



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Economic Development

Prepared by: Simon Vuong  
Economic Development Coordinator

City Manager Approval: \_\_\_\_\_

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**TOPIC: DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID) ASSESSMENT ANNUAL RENEWAL**

**SUBJECT: RESOLUTION APPROVING THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT ASSESSMENT FOR CALENDAR YEAR 2021**

**RECOMMENDATION:**

Hold Public Hearing, accept public comment, and if no majority protest has been received adopt resolution approving the annual assessment for the Downtown San Rafael Business Improvement District.

**BACKGROUND:**

Section 36500 of the California Streets and Highways Code allows for the creation of a business improvement district (BID) within a municipality, whereby businesses within the district self-assess an annual fee in order to pay for improvements and activities which benefit the overall business district. The intent of the state law is to provide a funding mechanism for business districts to promote economic vitality. San Rafael Municipal Code section 10.09.080 requires a report to be prepared annually for upcoming assessments.

In 1979, businesses in Downtown San Rafael first set up a business district. This original district included approximately 125 businesses along Fourth Street between Lincoln Avenue and E Street. In 2013, the City Council voted to replace it with a larger district of approximately 700 businesses along Fourth Street. The expanded district includes the West End and some side streets, as well as non-ground floor tenants and other tenants not included in the original BID.

For 2020, the [BID Board of Directors](#) has focused on navigating a new business environment in the midst of an unprecedented pandemic due to COVID-19. Their efforts have focused on keeping the Downtown community and members informed during a very challenging time for all merchants. This includes actively promoting Downtown through social media, the website, marketing campaigns, email blasts, and acting as a conduit for disseminating critical reopening information from Marin Recovers and the State.

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**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

The BID Board has been collaborating with downtown stakeholders, including the City of San Rafael, the Chamber of Commerce, the Downtown San Rafael Arts District (DSRAD), and the San Rafael Business Development Center (SBDC) to provide hands on help to all struggling businesses. During this time the Board has contributed donations to the San Rafael Small Business COVID-19 Disaster Relief Fund, partnered with our Parking Services Division and Department of Public Works for setting up and installing temporary curbside pickup spaces and temporary outdoor dining spaces in Downtown, created a directory of open and closed businesses, collaborated with Dominican students to install art in empty store windows, worked with merchants on their presentation of Dia de los Muertos altar window displays, as well as many other initiatives.

Among the many initiatives, the largest and most consequential event for the BID Board in 2020 has been funneling and leveraging their knowledge and relationships into producing the 'Dining Under The Lights' outdoor dining event, which closes portions of Fourth Street Downtown so that restaurants may use the street for additional outdoor dining space. Held Thursday and Friday nights starting in July and continuing through the end of November, the BID has worked with dozens of restaurants to make this signature Downtown program a reality, with the intent of providing a lifeline to our many restaurants hit hard by the pandemic. Dining outdoors has been one of the few options that restaurants have had available to them to continue business during the shelter-in-place. For many patrons, this is also preferred over indoor dining, with doubt and uncertainty over partaking in any activities conducted inside. With indoor dining restrictions in place for the foreseeable future, and with an overwhelmingly positive reception from the community and businesses for 'Dining Under The Lights', the BID would like to see 'Dining Under The Lights' return in 2021 as soon as it is feasible. Additional information relating to these accomplishments is included in the BID 2020 Annual Report (Attachment 2).

Since there have been a number of restrictions imposed by the County to stop the spread of the coronavirus and prohibitions on large social gatherings, the BID has not been able to host many of the traditional events of years past, such as the Sidewalk Sales, Hops & Vines Stroll, May Madness, Trick-or-Treat, or the West End Village Celebration.

## **ANALYSIS**

### **BID Renewal Process**

Per State law, to renew the annual assessment, the City Council must first adopt a Resolution of Intention to Levy an Annual Assessment and set a public hearing for a future date. The method of calculating the amount of the assessment on each business is established by San Rafael Municipal Code Section [10.09.050](#) and varies depending upon the type of business and whether the business is located in the Standard BID Zone or the Premium BID Zone shown in Exhibit B of Attachment 2.

