

Council/Agency Meeting Held: _____ Deferred/Continued to: _____ <input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	_____ City Clerk's Signature
Council Meeting Date:                      10/1/2007	Department ID Number:              ED 07-27

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

**SUBMITTED TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**SUBMITTED BY:** *Penelope Culbreth Graft*  
PENÉLOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR

**PREPARED BY:** STANLEY SMALEWITZ, DIRECTOR OF ECONOMIC DEVELOPMENT *SS/10/07*

**SUBJECT:** Conduct Public Hearing and Adopt Resolution for the Huntington Beach Downtown Business Improvement District Annual Assessment for Fiscal Year 2007/08

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

**Statement of Issue:** On September 17, 2007, City Council approved the Resolution of Intent to No. 2007-61 to levy an assessment for the Huntington Beach Downtown Business Improvement District for fiscal year 2007/08 and authorized the City Clerk to schedule a public hearing. City Council will conduct a public hearing to consider a resolution to approve the annual assessment for the 2007/08 fiscal year.

**Funding Source:** Fund 710, Downtown Business Improvement District, additional revenues not included in original budget will fund additional expenditures in account 71080101.

**Recommended Action: Motion to:**

1. Conduct the Public Hearing.
2. Adopt City Council Resolution No. 2007- 65, a Resolution of the City Council of the City of Huntington Beach Approving an Annual Assessment for fiscal year 2007/08 to fund improvements within the Huntington Beach Downtown Business Improvement District.
3. Appropriate an additional \$26,450 to the Downtown BID account 71080101 and add to the revenue projection an additional \$26,450 in Fund 710 to match the proposed new assessment levels totaling \$96,450.

**Alternative Action(s):**

1. Deny the request to approve the Resolution; or
2. Modify elements of the proposed Resolution, such as: the proposed assessments, activities or improvements to be funded, district boundaries, categories of assessments or benefit zones.

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## REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: 10/1/2007

DEPARTMENT ID NUMBER: ED 07-27

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**Analysis:** In June 2002, downtown merchants approached the City of Huntington Beach about forming a Business Improvement District (BID) in the downtown commercial area. On September 7, 2004, the City Council approved Ordinance 3661 establishing the Huntington Beach Downtown Business Improvement District (BID) as a method for marketing and improving the downtown area. In order for the City to levy the BID assessment each fiscal year, City Council must conduct a public hearing before approving a Resolution confirming the Annual Report that was filed with the City Council Resolution 2007-61, approved on September 17, 2007.

The Downtown Huntington Beach Business Association administers the Downtown Business Improvement District which consists of approximately 250 businesses. They elect a seven member Board of Directors at their December meeting. This past year the BID Board has been actively working with the City on the Surf City Nights events. A few of the accomplishments of the BID this past year include developing and marketing cable TV spots; developing a website for local promotions; events marketing for the Pacific Shoreline Marathon, Paintball, Halloween and Christmas promotions; and updating and re-printing of the Downtown Business Brochure. The new assessment formula will increase the assessments by 20% for all business types in both Benefit Zones. The Benefit Zones have been modified as shown in the map in the BID report. The Annual Report shows that under the new assessment formula, \$96,450 in assessment revenue would be collected to carry out these promotional activities during 2007/08.

As required by the Streets and Highway Code §36500, *et seq*, copies of the Resolution of Intention, including the BID Boundary Map and assessment formula was mailed to each business to be assessed and were also published in the Orange County Register.

At this public hearing the City Council will hear all interested persons for or against levying the assessment. 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 this hearing and contain sufficient documentation to verify business ownership and validate the particular protest. If written protests are received from the owners of businesses in the proposed area that will pay 50% or more of the assessments, no further proceedings to approve the assessment can be taken for a period of one year. Upon the approval of the Resolution the new assessment formula will become effective as of October 1, 2007.

City Council is requested to increase the revenue projection for BID assessments by an additional \$26,450 in Fund 710 to total \$96,450 as shown in the BID's budget proposal. As \$70,000 is already budgeted for the BID, an additional appropriation of \$26,450 to account 71080101 will increase the appropriation to \$96,450. Other revenues, including the BID's carry over amount, provide sufficient funds to carry out the BID's activities for a total budget of \$167,542.

**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".

# REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: 10/1/2007

DEPARTMENT ID NUMBER: ED 07-27

**Environmental Status:** Not applicable.

**Attachment(s):**

City Clerk's Page Number	No.	Description
4	1.	Resolution No. 2007-__65, approving an annual assessment for Fiscal Year 2007/08 to Fund Improvements within the Huntington Beach Downtown Business Improvement District.
16	2.	Resolution No. 2007-61, approved on September 17, 2007, declaring the City's Intention to Levy an annual Assessment for Fiscal Year 2007/08 for the Huntington Beach Downtown BID
32	3.	Fiscal Impact Statement
34	4.	PowerPoint Presentation.

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**ATTACHMENT #1**

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
HUNTINGTON BEACH APPROVING AN ANNUAL ASSESSMENT  
WITHIN THE HUNTINGTON BEACH DOWNTOWN 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 formed a business improvement area, the Huntington Beach Downtown Business Improvement District (the "District"), by the passage of Ordinance 3661 on September 7, 2004. 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,

The District's Advisory Board has prepared and filed with the City Clerk a report an "Annual Report/Operating Budget 2006-2007 Fiscal Year to Date" and "Proposed Budget for Fiscal Year 2007-2008" (collectively, "Annual Report");

On September 4, 2007, the City Council adopted a resolution declaring its intention to levy an annual assessment for Fiscal Year 2007-2008 as proposed by 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 2007-2008 and a description of the improvements and activities to be provided for Fiscal Year 2007-2008.

