



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: James L. Becklenberg, Acting Deputy City Manager
MEETING DATE: February 3, 2010

SUBJECT: REALLOCATING FUNDS WITHIN THE APPROVED FY 2009-10 SPENDING PLAN FOR THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (B.I.D.) FOR CONTINUED SUPPORT OF THE BUSINESS DEVELOPMENT COORDINATOR POSITION, AND AUTHORIZING THE B.I.D. AND CHAMBER OF COMMERCE TO MAKE FUTURE CHANGES IN THE B.I.D.'S FY 2009-10 SPENDING PROGRAM IN COORDINATION WITH THE CITY'S ECONOMIC DEVELOPMENT COMMISSION

CEQA STATUS This action does not constitute a "Project" as defined by CEQA.

RECOMMENDATION

1. Approve a \$3,000 reallocation of funds in the Downtown Business Improvement District (BID) program to support the extension of a contract with the Business Development Coordinator.
2. Approve a resolution authorizing: (a) the City Manager to execute a revised agreement with the Pacific Grove Chamber of Commerce to administer the BID program with the recommended change; and (b) authorizing the BID and the Chamber of Commerce to coordinate with the Economic Development Commission on any future changes in the FY 2009-10 spending plan and program, as long as any such changes remain within the overall program already approved by the Council.

DISCUSSION

In September 2009, the City Council approved a change in the approved program for the Downtown Business Improvement District that enabled the Chamber of Commerce to hire a Business Development Coordinator. The position is managed by the Chamber of Commerce, with the following objectives:

1. Develop Lighthouse Avenue into a vibrant business destination.
2. Create programs that establish a business-friendly Lighthouse Avenue.
3. Establish an ombudsperson resource that can bridge the tenant, landlord, and civic hurdles that currently hamper Lighthouse Avenue business development.

At its January 13, 2010 meeting, the BID Advisory Board voted to extend the Business Improvement Coordinator's contract for three months, at the rate of \$1,000 per month. Subsequently, PG Chamber of Commerce President Moe Ammar submitted a letter to the City requesting that the BID program be modified accordingly (attached).

Approval of the request would reallocate funds from the previously approved local advertising and visitor advertising programs in equal amounts (\$1,500 each for a total of \$3,000), without changing the total funding, as follows:

Category	Expenditure Purpose	Current Allocation	Proposed Allocation
1. Local advertising	Newspapers, magazines, television, posters and flyers	\$6,800	\$5,300
2. Visitor advertising	Newspapers, magazines, maps, brochures, distribution services and direct mail.	\$10,200	\$8,700
3. Business Development Coordinator Position	Support a Business Development Coordinator position to be managed by the Chamber of Commerce.	\$3,000	\$6,000
4. Promotions and events	Support for local events that generate awareness of and business for downtown	\$3,400	\$3,500
5. Administration / accounting for BID revenues	Chamber staff time, bookkeeping service, events insurance and temporary labor for projects such as hanging lanterns, delivery service, copy and postage.	\$4,500	\$4,500
TOTAL		\$28,000	\$28,000

With the increased capabilities of the Economic Development Commission to provide oversight of the City's economic development activities, as well as the many major projects requiring the Council's time and attention, it will be beneficial for the EDC to work with the Chamber and the BID if there are any desired changes during the remainder of this fiscal year, rather than requiring formal approval by the Council, as long as those changes remain within the overall program and funding levels already approved by the Council. For FY 2010-11, the Council will again be asked to approve the BID's program and overall funding levels.

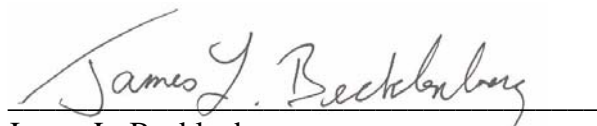
FISCAL IMPACT

None. The proposal reallocates funds within the previously approved level. BID funds cannot be used for general services purposes.

ATTACHMENTS

- Resolution authorizing the City Manager to amend the agreement with the Chamber of Commerce for BID administration services.
- Letter amending the agreement between the City and the Chamber of Commerce to administer the BID program.
- Letter from the Pacific Grove Chamber of Commerce, dated January 26, 2010.

