



# Administrative Report

H.18., File # 20-1277

Meeting Date: 10/20/2020

**To:** MAYOR AND CITY COUNCIL

**From:** STEPHEN PROUD, WATERFRONT AND ECONOMIC DEVELOPMENT  
DIRECTOR

## **TITLE**

ADOPT BY TITLE ONLY, RESOLUTION NO. CC-2010-079, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPOINTING AN ADVISORY BOARD IN CONNECTION WITH THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT AND DIRECTING THE PREPARATION OF A REPORT FOR FISCAL YEAR 2021;

RECEIVE AND FILE THE ADVISORY BOARD'S ANNUAL REPORT FOR 2021;

ADOPT BY TITLE ONLY, RESOLUTION NO. CC-2010-080, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPROVING THE REPORT OF THE ADVISORY BOARD FOR FISCAL YEAR 2021 IN CONNECTION WITH THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT;

ADOPT BY TITLE ONLY, RESOLUTION NO. CC-2010-081, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ASSESSMENT AGAINST BUSINESSES WITHIN THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2021 AND SETTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO; AND

SET DECEMBER 1, 2020 AT 6:00P.M. AS THE DATE AND TIME FOR THE PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS

## **EXECUTIVE SUMMARY**

The Riviera Village Business Improvement District (the "BID") was established by the City Council in 2003 pursuant to the California Parking and Business Improvement Area Law of 1989 (Section 36500 of the Streets and Highway Code) to promote the economic revitalization and physical maintenance of the Riviera Village business district. The City Council appointed an Advisory Board for the BID to:

- (i) advise the City Council on the method and basis for the levy of assessments within the BID; and
- (ii) report on the expenditure of revenues derived from the assessments. The BID operates on a year-to-year basis with an annual expiration on December 31. Annual renewal of the BID and the related assessments require City Council action.

## **BACKGROUND**

The Riviera Village Business Improvement District ("BID") was established by the City Council in 2003 pursuant to the California Parking and Business Improvement Area Law of 1989 (Section 36500 of the Streets and Highway Code) to promote the economic revitalization and physical maintenance of the Riviera Village Business District. Annual renewal of the BID and the associated assessments requires approval by the City Council. As part of the annual renewal, the City Council appoints an Advisory Board for the BID (the "Advisory Board") to advise the City Council on: i) the method and basis for the levy of assessments within the BID; and ii) the expenditure of revenues derived from the assessments. Consistent with previous City Council actions, the Board of Directors for the Riviera Village Association (the "RVA") is proposed to serve as the Advisory Board for the BID. The BID is required to have a non-profit corporation oversee the management functions of the BID on behalf of the BID businesses. The RVA serves as that non-profit corporation and staff will bring forward a contract between the City and the RVA at the December 1, 2020 Public Hearing that will allow BID management to continue to occur via the Advisory Board and non-profit corporation.

BID funds are collected from businesses by the City via the annual business license renewal process. All business license holders located within the boundaries continue to be members of the BID. Each license holder (with the exception of non-profit organizations who elect not to participate in the BID) is assessed as follows: Each business license holder pays a base fee of \$100 plus a fee of \$29 per employee per year to a maximum assessment of \$1,000. Those licensees who are property owners are assessed on a per unit basis with a base fee of \$100 plus \$29 per rental unit per year, with a maximum assessment of \$1,500. Examples: A licensee with 10 employees would pay a total annual assessment of \$390. A licensee with no employees would pay a total annual assessment of \$100. A license property owner with four rentals would pay an annual assessment of \$216.

Per the 2021 BID report, the Board's goal is to distribute the funds as follows: 50% marketing, 40% beautification and 10% administrative costs. Please see Exhibit A for current budgeted expenses. The total fees from the 2021 BID, based on the above formula, are estimated to be approximately \$80,000.

## **FISCAL YEAR 2020 ACCOMPLISHMENTS INCLUDE:**

### **BEAUTIFICATION FUNDS:**

#### **POTS AND PLANTS:**

The BID continues to maintain and replenish the hanging pots and sidewalk pots along Catalina Ave, Avenue I, Avenida del Norte and Elena. .

