



Notice of Regular Meeting

ECONOMIC DEVELOPMENT COMMISSION

THURSDAY, June 9, 2016 4:00 P.M.

City Manager's Conference Room
300 Forest Avenue, Pacific Grove, CA

- 1) **Call to Order / Roll Call**
- 2) **Approval of Agenda**
- 3) **Commissioner and Council Liaison Announcements**
- 4) **Public Comments**

(Comments from the audience cannot receive Commission action. Comments must deal with matters subject to the jurisdiction of the Commission and will be limited to three minutes. Whenever possible, letters are to be submitted to the Commission in advance of the meeting.)

- 5) **Approval of Minutes**

- a) May 12, 2016 **(Attachment A)**

- 6) **Unfinished/Ongoing**

- a) **2016-2017 EDC Work Plan:** Review, discuss and take action, if necessary. **(Attachment B)** Reference: Jacquie Atchison

- 7) **New Business**

- a) **First Friday Sponsorship:** Review proposal from First Friday for annual sponsorship and take action whether to sponsor. **(Attachment C)** Reference: Jacquie Atchison
- b) **Special Events:** Discuss the economic benefits of promotional events that are planned by the chamber, Downtown Business Improvement District or Hospitality Improvement District. Recommend to the City Council waiving the fees of promotional events except labor cost. Such fees include application fee, sound permit fee, rental of cones or barricades. Reference: Moe Ammar
- c) **Proposed Business License Tax Increase:** Review proposal to increase the business license tax and take action, if necessary **(Attachment D)** Reference: Willy Nelson
- d) **EDC Action Items:** Review and take action, if necessary. **(Attachment E)** Reference: Ruth Matthews

- 8) **Reports**

- a) **Economic Development Director's Report:** Mark Brodeur

Next meeting: July 14, 2016 4:00PM

Adjournment

THIS MEETING IS OPEN TO THE PUBLIC AND ALL INTERESTED PERSONS ARE WELCOME TO ATTEND. THE CITY OF PACIFIC GROVE DOES NOT DISCRIMINATE AGAINST INDIVIDUALS WITH DISABILITIES AND MEETINGS ARE HELD IN ACCESSIBLE FACILITIES.



City of Pacific Grove
 Economic Development Commission
 Minutes - Draft
 Thursday, May 19, 2016, 4:00 p.m.
 City Manager's Conference Room
 300 Forest Avenue, Pacific Grove, CA

1) Call to Order/Roll Call

Chair Atchison called the meeting to order at 4:00 p.m. Present: Chair Atchison, Vice Chair Davis, Secretary Matthews, Commissioners Stillwell, Cohen, Addeman, Krokower, and Ammar. City Council Liaison, Mayor Bill Kampe
 Staff Liaison, Mark Brodeur
 Absent: Commissioners Bain and Nelson

2) Approval of Agenda

Action: Upon Motion by Commissioner Ammar and seconded by Commissioner Krokower, the approval of the Agenda was passed unanimously.

3) Commissioner and Council Liaison Announcements

Chair Atchison, Secretary Matthews, and Mayor Kampe attended the Monterey County Business Council event on May 6, 2016 honoring small businesses in Monterey County. One of the winners was Winning Wheels Bicycle Shop in Pacific Grove. Over one hundred people attended the event and the small business of the year was awarded to Avila Construction Company.

Vice Chair Davis and Chair Atchison attended the 2nd annual Regional Economic Summit on April 26, 2016, sponsored by MBEP. They found the summit informative and shared a few of the ideas with the Commissioners.

Chair Atchison and Commissioner Stillwell met with City Manager Ben Harvey and Economic Development Director Mark Brodeur to discuss why the butterflies are no longer on Pacific Grove signs. City Manager Harvey stated that the butterflies can be added to the existing signs and the City logo will be discussed at the June 15th council meeting.

4) Public Comments - None

5) Approval of Minutes

Action: Motion made by Commissioner Krokower and seconded by Commissioner Addeman to approve the April 14, 2016, minutes. Motion approved unanimously

6) Reports

a) Economic Development Director's Report: Receive report and use information for LEAP Program and Work Plan. Reference: Mark Brodeur. Mark Brodeur highlighted a few of the ongoing projects, updating the Commissioners on the Holman Building, @Lovers Point property, Pacific Grove hotel (Central Ave), and three downtown properties that are changing into mixed use. The Commissioners were also shown plans for the theater parking lot re-use study. Mr. Brodeur discussed the possibility of a "Pacific Grove Tribute Catalog", which would be a collection of public works projects that anyone can purchase.

b) Annual Business Walk Report: Receive report and use information for LEAP Program and Work Plan. Attachment B Reference: Jacquie Atchison Chair Atchison discussed the report with a focus on what has changed since last year and how EDC can become more involved. Outcomes showed that our small businesses need help driving traffic to their businesses, especially locals. Report will be submitted to the City Council with these minutes.

