



AGENDA

SPECIAL MEETING

* * *

CLAYTON CITY COUNCIL

TUESDAY, December 6, 2011

9:00 a.m.

*Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517*

Mayor: David T. Shuey
Vice Mayor: Howard Geller

Council Members

Joseph A. Medrano
Julie K. Pierce
Hank Stratford

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail on Monday prior to the Council meeting.
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at www.ci.clayton.ca.us
- Any writings or documents provided to a majority of the City Council after distribution of the Agenda Packet and regarding any public item on this Agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours.
- If you have a physical impairment that requires special accommodations to participate, please call the City Clerk's office at least 72 hours in advance of the meeting at (925) 673-7304.

*** CITY COUNCIL ***
December 6, 2011

9:00 A.M.

1. CALL TO ORDER THE CITY COUNCIL – Mayor Shuey

2. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the City Clerk. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. When one's name is called or you are recognized by the Mayor as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the City Council.

3. Town Hall Meeting (No Action may or will be taken)

- (a) Open Forum discussion between business community and City Council to address issues, concerns or matters of mutual interest:

Probable Topics

1. Roundtable discussion with Business and Property Owners – open forum.
2. Critique of the 2011 Concerts in The Grove series.
Suggestions for the 2012 series?
3. Feedback on a Proposal to allow a private sponsor to hold five (5) additional weeknight concerts in The Grove Park in 2012 that could include one food sales booth and/or one alcohol sales booth.
4. General information/feedback on the City's General Plan goals (Housing Element) that encourage second-story housing in the Town Center area.
5. Ideas for promotion of a healthier local business economy.
(e.g., a Business Improvement District).
6. Merits of holding semi-annual meetings of this nature?

4. **COUNCIL ITEMS** – limited to requests and directives for future meetings.

5. **CLOSED SESSION**

- (a) *Government Code Section 54957(b) (1).*
[Annual] Performance Evaluation of Public Employee
Title: City Manager

Report out from Closed Session: Mayor Shuey

6. **ADJOURNMENT**– the next regularly scheduled City Council meeting is December 6, 2011 at
7:00 p.m.

#

MINUTES
OF THE
SPECIAL MEETING
CLAYTON CITY COUNCIL

Agenda Date: 06 Dec. 2011

Agenda Item: 3.(a.)1.

TUESDAY, November 23, 2010

1. **CALL TO ORDER & ROLL CALL** – The special meeting was called to order at 9:06 a.m. by Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Stratford, Vice Mayor Shuey, Councilmembers Geller, Medrano and Pierce. Staff present: City Manager Gary Napper, Assistant to the City Manager Laura Hoffmeister, Police Chief Dan Lawrence, and City Clerk Laci Jackson.

2. **PUBLIC COMMENT ON NON-AGENDA ITEMS**- None.

3. **STUDY SESSION**

The following business owners/ community members were present: Steve Thomas (NUCP, Flora Square), Sue White (Accurate Business Services), Frank Lagan (Clayton Fitness), Jennifer Lutz (Clayton Community Church), Shawn Robinson (Clayton Community Church), Ed Moresi (Ed's Mudville Grill and Moresi's Chophouse), Doug Van Wyck (State Farm), Ted Meriam (Clayton Historical Society), Ilima Henerman (Vevity Fitness), Mike Monaghan and Sabrina Mendoca (SNAP Fitness), Tamara Steiner (Clayton Pioneer), Johnny Sandu (Johnny's Deli), Dennis Mitchell (Clayton Club), Jim Frazier (Hair by Jim), Sam Sandu (Village Market), Joe Sanchez (J&R Floors), Steve Barton (Clayton Club Saloon).

- (a) Study Session with Town Center business owners and local merchants to discuss matters of mutual interest to include the following subjects:

1. **Critique of the 2010 Concerts series and suggestions for 2011 series.**

Councilmember Pierce stated she and Councilmember Geller handed out approximately 100 surveys at each of the 10 concerts. She stated not all people responded to every question.

The groups consensus was the concerts went extremely well, the frequency and times were good, and the Concerts promoted higher sales at the local eateries.

Johnny Sandu stated he would like to see more signs for the concerts in places like the Shell Station in order to create more foot traffic downtown. Councilmember Geller stated the advertising is done locally because the concerts are intended for Clayton residents and due to the capacity of the park.

Vice Mayor Shuey suggested maybe at Oktoberfest and the Art and Wine Festival businesses could hand out coupons or information about their business.

The Assistant to the City Manager also suggested businesses give flyers to the crowd themselves at the concerts if they are having specials.

2. Request to allow City-approved food and/or alcohol booth(s) at Concerts series.

Councilmember Medrano stated this idea was intended to help find a funding source to offset RDA/City the cost of the concerts. He stated beer and wine companies would donate the beverages and the City would sell it during the concerts.

Councilmember Pierce asked the Police Chief about alcohol related regulations for such booths.

The Police Chief responded the vendor would have to get an ABC license to sell alcohol and it would have to stay in a specified area. He stated this could become a challenge for the Police Department.

Steve Barton commented the event holder would also have to obtain an ABC catering permit.

Shawn Robinson asked if this would be competition for the other businesses in the area selling like beverages.

Councilmember Medrano stated another option would be to have one food booth and one beer/wine booth at each concert which could be run by the local businesses.

Councilmember Geller stated at this time there has not a problem with drinking in the park and people seem to be self monitoring: he stated the event does not need to encourage people to drink more. He stated the original intent of the concerts was to showcase the downtown businesses and encourage attendee patronage.

Steve Barton asked if the concerts will be sustainable without additional funding? Councilmember Geller responded the concerts have strong sponsors with the CBCA and Allied Waste and the donations each year have increased.

Shawn Robinson asked if there could be a major sponsor with each concert, and suggested a \$500 fee to promote the businesses with their logo or banner during the concert.

Tamara Steiner recommended that before the City proceeds with alcohol sales they figure out the impacts it would cause for the other businesses.

Councilmember Pierce stated the concert surveys reveal that most people purchased something from a downtown business on concert nights.

Jim Frazier stated he goes to every concert and noted he gets a lot of new business from being at the concerts and networking. He stated he would be willing to pay more on his business license in order to help fund the concerts.

The City Manager stated a BID (Business Investment District) could be formed by the business owners who could agree to levy or surcharge the business license tax in order to use the funds for programs or marketing of the specified area. The business owners would form a committee and decide how to spend the money levied. It is placed in a restricted-use account and by law cannot be used for any other purpose.

The Assistant to the City Manager stated Walnut Creek has two BID's and they are having success.

Johnny Sandu stated he likes the way the concerts are run right now and suggested selling concert memorabilia might be a way to raise further revenue.

Dennis Mitchell stated the concerts were meant to get people going to the local businesses, not create further competition for them.

Steve Barton asked the Council to look into the sponsorship idea and suggested setting a threshold for donations (maybe \$500), or there could be levels of sponsorship so a group of businesses could get together to sponsor a concert.

Ed Moresi asked how much money CBCA paid toward the concerts. Councilmember Geller state approximately \$7,000. The City Manager added CBCA was invited to the meeting and does hold several events each year from which the City does not receive any direct revenue. He stated if the business owners feel the CBCA should contribute more to the business community from this event then they should communicate that to CBCA.

Jim Frazier stated his goal as a new CBCA Boardmember is to talk with businesses owners and find out why they are not part of CBCA or are not attending meetings. He also stated the CBCA did provide money for the Gazebo and the Daffodil Hill project.

Frank Lagan stated the park is not designed to hold many people. He also stated as a business owner in the Clayton Station area they feel like orphans.

Tamara Steiner asked what could be done to support the Clayton Station businesses. Frank Lagan responded the businesses in that area are not acknowledged and so many merchants come and go.

3. Consideration of suggestions/improvements to various community events held in the Town Center (e.g. CBCA festivals; 4th of July Parade; Labor Day Derby/Car Show, Farmers' Market, etc.).