On November 16, 2020 the City Council adopted a Resolution of Intention to Levy an Annual Assessment: This resolution was intended to notify the public of the process, approve the BID annual report reviewing past BID Board accomplishments, and set the date for a public hearing.

Tonight's meeting is to hold the Public Hearing to receive input from the public on the annual assessment for the BID and to confirm the levy of an assessment for the upcoming year. Any protest against the BID assessment must be in writing and from a business in the BID. If the protest received represents fifty percent (50%) or more of the total assessments in the entire BID, no further proceedings to amend the BID can occur. New proceedings cannot be undertaken for a period of at least a year.

### **BID Advisory Board Appointments**

Although the Council typically approves new BID Advisory Board members as part of the annual report and assessment renewal, at this point there are no new incoming Advisory Board members. The existing BID Advisory Board includes:

- Erika Bowker, Pleasures of the Heart
- Jaime Ortiz, Bank of Marin
- Jed Greene, Five Corners Consulting Group
- Adam Dawson, Mike's Bikes
- Jeff Brusati, T & B Sports
- Tobi Lessem, Bodywise Massage
- Elisabeth Setten, Art Works Downtown
- Morgan Schaffler, Youth in Arts

The BID Advisory Board members serve on a voluntary basis and have been focused on supporting our Downtown businesses during this challenging time under shelter-in-place. The BID Advisory Board is actively recruiting business members who may be interested to serve on the Board on a rolling basis.

**COMMUNITY OUTREACH:**

The BID has notified its members of the annual renewal process through its member communications including the BID e-newsletter, notifications on the BID website, and through agenda items at the monthly BID board meeting.

**FISCAL IMPACT:**

There is no fiscal impact associated with this action.

**OPTIONS:**

The City Council has the following options to consider on this matter:

- 1) Adopt the resolution as presented approving the annual assessment for 2020.
- 2) Adopt the resolution with modifications approving the annual assessment for 2020.
- 3) Determine that 50% or more protest has been filed and abandon assessment proceedings for a minimum of one year from the date of the majority finding and decline adoption of the resolution.

**RECOMMENDED ACTION:**

Adopt the attached resolution.

**ATTACHMENTS:**

1. Resolution approving annual assessment
2. BID 2020 Annual Report, including:
  - A. Exhibit A: BID Map
  - B. Exhibit B: BID 2020 Assessment Formula
  - C. Exhibit C: BID Budget
  - D. Exhibit D: Memo – BID Financial Summary

**RESOLUTION NO.**

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING  
THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT  
DISTRICT ASSESSMENT FOR CALENDAR YEAR 2021**

**WHEREAS**, California Streets and Highways Code Sections 36500 et seq, authorize cities to establish parking and business improvement districts for the purpose of promoting economic revitalization and physical maintenance of business areas, in order to create jobs, attract new business and prevent erosion of the new business district; and

**WHEREAS**, the Downtown San Rafael Business Improvement District (“BID”) was established in 2013 to amend the existing Parking and Business Improvements District instituted in 1979 in the commercial area on and around the Fourth Street corridor in San Rafael; and

**WHEREAS**, pursuant to San Rafael Municipal Code Chapter 10.09 the BID’s Advisory Board submitted to the City a “BID 2020 Annual Report”, which is on file with the City Clerk; on November 16, 2020, the City Council by resolution approved the BID 2020 Annual Report, indicating the Council’s intention to levy assessments, and setting a public hearing thereon for December 7, 2020; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36535, following the public hearing, the City Council may adopt a resolution confirming the report as originally filed or as modified by the Council, and the adoption of the resolution shall constitute the levy of an assessment for the year referred to in the report; and

**WHEREAS**, the City Council held the required public hearing on December 7, 2020 to receive testimony and protests concerning the BID 2020 Annual Report and the proposed levy of assessments for calendar year 2021 described therein; and