7) Unfinished/Ongoing

a) CALED LEAP Program: Review, discuss and take action on determine problem statement and scope of program. (Attachment C) reference: Jacquie Atchison The CALED Leap Program was discussed extensively by the Commissioners. **ACTION:** Motion made by Commissioner Krokower and seconded by Commissioner Stillwell to recommend to CALED to focus on three areas:

- Tenant Mix in downtown
- Pros/Cons of a Property Business Improvement District
- Connection to Pacific Grove business districts aka “Common Thread”

Motion passed unanimously. Chair Atchison will coordinate with CALED for possible planning session dates.

Public Comments: Economic Development Consultant Sam Raskin distributed a handout “PGEDC - Economic Development 101” and indicated we need to follow his basic steps outlined in the handout.

b) 2016-2017 EDC Work Plan: Review, discuss and take action to approve (Attachment D). The Commissioners discussed what items should be paid for with EDC funds and what businesses will be involved. **Action:** Motion made by Vice Chair Davis and seconded by Commissioner Stillwell to approve the Strategic Work Plan for 2016-2017, motion passed unanimously.

8) New Business

a) Parking: Commissioner Stillwell questioned the data used to keep the three hour parking limit on Laurel. CEED Director Brodeur suggested that the item be brought before the Traffic Commission.

ADJOURNMENT

Meeting adjourned at 5:42 p.m.

Respectfully submitted,

Ruth Matthews, Secretary



CITY OF PACIFIC GROVE
ECONOMIC DEVELOPMENT COMMISSION

Annual Strategic Work Plan 2016-17

“To devise economic development and enhancement strategies and programs which bring revenue and visibility for the city, assist the City’s businesses and job seekers in their efforts; and help meet the shopping and service needs of local residents by promoting retail business interests.”

CALED LEAP Economic Development Strategic Planning

Work with CALED consultants and PG stakeholders to develop an economic strategic plan to focus on a) downtown tenant mix, b) possibility of creating a Property Owners Business Improvement District and c) creating a “common thread” between all PG business districts. Budget: \$3,500 (*additional funds are available to implement activities suggested in economic plan*).

Business Attraction & Retention

Economic Strategy: An active business retention and attraction program is the best way to improve the economic health and vitality of the entire City, including investing in infrastructure, developing a healthy, diversified tenant mix, and creating job opportunities. Budget: \$7,500

Activities may include:

- Research and implement necessary cellular towers, electric charging stations, etc.
- Annual Business Walk.
- Work with Commercial Property Owners to update their properties, provide long term leases, and recruit better tenant mix and work with tenants to stay open later and on weekends.
- Work with ATC businesses to find new locations in Pacific Grove.
- “You’ll Find It in Pacific Grove!” (Think Local program):
 - Monthly Cash Mobs; Promotional Marketing such as Small Business Saturday, Highlight small businesses, home-based businesses, expo?

Special Events:

Economic Strategy: The EDC understands that many of our small businesses have limited resources for marketing and advertising their businesses. An excellent way to increase foot traffic to PG businesses is to draw visitors and locals to special events in the city. Budget: \$10,000

Some of the events we will consider to support include:

- First Friday sponsorship.
- Develop events such as Car shows, Concerts, Movies @ LoversPoint, Food Fest, etc.
- Develop events for ATC, Forest Hill and Central Ave Business Districts.
- Co-marketing with Big Events – AT&T, Jazz Festival, Concours – including street banners; work with city to reduce fees for events.

Partnerships, Sponsorships

Economic Strategy: To ensure commissioners are up-to-date on newest and creative economic development strategies to support Pacific Grove businesses. Budget: \$2,500

- Membership in economic development organizations that provide training and education
- Sponsor economic development/business startup events that showcase/support Pacific Grove businesses.

First Friday Pacific Grove

firstFridaypg@gmail.com or www.facebook.com/1stFridayPacificGrove

Contact: *Adrienne Jonson (Founder)

Artisana Gallery 612 Lighthouse Ave., Pacific Grove, CA 93950

(831) 655-9775 artisanagallery@gmail.com

Background:

What started with a few small business owners, professionals and artists brainstorming ideas to get through these tough economic times has become a grassroots effort to support community, creativity and commerce. The effort has spread statewide, and it has come to Pacific Grove. It's called "First Friday." (A First Friday event has been ongoing in Pacific Grove since March of 2010, albeit on a small scale, but has continued thanks to the ongoing commitment of a handful of shops and galleries.)

