



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
November 15, 2022

TOPIC: Downtown Santa Ana Business Improvement District 2023 Assessment Report and Budget to Levy an Annual Business License Tax Assessment

AGENDA TITLE:

Discuss and Provide Direction Regarding the Recommendation of the Community Development Commission to Dissolve the Downtown Santa Ana Business Improvement District or Adopt the Resolution of Intention to Levy 2023 Assessment for Downtown Santa Ana Business Improvement District

RECOMMENDED ACTION

Discuss the Downtown Santa Ana Business Improvement District and direct staff to either:

1. Approve the recommendation of the Community Development Commission (Commission) to dissolve the Downtown Santa Ana Business Improvement District (BID) and establish a time and place for a public hearing to be held by the City Council on December 20, 2022; or
2. Adopt the resolution of intention to levy an annual business license tax assessment for the 2023 calendar year and establish a time and place for a public hearing to be held by the City Council on December 6, 2022.

Community Development Commission

At its regular meeting on October 26, 2022, by a vote of 6:0 (a Commissioner recused themselves from voting on the matter and was not present in the Council Chamber during the vote), the Commission recommended to the City Council to dissolve the BID. The Commission complied with its duty as the advisory board pursuant to Streets and Highways Code section 36530, which is to make a recommendation to the City Council regarding the levy of assessments. Accordingly, the City Council may consider the recommendation of the Commission or the City Council may adopt the resolution of intention to levy an annual business license tax assessment for the 2023 calendar year and continue with the BID. Approval of the resolution of intention to levy an annual business license tax assessment will still require a public hearing where downtown merchants can vote against or speak in favor of the BID renewal.

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 functions similar to other business improvement districts, which is to provide an increase in services such as security, maintenance, marketing, and capital improvements that can enhance economic activity within a business area. The BID has created opportunities for the downtown business community to promote events, create promotional materials, increase the security presence, enhance maintenance of common areas, and implement streetscape improvements in Downtown Santa Ana.

The BID is funded through an additional charge on the business license tax for those businesses within the BID boundary (Exhibit 2). The 2023 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. If the City Council approves the report, the next course of action is to conduct a public hearing where downtown merchants can vote in favor or against the BID renewal. The Public Hearing is scheduled for December 6, 2022.

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.

Downtown Inc. and the Santa Ana Business Council, have reported that they have hosted successful events such as Savor Santa Ana, which included over 40 participating restaurants and over 2,000 attendees. The organizations also contributed \$20,000 to a dozen event producers to bring events to the downtown and \$10,000 in micro-grants for pop-up businesses and small events throughout the year. Both organizations continue to increase their social media presences and have over 50,000 followers.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

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 detailed in the following table:

Downtown Santa Ana Business Improvement District 2023 Assessment Report and
Budget to Levy an Annual Business License Tax Assessment
November 15, 2022
Page 3

Fiscal Year	Accounting Unit-Account	Fund Description	Accounting Unit, Account Description	Estimated Amount
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
Total Amount				\$200,000

EXHIBIT(S)

1. 2023 Assessment Report
 - a. Attachment A – Business Improvement District Boundary
 - b. Attachment B – 2023 Annual Assessment Formula
 - c. Attachment C – Proposed Budget Summary
2. List of Businesses within the BID
3. Resolution – Declaring Intention to Levy Assessment

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Kristine Ridge, City Manager