

**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.

Types of Businesses Assessed

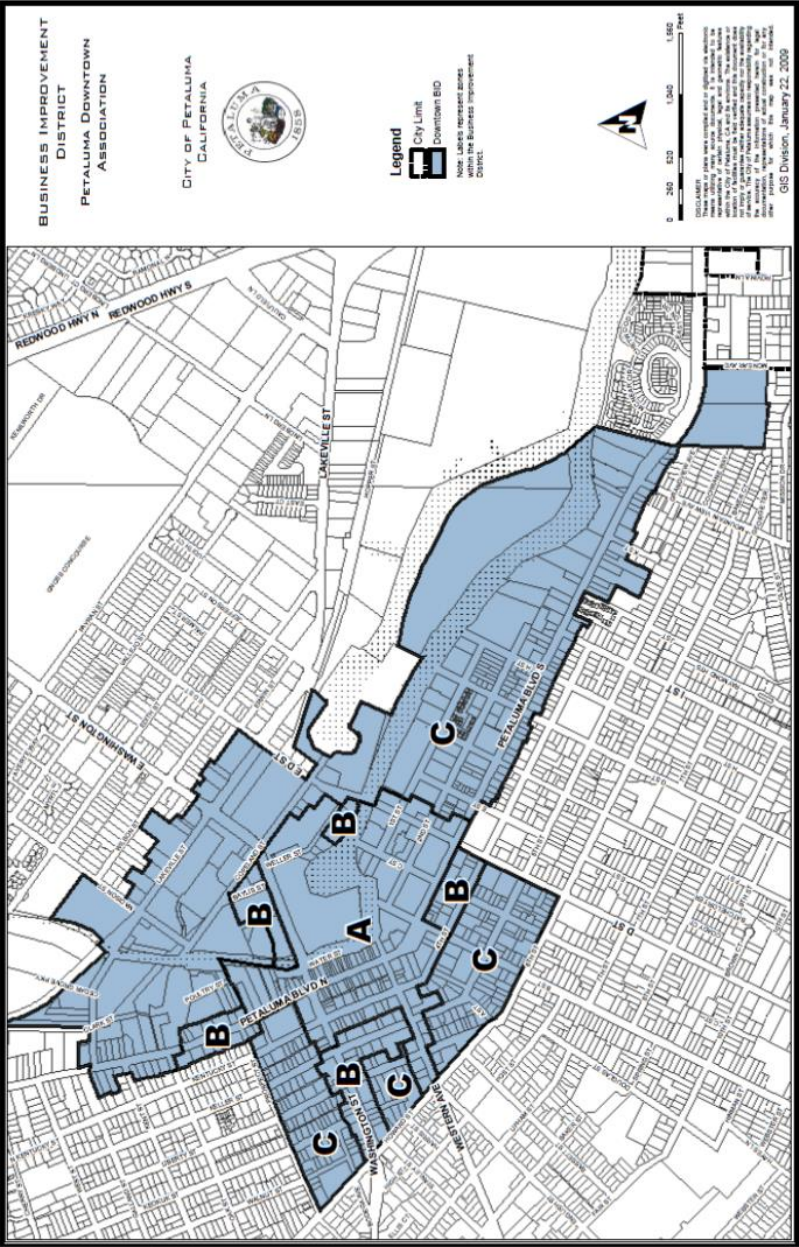
- **Retail, Restaurant and Antique Collectives:** Businesses that buy and resell goods or comestibles. Examples are clothing stores, shoe stores, office supplies and antiques shops as well as businesses that sell prepared foods and drinks.
- **Service Businesses:** Businesses that sell services. Examples 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.

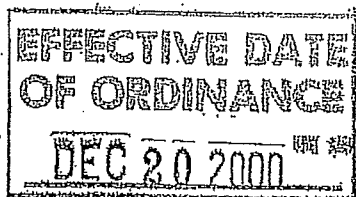
Assessment by Type of Business Within Zones

<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





ORDINANCE NO. 2104 N.C.S.