We are making an event that is accessible to everyone citywide, no matter the type of store, gallery, office, restaurant or service. The Pacific Grove Art Center has joined First Friday as well and will be open all year long on the First Friday of every month beginning Feb. 5, 2016. They will feature Gala Art Openings every other First Friday: March 4, May 6, July 1, Sept. 2, Nov. 4, 2016 and utilize the alternate First Fridays for Gallery evenings and Concerts.

The goal of First Friday P.G. is to bring positive energy and commerce to the city of Pacific Grove. Galleries, studios, businesses and services will stay open until at least 9 p.m. and create a regularly occurring event where locals and tourists can enjoy an evening exploring what these places have to offer.

Funds are being sought for advertising and promotions for this ongoing event.

Our request is for \$6,000.00 for the next Fiscal year 2016/2017 for First Friday events in Pacific Grove. The entire fund will be used exclusively to advertise the event.

11) ads in the Monterey Herald

11) ads in Carmel Pinecone

22) ads in Cedar Street Times

25) Green Flags

4) Yard Signs

We have also asked participating businesses to make a \$25.00 contribution to be included in Advertising (advertising expense totals between \$750.00-\$850.00 per month). The P.G. Chamber of Commerce has committed to paying for the Liability Insurance and cost of Poster design and printing for each event.

Since February 2015, First Friday has grown to include 20 local downtown businesses as well as the Pacific Grove Museum of Natural History. Every month we seem to grow by 3-5 new participants. Reports from participating businesses are very positive with increased client base for service businesses, increased sales for shops and galleries, many compliments from residents and tourists who are pleased with such a positive, free event happening downtown on a Friday evening once a month.

Thank you for your time and consideration.

The next general election is scheduled for November 8, 2016. Considering the threat of litigation for the proposed Admissions Tax, and in light of timing constraints for adding a ballot measure to the upcoming November 8, 2016 General Election, only the proposed revision to the Business License Tax increase is outlined below.

Currently, the Pacific Grove Municipal Code (PGMC) requires qualifying businesses to pay a minimum annual tax of \$15.00, to a maximum annual tax of \$3,000, based upon gross receipts. Certain types of businesses are exempt, and certain types of businesses are required to pay a minimum amount that is not based upon gross receipts.

PGMC section 7.04.220:

7.04.220 License tax – Gross receipts.

Every person who engages in business within the city shall pay a license tax based upon gross receipts of the previous calendar year at the rate of one mill on each dollar of gross receipts, with a minimum annual tax of \$15.00 and a maximum annual tax of \$3,000.

Any person on a fiscal-year basis may, with the consent of the collector, pay a license tax based upon gross receipts for that person's previous fiscal year. [Ord. 656 N.S. § 1, 1970].

The current business license provisions within the PGMC were established in 1970, when the ordinance was initially adopted. The mill rate is a notional unit equivalent to 1/1000 of a United States dollar (a one-hundredth of a dime, or a tenth of a cent). There has been no change to the minimum or maximum tax amounts since inception.

There are a number of methods to consider when discussing an increase in the business license tax. Some potential options include:

1. Increasing the minimum annual business license tax amount, as well as the maximum annual business license tax amount. This could be accomplished by applying a multiplier to bring these amounts current to 2016 levels from the existing levels, which were established in 1970. If considering this approach, the City could also ensure that the amounts going forward would remain current by applying an annual automatic consumer price index to both the minimum, as well as the maximum amounts.
2. Increasing the Business License Tax rate.
3. Changing the methodology for applying the business license tax, such as moving towards a flat percentage of gross receipts approach.
4. Revising the list of business types currently exempt from the business license tax.
5. A hybrid proposal incorporating various elements of the options outlined here.
6. Other options not outlined within this agenda report.

The City currently has 2041 active licenses (1,398 inside the City, 643 outside the City). In Fiscal Year 2014-15, total business license revenues were \$327,463. Year to date business license revenues (through April 2016) are \$310,234. The very preliminary numbers provided in

the table below, indicate the scope of some of the proposed options with regard to the Business License Tax. However, the City’s business license management partner, Hinderliter de Lamas & Associates (HdL), is in the process of conducting an analysis of the current ordinance and the City’s tax registration database. Data will be compiled on the number of businesses, current tax revenues received by City, categories, and other related information in order to provide an accurate baseline on proposed changes. HdL will also perform a comparative study of neighboring cities (HdL is currently working with the City of Marina on a similar ballot measure). Finally, HdL will provide the findings of its analysis with options for the Council to consider on June 15, 2016.