Sam Sandu started the conversation by stated the fences around his store during the Oktoberfest hurt his business. He stated he sells more than alcohol and being cut off from event hurt all grocery sales.

Shawn Robinson stated this year's Oktoberfest seemed to be the most rowdy and kids were being hassled.

The Police Chief stated the venue of Oktoberfest is a challenge and the location of location of Village Market makes things difficult. He stated because the CA ABC licenses must be kept separate and to proved better security for the event holder (CBCA), the Village Market was fenced off from the event. He did note this year the Police Department recorded less fights than in previous years.

Johnny Sandu stated that because the fencing required customers to walk much further around the fences to get to his deli he lost businesses. He suggested an entry and exit point be opened on Morris Street in order to allow people easier access to the Village Market and his deli.

Jim Frazier **stated** as a member of the community he loses business over the weekends of the large events, but because he is a member of the community he accepts that. He suggested Johnny talk with the CBCA and see if they could work out a reduced rate for his deli to be in the food court area.

The Car Show/Labor Day Derby was discussed and no modifications were suggested.

Councilmember Pierce stated this year the free Kiddie Land was eliminated for the 4th of July Parade due to lack of funds and she did not hear any complaints.

4. Roundtable discussion of ideas or programs to promote a healthier local business economy.

Mayor Stratford asked if there was anything the Council could do to help make businesses more successful.

Steve Barton asked what happened to the downtown marketer and analysis. Vice Mayor Shuey responded because of the downturn in the economy the retail specialist was unable to bring any businesses downtown; instead of putting more money into the consultant the Council decided to stop spending money for the time being and await market recovery.

Doug Van Wyck suggested the Council consider using the surrounding universities and their students for marketing projects.

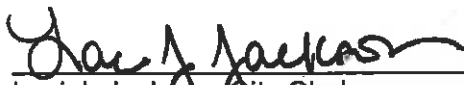
Shawn Robinson stated a health faire might be an interesting event to host each year.

Councilmember Pierce asked if another meeting should be scheduled now to discuss issues such as the BID. The City Manager suggested staff put some program information together and mail a notice to the business owners in early 2011. He also stated if a business owner has a suggestion for a project or something in the downtown there is an Economic Development sub-committee of the City Council where ideas could be directed.

4. **COUNCIL ITEMS**- None received.

5. **ADJOURNMENT**- On call by Mayor Stratford the meeting adjourned at 11:00 a.m.

Respectfully submitted,


Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL


Hank Stratford, Mayor



Agenda Date: 06 Dec. 2011

Agenda Item: 3(a) 2.

Concerts in The Grove 2011

Saturdays 6:00 pm to 8:30 pm

Gazebo at "The Grove" Park, Downtown Clayton

- May 7 Cover to Cover** a "High-Energy" fun-filled dance band delivers a variety of music from 5 decades
www.cover2coverband.com
- May 21 Sun Kings** Sing & dance as the premier Beatles tribute band plays the music that changed Rock'n'Roll
www.The-Sun-Kings.com
- June 4 Hot Rods** Favorites of 50s & 60s: Elvis, Buddy Holly, Beach Boys, Stones, Creedence, Motown & more
www.hotrodsband.com
- June 18 Unofficial Rolling Stones** This great tribute band looks, struts, rocks and sounds like the original!
www.theURS.com
- July 2 Diamond Dave** Back by popular demand, Dave covers them all; he will pack the park!
www.DaveHosley.com
- July 16 The Chicago Tribute Authority** Great sound makes you wonder, "Is this the real Chicago?"
chicagotributeauthority.com
- July 30 The Michael Paul Band** Hot New Country, Country Classics and Southern Rock; a crowd favorite
www.TheMichaelPaulBand.com
- Aug 13 Vocal Ease & the Boogie Men** 40s, 50s & 60s Ragtime, Big Band, Swing, Doo-Wop, Motown
www.vocal-ease.com
- Aug 27 A Swingin' Evening with "Frank Sinatra, Dean Martin & The Rat Pack Orchestra"**
With a swinging 12-piece orchestra, "Frank & Dean" will have you dancing & singing to the classics
www.chrisgardner.biz
- Sept 10 East Bay Mudd** 10-piece Dance Band play contemporary, soul, funk, R&B tunes
www.EastBayMudd.net

For more band information, go to www.cityofclayton.org

Downtown Clayton Food to Go

Support your local businesses

See back of flyer ♪ Call or stop by for Concert night specials ♪ Take-out or dine-in before or after the Concerts

Chairs and blankets may be set out after 4pm on concert days.

Please no glassware. No BBQs. No "silly-string." Please clean up before leaving. This is your park - help keep it clean & safe!

Please let us know what you think - fill out a survey every concert so we can plan for next year.

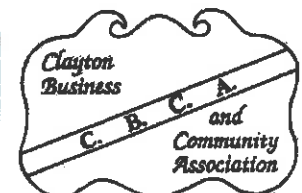
DONATIONS

We appreciate all donations which will be used to fund next year's "Concerts in The Grove"

Donations may also be sent to "Concerts in The Grove", c/o City of Clayton, 6000 Heritage Trail, Clayton, CA 94517



Walking to The Grove is recommended as
parking is limited in the downtown area.



Agenda Date: 06 Dec. 2011

Agenda Item: 3.(a.)3.

From: Joe Medrano [mailto:joe@claytoncouncil.com]
Sent: Tuesday, November 08, 2011 4:04 PM
To: gnapper@ci.clayton.ca.us
Subject: RE: Information on Private Sponsored Concerts in The Grove Park on Wednesday nights

Weeknight Concerts –

The city council is thinking about a proposal of allowing 5 weeknight concerts in addition to the 10 Saturday night concerts. The weeknight concerts would be paid for by private donations without the use of city funds.

Would you as a business owner like to see these additional concerts during the week?

What weeknight would you like to see the concerts?

Would you be willing to be a sponsor of the concerts and be recognized at each concert as a sponsor of the concert with a banner located by or behind the band at each concert?

If we allowed one food booth at each concert would you want to sell food out of that booth for one of the concerts? (This would be rotated among participating Clayton restaurants)

How would you feel if we allowed one beer/wine booth at each concert to help pay for the concerts? (We would still allow people to bring their own liquor like the Saturday concerts.)

What other ideas or recommendations would you like to see for either the weeknight concerts or Saturday night concerts?

Joe

Joseph A. Medrano, ARM, CWCA
Clayton City Councilman
P: 925-673-2210
F: 925 673-2212
E: joe@claytoncouncil.com

Memorandum

To: Gary A. Napper, City Manager

From: David Woltering, Community Development Director *DW*

Date: November 8, 2011

Subject: Second Story Housing in Clayton's Town Center Specific Plan Area

Important policy documents of the City of Clayton, including the City's General Plan and Town Center Specific Plan, envision the Town Center Specific Plan area not only as a vibrant mixed-use commercial center, but also as an opportunity area for second story housing to support the vitality and success of this key commercial mixed-use district of the City.

Goals and Policies of Clayton's Town Center Specific Plan direct the integration of a mix of land uses, including housing, in Clayton's downtown area. For example, Goal I of the Land Use Chapter of the Specific Plan calls for the *"establishment of an attractive and vibrant pedestrian-friendly Town Center with a mixture of commercial, civic, recreational, and residential uses."* Other goals and policies within this Chapter guide the design vision for this area to be comprised of multi-story buildings oriented to the rear edge of sidewalks, with primarily retail and restaurant land uses on the ground floor and office, service and residential uses on the upper floors. Specifically, Policy 1.6 of the Land Use Chapter directs residential units to the second floor, supporting actions to *"encourage the provision of small residential units on the upper floors of commercially-designated parcels."*

While residential units are allowed and encouraged on the upper floors within the Town Center Commercial designated core area, residential units are not allowed on the ground floor within this core area. The reason for directing the residential units to the upper floors in this area is to encourage an uninterrupted shopping experience and pedestrian vitality in this area. It should be noted, though, residential uses are allowed on ground floor in the Planned Development (PD) and Residential districts immediately outside of the Town Center Commercial core. The residential units in these districts and the residential units on the second floor in the commercially designated core benefit the Town Center Specific Plan area by providing a mix of housing opportunities for Clayton residents; offering convenient and relatively affordable housing for employees of Clayton businesses; offering potential customers for nearby Clayton businesses; and bringing 24-hour activity in the Town Center area.

