



Elmwood BID Advisory Board

CONSENT CALENDAR

October 26, 2021

To: Honorable Mayor and Members of the City Council
 From: Elmwood Business Improvement District Advisory Board
 Submitted by: Claudia Hunka, Chair, Elmwood BID Advisory Board
 Subject: Renewal of the Elmwood Avenue BID for Calendar Year 2022

RECOMMENDATION

Adopt a Resolution approving the Elmwood Business Improvement District Advisory Board's (hereafter "Elmwood BID Advisory Board" or "the Advisory Board") recommendation that Council: 1) approve the 2021 Annual Report and preliminary budget for proposed improvements in the District for calendar year 2022; 2) declare its intent to levy an assessment to finance improvements in the District for calendar year 2022 and 3) direct the City Clerk to schedule a public hearing on the renewal of the assessment for November 16, 2021.

FISCAL IMPACTS OF RECOMMENDATION

Projected BID revenue of approximately \$30,000 will be deposited into the Elmwood BID Fund, and expensed from budget code 782-21-208-251-0000-000-446-636110. The BID constitutes an independent funding source that must be targeted to commercial revitalization efforts that are recommended by the Advisory Board. The City of Berkeley operates a parking lot within the district and will thus be assessed \$1,000 for 2022, paid through the Off-Street Parking Fund. To the extent that the work of the Elmwood BID enhances the development of the Elmwood commercial district and its business climate over the long term, the BID contributes towards improving City revenues through increased sales and property taxes.

CURRENT SITUATION AND ITS EFFECTS

Under the State of California Parking and Business Improvement Area law of 1989 (California Streets and Highways Code section 36500 et.seq.) the City Council must approve an Annual Report prepared by the BID Advisory Board with a proposed budget for the next year as a requirement to levy new assessments. Accordingly, at its meeting of September 10, 2021, the Elmwood BID Advisory Board voted to recommend that the City Council approve the Annual Report of 2021 and budget for 2022 and adopt a Resolution of Intention to renew the assessment (M/S-Hunka/Souza; Ayes: Hunka, Souza, Stepak; Nays: none). The Resolution of Intention also sets a public hearing date for November 16, 2021 where affected Elmwood businesses can express support or opposition to renewal of the BID for 2022. If written and/or oral protests are received

from businesses proposed to pay a majority of the assessment prior to or at the public hearing, Council cannot vote to levy assessments for 2022. If no majority protest is received, the Council may renew the assessment.

BACKGROUND

The Elmwood BID was established in November 2013 to provide the Elmwood Business Association with a sustainable, predictable source of funding for its activities to promote, maintain, and beautify the Elmwood commercial district. The Elmwood Business Association has used the funds raised through the BID to implement a variety of activities such as place-based marketing, events, and capital improvements.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

By maintaining and enhancing the district, the Elmwood BID creates shopping opportunities for residents and visitors alike while encouraging alternative forms of transportation. The environmental enhancements such as seasonal signage, window displays, parklets and holiday decorations contribute to making the Elmwood district a more pleasant walking and biking destination. Because the District is well served by public transportation and biking infrastructure, these services indirectly support environmental sustainability goals of encouraging alternative transportation modes and decreasing carbon emissions.

RATIONALE FOR RECOMMENDATION

State law requires that the City Council annually renew the Elmwood BID by first passing a resolution stating Council's intention to levy an annual assessment and scheduling a public hearing on the proposed renewed assessment for the coming year.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Kieron Slaughter, Secretary to the Elmwood BID Advisory Board, (510) 981-2490

Attachments:

1: Resolution

- Exhibit A: Elmwood BID Annual Report and proposed budget for 2022
- Exhibit A1: Map of the Elmwood BID
- Exhibit A2: Assessment Rates

RESOLUTION NO. -N.S.

APPROVING THE 2021 ANNUAL REPORT AND PROPOSED BUDGET OF THE ELMWOOD BUSINESS IMPROVEMENT DISTRICT FOR 2022; DECLARING COUNCIL'S INTENTION TO LEVY AN ASSESSMENT IN THE DISTRICT FOR 2022; AND DIRECTING THE CITY CLERK TO SCHEDULE A PUBLIC HEARING FOR NOVEMBER 16, 2021 REGARDING LEVYING OF A RENEWED ASSESSMENT FOR 2022

WHEREAS, the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code section 36500 et seq.) authorizes cities to establish parking and business improvement areas for the purpose of imposing assessments on businesses for certain purposes; and

WHEREAS, on November 19, 2013 the Berkeley City Council established such an area known as the Elmwood Business Improvement District (the "District"); and

WHEREAS, the City Council established a Elmwood Business Improvement District Advisory Board (Advisory Board) to act in compliance with State law to oversee the activities of the District; and

WHEREAS, the Advisory Board has submitted an Annual Report to the Berkeley City Council that outlines the activities of the District proposed for 2022 as required by the California Streets and Highways Code Section 36533; and

WHEREAS, the Annual Report is clear and complete and found to comply with the interests of Elmwood BID assessees; and

WHEREAS, the annual process for levying assessments in Business Improvement Districts requires that cities adopt a Resolution of Intent that declares their intent to levy such an assessment and then set a date for a public hearing where interested parties may be heard on the issue.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley as follows:

Section 1. The City Council hereby approves the Elmwood Business Improvement District Annual Report for 2021-22 (Exhibit A) as submitted to the City Clerk by the Elmwood Business Improvement District Advisory Board.