**WHEREAS**, a majority protest of the proposed assessments was not received;

**NOW, THEREFORE, BE IT RESOLVED** that City Council hereby adopts the levy of assessments as described in the Annual Report for the 2021 calendar year.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council of said City held on Monday, the 7th of December, 2020, by the following vote, to wit:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

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LINDSAY LARA, City Clerk



## BUSINESS IMPROVEMENT DISTRICT

### ANNUAL REPORT 2020

#### BID Board of Directors

**President Elect 2021 & Event Chair 2020 – Jaime Ortiz**  
Bank of Marin

**Vice President 2020-21 – Adam Dawson**  
Mike's Bikes

**Secretary, July 2020-21 – Tobi Lessem**  
Bodywise Massage

**Secretary, Jan. - June 2020 – Bonnie Ayers Namkung**  
Marketing & Communications

**Treasurer, 2020-21 – Jed Greene**  
Five Corners Group

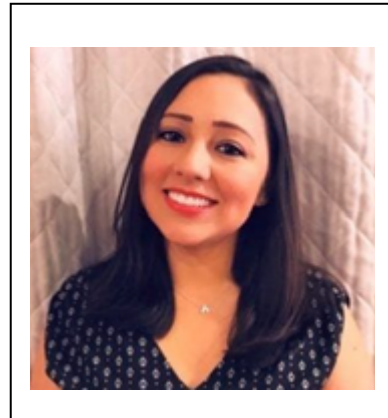
#### Directors

**President/Social Media Chair 2020 – Erika Bowker,**  
Pleasures of the Heart

**Jeff Brusati 2020-21 – T & B Sports**

**Morgan Schaufler 2020-21 – Youth in Arts**

**Elisabeth Setten 2020-21 – Art Works Downtown**



### President's Message

Dear Fellow BID Members,

The BID Board is happy to present a summary of our 2020 activities to support San Rafael's unique Downtown business area. It was far from business as usual this year.

We focused on keeping our Downtown business owners informed and ready to respond to the ever-changing Covid-19 landscape. We constantly worked on promoting our Downtown through social media, our website and marketing campaigns. Our goal was to keep our community and members current as we moved ahead through the many challenges.

As I finish my term, I thank you for your perseverance and resilience in pivoting to stay open and relevant in these unprecedented times. Keep up the good work and please to contact Jaime or Eda to get involved in improving your community!

*Erika Bowker, President 2020*

## 2020 ACCOMPLISHMENTS

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- **Banners** – created and installed **Shop Local \* Eat Local \* Support San Rafael** cross-street banners immediately at lockdown and all events were canceled. Banners remain in the east and west ends across 4<sup>th</sup> Street. Posted bumper stickers with same message.
- **Donations** – BID was an original donor to the SR Small Business COVID-19 Grant Program and voted for remaining Target funds to support this initiative during the early stages of the crisis. We also supported the nonprofit Marin Multicultural Center and CFI.
- **Member emails, newsletters, and updates** – continuously communicated with members to keep them informed of Covid-19 information updates and Tier status for closings and re-openings. Explained details and provided links to information sources, including Marin Recovers, PPE and safety protocols, PPP loans, small business grants and classes, permits and more.
- **Hands-on help** - executive director engaged with members by email, phone and in person amidst day-to-day changes of the pandemic.
- **Parking** - worked with City Parking and Public Works depts. to quickly create four free 15-minute parking spaces per block for safe pickup of food and goods. Promoted free weekend parking program and three hours free holiday parking in City garages and lots.
- **Website updates** – presented current content for BID members and public visitors, highlighted Dining Under the Lights and built status box to notify partners and public of confirmed and canceled dates. Also featured a link to air quality reports.
- **Created online searchable directory** - Downtown businesses can create and continuously update their listing (closed, open for takeout only, special hours, sales, etc.) Drove traffic to directory through banners, ads and social media.
- **Collaborations** – worked with City government and departments including Economic Development, Public Works, Parking, Recreation and SRPD. Partnered with Downtown San Rafael Arts District (DSRAD), SR Chamber, SBDC and other Marin Cities.
- **Outdoor dining areas** – liaison between businesses and the City for outdoor areas to offer any services, since indoors was not allowed. Helped with permits and interest and ability to work outside. Advised re: TAM Grant for restaurant dining in parking spaces.
- **Beautification initiatives** – after spearheading the West End pilot Tivoli overhead lighting project in 2019, acted with City Public Works to extend the lights east to the SMART station in time for the kickoff of Dining Under the Lights.
- **Bike racks** – worked with DSRAD and City to install eight Cultural Art District branded bike racks paid for by California Arts Council in Downtown locations.
- **Art in empty store windows** – collaborated with Dominican professor and students to install original, uplifting art in windows of empty street-level locations.