Housing in the Town Center is also supported in the City's adopted and State certified General Plan Housing Element. Under Implementation Measure I.5.2 of that document it states "the City shall aggressively promote mixed-use and second story residential development within its Town Center Specific Plan area." And, under Implementation Measure II.1.3 of the same document, "the Limited-Commercial district within the Town Center Specific Plan area is an area identified to locate single room occupancy (SRO) long-term affordable housing units with a Use Permit."

CHAPTER 2. LAND USE

2.1 INTRODUCTION

The land uses of the Town Center define the character and intensity of private and public activities. This chapter provides goals and policies to direct the nature of desired land uses in the Town Center as well as the protection of the district's historic resources. In addition the Town Center is prioritized as the community's focus for economic development activities and independent businesses. This chapter also lists the land uses allowed in the Town Center and provides a land use plan.

2.2 GOALS AND POLICIES

Goal I Establish an attractive and vibrant pedestrian-friendly Town Center with a mixture of commercial, civic, recreational, and residential uses.

Policy I.1 Support and enhance the Town Center as a vital mixed use area containing retail, restaurant, office, entertainment, civic, recreational, and residential uses. Recognize the importance of an appropriate retail mix including small local businesses, to the continued vitality of the Town Center.

Policy I.2 Prioritize and stimulate the development of multi-story buildings with ground floor uses which enhance pedestrian activity in the Town Center. Channel office and service uses to locations on upper floors.

Policy I.3 Encourage future development on Main Street and Center Street to provide a continuous row of retail shops and restaurants with as few breaks as possible in the shopping frontage.

Policy I.4 Encourage development of well-designed multi-story commercial buildings in order to enhance the prominence of the Town Center to motorists on Clayton Road.

Policy I.5 Encourage developers to seize incentives provided in the General Plan for increased structural coverage of smaller parcels in the Town Center.

Policy I.6 Encourage the provision of small residential units on the upper floors of commercially-designated parcels.

Goal II Maintain and enhance retail and restaurant uses in the Town Center in order to sustain similar uses in the Town Center and to support the City's financial ability to provide adequate services to local residents and businesses.

Policy II.1 Prioritize the development and expansion of retail and restaurant uses in the Town Center.

Policy II.2 Encourage retail and restaurant owners to utilize the flexibility provided in the City's Off-Street Parking and Loading Regulations to develop and expand their businesses.

Goal III Establish the Town Center as the City's focus for economic development in the community.

Policy III.1 Nurture and support established, expanded, and new businesses which are permitted uses (including uses permitted with a use permit) in the Town Center.

Policy III.2 Assist existing businesses which are non-conforming uses in the Town Center to re-locate to new locations in the City.

Policy III.3 Encourage and support the operation of small, independent businesses and growing businesses.

Policy III.4 Encourage the renovation and re-use of long-term vacant or under-utilized buildings as well as the development of vacant or under-utilized parcels.

Goal IV Protect historical resources in the Town Center.

Policy IV.1 Ensure historic buildings which retain their historic character are incorporated into commercially-viable uses, re-uses, or adaptations.

Policy IV.2 Ensure renovations of historic buildings and structures retain the building or structure's historic character.

Policy IV.3 Strive to incorporate existing healthy large oaks and historically-significant trees into the open space areas of development plans.

2.3 LAND USE DESIGNATIONS

The Land Use Plan is provided in Figure 2-1 and the land use designations are defined below.

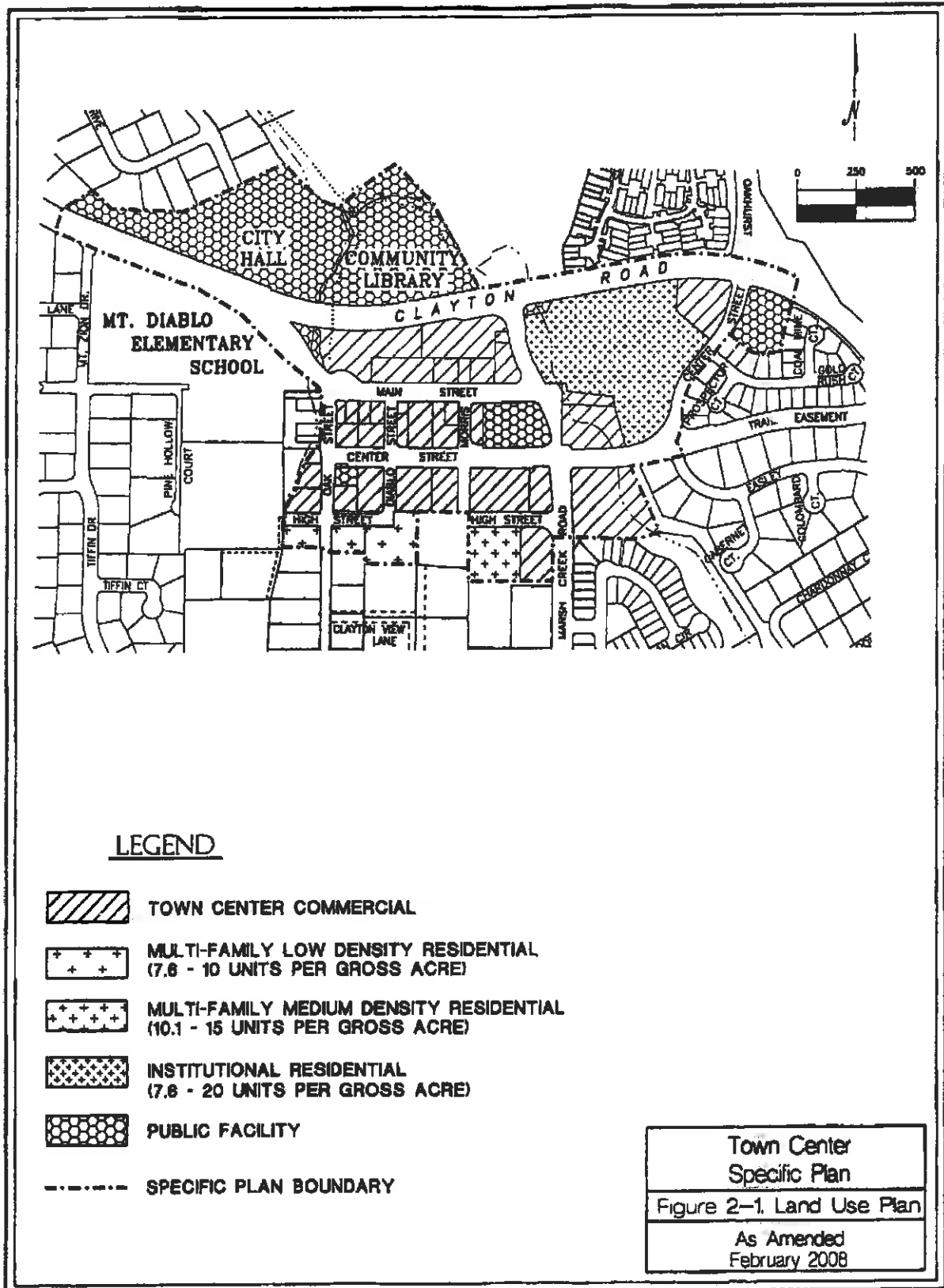
TOWN CENTER COMMERCIAL

PERMITTED USES

Retail sales, commercial services, and offices, as well as limited residential and visitor accommodation uses, as listed below. Uses marked by an asterisk (*) are limited to upper floor locations, unless a use permit is granted for a ground floor location as noted in the following section.