Section 2. Pursuant to the provisions of Section 36500 et seq. of the California Streets and Highways Code (the "Act"), the City Council declares its intent to levy an annual assessment for the parking and business improvement area known as the Elmwood Business Improvement District.

Section 3. The boundaries of the District are set forth in Exhibit A1 to the 2021-22 Annual Report which is attached hereto and incorporated herein by reference.

Section 4. The improvements and activities proposed for the District are as described in the Report and budget (Exhibit A) and appended hereto.

Council intends that these funds be used for designated activities and improvements in the Elmwood commercial area. Council explicitly intends that funds generated through this BID shall not be used to pay for activities routinely paid for by the City.

Section 5. The City Council intends to levy assessments on businesses located within the boundaries of the District shown Exhibit A1 and according to the business classifications and rates set forth in Exhibit A2 which is attached hereto and incorporated herein by reference.

Section 6. A public hearing shall be held before the City Council on November 16, 2021, virtually on a publicly accessible video conference call. Following the hearing the Council will consider adoption of a resolution levying an assessment as recommended by the Elmwood Business Improvement Advisory Board. At this hearing the Council will hear all interested persons for or against the levying of such an assessment.

Formal protests against the levying of the District assessment must be made in writing. All written and oral protests should contain the following certification: "I certify that I am the owner of the business listed below, and that the business is located or operates within the boundaries of the Elmwood Business Improvement District." Protests should also contain the following information: business name (printed), business address (printed), City Business License Tax Registration number, name of protester (printed), signature of protester, date of protest and the reason(s) the protester is against the levying of the District assessment. Protests will not be considered valid unless signed and submitted by the owner of a business located within the boundaries of the proposed District. Written protests shall be filed with the City Clerk, First Floor, City Hall, at 2180 Milvia Street, Berkeley, California, 94704, at or before 3 pm on November 16, 2021 and shall contain a description of the business sufficient to identify the business, and if the person so protesting is not listed on City records as the owner of the business, the protest shall be accompanied by written evidence that the person subscribing the protest is the owner of the business. 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. If written protests are received from the owners of businesses in the District which will pay fifty percent (50%) or more of the assessment proposed to be levied, no further proceedings to levy the 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 activities within the District, those types of improvements or activities shall be eliminated.

Section 7. The City Clerk is directed to give notice of said public hearing by publishing the Resolution of Intention in a newspaper of general circulation.

Exhibits

A: Annual Report for the Elmwood Business Improvement District for 2021-22

A1: Map of the Elmwood BID

A2: Assessment Rates

EXHIBIT A

Annual Report for the Elmwood Business Improvement District for 2021-22

August 31, 2021

To: Members of the Berkeley City Council
From: The Elmwood Business Improvement District Advisory Board
Re: 2022 Elmwood BID Renewal

We respectfully request that the Elmwood Business Improvement District be renewed for the 2022 fiscal year, without any changes to the assessment method or amount.

The Elmwood BID was established in November 2013 to promote, maintain and beautify the Elmwood commercial district. Revenues of roughly \$30,000 per year provide a regular, predictable source of funding for the activities of the Elmwood Business Association (EBA). The Elmwood BID has allowed the EBA to expand its activities into areas such as maintenance and capital improvements.

The Elmwood Business Association is continuing to be the catalyst for Elmwood Business District's on-going vitality. Here are some highlights of our projects:

- Maintenance of year-round lighting installation on district buildings
- Website: www.shoptheelmwood.com serves as one of the district's main marketing tool – District Events, Introducing New Businesses, and on-going marketing updates
- Hired a landscaping contractor to maintain 70 tree wells – currently on a bi-monthly maintenance schedule
- Quarterly weeding and cleaning of Russell St. parking lot partnering with UC Berkeley
- Installation and maintenance of security camera at Russell St. parking lot
- Maintaining a part-time Administrative Assistant to:
 - Post on social media
 - Manage merchant communications
 - Promote monthly happenings/specials among Elmwood Merchants
 - Updating the website to keep it current
- Sponsored the following events:
 - Due to Covid pandemic, EBA had to halt all in-person events that would bring people to the shopping district
- Held a Merchant Social in an outdoor setting along with our Annual Meeting
- Members of the board active in other Berkeley commercial and residential neighborhoods to promote harmony and cooperation
- Planned (but halted during pandemic) Elmwood District Shopping Guide/Map
- Halloween window scavenger hunt, Christmas holiday hunt

