



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: SEPTEMBER 20, 2022

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: CRYSTAL CASILLAS, COMMUNITY DEVELOPMENT ANALYST (LIMITED-TERM)

THROUGH: LISA BRINTON, ASSISTANT DIRECTOR

TITLE: RESOLUTION TO LEVY SALINAS UNITED BUSINESS ASSOCIATION (SUBA) FY 2022-2023 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) 2022-2023.

RECOMMENDATION:

It is recommended that the City Council

1. hold a public hearing to consider written testimony regarding the annual levy of assessment in the SUBA BIA for FY 2022-2023;
2. tabulate and confirm any protests; and
3. 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 2021-2022 (“Annual Report”) and its proposed budget for FY 2022-2023, which shall constitute the levy of assessment for this fiscal year; and

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 2022-2023. Provided that

protests received represent less than 50% of the assessments proposed to be levied, the Council can confirm the Annual Report and its proposed budget for FY 2021-2022, 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 9, 2022, the City Council received SUBA's 2021-2022 Annual Report and approved a Resolution of Intention (R.O.I.) to hold a public hearing on September 20, 2022, to consider the levy and collection of assessment for 2022-2023. As required by the Streets and Highways Code, R.O. I. 632 was noticed in the Monterey Herald, a local newspaper, on August 19, 2022, not less than seven (7) days prior to the public hearing. Since then, the City's Finance Department provided an updated calculation of assessment for 2022-2023 which totaled \$109,149. SUBA has modified its proposed budget for 2022-2023 to reflect the revised assessment amount. The updated 2022-2023 budget has been added as an attachment and will be incorporated into the 2021-2022 Annual Report.

DISCUSSION:

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 2021-2022 Annual Report as filed by SUBA, (incorporating the revised 2022-2023 budget) or the Council may modify the Annual Report and confirm it as modified. Adoption of the resolution confirming the FY 2021-2022 Annual Report shall constitute the levy of assessment for FY 2022-2023.

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 2022-2023 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 2022-2023 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, those types of improvements or activities 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.

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 and expand and engaging businesses in existing beautification efforts and to promote cleanliness and safety in the commercial corridor.

DEPARTMENTAL COORDINATION:

Community Development staff acts as SUBA's city liaison. The Finance Department assisted Community Development with verifying the assessment projections for 2022-2023. 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 2022-2023 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 2022-2023 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 1st.

ATTACHMENTS:

1. Resolution to Levy 2022-2023 Assessment
2. 2021-2022 SUBA Annual Report
3. SUBA BIA 2022-2023 Assessment Calculations
4. SUBA Proposed Budget 2022-2023 Revised
5. Map – SUBA Boundaries