- Antique shops
- Art galleries and frame shops
- Art and photography studios*
- Audio/video equipment, including home theater systems
- Bakery goods stores and bakeries
- Banking
- Barber shops, beauty shops, and personal care salons*
- Books, news stands, and magazines

Z:\C0010395\LONG\TOWN CENTER SPECIFIC PLAN V3 PROP AMENDMENTS FEB 2008.DWG
FEB 15, 2008 12:14 P. BAB FIG 6 A



Business, editorial, and professional offices*
Camera and photographic equipment
Candy and ice cream
Clothing and shoes
Computer, office, and electronic equipment sales
Computer, office, and electronic equipment service*
Copying and printing
Dance, music, exercise, and martial arts studios*
Drapery and yardage
Drugstores
Electric appliances (small appliances only)
Financial services*
Floor coverings
Flowers and house plants
Food and groceries
Hardware and garden supply
Interior decorating stores
Jewelry, watches, and clocks
Lamps and lighting
Laundry and dry cleaning pick-up stores, excluding any dry-cleaning on-site
Liquor, wine, and beer (off-sale)
Locksmiths
Luggage and leather goods
Medical and dental offices*
Museums (upper floors preferred)
Music, including recordings, instruments, and sheet music
Opticians
Parking spaces and loading areas
Pets and animal grooming (excluding kennels)
Private mail and packaging services
Real estate offices and title companies*
Residential uses (upper floors only)
Restaurants (including outdoor dining, on-site service, and take-out service) and associated bars
Saddles and equestrian equipment
Sporting goods and bicycles
Stationery supplies
Tailors and dressmakers*
Tobacco shops
Toys, hobbies, and crafts
Travel agencies*
Variety stores
Video rentals
Accessory buildings, structures, and uses clearly incidental and appurtenant to a permitted use

Temporary and seasonal outdoor uses, subject to the Temporary Use Permit provisions (Chapter 17.70) of the Zoning Ordinance

Other retail, commercial service, or office uses which are determined by the Planning Commission (or the City Council on appeal) to be of the same general character and will not impair the present or potential use of adjacent properties.

USES SUBJECT TO USE PERMIT

The following uses are allowed only after special review and the granting of a use permit. The primary purpose of the review is to assure an appropriate mixture and balance of uses in the Town Center—a mixture and balance that the uses listed below could jeopardize, for a variety of factors including:

- The location would interfere with the pedestrian and retail orientation of the district; or
- The use or its size, in conjunction with existing uses, would overwhelm the Town Center or interfere with the pedestrian and retail orientation of the district.

Further, some of the uses listed below might require building or storage areas that would be too large or otherwise inappropriate in the Town Center:

Bars which are not part of a full-service dining establishment

Bed and breakfast guest facilities

Commercial recreation (including billiards/pool and video arcades with more than three machines);

Establishments with dancing, live entertainment, or live audio/video entertainment

Home appliances, except small electrical appliances

Home furnishings, except lamps and lighting

Massage therapy, unless part of recognized medical office or clinic

Office, commercial service, personal service, or studio uses (listed as Permitted Uses above) in ground floor locations

MULTI-FAMILY LOW DENSITY RESIDENTIAL—Dwelling units at a density of 7.6 to 10 units per gross acre. This designation is intended for and allows cluster units such as townhouses, garden units, and other types of planned developments, including single-family detached dwellings on smaller lots, that provide a development with amenities to balance the increased density. This density must be adequately buffered from adjacent single-family developments. Development intensity can reach 100 percent of individual parcel coverage provided that each unit has access to private outdoor space, use of recreational amenities, and provision of useable open space. Second dwelling units are allowed.

MULTI-FAMILY MEDIUM DENSITY RESIDENTIAL—Dwelling units at a density of 10.1 to 15 units per gross acre. Areas so designated on the Land Use Plan are deemed to have adequate site area—and are located with respect to the Town Center road system—such that the range of density can comfortably be accommodated.

INSTITUTIONAL RESIDENTIAL—Senior housing at a density of 7.6 to 20 units per gross acre. This designation is intended for development of various forms of senior housing under the sponsorship of public or quasi-public agencies. Group dining, limited vehicles, medicine-dispensing services, and other characteristics and amenities make this form of housing unique.

Development intensity can reach 100 percent structural coverage for individual parcels. Structural coverage shall not exceed 50 percent of the site area.

PUBLIC FACILITY—Publicly-owned facilities such as government offices and facilities, community centers, museums, parks and recreational areas, the Community Library, the fire station, the Clayton Corporation Yard, and ancillary structures and uses.

2.4 HISTORIC RESOURCES

The Town Center contains a variety of historic buildings, sites, and features which add character and charm to the community. Some of these historic buildings have been in continual use for commercial purposes. Other buildings have been restored or converted to various commercial and civic uses. Based upon the *Clayton Heritage Preservation Task Force Report*, the following buildings and structures are recognized as historic resources in the Town Center.

Endeavor Hall
Keller Ranch House
De Martini Winery
Joel Clayton Dairy Cellar
Keller Lane Bridge
Clayton-Pape House
Clayton Club
Former Pioneer Inn
Former La Cocotte Restaurant

PAGES 15-22 DELETED BY RESOLUTION NO. 05-2008, DATED 2/5/08

(Chapter 2 amended by Resolution No. 05-2008, dated 2/5/08)

Funding: General Fund, RDA funds

Implementation Measure (I.4.2) The City shall develop a program using Redevelopment Agency set-aside funds to encourage the development of second dwelling units, including a review and possible reduction of development fees that might deter the development of such units.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: December 2012

Funding: RDA funds

Policy I.5 The City shall aggressively promote mixed-use or second-story residential units above commercial uses in the Town Center.

Implementation Measure (I.5.1) To encourage development of mixed-use projects in the Town Center, the City has adopted the Clayton Town Center Specific Plan which provides detailed policy direction, standards, and guidelines that encourage mixed-use development. In addition the City will continue to offer incentives such as density bonuses, actively recruit developers to undertake such projects, and where feasible provide subsidies using Redevelopment Agency set-aside funds.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Annually and upon receiving development inquiries for mixed-use development.

Funding: General Fund, RDA funds

Implementation Measure (I.5.2) The City will continue to promote the use of the Town Center Commercial District and the Town Center Specific Plan standards to promote mixed-use or second-story residential units. These standards allow for more flexibility in the development of mixed-use or second-story units. In addition, the City is finalizing a Development Handbook guide to facilitate the permitting process of mixed-use projects.

Responsibility: City Council, Planning Commission, Community Development Department

Responsibility: City Council, Planning Commission, Community Development Department.

Time Frame: March 2011. The City will create an overlay zone that will provide development standards for emergency shelters in the Kirker Corridor.

Funding: General Fund

Implementation Measure (II.1.2) Transitional and supportive housing provides temporary housing, often with supportive services, to formerly homeless persons for a period that is typically between six months and two years. The supportive services, such as job training, rehabilitation, and counseling, help individuals gain life skills necessary for independent living.

