

Notice of Public Hearing (DRAFT)

**RESOLUTION APPROVING THE 2023 DOWNTOWN PETALUMA BUSINESS
IMPROVEMENT DISTRICT ANNUAL REPORT AND RELATED BUDGET;
DECLARING THE INTENTION TO LEVY THE 2023 ANNUAL ASSESSMENT
FOR THE DISTRICT; AND SETTING A PUBLIC HEARING ON THE
PROPOSED 2023 ANNUAL ASSESSMENT**

WHEREAS, on November 20, 2000, in accordance with California Streets and Highways Code Section 36500 et seq. (“the Act”), the Petaluma City Council adopted Ordinance 2104 N.C.S., later codified as Chapter 6.04 of the Petaluma Municipal Code, establishing the Downtown Business Improvement District (“DBID”), within the area described in Exhibit 1, which is attached to and made a part of this Resolution; and

WHEREAS, Section 6.04.050 of the Petaluma Municipal Code lists the types of improvements and activities that may be funded by the levy of assessments on businesses within the DBID as follows:

- A. The acquisition, construction, installation or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following improvements:
 - 1. Benches
 - 2. Trash Receptacles
 - 3. Decorations
 - 4. Façade Improvements
 - 5. Permanent Landscaping
- B. Activities including, but not limited to, the following:
 - 1. Promotion of public events which benefit businesses in the area and which take place on or in public places within the area.
 - 2. Furnishing of music in any public place in the area.
 - 3. Activities which benefit businesses located and operating in the area, including but not limited to, commercial shopping and promotional programs; and

WHEREAS, under Section 6.04.100 of the Petaluma Municipal Code, the Board of Directors established to govern the affairs of the DBID must present the City Council with an annual report and budget for review and approval prior to the City Council consideration of levying a benefit assessment for the following fiscal year; and

WHEREAS, the requirements of Petaluma Municipal Code Section 6.04.100 are in accordance with the Act, which establishes annual procedures governing the levy of assessments pursuant to the Act, including preparation of an annual report, adoption of a resolution of intent giving notice of a public hearing at which written and oral protests may be made concerning levy of an annual assessment, and adoption of a resolution approving the annual report and levying the assessment; and

WHEREAS, Section 36535 of the Act provides that public hearings on levy of annual assessments pursuant to the Act must be conducted in accordance with Sections 36524 and 36525 of the Act, which provide as follows:

- A. The City Council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.
- B. Every written protest shall be filed with the City Clerk at or before the time fixed for the public hearing. The City Council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
- C. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.
- D. If written protests are received from the owners of businesses in the proposed 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, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the City Council.
- E. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated; and

WHEREAS, the proposed DBID 2023 Budget establishes the following budgetary priorities with estimated revenues and expenditures:

27%	Security	\$20,250
23%	Marketing	\$17,250
30%	Beautification	\$22,500
20%	Administration	\$15,000
	Total:	\$75,000

WHEREAS, the 2023 Annual Report of the DBID is on file at the City Clerk's office for public review, and attached to the staff report as Attachment 1 – Exhibit 1, and contains a full and detailed description of the DBID improvements and activities to be provided for the 2023 fiscal year, the boundaries of the DBID and any benefit zones within the DBID, and the proposed assessments to be levied on businesses in the DBID for the 2023 fiscal year; and

WHEREAS, administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5); and

WHEREAS, if the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petaluma as follows:

1. The above recitals are hereby declared to be true and correct and are incorporated into findings of the City Council.

2. Finds that the administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5). And if the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.

3. The DBID 2023 Annual Report and Budget is hereby approved.

4. Subject to California Streets and Highways Code Section 36500 et seq. (the “Act”) and a public hearing to be held pursuant to the Act, the Petaluma City Council intends to levy the assessment described in the DBID Annual Report and Budget for Fiscal Year 2022 to pay for improvements and activities within the DBID, which Annual Report and Budget is attached to and made a part of this Resolution as Exhibit 1 in accordance with Chapter 6.04 of the Petaluma Municipal Code and the Act.

5. A public hearing concerning levy of the assessment proposed for the DBID for calendar year 2023 will be conducted by the City Council on Monday, December 19, 2022, at the hour of 6:30 p.m., or as soon thereafter as the matter will be heard. The hearing will be teleconferenced via Zoom. Information on how to listen and/or speak at the hearing will be on the December 19, 2022, Petaluma City Council meeting agenda (<https://cityofpetaluma.org/meetings/>) by 6:30 p.m., December 15, 2022.

**DOWNTOWN PETALUMA BUSINESS IMPROVEMENT DISTRICT
ANNUAL REPORT, BUDGET AND MAP FOR 2023**

- 1. Changes in Boundaries:** None are proposed.
- 2. Changes in the Basis or Method of Assessment:** None are proposed.
- 3. Changes in Classification of Businesses:** None are proposed.
- 4. Improvements/Activities to be Undertaken & Related Budget:** As proposed in the budget below and detailed in Staff Report Attachment 2.
- 5. Surplus/Deficit Carried Over from Prior Year:** None
- 6. Contributions from Other Sources:** None

Downtown Petaluma Business Improvement District 2023 Budget Allocations

Percentage	Activity Type	Amount
27%	Security	\$20,250
23%	Marketing	\$17,250
30%	Beautification	\$22,500
20%	Administration	\$15,000

Security - 27% - The Petaluma Downtown Association (PDA) contracts for coverage of the general downtown area to be performed on a regular nightly schedule. (The administration of this contract is not to be confused with a separate contract not paid for with BID funds for the Keller Street Garage.)

