TO:       HONORABLE CITY COUNCIL
FROM:     CITY MANAGER          DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT
DATE:     MAY 21, 2007           CMR: 244:07
SUBJECT:  PUBLIC HEARING ON THE PALO ALTO DOWNTOWN BUSINESS IMPROVEMENT DISTRICT AND APPROVAL OF A RESOLUTION OF THE CITY COUNCIL CONFIRMING THE REPORT OF THE ADVISORY BOARD AND LEVYING AN ASSESSMENT FOR FISCAL YEAR 2007-08 IN CONNECTION WITH THE DOWNTOWN PALO ALTO BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION

Staff recommends that the City Council:

1. Hold a public hearing on the levy of proposed assessments in fiscal year 2007-08 in connection with the Downtown Palo Alto Business Improvement District and
2. Approve a resolution confirming the report of the Advisory Board and levying an assessment for Fiscal Year 2007-08 in connection with the Downtown Palo Alto Business Improvement District

BACKGROUND

On May 7, 2007, the City Council:

- Adopted a resolution preliminarily approving the report filed by the Palo Alto Downtown Business Improvement District Advisory Board for the 2007-08 fiscal year;
- Adopted a resolution of intention to levy the annual assessment for 2007-08; and
- Set May 21, 2007 at 7:00 p.m. as the date and time for the public hearing on the levy of the proposed assessments.
DISCUSSION

The City Council is required to annually hold the public hearing, approve the 2007-08 Budget Report and determine whether or not to levy the annual assessment for the Palo Alto Downtown Business Improvement District (BID) for fiscal year 2007-08.

Absent a majority protest at the public hearing, at the conclusion of the public hearing the Council may adopt a resolution approving the report for Fiscal Year 2007-08 as filed or as modified by the Council at the conclusion of the public hearing. The adoption of the resolution constitutes the levying of the BID assessments for fiscal year 2007-08.

The staff report is attached from May 7, 2007 which describes the actions related to the BID, including the report of the Palo Alto Downtown Business and Professional Association (PADBPA) to the City Council. (Attachment 2).

RESOURCE IMPACTS

Adoption of the proposed BID budget does not directly impact City revenue. BID assessments are restricted for use exclusively by the BID. It is anticipated that a healthy BID will encourage growth of the retail community and consequently result in additional sales tax revenue for the City. The Attorney’s Office will continue to provide legal oversight to the BID during the annual reauthorization process. Administrative Services staff provides assistance to the Planning Department in the collection of BID assessments. The Economic Development Manager will continue to provide oversight to the BID and will prepare the annual reauthorization.

Estimates indicate that the cost of collection by the City will continue at the current level of $16,000 yearly. If costs significantly exceed the estimated $16,000 estimate of administering assessments, staff will consider an administrative charge to the Palo Alto Downtown Business and Professional Association (which administers the BID), as allowed for under the contract, to offset these costs.

ENVIRONMENTAL REVIEW

This action by the City Council is not considered a project under the California Environmental Quality Act.
ATTACHMENTS

Attachment 1: Resolution of the City Council of the City of Palo Alto Confirming the Report of the Advisory Board and Levying an Assessment for Fiscal year 2007-08 in Connection with the Downtown Palo Alto Business Improvement District

Attachment 2: CMR: 170:07 Adoption of Resolution Preliminarily Approving BID Advisory Board’s 2007-08 Budget Report and Adoption of Resolution of Intention to Levy 2007-08 Assessments in the Palo Alto Downtown Business Improvement District and Setting a Public Hearing on the Levy of Assessments

PREPARED BY: SUSAN BARNES ARPAN, Economic Development and Redevelopment Manager

DEPARTMENT HEAD REVIEW: STEVE EMSLIE
Director of Planning and Community Environment

CITY MANAGER APPROVAL: EMILY HARRISON, Assistant City Manager