#### **JOINT PROJECTS WITH CITY:**

The BID and City staff worked together to add parklets at various locations to allow for outdoor dining as well as sidewalk sales for other types of businesses. These parklets were developed in response to COVID-19 restrictions that restrict indoor uses. The parklets program has allowed the Riviera Village to retain many businesses which otherwise would not have survived the COVID-19 pandemic and is arguably the most beneficial project the BID has undertaken since its formation. Initial construction of the parklets began just before the weekend of July 4<sup>th</sup> and the BID has overseen the development of 15 total parklets. In mid-September, the BID received approval from the Coastal

Commission & the City of Redondo Beach to add approximately 5-7 parklets along Avenue I and Avenida del Norte.

Given that COVID-19 restrictions are likely to remain in place into 2021, the BID recently conducted a hydrology study to determine if any alterations are needed for the parklets to function effectively through the winter rain season. Based on the results of the study, the BID will modify the existing parklets, as well as build any future parklets, to meet the hydrology study's criteria. The BID paid for most of the upfront construction costs associated with the parklets and the various businesses using the parklets are paying a monthly fee to the RVA to reimburse the expenditures associated with the construction. In addition, the City recently provided a \$50k grant to the RVA to help offset some of the costs associated with the parklet program.

#### **VILLAGE BANNERS:**

The BID holiday banners will be installed on all streetlight poles during the holiday season and then replaced by the new "All Season" banners which represent the positive branding of the Riviera Village.

#### **DIGITAL DIRECTORY SIGN:**

The BID continues to enhance the appearance of its Digital Directory by the Kiosk (Catalina Ave & Vista del Mar) that promotes events and businesses within the Riviera Village. Last year a graphic wrap was placed over the metal box which holds the Digital Directory. The BID is considering locations for a 2<sup>nd</sup> Digital Directory.

#### **ART WRAP PROJECT - JUNCTION BOXES:**

After the Digital Directory received an Art Wrap, the BID came up with the idea of wrapping the old Frontier junction box near the South/West corner of Catalina Ave & Avenue I. Because the Art Wrap has been well received, the BID is working with City staff to wrap the seven (7) remaining City-owned metal junction boxes within the Riviera Village. The Public Art Commission voted to approve this project.

#### **MARKETING/PROMOTIONAL FUNDS:**

##### **FIRST FRIDAY'S & SIDEWALK SALES**

The BID began a First Friday program in 2018 and in 2019 added a "Theme" to each First Friday (i.e. Halloween in October), however due to the current COVID-19 restrictions, the First Friday's monthly event is on an indefinite hold. Once the restrictions are lifted, the BID is prepared to revive the monthly First Fridays with live music, etc..

##### **HALLOWEEN & HOLIDAY STROLL:**

Due to COVID-19 restrictions the Halloween & Holiday Stroll events have been canceled for this year.

##### **RIVIERA VILLAGE TOTE BAGS:**

The BID created Riviera Village tote bags which are available to businesses within the BID at no charge. In addition to saving paper by offering reusable tote bags, the Riviera Village logo is on all the bags which helps to market/promote the Village.

**WEBSITE & SOCIAL MEDIA MARKETING:**

The BID's website was updated to today's new standards available at <http://RivieraVillage.net>. The website provides valuable information for people interested in the businesses within the Village and the RVA events. In addition, the BID retains a marketing company which keeps all of the social media updated (Facebook, YELP, Instagram and more) while also sending out regular newsletters via email.

**CERTIFIED FARMERS MARKET:**

The BID continues to support the Certified Farmers Market located in the Triangle Parking Lot (between Elena & Avenida del Norte) on Sundays between 9am and 2pm. The manager of the Farmers Market in accordance with the COVID-19 restrictions has vendors spaced apart properly, requires face masks and provides hand sanitizer. The Farmers Market was identified by UCLA as a safe location for their blood donation drive this year.

**ADMINISTRATIVE FUNDS:****INSURANCE POLICY:**

General Liability Insurance required by the City of Redondo Beach was renewed. Officers and Directors Liability Insurance was also renewed. Certificate of Insurance for Events (Outside Dining Parklets & Sidewalk Sale during COVID-19) is in place as well.

