



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**December 20, 2022**

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**TOPIC:** Resolution of Intention to Disestablish the Downtown Santa Ana Business Improvement District

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**AGENDA TITLE:**

Adopt Resolution of Intention to Disestablish the Downtown Santa Ana Business Improvement District

**RECOMMENDED ACTION**

Adopt a resolution of intention to disestablish the Downtown Santa Ana Business Improvement District and establish a time and place for a public hearing to be held by the City Council on January 17, 2023.

**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 the 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.

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. Each association received 50% of the BID assessment, approximately \$100,000 per year.

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.

At its regular meeting on October 26, 2022, by a vote of 6:0 (with one recusal), the Commission recommended to the City Council to dissolve the BID.

Over the course of the year, downtown businesses held several town hall meetings to express their dissent for the BID. Several protest forms were submitted to the Clerk of the Council and many merchants expressed their dissent for the BID and its operations at the Commission and Council meetings.

On November 15, 2022, the City Council voted to start the process to dissolve the Downtown Santa Ana Business Improvement District (BID). The next step in the BID disestablishment process is for City Council to adopt a resolution of intention to disestablish the BID and set a public hearing. The public hearing must be held no less than 20 and not more than 30 days after the date of adoption in accordance the Streets and Highways Code section 36530. Thereafter, City Council may adopt an ordinance after holding the public hearing on the disestablishment.

Notice of the disestablishment of the BID will be published once in a newspaper of general circulation in the city, no later than 15 days after the ordinance disestablishing the area is adopted. All businesses in the Business Improvement District will be notified and their BID assessment will be removed from their business license tax bill for 2023 and thereafter.

No known assets were acquired with the revenues of the assessments levied within the Downtown BID.

Any remaining revenues derived from the levy assessments shall be refunded to the owners of the method and basis that was used to calculate the assessments levied in the fiscal year in which the area is disestablished.

#### **FISCAL IMPACT**

There is no direct fiscal impact associated with this action.

#### **EXHIBIT(S)**

1. Resolution

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

Approved By: Kristine Ridge, City Manager