

Council/Agency Meeting Held: _____	City Clerk's Signature _____
Deferred/Continued to: <u>9/19/05</u>	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 9/6/2005	Department ID Number: ED 05-24

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

SUBMITTED TO: HONORABLE MAYOR CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth*
PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR

PREPARED BY: PAUL EMERY, ACTING ECONOMIC DEVELOPMENT DIRECTOR

SUBJECT: **Conduct Public Hearing and Adopt Resolution for Huntington Beach Auto Dealers Business Improvement District Annual Assessment for Fiscal Year 2005-2006** *RESOLUTION 2005-61*

RECEIVED
 CITY CLERK
 CITY OF
 HUNTINGTON BEACH, CA
 2005 AUG 21 AM 11:30

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

Statement of Issue: At the City Council meeting of August 15, 2005, the City Council approved Resolution No. 2005-52. This action declared the City's intention to levy an assessment for the Huntington Beach Auto Dealers Business Improvement District for 2005-2006 and authorized the City Clerk to schedule a public hearing to be held on September 6, 2005. Copies of the Resolution, BID Boundary Map and assessment formula were sent to each business to be assessed. In follow-up to this action, the City Council must now hold a public hearing and pass a resolution approving an annual assessment for the 2005-2006 fiscal year.

Funding Source: Not Applicable.

Recommended Action: Motion to:

1. Conduct Public Hearing.
2. Adopt City Council Resolution No. 2005-61, A Resolution of the City Council of the City of Huntington Beach Approving an Annual Assessment for Fiscal Year 2005-2006 to Fund Improvements Within the Huntington Beach Auto Dealers Business Improvement District.

Alternative Action(s): Deny the request to Approve the Resolution.

REQUEST FOR ACTION

MEETING DATE: 9/6/2005

DEPARTMENT ID NUMBER:ED 05-24

Analysis: In Fiscal Year 1992-93, the Huntington Beach Automobile Dealers Association requested the City Council to form a Business Improvement District (BID) to fulfill its obligations to operate and maintain the electronic reader board. Under the Business Improvement District state law, the Parking and Business Improvement Law of 1989, the Automobile Dealers have the option of implementing other programs to enhance the District.

In May 2004, the Huntington Beach Redevelopment Agency loaned \$474,000 to the Huntington Beach Automobile Dealers Association for a substantial upgrade of the electronic reader sign, and those improvements were completed by January 2005.

Fiscal Year 2005-2006 dealer assessments are \$1,325 per month: \$625 for operating costs, including the maintenance of the reader board sign, plus \$700 per month to repay the loan.

The Huntington Beach Auto Dealers Association members serve as the Board of Directors for the BID and they proposed these assessments for City Council review and approval.

Environmental Status: Not Applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Resolution No. 2005- <u>61</u> , approving an Annual Assessment for Fiscal Year 2005-2006 to Fund Improvements Within the Huntington Beach Auto Dealers Business Improvement District.
17	2.	Resolution No. 2005-52, approved August 15, 2005, declaring the Intention of the City to Levy an Annual Assessment for the Auto Dealers Business Improvement District.
20	3.	PowerPoint Presentation.

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D-3.3

ATTACHMENT #1

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RESOLUTION NO. 2005-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH APPROVING AN ANNUAL ASSESSMENT WITHIN THE HUNTINGTON BEACH AUTO DEALERS ASSOCIATION BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2005-2006

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, the Huntington Beach Auto Dealers Association 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 2004-05 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 2003-2004, ("Annual Report") which sets forth the amount and basis of levying the assessment for Fiscal Year 2005-2006.

On _____, the City Council adopted a resolution declaring its intention to levy an annual assessment for Fiscal Year 2005-2006 as proposed in the District's Annual Report.

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 and adopts 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 report includes a proposed budget for Fiscal Year 2005-2006 and a description of the improvements and activities to be provided for Fiscal Year 2005-2006.

SECTION 2. The City Council of the City of Huntington Beach hereby authorizes a levy and collection of assessments within the District for fiscal year 2004-05 as proposed in the Annual Report. 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 **Exhibits B-1** and **B-2**, in the amount of Six Hundred Twenty-Five Dollars (\$625) per month for fiscal year 2004-05 plus an additional \$700 for repayment of electronic reader board sign, for a total of \$1,325 per month, as set forth on **Exhibit B-3**, which Exhibits are incorporated herein by reference.

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SECTION 3. The assessments collected shall 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. This resolution shall take effect on _____.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2005.