- **Dia de los Muertos altar window displays** – 25+ downtown merchants, in a show of community, presented Day of the Dead window art. Collaboration included BID sponsor, Marin Multicultural Center, San Rafael Dia de los Muertos, City Rec Dept. and artists.
- **Online posts of art news** – DSRAD/BID cross promotional Instagram @artsanrafael - 508 followers, Facebook - 441 followers, +35% from 2019.
- **Social media director** – board member Erika Bowker actively posts to 3,500 followers on Instagram and Facebook, multiplying effects by engaging with Downtown businesses with their own social media and email campaigns. BID added 1,000 followers this year.
- **Downtown and DUTL promotion** – marketed through print ads and digital media: BID website, Facebook page, Nextdoor, Marin newspapers, as well as PR sites and articles. Strategic paid ad boosts on Facebook, coached merchants to feature Dining Under the Lights (DUTL) on their websites, newsletters and email lists to increase diners and shoppers Downtown.
- **Holiday window decorating contest** – annual contest with prizes to bring some festive fun to merchants and shoppers. Partnered with CFI (California Film Institute) and Mill Valley Film Festival to sponsor Grab and Go Program with the goal of promoting our BID District and supporting our local small businesses.



## 2020 Events

Sadly, we were forced to call off all our traditional events due to the pandemic. We were also sad to say goodbye to Brian Auger on his retirement as the City's events coordinator, after his decades of cheerful and expert help on our events, including our current canceled lineup:

- **32<sup>nd</sup> Annual May Madness** (pivoted to Sat. Night Cruise in August)
- **32<sup>nd</sup> Trick or Treat on Fourth Street** (became Dine in Costume at DUTL)
- **Clean & Green Day**
- **Sidewalk Sales**
- **Hops & Vines Stroll**
- **West End Village Celebration**
- **Shop Local Saturday** (now **Shop Local Season** - featuring print and digital ad campaigns highlighting the many reasons to support Downtown businesses)

## Dining Under the Lights and Outdoor Dining Areas

To bring hope, commerce and life back to our Downtown, we created a new program—Dining Under the Lights, with substantial help from the City of San Rafael. We are extremely grateful for the fast action and generosity of so many City departments in making it happen.

We are proud to have been one of the first in Northern Calif. to develop an on-street dining program. We launched on Thursdays in June, added Fridays in July, and eventually extended the program through November.

This created the opportunity for restaurants to begin rehiring staff and serving seated diners. We acted as liaison between departments of the ABC, the County and City to encourage over 45 restaurants, caterers, breweries and bars to partner and safely participate.

Dining Under the Lights (DUTL) also gave the weary public an outlet to feel safely distanced and protected, enjoy a moment of normalcy and support their local small business owners.

Our DUTL program allows restaurants to maximize their profit potential without costly building permits, construction costs or the lost foot traffic caused by construction. Providing our local restaurants with the ability to seat more diners represents a significant revenue improvement which will help them navigate these extremely difficult times.



DUTL also promotes our Downtown by providing foot traffic for other local businesses. This “free advertising” will draw more patrons of different demographics to our Downtown, giving our local retailers a boost.

