

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: June 17, 2014

FROM: Jeff Weir, Director of Community and
Economic Development

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Economic Development

SUBJECT: **APPROVAL OF OLDTOWN SALINAS ASSOCIATION ASSESSMENT
DISTRICT REPORT FY 2013/2014 AND RESOLUTION OF INTENTION TO
LEVY AND COLLECT AN ANNUAL ASSESSMENT IN FY 2014/15**

RECOMMENDATIONS:

Staff recommends the City Council take the following actions:

1. Adopt the resolution approving the Oldtown Salinas Association's Annual Report FY 2013/14, and budget for FY 2014/2015, as required for the Oldtown Salinas Parking and Business Improvement Area, and
2. Adopt a Resolution of Intention to levy and collect an annual assessment in the Oldtown Salinas Parking and Business Improvement Area for FY 2014/2015; and set a public meeting for July 8, 2014 to consider the levy.

DISCUSSION:

The attached 2013/14 Annual Report from the Oldtown Salinas Association (OSA) summarizes the past year's activities and sets forth the budget and projects planned for Fiscal Year 2014/2015, as required in Municipal Code Section 21B-32 and 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 Oldtown Salinas Parking and Business Improvement Area. With Council approval, the OSA Annual Report would provide direction for OSA activities and use of assessment district funds in the coming fiscal year.

The Oldtown Salinas Association (OSA), as the district's advisory board, proposes a budget of \$179,000 in the Annual Report. This reflects some shifting of income and expenses for the Oldtown Marketplace, and net income from the Marketplace of \$18,850 if it is allowed to expand, as proposed. OSA will continue to be supported by a part-time Executive Director and other part-time staff. A major portion of OSA's income is provided by the annual assessment within the Oldtown Salinas Parking and Business Improvement Area, projected to yield \$90,000. OSA's Board approved its Budget on Thursday, May 22, 2014.

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

collection procedures, and public hearing and noticing requirements. The Resolution sets a date of July 8, 2014 for a public hearing for Council to consider the levy of assessment for FY 2014/15. The Resolution of Intention will be noticed in the newspaper at least seven days prior to the public hearing, as required by the Streets and Highways Code Section 36534.

THE ISSUE:

Shall the Council approve the Oldtown Salinas Association's 2013/2014 Annual Report, and adopt the Resolution of Intention to levy and collect an assessment in the Oldtown Salinas Parking and Business Improvement Area for FY 2014/2015?

COMMISSION, COMMITTEE, COUNCIL SUBCOMMITTEE RECOMMENDATIONS:

This matter has not been considered by a City Commission, Committee or Council Subcommittee.

FISCAL IMPACT:

The assessment of levies for FY 2014/2015 will have no fiscal impact on the City's budget, except for a modest administrative cost still to be determined. The FY 14/15 General Fund operating budget includes continuation of a modest \$15,000 grant to assist with special Oldtown events – this funding is not included in OSA's budget but has been shifted to its Foundation budget. Also to continue is the maintenance of the Train Station and other downtown parking areas by HOPE Services, contracted through OSA at an annual cost of \$17,000.

TIME CONSIDERATIONS:

The annual assessment process must be completed prior to the July 31, 2014 billings.

COUNCIL GOALS:

The annual assessment implements the Council Goal of "Economic Diversity and Prosperity."

ALTERNATIVES AVAILABLE TO COUNCIL; IMPLICATIONS OF ALTERNATIVES:

1. The Council can modify and approve the Annual Report and adopt the Resolution of Intention. Implications would depend on modifications.
2. 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 14/15, thereby eliminating the primary funding source for the OSA.

CONCLUSIONS AND RECOMMENDATION:

OSA's Budget for Fiscal-Year 2014/15 represents a stabilizing of OSA's budget and continued strong community support. The OSA Board has worked hard to improve its farmer's market and address downtown issues such as security and parking, particularly in and around the 100 Block of Main Street. With an active, committed Board, the coming year will see upsurge of new businesses on Main Street, continued implementation of OSA programs to improve the downtown, and looking to the future with the Downtown Vibrancy Plan. Funding from the OSA Annual Assessment is a crucial part of OSA's success and it is therefore recommended that Council approve the resolutions to continue with the assessment process.

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