

COUNCIL ACTION
EXECUTIVE SUMMARY
FOR
PUBLIC SAFETY AND NEIGHBORHOOD SERVICES COMMITTEE
MEETING OF APRIL 28, 2010

DATE ISSUED: April 20, 2010
ATTENTION: City Council
ORIGINATING DEPARTMENT: City Planning & Community Investment
SUBJECT: FY2011 SBEP Agreement with the Business Improvement District Council
COUNCIL DISTRICT(S): Citywide
CONTACT/PHONE NUMBER: Meredith Dibden Brown 236-6485
Alicia Martinez-Higgs 236-6488

REQUESTED ACTIONS:

1. Pursuant to Council Policy 900-15 (Small Business Enhancement Program), enter into an agreement for \$315,000 with the Business Improvement District Council for FY2011 to implement: BIDC Program Support and Operations; Micro Districts and Commercial Neighborhoods grants and services; and Technical Assistance projects; as specified in the policy, contingent upon approval of the Fiscal Year 2011 Appropriation Ordinance and contingent upon the Chief Financial Officer certifying that the funds necessary for expenditure are or will be available.
2. Authorize the Chief Financial Officer to appropriate and expend an amount not to exceed \$315,000 in Small Business Enhancement Program (SBEP) funds for the provision of economic development services.

STAFF RECOMMENDATION: Approve the requested actions.

EXECUTIVE SUMMARY: In 1995, the City Council established a Small Business Enhancement Program (SBEP). The purpose of the SBEP was to provide continuing support to small businesses in recognition of their vital economic, employment, service, and cultural roles, and their importance in sustaining and revitalizing older commercial and residential areas. In 1999, the City Council established Council Policy 900-15 (Small Business Enhancement Program) to clarify SBEP's unique annual appropriation formula and to provide for accountability, efficiency, and flexibility in the administration of the program. In 2008, the policy was updated to reflect evolving conditions and the funding was set at a specified annual amount based on 80,000 small businesses registering with the City on an annual basis.

A key element of the policy has been the partnership between the City and the Business Improvement District Council (BIDC) to effectively provide services to the City's small business communities. The BIDC is a non-profit organization whose members are the non-profit organizations managing the City's Business Improvement Districts (BIDs). The BIDC was incorporated in 1993 to promote the improvement of business conditions within the City of San Diego.

The policy provides for SBEP funds to be split between Citywide programs and Business District (geographic business-based) programs. Within the Business District programs, the Policy provides for an agreement amount of \$315,000 with the BIDC to provide programs in BIDs and other commercial neighborhoods throughout the City.

Specifically, the agreement budgets the funds into three allocations:

BIDC – Program Support and Operations	\$185,000
Micro-Districts and Commercial Neighborhoods (Grants/In-kind Services)	\$75,000
Technical Assistance	<u>\$55,000</u>
Total	\$315,000

The “Program Support and Operations” funding assists the BIDC with providing general services to its members including conducting meetings, maintaining financial records, communicating on issues and legislation of interest to small businesses, developing and maintaining insurance programs for member organizations and for small businesses in general, marketing the commercial neighborhoods, and conducting economic studies as needed.

The “Micro-Districts and Commercial Neighborhoods” funding is for a competitive application process, administered by the BIDC, to fund and/or provide in-kind services to eligible geographic-based organizations in support of their small business constituents. In FY2010 funding and assistance was provided to eleven different commercial neighborhoods ranging from Otay Mesa to San Diego North and from Barrio Logan to the College Neighborhood (Montezuma). The funded activities include creating and distributing business directories, conducting business trainings, and installing banners and pedestrian amenities.

“Technical Assistance” includes efforts to revitalize commercial neighborhoods through initiatives such as: business development, education and training programs; special events services and equipment supply; tree plantings; public art programs; and other activities of benefit to businesses. Technical Assistance programs are available to BID organizations, neighborhood business chambers and micro-district organizations.

FISCAL CONSIDERATIONS: There is no projected additional fiscal impact since the funds are proposed to be budgeted in the City’s FY2011 Budget in accordance with Council Policy 900-15.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): This agreement is not subject to the City’s Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) This agreement is subject to the City’s Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517) as is stated in the agreement in Article 10.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: In accordance with Council Policy 900-15 (SBEP), the City annually enters into an agreement with the BIDC. The last agreement was approved by Council on December 7, 2010. This item is scheduled to be heard by the Public Safety and Neighborhood Services Committee on April 28, 2010.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed scope of services and budget was reviewed and discussed at noticed, open meetings of the Board of the Business Improvement District Council in February and March of 2010. The Scope and Budget were approved at the Board Meeting held on March 25, 2010.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

These agreement services are proposed to benefit small business within the City of San Diego and to further the economic revitalization of our commercial neighborhoods.

William Anderson FAICP
CP&CI Department Director

Jay M. Goldstone
Chief Operating Officer

Exhibit A
BID Council FY11 Scope of Services

BIDC-Program Support and Operations

Contractor shall provide required administration of the BID Council as a nonprofit corporation, as follows:

- a) Provide staff support for the conduct and operation of the BID Council. Including but not limited to, conducting at least one general membership meeting per year and a minimum of six board meetings for the operation of the corporation, and filing of required notices, tax forms, and other documentation.
- b) Maintain books of account and other required financial and operational records, preparing and submitting reimbursement requests to City.
- c) Pay for an annual audit to be conducted of the organization.
- d) Carry and provide proof of insurance and other such requirements in the annual Agreement.
- e) Provide the City any reports necessary as part of the annual agreement.

Contractor shall operate programs and projects as follows:

1. Provide Support services for member BID's as follows:
 - a) Establish and maintain a BID Council website.
 - b) Produce a periodic BID Council newsletter.
 - c) Maintain a standardized accounting standards and methodology for accounting and reporting by BID management corporations and the BID Council and provide training to staff on such standards and practices.
 - a. Host 2 workshops a year about this subject.
 - d) Develop and maintain programs to benefit member organizations and businesses.
 - e) Monitor, research, report to the membership, and advocate in the interest of the membership regarding federal, state, and local legislative issues.
 - f) Support and produce BID Business of the Year Awards and participate in Small Business Week 2010.
 - g) Maintain a Library of resource materials for BID members.
 - h) Maintain membership in professional organizations including Board Source, Main Street and one membership shall serve the member organizations.
2. Provide the promotion, marketing and media relations of the BID Council and member BID's as directed by the Board of Directors.
3. In partnership with the City Special Events Staff, on an as need basis conduct economic studies regarding estimate of annual revenues and economic stimulation that are derived from special events held within the BID's in San Diego.
 - a. Implement the Economic Development Reporting Tool for special events.
4. **BID Management Support funds allocations:** Determine through an agreement among its membership, the formula or budget for distribution of SBEP funds to the individual management corporations under contract with the City to manage a BID and provide a copy thereof to the city by August 2010.
5. **City Fees and Services Offset formula:** Determine through an agreement among its membership, the formula for offsets for SBEP City Fees and Services which individual management corporations under contract with the City to manage a BID may request but not to exceed 90% of the cost and provide a copy thereof to the city by August 2010.

Technical Assistance

Provide in-kind services and or funding to augment grants and funds provide to BIDs, chamber and merchants associations to assist the organization and member businesses. Technical assistance may include efforts to revitalize commercial neighborhoods through initiatives as follows or for other activities of the benefit to businesses:

1. Business development, education and training programs – including but not limited to the: formation of special assessment districts; mixed-use development; parking garage development; strategic planning and reorganization; assistance with recruiting, planning, and implementing Storefront Improvement Program projects; public improvements; public improvements; grant and availability and writing, and such other matters of interest as requested by the membership.
 - a. Work with a local grant writer to review all of the members grant applications and provide writing services.
 - b. Provide free consulting via the CEO of the BID Council to the board/committee members engaged in developing a BID or managing a newly established BID.
 - c. Procure and subsidize a Life Insurance Policy and Benefit for the staffs of all member organizations managing a BID as a collective employment resource.
2. Special Events Services – solicit sponsorship, purchase equipment for BID special events, establish procedures for the use of the equipment, make it available for BID special events, store and account for it, and maintain it as needed. Explore feasibility of obtaining group special event insurance. Provide a workforce for Special Events equipment delivery; operate communication tools for employees of the special events program. Maintain insurance for Special Events employee(s); provide accounting services for the special events program. Provide technical assistance associated with managing the special events equipment for BID and micro district special events. This program employs 20 people on a seasonal basis and assists over 60 events around the City. The BID Council through this program hosts over \$40,000 in free rental equipment for our member organizations managing BIDs and micro districts.
3. Landscaping and Tree Plantings- planned installation of landscaping subject to obtaining required permits, watering agreements, and limited by City approved cost for specified tree sizes and site conditions.

