



CITY OF

NEWPORT BEACH

City Council Staff Report

June 8, 2021
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Ordinance No. 2021-14: Disestablishing the Corona del Mar
Business Improvement District

ABSTRACT:

On March 25, 2021, the Corona del Mar Business Improvement District (CdM BID) Board of Directors recommended disestablishing the CdM BID, given that the BID has fulfilled its original mission of making Corona del Mar a desirable location to conduct business. The City Council considered the recommendation at its May 11, 2021 meeting and approved a Resolution of Intention to Disestablish the CdM BID, setting the public hearing for June 8, 2021.

RECOMMENDATION:

- a) Conduct a public hearing;
- b) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- c) Waive full reading, direct the City Clerk to read by title only, introduce Ordinance No. 2021-14, *An Ordinance of the City Council of the City of Newport Beach, California, Repealing Ordinance No. 97-24, Ordinance No. 98-15, and Ordinance No. 99-18, and Disestablishing the Corona del Mar Business Improvement District*, and pass to second reading on June 22, 2021.

DISCUSSION:

The Corona del Mar Business Improvement District (CdM BID) was formed in 1997 (Ordinance 97-24) pursuant to the Parking and Business Improvement Area Law of 1989 (1989 Law), codified in the Streets and Highways Code Sections 36500 et seq. The CdM BID was established for the purpose of financing activities and programs that benefit the member businesses located and operating in the area. The CdM BID territory encompasses the area generally located along East Coast Highway from Hazel Drive to Avocado Avenue in Corona del Mar.

The CdM BID is nearing the end of its FY 2020-21 operating period and its Board of Directors, which serves in an advisory capacity to the City Council, has requested disestablishment of the BID. The CdM BID Board believes the BID has fulfilled its original mission of making Corona del Mar a desirable location to conduct business. Thanks to many years of volunteer work and City support, the CdM BID was able to complete a majority of its Vision Plan, which included various beautification elements and enhancements, as well as marketing and promotion of the business district.

Pursuant to the 1989 Law, an annual report and plan on how to dispose of assets must be prepared and filed with the City Council, and a public hearing must be held prior to the BID's disestablishment. The annual report and plan on how to dispose of the CdM BID's assets was prepared and filed with the City Council on May 11, 2021.

However, on May 26, 2021, the Corona del Mar Chamber of Commerce notified the City that it would not be accepting the donation of the twenty-seven (27) Happy Holiday banners and the twenty-seven (27) Explore CdM banners. Per the Distribution of Assets plan proposed by the CdM BID, donations that are not accepted are to be turned over to the City to be auctioned off. Any revenues derived from the sale of the assets will be added to the monetary assets of the BID, which are to be refunded to the CdM BID businesses. If the banners are not able to be sold, then they are to be disposed.

At the May 11, 2021, City Council meeting, the City Council also adopted Resolution No. 2021-40, declaring its intention to disestablish the CdM BID and setting the public hearing for June 8, 2021. A complete copy of the adopted Resolution (Attachment B) and a cover letter explaining the proposed disestablishment was mailed to each BID member. The City Clerk also published a complete copy of the Resolution in the *Daily Pilot*, a local newspaper.

If approved following a second reading on June 22, 2021, Ordinance No. 2021-14 (Attachment C) would be effective in the new fiscal year.

FISCAL IMPACT:

City staff will be managing the refund of assessments to the CdM BID stakeholders and the closure of CdM BID financial accounts once the BID is formally disestablished.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Boundary Map for the Corona del Mar Business Improvement District
Attachment B – Resolution No. 2021-40
Attachment C – Ordinance No. 2021-14