TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: CITY MANAGER

DATE: MAY 15, 2006 CMR: 207:06

SUBJECT: PUBLIC HEARING ON THE PALO ALTO DOWNTOWN BUSINESS IMPROVEMENT DISTRICT AND ADOPTION OF A RESOLUTION OF THE CITY COUNCIL CONFIRMING THE REPORT OF THE ADVISORY BOARD AND LEVYING AN ASSESSMENT FOR FISCAL YEAR 2006-07 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 2006-2007 in connection with the Downtown Palo Alto Business Improvement District and
2. Adopt a resolution Confirming the Report of the Advisory Board and Levy an Assessment for Fiscal Year 2006-2007 in Connection with the Downtown Palo Alto Business Improvement District

BACKGROUND

On May 1, 2006, the City Council

- Adopted a resolution preliminarily approving the report filed by the Palo Alto Downtown Business Improvement District Advisory Board for the 2006-07 fiscal year;
- Adopted a resolution of intention to levy the annual assessment for 2006-07; and
- Set May 15, 2006 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 hold the public hearing, approve the 2006-07 Budget Report and determine whether or not to levy the annual assessment for the Palo Alto Downtown Business Improvement District (BID) for fiscal year 2006-07.

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 2006-07 as filed or as modified by the Council. The adoption of the resolution constitutes the levying of the BID assessments for fiscal year 2006-07.

The staff report describing the actions related to the BID, including the Report of the Palo Alto Downtown Business and Professional Association (PADBPA) to the City Council is attached to this memo.

**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 City Manager’s Office in the collection of BID assessments. City Manager staff 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. Any amount over the $5,000 allocated in the BID budget will paid out of the City Manager’s contingency fund up to that level.

**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 2006-07 in Connection with the Downtown Palo Alto Business Improvement District

Attachment 2: CMR: 206:06 Adoption of Resolution Preliminarily Approving BID Advisory Board’s 2006-07 Budget Report and, Adoption of Resolution of Intention to Levy 2006-07 Assessments in the Palo Alto Downtown
Business Improvement District and Set a Public Hearing on the Levy of Assessments

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