Below for your review is a summary of our current financial position and our proposed budget for 2020-2021

2021-22 Projected Expenditures Elmwood Business Association

Elmwood Business Association

2022 Budget

| INCOME | 2022 Budget | 2021 Actual | 2021 Budget |
|--|------------------|------------------|------------------|
| Operating Income | | | |
| BID Membership dues | \$ 22,000 | \$ 30,000 | \$ 30,000 |
| <i>Other (Partial BID Payment, Wine Walk Income)</i> | \$ 9,700 | \$ - | \$ 10,200 |
| Total Operating Income | \$ 31,700 | \$ 30,000 | \$ 40,200 |
| Non-Operating Income | | | |
| Other | | | |
| Total Non-Operating Income | \$ - | \$ - | \$ - |
| Total INCOME | \$ 31,700 | \$ 30,000 | \$ 40,200 |

| EXPENSES | | | |
|---|----------|----------|----------|
| Advertising & Marketing | | | |
| Banner maintenance | \$ 2,400 | \$ - | \$ - |
| Wine Walk production | \$ 4,600 | \$ - | \$ 5,500 |
| Spring event production | \$ 1,100 | \$ - | \$ - |
| Summer event production | \$ 2,200 | \$ - | \$ - |
| <i>Special Event-Art & Music Week</i> | \$ - | \$ - | \$ 9,800 |
| Web Hosting and Domains | \$ 750 | \$ 693 | \$ 750 |
| General Marketing, Ads, Social media | \$ 300 | \$ - | \$ - |
| Halloween event production | \$ 300 | \$ - | \$ - |
| Holiday season event production (incl. tree lights) | \$ 600 | \$ 6,966 | \$ 3,000 |
| Event planning | \$ 250 | \$ - | \$ - |
| EBA Expansion research | \$ 100 | \$ - | \$ - |
| Charity | | | |
| Wine Walk partner | \$ 1,500 | \$ - | \$ 1,500 |
| Consulting & Accounting | | | |
| Accounting S/W | \$ 100 | \$ 73 | \$ 120 |
| Dues and Subscriptions | | | |
| Chamber of Commerce | \$ 300 | \$ 3 | \$ 900 |
| Insurance | | | |
| Liability for EBA | \$ 550 | \$ 500 | \$ 500 |
| Liability for Board members | \$ 750 | \$ 711 | \$ 1,200 |
| License & Permits | | | |
| Taxes & Licenses | \$ 50 | \$ 30 | \$ 50 |
| Lobbyist registration | \$ 500 | \$ - | \$ - |
| Other: Office Supplies/Annual Mtg. | | | |
| Printing/copy | \$ 650 | \$ 143 | \$ 800 |

| | | | |
|----------------------------------|------------------|------------------|------------------|
| Postage & Delivery (PO Box) | \$ 150 | \$ 150 | \$ 150 |
| Miscellaneous | \$ 200 | \$ 134 | \$ 1,200 |
| Repairs and Maintenance | | | |
| Gardening (Tree wells) | \$ 700 | \$ - | \$ 600 |
| Professional Fees | | | |
| Legal and Professional Fees | \$ 200 | \$ - | \$ 500 |
| Security | | | |
| Surveillance System Installation | \$ 2,500 | \$ - | \$ 2,500 |
| Surveillance System Maintenance | \$ 400 | | |
| Holiday Private Security | \$ 5,500 | \$ 4,000 | \$ 6,500 |
| Admin Support | | | |
| Wages | \$ 9,000 | \$ 8,250 | \$ 9,000 |
| Total Operating Expenses | \$ 35,650 | \$ 21,653 | \$ 44,570 |

| | | | |
|--------------------------|----------------------|-----------------|-------------------|
| Retained Earnings | \$ (3,950.00) | \$ 8,347 | \$ (4,370) |
|--------------------------|----------------------|-----------------|-------------------|

Thank you for your attention to this matter. We look forward to an equally productive year for the BID in 2022.