Introduced by Councilmember

Seconded by Councilmember

Matt MaguirePamela Torliatt

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PETALUMA,
CALIFORNIA, ADDING CHAPTER 6.04 TO THE PETALUMA MUNICIPAL CODE
ESTABLISHING THE DOWNTOWN PETALUMA
BUSINESS IMPROVEMENT DISTRICT**

RECITALS:

WHEREAS, on September 18, 2000, the City Council of Petaluma, on behalf of the City of Petaluma, (the "City"), adopted Resolution #00-177 N.C.S. (the "Resolution"), declaring its intention to establish a Parking and Business Improvement District (hereinafter referred to as the "District"), to levy a benefit assessment on all businesses, trades, professions, and vendors within said District, the proceeds of which shall be used for the public purposes herein described to benefit the businesses in the District, pursuant to the Parking and Business Improvement Area Law of 1989, Part 6 (commencing with Section 36500) of Division 18 of the California Streets and Highways Code (the "Act"); and,

WHEREAS, pursuant to the Act and the Resolution, City conducted a public hearing, after having given due notice thereof as required by law, on October 16, 2000, at 7:00 PM, at City Hall, 11 English Street, Petaluma, California; and,

WHEREAS, said public hearing has been held and the City Council has heard and considered all oral and written protests and other comments regarding such proposed actions; and,

1 WHEREAS, protests in writing from businesses in the proposed District paying 50% or more of
2 the proposed assessment have not been received; and,
3

4 WHEREAS, this City Council has now determined to establish the proposed District as a
5 Parking and Business Improvement Area, to provide for the imposition of a benefit assessment
6 and to adopt an ordinance to such effect; and,
7

8 WHEREAS, in the opinion of this City Council, the businesses within the District will be
9 benefited by the expenditure of the funds raised by the assessments levied hereby in the manner
10 prescribed herein; and,
11

12 WHEREAS, this City Council may, for each of the purposes set forth in Section 36510 & 36513
13 of the Act, establish one or more separate benefit zones based upon the degree of benefit derived
14 from the formation of the District, and may impose a tiered assessment or charge within each of
15 the benefit zones; and,
16

17 WHEREAS, all provisions of the Act applicable to the establishment, modification, or
18 disestablishment of a District shall apply to the establishment, modification, or disestablishment
19 of benefit zones pursuant to the Act, and the establishment or the modification of any benefit
20 zone shall follow the same procedure as provided for under the establishment of a parking and
21 business improvement district; and the disestablishment of a benefit zone shall follow the same
22 procedure as provide for disestablishment of a District; and,
23

24 WHEREAS, upon the request of the District Board of Directors, this City Council shall
25 commence the proceedings required by law to amend the boundaries, assessments or charges
26 established pursuant to this Ordinance subject to approval of the Board of Directors of the
27 District as expressly provided for herein; said modifications being made pursuant to the
28 procedural requirements of the Act, but no assessment or charge shall be modified which would
29 impair the ability of the District to meet the obligations of a contract to construct or operate
30 physical improvements in the District; and,
31

1 WHEREAS, adjustments may be made in the assessments or charges to businesses in the
2 District, or in the uses to which the revenue shall be put, as specified in this Ordinance and
3 subject to Board approval, provided such changes are made by a supplemental Ordinance
4 adopted after a hearing before the City Council; and,
5

6 WHEREAS, for purposes of the assessments or charges to be imposed pursuant to this
7 Ordinance, this City Council may make a reasonable classification of businesses, giving
8 consideration to various factors, including general benefit to businesses and the degree of benefit
9 received from District programs; and,
10

11 WHEREAS, the assessments or charges levied on businesses pursuant to this Ordinance shall, to
12 the maximum extent feasible, be levied on the basis of the estimated benefit to the businesses
13 within the District.
14

15 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PETALUMA DOES
16 ORDAIN AS FOLLOWS:
17

18 Section 1. Resolution of Intention, Public Hearing and Findings. The Recitals hereof, which set
19 forth facts regarding the adoption of Council Resolutions, the conduct of public hearings and
20 certain findings of the City Council, are true and correct and incorporated herein by reference.
21

22 Section 2. CHAPTER 6.04 is hereby added to the Petaluma Municipal Code; providing as
23 follows:
24

25 CHAPTER 6.04 DOWNTOWN PETALUMA BUSINESS IMPROVEMENT DISTRICT.
26

27 6.04.010 Definitions.

28 In order to distinguish between District businesses and for the purpose of calculating and
29 applying the amount of assessments owed, the following definitions shall apply:
30
31

1 A. Retail Businesses: "Retail Businesses" include all businesses not covered by other
2 definitions set out in this section, at least fifty percent (50%) of whose gross income is
3 derived from "retail sales" as that term is defined under the California Sales and Use Tax
4 Law. The fact that a substantial part of its business consists of sales other than retail sales
5 does not exclude said business from this classification so long as such other business
6 component does not account for more than fifty percent (50%) of said business' gross
7 income;

8
9 B. Restaurants: "Restaurant" businesses include cafes, eating establishments, sandwich
10 shops, dinner houses, restaurants and fast food services and other similar businesses;

11
12 C. Antique Collectives: "Antique Collectives" includes such businesses and business
13 locations that represent multiple dealers of antique merchandise within one location.