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 2007-2008 as proposed by the Annual Report. The amount of the assessment shall be as per the assessment schedule and is to apply to all businesses in the Downtown District as shown in **Exhibit B**.

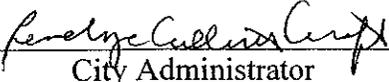
SECTION 3. The assessments collected will be used to fund activities to increase commerce in the Downtown District area.

SECTION 4. This resolution shall take effect on October 1, 2007.

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:

  
City Administrator

INITIATED AND APPROVED:

  
Director of Economic Development

APPROVED AS TO FORM:

  
City Attorney mv- 8-20-07

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Resolution 2007-65

**EXHIBIT A**

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Exhibit A

Huntington Beach Downtown  
Business Improvement District  
Annual Report/Budget

2007/08  
Business Improvement District  
Renewal

This report contains the following:

1. 2006/07 Report
2. 2007/08 Proposed Budget
3. Assessment Formula
4. Assessment Map

**Huntington Beach Downtown Business Improvement District**  
**2006/2007 INCOME EXPENSE SUMMARY**  
 October 2006 through September 2007

	<u>Budgeted</u>	<u>Actual</u>	<u>\$ Over/Under</u>
	<u>Oct '06 - Sep 07</u>	<u>Oct '06 - Sep 07</u>	
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Carry Over Prior Year	57,592.16	62,086.25	4,494.09
RDA Management Agreement	13,500.00	13,500.00	0.00
Assessments & dues - BID	69,000.00	56,763.50	-12,236.50
Donations	0.00	161.00	161.00
Special events	0.00	16,296.00	16,296.00
<b>Total Income</b>	<b>140,092.16</b>	<b>148,806.75</b>	<b>4,220.50</b>
<b>Expense</b>			
Administrative	1,000.00	3,870.94	2,870.94
Advertising	15,000.00	14,912.69	-87.31
Directory Marquis	5,000.00		-5,000.00
Downtown Brochure	5,000.00	2,212.68	-2,787.32
Mail & Print	3,000.00	3,343.38	343.38
Main St Closure/Research/Legal	10,000.00	42,507.20	32,507.20
Maintenance/Steward Program	5,000.00		-5,000.00
Promotional Marketing Events	20,000.00	11,860.00	-8,140.00
Special Events Costs	0.00	11,084.70	11,084.70
Temporary Staffing	5,000.00	1,423.00	-3,577.00
<b>Total Expense</b>	<b>69,000.00</b>	<b>91,214.59</b>	<b>22,214.59</b>
<b>Reserves to Carry Forward</b>		<b>57,592.16</b>	

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**Huntington Beach Downtown Business Improvement District  
2007/2008 Budget Proposal  
October 2007 through September 2008**

**Oct '07 - Sep 08**

**Ordinary Income/Expense**

**Income**

<b>Assessments &amp; dues - BID</b>	96,450.00
<b>RDA Management Agreement</b>	13,500.00
<b>* Reserves Carried Forward from Prior Year</b>	<u>57,592.16</u>
<b>Total Income</b>	<b>167,542.16</b>

**Expense**

<b>Administrative</b>	34,500.00 <sup>*1</sup>
<b>Consulting/Legal R&amp;D</b>	6,000.00
<b>Marketing &amp; Advertising</b>	33,450.00 <sup>*2</sup>
<b>Postage</b>	2,500.00
<b>Special Events Costs</b>	35,000.00 <sup>*3</sup>
<b>Steward Program/Cleaning</b>	10,000.00 <sup>*4</sup>
<b>Surf City Nights</b>	30,000.00
<b>Miscellaneous</b>	1,670.00
<b>Reserves to Carry Forward</b>	<u>14,422.16</u>
<b>Total Expense</b>	<b>167,542.16</b>
<b>Net</b>	<b><u><u>0.00</u></u></b>

<sup>\*1</sup> Included is Executive Director's salary, 1/2 of which is directly related to SCN

<sup>\*2</sup> A portion of this budget item is allocated to SCN Marketing & Promotion

