



Legislation Text

File #: 18-0865, **Version:** 1

Recommendation to adopt resolution approving the Annual Report for October 1, 2018 to September 30, 2019, for the East Anaheim Street Parking and Business Improvement Area, declaring its intention to levy the annual assessment, and setting the date of hearing for Tuesday, October 23, 2018 at 5:00 p.m. (Districts 3,4)

The Zaferia Business Association (ZBA), as the Advisory Board to the East Anaheim Street Parking and Business Improvement Area (EASPBIA), promotes and markets the commercial area along Anaheim Street using funds generated through the assessment of businesses located in the EASPBIA. State law governing parking and business improvement areas requires that an Annual Report be submitted to the City Council by the Advisory Board designated for this assessment district.

On July 12, 2018, the ZBA Advisory Board voted to recommend to the City Council approval of the EASPBIA Annual Report (Exhibit A to Resolution). The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment. The Annual Report proposes no change in the boundaries, basis and method of levying the assessment, and no significant change in proposed activities.

The Fiscal Year 2019 (FY 19) Annual Report, transmitting the recommendations of the EASPBIA Advisory Board, proposes the following assessment rates:

Method of Assessment

Special benefit assessment of businesses operating within the area. The estimated 2018-2019 fiscal year revenue from business assessments is \$140,300. Assessments are calculated as follows:

- Type 1 Businesses: Retail, recreation and entertainment, and unique businesses shall pay annual assessment fees of:
 - o Base Fee: \$300 per year, except that secondary licensees in these classes are exempt; and,
 - o Employee Fee: \$15 per employee up to \$300 maximum.

- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile businesses shall pay annual assessment fees of:
 - o Base Fee: \$200 per year, except that secondary licensees in these classes shall

- o pay a base fee of \$120; and,
- o Employee Fee: \$15 per employee up to \$300 maximum.

· Type 3 Businesses: Non-residential space rental businesses shall pay annual assessment fees of:

- o Base Fee: \$120 per year; and,
- o Employee Fee: not applicable.

Residential property rental is exempt from the assessment.

The City enters into agreements with business and/or property owner associations (associations), which utilize assessment revenues to provide services and improvements in Business Improvement District (BID) areas. These agreements set forth the parameters and requirements of the relationship between the associations and the City, and include requirements such as annual reporting requirements, deadlines, and payment schedules, and perpetuate annually based on the City Council's approvals of annual reports. Per the City Auditor's recommendation in the BID Oversight Audit, the City will re-execute the agreement with the ZBA to reflect current procedures and other changes deemed necessary. The agreement will be periodically revisited as processes and requirements change to ensure it stays current and relevant.

The recommended Resolution grants approval of the Annual Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for October 23, 2018.

This matter was reviewed by Deputy City Attorney Amy R. Webber and by Budget Analysis Officer Julissa José-Murray on September 5, 2018.

City Council action is requested on October 2, 2018, to set the date of the public hearing for October 23, 2018. The new contract year begins on October 1, 2018.

It is estimated that the EASPBA will generate \$140,300 in FY 19 through the proposed continuation of the assessment. Assessment funds are collected through additional fees attached to EASPBA business licenses. All revenues are passed directly through to the EASBA for implementation of annual programs. There is no local job impact associated with this recommendation.

Approve recommendation.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER