



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

**Prepared by: Danielle O'Leary
Economic Development Director**

City Manager Approval: _____

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

SUBJECT: RESOLUTION APPROVING THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT ASSESSMENT FOR CALENDAR YEAR 2022

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 for calendar year 2022.

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.

In calendar year 2021, the [BID Board of Directors](#) provided continued COVID-19 pandemic recovery support to Downtown businesses. Activities included promoting Downtown businesses through social media, the BID website, marketing campaigns, and email blasts. It also included producing a second year of the "Dining Under the Lights" (DUTL) outdoor dining event (held Thursdays and Friday evenings), from March 2021 through October 2021.

Additionally, the BID Board updated its bylaws, recruited new board members, created an online searchable business directory, and supported beautification programs including extending the Tivoli

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

lighting throughout Fourth Street and installing new downtown pole-mounted banners to enhance the downtown experience. Additional information relating to these accomplishments is included in the BID 2021 Annual Report (Attachment 2).

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 15, 2021, 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 protests 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

The Council approves new BID Advisory Board members as part of the annual report and assessment renewal. This year, we are grateful that many of the BID Board of Directors will remain involved. Some Board members will be shifting roles, and we are also welcoming two new BID Board members:

The 2021-2022 BID Advisory Board includes:

- Jed Greene, Five Corners Consulting Group, Role: Interim President
- Adam Dawson, Mike's Bikes, Role: Vice President
- Erika Bowker, Pleasures of the Heart, Role: Social Media Chair
- Jaime Ortiz, Bank of Marin, Role: Event Chair
- Tobi Lessem, Bodywise Massage, Role: Secretary
- Treasure - TBD
- Board Members-at-large: Elisabeth Setten, Art Works Downtown, Morgan Schauffler, Youth in Arts, Jeff Brusati, T & B Sports, Terrance Thornton, San Rafael Martial Arts, and **new** BID Board members Bishlam & Amy Bullock, from Salon B.

Lastly, we would like to thank outgoing BID Executive Director Eda Lochte for all her work on supporting the BID program, especially during these challenging COVID-19 pandemic years. We are thankful for her service and dedication to our downtown business community!

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 2022.
- 2) Adopt the resolution with modifications approving the annual assessment for 2022.
- 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 approving the annual assessment for calendar year 2022.

ATTACHMENTS:

1. Resolution approving annual assessment
2. BID 2021 Annual Report, including:
 - A. Exhibit A: BID Map
 - B. Exhibit B: BID 2021 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 2022**

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, 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 2021 Annual Report”, which is on file with the City Clerk; on November 15, 2021, the City Council by resolution approved the BID 2021 Annual Report, indicating the Council’s intention to levy assessments for calendar year 2022, and setting a public hearing thereon for December 6, 2021; 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 6, 2021 to receive testimony and protests concerning the BID 2021 Annual Report and the proposed levy of assessments for calendar year 2022 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 2022 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 6th of December 2021, by the following vote, to wit:

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

LINDSAY LARA, City Clerk



BUSINESS IMPROVEMENT DISTRICT

ANNUAL REPORT 2021

BID Board of Directors 2022

Interim President - Jed Greene
Five Corners Group

Vice President – Adam Dawson
Mike’s Bikes

Secretary – Tobi Lessem
Bodywise Massage

Treasurer – TBD

Event Chair – Jaime Ortiz
Bank of Marin

Social Media Chair – Erika Bowker
Pleasures of the Heart

Directors

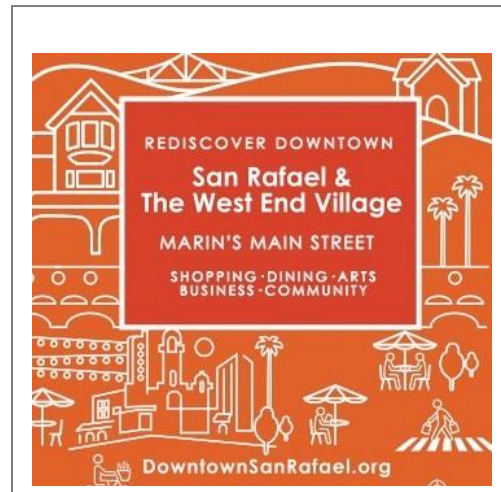
Jeff Brusati – T & B Sports

Morgan Schaufler – Youth in Arts

Elisabeth Setten – Art Works Downtown

Terrance Thornton --
San Rafael Martial Arts

Bishlam & Amy Bullock – new
Salon B Style Lab



President’s Message

Dear Fellow BID Members,

This year, the BID Board again supported San Rafael’s unique Downtown businesses. Just like 2020, it wasn’t a year of business as usual, but we all helped create many positive outcomes.