Mayor

REVIEWED AND APPROVED:

Randye Culbert
City Administrator

APPROVED AS TO FORM:

Jennifer McFadyen
8/105 City Attorney 8/9/05

INITIATED AND APPROVED:

[Signature]
Director of Economic Development

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Annual Report

EXHIBIT A

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Huntington Beach Auto Dealers Business Improvement District

Fiscal Year 2004-2005

Annual Report

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BUDGET PROPOSAL

FOR THE PERIOD OCTOBER 1, 2005 TO SEPTEMBER 30, 2006

**HUNTINGTON BEACH AUTO DEALERS ASSOCIATION
BUSINESS IMPROVEMENT DISTRICT**

REVENUE

Dealer Assessments (Net) \$89,100

EXPENSES

Administrative Expenses \$12,500

Electricity 16,000

Escrow Services 3,000

Insurance/Taxes 8,550

Phone 360

Program and Maintenance 17,160

Community Relations, Charitable & School Support Projects 30,000

Miscellaneous 1,500

TOTAL EXPENSES \$89,070

INCOME EXCEEDS EXPENSES \$30

**SUMMARY OF SIGNIFICANT BUDGET ASSUMPTIONS
FOR THIS BUDGET PROPOSAL**

NOTE 1 DEALER ASSESSMENTS--Dealer Assessments are based on \$625 per month for each of thirteen dealer members. The total assessment income is net after a 1% city administrative charge.

NOTE 2 OTHER EXPENSES--All expenses are based on estimates derived from current and previous months' and years activities.

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**Huntington Beach Auto Dealers Association
Business Improvement District
May 2005 Operating Statement**

Fiscal Year is: October 1 - September 30

	May-2005	Fiscal Year to Date Total
Income		
Dealer Assessments	\$0.00	\$34,328.25
Misc. Income	\$0.00	\$5,225.00
Interest	\$0.00	\$333.84
Total Income	\$0.00	\$39,887.09
Expenses		
Administrative Expenses	\$2,486.31	\$8,297.23
Community Relations Projects	\$3,500.00	\$25,550.00
Electricity	\$0.00	\$8,946.22
Escrow Services	\$250.00	\$2,000.00
Insurance/Taxes	\$0.00	\$3,553.00
Miscellaneous	\$0.00	\$580.48
Phone	\$0.00	\$266.73
Program Maintenance	\$0.00	\$11,980.00
Total Expenses	\$6,236.31	\$61,173.66
Income Less Expenses	(\$6,236.31)	(\$21,286.57)

Cash in Bank Balance as of: 5/31/2005

General Account	\$14,776.48
Money Market	\$0.00
Total	\$14,776.48

Southern California Edison Bill was paid on 6/3/2005.
Verizon Bill was paid on 6/3/2005. Electra-Media, Inc.
has a credit balance pending.

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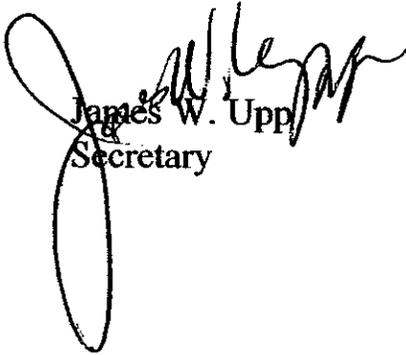
**RESOLUTION PASSED AT HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT BOARD OF DIRECTORS SPECIAL
MEETING ON JULY 1, 2005**

Chief Financial Officer Bill Demarest moved and President Pat Finley seconded a motion to approve the 2005-2006 Budget as presented and further to instruct Jim Upp, Secretary, to send the proper documents to request City Council approval of the Business Improvement District's 2005-2006 Budget. The motion was passed unanimously.

The individual member monthly assessment will be \$625 for operating the Business Improvement District including the reader board sign. This assessment will be in addition to the individual member monthly assessment of \$700 for paying off the \$474,000 sign loan.

Motion was passed unanimously.

I CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION FROM THE
JULY 1, 2004 MEETING.


