

# STAFF REPORT

## *City Council Business Item*

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**DATE:** May 5, 2025

**TO:** Honorable Mayor and Council Members

**FROM:** Ryan Plotz, City Attorney

**THROUGH:** Amy Nilsen, City Manager

**SUBJECT:** Conduct Annual Public Hearing for the Fortuna Business Improvement District Assessment and consider adopting *Resolution 2025-12*

### **STAFF RECOMMENDATION:**

Staff recommends that the Council conduct the annual Fortuna Business Improvement District public hearing and consider adopting *Resolution 2025-12* authorizing the annual assessment for fiscal year 2025-26.

### **EXECUTIVE SUMMARY**

At the April 7, 2025, 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 March 3, 2025, which proposed changes to the assessment rates and the dissolution of the three care areas; (ii) declared the Council’s intention to levy and collect the annual FBID assessment for fiscal year 2025-26 at a flat rate of \$25 per qualifying business; 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 2025-2026 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in the assessment area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent.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 2025-12*, attached hereto.

Staff recommends that the Council adopt the proposed resolution, assuming the protest is unsuccessful.

**FINANCIAL IMPACT:**

**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 2025-12*, read by title only.  
Roll Call Vote.

**ATTACHMENTS:**

- Resolution of Intention, (*Resolution 2025-07*)
- *Resolution 2025- 12, A Resolution of The City Council of The City of Fortuna Authorizing the Levy of an Annual Assessment For 2025-2026 Fiscal Year for The Fortuna Business Improvement District*