



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:**                   **October 22, 2019**

**DEPARTMENT:**   **OFFICE OF THE CITY ATTORNEY**

**FROM:**               **CHRISTOPHER A. CALLIHAN, CITY ATTORNEY**

**TITLE:**               **ORDINANCE REGARDING THE COLLECTION OF  
ASSESSMENTS FOR THE SALINAS UNITED BUSINESS  
ASSOCIATION (SUBA) BUSINESS IMPROVEMENT AREA**

**RECOMMENDATION MOTION:**

A motion to consider adoption of an ordinance regarding the collection of assessments from the businesses located within the boundaries of the Salinas United Business Association (SUBA) Business Improvement Area (BIA).

**RECOMMENDATION:**

It is recommended that the City Council consider adopting the proposed ordinance.

**EXECUTIVE SUMMARY:**

The item is a follow-up to the City Council's action taken on September 10, 2019, approving a Resolution to levy and collect assessments from businesses located within the SUBA BIA for fiscal year 2019-2020. As a part of its consideration of the levy of assessments, the City Council requested the Municipal Code be amended to remove the City from the assessment collection and billing process and to place SUBA in the position of collecting the assessments and billing for the assessments.

**DISCUSSION:**

The proposed ordinance amends Salinas Municipal Code section 21B-38 to make SUBA responsible for billing and collecting the annual assessments, provided the levy of annual assessments is approved by the City Council. This proposed ordinance would put SUBA and its Board of Directors in the position of being responsible for the billing and the collection of the annual assessments. SUBA would also then be responsible for the collection of any unpaid assessments. Since the City Council would be approving the levy, to facilitate their billing and collection of the assessments, the City will provide SUBA with assessment calculations.

The SUBA Board would still be obligated to spend the assessments only as permitted by Salinas Municipal Code section 21B-39: the acquisition, construction, or installation of any tangible

property with an estimated useful life of five year or more including, but not limited to: decorations, including, but not limited to, lights, banners, signs, and flags; activities which include but are not limited to: furnishing of music in any public place in the area; and activities which benefit business[es] located and operating in the area. The revenue from the levy of assessments shall not be used to provide improvements or activities outside the SUBA Business Improvement Area.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 concerning the operation or minor alteration of existing public facilities involving negligible or no expansion of use.

DEPARTMENTAL COORDINATION:

The City Attorney's Office coordinated with the Finance Department and the Community Development Department on the proposed ordinance.

STRATEGIC PLAN INITIATIVE:

This item is not among those on the City Council's current Strategic Plan.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact on the City's General Fund with the City Council's adoption of this ordinance.

ATTACHMENTS:

Proposed Ordinance

**ORDINANCE NO. \_\_\_\_\_ (N.C.S.)**

**AN ORDINANCE AMENDING THE MUNICIPAL CODE REGARDING THE  
COLLECTION OF ASSESSMENTS FOR THE SALINAS UNITED BUSINESS  
ASSOCIATION (SUBA) BUSINESS IMPROVEMENT AREA**

**BE IT ORDAINED BY THE COUNCIL OF SALINAS as follows:**

**SECTION 1.** Section 21B-38 of the Salinas Municipal Code is hereby amended as follows:

“Sec. 21B-38. Revenues—Disposition and Remittance.

All revenues received under the ordinance codified in this chapter, shall be remitted to the Salinas United Business Association as directed by the director of finance. No moneys received by the Salinas United Business Association shall be used for any purposes except for the purposes set forth in Section 21B-39 herein.”

**SECTION 2.** Section 21B-40 of the Salinas Municipal Code is hereby amended as follows:

“Sec. 21B-40. Collection of Assessments; Delinquencies.

All assessments shall be computed on those businesses in existence as of July 15 of each calendar year. The Salinas United Business Association shall be responsible for remitting invoices to those businesses within the SUBA Business Improvement Area. All assessments will be due and payable in advance on November 1 of each year for the period commencing November 1 of each year and ending September 30 of the succeeding year, and will become delinquent if not paid by November 1 following the due date. Delinquent payment shall be subject to the same penalties for late payment as provided in Section 19-21 of this code with respect to annual business licenses.”

**SECTION 3. Severability.** If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, clause, and phase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 4. Effective Date.** This Ordinance will take effect thirty (30) days from and after its adoption.

**SECTION 5. California Environmental Quality Act.** This ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines section 15061(b)(3). This exemption is allowed when the activity, in this case the recommendation of adoption of the ordinance, does not have the potential for causing a significant effect on the environment.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Joe Gunter, Mayor

ATTEST:

\_\_\_\_\_  
Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher A. Callihan, City Attorney