<sup>\*3</sup> A portion of this budget item is allocated to SCN event

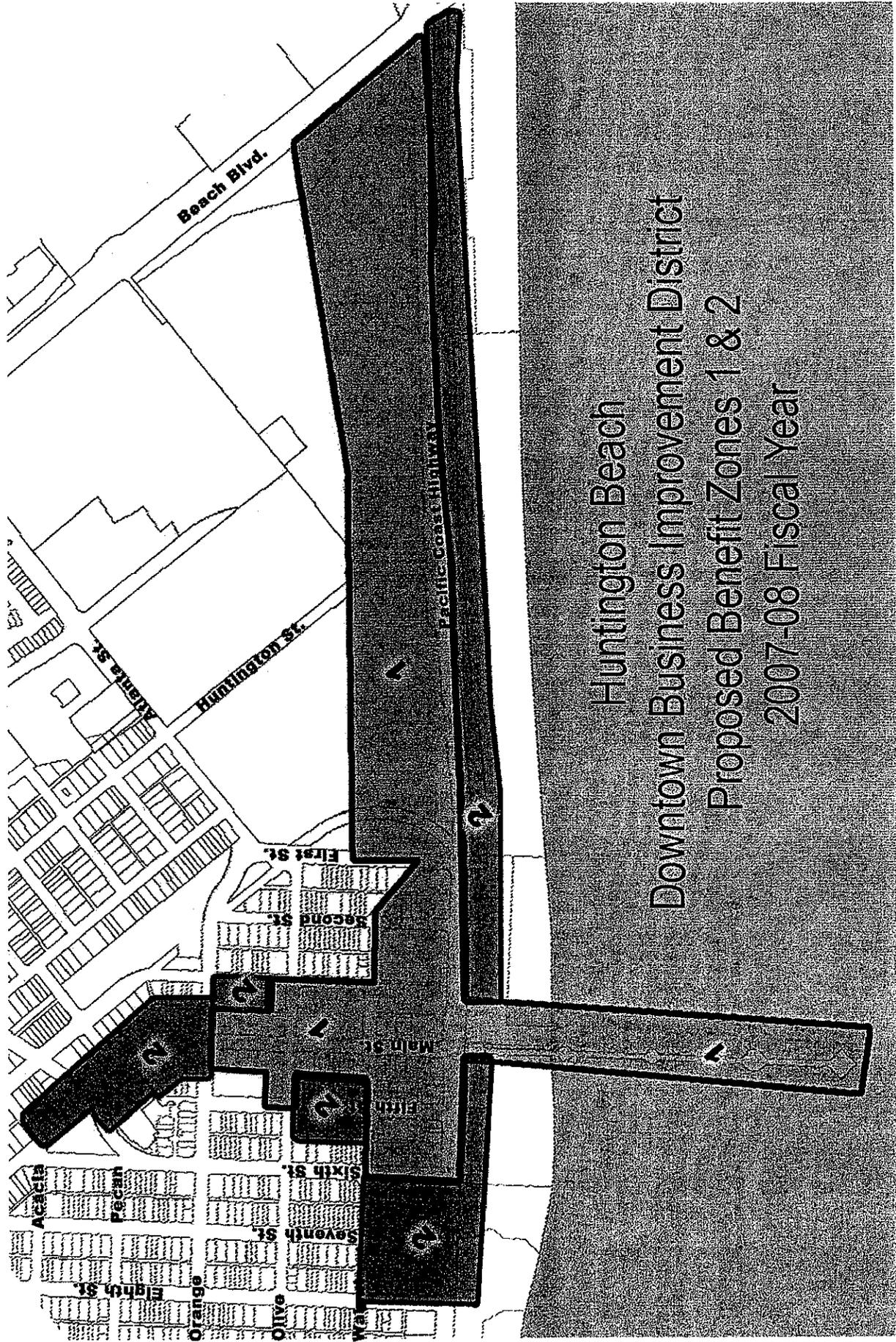
<sup>\*4</sup> A portion of this budget item is allocated to SCN event

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**PROPOSED 2007-08  
Downtown Business Improvement District  
Assessment Formula**

<b>Benefit Zone 1</b>		
Retail Businesses	1,000 sq. ft or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Restaurants	1,000 sq. ft. or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Hotels	Under 20 rooms	\$180
	21-50 rooms	\$360
	51+ rooms	\$600
Services/Office*	First Floor	\$240
	Second floor or higher	\$120
Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$60
Banks/ATM		\$600
<b>Benefit Zone 2</b>		
Retail Businesses		\$300
Restaurants		\$300
Hotels	Under 20 rooms	\$180
	21-50 rooms	\$360
	51+ rooms	\$600
Service/Office*	First Floor	\$120
	Second floor or higher	\$60
Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$30
Banks/ATM		\$600

- Assessments Excluded for Apartments, Non-profits, Home based businesses, and Temporary vendors.
- Businesses outside the area may join with the approval of the BID Board by paying the equivalent fee annually.



Huntington Beach  
Downtown Business Improvement District  
Proposed Benefit Zones 1 & 2  
2007-08 Fiscal Year