14
15 D. Service: "Service" businesses include businesses that combine retail and product services.
16 Examples are appliance stores, most automotive-oriented businesses, repair shops,
17 repairing and servicing businesses and service stations. Other businesses of a general
18 service-type nature such as general office, news and advertising media, printers, renting
19 and leasing businesses, utilities, vending machine businesses, household finance
20 companies, entertainment businesses and other similar businesses not otherwise included
21 in categories a, b, c, e, f, or g are included in this section;

22
23 E. Lodging: "Lodging" businesses include inns, hotels, motels, RV Parks and other similar
24 businesses;

25
26 F. Professional: "Professional" includes attorneys, architects, accountants, engineers,
27 surveyors, physicians, dentists, optometrists, chiropractors and others in a medical /
28 health service field, consultants, real estate brokers, financial advisors, laboratories
29 (including dental and optical), hearing aid services, artists, photographers and designers.

1 G. Financial: Banks, savings & loans, credit unions, etc.

2
3 H. Calendar Year: "Calendar Year" means January 1st to and including December 31st of
4 the same year.

5
6 I. Billing Period: "Billing Period" shall refer to the period of any portion of a calendar year
7 in which a business operation as defined above.

8
9 **6.04.020 Establishment of Boundaries.**

10 A Parking and Business Improvement District is hereby established pursuant to the Parking and
11 Business Improvement Area Law of 1989, Streets and Highways Code Section 36500 et seq. The
12 boundaries of the District and the benefit zones within the District shall be as set forth on the
13 Exhibit "A", as attached to the Ordinance adopted to create said District and incorporated herein
14 by reference. This District shall be known as the "Downtown Petaluma Business Improvement
15 District" (the "District").

16
17 **6.04.030 Establishment of District Board of Directors.**

18 There shall be a Board of Directors ("Board") of the District to administer the affairs of the
19 District. Said Board shall be constituted of businesses within the District. Within the Board there
20 shall be a President, Vice-President, Secretary and Treasurer elected by the membership, and
21 such other officers as deemed necessary by the Board. Such other officers shall be appointed by
22 the Board of Directors at their discretion. All voting within the District regarding election of
23 Board Members and any actions regarding the normal and routine conducting of District
24 Business shall be based on one (1) vote per assessed dollar, and said business must be current in
25 payment of their District assessment(s) to participate in such votes.

26
27 **6.04.040 Establishment of Benefit Assessment.**

28 All businesses, trades, and professions located within the District boundaries shown on the
29 Exhibit "A" referenced in Section 6.04.030, shall, commencing January 1, 2001, pay an annual
30 benefit assessment to the District in an amount adopted by Resolution of the City Council of the
31 City of Petaluma.

1 **6.04.050 Purpose and Use of Benefit Assessments.**

2 The types of improvements and activities proposed to be funded by the levy of assessments on
3 businesses in the District are as follows:

4
5 A. The acquisition, construction, installation, or maintenance of any tangible property with
6 an estimated useful life of five years or more including, but not limited to, the following
7 improvements:

- 8 1 Benches;
- 9 2 Trash receptacles;
- 10 3 Decorations;
- 11 4 Facade improvements;
- 12 5 Permanent landscaping

13
14 B. Activities including but not limited to the following:

- 15 1 promotion of public events which benefit businesses in the area and which take
16 place on or in public places within the area;
- 17 2 Furnishing of music in any public place in the area;
- 18 3 Activities which benefit businesses located and operating in the area, including
19 but not limited to commercial shopping and promotional programs.

20
21 **6.04.060 Exclusions From Benefit Assessment.**

22 No person or business shall be required to pay an assessment based on: (a) a residential use of
23 the property within the District, or (b) a non-profit organization as defined by Section 501 (C) (3)
24 or (C) (6) of the Internal Revenue Service Code located within the District.

25
26 **6.04.070 New Business Assessment Waiver.**

27 Any new business established within the District shall not be required to pay an assessment for
28 the Billing Period during which said business is initiated. The business will have been
29 considered initiated on the date of issuance of the business license. This waiver shall not apply to
30 an existing business that has changed ownership or location within the District. City agrees to
31 supply the District with timely information regarding new businesses initiated within the District.

