



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: November 4, 2010
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Subject: Presentation by Beverly Hills Chamber of Commerce Regarding a Proposal to Create a 'Business Improvement District' Designed to Replace Membership Dues
Attachments: 1. Chamber of Commerce's Proposal

INTRODUCTION

The Chamber of Commerce has developed a proposal designed to achieve fiscal self-sufficiency through the establishment of a 'Business Improvement District' mechanism.

DISCUSSION

The Chamber of Commerce presented an overview of this proposal to the Mayor at the monthly 'Mayor's Meeting' with the Chamber on September 23, 2010.

FISCAL IMPACT

City staff has not had sufficient time to evaluate any potential impacts to the City resulting from implementation of this initiative.

RECOMMENDATION

It is recommended that the City Council receive a presentation on this proposal from the Chamber of Commerce and direct staff regarding the proposal.

Cheryl Friedling
Approved By

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Proposal to Form Beverly Hills Chamber of Commerce Business Improvement District (CBID)

Overview

Beverly Hills Chamber of Commerce is a 501 c (6) corporation which provides services and programming for member businesses. The organization was incorporated in 1923 and has been in continuous operations since its formation. The Chamber currently has approximately 650 member businesses and desires to grow its constituent base. The California Parking and Business Improvement District Area Law of 1989 is a powerful tool available to the Chamber for the purpose of serving businesses and creating opportunities for success.

As with many chambers today there is a greater demand for programming and services in Beverly Hills than can be provided with limited funds. Forming a BID can bridge the service gap to provide businesses and other stakeholders with increased revenue and dependable programs to further business improvement in Beverly Hills. The Chamber proposes to implement a Chamber Business Improvement District (CBID) within the next 4 months in order to sustain current programming and develop new programming to serve its business community in the future.

The proposed CBID is not intended in any way to compete or interfere with any further merchant association or property based BID that may be contemplated for Beverly Hills in the future. The Chamber CBID is envisioned to be complementary and unique in providing services to businesses throughout Beverly Hills for the purpose of promoting business, its interests, needs and issues.

Formation Process and Timing

The Chamber has retained the services of CIVITAS, a legal and consultative services firm with significant experience in the formation of BIDs throughout the State of California as well as nationally and internationally. The firm will be responsible for working with a Chamber Steering Committee to develop resolutions to implement the Steering Committee's vision for the CBID. The resolutions will serve as the business plan for the Beverly Hills business improvement efforts, providing recommendations for structure, benefits, services, budgets and assessments. The Chamber's consultant will work with the City Attorney to review the resolutions and establish a process for City approval in accordance with applicable California law

Forecasted timing for the process is four (4) months to include the following steps: Project Initiation/CBID Formation Infrastructure; Preparation of Documents; Revision of Documents, and City Council hearings.

Costs

Chamber proposes to underwrite the cost of the process to create the CBID as proposed including reasonable and appropriate costs initially borne by the City.

Value Proposition

The Chamber believes a strong and broad value proposition exists for the creation of the CBID, as proposed. Among these is the creation of an independent Chamber of Commerce able to represent the broad based business community in the City. Financial support from the City of Beverly Hills would no longer be required to assist in sustaining the Chamber. Services the City would choose to purchase from the Chamber in the future would be optional and the Chamber's selection would be based on the quality of its proposals and ability to deliver the contracted services.

In addition, as proposed, the membership base would be significantly larger and its voice stronger than at any time in the past. The City would benefit from knowing that input from the CBID represents virtually all the businesses in the City. As the City of Beverly Hills derives over 75% of its general fund revenue from the business community, a growing, vibrant and dynamic business community will serve the City well.

Lastly, membership cost, via the CBID assessment process, would be equal to or in most cases lower than the current Chamber membership rate schedule. For example, the Chamber's current annual minimum membership fee is \$400 and ranges to over \$5,000. Under the CBID the maximum annual fee would be \$400 for a limited number of businesses (less than 10%), \$250 for most businesses and \$25 for the remaining businesses with limited gross receipts.

Summary

The proposal to establish the Chamber CBID is meritorious in every way. Businesses and the City of Beverly Hills would benefit significantly from this new and innovative structure. The Chamber itself would be financially stronger and would be operationally independent and more capable to deliver services to its constituent members. Additionally, the City would no longer have to fund the Chamber's activities thereby providing the City with funding for other meritorious City purposes.

The Chamber leadership would be pleased to discuss this outline in greater detail with the City of Beverly Hills.