The Board focused on keeping our Downtown business owners informed. We continued the popular Dining Under The Lights program and we constantly worked on promoting our Downtown through social media, our website and marketing campaigns. Our goal was to keep our community and members safe while giving everyone a fun destination to enjoy while Supporting Local.

It’s been my pleasure to serve as Board President. I will continue to work as the Board’s event chair. A big thank you to Executive Director Eda Lochte who is also stepping down after years of service to our members and community.

Please visit DowntownSanRafael.org to see all the BID is doing, to update your directory listing and continue to be involved.

Jaime Ortiz, President 2016, 2017, 2018, 2019 & 2021

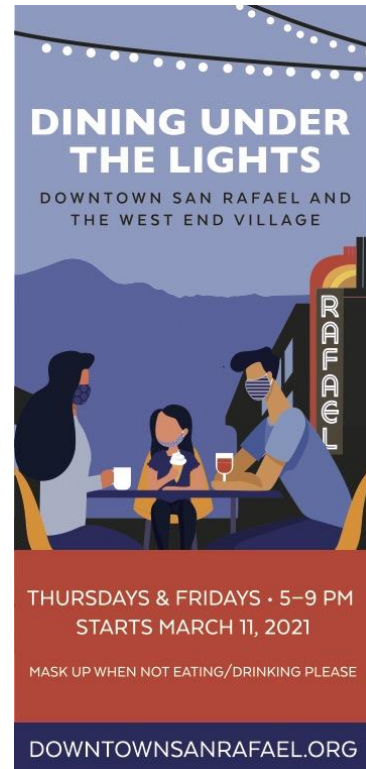
2021 ACCOMPLISHMENTS

- **Banners** – designed, created and installed colorful vertical pole banners welcoming all and highlighting Business, Arts, Dining, Shopping, and the West End Village.
- **Member emails, newsletters, and updates** – continuously updated members on Covid-19 and other information. Explained details and provided links to sources, including Marin Recovers, PPE and safety protocols, PPP loans, small business grants and classes, permits and more.
- **Hands-on help** - engaged with members by email, phone and in person amidst day-to-day changes of the pandemic and business requirements.
- **Bylaws** – amended, restated and approved outdated bylaws with pro bono legal advice from attorney Jeff Schoppert.
- **Building the Board** - recruited, nominated and voted in new Directors, creating a more inclusive and diverse group.
- **Parking** - worked with City Parking and Public Works depts. to continue 15-minute parking. Promoted free weekend parking and 3-hours free holiday parking in City garages, West End lot.
- **Website updates** – updated content for BID members and public visitors, highlighted Dining Under the Lights and other events. Built status box to notify partners and public of confirmed and canceled dates, music, and mobile vaccination clinics.
- **Created/maintained online searchable directory** - Downtown businesses can create and continuously update their listing (open, special hours, sales, etc.) Drove online audience traffic to directory through banners, ads and social media.
- **City partnerships** – worked with City government and departments including Economic Development, Public Works, Parking, Parks & Recreation and SRPD.
- **Collaborations** - Partnered with Downtown San Rafael Arts District (DSRAD), SR Chamber, CFI, Marin Multicultural Center, SBDC, County Dept. of Public Health and Human Services.
- **Outdoor dining areas** – coordinated between businesses and City to secure permits to create outdoor dining in parking spaces to support restaurants during Covid.
- **Beautification initiatives** – after spearheading 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 kickoff of Dining Under the Lights.



- **Donations** – was a donor partner to nonprofit Marin Multicultural Center for Dia de los Muertos events and to CFI for Mill Valley Film Festival—both bring many Marin visitors to Downtown.
- **Dia de los Muertos window displays & car procession** – 14+ Downtown merchants presented window altars for Day of the Dead. Collaboration with Marin Multicultural Center, San Rafael Dia de los Muertos, City Rec Dept. and artists.

- **Downtown San Rafael Arts District collaboration** – appointment of creative place making specialist to explore funding opportunities for BID and DSRAD.
- **Online posts of art news** – DSRAD/BID cross promotional Instagram @artsanrafael, 698 followers +37%, Facebook 524 followers, +19% from 2020.
- **Social media director** – Board member Erika Bowker actively posts to 5,600 followers on Instagram and Facebook, multiplies effects by engaging with Downtown businesses’ social media and email campaigns. BID added 2,000+ followers this year.
- **Downtown and DUTL promotion** – marketed through posters, print ads and digital media: BID website, Facebook page, NextDoor, Instagram, *Marin IJ* and *Pac Sun*, 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.
- **Partnered with CFI (California Film Institute) and Mill Valley Film Festival** – sponsored VIP Lounge with help from the City's Economic Development Dept. The goal was promoting foot traffic to our BID District to support local small businesses.
- **Holiday window decorating contest** – award annual prizes to bring Downtown activity and festive fun.
- **Shop San Rafael Season** - print and digital ad campaigns for holiday season and free parking.