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Resolution 2007-65

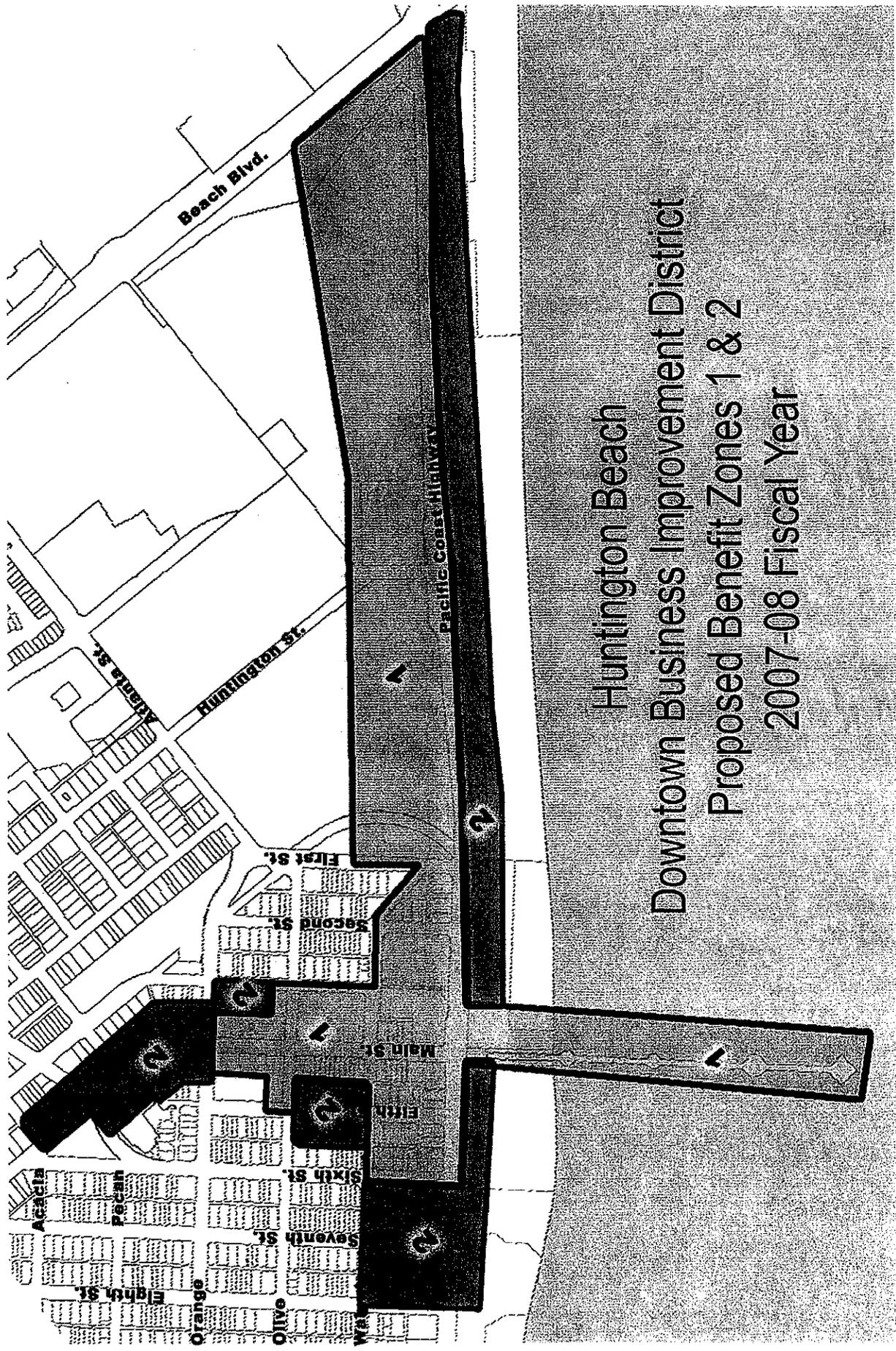
**EXHIBIT B**

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**PROPOSED 2007-08  
Downtown Business Improvement District  
Assessment Formula**

<b>Benefit Zone 1</b>		
Retail Businesses	1,000 sq. ft or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Restaurants	1,000 sq. ft. or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
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Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$60
Banks/ATM		\$600
<b>Benefit Zone 2</b>		
Retail Businesses		\$300
Restaurants		\$300
Hotels	Under 20 rooms	\$180
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	51+ rooms	\$600
Service/Office*	First Floor	\$120
	Second floor or higher	\$60
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Nail/Hair/Skin Stylist/Cart/Kiosk		\$30
Banks/ATM		\$600

- Assessments Excluded for Apartments, Non-profits, Home based businesses, and Temporary vendors.
- Businesses outside the area may join with the approval of the BID Board by paying the equivalent fee annually.



Huntington Beach  
Downtown Business Improvement District  
Proposed Benefit Zones 1 & 2  
2007-08 Fiscal Year

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# ATTACHMENT #2

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RESOLUTION NO. 2007-61

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

WHEREAS, the California Legislature, in adopting the Parking and Business Improvement Area Law of 1989 (Streets and Highways Code §36500 et seq.) found that cities are authorized to levy assessments on businesses in order to promote economic revitalization and tourism, create jobs, attract new businesses and prevent erosion of business districts; and

The California Legislature found that cities are authorized to levy assessments on businesses which benefit from those improvements and activities; and

A sizeable majority of the downtown businesses within the City of Huntington Beach requested that the City Council commence proceedings under the Parking and Business Improvement Area Law of 1989 to establish a downtown business benefit area within the City of Huntington Beach and to levy a special assessment to promote tourism and tourist related events; and

The City Council formed a business improvement area, known as the Huntington Beach Downtown Business Improvement District (the "District"), by the passage of Ordinance No. 3661 on September 7, 2004. 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 activities; and

The District's Advisory Board has prepared and filed with the City Clerk an "Annual Report/Operating Budget 2006-2007 Fiscal Year to Date" and "Proposed Budget for Fiscal Year 2007-2008" (collectively, "Annual Report"); and

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve 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. To levy and collect assessments within the District area for Fiscal Year 2007-2008 as per the assessment schedule listed in **Exhibit B** attached hereto and incorporated herein by this reference.

SECTION 3: The type or types of improvements and activities proposed to be funded by the levy of assessments on businesses within the business improvement area are specified in **Exhibit C**, attached hereto and incorporated herein by this reference. Further, the improvements, if any, to be acquired for the proposed business improvement area are specified in **Exhibit C**.

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. 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. The City Council may waive any irregularity in the form or content of any written protest, and at the public hearing, may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing set forth above. 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 Downtown Huntington Beach Business Association, 412 Olive Avenue, PMB 149, Huntington Beach, CA 92648, (714) 960-8600.

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.