James W. Upp
Secretary

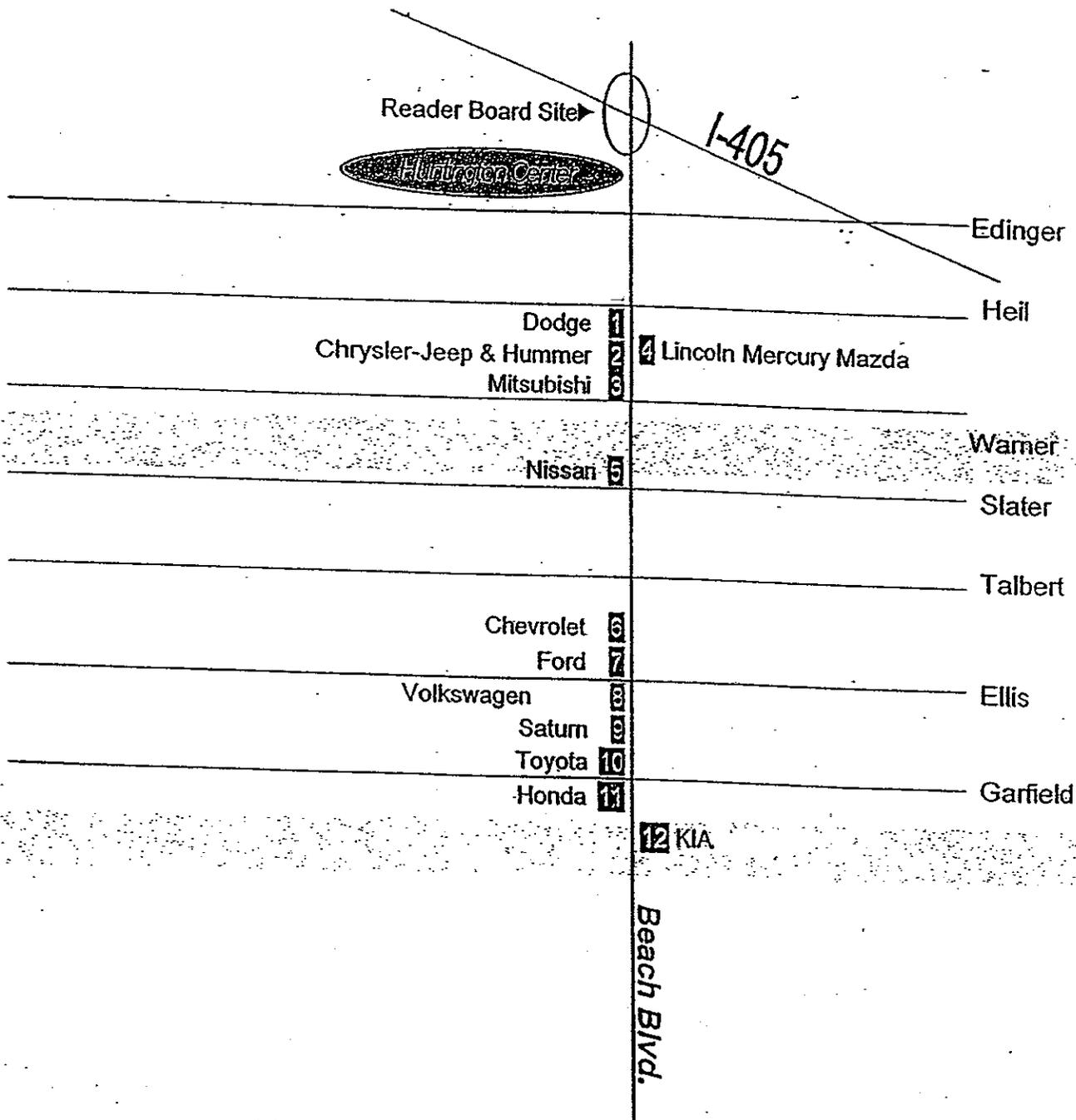
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District Map

EXHIBIT B-1

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Huntington Beach BLVD of CARS



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District Dealers List

EXHIBIT B-2

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Huntington Beach Automobile Dealers

- Steve Brown/Tony DeMarco
Heritage Lincoln-Mercury-Mazda
16800 Beach Boulevard
Huntington Beach, CA 92647
(714) 848-7739 FAX 847-1265
- Tom Croxton/Jim Mulvaney
Huntington Beach Mitsubishi
16751 Beach Blvd.
Huntington Beach, CA 92647
(714) 375-9493 Fax 842-1563
- Dave DeLillo/Bill Demarest
DeLillo Chevrolet
18211 Beach Boulevard
Huntington Beach, CA 92647
(714) 847-6087 FAX 847-6721
- Rick Evans/Ross Helman
Huntington Beach Chrysler, Jeep,
Hummer
16710 Beach Boulevard
Huntington Beach, CA 92647
(714) 841-3999, ext. 221
FAX 842-2903/841-9993
- Jon Moholy
Power Ford
18255 Beach Boulevard
Huntington Beach, CA 92648
(714) 842-6611 FAX 848-3481
- Bob Miller/John Holmbeck
KIA of Huntington Beach
19232 Beach Blvd.
Huntington Beach, CA 92648
(714) 593-5851 FAX (714) 593-5852
- Douglas Spedding/Pat Finely
Douglas Nissan
17331 Beach Boulevard
Huntington Beach, CA 92647
(714) 842-6666 FAX 375-0076
- Clay James/Steve Goldman
Huntington Beach Dodge
16555 Beach Boulevard
Huntington Beach, CA 92647
(714) 847-5515 Ext. 232
FAX 596-0230
- Wayne Elchlepp
Saturn of Huntington Beach
18801 Beach Boulevard
Huntington Beach, CA 92648
(714) 841-9828 FAX 842-8499
- Danny McKenna
McKenna Motors Huntington Beach
18711 Beach Blvd.
Huntington Beach, CA 92648
842-2000 FAX 841-7819
- Dan Klawitter/Dave Conant
Norm Reeves Honda
19131 Beach Boulevard
Huntington Beach, CA 92648
(714) 963-1959 FAX 375-9783
- Bob Miller/Dennis Prado
Toyota of Huntington Beach
18881 Beach Boulevard
Huntington Beach, CA 92648
(714) 847-8555 FAX 847-1105
- Jim Upp
Executive Director
Huntington Beach Auto Dealers Assoc.
28141 Bluebell Dr.
Laguna Niguel, CA 92677-7067
(949) 831-3443

