



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: OCTOBER 22, 2024
DEPARTMENT: COMMUNITY DEVELOPMENT
FROM: LISA BRINTON, DIRECTOR
BY: CRYSTAL CASILLAS, COMMUNITY DEVELOPMENT ANALYST (LIMITED-TERM)
TITLE: FY 2024-2025 SALINAS UNITED BUSINESS ASSOCIATION ANNUAL ASSESSMENT

RECOMMENDED MOTION:

A motion to approve a Resolution to levy and collect the annual assessment in the Salinas United Business Association (“SUBA”) Business Improvement Area (“BIA”) for Fiscal Year (FY) 2024-2025.

RECOMMENDATION:

It is recommended that the City Council hold a public hearing to consider written testimony regarding the annual levy of assessment in the SUBA BIA for FY 2024-2025, tabulate and confirm any protests; and provided that protests received represent less than 50% of the assessments proposed to be levied, approve a resolution which denies such protests, and confirms the SUBA Annual Report for FY 2023-2024 (“Annual Report”) and its proposed budget for FY 2024-2025, which shall constitute the levy of assessment for this fiscal year.

EXECUTIVE SUMMARY:

As required by California Streets and Highways Code Section 36535, “Parking and Business Improvement Area Law of 1989”, prior to considering approval of a resolution to levy the annual assessment in the SUBA BIA, the City is to hold a public hearing to receive the testimony of all interested persons for or against the levy of an assessment for FY 2024-2025. Provided that protests received represent less than 50% of the assessments proposed to be levied, the Council can confirm the Annual Report for FY 2024-2025 and its proposed budget for FY 2024-2025, which shall constitute the levy of assessment for this fiscal year.

BACKGROUND:

The Salinas United Business Association (SUBA) is a 501(c)(6) nonprofit corporation appointed by the City Council to serve as the Advisory Board of the Business Improvement Area formed in

2004 under the Parking and Business Improvement Area Law of 1989. Through the levying of assessments, SUBA provides district members with benefit services - support and resources they need to be successful business owners including business training, marketing, and streetscape beautification and maintenance. The SUBA BIA is located in East Salinas, its boundaries include the major commercial corridors of E. Market and E. Alisal Streets and N. Sanborn Road. A boundary map is provided as an attachment to this report. No boundary changes are proposed.

On August 6, 2024, the City Council received SUBA's 2023-2024 Annual Report and approved a Resolution of Intention (R.O.I.) to hold a public hearing on September 24, 2024, to consider the levy and collection of assessment for 2024-2025. Following the scheduling of the September 24th public hearing, the Internal Revenue Service (IRS) and the State of California Franchise Tax Board (FTB) suspended SUBA's tax exempt status, which required the continuance of the public hearing to October 22, 2024. SUBA has since restored its Section 501(c)(6) tax exempt status and is now in good standing with both the IRS and the FTB, thus allowing the consideration of the levy of assessment to move forward. As required by the Streets and Highways Code, R.O. I. 646 was noticed in the Monterey County Weekly, a local newspaper, on August 22, 2024, not less than seven (7) days prior to the public hearing.

Consideration of Annual Levy of Assessment

At the hearing, Council will hear the testimony of all interested persons for or against the levy. If protests of BIA members are less than 50% of the assessments proposed, the Council can duly overrule protests and deny all said protests and objections. Following the hearing, the Council may confirm the FY 2023-2024 Annual Report as filed by SUBA or the Council may modify the Annual Report and confirm it as modified. Adoption of the resolution confirming the FY 2023-2024 Annual Report shall constitute the levy of assessment for FY 2024-2025.

If written protests are received from the owners of businesses in the SUBA BIA which will pay 50% or more of the assessments proposed to be levied in FY 2024-2025 and protests are not withdrawn so as to reduce the protests to less than that 50%, no further proceeding to levy an assessment for FY 2024-2025 shall be taken for a period of one year from the date of the finding of a majority protest. If the majority protest is only against the furnishing of a specified type of improvement or activity in the Business Improvement Area, specific improvement(s) or activity(ies) will be eliminated.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action confirming SUBA's annual report and considering SUBA's annual levy of assessment is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This staff report and recommendations aligns closely with the City Council’s goals (2022-2025) of Economic Development and Public Safety. SUBA utilizes the BIA assessment to provide small businesses with access to the educational, technical assistance and financial resources they need to prosper, expand, and engage businesses in existing beautification efforts.

DEPARTMENTAL COORDINATION:

Community Development staff acts as SUBA’s City liaison. The Finance Department assisted Community Development with verifying the assessment projections for 2024-2025. As highlighted in the Annual Report, Community Development, Public Works, and Police Department staff have collaborated with SUBA to support its goals of improving the safety, cleanliness, and appearance of the BIA.

FISCAL AND SUSTAINABILITY IMPACT:

The levy of assessment for FY 2024-2025 will have no fiscal impact on the General Fund. Under the amended Ordinance (2019), SUBA is to remit and collect the assessment. Designated City liaison’s time for coordination with SUBA, participation in Board Meetings, and review of the annual report and processing of the annual levy of assessment is already allocated through staff time in the adopted 2024-2025 City budget.

The Salinas Municipal Code Section 21B-40, Collection of assessments; delinquencies, states that assessments will be due and payable in advance on November 1. Given the delay with consideration of the levy of assessment, the due and payable date will be extended to December 1, 2024.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
N/A	N/A	N/A	N/A	N/A	N/A	N/A

ATTACHMENTS:

1. Resolution to Levy Assessment
2. 2023-2024 SUBA Annual Report
3. SUBA BIA 2024-2025 Assessment Calculations
4. SUBA Proposed Budget 2024-2025
5. Map – SUBA Boundaries