Marketing - 23% - These funds are used to supplement additional funds paid by individual merchants for the combined marketing efforts to create public awareness of events occurring in the downtown, e.g., Sidewalk Sale, Trick-or-Treat Trail, and other downtown events such as those listed under “administration.” PDA develops joint marketing agreements with the merchants using these funds and utilizes the combined buying power of the PDA and merchant community to obtain favorable prices for advertising that would not ordinarily be available to the individual merchant.

Beautification - 30% - A volunteer committee meets to consider requests for investing in beautification projects downtown. Directional signage, holiday decorations, seasonal banner placements, and graffiti cleanup are among the beautification projects funded by the BID.

Administration - 20% - Collected funds go to the day-to-day operations of the PDA office. Cost centers include rent, salary expense, and event coordination.

BID 2023 Proposed Projects			
Projected Revenue			
Total Possible	\$ 75,000	Projected from total district data	
Expected	\$ 75,000	Assuming 87% collections of current & collection of past due	
Proposed Projects	Expected	Possible	Notes
Security Patrols	\$ 20,250		Private security patrols DAILY 10pm-4am 52 weeks
Security 27%	\$ 20,250	\$ 20,250	
Destination marketing downtown	\$ 2,500		Destination marketing ads & editorial in Chamber & Visitors guide
Sidewalk Sale	\$ 1,200		Street banner \$400, additional banners \$150 advertising \$500
Billboard Signage	\$ 1,560		Billboard signage for peak events in downtown
Trick or Treat	\$ 700		Posters, maps, ads, balloons
Social Media Campaigns	\$ 1,000		Ads thru facebook & other social media promoting events & downtown shopping
Holiday Merchant Event Downtown	\$ 3,000		Carolers, horse & buggy rides, entertainment, flyers, posters, ads
Holiday Marketing season	\$ 2,590		Ads: SF Chronicle, Sonoma Gazette, Bohemian
Holiday shopping gift guide Sonoma c	\$ 1,200		Press Democrat, Argus and other local ads
Holiday Online ads Press Democrat	\$ 500		Online ad click through to website
Holiday shopping gift guide Marin	\$ 600		Marin county ads
Holiday Radio ad campaign	\$ 2,400		Holiday radio campaign - 4 weeks shared with merchants
SubTotal	\$ 17,250		
Marketing 23%	\$ 17,250	\$ 17,250	
Paint supplies for graffiti clean- up	\$ 500		Paint, supplies for grafitti clean up in downtown core and garage
Signage	\$ 2,000		Directional signage to downtown
Plants/misc decorations	\$ 1,500		Plants throughout downtown & specific event decorations for downtown
Holiday Lighting	\$ 2,000		Holiday committee recommendation for holiday lighting
Holiday Decorations	\$ 11,500		70 Holiday banners, 8 wreaths installation up and down, cleaning, updating and storage
4 seasonal banner placement	\$ 5,000		Spring, Summer, Fall Banners
SubTotal	\$ 22,500		
Beautification 30%	\$ 22,500	\$ 22,500	
Administration Costs			
BID local billing & collection	\$ 7,500		BID processing locally
Office staffing costs allocation	\$ 7,500		PDA administrative cost allocation
SubTotal	\$ 15,000		
Administration 20%	\$ 15,000	\$ 15,000	
GRAND TOTAL	\$ 75,000	\$ 75,000	

Types of Businesses Assessed

- **Retail, Restaurant and Antique Collectives:** Businesses that buy and resell goods or comestibles. Examples are clothing stores, shoe stores, office supplies and antiques shops as well as businesses that sell prepared foods and drinks.
- **Service Businesses:** Businesses that sell services. Examples are beauty and barbershops, repair shops, most automotive-orientated businesses, entertainment businesses such as theaters, etc.
- **Lodging:** Includes renting rooms by the day or week to community visitors.
- **Professional Businesses:** Includes: Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and /or specialized licenses and/or advanced academic degrees.
- **Financial Institutions:** Includes Banking, Savings, Loan and Credit Unions.

Assessment by Type of Business Within Zones

<u>Business Type</u>		<u>Zone A</u>	<u>Zone B</u>	<u>Zone C</u>
Restaurants & Retailers				
	1 - 3 Employees	150	100	50
	4 - 6 Employees	250	166	83
	7+ Employees	350	232	116
Antique Collectives				
	1-3 Dealers	150	100	50
	4 - 6 Dealers	250	166	83
	7+ Dealers	350	232	116
Service Operators				
	1-3 Emp/Operators	150	100	50
	4-6 Emp/Operators	250	166	83
	7+ Emp/Operators	350	232	116
Professional Businesses		125	82	41
Financial Institutions		500	500	500
Lodging				
	1-10 Rooms	150	150	150
	11-25 Room	250	250	250
	26+ Rooms	350	350	350

Note: Retail, restaurant and service businesses will be charged on size which will be determined by number of employees, either full-time or the equivalent made up of multiples of part-time employees while Antique Collectives will be charged by number of business licenses active within one location.

Petaluma Downtown Business Improvement District Boundary Map