Exhibit A1: Elmwood Business Improvement District, Map

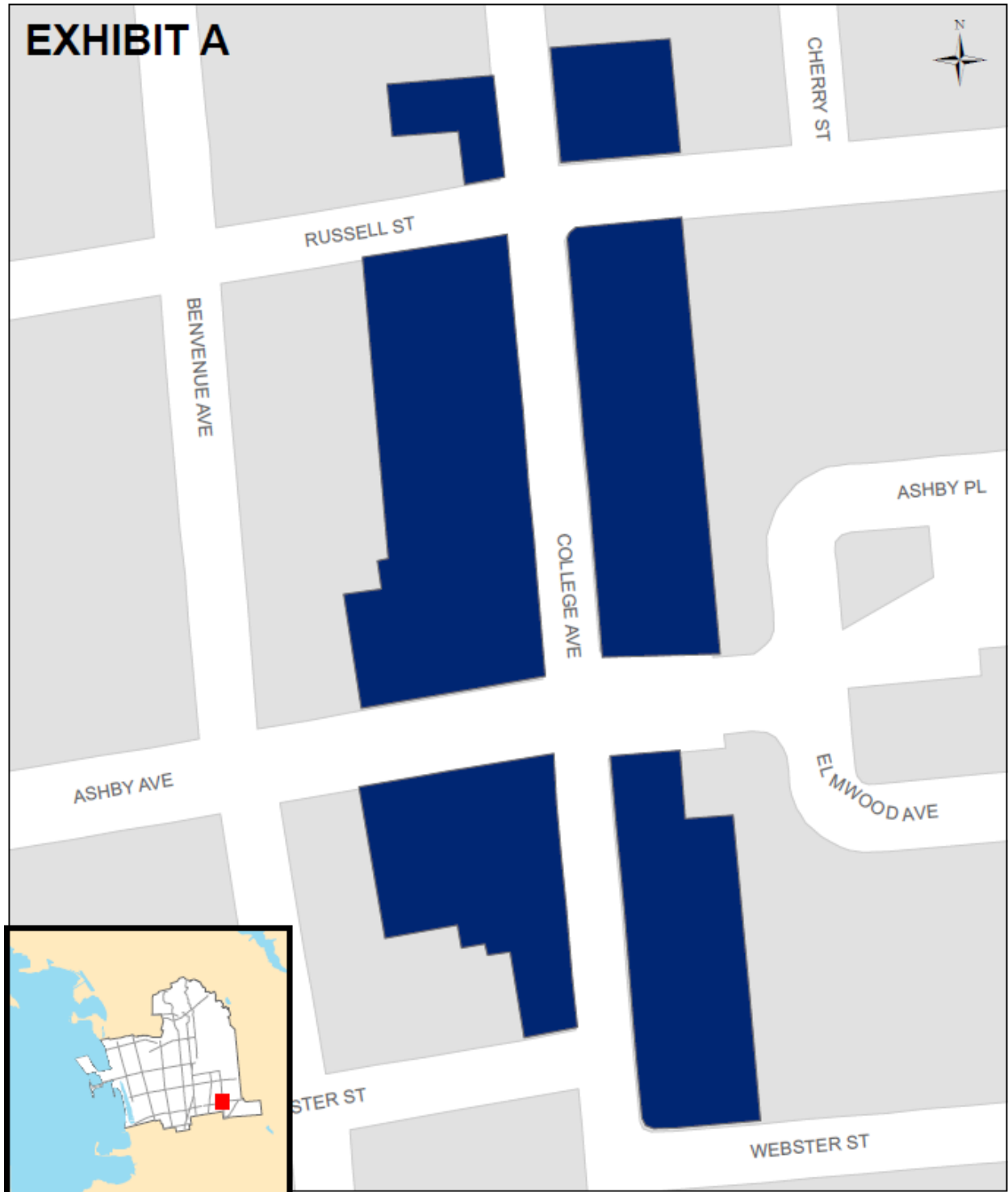


Exhibit A2: Elmwood Business Improvement District, Assessment Rates

| Classifications | Rates |
|---|---|
| Retail including jewelers and groceries but not restaurants (Tax Codes R, M and G but without NAICS 722, Food Services and Drinking Places) <ul style="list-style-type: none"> Gross receipts under \$350,000 Gross receipts \$350,000=\$999,000 Gross receipts \$1,000,000 | \$250.00 per year \$350.00 per year \$500.00 per year |
| Restaurants, including all businesses that prepare and serve food at the request of customers (NAICS 722) | \$500.00 per year |
| Professionals including offices of real estate brokers (Tax Code P) <ul style="list-style-type: none"> Gross receipts under \$100,000 Gross receipts over \$100,000 | \$300.00 per year \$400.00 per year |
| Entertainment and Recreation (Tax Code E) | \$450.00 per year |
| Business, Personal and Repair Services (Tax Code B) except Hair, Nail and Skin Cares Services (NAICS 81211) | \$200.00 per year |
| Hair, Nail and Skin Care Services (NAICS 81211) | \$250.00 per year |
| Parking lot operators | \$1,000.00 per year |
| Financial Institutions | \$2,500.00 per year |

Any business that is classified as a nonprofit (Tax Code N) for business license purposes shall nevertheless pay the assessment at the rate that corresponds to its North American Standard Industrial Classification if it is engaged in the sale of products or services and occupies a space zoned for commercial purposes.