1 **6.04.080 Collection of Downtown Benefit Assessment.**

2 The benefit assessment authorized by this Ordinance for Downtown Petaluma businesses
3 (Section 5.0 hereof), shall be billed and collected each Calendar Year. The BID Advisory Board
4 may, from time to time, assess late charges on unpaid BID assessment charges.

6 **6.04.090 Voluntary Contributions to District.**

7 Contributions to the District shall be permitted on a voluntary basis. The boundary of the
8 District shall not be modified as a result of the contribution, nor shall said contributing business
9 be considered a member of the District for voting or other purposes. However, said business
10 making a voluntary contribution may be entitled to participate in the programs of the District
11 upon a finding by the Board of Directors that the District derives a benefit from said business'
12 participation in the program.

14 **6.40.100 Annual Budget Process.**

15 Pursuant to the Act, it shall be necessary for the District Board of Directors to present an annual
16 budget for City Council review and approval prior to the beginning of each Fiscal Year. The
17 purpose of this process is to comply with the Act provisions regarding public notice and hearing
18 prior to establishing the benefit assessments for the following Fiscal Year. City shall not adopt,
19 modify or otherwise amend any Fiscal Year budget of the District that is inconsistent in any way
20 with said Fiscal Year's budget as agreed to and presented by the District Board of Directors
21 except in the case of a written majority protest (regarding elimination or modification of any
22 specific budget item) from business owners which will pay 50% or more of the assessments
23 proposed to be levied as to any specific budget item pursuant to GC Section 36525 (b). In such
24 case the written protest regarding any specific budget item shall be grounds to eliminate or
25 modify said expenditure from the District's proposed budget pursuant to the written protest.

27 **6.40.110. Decisions Regarding Expenditure of Funds.**

28 As provided for within the guidelines of SB 1424, decisions of the District Board of Directors
29 regarding expenditure of all funds generated under this program shall be final.

1 6.40.120 **District Proceeds Do Not Offset City Services.**

2 City specifically finds and declares that the funds derived from the District shall not be used to
3 offset or diminish current maintenance, capital improvement programs, including but not limited
4 to, public property and sidewalk cleaning, street cleaning and maintenance, tree maintenance,
5 restroom cleaning and maintenance. The City is not bound or obligated to any specific amount
6 of funding to the District.
7

8 6.40.130 **Disestablishment of the District.**

9 Proceeding to disestablish the District shall be initiated by the City Council following the
10 presentation of a petition to the City Council signed by business owners paying 50% or more of
11 the assessments levied in the District. Proceedings to disestablish the District shall follow the
12 procedures set forth in GC Section 36550. The City Council shall disestablish the District if,
13 following the public hearing prescribed in Section 36550 (b), written protests are not withdrawn
14 as to reduce the protests below the 50% level. In the event of disestablishment of the District,
15 remaining revenues of the District shall be refunded to paying business owners in a pro-rata
16 manner calculated in the same manner as was used to establish the most recent assessments
17 applied in the District.
18

19 Section 3. If any section, subsection, sentence, clause or phrase of this ordinance is, for any
20 reason, held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not
21 affect the validity or constitutionality of the remaining portions of this ordinance, it being
22 expressly declared that this ordinance and each section, subsection, clause and phrase hereof
23 would have been prepared, proposed, adopted, approved and ratified irrespective of the fact that
24 any one or more other sections, subsections, sentences, clauses, or phrases be declared invalid or
25 unconstitutional.
26

27 Section 4. The ordinance shall take effect upon the thirty-first (31st) day after its final passage.
28
29

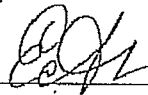
1 INTRODUCED and ordered Posted/Published this 16th day of October 2000. ADOPTED this
2 20th day of November, 2000, by the following vote:

3
4 AYES: Healy, Keller, Cader-Thompson, Hamilton, Maguire, Vice Mayor Torliatt, Mayor
5 Thompson

