



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**November 2, 2021**

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**TOPIC:** Downtown Santa Ana Business Improvement District

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**AGENDA TITLE:**

Adopt Resolution of Intent to Levy 2022 Assessment for Downtown Santa Ana Business Improvement District

**RECOMMENDED ACTION**

1. Approve the 2022 Assessment Report for the Downtown Santa Ana Business Improvement District (BID), which is administered by two organizations: the Santa Ana Business Council and Downtown Incorporated.
2. Adopt a resolution of intention to levy an annual business license tax assessment for the 2022 calendar year and establish a time and place for a public hearing to be held by the City Council on December 7, 2021.

**DISCUSSION**

On February 6, 1984, the City Council adopted Ordinance No. NS-1715 pursuant to state law, creating a Business Improvement District (BID) in Downtown Santa Ana. The BID was established as a means of providing the Downtown business community with funding to promote events and create promotional materials, increase the security presence, enhance maintenance of the downtown shopping corridors, and implement streetscape improvements. The BID is funded through an additional charge on the business license tax for those businesses within the BID boundary.

On October 6, 2003, the City Council appointed the Community Redevelopment and Housing Commission (CRHC) as the Downtown Santa Ana Business Improvement District Advisory Board. As the BID Advisory Board, the CRHC, now known as the Community Development Commission (CDC), is responsible for making recommendations to the City Council on the expenditure of revenues derived from the levy of assessments, on the classification of businesses, as applicable, and on the method and basis of levying the assessments, including the annual budget.

The 2022 Assessment Report contains the basis and method of levying the assessment, estimated activities and budgets from the two business associations, the Santa Ana Business Council and Downtown Inc., and a map of the BID boundaries (Exhibit 1A). The

Assessment Report presented for consideration and recommended for approval has been reviewed and was determined to meet state law requirements. After approval of the report, the next course of action is to conduct a public hearing where Downtown merchants can vote in favor of or against the BID renewal. The public hearing is scheduled for December 7, 2021.

### **Terms**

The City Council activated the current BID on July 1, 2013. To administer the activities of the BID, the City executed operating agreements with Downtown Inc. and the Santa Ana Business Council in an effort to address the needs of the two business associations. These agreements contain provisions to ensure proper administration and distribution of funds, such as the annual budget, financial recordkeeping, fund distribution, board composition, and meeting requirements. The agreements are renewed automatically in one-year renewal terms, unless either party gives at least two months' notice of termination or if the BID is not approved in any given year.

If the BID is successfully renewed, each organization will receive approximately \$100,000 (collected from the business license tax fee) per calendar year (January through December) and may carry over unspent funds into the next year. In FY 2020-2021, the BID, through the efforts of Downtown Inc. and the Santa Ana Business Council, accomplished hosting several successful events virtually to accommodate for the pandemic restrictions and shifted efforts to assist businesses in establishing an online presence while maintaining promotions that drew the attention of visitors to Downtown Santa Ana. Many events transitioned to livestreaming or virtual settings, including First Saturday Artwalk, Boca De Oro Literary Festival, and continued to promote the weekly Downtown Santa Ana e-newsletter. Both organizations increased social media presences and have over 50,000 followers.

### **FISCAL IMPACT**

There is no direct fiscal impact associated with this action. The City collects the BID revenue from businesses within the BID boundary and distributes funding to each organization, in accordance with approved operating agreements. Revenues will be deposited equally in the BID Trust and Agency Fund and distributions to each organization will be made from the same accounts as follows:

<b>Fiscal Year</b>	<b>Accounting Unit-Account</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Estimated Amount</b>
FY 22-23 (Jan. – June)	09301001-24036	Business Improvement District	Trust & Agency, Downtown Inc.	\$50,000
FY 22-23 (Jan. – June)	09301001-24043	Business Improvement District	Trust & Agency, Santa Ana Business Council	\$50,000
FY 23-24 (July – Dec.)	09301001-24036	Business Improvement District	Trust & Agency, Downtown Inc.	\$50,000
FY 23-24 (July – Dec.)	09301001-24043	Business Improvement District	Trust & Agency, Santa Ana Business Council	\$50,000
<b>Total Amount</b>				<b>\$200,000</b>

**EXHIBIT(S)**

1. 2022 Assessment Report
  - a. Attachment A – Business Improvement District Boundary
  - b. Attachment B – 2022 Annual Assessment Formula
  - c. Attachment C – Proposed Budget Summary
2. List of Businesses within the BID
3. Resolution

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager