

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

DATE: May 17, 2016

FROM: Christopher A. Callihan, City Attorney

SUBJECT: **DISESTABLISHMENT OF THE OLDTOWN SALINAS PARKING AND  
BUSINESS IMPROVEMENT AREA (ORDINANCE)**

**RECOMMENDATION:**

It is recommended that the City Council introduce and adopt an Ordinance repealing Article IV of Chapter 21 of the Salinas Municipal Code to formally disestablish the Oldtown Salinas Parking and Business Improvement Area.

**DISCUSSION:**

On April 19, 2016, the City Council approved a Resolution of Intention declaring the City Council's intent to disestablish the Oldtown Salinas Parking and Business Improvement Area. Under the Parking and Business Improvement Area Law of 1989 (Streets and Highways Code section 36500 et seq.) disestablishment can occur by the City Council's adoption of an ordinance after holding a public hearing on the disestablishment which must be held not less than 20 nor more than 30 days after the adoption of the Resolution of Intention. Tonight's public hearing on the proposed Ordinance falls within that time period.

As required by State law, the proposed Resolution of Intention was published in a newspaper of general circulation in the city once, for at least seven days before tonight's public hearing. In addition, and as also required by State law, a complete copy of the Resolution of Intention was mailed by first-class mail to each business owner in the area within seven days of the City Council's adoption of the Resolution of Intention.

The proposed Ordinance repeals Article IV of Chapter 21 of the Salinas Municipal Code (titled "Oldtown Salinas Parking and Business Improvement Area") and if adopted this action will complete the disestablishment process and the Oldtown Salinas Parking and Business Improvement Area will cease to exist. Upon the disestablishment of the area, any remaining revenues derived from the levy of assessments during the district's existence, or any revenues derived from the sale of assets acquired with revenues, shall be refunded to the owners of the businesses (or those whom were assessed) located and operating within the area in which assessments were levied. The Finance Department will work to complete this process.

**ISSUES:**

Shall the City Council introduce and adopt an Ordinance repealing Article IV of Chapter 21B of the Salinas Municipal Code to formally disestablish the Oldtown Salinas Parking and Business Improvement Area.

**FISCAL IMPACT:**

There is no impact on the City's General Fund or either the Measure V or Measure G funds with the City Council's introduction or adoption of the proposed Ordinance. Upon adoption of the ordinance and following thirty days for the ordinance to become effective, the disestablishment of the area will be complete. Any remaining revenues derived from the levy of assessments during the area's existence, or any revenues derived from the sale of assets acquired with revenues, shall be refunded to the owners of the businesses (or those whom were assessed) located and operating within the area in which assessments were levied.

**TIME CONSIDERATIONS:**

Time is of the essence given the time periods established in State law and given the upcoming start to Fiscal Year 2016/2017 and the levy of new assessments against the Oldtown District.

**ALTERNATIVES:**

The City Council may choose to not introduce and adopt the proposed Ordinance and otherwise direct staff how to proceed.

**CITY COUNCIL GOALS:**

Disestablishment of the Oldtown District does not directly support the City Council's goals; however, the establishment and the existence of the Salinas City Center Improvement Association (SCCIA) community benefits district directly supports four of the five Council goals: 1) economic diversity and prosperity; 2) safe livable community; 3) excellent infrastructure, and; 4) quality of life.

**CONCLUSIONS:**

Introduction and subsequent adoption of the proposed Ordinance will complete the process to wind down the Oldtown Salinas Association, a long-standing business improvement district. In its place, however, exists the Salinas City Center Improvement Association which has the capacity to provide all of the benefits to the business owners and property owners within the district area previously provided by the Oldtown District and the authority to take more independent action to benefit the businesses in the district area and thereby more effectively promote economic development and job growth.

**AN ORDINANCE REPEALING ARTICLE IV OF CHAPTER 21B OF THE SALINAS MUNICIPAL CODE TO DISESTABLISH THE OLDTOWN SALINAS PARKING AND BUSINESS IMPROVEMENT AREA**

WHEREAS, the Parking and Business Improvement Area law of 16989 (California Streets and Highways Code section 36500 et seq.) authorizes cities to establish parking and business improvement areas for the purpose of imposing assessments on businesses for certain purposes; and

WHEREAS, on February 12, 1991, the Salinas City Council adopted Resolution of Intention No. 375 entitled "Resolution of Intention to Establish the Oldtown Salinas Area Parking and Business Improvement Area"; and

WHEREAS, Ordinance No. 2126 was adopted on March 12, 1991 thereby adding Article IV (entitled "Oldtown Salinas Parking and Business Improvement Area") to Chapter 21B of the Salinas City Code; and

WHEREAS, Ordinance Nos. 2281, 2354, and 2449 were adopted by the Salinas City Council on April 23, 1996, June 8, 1999, and June 14, 2005, respectively, to modify the boundaries and the method of assessment for the Oldtown Salinas Area Parking and Business Improvement Area; and

WHEREAS, California Streets and Highways Code section 36530 et seq. authorizes the City Council to appoint an advisory board which shall, among other things, prepare and file an annual report for each fiscal year for which assessments are to be levied and collected to pay for the cost of improvements and activities described in the report; and

WHEREAS, through Ordinance No. 2126, the Salinas City Council appointed the Oldtown Salinas Association ("OSA") as the Advisory Board for the Oldtown Salinas Area Parking and Improvement District and OSA has continued to serve as the Advisory Board since that time; and

WHEREAS, on January 6, 2015, the Salinas City Council adopted Ordinance No. 2556 to add Chapter 21D (titled "Community Benefits Districts" or, alternatively, "Salinas Community Benefits District Procedural Ordinance") to the Salinas Municipal Code to provide a procedure for the establishment of community benefits districts; and

WHEREAS, consistent with the formation process set forth in Ordinance 2556, petitions were mailed to the property owners within the proposed boundaries of the community benefits district and having exceeded the minimum threshold for formation of the community benefits district, on May 26, 2015 the Salinas City Council took action to initiate formation of the Salinas Downtown Community Benefits District; and

WHEREAS, on July 21, 2015, during a public hearing on the matter and based on the tabulation of the ballots submitted by potentially affected property owners, the City Council determined that a majority protest, as defined by Article XIII D, Section 4(e) of the California Constitution and Section 53753 of the California Government Code did not exist with respect to the assessment proposed in connection with the proposed community benefits district and approved

Resolution No. 20808 to form a community benefit district named the Salinas City Center Improvement Association which, among other things, provides an independent financing mechanism to fund essential services and activities. Community benefit districts sometimes augment and sometimes replace traditional business improvement districts; and

WHEREAS, the Advisory Board to the Oldtown Salinas Association has indicated to the Salinas City Council its desire to discontinue acting as the Advisory Board and has taken action to wind down its functioning in that capacity; and

WHEREAS, with the Advisory Board's determination to discontinue acting as the Advisory Board and with the formation of the Salinas City Center Improvement Association, the Salinas City Council finds and determines that there is no longer a need for the Oldtown Parking and Business Improvement Area; and

WHEREAS, on April 19, 2016, the Salinas City Council approved a Resolution of Intention to disestablish the Oldtown Parking and Business Improvement Area and published and mailed the same consistent with the requirements of State law; and

WHEREAS, also consistent with State law the City Council held a duly noticed public hearing on May 17, 2016 regarding the disestablishment of the Oldtown Parking and Business Improvement Area.

NOW THEREFORE, be it ordained by the City Council of Salinas as follows:

SECTION 1. Article IV of Chapter 21B of the Salinas Municipal Code is hereby repealed in its entirety.

SECTION 2. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held invalid by a court of competent jurisdiction, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases, be declared invalid.

SECTION 3. Effective Date. This Ordinance shall be in full force and effect commencing thirty (30) days after its final passage and a summary hereof shall be published once within fifteen (15) days in the Salinas Californian, a newspaper of general circulation printed and published in the County of Monterey and circulated in the City of Salinas and hereby designated for that purpose by the Council of Salinas.

This Ordinance was introduced and read by title only on the 17<sup>th</sup> day of May 2016 and was adopted on the 14<sup>th</sup> day of June 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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Joe Gunter, Mayor

ATTEST:

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Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:

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Christopher A. Callihan, City Attorney