TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER
DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: MAY 12, 2008
CMR: 209:08

SUBJECT: PUBLIC HEARING ON THE LEVY OF PROPOSED ASSESSMENTS IN CONNECTION WITH THE PALO ALTO DOWNTOWN BUSINESS IMPROVEMENT DISTRICT AND ADOPTION OF A RESOLUTION CONFIRMING THE REPORT OF THE ADVISORY BOARD AND LEVYING AN ASSESSMENT FOR FISCAL YEAR 2008-09 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 2008-09 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 2008-09 in connection with the Downtown Palo Alto Business Improvement District

BACKGROUND
On April 14, 2008, the City Council:

- Adopted a resolution preliminarily approving the report filed by the Palo Alto Downtown Business Improvement District Advisory Board for the 2008-09 fiscal year;
- Adopted a resolution of intention to levy the annual assessment for 2008-09; and
- Set May 12, 2008 at 7:00 p.m. or thereafter 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 2008-09 Budget Report and determine whether or not to levy the annual assessment for the Palo Alto Downtown Business Improvement District (BID) for fiscal year 2008-09.

Absent a majority protest at the public hearing, the Council may adopt a resolution approving the report for Fiscal Year 2008-09 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 2008-09.

The staff report is attached from April 14, 2008 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. Some staff effort is expended annually to administer the collection of the BID.

Staff will continue to monitor staff administrative time devoted to the collection of BID assessments. If costs significantly exceed the $16,000 estimate for administering assessments, staff will consider an administrative charge to the Palo Alto Downtown Business and Professional Association who administer the BID, as allowed for under the contract, to offset these costs.

Administrative Services staff provides assistance in the collection of BID assessments. The Economic Development Manager will continue to provide oversight to the BID and will prepare the annual reauthorization.

ENVIRONMENTAL REVIEW
This action by the City Council does not meet the definition of a project under Section 21065 of the California Environmental Quality Act, and therefore no environmental assessment is necessary.
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 2008-09 in Connection with the Downtown Palo Alto Business Improvement District
Attachment 2: CMR:190:08 Adoption of Resolution Preliminarily Approving BID Advisory Board’s 2008-09 Budget Report and Adoption of Resolution of Intention to Levy 2008-09 Assessments in the Palo Alto Downtown Business Improvement District and Setting a Public Hearing on the Levy of Assessments

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