EVENTS

In 2021, we produced some new and some traditional events in reduced formats due to the pandemic:

- **Dining Under The Lights** (Th. & Fri., March through Oct.)
 - **33rd Annual May Madness** (pivoted to Sat. Cruise Night, held August 28)
 - **33rd Trick or Treat on Fourth Street** (Sat. Oct. 23)
 - **2nd Dine in Costume at DUTL** (Th. Oct. 28 & Fri. Oct. 29)
 - **Clean & Green Day** (Th. April 22, Earth Day – gave free litter grabbers to BID members)
 - **Shop San Rafael Season** (featuring print and digital ad campaigns)
 - **Windows & Holiday Cheer** - (Sat, Dec. 10, shopping/hospitality evening with window decorating contest and prizes)
-

Dining Under the Lights and Outdoor Dining Areas

In 2021, the BID and ED Eda Lochte resumed the popular Dining Under the Lights (DUTL) on-street dining program which was created early in the pandemic with substantial help from the City of SR.

We also advocated for and donated to the sparkling overhead lights to beautify our Downtown. Public Works installed the lights just in time to illuminate 4th Street dining. We also helped with permits and information/advocacy for semi-permanent outdoor dining parklets allowed through Nov. 2022. This gives participating food and drink businesses an opportunity to recoup their construction expenses.



DUTL initially gave the public an outlet to feel safely distanced and protected, enjoy a bit of normalcy and support their local small business owners. It became a fun Thursday/Friday countywide destination providing live music and community.

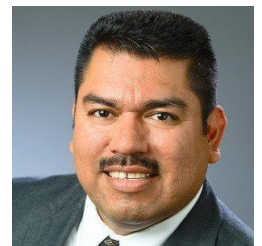
DUTL promotes Downtown by providing foot traffic for other businesses, expanding exposure to patrons of different demographics and giving our merchants a boost.

In addition to creating a vibrant European feel, outdoor seating also attracted a variety of diners. Families with bikes and dogs appreciate the freedom of casual outdoor dining. These improvements can stimulate higher revenues and brighter financial forecasts for our City and all Downtown businesses.

We hope to continue our successful DUTL in 2022 and beyond. Survey responses indicate most respondents love the program and wish to continue it every summer. We also plan to help guide the path to permanent outdoor seating opportunities.

Applause for Leaders of BID Success as They Step Down

The BID extends much appreciation to Jaime Ortiz from Bank of Marin. He has tirelessly steered the BID through some of its most challenging years and has generously devoted his time to our Downtown. After serving four one-year terms as Board president, Jaime is stepping away. But he's still contributing to the community by staying on the Board as event chair, a role he has already been fulfilling.



We also say goodbye and thank you to Eda Lochte, the executive director. She held the ED position for 10 years in the '90s and after retiring for a time, Eda was persuaded to retake the helm. Now, after four years of leading member communication and advocacy, and Board cooperation and growth, she is re-retiring.

Eda leaves several new programs in her wake. In fact, together, Jaime and Eda created a legacy Downtown—among them the twinkling overhead lights, the banners, the 15-minute parking-spaces, the outdoor dining parklets and the DUTL program.

The BID Organization and 2022 Work Plan

Our 2022 agenda again emphasizes ensuring the BID's organizational foundation is strong, fiscally responsible and able to promote Downtown to members and the community.

- **Communicate with members/community outreach** – continue engagement via website, email, newsletters, social media, marketing, advertising, in person
- **Beautification & Art** – work with the City advocating for making Downtown a clean, aesthetically pleasing and welcoming place
- **Add board members and volunteers** – continue to actively recruit committee members and engage prospective board members to build an inclusive environment for greater equity and diversity
- **Raise BID funding** – explore supplemental funding sources through business sponsorship of events, matching funds and more
- **Explore partnerships** – investigate deeper collaborative relationships with DSRAD and Chamber to expand BID's reach to create added visibility and excitement for Downtown
- **Partnership** – continue to align the BID with the Downtown San Rafael Cultural Arts District and the San Rafael 2040 Downtown Precise Plan
- **Executive Director search** – work to recruit BID director to strengthen Downtown's long-term success, see the [ED job description](#) for details
- **Collaborate with the City** – continue partnerships with City depts., SRPD and local groups
- **Resume Dining Under the Lights** – refine the program in partnership with the City to create an ongoing Summer outdoor dining program
- **Continue May Madness and other events** – host our legacy event and strategize best ROI opportunities for existing and possibly new events

Contact us or find current info and business directory at:

info@SRBID.org

Director@DowntownSanRafael.org

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's a welcoming place to shop, dine, work, live in and enjoy.