**BUSINESS LICENSE VERIFICATIONS:**

Annual Business License verification walkthrough procedure began in late 2018 and has resulted in an increased number of businesses obtaining business license permits, which benefits both the BID and the City. Fiscal Year breakdown below of BID fees collected:

**FY16-17 = \$74,943**

**FY17-18 = \$76,491**

**FY18-19 = \$78,945**

**FY19-20 = \$87,494**

Pursuant to California State BID law, the City must request, and the Advisory Board must submit to the City Council, an annual report that proposes a BID budget for Fiscal Year 2021. The report must: 1) outline any proposed changes to the boundaries of the area; 2) list the improvements and activities expected in Fiscal Year 2021; 3) estimate the cost of providing the improvements and activities; 4) set the method and basis for the levy of assessments; 5) identify surplus or deficit revenues to be carried over to Fiscal Year 2021; and 6) identify any funding from sources other than assessments.

The Advisory Board has prepared the attached Annual Report ("Report") for the City Council's consideration. The report contains a list of the improvements, activities, and associated costs proposed within the BID for Fiscal Year 2021, and this submission to the City Council satisfies the requirement of law to file the report with the City Clerk. The Advisory Board has recommended no change to the 2021 BID boundaries nor the method and basis for levying assessments. The proposed Fiscal Year 2021 assessments are equal to the assessment for Fiscal Year 2020.

**2021 ANTICIPATED GOALS AND PROJECTS:**

- The top BID goal remains working with the Mayor, City Council and City staff to complete the Sidewalk Pavers Capital Improvement Project (CIP) throughout the Village. Each segment of the CIP which gets completed adds to the ambiance of the village encouraging more outside dining which brings in more revenue both for the businesses and the City.
- Another BID goal is to add a Roundabout at Catalina Ave & Avenue I; roundabouts both improve traffic flow while separating pedestrians from vehicle traffic inside the roundabout where the vehicles travel.
- The BID's current long-term goal is adding a parking garage to the existing triangle parking lot to improve parking availability.
- The BID plans to continue to add and maintain the plants in the large pots on Catalina Avenue, Avenue I, Avenida Del Norte, and Elena.
- The BID will continue meeting regularly with the Redondo Beach City staff to focus on improvements for the Riviera Village.
- The BID will further develop its website/marketing/social media program for the Village.
- The BID has been meeting with the Redondo Beach Travel and Tourism (RBTT) Board to work on a consolidated map for hotels, the pier & harbor which would benefit visitors having one organized map for the area.
- Based on positive comments received from businesses and visitors regarding the parklets, the BID would like to explore how they could remain in place after the COVID-19 restrictions are lifted.

### **COUNCIL ACTIONS**

The City Council is requested to take the following actions:

1. Review the report and preliminarily approve the report as proposed or amended by City Council;
2. Adopt three resolutions, including a Resolution of intention to Levy the Assessments for the coming Fiscal Year; and
3. Set a date and time for the Public Hearing on the levy of assessments in the BID.

Following the Public Hearing proposed for December 1, 2020, the City Council will be asked to adopt a resolution approving the report for Fiscal Year 2021, as filed or modified by the City Council absent a majority protest, and allowing the levying of assessments for fiscal Year 2021 which begins January 1, 2021.

### **COORDINATION**

The Riviera Village BID renewal is coordinated by the Waterfront and Economic Development Department, with assistance from the City Manager's Office, City Attorney's Office and the Financial Services Department.

The Financial Services Department will continue to provide assistance with the BID assessment, receipt of payments, and the processing of these assessments and payments. The Waterfront and Economic Development Department has taken the lead in the annual renewal process with assistance from the City Manager's Office.

### **FISCAL IMPACT**

Adoption of the proposed BID budget is not expected to have a direct fiscal impact on the City's budget. BID assessments are restricted for use exclusively by the BID and must be reported to the City Council annually. It is anticipated that a BID will encourage activity and retail growth, potentially resulting in additional sales tax revenue for the City.

### **APPROVED BY:**

*Joe Hoefgen, City Manager*

### **ATTACHMENTS**

Resolution - Appointing an Advisory Board  
Resolution - Approval of the Advisory Board Report  
Resolution - Declaring Intent to Levy Assessment  
FY 2020 Annual Report & Financials - RVA  
FY 2021 Annual Report & Financials - RVA