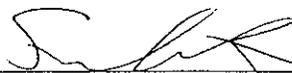
PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 17th day of September, 2007.

  
\_\_\_\_\_  
Mayor

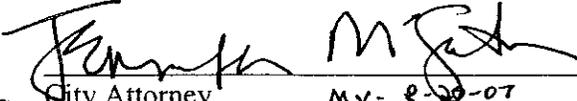
REVIEWED AND APPROVED:

  
\_\_\_\_\_  
for City Administrator

INITIATED AND APPROVED:

  
\_\_\_\_\_  
Director of Economic Development

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney  
8.26.07 M.V. 8-26-07

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**EXHIBIT A**  
**(See Attachment 1)**

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Huntington Beach Downtown  
Business Improvement District  
Annual Report/Budget

2007/08  
Business Improvement District  
Renewal

This report contains the following:

1. 2006/07 Report
2. 2007/08 Proposed Budget
3. Assessment Formula
4. Assessment Map

**Huntington Beach Downtown Business Improvement District**  
**2006/2007 INCOME EXPENSE SUMMARY**  
 October 2006 through September 2007

	<u>Budgeted</u>	<u>Actual</u>	<u>\$ Over/Under</u>
	<u>Oct '06 - Sep 07</u>	<u>Oct '06 - Sep 07</u>	
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Carry Over Prior Year	57,592.16	62,086.25	4,494.09
RDA Management Agreement	13,500.00	13,500.00	0.00
Assessments & dues - BID	69,000.00	56,763.50	-12,236.50
Donations	0.00	161.00	161.00
Special events	0.00	16,296.00	16,296.00
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<b>Expense</b>			
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Downtown Brochure	5,000.00	2,212.68	-2,787.32
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Maintenance/Steward Program	5,000.00		-5,000.00
Promotional Marketing Events	20,000.00	11,860.00	-8,140.00
Special Events Costs	0.00	11,084.70	11,084.70
Temporary Staffing	5,000.00	1,423.00	-3,577.00
<b>Total Expense</b>	<b>69,000.00</b>	<b>91,214.59</b>	<b>22,214.59</b>
<b>Reserves to Carry Forward</b>		<b>57,592.16</b>	

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**Huntington Beach Downtown Business Improvement District**  
**2007/2008 Budget Proposal**  
 October 2007 through September 2008

	<b>Oct '07 - Sep 08</b>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Assessments & dues - BID	96,450.00
RDA Management Agreement	13,500.00
* Reserves Carried Forward from Prior Year	57,592.16
<b>Total Income</b>	<b>167,542.16</b>
 <b>Expense</b>	
Administrative	34,500.00 <sup>*1</sup>
Consulting/Legal R&D	6,000.00
Marketing & Advertising	33,450.00 <sup>*2</sup>
Postage	2,500.00
Special Events Costs	35,000.00 <sup>*3</sup>
Steward Program/Cleaning	10,000.00 <sup>*4</sup>
Surf City Nights	30,000.00
Miscellaneous	1,670.00
Reserves to Carry Forward	14,422.16
<b>Total Expense</b>	<b>167,542.16</b>
<b>Net</b>	<b>0.00</b>

<sup>\*1</sup> Included is Executive Director's salary, 1/2 of which is directly related to SCN

<sup>\*2</sup> A portion of this budget item is allocated to SCN Marketing & Promotion

<sup>\*3</sup> A portion of this budget item is allocated to SCN event

<sup>\*4</sup> A portion of this budget item is allocated to SCN event

**PROPOSED 2007-08  
Downtown Business Improvement District  
Assessment Formula**

<b>Benefit Zone 1</b>		
Retail Businesses	1,000 sq. ft or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Restaurants	1,000 sq. ft. or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Hotels	Under 20 rooms	\$180
	21-50 rooms	\$360
	51+ rooms	\$600
Services/Office*	First Floor	\$240
	Second floor or higher	\$120
Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$60
Banks/ATM		\$600
<b>Benefit Zone 2</b>		
Retail Businesses		\$300
Restaurants		\$300
Hotels	Under 20 rooms	\$180
	21-50 rooms	\$360
	51+ rooms	\$600
Service/Office*	First Floor	\$120
	Second floor or higher	\$60
Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$30
Banks/ATM		\$600

- Assessments Excluded for Apartments, Non-profits, Home based businesses, and Temporary vendors.
- Businesses outside the area may join with the approval of the BID Board by paying the equivalent fee annually.

