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Staff Report for Resolution Authorizing the City Manager to Enter Into a Consultant Services Agreement with New City America, Inc. for Assistance in Establishing a Downtown San Leandro Assessment District at a Cost Not-to-Exceed \$65,000

SUMMARY AND RECOMMENDATIONS

With the loss of redevelopment funding to support enhanced security, maintenance and marketing in Downtown San Leandro, the City has been working with downtown business and property owners to explore the creation of a Property-Based Business Improvement District (PBID) or Community Benefit District (CBD). Following a Request for Proposal process, staff recommends City Council approval of a Resolution authorizing the City Manager to enter into a Consulting Services Agreement with New City America, Inc. for assistance in establishing a Downtown San Leandro Assessment District at a cost not-to-exceed \$65,000.

BACKGROUND

The City of San Leandro has made significant investment in Downtown San Leandro the past few years starting with the creation of a Transit Oriented Development Strategy in 2005. Some of the accomplishments include:

- West Estudillo pedestrian connection between BART and Downtown
- Completion of the 230,000 square foot Creekside Plaza class-A office complex, home to 1,300 quality jobs
- Pedestrian and lighting improvements, including creation of the West Joaquin Plaza
- Marketing campaign including creation of logo, broker outreach, customer survey, website, banners and design of planned wayfinding signage
- Creation of the Downtown Farmers' Market
- New Estudillo Parking garage and improvements to Plaza de Oro
- Planned redevelopment of the vacant Albertsons site into Village Marketplace

- Planned San Leandro Boulevard road and streetscape improvements
- Planned development of the Crossings including development of workforce/affordable housing and OSISOFT's office expansion.

The City has also been providing on-going support to the Downtown as follows:

- Part-time Senior Project Specialist to support Downtown Association including marketing and event planning, oversight of the Farmers' Market contract
- Twice annual steam cleaning of sidewalks and on-going trash enclosure maintenance
- Enhanced maintenance through Stepping Stones and a half-time City Department of Public Works Maintenance Worker
- Enhanced security, support of Police bicycle officer
- Holiday lighting
- Sausage & Suds sponsorship
- In-kind Police and Public Works donations for events
- Downtown Marketing
- Commercial façade improvement program

The loss of Redevelopment funding has impacted the City's ability to provide the above support. Funding for the part-time Senior Project Specialist and half-time Public Works Maintenance Worker has been discontinued and funding for holiday lighting has been reduced. \$61,000 is included in the FY 2012-13 budget to continue the remaining services while the City explores the creation of a PBID or CBD to provide a reliable and on-going funding source. The new revenue is intended to provide enhanced security, maintenance and marketing of Downtown San Leandro and replace funding previously provided by the San Leandro Redevelopment Agency. It will ultimately, however, be up to the property owners and the governing board of the established business district to determine how funding is used.

Analysis

Based on the Community Development Committee's direction on April 12, 2012, the City issued a Request for Proposals for a consultant to assist in the establishment of a PBID or CBD in Downtown San Leandro. The City received four proposals from qualified firms by the May 11, 2012 deadline.

Civitas, NBS, and New City America were invited to interview with City staff, a representative from the Downtown Association, a Downtown property owner and the CEO of the Chamber of Commerce. All three firms had the experience and technical expertise to assist the City in the creation of a PBID or CBD.

Two of the firms' approaches appeared to be more comprehensive and creative in terms of determining the type of funding mechanism and the appropriate size of the district. The two firms' approaches included initial evaluation of a PBID versus the CBD as well as a recommendation to evaluate the inclusion of additional properties along East 14th Street and other surrounding areas in the district thereby potentially expanding the area that could receive benefit.

One of the two firms, New City America, also had impressive experience establishing and managing dynamic business districts, such as Little Italy in San Diego. New City America has marketing expertise to complement the vision of how a Downtown San Leandro business district could bring more energy and vitality to the downtown.

New City America has assisted in the formation of over 62 districts including the following local districts: Rockridge, Montclair, Lakeshore, Temescal - Telegraph, Fruitvale, Jack London Square, Downtown Berkeley, and Lake Merritt - Uptown. Marco Li Mandri, the President of New City America, would be the main City contact for the project throughout the entire project and comes highly recommended.

The project was broken down into two phases with a decision point after phase 1 following the feasibility analysis. The phases are roughly as follows:

Phase 1 - Work with a steering committee, conduct outreach meetings, determine the feasibility of a business district, and pass any necessary ordinance.

Phase 2 - Create a work plan for the district, determine the structure of the organization to be formed and the methodology for assessing properties, manage a petition drive, prepare legal documents and conduct the campaign.

An outline of the tasks, timeline and cost of New City America's proposal follows. The proposal is included as Exhibit A to the Consultant Services Agreement.

Phase 1

Task 1 - Prepare feasibility analysis to explore various options and district boundaries.
July 2012 \$5,000

Task 2 - Prepare written survey to determine support and opposition to the concept of a special assessment district working with a Steering Committee of Downtown Association members and property owners.
July - Sept. \$20,000

Task 3 - Consideration of a new ordinance to be drafted by City Attorney's office.
Sept. - Oct. n/c

Subtotal Phase 1 \$25,000

Phase 2

Task 4 - Develop Management Plan including service levels and frequency of service and a work plan budget (up to four versions).
October - December 2012 \$14,000

Task 5 - a) Finalize work plan and budget and finalize assessment with Engineer.
December 2012 - January 2013 \$5,000
b) Assessment Engineer Plan Review
December 2012 - January 2013 \$2,000

Task 6 - Determine governance model/structure
December 2012 - January 2013 \$3,000

Task 7 - Prepare legal documents including Prop 218 ballots, engineer report
February 2013 \$3,000

Task 8 - Conduct petition campaign
February 2013 \$5,000

Task 9 - Work with Steering Committee develop outreach and education plans
March - June 2013 \$4,000

Task 10- Lead and coordinate the process of adoption
March - June 2013 \$4,000

Subtotal Phase 2 \$40,000

TOTAL NOT-TO-EXCEED COST
for investigation, formation and all expenses **\$65,000**

Staff recommends City Council approval of a Resolution authorizing the City Manager to enter into a Consultant Services Agreement with New City America, Inc. for assistance in establishing a Downtown San Leandro Assessment District at a price not-to-exceed \$65,000.

Committee Review and Actions

- On April 12, 2012 the Community Development Committee directed staff to issue a Request for Proposals for a consultant to assist in the establishment of a PBID or CBD in Downtown San Leandro.
- A recommendation for the selected consultant was scheduled for discussion at the cancelled June 19, 2012 Community Development Committee meeting. As time is of the essence, this item is being brought directly to the City Council.

Summary of Public Outreach Efforts

- City staff met numerous times over the past year with the Downtown Association, its Executive Board, and a group of downtown property owners the association invited to a meeting to discuss the establishment of an assessment district.

Fiscal Impacts

This General Fund project will cost \$65,000 and requires no increase to the FY 2012-13 Budget. The projected cost for consultant services was \$80,000 over two years. The FY 2012-13 budget contains \$40,000 for an assessment district consultant as it was originally envisioned as a two- year process. Due to current financial constraints, the project timeline has been compressed into one year to enable collection of fees in FY 2013-14. The \$25,000 in additional funding is recommended to be transferred within account number 010-43-003 from salary savings (4000 series) related to the unplanned vacancy of the Project Specialist position in the Office of Business Development to consulting (5120).

ATTACHMENTS

None

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