Outdoor seating of every variety offers benefits that make our restaurants more attractive to a variety of diners. Street seating can also address other issues, such as providing guests with mobility issues the easy entry and exit of al fresco dining. This ground-level seating is ideal for guests who use wheelchairs and other walking aids. Diners with bikes and dogs also appreciate the freedom of outdoor dining.

This spring, in the season of growth and renewal, we advocate for more outdoor dining options. These can stimulate higher revenues and brighter financial forecasts for bring our City and Downtown businesses.

We hope to continue our successful DUTL in 2021. Some BID members are suggesting starting the 2021 season as early as April or whenever weather permits.



## The BID Organization and 2021 Work Plan

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Our 2021 agenda emphasizes ensuring the BID's organizational foundation is strong, fiscally responsible and able to promote Downtown to members and the community. With the future very much unknown, including our level of funding and what events may be allowed, our intention is to:

- **Communicate with members** – continue engagement through routine communications via website, email, newsletters and in person
- **Add board members and volunteers** – actively recruit committee members and engage prospective board members
- **Raise BID funding** – explore supplemental funding sources through business sponsorship of events, matching funds and more
- **Collaborate with local groups** – continue partnerships with SR City Departments, the SRPD, the Chamber and the DSRAD to expand the BID's reach and create more visibility and excitement for Downtown.
- **Resume Dining Under the Lights** – restart the program in the spring when the weather turns warm
- **Continue May Madness** – host our legacy event whenever and however it can be safely done (parade or cruise). Hopefully, we can produce other events as well.

See current information, status and business directory at:  
**[DowntownSanRafael.org](http://DowntownSanRafael.org)**

### Our Mission

The Business Improvement District promotes the economic vitality of Downtown and the common interests of Downtown business owners. We help promote a district that is a welcoming place to shop, dine, work, live and enjoy.

### Our Vision

Downtown is the cultural heart and soul of our City, where activity, dining, entertainment and commerce blend with creative and entrepreneurial spirit. Downtown is where hometown pride and community thrive.