Pursuant to Senate Bill 2, the City must explicitly allow both supportive and transitional housing types in all residential zones. The City shall update its Zoning Code to include separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: March 2011

Funding: General Fund

Implementation Measure (II.1.3) Assembly Bill 2634 requires the quantification and analysis of existing and projected housing needs of extremely low-income households and requires Housing Elements to identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

The City shall update its Zoning Code to allow for the development of single-room occupancy units (a type of residential hotel offering one-room units for long-term occupancy by one or two people; SROs may have a kitchen or bath facilities (but not both) in the room) with a conditional use permit in the L-C (Limited Commercial) District and in the area that is currently designated Kirker Corridor. The Kirker Corridor is classified as PD (Planned Development) in the

City's Zoning Ordinance. This corridor is close to services and public transportation. The City will create an overlay zone with specific development standards to focus on this approximately 5-acre area. The conditions for these units will continue to be minimal and will only require review by the Planning Commission.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: April 2011. The City will allow for SROs in the L-C District or create an overlay zone that will provide development standards for SROs in the Kirker Corridor.

Funding: General Fund

Implementation Measure (II.1.4) To assist extremely low-income households, the City will prioritize funding and/or offer regulatory incentives for the development of housing types such as SROs which addresses the needs of the extremely low-income group.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Offer regulatory incentives for the development of housing for extremely low-income households as projects are submitted and the City will prioritize funding for extremely low-income households annually and as funds become available. The City will conduct an annual outreach to developers specializing in extremely low-income housing.

Funding: General Fund, RDA funds

Policy II.2 The City shall permit owner-occupied and rental multi-family residential use by right.

Implementation Measure (II.2.1) Most recent housing developments in Clayton have not been constructed to the maximum densities allowed by zoning. Market conditions, bank financing, and insurance requirements have favored the construction of single-family detached houses. Currently, the City's Zoning Code allows for the development of single-family homes in the Multiple Family Residential (M-R) District. To increase

Agenda Date: 06 Dec. 2011

Agenda Item: 3(a) 5.

THE ABCs OF CALIFORNIA BIDs



PRESENTED BY

CALIFORNIA DOWNTOWN ASSOCIATION

THE ABC OF BIDs

INTRODUCTION

Business Improvement Districts, or "BIDs", are being used increasingly throughout California to finance services that improve the quality of life and economic vitality of downtowns, Main Streets and commercial corridors. It is estimated that more than 1,000 BIDs now exist in North America, including nearly 200 in California, and the phenomenon is spreading to Europe, Australia and Africa.

A BID is a special benefit assessment district, which allows for an assessment on a property or business within a defined geographic area. Revenues from this assessment are directed back to the defined area to finance a myriad of enhanced services, including security, maintenance, marketing, economic development, tourism, promotion, parking and special events.

BIDs are formed with the consent of and active participation from property and business owners. The success of BIDs relies on forging public/private partnerships within business districts. Local government can play a key role to encourage the creation of BIDs.

This report is designed to help downtown organizations, property and business owners, local government officials and downtown advocates explore the formation of BIDs in California by explaining different BID options and addressing key questions about BIDs. The report also touches on BID renewal and provides a listing of selected California BIDs.



WHAT IS A BID?

A BID is a financing mechanism that is used to provide revenue for a variety of local improvements and services that enhance, not replace, existing municipal services. In California, there are several types of BIDs, including:

- ☐ Property-based business improvement districts (PBID) that allow for an assessment on real property.
- ☐ Business-based business improvement districts (BBID) that create an assessment paid by business owners.
- ☐ Tourism-based business improvement districts (TBID) that allow for an assessment on hospitality and tourism related businesses.

Each of the preceding types of BIDs has its own advantages, disadvantages and legal basis, which will be discussed later in this publication. In all cases, common BID service options include:

Maintenance: BIDs support maintenance services over and above those provided by local government, including frequent sidewalk sweeping, trash and debris removal, periodic power washing of sidewalks and immediate removal of graffiti from buildings and public amenities.

Security: BIDs finance extra security to augment services from local police departments. Types of security services range from conventional security patrols to “ambassadors” that have extensive customer service training to help customers navigate through a business district.

Marketing and Promotions: Marketing programs aim to improve the overall image of a business district through collaborative promotional strategies, undertaking market research and working with the media.

Special Events: Special events reinforce the business district’s drawing power as a destination, often targeting consumer markets that typically under utilize it. Many BIDs provide resources to manage a yearly events calendar that maintains an active schedule of lively attractions.

Parking and Transportation: BIDs often support the management and/or expansion of the parking supply within a business district, including validation programs, management of municipal garages, sponsorship of local shuttles and advocacy to implement regional transit.

Economic Development: Many BIDs finance services to attract jobs and investment to business districts, including undertaking market analysis, developing data bases and structuring public/private financing for redevelopment projects.

Tourism Promotion: In California, BIDs are increasingly being used to supplement local and regional tourism promotion programs to attract visitors to attractions, hotels and other hospitality-related businesses.

Human Services: BIDs are becoming active partners with human service agencies to help address the issues of the homeless and other street populations.

Capital Improvements: BID-supported improvement options include visible amenities such as street lights, benches, kiosks and public art. BIDs can have bonding capabilities that allow for ambitious public/private capital improvement programs.



CAN A BID WORK IN OUR COMMUNITY

Despite their demonstrated advantages, BIDs are not a solution for every community. Many communities have tried to establish BIDs only to somehow fail in the process, sometimes resulting in a political stigma that prohibits another attempt at creating a BID for a decade or more. Before embarking on the process to form a BID, the following four elements must be in place within the business district:

- a. Private Sector Leadership:** BIDs are most successful and effective when the process is driven by private sector leaders or "champions" within a business district.
- b. Supportive Local Government:** Local government is best cast as a low key, yet dependable supporter in the drive to form a BID. Local government can provide resources including information, funding and staff expertise.
- c. Staff and Financial Resources:** Formation of a BID is a people intensive process that, depending upon the business district, can take from 9 to 18 months. Financial resources are needed for computer hardware and software, marketing materials, BID consultants, legal counsel and unforeseen expenses. Staff support is required to compile property and/or business owner databases, create marketing materials, manage consultants and coordinate volunteers.
- d. Public/Private Partnership:** The success of a BID formation effort is founded upon a viable public/private partnership that has a track record of creating visible results within the business district.

BIDs ORGANIZE OWNERS AND PROVIDE ENHANCED SERVICES

A BID works much in the same way as a common area maintenance (CAM) provision found in most tenant leases within suburban shopping malls and office parks. When a shopping center tenant pays a CAM charge, they are paying an extra fee for an enhanced level of services within the common areas of the mall. These services often include extra maintenance crews, mall security patrols and cooperative advertising in local newspapers. Similar to uniform operating hours and merchandising standards, CAM charges are standard practice for shopping malls, made possible by single owners that generally hold and manage these properties.



A BID is akin to a CAM for downtown. Unlike a shopping mall, downtowns, Main Streets and older commercial corridors have multiple ownerships, making the lease covenants found in a shopping mall problematic. A BID provides a mechanism by which all property and/or business owners must pay an assessment to support services in the common areas of a business district. Similar to a mall, these services might include uniform cleaning of sidewalks, extra security patrols, collaborative marketing and events.

STEPS TO FORM/ TIMELINES

Steps to form a BID and timelines vary depending on the enabling legislation and your unique situation. Note that in addition to statewide enabling statutes, your local jurisdiction may have local rules that impact BID formation.

At a minimum, the formation process will include outreach to business and/or property owners and a formalized public hearing process. The most critical aspect of formation is spending the time and effort necessary to build a broad consensus around the need for the BID and the critical elements of the BID. The following is a general list of twelve steps to form a BID.

Select Enabling Legislation: Carefully review the state's two enabling BID laws, the PBIA law of 1989 (business assessments) and the PBID law of 1994 (business and/or property assessments). If you are forming a BID in a Charter City, you may already have, or may be able to develop, your own local enabling ordinance. These enabling statutes and ordinances set the "rules of the game" and will guide you through the formalized processes of creating the BID.

Research Local Policies and Rules: A lack of understanding of the rules to form a BID could lead to disaster. Some jurisdictions have implemented their own policies that impose additional requirements on BID formation. Be on the lookout for additional petition, balloting or hearing requirements that have been adopted by your City.