**2006-07 Assessment Formula  
Downtown Business Improvement District**

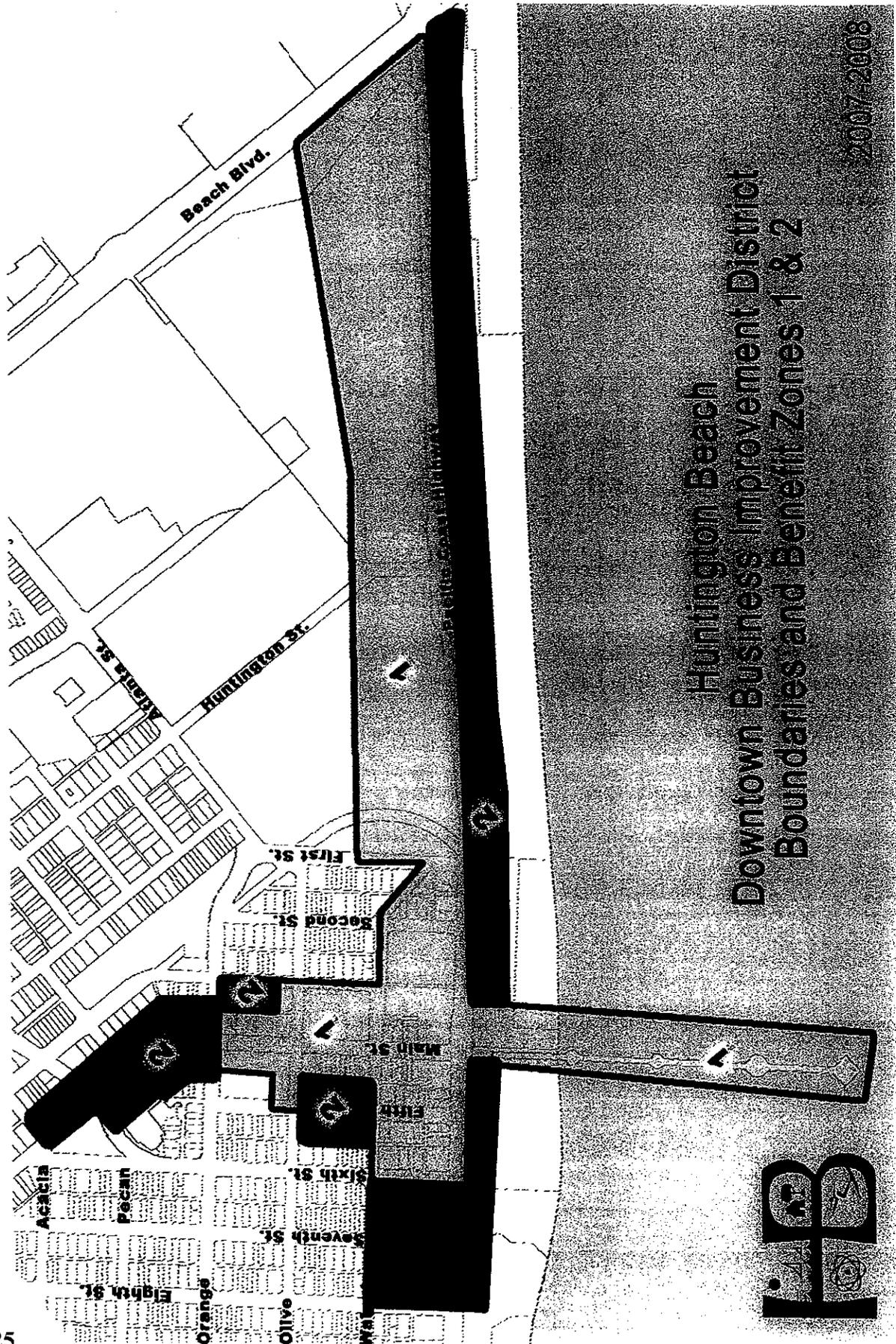
**Benefit Zone 1**

Retail Businesses	Less than 1,000 sq. ft	\$250
	1,000 sq. ft. to 5,000 sq. ft.	\$500
	5,000 sq. ft. or more	\$1,000
Restaurants	Less than 1,000 sq. ft.	\$250
	1,000 sq. ft. to 5,000 sq. ft.	\$500
	5,000 sq. ft. or more	\$1,000
Hotels	Under 20 rooms	\$150
	21-50 rooms	\$300
	51+ rooms	\$500
Services/Office*	\$200/\$100 if on 2 <sup>nd</sup> floor or higher	
Real Estate Individual Licensee		\$50
Nail/Hair/Skin Stylist/Cart/Kiosk		\$50
Banks/ATM		\$500

**Benefit Zone 2**

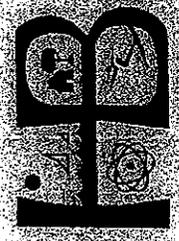
Retail Businesses		\$250
Restaurants		\$250
Hotels	Under 20 rooms	\$150
	21-50 rooms	\$300
	51+ rooms	\$500
Service/Office*	\$100/\$50 if on 2 <sup>nd</sup> floor or higher	
Real Estate Individual Licensee		\$50
Nail/Hair/Skin Stylist/Cart/Kiosk		\$25
Banks/ATM		\$500

- **Assessments Excluded for Apartments, Non-profits, Home based businesses, and Temporary vendors.**
- **Businesses outside the area may join with the approval of the BID Board by paying the equivalent fee annually.**



Huntington Beach  
 Downtown Business Improvement District  
 Boundaries and Benefit Zones 1 & 2

2007-2008



**EXHIBIT B**

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**PROPOSED 2007-08  
Downtown Business Improvement District  
Assessment Formula**

<b>Benefit Zone 1</b>		
Retail Businesses	1,000 sq. ft or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Restaurants	1,000 sq. ft. or less	\$300
	1,001 sq. ft. to 4,999 sq. ft.	\$600
	5,000 sq. ft. or more	\$1,200
Hotels	Under 20 rooms	\$180
	21-50 rooms	\$360
	51+ rooms	\$600
Services/Office*	First Floor	\$240
	Second floor or higher	\$120
Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$60
Banks/ATM		\$600
<b>Benefit Zone 2</b>		
Retail Businesses		\$300
Restaurants		\$300
Hotels	Under 20 rooms	\$180
	21-50 rooms	\$360
	51+ rooms	\$600
Service/Office*	First Floor	\$120
	Second floor or higher	\$60
Real Estate Individual Licensee		\$60
Nail/Hair/Skin Stylist/Cart/Kiosk		\$30
Banks/ATM		\$600

- Assessments Excluded for Apartments, Non-profits, Home based businesses, and Temporary vendors.
- Businesses outside the area may join with the approval of the BID Board by paying the equivalent fee annually.

