

STAFF REPORT

City Council Business Item

DATE: May 1, 2023

TO: Honorable Mayor and Council Members

FROM: Merritt Perry, City Manager

SUBJECT: **Declare Council's Intent to Levy the Fortuna Business Improvement District's Assessment for Fiscal Year 2023-24, *Resolution 2023-12***

STAFF RECOMMENDATION:

Staff recommends that the Council discuss and consider adopting *Resolution 2023- 12* declaring the Council's intention to levy the Fortuna Business Improvement District (FBID) assessment for the 2023-2024 fiscal year and setting a public hearing thereon for June 5, 2023.

EXECUTIVE SUMMARY

The Fortuna Business Improvement District was established in 1990 under the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code §§ 36500 et seq.) Under this law, the Council is required to adopt an annual resolution of intent for each fiscal year in which it levies the assessment.

The resolution of intent must be adopted after the Council reviews and approves the FBID Annual Report, which the Council will consider and approve during this meeting.

The resolution of intent is the first procedural step required to levy the annual assessment. The resolution of intent provides notice of a public hearing to occur on June 5, 2023, at which time business owners may submit written protests, as more particularly set forth in the resolution.

Pursuant to Section 36534 of the Streets and Highways Code, the annual resolution of intention must do all of the following:

- (1) Declare the intention of the city council to change the boundaries of the parking and business improvement area, or in any benefit zone within the area, if the annual report proposes a change.

(No such change was proposed and, therefore, the resolution does not propose any boundary modification for this fiscal year.)

- (2) Declare the intention of the city council to levy and collect assessments within the parking and business improvement area for the fiscal year stated in the resolution.

(No modification to the existing assessment amount is proposed for this fiscal year.)

- (3) Generally, describe the proposed improvements and activities authorized by the ordinance enacted pursuant to Section 36527 and any substantial changes proposed to be made to the improvements and activities.
- (4) Refer to the parking and business improvement area by name and indicate the location of the area.
- (5) Refer to the report on file with the clerk for a full and detailed description of the improvements and activities to be provided for that fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for that fiscal year.
- (6) Fix a time and place for a public hearing to be held by the city council on the levy of the proposed assessment for that fiscal year. The public hearing shall be held not less than 10 days after the adoption of the resolution of intention.

(The public hearing is noticed for June 5, 2023, which is the date of the first regular meeting in June.)

- (7) State that at the public hearing written and oral protests may be made.

Staff recommends that the Council adopt the Resolution to declare its intention to levy the assessment for the 2023-2024 fiscal year and setting a public hearing thereon.

FINANCIAL IMPACT:

FBID collects approximately \$63,000 in assessments annually and the city is expected to contribute approximate \$50,000 this year for an approximate total \$113,000 annually. Of that amount, the core areas receive approximately the following amounts:

Core Area	Assessment	Distribution to Core Area (62%)	Citywide Share (38%)
Citywide	\$35,000	\$0	\$35,000
Downtown	\$13,000	\$8,060	\$4,940
Redwood Village	\$10,000	\$6,200	\$3,800
Strongs Creek	\$5,000	\$3,100	\$1,900
Total	\$63,000	\$17,360	\$45,640

If the Council adopts the resolution and a majority protest is not submitted by the public hearing, 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 \$63,000.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to adopt *Resolution 2023-12*, and read by title only. Roll Call vote.

ATTACHMENTS:

- *Resolution 2023-12, A Resolution Of The City Council Of The City Of Fortuna Declaring Its Intention To Levy An Annual Assessment For 2023-2024 Fiscal Year For The Fortuna Business Improvement District And Fixing The Time And Place Of A Public Meeting And A Public Hearing Thereon And Giving Notice Thereof*