Develop a Good Database: It is common to underestimate the importance and time required to develop a good database. Yet your database will serve as the foundation for many of your activities. The data file must contain a list of all the parcels and/or businesses in the proposed district and all of the variables necessary to create the BID. Some common variables include site address, mailing address and the ability to code parcels or businesses by owner.

The database must have all of the assessment variables you will need. For a property assessment, you may need lot square foot, building square foot, linear front foot, alley linear foot and property use information. For a tourism district, you may need number of rooms, occupancy rates and/or gross room rental revenue. For a traditional business assessment, you may need gross revenue, number of employees, types of business or other factors related to specific industries. A database is never 100% done. It is a dynamic document that will need constant updating throughout formation and throughout the life of the BID.

Cultivate a Motivated Steering Committee: A key group of dedicated owners willing to work to ensure formation may be the most important factor in ultimate BID success. Spending time recruiting influential owners to your steering committee is time well spent. Seek out individuals who support the concept, will help guide policy and are willing to communicate to their peers. Owner-to-owner communication remains the most persuasive method of sharing BID information. "I'm paying in and I think this is a good investment. Will you join me?"

Baseline Services Analysis / Agreement: Work with the City to develop a complete understanding of the services, including areas and frequency, you are currently receiving from the City. Pursue a resolution with the City in which they agree to not unfairly reduce services in the BID area because the BID is providing additional new services. The 1994 PBID law expressly provides for an agreement with the City to protect these underlying services and ensure that BID services are supplemental.

12 ITEMS REQUIRED IN A MANAGEMENT DISTRICT PLAN

1. Map
2. District Name
3. Description of the Boundaries
4. List of Improvements & Activities for Each Year
5. Total Amount to be Expended in Each Year
6. Proposed Sources of Financing
7. Time and Manner for Collecting Assessments
8. Number of Years Assessments will be Levied
9. Proposed Time for Implementation of the MDP
10. Any Proposed Rules & Regulations
11. List of Properties and/or Businesses to be Assessed
12. Any Other Item Required by the City Council

Outreach to Owners: This is the most critical part of BID formation. It may take the form of group meetings, focus groups, phone surveys, mail and email surveys and/or one-on-one meetings. The objectives are twofold: (1) disseminate information about BIDs, how they work, how they are formed, and what has been done in other communities and (2) learn owners' desires and priorities. District supporters who really listen to their owners have a much greater chance of formulating a consensus plan that has broad support.

TIP: *If you have a petition requirement, you will be asking owners who will ultimately sign the petition.*

Develop Plan: The plan will vary depending on the type of district you are proposing. A '94 PBID district will include the 12 items specified in the code. An '89 PBIAD district only requires a resolution of intention. You may include business plan elements in the resolution for the PBIAD BID. The Plan shall also include information about governance of the district. Usually, a nonprofit corporation manages the activities of the BBID or PBID.

TIP: *Get the City Attorney involved early. Make sure he/she reviews your draft documents and approves them prior to circulating them to others.*

Plan Review: Simply put, this is the step of taking your draft document back to the owners. You will ask, "You told us you wanted A, B and C, we included these items in the plan, did we get it right?" You will update and revise the plan based on feedback from the owners. **TIP:** *Do not start the petition process until you are confident that you have informed owners of the total BID program (including their specific assessment) and have had oral assurances from at least 40% of the owners weighted by dollar.*

Petition Process: Once the plan is complete, if you have a petition requirement, you may start the petition phase. You may mail the petitions to all of the owners and ask that they sign and return them. Usually this process requires one-on-one visits with owners to collect the petitions. Remember that there may be a big difference between an owner's oral expression of support and actually receiving a signed document. Allow plenty of time to gain the signed documents.

Resolution of Intention: This resolution is the formal first step in creating the district. The resolution may be brief and general or may include specifics of the plan. This document is the first formal notice that the City intends to form the district. In addition, this resolution sets the hearing date(s).

Proposition 218 Ballot Protest Procedure: All property assessments in California must follow the Proposition 218 ballot protest procedure, which requires that the City mail ballots to all of the owners. The owners have a chance to vote "yes" or "no" and return the ballot in a sealed envelope. The ballots cannot be opened until the close of the public hearing. Of the ballots returned, there must be more "yes" than "no" votes weighted by assessment.

Final Hearing and Adoption: The final hearing gives the public a chance to speak in favor or opposition to the district. At the conclusion of the public testimony, ballots are opened and counted, protests are evaluated and the Council may take action. If the BID is created by ordinance, it goes into effect 30 days later.

The Average Timeline for BiD Formation in California Is 9-18 Months

The steps detailed have varying time constraints and schedules. The total process to form a BiD may be as brief as three months or as lengthy as two years.

General Estimates of Time for Each Step:

1. **Select Enabling Legislation**
2. **Research Local Policies and Rules**
3. **Develop a Good Database**
(Initially 2-3 Months Update Throughout)
4. **Cultivate a Motivated Steering Committee**
5. **Baseline Services Analysis / Agreement**
(2-3 Months)
6. **Outreach to Owners**
(Could be 2 Months, Could be 6-7 Months)
7. **Develop Plan (1-2 Months)**
8. **Plan Review (2-4 Weeks)**
9. **Petition Process**
(Could be 1 Month, Could be 2 Years)
10. **Resolution of Intention (1 week)**
11. **Proposition 218 Ballot Protest Procedure**
(Minimum 45 Day Notice)

California BID Law Summary Chart

<u>Petition</u>	<u>Protest</u>	<u>218 Ballot Protest</u>	<u>Management District Plan</u>	<u>Hearings</u>	<u>Term</u>	<u>Bond for Capital Improvements</u>	<u>Pros and Cons</u>
PBJA Law of 1989 (Business Assessment Only - Can be Used for Tourism Improvement District) (Streets and Highways Code Sections 36500 et seq.)	None Required.	If 50%, weighted by assessment, protest then City Council cannot form the district for one year.	Assessments on businesses do not require 218 Ballots.	None Required.	One Year.	No.	Pro: Easier to form. Cons: One year term; Requires less support and involvement from the owners.
PBJD Law of 1994 (Property and/or Business Assessment - Can be Used for Tourism Improvement District) (Streets and Highways Code Sections 36600 et seq.)	Owners paying more than 50% of the proposed assessment must sign a petition before the council can take action on a Resolution of Intention.	N/A	If assessing properties, the City must mail 218 ballots to all owners. Ballots must be returned sealed. Ballots may be opened after the close of the public hearing. If more no than yes are returned, weighted by dollar of assessment, the Council may not form the district.	Resolution of Intention Public Meeting Public Hearing	Set Term: 1-5 Years Upon Formation 1-10 Years Upon Renewal	Yes. The Plan may declare that bonds shall be issued under the Improvement Bond Act of 1915 or in conjunction with Marks-Ross Local Bond Pooling Act of 1985 to finance the estimated cost of some or all of the proposed improvements.	Pros: Fixed Term; Must be initiated by the Owners; Property Assessments Usually Raises 8 to 12 times more revenue than traditional business assessments; May be Easier to Administer Con: More difficult to form.
CHARTER CITY ONLY - Local Ordinance for Business Assessment (Can be Used for Tourism Improvement District)	Ordinance may dictate a petition requirement or may have no petition requirement.	Must have a minimum of a majority protest procedure.	Assessments on businesses do not require 218 Ballots.	Resolution of Intention Public Meeting Public Hearing	Ordinance Can dictate.	May be done in conjunction with another statute that allows for bonds to be issued. Bonds may be paid back over 30 years.	Pro: Tremendous flexibility in creating "rules of the game." Cons: Extra time to develop the additional ordinance; drafting a new ordinance may mean that unfavorable rules are included.
CHARTER CITY ONLY - Local Ordinance for Property Assessment	Ordinance may dictate a petition requirement or may have no petition requirement.	Must have a minimum of a majority protest procedure.	The City must mail 218 ballots to all owners. Ballots must be returned sealed. Ballots may be opened after the close of the public hearing. If more no than yes are returned, weighted by dollar of assessment, the Council may not form the district.	Resolution of Intention Public Meeting Public Hearing	Ordinance Can dictate.	May be done in conjunction with another statute that allows for bonds to be issued.	Pro: Tremendous flexibility in creating "rules of the game." Cons: Extra time to develop the additional ordinance; drafting a new ordinance may mean that unfavorable rules are included.

