



DATE: May 28, 2019

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT: Adoption of a Resolution to Dissolve the Downtown Business Improvement Area Advisory Board

RECOMMENDATION

That the City Council accepts the recommendation of Board Members and adopts a resolution to dissolve the Downtown Business Improvement Area Advisory Board (Attachment II).

SUMMARY

Since 2016 when assessment fees leveraged against downtown business owners were discontinued, Board members have been spending down reserves on downtown event funding, sidewalk cleanings, and marketing. Now, due to the creation of a Community Benefit District in Downtown, Board Members are recommending the dissolution of the Board.

BACKGROUND AND DISCUSSION

Hayward's Downtown Business Improvement Area (DBIA) was established by the City Council in 1985, pursuant to state law. The DBIA's purpose was to promote the economic revitalization and physical improvement of the downtown business district and to attract new businesses to the downtown. Funding for the DBIA was through assessments imposed on the business owners and collected through the City Business License.

The DBIA was created pursuant to the predecessor statute of the Parking and Business Improvement Area Law of 1989 (CA Streets and Highways Code section 36500 et seq.) The 1989 law applies to all business improvement areas that were created prior to 1989, such as the DBIA. The 1989 law required the appointment of an advisory board whose role is to make recommendations to the City Council regarding expenditure of assessment revenue and the method and basis of levying the assessments. The Downtown Business Improvement Area Advisory Board was established to serve that statutory function.

Historically, the DBIA funds received were coupled with financial support from the Hayward Redevelopment Agency and were used to promote and improve Downtown Hayward. With the State of California's decision to eliminate Redevelopment Agencies in 2011, DBIA funding was essentially reduced by fifty percent, which greatly reduced the program effectiveness. Coupled with the downturn in the economy, annual DBIA fee assessments averaged around \$43,000 when collected and were directed to select services that included

sidewalk cleaning, special event funding, and marketing. Administrative support of the DBIA has been handled through the City Manager's Office and staff time and resources to administer the remaining DBIA funds reduced time available for other priority programs.

With the formation of the Community Benefit District (CBD) in 2018, a necessary funding source has now been secured to more effectively support the downtown. By providing a stable source of revenue derived from assessments imposed on property owners, including the City and Bay Area Rapid Transit, funding generated could provide for the desired services to improve the downtown including sidewalk cleaning, security, marketing, and special events.

At the April 3, 2019 Regular Meeting of the Advisory Board, members voted to recommend the dissolution of the DBIA Board.

FISCAL AND ECONOMIC IMPACT

There is no fiscal or economic impact associated with the dissolution of the DBIA. The Business Improvement Area was created to support a robust downtown economy. The DBIA mission/vision statement is: "To create a safe, clean, and inviting downtown environment that supports existing businesses, attracts new businesses, and increases the number of downtown visitors." The cost to levy, collect and administer the DBIA funds was handled through existing City staff with no administration fees or costs for services charged to the DBIA. With the dissolution of the Advisory Board City staff resources would no longer be expended to generate the DBIA meeting packets, satisfy public meeting calendar and posting requirements, or maintain member availability.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

NEXT STEPS

If Council votes to adopt the attached resolution the DBIA Advisory Board will be dissolved. The Downtown Hayward Business Improvement Area will continue to exist but will be inactive since the Community Benefit District encompassing Downtown has now been established.

Prepared by: Suzanne Philis, Senior Secretary

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager