

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

Agenda Item Number

DATE: October 5, 2004

FROM: Alan Stumpf, Redevelopment Director

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**SUBJECT: SALINAS UNITED BUSINESS ASSOCIATION
BUSINESS IMPROVEMENT AREA
LEVY OF ASSESSMENT – FY 2004/2005**

Department Director Approval

Finance Review

Attorney Review

City Manager Approval

BACKGROUND

In this inaugural year and assessment for the Salinas United Business Association Business Improvement Area (SUBA BIA), Council has undergone two separate approval processes. The first was to approve and establish the SUBA BIA through adoption of Ordinance No. 2437, adopted on August 24, 2004. This Ordinance allows an assessment to be placed on all businesses located within the commercial areas of the area encompassed by the boundaries of the Sunset Avenue Redevelopment Project Area. The method of assessment is precisely that of the Oldtown BIA. Today's Council action will complete the second process, a Levy of Assessment for FY 2004/2005.

In advance of today's hearing, the SUBA Board has made extra efforts to reach out to businesses in all areas of the BIA, meeting business owners individually and in three neighborhood meetings, held on September 9th, 26th, 23rd, and 30th for businesses on Market Street, in Griffin Street area, and the Sanborn Road area. After adoption of the levy, the SUBA Board will also be reorganizing itself for representation from specific sections of the BIA.

The "Resolution of Intention to Levy an Annual Assessment in the Salinas United Business Association Parking and Business Improvement Area for fiscal year 2004/2005" (Resolution No. 486 (R.O.I.)) was adopted by Council on August 24, 2004 and its approval scheduled a public hearing for Council to consider the levy of an assessment for FY 2004/2005. As required by the California Streets and Highways Code, the Resolution has been published in the Salinas Californian, thus providing the required notice of the public hearing.

At the hearing, Council will hear the testimony of all interested persons for or against the levy. If protests are less than 50% of the assessments proposed, the Council can duly deny all said protests and objections. Following the hearing the Council may confirm the report as filed by the advisory board, or the Council may modify the report and confirm it as modified. Adoption of the resolution confirming the report shall constitute the levy of an assessment for FY 2004/2005.

THE ISSUE

Shall the City Council adopt a resolution confirming the SUBA BIA Annual Report, which shall constitute a levy of an assessment for FY 2004/2005?

FISCAL IMPACT

The assessment of levies for FY 2004/2005 will have no fiscal impact on the City's budget. The FY 2004/2005 levy is estimated to total approximately \$100,000. This would be supplemented by a \$50,000 matching grant from the Redevelopment Agency. Funds will be expended by SUBA for the purposes described in the Annual Report.

TIME CONSIDERATION

Adoption of the assessment by October 5, 2004 will allow Finance Department staff to ensure assessment billings are received by businesses on or before November 1, pursuant to the adopted Ordinance. Businesses will have until December 1 to pay the assessment and avoid delinquency.

CITY COUNCIL GOALS

Through the annual assessment, SUBA is able to leverage additional Redevelopment funds and implement programs that "Generate Economic Development Throughout the City."

ALTERNATIVES AVAILABLE TO THE COUNCIL

1. The Council can adopt the resolution confirming the Annual Report; thereby levying an assessment for FY 2004/2005 and allowing SUBA to proceed with planned activities.
2. The Council can revise the Report and adopt the resolution confirming the Report as modified; implications would depend on the modifications.
3. The Council can decline to confirm the Report and not adopt the Resolution; causing the Association to disband due to lack of funding.

CONCLUSIONS AND RECOMMENDATIONS

Following final tabulation of protests and objections, and confirmation that protests represent less than 50% of the assessments proposed to be levied, staff recommends that the City Council adopt a resolution which denies the protests and which confirms the Salinas United Business Association Business Improvement Area Assessment District Report for Fiscal Year 2004/2005, which shall constitute the levy of an assessment for that fiscal year.

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Resolution confirming report
Assessment District Report - FY 04/05
Assessment District Boundaries