

STAFF REPORT

City Council Business Item

DATE: May 1, 2023

TO: Honorable Mayor and Council Members

FROM: Merritt Perry, City Manager

SUBJECT: **Fortuna Business Improvement District Annual Report**

STAFF RECOMMENDATION:

Staff recommends that the Council accept, with or without modification, the Fortuna Business Improvement District Annual Report.

EXECUTIVE SUMMARY

The Fortuna Business Improvement District (“FBID”) was established by the City in 1990 under the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code §§ 36500 et seq.) to benefit and promote the City’s businesses. Under the enabling statute, the Council is required to approve an annual report that contains the following information:

- (1) Any proposed changes in the boundaries of FBID or in any benefit zones within the area.
- (2) The improvements and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements and the activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- (5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

The annual report will be presented to the Council during the Council Meeting in written and oral form. The Council may approve the report as filed or may modify the report and approve it as modified.

As noted above, FBID was established by the City for the purpose of imposing benefit assessments and charges on businesses for certain identified purposes, including:

- Promotion of public events which are to take place on or in public places in the District

- Decoration of any public place in the District
- Furnishing of music in any public place within the District; and
- The general promotion of business activities within the District
- Marketing to fill available space, recruiting and expansion of commercial enterprise

FBID is administered through an advisory committee of the City Council with the following designated representatives:

- One from the Downtown Area
- One Redwood Village Shopping Center
- One Citywide
- One Strong's Creek Shopping Center
- One designated by the City Council
- One nominated by the Chamber of Commerce
- One person nominated by the other representatives

PROPOSED CHANGES IN THE FBID BOUNDARIES:

There are no proposed changes to the FBID boundaries or benefit zones.

SUMMARY OF ACTIVITIES FOR FISCAL YEAR 2022/2023:

In August of 2022, the City Council directed staff to perform the functions of FBID in-house and created a department under the City Manager for the roles and responsibilities of FBID. The FBID Administrator, Morgan Dodson, was hired on December 5, 2022.

Prior to staff being hired, the Fortuna Chamber of Commerce was contracted through a Memorandum of Understanding to undertake the roles and responsibilities of FBID, specifically organizing and holding the events and functions typically carried out by FBID. The MOU stated the Fortuna Chamber of Commerce would host annual events and provide advertising and decorations to promote Fortuna BID businesses.

The Fortuna Chamber of Commerce held the Al Gray Lighted parade on December 9th, the Kid's Free Movie on December 10th and hosted the Shop Fortuna for the Holidays in November and December. The Small and Home-based Business Marketplace was held on March 18th through the MOU as well.

The FBID Administrator attended the above events as staff support to the Fortuna Chamber of Commerce. Beginning on December 5, 2022, the FBID Administrator completed the following tasks for FBID as a new department of the City of Fortuna.

- Created web page on City website with twelve sub-categories to include a calendar, past and upcoming events, information on the People Mover, and the FBID laws and rules and disaster assistance resources
- Created Excel spreadsheet with all necessary information to operate FBID, such as a calendar of events, new ideas, phone numbers, advertising list and opportunities, decorations in stock and opportunities for new décor, list of musical talent, general duties, list of meetings to attend, detailed information about each event and more

- Created bylaws for FBID
- Created a draft of minutes and an agenda to mirror the City's documents to use at each meeting for consistency in documentation
- Started a Facebook, Instagram, and TikTok page
- Updated the old website to direct the public to the new page
- Knocked on business doors in Downtown, Redwood Village, and Strongs Creek to introduce the new city department staff and to gather members for the Advisory Committee, two committee commitments came of the door knocking
- The Advisory Committee members were appointed in January 2023 and meetings began monthly at City Hall
- Introduced FBID staff at Monday Club meetings for various Fortuna business organizations
- Began reaching out to advertising companies to collect budget data as well as introduce FBID staff
- Created a quarterly newsletter for past and upcoming events, as well as introducing the new FBID Administrator position and keeping people informed on what FBID is doing
- Attended the Al Gray Lighted Parade and the Kid's Free Movie as well as assisted with the Small and Home-based Business Marketplace to gather information for operating such events in 2023
- Created a PowerPoint to explain what FBID is to the public and to the Advisory Committee
- Presented logo contest results for the Advisory Committee to implement a logo for FBID
- Created business categories for Fortuna businesses for infographics and a Google map for ease of locating a Fortuna business
- Supporting Fortuna Rotary with Art & Wine in the Park to promote Fortuna businesses as vendors
- Organized storage unit to include creating a banner inventory as well as contacted banner makers for quotes to have new banners created
- Imported email list into Outlook to notify Fortuna businesses of FBID tasks and events occurring
- Implemented 28 Days of Kindness to promote Fortuna businesses on social media
- Created a list of open buildings for lease and sale for inquiring businesses that would like to begin a business in Fortuna
- Updated budget to reflect data from annual events and created a projected budget for next fiscal year
- Submitted Fortuna Chamber of Commerce Newsletter write-up to promote FBID
- Submitted write-up for wedding magazine for FBID, River Lodge and Monday Club to promote Fortuna business interactions during local events
- Created templates of Sponsorship forms, business scavenger hunts and business contact information to disperse to consumers and businesses
- Created list of properties available for lease or sale to support new businesses beginning their business in Fortuna
- Created a draft of infographics of various business categories to share with visitors and residents to know what businesses provide what goods or services

BUDGET SUMMARY:

The FBID Advisory Committee reviewed and recommended a revised budget for FBID on March 28, 2023 and recommended approval by the Fortuna City Council. The City Council approved the budget on April 17, 2023. The proposed cost of the activities for Fiscal Year 2022-2023 is \$106,000. The FBID assessment is expected to generate \$63,000 and the City Council budgeted a contribution of \$63,000 to bring the total revenue up to \$126,000.

Proceeds from the prior FBID non-profit were dispersed to the City in July of 2022 in the amount of \$26,261 and deposited in the FBID fund created by the City.

LEVY OF ASSESSMENT

There is no change proposed to how the assessment would be levied. The assessment would be consistent with the levy and collect assessments in the amounts set forth in Ordinance 2022-756.

FINANCIAL IMPACT:

No fiscal impact.

RECOMMENDED COUNCIL ACTION:

1. Receive presentation of the FBID annual report and discuss
2. Open Public Comment
3. Close Public Comment
4. Motion to adopt the FBID Annual Report either (1) as presented or (2) with specified modifications. Voice vote.