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**EXHIBIT C**

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**Huntington Beach Downtown Business Improvement District  
2007/2008 Budget Proposal  
October 2007 through September 2008**

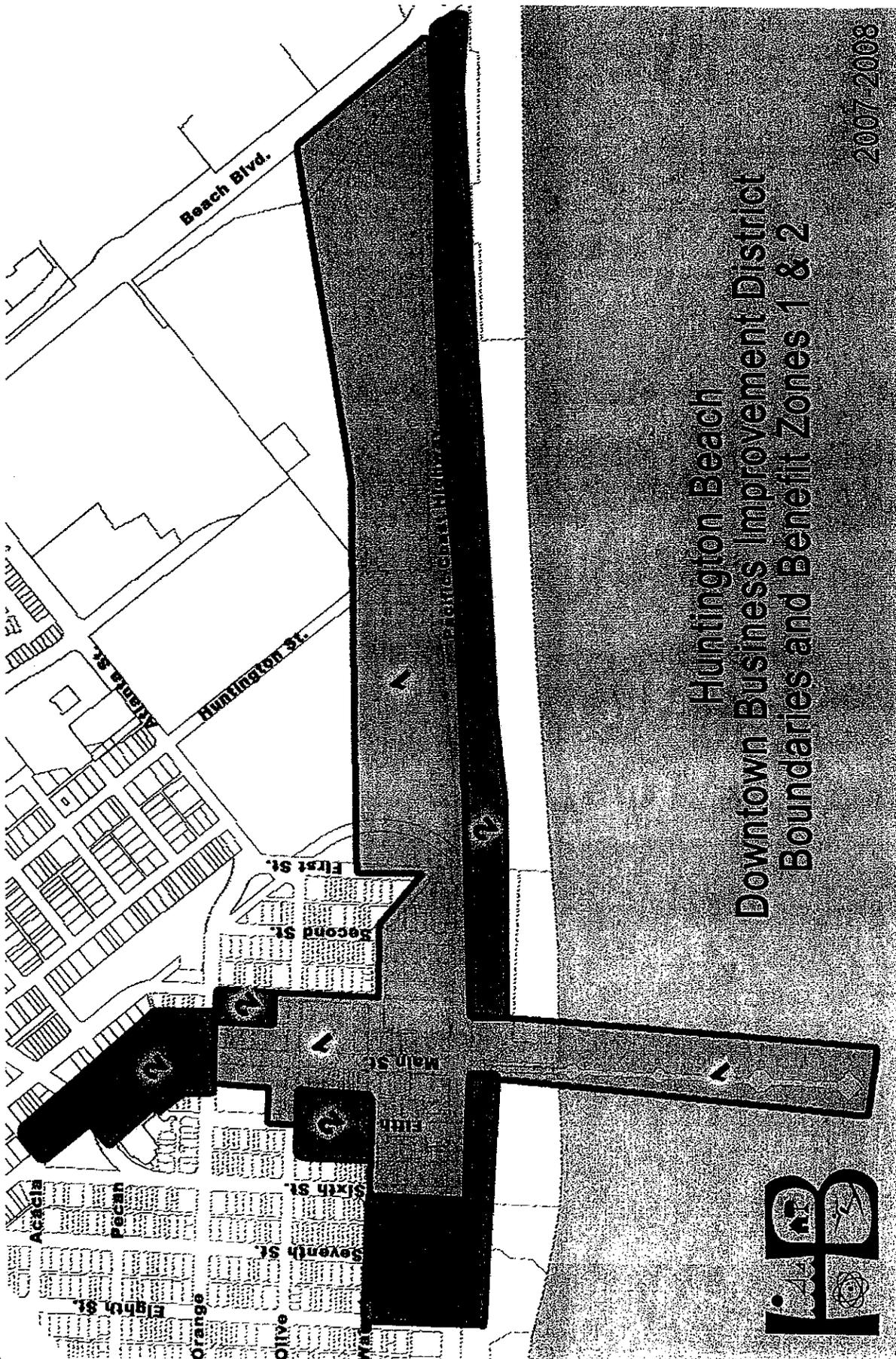
		<b>Oct '07 - Sep 08</b>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Assessments & dues - BID	96,450.00	
RDA Management Agreement	13,500.00	
* Reserves Carried Forward from Prior Year	57,592.16	
<b>Total Income</b>	<b>167,542.16</b>	
 <b>Expense</b>		
Administrative	34,500.00	*1
Consulting/Legal R&D	6,000.00	
Marketing & Advertising	33,450.00	*2
Postage	2,500.00	
Special Events Costs	35,000.00	*3
Steward Program/Cleaning	10,000.00	*4
Surf City Nights	30,000.00	
Miscellaneous	1,670.00	
Reserves to Carry Forward	14,422.16	
<b>Total Expense</b>	<b>167,542.16</b>	
<b>Net</b>	<b>0.00</b>	

\*1 Included is Executive Director's salary, 1/2 of which is directly related to SCN

