

STAFF REPORT

City Council Business Item

DATE: June 5, 2023

TO: Honorable Mayor and Council Members

FROM: Ryan Plotz, City Attorney

THROUGH: Merritt Perry, City Manager

SUBJECT: Public Hearing Regarding Fortuna Business Improvement District's Annual Assessment

STAFF RECOMMENDATION:

Staff recommends that the Council conduct the annual Fortuna Business Improvement District public hearing and consider adopting *Resolution 2023-14* authorizing the annual assessment for the Fiscal Year (FY) 2023-2024.

EXECUTIVE SUMMARY

At the May 1, 2023, Regular Meeting, the Council adopted a Resolution of Intention (the "Resolution of Intent"), a copy of which is attached hereto. The Resolution of Intent accomplished the following: (i) approved the FBID annual report as submitted on May 1, 2023, which proposed no changes to the purpose, boundaries, or assessment rates; (ii) declared the Council's intention to levy and collect the annual FBID assessment for the 2023-2024 fiscal year at the same rates as in the prior year; and (iii) provided notice of this public hearing and the right of businesses subject to the annual assessment to submit a written or oral protest against the assessment.

As required by law, the Resolution of Intent and the notice of this public hearing was published in a newspaper of general circulation within the City at least seven (7) days prior to the date of this public hearing.

The purpose of this public hearing is to determine whether the FBID annual assessment should be levied for the 2023-2024 fiscal year. The Council may authorize the assessment *unless* sufficient *written* protests against the assessment are received by the City Clerk at or before the time fixed for the public hearing.

A protest is successful if written protests are received from the owners of businesses in the assessment area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent. The Council must also consider oral protests during the public hearing, but only written protests that meet the content requirements are counted for purposes of determining whether the protest is successful.

Each written protest must contain a description of the business in which the person submitting the protest is affiliated sufficient to identify the business and, if a person submitting is not shown on the official records of the city as the owner of the business, the protest must contain or be accompanied by written evidence that the person submitting is the owner of the business. A written

protest which does not comply with these requirements shall not be counted in determining a majority protest. The Council may, however, waive any irregularity in the form or content of any written protest.

If the protest is successful, the Council may not levy the assessment for the particular fiscal year.

If the protest is not successful, the Council may authorize and levy the assessment by adopting *Resolution 2023-14*, attached hereto. The proposed resolution included the authorized rates, which remain unchanged from the prior fiscal year.

Staff recommends that the Council adopt the proposed resolution to continue levying the assessment at the same rate as the last fiscal year, assuming the protest is unsuccessful.

FINANCIAL IMPACT:

FBID collects approximately \$62,000 in assessments annually and the city contributes an equal amount for an approximate total \$124,000 annually. Of that amount the core areas receive approximately the following amounts:

Core Area	Assessment	Distribution to Core Area (62%)	Citywide Share (38%)
Citywide	\$34,500	0	\$34,500
Downtown	\$13,000	\$8,060	\$4,940
Redwood Village	\$9,000	\$5,580	\$3,420
Strongs Creek	\$5,000	\$3,100	\$1,900
Total	\$61,500	\$16,740	\$44,760

If the Council adopts the resolution, there would be no fiscal impact from the prior years, as the assessment would be maintained at existing rates.

If the Council does not adopt the resolution, the annual assessment would not be authorized, resulting in the loss of the assessment revenue in the estimated amount of \$62,000.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Hearing
3. Receive any testimony
4. Close Public Hearing
5. Determine whether a protest exists
6. If the protest is unsuccessful, motion to adopt Resolution 2023-14, read by title only.
Roll call vote.

ATTACHMENTS:

- Resolution of Intention, (*Resolution 2023-12*)
- *Draft Resolution 2023-14, A Resolution of The City Council of The City of Fortuna Authorizing the Levy of an Annual Assessment For 2023-2024 Fiscal Year for The Fortuna Business Improvement District*