Specific activities with objectives and measurable outcomes shall be submitted to the City for review and consideration prior to project implementations.

Micro Districts and Commercial Neighborhoods (Grant funding in-kind services)

Administer, and manage with the approval of the BID membership as required, a program to provide support to geographic-based business organizations including but not limited to “local chambers of commerce” and areas designated as “micro business districts”. A competitive application process will be required in order to provide funding and or services to eligible geographic based organization in support to their small business constituents. Elements of the program include development and publishing applications and guidelines, soliciting applications; application review; development of funding/in-kind support and service recommendations; board review and approval of the awardees, collection of data on measurable outcomes and submittal of reports and reimbursement request to the City. The following groups were funded in FY 2010. Because the application process is a competitive annual process a list of funded groups will be provide to the Office of Small Business when amounts are awarded for FY2011.

Micro District Organization Name FY10	Council District
BAME	4
Sherman Heights (Farmers Market Tenants Association)	8
Montezuma (College Neighborhood Foundation)	7
Justice Overcoming Boundaries	8
South Park	3
Linda Vista Civic Association	6
Otay Mesa Chamber of Commerce	8
La Jolla Shores	1
Bird Rock	1
San Diego North	5
Morena Business Association	6
Greater Clairemont Chamber of Commerce	6
Total amount awarded \$75,000	

EXHIBIT B
BID Council Budget Snapshot

BID COUNCIL	\$\$\$
Program Support and Operations	185,000
Technical Assistance	55,000
Micro Districts and Commercial Neighborhoods Grants	75,000
Total	315,000

	SBEP - BID Council	SBEP Micro Districts	SBEP Tech Assistance
	FY11	FY11	FY11
Income			
40020 · BID COUNCIL DUES			
40065 · SPECIAL EVENT SERVICES			
40070 · SPECIAL EVENT ADMINISTRATION			
41180 · SBEP	185,000.00	75,000.00	55,000.00
Total Income	185,000.00	75,000.00	55,000.00
Expense			
I · PERSONNEL			
50001 · CEO SALARY	75,000.00		
50003 · CEO ALLOWANCE	3,240.00		
50006 · OFFICE STAFF	21,000.00		
50007 · SPECIAL EVENT STAFF			1,490.00
50014 · PAYROLL TAX EXPENSE	8,264.00		200.00
50016 · HEALTH INSURANCE	8,000.00		
Total I · PERSONNEL	115,504.00	0.00	1,690.00
II · OPERATING			
50050 · RENT-OFFICE	20,000.00	note: lease done at 2/11	
50055 · PHONE/FAX/E-MAIL	2,200.00		
50060 · PARKING/TRANSPORTATION	5,280.00		
50065 · COPIER LEASE	3,200.00		
50070 · WORKER'S COMP INSURANCE	2,000.00		
50075 · LIABILITY/D&O INSURANCE	5,000.00		
50080 · POSTAGE	1,000.00		
50085 · ACCOUNTING	17,316.00		2,000.00
50090 · DUES/MEMBERSHIPS			
50095 · BANK AND OTHER FEES			
50100 · MEETINGS			2,000.00
50105 · OFFICE SUPPLIES	1,000.00		
50110 · REPAIR & MAINTENANCE	500.00		
50115 · EQUIPMENT / FURNITURE			
50120 · BID LIFE INSURANCE			6,310.00
50125 · AUDIT/TAX PREPARATION	7,000.00		
Total II · OPERATING	64,496.00	0.00	10,310.00
III · OUTREACH PROMOTION			
51525 · ADVERTISING / MARKETING	2,000.00	includes bid biz of year	
51530 · BUSINESS WORKSHOPS			4,000.00
51535 · POLICY DEVELOPMENT/ LEGAL			
Total III · OUTREACH PROMOTION	2,000.00	0.00	4,000.00
IV · SPECIAL PROJECTS & EVENTS			
52130 · GRANT WRITING			6,000.00
52140 · WEB SITE MAINTENANCE	3,000.00		
52150 · SPECIAL EVENT SUPPLIES/SVCS.			8,000.00
52155 · TREE CONSULTANTS & MTRLS.			25,000.00
52165 · BID BUSINESS OF THE YEAR			
52170 · BIDC LEGISLATIVE MIXER			
52190 · MICRO DISTRICTS		75,000.00	
Total IV · SPECIAL PROJECTS & EVENTS	3,000.00	75,000.00	39,000.00
Total Expense	185,000.00	75,000.00	55,000.00
Net Income	0.00	0.00	0.00