CREATING A FAIR ASSESSMENT METHODOLOGY

First and foremost, an assessment methodology for a BID should be based upon benefit those business and/or property owners that receive more benefit from BID services should pay more, those who receive less benefit should pay less.

In considering a BID, a common instinct is to start by calculating the revenue that could be assessed from a business district; however, an assessment methodology should be service driven as opposed to revenue driven. BID services should first be identified through a consensus process that establishes property and business owner priorities. A budget can then be developed for the desired services with the assessments resulting from the budget. If the proposed assessments are too high, then property and business owners need to be involved in the process to streamline services.

Assessment Options For PBIDS, BBIDS and TBIDS: In California, there are several types of BIDs, each having its own standard principles and nuances for creating a fair assessment methodology. With PBIDs, assessment methods are designed for property, while BBIDs and TBIDs rely on allocation methods directly to businesses. Developing an assessment methodology balances equity with simplicity the more equity elements built into the methodology the more complex it can become. As a general rule, it is best to keep the assessment methodology as simple as possible. The less complex the methodology, the easier it is to explain and justify. In the following discussion, Dave Kilbourne of Downtown Revitalization Consultants offers tips for BBIDs and TBIDs.

PBIDS: A fair assessment methodology will distribute the costs and benefits of PBID services equitably to properties. The nature of the services will have a strong influence on the design of the assessment methodology. For instance, the direct costs of maintenance services are often allocated to street frontages within the specific area that they are provided since they visibly improve the sidewalk and ground floor of affected areas. Costs for district-wide marketing, on the other hand, can be allocated throughout a PBID through building and/or lot square footage since each property, regardless of its location, will benefit. Nationally, assessed value is the most common variable for PBID assessment methodologies; however, value does not work in California due to inherent inequities in the assessed valuation system created by Proposition 13. In California, property characteristics such as building and lot square footage and street frontage are commonly used in developing PBID assessment methodologies.

Sometimes PBID services and benefits are not distributed equally throughout a business district due to the differing needs of subdistricts. These areas can be accommodated through the creation of "benefit zones". Benefit zones are used to allocate the direct cost of services to properties and businesses within a certain geographic area. One unified PBID can then have several benefit zones which each pay a different level of assessment based upon the services that they receive.

The following assessment methodology from Downtown Sacramento illustrates how benefit zones are used within one unified downtown PBID. The chart illustrates annual assessment rates within each of the PBIDs four benefit zones. Note that the K Street Corridor and Old Sacramento areas receive the highest frequency of services while the Capitol Mall/Plaza area receives the lowest frequency of services.

PBID ASSESSMENT METHODOLOGY: DOWNTOWN SACRAMENTO

Benefit Zone	Annual Assessment Per sq. ft. of Lot	Annual Assessment Per sq. ft. of Building
K Street Corridor	\$ 0.139	\$ 0.069
Civic Center	\$ 0.116	\$ 0.058
Old Sacramento	\$ 0.142	\$ 0.071
Capitol Mall/Plaza	\$ 0.043	\$ 0.022

BBIDs: During the establishment of a BBID there must always be an effort to explain the proposed assessment formula in the most understandable, straightforward terms. This saves hours, and sometimes days, of explaining during later stages of the District's establishment. By law, and good judgment, the BBID fee must show a relationship between amount paid in and benefit received by each business. A BBID's annual benefit assessment fee formula traditionally uses three criteria:

Example of BBID Annual Benefit Fee Structure Using Three Criteria				
Zones of Benefit:		Zone A	Zone B	Zone C
Retailers and Restaurants	(large)	\$500	\$350	\$200
	(medium)	\$400	\$275	\$150
	(small)	\$300	\$200	\$100
Service Businesses	(large)	\$350	\$225	\$150
	(medium)	\$300	\$175	\$100
	(small)	\$250	\$125	\$100
Professional Businesses	(large)	\$250	\$200	\$150
	(medium)	\$200	\$150	\$100
	(small)	\$150	\$100	\$100

Criteria 1: Business Type. It is often agreed that the standard business-based BBID is traditionally a commercial marketing engine first and foremost. It is further understood that non-retail businesses such as service businesses, professional offices and financial businesses tend to benefit to a secondary degree and are thus charged less than retailers and restaurateurs who are the primary beneficiaries.

Criteria 2: Business Location: To illustrate the different degrees of benefit associated with business location within a proposed BBID, we use the well-worn analogy of tossing a pebble into a pond. The entry splash represents the center of the District while the diminishing concentric circles of the ripple represent the areas further away from the center. Similarly, many BBID-sponsored commercial events and activities begin, with a big splash, in the center of the District, such as civic beautification programs, parades and seasonal decorations with secondary benefits radiating out to businesses located further from the center. Zones of Benefit are developed to provide a reasonable structure to the assessment fee matrix in these cases.

Criteria 3: Business Size: This criteria is used approximately 50 percent of the time with emerging BBID's. In support of using the business size criteria, it is often felt by smaller businesses that there is an inequity if larger businesses of the same type, in the same benefit zone aren't charged more. For example, a large restaurant may be located next to a Mom and Pop hamburger stand. Without a business size criteria built into the assessment formula, both would pay the same annual BBID fee based on their similar locations and business types.

TBIDs: The TBID and the BBID are the same concept, the primary difference being that while the BID addresses the more generalized commercial marketing needs of the entire participating business community, and thus assesses all businesses, the TBID focuses tightly on tourism and visitor stimulation, and thus primarily assesses members of the local hospitality industry. In addition, a TBID can serve an entire jurisdiction or multiple jurisdictions, while a BBID is generally limited to a localized business district. For all intents and purposes, the district establishment process remains identical for both the BBID and the TBID.

A TBID assessment is often based upon criteria involving size or number of hotel rooms, location or gross revenue. In order to project future earnings for the purpose of program budget development, this amount is then multiplied by the occupancy rate.

For example, if the assessment is based on room count and if a TBID has a total of 1,000 rooms within its boundaries and the TBID assessment is \$1.00 per occupied room night, the formula would be based on \$1,000 per night multiplied by 365 nights per year. To determine an estimated program budget, this total is then multiplied by the occupancy rate, for example the TBID member hotel properties may have an occupancy rate of 60 percent. The total of \$365,000 per year possible revenues would be multiplied by that factor of .60 to produce a final total of \$219,000 as actual expected revenues.

ABCs OF CALIFORNIA BIDs-TIPS FOR BID REVIEW & RENEWAL

In California, a BID must present an annual report and undergo an annual review by City Council. For PBIDs, the entire establishment process, including petitions, public hearings and 218 ballots, must be repeated at the end of the PBID's term.

Renewal is a very different from BID creation. While establishing the BID offers the promise of the unknown, renewal is a referendum on existing results and management. Using a political analogy, renewal is similar to a known candidate running for re-election, as opposed to BID creation which is similar to a candidate running for the first time. The following tips apply primarily to PBIDs, but should also be considered as prudent operating practices for all types of California BIDs.

Measure and Promote Results: From day one, all BIDs should establish benchmarks and be meticulous about measuring the results of BID services. Benchmarks should be relevant to BID investors (i.e. property owners, businesses and civic leaders) and can include economic indicators, safe and clean statistics, customer perceptions and others.

Expose "Warts" Early: Weaknesses in the BID program and the organization that manages the BID should be revealed early in the renewal process. Annual ratepayer satisfaction surveys and systematic communications with ratepayers should be part of the ongoing work program of a BID.

Understand Changes in the Marketplace: All business districts will change over time in response to local and national market forces. A periodic review of the state of the business district should consider changes in business mix, land use and the functional boundaries of the district.

Maintain One-On-One Communications: Ongoing communications with key stakeholders is a critical component of a BID work program and should be strengthened before renewal. With assistance from a BID board of directors, all ratepayers should be contacted personally at least once a year. Prior to renewal, individual meetings should be held with ratepayers that represent the top 50% of assessments paid to gain their insight and "buy-in" into the renewal process.

Motivate and Mobilize District Leaders: Complacency can be a formidable challenge to a BID renewal effort. District leaders, particularly influential property and business owners, must remain active and visible champions in a variety of forums, including one-on-one meetings with ratepayers, a renewal steering committee, editorial board sessions with local media and meetings with government officials.

Common Renewal Issues: The following issues are most commonly considered in the renewal of a BID:

- ◆ **Rationale:** Identify primary objectives of the BID, discuss why objectives may have changed over time.
- ◆ **Boundary Changes:** Determine whether changes within the district necessitate a change in boundaries.
- ◆ **Program Options:** Evaluate whether to shift resources among existing programs or add new initiatives.
- ◆ **Term:** For PBIDs, renewal can extend up to 10 years per state legislation and sometimes longer with local legislation.
- ◆ **Carryover of Funds:** Ensure that the PBID management plan provides a provision for the carry-over of unused funds from the existing PBID.
- ◆ **Governance:** Determine whether existing stakeholders are adequately represented on the governing board and if district expansion will require changes to the board structure.

ADVANTAGES OF BIDs

The services and activities of BIDs are tailored to meet the specific needs identified by the local business community that funds them. Benefits from BIDs, which can stretch beyond their boundaries, include:

- ◆ Helping maintain, increase property values, improve sales/occupancy rates, increasing community's tax base;
- ◆ Developing a stable environment and distinct identity for a business district, making it more competitive with surrounding retail and business centers;
- ◆ Creating a cleaner, safer and more attractive business district;
- ◆ Ensuring a stable and predictable resource base to fund supplemental services and programs;
- ◆ Providing non-bureaucratic and innovative management of a business district;
- ◆ Responding quickly to market changes and community needs.

SELECTED CALIFORNIA BUSINESS IMPROVEMENT DISTRICTS

BID CHARACTERISTICS						
CITY	OVERALL ORGANIZATION	Year District Established/ # of Property Owners/Parcels Total Annual Assessments PBID, BBID or TBID?	Top 4 Services/ Allocation of Budget to Services & Admin	Type of Assessments/ Avg. assessment per sq.ft. of bldg District Governance/ City Participation?	Measurable Results?	
SACRAMENTO, CA Downtown Sacramento Partnership Michael Ault 916-442-8575	1991 Public/Private Partnership 501c6 non-profit \$3,000,000	Est. 1996 Renewed 2001 & 2006 205 owners/453 parcels \$1,861,340 PBID	Public Safety Guides Maintenance Economic Development Marketing & Communications Services: 86% Admin: 14%	Lot & Building Sq. Ft. in 4 zones \$0.03 to \$0.12 per building sq.ft. 23 member board City: \$338K County: \$64K State: \$84K	Crime reduced by 22% Panhandling down 58% to 70% 70% of property owners rate clean & safe services as excellent or good	
LOS ANGELES, CA Downtown Center BID Carol Schatz 213-624-2146	1934 (CCA) Public/Private Partnership 501c6 non-profit \$5,500,000	1997 488 owners/1,448 parcels \$4,400,000 PBID	Public Safety Maintenance Marketing Economic Development Services: 87% Admin: 13%	Building Sq. Ft. in 2 zones \$0.06 to \$0.09 per building sq.ft. 25 member board City: \$400K	Crime decreased by 20% Office occupancies increased by 14%	
CHULA VISTA, CA Chula Vista Downtown Business Association Jack Blakely 619-422-1982	1982 (BBID) 2002 (PBID) 501c6 non-profit \$578,000 13 member board	BBID in 1982; PBID in 2001 350 owners/450 parcels PBID: \$339,956 BBID: \$25,000	Graffiti Removal/Cleaning Economic Development Landscape Maintenance 78% services - 22% admin	Frontage & lot sq.ft. in 2 zones 13 member board City: \$38K, County \$52K .077 per square foot of lot + \$1.60 to \$9.35 per foot of frntg	12-15% sales tax increase 20% increased occupancies 75% decrease in graffiti	
EL CAJON, CA El Cajon CDC Clare Carpenter 619-401-8858	1996 501c3 non-profit \$1,300,000	Est 1996, Renewed 2001 123 owners/149 parcels \$568,792 PBID	Public Safety Marketing & Events Economic Development Maintenance 80% Services; 20% Admin	Frontage, lot and building sq.ft. in 3 benefit zones 9 member advisory board City: Pays \$80K assessment and provides grants County pays \$47K	Sales tax increase 48% Lease rates increased 220% \$3 million streetscape 108 new businesses 474 new jobs	
WEST HOLLYWOOD, CA Sunset Strip Business Association Todd Steadman 310-659-7368	501c6 non-profit	2003 200 businesses \$591,500 BBID	Public Safety Street Maintenance Public Outreach Policy Development 90% Services; 10% Admin	Four Business Categories Nightclubs/Bars, Hotels, Restaurant, Other Sub-categories are based on occupancy	Noise factor reduced 80-85% due to security presence Streets are cleaner due to maintenance crews 5 days a week	
SAN JOSE, CA San Jose Downtown Association Scott Knies 408-279-1775	1986 501c6 non-profit	1989 1,850 businesses \$495,000 BBID	Marketing & Promotion Events Graffiti Removal Beautification Advocacy DASH Shuttle	6 Categories of Businesses Retail & Non-Retail \$15 - \$27 per employee Apartments & Hotels \$7 per room Parking Lots \$300 Property Owners \$400 - \$6,000		
LONG BEACH, CA Long Beach CVB Steve Goodling 562-822-8048	501c6 non-profit	2005 12 hotel businesses \$3,000,000 TBID	Tourism Promotion	Assessment is 3% of the gross short term room rental	Just created in 2005	

CALIFORNIA DOWNTOWN ASSOCIATION

California's Educational Resource for Downtown and Business District Professionals

Over 30 years ago, the State of California passed landmark legislation allowing the formation of Business Improvement Districts (BID). Soon after, a pioneering group of business district managers recognized the need for an association that would provide a forum for addressing issues unique to business associations in California--the only state at the time that had passed BID legislation. This group, comprised of managers from cities as diverse as Bakersfield, Fresno, Merced, San Jose, Santa Monica and Whittier, came together over a weekend to exchange information. They shared their successes, failures, accomplishments, frustrations and created a new organization, California Downtown Association (CDA).

CDA is committed to being the primary educational resource and network for downtown and business district professionals. Our organization represents thousands of diversified businesses throughout California represented by our member downtown associations, cities, chambers of commerce, commercial business districts and industry-related vendors and consultants.

Since 1971, CDA, a membership-based 501(c) 3 nonprofit corporation, has grown from a few scattered cities to one of the strongest business district organizations in the country. This has enabled CDA to successfully lobby in the state legislature on behalf of our members for statewide improvement programs as well as for local funding legislation.

Our membership is diverse, representing main streets, historic downtowns and business districts in the rural communities of the central valley, the foothills of the Sierras, the beach communities along the northern and southern coasts, as well as the downtowns and revitalized districts located in the heart of California's urban centers.

CDA is proud to offer opportunities for education and information for a membership base that includes 30-year veterans of business district revitalization as well as those who are new to the field. California Downtown Association is the best resource for downtown and business district news and networking in the state.

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