



COUNTY OF HUMBOLDT

For the meeting of: 4/4/2023

File #: 23-254

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Resolution Authorizing Civitas Advisors, Inc. to Examine Sales and Transactions and Use Tax Records, Approve Nondisclosure Agreement, Supplemental Budget for the County Administrative Office Economic Development Division and Appropriation Transfer (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and adopt Resolution _____, a Resolution of the County of Humboldt Board of Supervisors declaring its intention to authorize the examination of Sales and Transactions and Use Tax Records for the purpose of forming a business improvement district in Humboldt County;
2. Approve the Sales, Transactions and Use Tax Information Nondisclosure Agreement with Civitas Advisors, Inc., a California corporation, for the purpose of preventing the unauthorized disclosure of confidential information;
3. Approve the attached supplemental budget for the County Administrative Office Economic Development Division budget unit 1120-275 in the amount of \$31,500 for fiscal year (FY) 2022-23 (4/5 Vote Required); and
4. Approve the attached appropriations fund balance transfer from General Fund in the amount of \$31,500 (4/5 Vote Required).

SOURCE OF FUNDING:

General Fund (1100)

DISCUSSION:

At the Oct. 4, 2022, Humboldt County Board of Supervisors' Meeting, Garberville business owners appeared during Public Comment to express concerns over a sharp decline in foot traffic and business revenues attributed to the decline in Humboldt County's cannabis industry.

On Dec. 2, 2022, county staff with the Southern Humboldt Business and Visitor Bureau (SHBVB)

participated in a community event where county officials shared updates with southern Humboldt residents concerning economic development, community beatification, public health, public safety, and tourism.

Additional topics discussed at the meeting included the Civitas Advisors, Inc. professional services agreement executed by the county on Nov. 15, 2022, for a property and business improvement district (BID/PBID) feasibility study. In phase one, of this agreement Civitas Advisors, Inc. guided a formation process that included developing and manipulating data, obtaining feedback from business and property owners, educating both owners and county staff on the components of a BID/PBID, and preparing a feasibility report and proposed service plan.

The Property and Business Improvement Law of 1994, California Streets and Highways Code §36600 et seq., authorizes local government agencies to form a business improvement district ("BID") in order to create jobs, attract and retain businesses, and promote economic growth and revitalization. As part of a BID, improvements, maintenance, and/or activities are funded through the levy of assessments upon the businesses or real property that receive benefits from the funded improvements or activities.

Before your Board today is a resolution and Nondisclosure Agreement for, Civitas Advisors, Inc. Your authorization and approval of these items will allow the county to work with Civitas Advisors, Inc. on phase two. In phase two, Civitas Advisors, Inc. will work with the county to further guide a formation process that includes continued outreach and education for business/property owners, preparing legal documents, guiding the stakeholder approval process, and attending local government hearings. As part of this effort, it is recommended that Civitas Advisors, Inc. be authorized to examine the county's sales and transactions and use tax records.

Civitas Advisors, Inc. is a specialized firm with experience in assisting local governments and groups in forming various types of business improvement districts, including tourism improvement, hospitality improvement, restaurant improvement, and beverage improvement districts. Given the confidential nature of this data, State law requires the governing body to adopt a resolution of authorization prior to such a contract taking effect. The proposed resolution for the Board's adoption authorizes key county positions; Hinderliter, de Lamas and Associates (HdL), the county's current sales and use tax analysis consultant with this authorization, and for Civitas Advisors, Inc. to view the county's sales and transaction and use tax records.

The approval and adoption of Resolution [REDACTED] and the approval of the Sales, Transactions and Use Tax Information Nondisclosure Agreement with Civitas Advisors, Inc. will result in obtaining the data necessary to move forward with the Humboldt County business improvement district formation process.

FINANCIAL IMPACT:

Expenditures (Fund, Budget Unit)	FY22-23	FY23-24 Projected	FY24-25 Projected
Budgeted Expenses	\$31,500		

Total Expenditures	\$31,500		
Funding Sources (Fund, Budget Unit)	FY22-23 Adopted	FY23-24 Projected*	FY24-25 Projected*
General Fund	\$31,500		
Total Funding Sources	\$31,500		

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The current Civitas Advisors, Inc. agreement for phase one is \$19,500. Under the new Civitas Advisors, Inc. agreement for phase two, anticipated costs are \$12,000. Should your Board approve the attached appropriation transfer from fund balance request the total cost increase to the General Fund would be \$31,500. Should your Board approve the attached supplemental budget the County Administrative Office Economic Development budget (1120-275) will increase by \$31,500.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

This activity will be performed under the general purview and responsibilities assigned to the Humboldt County Economic Development Division utilizing current staff.

Core Roles: Support business, workforce development and creation of private-sector jobs

New Initiatives: Engage in discussions of our regional economic future

Strategic Plan: 3.1 - Improve the economy of Humboldt County

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve any or all of staff recommendations. However, this is not recommended as Civitas Advisors, Inc. will not be able to continue its work on the BID/PBID.

ATTACHMENTS:

1. Civitas Sales Tax Non-Disclosure Agreement
2. Resolution Authorizing Examination of Tax Records
3. Supplemental Budget
4. Budget Adjustment

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A