



DATE: May 28, 2019

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT: Approval of FY 2019-2020 Proposed Downtown Business Improvement Area Budget

RECOMMENDATION

That Council approves the Downtown Business Improvement Area (DBIA) Advisory Board final funding recommendation for the FY 2019-2020 Budget (Attachment II).

SUMMARY

At the April 3, 2019 regular meeting, DBIA advisory board members, as part of winding down the affairs of the Board, voted to recommend allocating all remaining funds to the Downtown Hayward Improvement Association (DHIA) or allocating the remaining \$4,620 for an as-yet to be determined downtown event in FY 2020. Based on legal restrictions, if Council approves the attached budget for FY 2019-2020, staff will allocate the remaining \$4,620 for an as-yet to be determined downtown event in FY 2020 as opposed to the DHIA.

BACKGROUND

Since 2016 when assessment fees leveraged against downtown business owners were discontinued, the DBIA Advisory Board members have been spending down reserves on downtown event funding, sidewalk cleanings and marketing. When they last met in 2018, DBIA Advisory Board members were told that all funds were exhausted; however, due to businesses paying fees in arrears, \$4,620 has been collected in the last year. The DBIA Advisory Board has undertaken the process for winding down its affairs in light of the recent establishment of the Downtown Hayward Improvement Association (DHIA), a community benefit district established to provide necessary funding to support downtown priorities including sidewalk cleanliness, security, marketing, and special events. This wind-down process includes a recommendation to the City Council to dissolve the DBIA Advisory Board, which is encompassed in a separate agenda item.

DISCUSSION

DBIA funding allocations primarily focused on targeted special events within the downtown. Attached to this report is a budget update that shows the allocations for FY 2019 and the remaining balance of \$4,620 (Attachment III).

At the April 3, 2019 Regular Meeting, DBIA Advisory Board members, as part of winding down the affairs of the Board, voted to recommend allocating all remaining funds to the Downtown Hayward Improvement Association, the entity overseeing the new downtown Community Benefit District, or, if that was not possible, following the staff recommendation to allocate all remaining funds for an event in FY 2020 to be determined by staff upon submittal of a funding request.

Pursuant to state law, the wind-down process of a benefit district such as the DBIA requires remaining assessment revenues to be spent or refunded to the business owners. Since transfer of the funds to another entity is not authorized by statute, staff recommends allocating the remaining funds for an event in FY 2020 as discussed above.

ECONOMIC IMPACT

There is no economic impact to the dissolution of the DBIA Advisory Board. Once Council provides direction on what to do with the remaining \$4,620, DBIA accounts will be closed.

FISCAL IMPACT

There is no fiscal impact associated with the dissolution of the DBIA Advisory Board. 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 DBIA Advisory Board, City staff resources would no longer be expended to generate the DBIA Advisory Board 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 approves the attached budget for FY 2019-2020, staff will allocate the remaining \$4,620 for an as-yet to be determined downtown event in FY 2020.

Prepared by: Suzanne Philis, Senior Secretary

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAadoo, City Manager