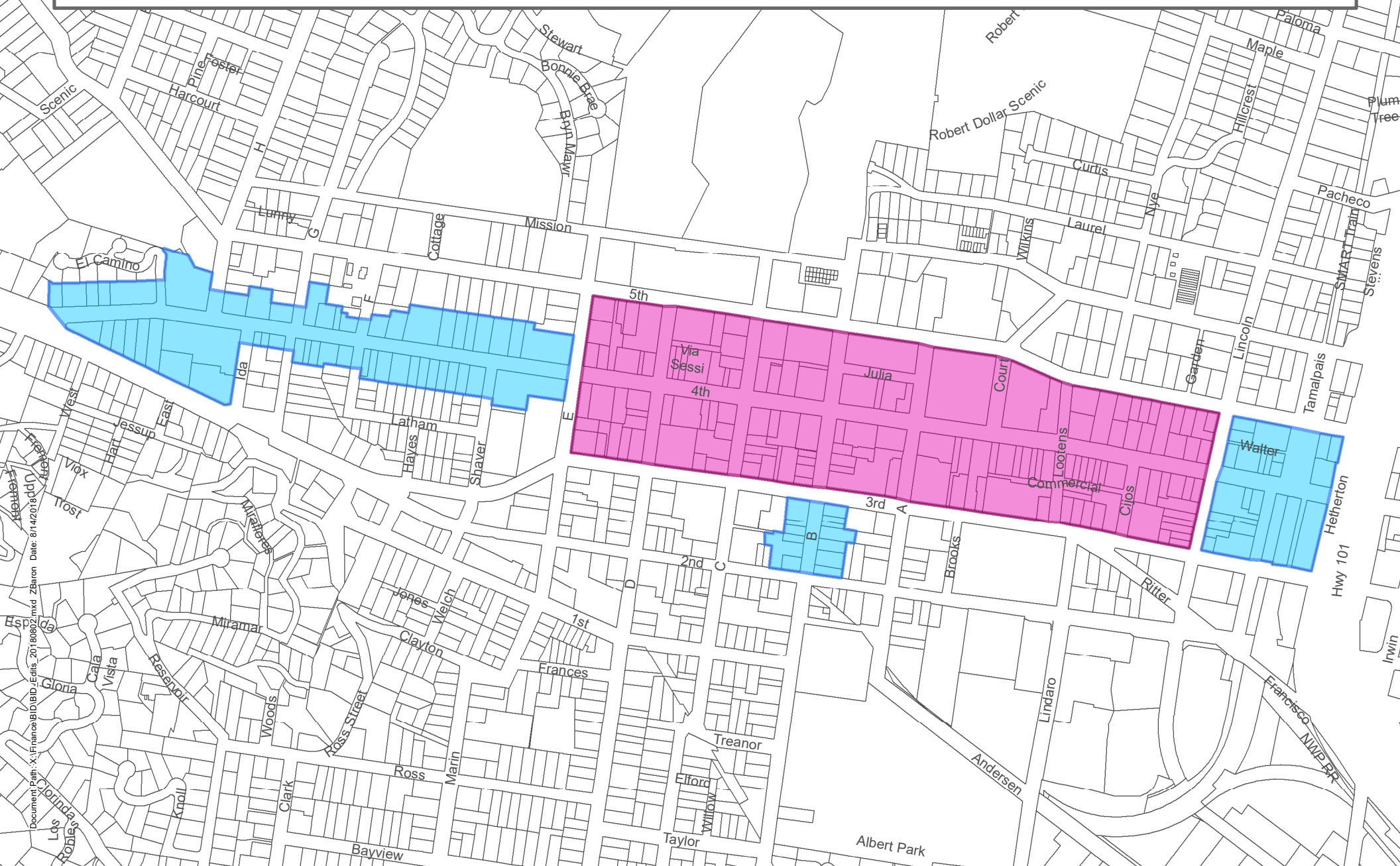


# San Rafael Business Improvement District (BID)

14 August 2018

## Exhibit A

- PREMIUM BID
- STANDARD BID



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**Exhibit B****2020 BID Assessment**

<b>Type of Business</b>	<b>Standard</b>	<b>Premium</b>
Retail on the Ground Floor, Restaurant, Personal Services on the Ground Floor	\$175	\$225
Retail on the Ground Floor, Restaurant, Personal Services on Ground Floor with Less than \$100,000 in Gross Receipts	\$150	\$175
Offices, Professional, Personal Services, not on Ground Floor, Retail not on Ground Floor	\$75	\$100
Personal Services Sole Practitioner	\$25	\$50
Non-Profit Organization and Fine Artists	\$50	\$50
Financial Institution	\$375	\$425

San Rafael Downtown BID Budget

Exhibit C

	2019 Year End Fund Balance	\$58,457	2020 Year End Fund Balance	\$69,153
Revenues	2020 Programs	Year 2020 Estimated Year End	2021 Programs	Year 2021 Proposed Budget
	BID Assessments	\$88,353	BID Assessments	\$60,000
	Event Income - May Madness	\$1,199	Event Income (May Madness)	\$15,000
	Sponsorship - DUTL	\$2,000		
	Sponsorship - General	\$1,000		
	Interest	\$6		
<b>Total Operating Income</b>		<b>\$92,558</b>		<b>\$75,000</b>
<b>Expenses</b>				
<b>Events</b>	May Madness	(\$5,542)	May Madness	(\$15,000)
	Trick or Treat	(\$100)	<u>Other Events/Costs:</u>	(\$10,000)
	West End Celebration (2019)	(\$941)	Trick or Treat	
	Event Staffing	(\$2,175)	Shop Local Saturday	
			West End Celebration	
			Sidewalk Sales	
			West End Events	
			Event Staffing	
<b>Events subtotal</b>		<b>(\$8,758)</b>		<b>(\$25,000)</b>
<b>Initiatives</b>	Dining Under the Lights (includes BID staff costs)	(\$32,000)	Dining Under the Lights (includes BID staff costs)	(\$40,000)
	SR Chamber (Small Business COVID-19 Grant Program)	(\$5,000)	<u>Other Initiatives:</u>	
	Children's Cottege (from 2019 WEVC)	(\$750)	Downtown SR Arts District (DSRAD)	
			Beautification	
<b>Initiatives subtotal</b>		<b>(\$37,750)</b>		<b>(\$40,000)</b>
<b>Marketing &amp; Promotions</b>	Event Advertising/Marketing	(\$8,000)	Event Advertising/Marketing	(\$10,000)
	Website Maintenance	(\$2,000)	Website Maintenance	(\$2,000)
	BID Member Communication	(\$500)	BID Member Communication	(\$500)
	Social Media	(\$500)	Social Media	(\$500)
<b>Marketing &amp; Promotions Subtotal</b>		<b>(\$11,000)</b>		<b>(\$13,000)</b>
<b>Operating Expenses</b>	Staffing	(\$18,000)	Staffing	(\$17,000)
	Insurance	(\$2,240)	Insurance	(\$3,000)
	Office Expense (supplies, communications, etc.)	(\$2,000)	Office Expense (supplies, communications, etc.)	(\$2,000)
	Professional Fees	(\$1,700)	Professional Fees	(\$1,700)
	Meeting and Travel Expense	(\$414)	Meeting and Travel Expense	(\$500)
<b>Operating Expenses Subtotal</b>		<b>(\$24,354)</b>		<b>(\$24,200)</b>
<b>Total Expenses</b>		<b>(\$81,862)</b>		<b>(\$102,200)</b>
<b>Net Profit/(Loss)</b>		<b>\$10,696</b>		<b>(\$27,200)</b>
<b>Projected 2020 Ending Fund Balance/Carryover to 2021</b>		<b>\$69,153</b>	<b>2021 Ending Fund Balance</b>	<b>\$41,953</b>

\*Target Fund balance of \$20,962 was used in its entirety to fund small businesses as Covid-19 relief.

## Memorandum

To: San Rafael City Council

From: Jed Greene, Treasurer  
San Rafael Business Improvement District

Date: October 30, 2020

Re: San Rafael Business Improvement District Financial Summary

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This memorandum highlights the significant 2020 financial activity of the San Rafael Business Improvement District (BID) and the 2021 proposed budget.

### 2020

The COVID -19 outbreak, turned our world upside down, as it did everyone's. We made a giant pivot from local events, which we could no longer do, to helping the community and local businesses as much as possible. A majority of our discretionary funding was used to support the Dining Under the Lights initiative and helping with the Small Business COVID-19 Grant Program. We also anticipated that our revenues would decline sharply in 2021, so we attempted to maintain a high cash reserve to use in 2021.

For 2020, the BID is projected to have a net income of approximately \$11,000, leaving a cash balance of \$69,153.

Proceeds from BID assessments were higher than budgeted, increasing to over \$88,000, approximately 6% higher than 2019. Due to COVID-19 restrictions, we were unable to host many of our planned events, providing the BID with significant expense savings. However, we provided a significant financial outlay (estimated to be \$32,000 by the end of the year) for the Dining Under the Lights initiative, a vital program for the local restaurant industry and community as a whole. We also granted the City and San Rafael Chamber of Commerce \$5,000 for their Small Business COVID-19 Grant Program, to help local businesses affected by COVID-19. We voted to use the remaining Target funds for that initiative as well.

### 2021

Our activities and financial budget are difficult to anticipate for 2021. We expect a significant decline in BID assessment revenue to \$60,000, or over a 30% decline from 2020. However, because of our cash reserves, our total expenses are budgeted to be similar our typical annual cash outflow before COVID-19. We anticipate using a majority of our discretionary spending on the Dining Under the Lights program and/or local events. However, we are aware that this is a fluid situation and there are many factors that could prevent or adjust our plan and we will react accordingly. The BID projects to have a net loss of \$27,200 in 2021, but our cash reserves give us the ability to continue to help local businesses and the community during these trying times. Our anticipated cash balance at the end of 2021 is \$41,953.