



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/05/2019

ITEM NO: 17

DESK ITEM

DATE: November 4, 2019
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Acting as the Property Owner Representative for the Town's Parcels Included in the Proposed Property Business Improvement District (PBID), Discuss the Draft Service Plan for a PBID in Downtown Los Gatos, Provide Input on the Structure and Parameters of the Draft Plan, and Direct Staff on the Next Steps for Working with the PBID Steering Committee on Behalf of the Town.

REMARKS:

Staff received questions from a Town Council member, below, and additional public comment (Attachment 3) following the distribution of the addendum dated November 4, 2019.

Questions from a Council Member with staff responses below

- **Responses to Koen's questions/issues from email dated November 3, 2019**
Mr. Koen raises several questions and issues. It is important to clarify that commercial property owners and the Chamber (hereafter referred to as the stakeholder group) are leading the proposed PBID effort, not the Town of Los Gatos. The Town did not establish nor propose any of the geography, fee structure, or other proposed parameters. The stakeholder group, together with other downtown businesses and property owners, met with the consultant early on and they purposely decided on a Property-based Business Improvement District, not a BID. The PBID proposal and the proposed geography that includes Town properties is coming from the stakeholder group. Town staff is not suggesting or recommending any of the PBID elements. The item is on the agenda to allow the Council, as a property owner, the opportunity to discuss the proposal and provide input, including the issue of which Town properties the Council is comfortable including in the PBID. The staff report on this matter is informational to assist the TC have a transparent/public discussion on the proposal.

PREPARED BY: Monica Renn
Economic Vitality Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Discuss and provide direction on the draft Service Plan from the proposed PBID.

DATE: November 5, 2019

DISCUSSION (Continued):

In the next phase of the PBID, the stakeholder group and its consultant will need to identify special benefits and specifically provide the determination of benefit for each participating property. Generally, if a shopping area is more lively and successful, the vitality and desirability may increase, including a rise in sales tax. Additionally, services that the Town does not provide with the loss of RDA funds, such as marketing, could be added through the PBID.

- **How much has the Town paid to the Chamber 2018-19? Projected for 19/20?**
2018/19: \$77,166.67 (\$50k annual contract, \$22k for PBID phase one consultant work, \$3,500 road closures for summer 2018 events, and \$1,666.67 for summer 2018 events)
2019/20: \$60,000 (\$60K annual contract and \$10k for summer 2019 events)
- **How much has the Town paid/budgeted for downtown improvements/upkeep in those same time frames?**

Work Task	Annual Estimated Cost			
	2018-19	Frequency	2019-20	Frequency
Power Wash Sidewalks	\$ 29,400	7x annually	\$ 50,400	Monthly
Parking Lot Cleaning	\$ 12,500	Monthly	\$ 12,500	Monthly
Downtown Street Sweeping	\$ 9,000	Fridays	\$ 9,000	Fridays
Frequency and cost of supplemental downtown trash collection	\$ 45,000	3x week	\$ 47,810	3x week
Estimated cost of regular planter box upkeep	\$ 25,000	as needed	\$ 35,000	as needed
Estimated cost & tasks for park maintenance @ Plaza Park	\$ 55,000	weekly	\$ 55,000	weekly
Estimated cost & tasks for park maintenance @ Civic	\$ 62,000	weekly	\$ 62,000	weekly
TOTALS	\$ 237,900		\$ 271,710	

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DISCUSSION (Continued):

- **How was the Board representation determined?**
The stakeholder group, consisting of the Chamber and commercial property owners, determined this proposed Board representation. We understand that the stakeholder group is open to add committed steering committee members that included businesses; however, given the time commitment, there were not businesses interested in committing.
- **Has anyone other than the Town contributed to the PBID process so far?**
The Town paid for the first phase and we understand that the Chamber will pay for subsequent phases.
- **Why is the Town proposed to be included?**
The stakeholder group included Town properties due to their geographic locations.
- **Why were other properties excluded?**
The stakeholder group excluded the High School and residential properties.
- **How is the money "collected" each year (i.e., can a property refuse to pay)?**
All property owners will pay through their annual property taxes because once the PBID is established, the District goes onto the property tax rolls. There is not a mechanism not to pay a portion of the property taxes.
- **Can PBID money be used for town infrastructure projects such as widening sidewalks?**
If the governing PBID Board decides to fund a Town infrastructure project, those funds can be added to the Town's capital project and the Town would oversee the project, such as sidewalk widening.

Attachment Received with Staff Report:

1. LGPBID Draft Service Plan

Attachment Received Addendum dated November 4, 2019:

2. Public Comment received after distribution of the staff report and before 11 a.m. on November 4, 2019

Attachment Received with this Desk Item:

3. Public Comment received between 11:01 a.m. on November 4, 2019 and 11:00 a.m. on November 5, 2019.