

**REPORT TO THE  
SALINAS CITY COUNCIL**  
*City of Salinas, California*

Agenda Item Number  
**CC-1**

Department Director Approval

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Finance Review

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Attorney Review

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City Manager Approval

**DATE:** August 24, 2004  
**FROM:** Larry D. Bussard, Redevelopment Director  
**BY:** Alan Stumpf, Redevelopment Project Manager

**SUBJECT: APPROVAL OF SALINAS UNITED BUSINESS ASSOCIATION (SUBA)  
BUSINESS IMPROVEMENT AREA (BIA) ANNUAL REPORT FY 2004/2005  
AND RESOLUTION OF INTENTION TO LEVY AND COLLECT AN  
ANNUAL ASSESSMENT FOR THE BIA**

**BACKGROUND**

The attached Annual Report for FY 2004/2005 from the Salinas United Business Association (SUBA) is a requirement of California Streets and Highways Code Section 36533, so that the City Council may be advised of the activities and proposed uses for annual assessments levied on businesses within the SUBA Parking and Business Improvement Area (BIA). With Council approval, the SUBA Report would provide direction for SUBA activities and use of BIA assessment funds in the coming fiscal year.

SUBA, as the BIA's advisory board, proposes a budget of \$150,000 in this inaugural year of the BIA, with an estimated \$100,000 provided by the annual assessment of the approximately 600 businesses within the SUBA Parking and Business Improvement Area. As with the Oldtown Salinas Association, the Redevelopment Agency has budgeted an annual matching grant in the amount of \$50,000. As the SUBA Assessment District boundaries are inclusive of all commercial areas of the Sunset Avenue Redevelopment Project, Sunset funds will be used for the grant.

Following Council's approval of a resolution adopting the Annual Report, a Resolution of Intention to Levy an Annual Assessment may then be considered. The Resolution of Intention outlines the community need, authorizing law, area boundaries, area name, use of levy assessment funds, levy calculation and collection procedures, and public hearing and noticing requirements. The Resolution sets a date of September 21, 2004 for a public hearing for Council to consider the levy of assessment for FY 2004/2005. At least seven days prior to the public hearing, the Resolution of Intention will be published in the Californian newspaper, as required by the Streets and Highways Code.

**THE ISSUE**

Shall the Council approve the Salinas United Business Association's FY 2004/2005 Report, and adopt the Resolution of Intention to levy and collect an assessment in the SUBA Parking and Business Improvement Area for FY 2004/2005?

**FISCAL IMPACT**

The assessment of levies for FY 2004/2005 will have no fiscal impact on the City's budget, except for modest administrative costs still to be determined. The estimated \$100,000 ( $\pm$ ), to be raised by the assessments in the coming year is to be supplemented by up to \$50,000 match funding from the Redevelopment Agency, which is included in the Agency budget for FY 2004/2005.

**ALTERNATIVES AVAILABLE TO COUNCIL; IMPLICATIONS OF ALTERNATIVES**

1. The Council may approve the Annual Report and adopt the Resolution of Intention. This will allow consideration of the assessment of levies at the public meeting and public hearing scheduled through adoption of the Resolution of Intention.
2. The Council can modify and approve the Annual Report and adopt the Resolution of Intention. Implications would depend on modifications.
3. The Council can decline to approve the Annual Report and not adopt the Resolution of Intention. This would stop the process of levying assessments for FY 04/05, thereby eliminating the primary funding source for the SUBA and also potentially eliminating Agency match funding.

**CONCLUSIONS AND RECOMMENDATIONS**

Staff recommends that the City Council take the following actions:

1. Adopt the resolution approving the SUBA's Annual Report and budget for FY 2004/2005, as required for the SUBA Parking and Business Improvement Area, and
2. Adopt a Resolution of Intention to levy and collect an annual assessment in the SUBA Parking and Business Improvement Area for FY 2004/2005; and set a public meeting for September 21, 2004 to consider the levy.

**Distribution**

City Manager  
City Attorney  
City Clerk  
Finance Director  
SUBA Board

**Back Up Pages**

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Resolution Approving Annual  
Report  
Resolution of Intention  
SUBA BIA Assessment Schedule  
Map – SUBA BIA Boundaries