington Beach City Hall, 2000 Main Street, Huntington Beach, California 92648; telephone (714) 536-5542; or from the Huntington Beach Auto Dealers Association, Inc., P.O. Box 2700, Huntington Beach, CA 92648; telephone (949) 831-3443.

SECTION 7. The City Clerk shall mail a complete copy of this resolution of intention by first-class mail to each business owner in this area within seven days after the Council's adoption of this resolution.

SECTION 8. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 200_____.

Mayor

REVIEWED AND APPROVED:

INITIATED AND APPROVED:


for 

City Administrator



Director of Economic Development

APPROVED AS TO FORM:



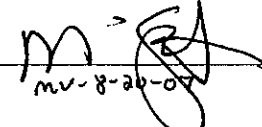
City Attorney
8.20.07

mv-8-20-07

Exhibit A

Huntington Beach Auto Dealers
Business Improvement District
Annual Report/Budget

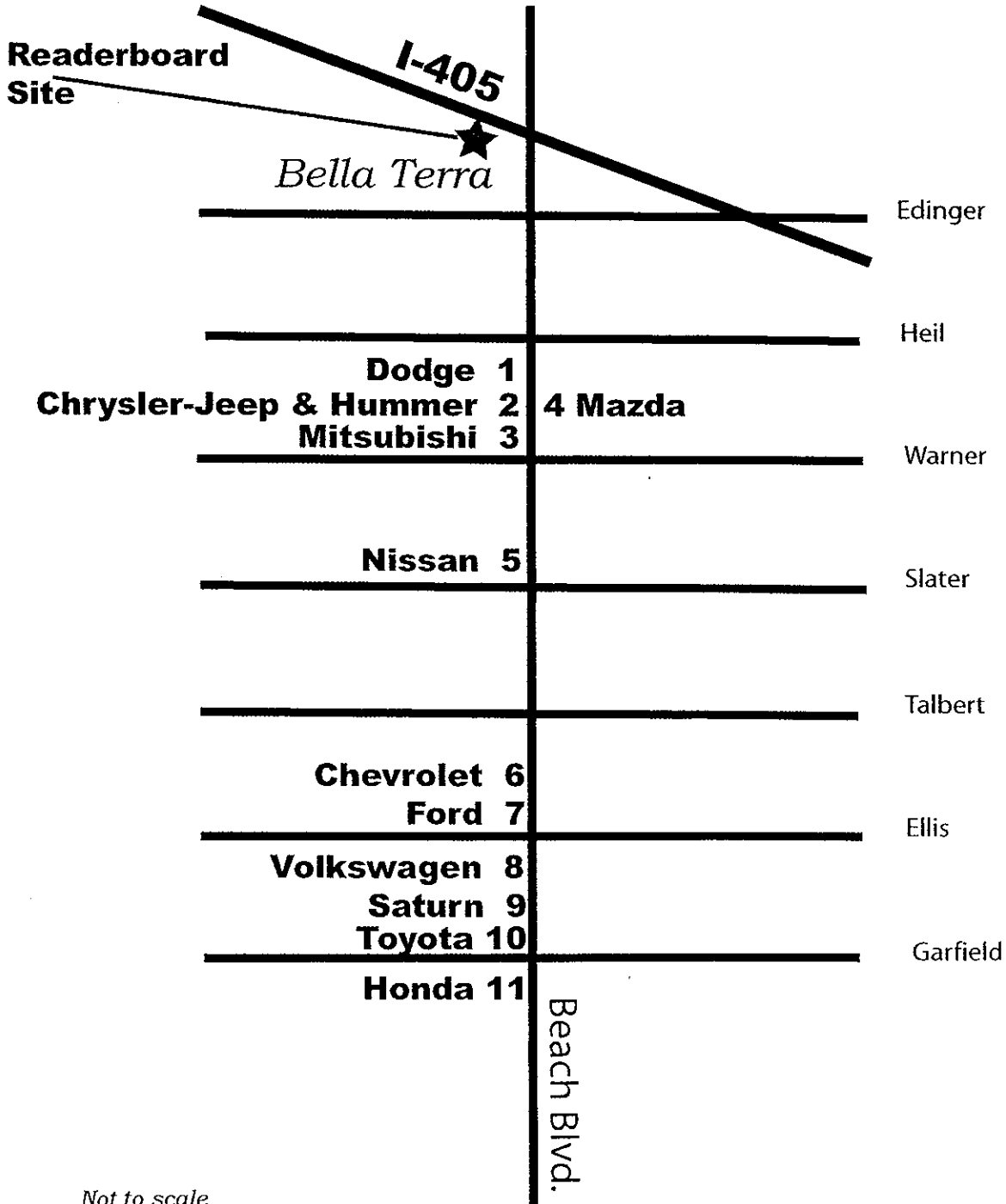
2007/08
Business Improvement District
Renewal