Our Vision

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

2021 BID Assessment Formula

Exhibit B

Type of Business	Standard	Premium
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

	2020 Year End Fund Balance	\$69,153	2021 Year End Fund Balance	\$74,184
Revenues	2021 Programs	Year 2021 Estimated Year End	2022 Programs	Year 2022 Proposed Budget
	BID Assessments	\$75,930	BID Assessments	\$75,000
	Corporate Sponsorship	\$4,000	Event Income (May Madness)	\$35,000
	Interest	\$5		
Total Operating Income		\$79,935		\$110,000
Expenses				
Events	Trick or Treat	(\$2,250)	May Madness	(\$20,000)
	Day of the Dead	(\$500)	<u>Other Events/Costs:</u>	(\$20,000)
	Shop Local	(\$550)	Trick or Treat	
	Event Staffing	(\$2,120)	Shop Local Saturday	
			West End Celebration	
			West End Events	
			Hops and Vines	
			Event Staffing	
Events subtotal		(\$5,420)		(\$40,000)
Initiatives	Dining Under the Lights (includes BID staff costs)	(\$32,500)	Dining Under the Lights (includes BID staff costs)	(\$28,000)
			Community Donations (from May Madness)	(\$5,000)
			Downtown SR Arts District (DSRAD)	(\$5,000)
			Beautification	(\$10,000)
Initiatives subtotal		(\$32,500)		(\$48,000)
Marketing & Promotions	Event Advertising/Marketing	(\$8,900)	Event Advertising/Marketing	(\$10,000)
	Website Maintenance	(\$1,450)	Website Maintenance	(\$2,000)
	BID Member Communication	(\$475)	BID Member Communication	(\$500)
	Social Media	(\$1,100)	Social Media	(\$1,500)
Marketing & Promotions Subtotal		(\$11,925)		(\$14,000)
Operating Expenses	Staffing	(\$16,500)	Staffing	(\$22,000)
	Insurance	(\$4,279)	Insurance	(\$4,300)
	Office Expense (supplies, communications, etc.)	(\$2,800)	Office Expense (supplies, communications, etc.)	(\$3,500)
	Professional Fees	(\$1,480)	Professional Fees	(\$1,700)
			Meeting and Travel Expense	(\$500)
Operating Expenses Subtotal		(\$25,059)		(\$32,000)
Total Expenses		(\$74,904)		(\$134,000)
Net Profit/(Loss)		\$5,031		(\$24,000)
Projected 2021 Ending Fund Balance/Carryover to 2022		\$74,184	2022 Ending Fund Balance	\$50,184

Memorandum

To: San Rafael City Council

From: Jed Greene, Treasurer
San Rafael Business Improvement District

Date: October 29, 2021

Re: San Rafael Business Improvement District Financial Summary

This memorandum highlights the significant 2021 financial activity of the San Rafael Business Improvement District (BID) and the 2022 proposed budget.

2021

COVID -19 continued to limit our ability to host local events. In 2021, the Dining Under the Lights initiative (DUTL) was our major focus and the BID committed a majority of its available resources to DUTL, including financial resources. The BID is projected to have a net income of approximately \$5,000 leaving a cash balance of \$74,184.

Proceeds from BID assessments were higher than budgeted but lower than last year, decreasing to \$75,930, approximately 14% lower than 2020. Once again, we provided a significant financial outlay (estimated to be \$32,000 by the end of the year, slightly lower than the amount we budgeted) for DUTL, a vital program for the local restaurant industry, as well as other Downtown businesses and the community as a whole.

2022

Although we are hopeful that life will return to normal in 2022, Covid-19 continues to cloud the future. We plan to be more active next year and, although we anticipate that our BID assessment revenue will not fully return to its normal levels, we have enough cash reserves to support our planned expenditures. A majority of our discretionary spending will be used to support the Dining Under the Lights initiative and our other marketing and events. The BID projects to have a net loss of \$24,000 in 2022, but our cash reserves give us the ability to continue to help local businesses and the community. Our anticipated cash balance at the end of 2022 is \$50,184.