Potential increased revenue using some of the proposed methods listed above:

Minimum License Fee @ \$100	\$ 40,885
Remove Exemptions (200 addt'l licenses - inside and outside the City)	\$ 20,000
Increase rate (based on average per capita rate in California - \$40.16 in FY 2013-14)	\$ 280,000

Revenue from business licenses is considered a general tax. The City may use this general tax revenue for any City purpose, such as police protection, fire suppression, storm water, street repair, park maintenance and restoration, library and museum purposes, recreation, code enforcement and other services.

NEXT STEPS

1. Determine whether to modify the current business license tax.
2. (Contingent upon affirmative action for item number 1 above) - Decide upon a method to modify the current business license tax.
3. (Contingent upon affirmative actions for both item numbers 1 and 2 above) - Direct staff to return with an agenda item providing proposed ballot language for voters to consider a potential increase in business license tax.
4. (Contingent upon affirmative actions for item numbers 1, 2 and 3 above) - Direct staff to prepare a resolution placing a proposed business license tax increase on the ballot for voter consideration at the November 8, 2016 general election.

To place a proposed tax measure on the general election ballot to give the City’s electorate an opportunity to vote on the measure, a Resolution and the first reading of the Ordinance must be approved by the City Council at a regularly scheduled meeting and sent to the County’s Elections Department no later than August 3, 2016. The Resolution calls for an election and asks the County to consolidate with the November 8, 2016 election. The proposed Ordinance amends Chapter 7.04.220 of the City’s Municipal Code to increase the License tax – Gross receipts.

ELECTION PROCESS TIMELINE

August 3 Last date (regularly scheduled City Council meeting) for the City Council to take action to file a Notice of Election and Resolution requesting a measure to appear on the ballot

August 19 Primary Arguments Due
August 29 Rebuttal Arguments and City Attorney’s Impartial Analysis Due

Please note that the City Council is only scheduled to meet once each month during the months of June and July, 2016 (June 15th and July 20th, respectively).

ALTERNATIVES CONSIDERED

N/A – follow-up discussion from direction provided by the City Council.

OPTIONS

Take no action. Please note that taking no action at this junction could prohibit any proposed business license tax measure from eligibility for potential inclusion on the ballot at the November 8, 2016 general election due to timing constraints.

FISCAL IMPACT

1. Overall estimated fiscal impact to be provided by City staff in a subsequent report following direction provided by Council.
2. Preliminary estimated costs for adding a ballot measure within a general election is approximately \$75,000.

ATTACHMENTS

None

RESPECTFULLY SUBMITTED:

Ben Harvey

Ben Harvey
City Manager

Action Items referred to City, CEDD, or other Boards and Commissions by the Economic Development Commission

Date: April 14, 2016

Action: Gala at Lover's Point Beach for Carmel Film Festival October 22, 2016. Support the concept of the gala at a City Council meeting

Referred to: City Council

Status: Pending

Date: February 11, 2016

Action: Endorsement by EDC of a yes vote on Measure X, which would establish a single new zoning designation (C-V-ATC) for the entire ATC site.

Referred to: City Council

Status: Measure X approved by voters April 19, 2016

Date: January 14, 2016

Action: Two year pilot program to waive permit and encroachment fees relating to exterior painting of commercial properties in the CD Zone, subject to staff approval, OTC

Referred to: City Council

Status: Pending

Date: January 14, 2016

Action: Meet with major commercial property owners and include Commissioners Stillwell and Bain in the meeting

Referred to: CEDC - Mark Brodeur

Status: Pending

Date: December 10, 2015

Action: Amend the Special Events policy and application form to include that any event that requires Council and/or Staff approval will include PG in the title of their event

Referred to: Recreation Board

Status: Pending

Date: April 9, 2015

Action: 45 Day moratorium on incompatible uses in the downtown area

Referred to: City Council

Status: Ordinance change adopted June 17, 2015 by Council

Date: March 12, 2015

Action: Support Six month extension of the three hour downtown parking

Referred to: City Council

Status: Complete ordinance change from 20 minutes to three hours in downtown area, adopted October 7, 2015. New code 16.40.700, website updated November 2015

Date: November 13, 2014

Action: New brochure for business attraction and retention packet

Referred to: CEDD - Brodeur

Status: Final brochure was printed @ March 12, 2015 and CEDD is responsible for disbursement

Date: September 11, 2014

Action: EDC to establish a quarterly business walk

Referred to: City Manager

Status: Approved by City Manager

Date: August 14, 2014

Action: Revise current charter of EDC structure

Referred to: City Council

Status: Change approved at City Council Meeting on September 13, 2014

Date: August 14, 2014

Action: Revise ordinance for outdoor dining and parklets

Referred to: City Council

Status: One year pilot program submitted to City Council on December 17, 2014, second reading January 21, 2015. Revised ordinance submitted to council February 3, 2016. Revised ordinance approved April 6, 2016