RESPECTFULLY SUBMITTED:



James L. Becklenberg
Acting Deputy City Manager

REVIEWED BY:



Thomas Frutchey
City Manager

RESOLUTION NO. 10-__

RESOLUTION OF THE CITY COUNCIL APPROVING MODIFICATION OF THE AGREEMENT WITH THE PACIFIC GROVE CHAMBER OF COMMERCE FOR DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (B.I.D.) PROGRAM ADMINISTRATION SERVICES AND AUTHORIZING THE ECONOMIC DEVELOPMENT COMMISSION TO APPROVE REALLOCATION OF FUNDS WITH THE OVERALL APPROVED PROGRAM TOTAL

WHEREAS, the City Council wishes to amend the agreement with the Pacific Grove Chamber of Commerce for BID administration services in order to support extending the contract for the Business Development Coordinator position and to authorize the BID to coordinate any future changes to the FY 2009-10 program and reallocations of funds within that program with the City's Economic Development Commission,

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PACIFIC GROVE DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Manager is authorized to execute a modified agreement with the Pacific Grove Chamber of Commerce that authorizes the following expenditure plan for FY 2009/10.

Category	Expenditure purpose	Total FY 2009/10 program
1. Local advertising	Newspapers, magazines, television, posters and flyers	\$5,300
2. Visitor advertising	Newspapers, magazines, maps, brochures, distribution services and direct mail.	\$8,700
3. Business Development Coordinator Position	Support a Business Development Coordinator position to be managed by the Chamber of Commerce.	\$6,000
4. Promotions and events	Support for local events that generate awareness of and business for downtown	\$3,500
5. Administration / accounting for BID revenues	Chamber staff time, bookkeeping service, events insurance and temporary labor for projects such as hanging lanterns, delivery service, copy and postage.	\$4,500
TOTAL		\$28,000

SECTION 2. The City's Economic Development Commission is hereby authorized to authorize any additional changes in the FY 2009-10 BID program and the allocation of funds within the overall program, without requiring the approval of the City Council, as long as such changes are within the overall program and budget already approved by the Council.

SECTION 3. This resolution shall become effective immediately following passage and adoption thereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this February 3,, 2010 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

CARMELITA GARCIA, MAYOR

ATTEST:

JAMES L. BECKLENBERG, CITY CLERK

APPROVED AS TO FORM:

DAVID C. LAREDO, CITY ATTORNEY



CITY OF PACIFIC GROVE

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February 3, 2010

Mr. Moe Ammar, President
Pacific Grove Chamber of Commerce
584 Central Ave
Pacific Grove, CA 93950

Dear Mr Ammar,

This letter, once signed by both parties, will serve as an amended agreement between the City of Pacific Grove and the Pacific Grove Chamber of Commerce regarding the expenditure of Downtown Business Improvement District (BID) revenues. The original agreement, dated June 3rd, 2009 was previously modified on September 2, 2009. The changes modify Provision #2 to reallocate funds from the local advertising and visitor advertising programs to support a three-month contract extension for the Business Development Coordinator position and add a new provision, labeled Provision #4, to allow the BID to collaborate with the Economic Development Commission (EDC) to reallocate funds within the total approved program in the future, without gaining formal City Council approval.

AGREEMENT:

1. The City of Pacific Grove will remit the revenues resulting from BID assessments during FY 2009/10 in two installments, with the first to occur on or about September 1, 2009, and the second to occur on or about May 1, 2010. Any BID assessment revenues received after May 1st will be remitted as part of the following fiscal year's revenues.

The Chamber of Commerce will spend the transferred BID proceeds exclusively in the manner specified in the chart on the following page:



Tuesday, January 26, 2010

To: Pacific Grove City Council
From: Moe Ammar
Subject: Downtown Business Improvement
Business Development Coordinator Position

On Wednesday, January 13, 2010 the Downtown Business Improvement District voted to extend Michael Adamson's contract at the downtown Business Development Coordinator position for three months from January 1, 2010 to March 3, 2010 for \$1,000 per month. The Advisory Board is requesting the City Council to modify the Business Improvement District fund budget accordingly.

The funds will be deducted from local and visitor advertising line items equally. Since

Thank you for your consideration.

Moe Ammar
President

cc: Tom Frutchey
Jim Becklenberg