This report contains the following:

1. 2007/08 Report/Budget including
Assessment Formula Information
2. 2006/07 Report/Budget
3. Assessment Map

**INTENTIONALLY
LEFT
BLANK**

Huntington Beach Boulevard of Cars



Not to scale

**INTENTIONALLY
LEFT
BLANK**

Exhibit B-2

HUNTINGTON BEACH AUTO DEALER ASSOCIATION MEMBER LIST

**TO: GENERAL MANAGERS AND OWNERS* REVISED 8-14-07(ANY CHANGES CALL PAM
(714-847-6087)**

HB. A/DLRS ASSOC. 7755 CENTER #1100 HB, CA 92647 **714-372-7209

**H.B. CHRYSLER-JEEP-
RICK EVANS-ROSS HELMAN
16701 BEACH BLVD. 92647
PHONE 841-3999 FAX 842-2903-841-9993**

**SATURN OF HUNTINGTON BEACH
BUBA SNIDER/KIFAH KHODR
18801 BEACH BLVD. 92648
PHONE 841-9828 FAX 842-8499**

**H.B. -MAZDA
CHAD CUSTER/JOHN PATTERSON
16800 BEACH BLVD. 92647
PHONE 848-7739 FAX 847-1265**

**H.B. FORD
OSCAR BAKHTIARI/OMAR
18255 BEACH BLVD. 92648
PHONE 842-6611 FAX 847-8788**

**TOYOTA OF HB
BOB MILLER/DENNIS PRADO
18881 BEACH BLVD.
PHONE 847-8555 FAX 847-1105**

**DOUGLAS NISSAN OF HB
**** PAT PEPPER/CHRIS KOURY
17331 BEACH BLVD. 92647
842-6666 F 375-0076/847-0759**

**DELILLO CHEVROLET
DAVE DELILLO/BILL DEMAREST
18211 BEACH BLVD. 92648
847-6087 F/ 847-6721**

**HUNTINGTON BEACH DODGE
CLAY JAMES/LARRY SMITH
16555 BEACH BLVD. 92647
847-5515 F/596-0230**

**NORM REEVES HONDA
DAN KLAWITTER/SHAWN KEEBAUGH
19131 BEACH BLVD.
PHONE 842-5431 FAX 375-9783**

**HB MITSUBISHI
ABBAS AHMADI/CHUCK BIEN
16751 BEACH BLVD.
375-9493 F/842-1563(NOT MEMBER)**

**MC KENNA VW
18711 BEACH BLVD
MARIN DELGADO/DANNY MC KENNA
714-842-2000 FAX 714-843-8369
NORWALK STORE**

******* BILL NELSON A/DLR DIRECTOR
714-536-8614
surfhb@socal.rr.com
CRAIG FELTMAN 924-442-0500
X507 & SONY 949-442-9082
FAX 949-442-2886**

**INTENTIONALLY
LEFT
BLANK**

INTENTIONALLY
LEFT
BLANK