\*2 A portion of this budget item is allocated to SCN Marketing & Promotion

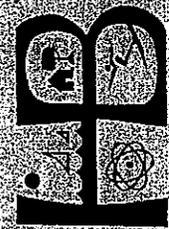
\*3 A portion of this budget item is allocated to SCN event

\*4 A portion of this budget item is allocated to SCN event



Huntington Beach  
Downtown Business Improvement District  
Boundaries and Benefit Zones 1 & 2

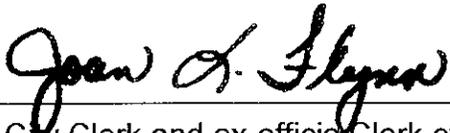
2007-2008



STATE OF CALIFORNIA  
COUNTY OF ORANGE ) ss:  
CITY OF HUNTINGTON BEACH )

I, JOAN L. FLYNN the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council at a **regular** meeting thereof held on the **17th day of September, 2007** by the following vote:

- AYES:** Bohr, Coerper, Green, Hansen, Hardy
- NOES:** None
- ABSENT:** Cook
- ABSTAIN:** Carchio

  
 \_\_\_\_\_  
 City Clerk and ex-officio Clerk of the  
 City Council of the City of  
 Huntington Beach, California

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# ATTACHMENT #3



**CITY OF HUNTINGTON BEACH  
INTERDEPARTMENTAL COMMUNICATION  
FINANCE DEPARTMENT**

**TO:** PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR  
**FROM:** DAN T. VILLELLA, CPA, FINANCE DIRECTOR  
**SUBJECT:** FIS 2007-08-2 Conduct Public Hearing and Adopt Resolution for the  
Huntington Beach Downtown Business Improvement District Annual  
Assessment for Fiscal Year 2007/08  
**DATE:** SEPTEMBER 14, 2007

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As required by Resolution 4832, this Fiscal Impact Statement has been prepared for "Conduct Public Hearing and Adopt Resolution for the Huntington Beach Downtown Business Improvement District Annual Assessment for Fiscal Year 2007/08"

If the City Council approves this action, there will be no effect on any fund balance since the new appropriations are funded by revenues not anticipated in the original budget.

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Dan T. Villella  
Finance Director

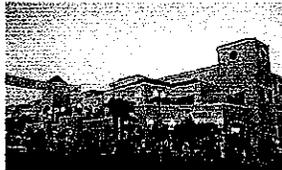
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# ATTACHMENT #4

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# Downtown Business Improvement District Annual Renewal FY 2007-2008

October 1, 2007



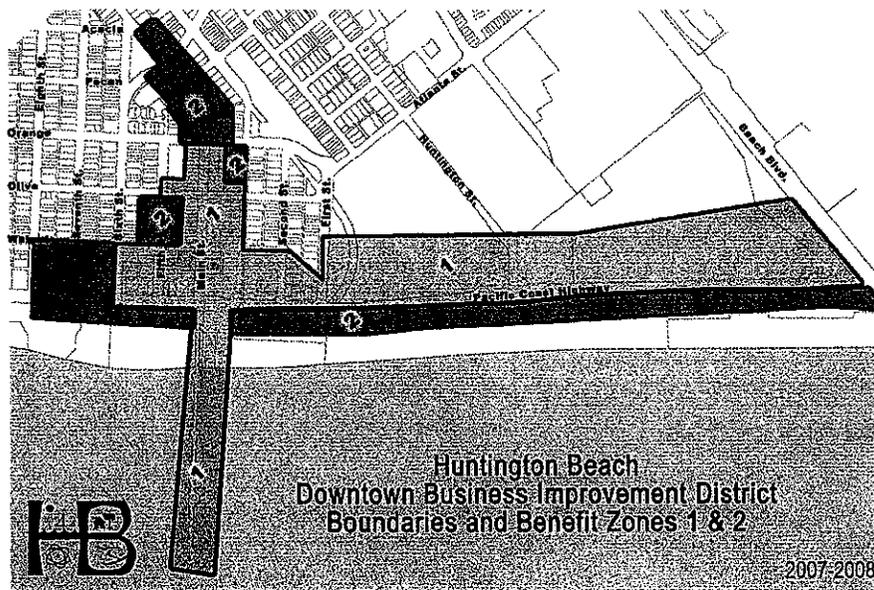
## Background

- On September 7, 2004, Downtown Huntington Beach BID Established by City Ordinance 3661.
- September 17, 2007 - Intention to Levy Assessment for Huntington Beach Downtown BID for 2007-2008 and Schedule a Public Hearing (Resolution No. 2007-61)



## Assessments

- Propose 20% Increase in Assessments
- Assessment rates vary from \$30 to \$1,200 depending on type and location of business
- Tiered assessment schedule according to type of business and benefit zone
- Annual assessments collected when obtaining a Business License and upon renewal



## BID Goals 2007-08

- Surf City Nights events
- Continue Promotions: Marathon, Paintball, Halloween, Christmas
- Advertising/Marketing
- Directory Marquis
- Email Database
- Web site

## Public Protest Hearing

- Last step for BID Renewal
- If protests represent more than 50% of assessments, City Council cannot approve the annual BID assessments or consider again for one year
- City Council has option of reducing boundary area, assessment amounts or categories of businesses included in BID

## Recommended Action

- Open public hearing
- Written protests calculated, add any new protests stated orally at meeting
- Close public hearing
- Calculate % Assessments protested
- Report on Protests and if less than 50%, consider Resolution approving the 2007/08 BID assessment.