6
7 NOES: None

8
9 ABSENT: None

10
11 ABSTAIN: None

12
13
14 
15 Mayor

16 ATTEST:

17 APPROVED AS TO FORM:

18 
19 City Clerk

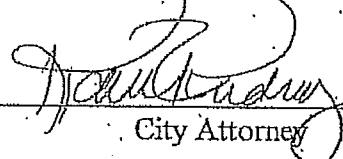
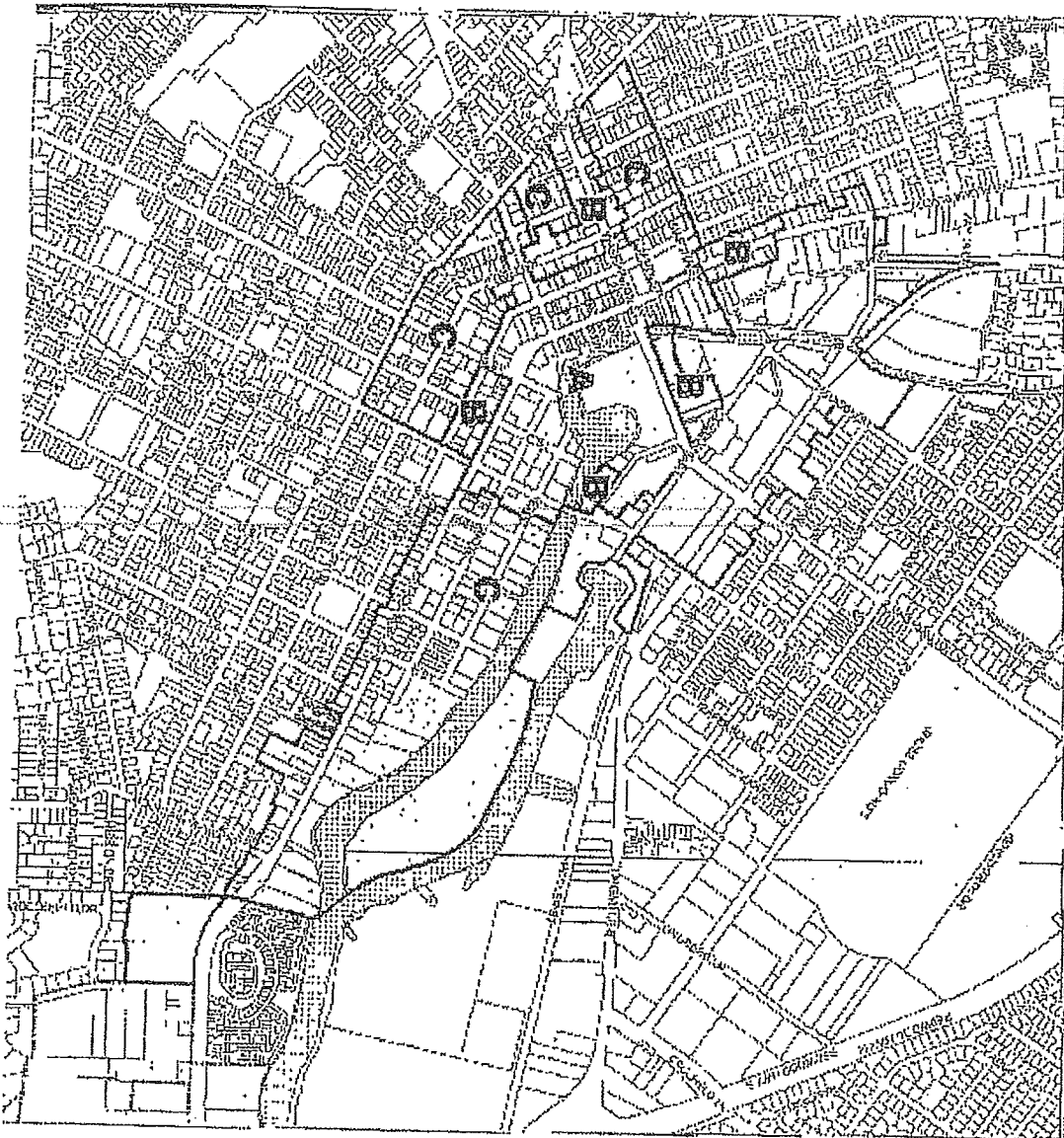

City Attorney

EXHIBIT A TO ORDINANCE 2104 N.C.S.



BUSINESS IMPROVEMENT
DISTRICT
URBANA DEVELOPMENT
ASSOCIATION
NOVEMBER 2000

LITO P. PETERSON
CALIFORNIA



Legend

- Downtown BID
- City Limit

Maple / Maple refers to
names of the two
Downtown & U



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Map
Scale
218 24th St, Suite 2, 94711