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Annual Assessments

EXHIBIT B-3

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EXHIBIT B-3

**HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT
2005-2006 FISCAL YEAR ASSESSMENTS**

Monthly Assessment for Fiscal Year October 2005 to September 2006	\$ 625.00
Monthly Assessment for Loan Repayment	<u>700.00</u>
TOTAL MONTHLY ASSESSMENT OF EACH DEALER FOR 2005-2006 FISCAL YEAR	\$1,325.00

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Attachment #2

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RESOLUTION NO. 2005-52

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 2005-2006

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 2005-2006 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 2004-2005, ("Annual Report") which sets forth the amount and basis of levying the assessment for Fiscal Year 2005-2006.

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 2005-2006 and a description of the improvements and activities to be provided for Fiscal Year 2005-2006.

SECTION 2. The City Council hereby declares its intent to levy and collect assessments within the District for Fiscal Year 2005-2006. 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 September 6, 2005, 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

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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 _____, 2005.

Mayor

REVIEWED AND APPROVED:

Lynette Cullum
City Administrator

APPROVED AS TO FORM:

Kennifer M. Ford
City Attorney *8/22/05* *8/24/05*

INITIATED AND APPROVED:

D. F. Beaulieu
Director of Economic Development *8/3/05*

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D-3.20

ATTACHMENT #3

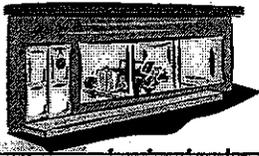
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Huntington Beach Auto Dealers

Business Improvement District (BID)

Annual Renewal for FY 2005-2006

September 6, 2005



Background

First Formed 1992

- HB Auto Dealers Requested BID be Formed to Operate and Maintain Electronic Reader Board Sign
- Redevelopment Agency Loaned \$474,000 to Auto Dealers for Reader Board Sign Update in May 2004



Background

August 15, 2005

City Council Approved

Resolution No. 2005-52

Intention to Levy Assessment for
Huntington Beach Auto Dealers BID for
2005-2006 and Scheduled Public Hearing



Participating Dealers

- Huntington Beach Dodge
- H.B. Chrysler Jeep Hummer
- DeLillo Chevrolet
- KIA of Huntington Beach
- Power Ford
- McKenna Motors
- Toyota of Huntington Beach
- Douglas Nissan
- Heritage Lincoln-Mercury-Mazda
- Norm Reeves Honda
- Huntington Beach Mitsubishi
- Saturn of Huntington Beach



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Current Status

- Copies of Resolution with map and assessment formula were sent to each affected business.
- FY 2005-2006 Budget of \$89,100.
- Proposed FY 2005-2006 Assessment is \$625 per month, plus \$700 per month for Redevelopment Agency loan repayment for electronic reader board sign update.
- Proposed Budget and Assessment Approved by BID Board of Directors July 1, 2005.



Process

- State BID law requires City Council to conduct a protest hearing to consider all protests against the establishment of the BID.
- If written protests are received from affected business owners of 50 percent or more of assessments, no further proceedings to consider the Business Improvement District can be considered for one year.
- At the conclusion of the protest/public hearing, the City Council may reduce or modify the proposed assessment or types of activities to be funded with assessment revenues.
- The City Council has the option of not renewing the Business Improvement District.



Recommended Action

City Council Actions needed:

- Hold Public Hearing
- Pass Resolution Approving Annual Assessment for FY 2005-2006



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