Legislation Details (With Text)

File #:	13-561	**Version:**	3	Name:	SR: CBD Mgmt and Dis. Agmt
Type:	Staff Report			Status:	Filed
				In control:	City Council
On agenda:	11/18/2013			Final action:	11/18/2013
Enactment date:				Enactment #:	

Title: Staff Report for Resolution Approving a Management and Disbursement Agreement by and between the City of San Leandro and the San Leandro Improvement Association

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/18/2013	1	City Council	Received and Filed	

Staff Report for Resolution Approving a Management and Disbursement Agreement by and between the City of San Leandro and the San Leandro Improvement Association

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt the resolution approving a Management and Disbursement Agreement with the San Leandro Improvement Association, codifying procedures for distribution of funds and reporting requirements related to the Downtown San Leandro Community Benefit District.

BACKGROUND

On July 15, 2013, after the completion of a successful balloting process, the City Council adopted Resolution No. 2013-102, approving the creation of the Downtown San Leandro Community Benefit District (District") pursuant to Title 2, Chapter 2-20 of the San Leandro Municipal Code. The District will generate ongoing funding for support of Downtown San Leandro through the creation of an annual assessment on property owners within the District. The City subsequently submitted the necessary documentation to the Alameda County Assessor's Office to ensure that the assessments appear on the 2012-13 tax bills for properties within the District.

Since the formal adoption of the District, the property owners have formed an interim executive board to begin the work of forming a management corporation to manage the funds and implement the work of the District as outlined in its Management Plan. The interim board has hired New City America as a consultant to assist with the formation process. New City America's services include filing formal incorporation documents, developing bylaws, preparing solicitations for initial service providers and an executive director, and assistance developing a Management and Disbursement Agreement with the City.

After incorporation, the formal name of the District's management corporation will be the San Leandro Improvement Association (SLIA). Informally, this entity will also be known as the Downtown San Leandro Community Benefit District.

The Management and Disbursement Agreement was approved by the Interim Executive Board of the SLIA at its meeting on November 7, 2013.

Analysis

Consistent with State law, revenues from the Community Benefit District assessments will be remitted by the County Assessor to the City when funds are received from the property owners. The Management and Disbursement Agreement codifies procedures for distribution of funds to the District's management corporation.

Additionally, the Management and Disbursement Agreement details the responsibilities of the City and the SLIA as it relates to the expenditure of funds and ongoing reporting. Some of the key provisions of the Agreement are as follows:

San Leandro Improvement Association Responsibilities:
- SLIA shall be responsible for developing, implementing, directing and operating the Management Plan. SLIA assumes all responsibility for completing activities required to implement the Management Plan and its programs.
- SLIA shall competitively bid all contracts over $15,000.
- A statement of activities/programs funded by District revenues, and the cost of each activity or program shall be mailed to every property owner within the District by December 31st of each year.
- Meetings of the SLIA shall comply with the open meeting requirements of the Ralph M. Brown Act.
- SLIA shall submit an Annual Work Plan and Budget on or before November 30th for each fiscal year.
- Annually in conjunction with the Annual Report and Budget, the SLIA shall prepare financial statements that document the disposition, commitment and line item expenditures of all revenues received during the previous calendar year.

City of San Leandro Responsibilities:
- The City shall coordinate the collection of the annual Assessment through an agreement with the County of Alameda and ensure the billing of those public or tax-exempt entities not billed through the County of Alameda property tax billing procedures, and monitor the payment process to obtain timely payment of Assessments by public entities and other tax-exempt District property owners.
- Contingent upon receipt of assessment funds from the County of Alameda, the City shall disburse to the SLIA the Assessments received from the County on or about the following dates and in accordance with the following percentages.
  - **December 18**: First 50% of annual assessment received from the County, or the full amount transferred by the County to the City in the December installment, whichever is greater. Plus 50% of the annual Assessments received and collected by the City for tax-exempt and publicly owned parcels within the District.
  - **April 30**: Second 50%.

- o **June 20**: Any additional Assessment amounts transferred to the City that were collected during the fiscal year.
- The City is not liable for any costs of the SLIA outside of the City's actual assessment due for property owned with the District. The City is not liable for the failure of any other property owners to pay the required assessment.

Previous Actions

- On July 15, 2013, after the completion of a successful balloting process, the City Council adopted Resolution No. 2013-102, approving the creation of the Downtown San Leandro Community Benefit District

Legal Analysis

The attached agreement has been review and approved by the City Attorney as to form.

PREPARED BY: Jeff Kay, Business Development Manager, Community Development Department