TO:         HONORABLE CITY COUNCIL

FROM:       CITY MANAGER          DEPARTMENT: City Manager’s Office

DATE:       May 3, 2004            CMR: 237:04

SUBJECT:    APPROVAL OF THE RESOLUTION TO APPOINT THE BOARD
OF DIRECTORS OF THE PALO ALTO DOWNTOWN BUSINESS
AND PROFESSIONAL ASSOCIATION (PADBPA) AS THE
ADVISORY BOARD FOR THE DOWNTOWN PALO ALTO
DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID)

RECOMMENDATION

Staff recommends that the City Council approve the resolution to appoint the Board of Directors of the Palo Alto Downtown Business and Professional Association (PADBPA) as the Advisory Board of the Downtown Palo Alto Business Improvement District (BID) and direct the Board to prepare the annual report for the 2004-05 fiscal year.

BACKGROUND

The Downtown Palo Alto BID is an organization of businesses authorized by state law (California Streets and Highway Code Section 36500). The purpose of a BID is to promote and improve the Downtown area for the benefit of the businesses in the BID area. Annual fees paid by the businesses in the district fund the BID.

Activities that can be funded with BID proceeds include:

- Enhanced maintenance
- Promotional events
- Provision of banners, directional markers, etc.
- Staff to coordinate activities
- Coordination of business, City and community interests
- Provision of business information, marketing materials and maps to highlight downtown businesses

An advisory board is initially appointed by City Council and in subsequent years individual members of the Board will be selected by the BID general membership. The
Advisory Board oversees the BID’s operations. State law specifies that each BID have an advisory board that provides an annual report to City Council on BID assessments, BID activities and the BID annual budget.

DISCUSSION

At the present time, an Advisory Board appointed by the City Council is comprised of the following business representatives:

- Stephanie Wansek  Cardinal Hotel
- Victoria Lukanovich  F1 IT Consulting
- James Maliksi  Maliksi Architectural Design
- Beth Rosenthal  Psychologist
- Cornelia Pendleton  University Art
- Georgie Gleim  Gleim Jewelers
- Warren Tohia  Tohia Brothers
- Israel Zehavi  Diamonds of Palo Alto
- Marc Dickow  Jungle Copy
- John Aylward  Café Niebaum Coppola
- Alex Resnick  Spago’s
- Faith Bell  Bell’s Books
- Sandra Lonnquist  Palo Alto Chamber of Commerce
- Sunny Dykwel  Alain Pinel Realtors
- Barbara Gross  Garden Court Hotel

This group has worked with an attorney to form a 501 (c) (6) organization, the Palo Alto Downtown Business and Professional Association (PADBPA) The corporation was registered with the State of California on March 24, 2004. The current BID advisory board members are also the members of the Board of Directors of the non-profit.

The Council-appointed Advisory Board will also serve as the Board of Directors of PADBPA for FY 2004-05 to provide continuity in the first full year of operation of the BID. In 2005-06, an election will be held by the BID membership to elect the new board of directors.

At this time, staff recommends that the Board of Directors of PADBPA be named the Advisory Board of the BID. This Advisory Board will make recommendations to the City Council from this date forward regarding the BID assessments, BID activities, BID budget and other matters concerning the Downtown Palo Alto BID. The PADBPA Board
of Directors will continue to serve as the advisory board of the BID in subsequent years unless Council takes action to change the Advisory Board’s composition. Changes in the nonprofit board would not require action by the council to appoint a new nonprofit board member as an advisory board member.

**RESOURCE IMPACT**

The funds raised through the assessment of businesses in Downtown Palo Alto will provide the funds for BID administration and completion of approved activities. Staff will be bringing to the Council a contract with PADBPA to provide BID administration and activities at a subsequent meeting. Funds will be collected by the City and disbursed to PADBPA in a manner mutually agreed upon and set forth in the agreement.

**POLICY IMPLICATIONS**

The establishment of a Downtown BID is consistent with Comprehensive Plan Policies and was one of the recommendations for Downtown Palo Alto identified in the Retail Strategy for the City of Palo Alto prepared by Sedway and Associates in June 2000.

**ENVIRONMENTAL REVIEW**

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

**ATTACHMENTS**

Attachment 1: Resolution to Appoint the Board of Directors of the Palo Alto Downtown Business and Professional Association (PADBPA) as the Advisory Board of the Downtown Palo Alto Business Improvement District (BID) and Direct the Board to Prepare the Annual Report for the 2004-05 Fiscal Year.

PREPARED BY:  
SUSAN ARPAN, Economic Development/Redevelopment Manager

CITY MANAGER APPROVAL:  
EMILY HARRISON, Assistant City Manager