

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: September 20, 2016

FROM: Megan Hunter, Community Development Director

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SUBJECT: **LEVY OF ANNUAL ASSESSMENT IN THE SALINAS UNITED BUSINESS
ASSOCIATION (SUBA) BUSINESS IMPROVEMENT AREA FOR FY 2016/2017**

RECOMMENDATION:

Following final tabulation of protests and objections, and confirmation that protests represent less than 50% of the assessments proposed to be levied, staff recommends that the City Council approve a resolution which denies the protests and which confirms the Salinas United Business Association Business Improvement Area Assessment District Report for Fiscal Year (FY) 2015/2016 (“Annual Report”) and its proposed budget for FY 2016/2017, which shall constitute the levy of an assessment for this fiscal year.

DISCUSSION:

The City Council approved Resolution No. 21031 approving SUBA’s Annual Report for FY 2015/2016 at its meeting on August 30, 2016. The Report also includes SUBA’s Adopted Budget for FY 2016/2017. The Resolution of Intention (“ROI”) to Levy an Annual Assessment in the Salinas United Business Association (SUBA) Business Improvement Area for Fiscal Year 2016/2017 (ROI No. 594) was also approved at this meeting. The Resolution scheduled a public hearing for September 20, 2016 for Council to consider the levy of an assessment for FY 2016/2017. The SUBA Board proposes no changes to the method of assessments or boundaries of the Area for the coming year. As required by the California Streets and Highways Code, the Resolution has been published in The Salinas Californian, thus providing the required notice of the public hearing.

At the hearing, Council will hear the testimony of all interested persons for or against the levy. If protests 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 2015/2016 Annual Report as filed by the advisory board, or the Council may modify the Annual Report and confirm it as modified. Adoption of the resolution confirming the FY 2015/2016 Annual Report shall constitute the levy of an assessment for FY 2016/2017.

ISSUE:

Shall the City Council approve a resolution confirming the Salinas United Business Association (SUBA) Business Improvement Area Annual Report for FY 2015/2016 with a budget for FY 2016/2017, which shall constitute a levy of an assessment for FY 2016/2017?

FISCAL IMPACT:

The assessment of levies for FY 2016/2017 will have no fiscal impact on the City's budget, except for modest administrative costs still to be determined. The estimated \$140,000 to be collected by the assessments in the coming year 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 2016/17 assessment revenue to be \$80,000 in its FY 2016/17 Budget.

TIME CONSIDERATIONS:

Adoption of the assessment by September 20, 2016 will provide sufficient time for Finance Department staff to issue the assessment billings by November 1, 2016, pursuant to City Code Section 21B-40. Businesses will have until December 1, 2016 to pay the assessment and avoid delinquency.

ALTERNATIVES:

1. The Council can revise the FY 2015/2016 Annual Report and adopt the resolution confirming the Annual Report as modified; implications would depend on the modifications.
2. The Council can decline to confirm the FY 2015/2016 Annual Report and not adopt the Resolution, causing the Association to cut back on activities and consider disbanding due to lack of funding.

CITY COUNCIL GOALS:

The annual assessment implements the Council goals of “Economic Diversity and Prosperity,” as well as a “Safe, Livable Community.”

CONCLUSIONS:

SUBA’s Budget for Fiscal Year 2016/2017 is conservative, and reflects a focus on core activities such as advertising, clean streets and sidewalks, and business support, while also addressing specific issues facing businesses in the SUBA area. Reduced funding from assessments, and particularly the high rate of delinquencies, continues to be an issue that threatens the future viability of the organization. Even in the absence of an Executive Director, the Board has made substantial accomplishments over the past year.

Back Up Pages:
Resolution Levying Assessments for FY 2016/2017
SUBA FY 2015-2016 Annual Report
Map – SUBA Boundaries