



CITY OF SALINAS

COUNCIL STAFF REPORT

DATE: AUGUST 15, 2017

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: LISA BRINTON, SENIOR PLANNER
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TITLE: SALINAS UNITED BUSINESS ASSOCIATION (SUBA) 2017-2018
ANNUAL ASSESSMENT RESOLUTION OF INTENTION

RECOMMENDED MOTION:

A motion to approve a Resolution of Intention to levy and collect the annual assessment in the Salinas United Business Association Business Improvement Area for FY 2017-2018 and set a public hearing date to consider the levy.

RECOMMENDATION:

It is recommended that the City Council receive SUBA's 2016-2017 Annual Report and approve a resolution declaring the intention to levy and collect the 2017-2018 SUBA Business Improvement Area assessment, and set September 19, 2017 as the public hearing date to consider the levy.

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 (BIA) 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.

DISCUSSION:

FY 2016-2017 Annual Report Summary

The attached SUBA Annual Report for FY 2016-2017 is a requirement of California Streets and Highways Code Section 36533, so that the City Council may be advised of the prior year's activities and uses of annual assessments levied on businesses within the SUBA Business

Improvement Area. With Council approval, the SUBA Annual Report will also provide direction for SUBA activities and use of assessment district funds in the coming fiscal year.

The approved 2016-2017 Budget projected balanced income and expenditures of \$80,000. However, we collected \$63,641 in assessments including Associate Memberships, and \$20,451 from the collection agency, totaling \$84,982. Including past years' carryover, SUBA's current available balance as of July 31, 2017 is \$78,458. This carryover amount includes the savings in personnel cost resulting from the previous vacant Executive Director position. The Annual Report provides the details of activities funded over the past year.

The SUBA board recently hired a new Executive Director who, along with the board, continue to work on the restructure of its existing committees (Executive Board, Beautification & Landscaping, Business Resources, Marketing/Promotions & Safety) to the following:

- Marketing/Promotions
- Business Resource
- Safety
- Beautification & Landscaping

The Executive Director will oversee the Finances and the Administration of the association. Community Development Department staff will continue as the city liaison to SUBA and provide support to ensure the 2017/18 work plan is carried out.

Proposed FY 2017-2018 Budget

SUBA, as the district's advisory board, proposes a FY 2017/18 balanced budget of \$177,958 that is based on anticipated collected revenues from the annual assessment and associate memberships, grants and donations. The City 2017-2018 budget estimates SUBA's assessment income at \$181,373, and assumes the City successfully collects all of the billed assessments. Since the actual collected amount over the past several years has averaged \$80,000, SUBA is conservatively projecting the 2017/2018 assessment revenue to be \$80,000. With the addition of the FY 2016/17 current balance, the proposed 2017/18 Budget is balanced with projected revenues and matching expenses of \$177,958. At mid-year, the Board will revisit actual assessment revenues collected and will make budget adjustments accordingly.

It should be noted that along with the restructuring of its committees, the SUBA Board proposed to shift to a percentage based budget that reflects the priorities of the Board and provides the resources for each committee to implement its work plan to bring the core special benefit services to its members.

The Resolution of Intention, attached, 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 19, 2017 for a public hearing for Council to consider the levy of assessment for FY 2017-2018. The

Resolution of Intention will be noticed in the newspaper prior to the public hearing, as required by the Streets and Highways Code.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

SUBA remains a partner in carrying out Council goals for “Economic Diversity and Prosperity”, as well as a “Safe, Livable Community.”

FISCAL AND SUSTAINABILITY IMPACT:

The assessment of levies for FY 2017-2018 will have no fiscal impact on the City's Budget, except for modest administrative costs still. Although it is estimated that \$181,373 would be collected if all assessments were paid, over the past several years, an average of only \$80,000 has actually been collected. Therefore, SUBA is conservatively projecting the 2017-2018 assessment revenue to be \$80,000 in FY 2017-2018.

ATTACHMENTS:

1. 2017-2018 SUBA Annual Report
2. Resolution of Intention