Atascadero City Council
Staff Report – City Manager's Office

Downtown Parking & Business Improvement Area (PBIA)
(FY 2007-2008) Confirmation of Annual Assessment

(Request for Council to confirm annual assessment for downtown PBIA.)

RECOMMENDATION:

Council adopt the Draft Resolution confirming annual assessment for Downtown Parking & Business Improvement Area (Fiscal Year 2007-2008).

DISCUSSION:

Background: The City of Atascadero established a Downtown Parking and Business Improvement Area in 1986 (Chapter 11 of the Atascadero Municipal Code) for the purpose of acquisition, construction or maintenance of parking facilities, decoration of public places, promotion of public events, and general promotion of business activities in the downtown area. The formation and operation of a Business Improvement Area is governed by the California Streets & Highways Code (Section 36500 et. Seq.) Historically, the budget for the Business Improvement Area is submitted in conjunction with the City’s annual budget.

In each of the last five fiscal years from 2001, through 2006, the Council confirmed the annual assessment for the Downtown Parking & Business Improvement Area, and contracted with Atascadero Main Street, Inc., to administer the Downtown Parking & Business Improvement Area funds for downtown improvement activities and events. Atascadero Main Street received $9,500 fiscal year 2001-2002, $10,500 fiscal year 2002-2003, $10,500 fiscal year 2003-2004, $10,500 fiscal year 2004-2005, $10,500 for 2005-2006, and 2006-2007.

Analysis: The Streets & Highways Code requires that the “advisory board” provide a report to the City Council annually for the expenditure of funds derived from the assessment paid by businesses in the downtown area. The Atascadero Main Street Board of Directors functions as the “advisory board”. The report (Attachment I) identifies the proposed improvements and activities for the area, based upon the National Main Street Program’s four-point approach. The report does not propose any changes to the area or of the assessment. The Downtown Parking and Business Improvement Area assessments collected by the City are estimated at approximately $10,500 annually. The recommended action would confirm the assessment and collection of these funds for downtown revitalization activities for 2007-2008.
City Code Section 3-11.09 permits the City to enter into an agreement with an agency to expend District revenues consistent with City regulations. The City of Atascadero contracts with Atascadero Main Street, Inc., to expend the Downtown Parking and Business Improvement Area finds received by the City. The Atascadero Main Street Board of Directors are proposing expenditures for 2007-2008 with the Downtown Parking and Business Improvement Area funds as follows:

<table>
<thead>
<tr>
<th>BIA Funds requested for 2007-2008</th>
<th>$10,500</th>
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</thead>
<tbody>
<tr>
<td>Carry over from 2007-2008</td>
<td>$0</td>
</tr>
<tr>
<td>Total Proposed Funding Available</td>
<td>$10,500</td>
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</tbody>
</table>

2007-2008 Proposed Expenditures:

- Signage & Banners $500
- Membership Directory $1,500
- Fast Façade Augmentation $1,500
- Art Coordination $1,000
- Winter Wonderland $5,000
- Sweetheart Stroll $1,000

Total Proposed Expenditures for 2007-08 $10,500

Fund Residual $0

The City Council adopted a draft Resolution of Intention on May 8, 2007, and set a public hearing for June 12, 2007 to receive public comment. Following the public hearing, the Council can adopt a Resolution confirming the report as originally filed or as changed by the Council. Adoption of the resolution constitutes the levying of assessment.

**FISCAL IMPACT:**

Downtown Parking and Business Improvement District revenue of approximately $10,500 for fiscal year 2007-2008.

**ALTERNATIVES:**

1. The City Council may not confirm the resolution to levy the assessment, thereby eliminating the revenue and funding of Main Street.
2. The City Council may grant Atascadero Main Street, Inc., the Downtown Parking and Business Improvement Area assessment funds in an amount lower than recommended.
3. The City Council may redirect the Downtown Parking and Business Improvement Area assessment funds and cancel the contract with Atascadero Main Street, Inc.

Alternatives 1, 2 and 3 are not recommended because planned downtown revitalization efforts would be reduced or eliminated.

**ATTACHMENTS:** Draft Resolution