



DATE: December 19, 2022

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Nancy Sands, Management Analyst II, Economic Development and Open Government

SUBJECT: Public Hearing to Levy an Annual Assessment for Fiscal Year 2023 for the Downtown Petaluma Business Improvement District and Resolution Establishing the Levy for the 2023 Annual Assessment for the Downtown Petaluma Business Improvement District and Finding This Action is Not a “Project” Pursuant to CEQA Guidelines Section 15378(b)(5)

RECOMMENDATION

It is recommended that the City Council conduct the public hearing and adopt the attached Resolution establishing the levy for the 2023 Annual Assessment for the Downtown Petaluma Business Improvement District.

BACKGROUND

In November 2000, the Petaluma City Council adopted Ordinance 2104 N.C.S., establishing the Downtown Business Improvement District (DBID), codified as Chapter 6.04 of the Petaluma Municipal Code (PMC). As part of Ordinance 2014 N.C.S. Board of Directors (Board) was established to administer the affairs of the DBID.

PMC Section 6.04.100 establishes annual procedures governing the levy of assessments. Under PMC Section 6.04.100, the Board must present the City Council with an annual report and related budget information for review and approval prior to the City Council’s adopting a Resolution of Intention giving notice of a public hearing at which written and oral protests may be made. Following such action, the City Council can adopt a resolution approving the annual report and levying the assessment.

The annual report and related budget information were presented and the Resolution of Intention to Levy the 2023 Annual Assessment was adopted at the City Council meeting on December 5, 2022. California Streets and Highways Code Sections 36523 and 36523 require that the public hearing take place at least 10 days after the Resolution of Intention is adopted and that a public notice be published in the paper 7 days in advance of the hearing.

DISCUSSION

In accordance with PMC Section 6.04.100, the City shall not adopt, modify or otherwise amend any Fiscal Year budget of the DBID that is inconsistent in any way with the Fiscal Year's budget as agreed to and presented by the DBID Board except in the case of a written majority protest (regarding elimination or modification of any specific budget item) from the business owners that will pay 50% or more of the assessments proposed to be levied as to any specific budget item pursuant to California Streets and Highways Code Section 36525(b). In such case the written protest regarding any specific budget item shall be grounds to eliminate or modify the expenditure from the DBID's proposed budget pursuant to the written protest; otherwise, the budget and levy shall remain unchanged.

At the public hearing, the Council will hear any testimony for and against the proposed levy, including any protests, subsequent to which the Council should determine whether to approve the levy. No correspondence was received prior to distribution of the City Council packet. Any correspondence received after distribution of the packet will be posted online during normal business hours and made available at the City Council meeting.

PUBLIC OUTREACH

DBID members were notified of the December 19, 2022, public hearing in the following ways:

1. December 2, 2022 - Advertisement in the Argus-Courier
2. December 2, 2022 - Letter to businesses in the DBID
3. December 5 & 9, 2022 - Petaluma weekly email newsletter story & social media
4. Petaluma Downtown Association email newsletter and website
5. December 5, 2022 - Tentative agenda inclusion

COUNCIL GOAL ALIGNMENT

This item aligns with the following Council goals and priorities:

Economy that Prospers

- Objective # 111 - Business Attraction and Retention: Incentivize, support, and incubate small, start-up businesses

Spaces & Places

- Objective # 125 - Safe & Vibrant Neighborhoods: Develop and implement a Downtown maintenance and beautification plan in partnership with the Petaluma Downtown Association
- Objective #134 – Inspirational Spaces/Public Art: Continue to look for opportunities for smaller, community-oriented public art projects.
- Objective #137 - Inspirational Spaces/Public Art: Explore opportunities for more murals and art installations citywide.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

The BID and the City are working together to raise awareness about climate issues and make BID events and activities are more climate-friendly/sustainable. The BID is an important channel in communicating City climate events and policies to Downtown businesses. In the calendar year 2022, the BID's climate action/sustainability efforts included:

- Promoting the City's first Ciclovía event to BID members
- Creating event signage from reusable/recyclable materials rather than from balloons or other climate-negative materials
- Reducing the use of paper in BID mailings by referring BID members to the BID web page for BID information
- Working with Recology to place recycling and compost waste bins at BID events
- Supporting City efforts to install multi-stream waste receptacles in the downtown

ENVIRONMENTAL REVIEW

Environmental review for this item was already completed during the initial creation of the DBID. Additionally, 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). 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 15305 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.

FINANCIAL IMPACTS

The 2023 DBID Annual Report proposes no changes in the boundaries, method of assessment, or rate of assessment related to the DBID. The City incurs costs related to staff time and posting of the public hearing in the Argus Courier. The DBID Board administers the program. The DBID budgetary priorities are as follows:

Percentage of Budget	Activity	Total Dollars
27%	Security	\$20,250
23%	Marketing	\$17,250
30%	Beautification	\$22,500
20%	Administration	\$15,000
	Total	\$75,000

ALTERNATIVES

If this resolution is not approved, the BID would not be able to collect its assessments.

ATTACHMENTS

1. Resolution Establishing the Levy for the 2023 Annual Assessment for the Downtown Petaluma Business Improvement District with Exhibits
 - a. DBID Boundary Map
 - b. DBID 2023 Annual Report and Budget
2. Notice of Public Hearing (2023 Resolution, Boundary Map, Annual Report and Budget)
3. Billing packet for DBID assessments including cover letter and statement.
4. List of businesses to be assessed