

CITY OF NAPA CITY COUNCIL
AGENDA REPORT

CONSENT CALENDAR
AGENDA ITEM 4.F.
Date: May 21, 2013

To: Honorable Mayor and Members of City Council

From: Rick Tooker, Community Development Director

Prepared by: Robin Klingbeil, Project Coordinator

Subject: 2013/14 Annual Report & Budget for Parking & Business Improvement Area 1, Benefit Zone 1 (2005); Schedule Public Hearing to Levy Assessments

ISSUE STATEMENT:

Adopt a resolution approving the FY 2013/14 Annual Report, Budget and Advisory Board for the Napa Parking & Business Improvement Area 1, Benefit Zone 1 (2005), and authorize the City Clerk to schedule a public hearing on June 4, 2013 to levy assessments in the PBI 1 (2005) in accordance with Napa Municipal Code Chapter 3.30.

DISCUSSION:

This report is the annual review of revenue generated from the Napa Parking & Business Assessment Improvement Area, Benefit Zone 1 (2005), which was formed in January, 2005, pursuant to California Streets and Highways Code Sections 36500 et seq. The intent of forming this area was to extend the boundaries of the downtown Napa "Parking Exempt" district to incorporate a handful of under-utilized parcels or properties in transition with potential and ability to develop. The original Parking Exempt district -- the "Parking & Business Improvement Area 1, Benefit Zone 1" -- was adopted in the 1970's and consists of properties in the downtown core, generally along the corridors of Pearl, First, Second and Third streets, between Seminary Street and Soscol Avenue.

In 2005, affected property owners approved the formation of "Benefit Zone 1 (2005)" to expand the Parking Exempt District by an additional 31 parcels which currently represent approximately 22 businesses. This expansion was one of the implementation recommendations of the Downtown Napa Mixed Use and Residential Infill Development Strategy (2004), which identified key sites to incorporate into the Parking Exempt District so they could develop without having to provide on-site parking for commercial uses. Exhibit C provides illustrations of both the original PBI 1, Benefit Zone 1, and the newly-added area known as Benefit Zone 1 (2005).

Owners of properties/businesses in these areas do not provide on-site parking for their customers or employees; revenue is collected from the business owners to fund the

provision of parking facilities and their ongoing maintenance. Although these areas were formed at different times and under differing statutes, the underlying tax/assessment is calculated using the same formula, applicable to all business license holders. They are subject to an assessment equal to 70% of their business license tax, payable each year upon acquisition or renewal of their license. This assessment is collected by the City Finance Department and placed into a fund, managed by the Parks & Recreation Department, for use in maintaining parking facilities in the Parking Exempt district. The City provides parking lots and structures to accommodate the needs of the business owners that pay into the fund, as well as for general public. There are twelve surface parking lots and three parking structures in Downtown that are maintained with funds generated by these assessment revenues.

Because the areas added in 2005 were done so via the petition and ballot process as outlined under state law noted above, the activities funded from revenue generated in this area are subject to yearly review and approval by the Council, and the Council is directed to levy these assessments on an annual basis. The older Parking Exempt area is not subject to such review based upon the statutes in place at the time of its formation. Therefore, the focus of this report will be only on the revenue and work program tasks funded by business owners on these 31 properties in the Benefit Zone 1 (2005) area.

The annual budget and work program, Exhibit A, has been prepared by the Parks & Recreation Department, who is responsible for maintenance of City facilities, including downtown parking lots and structures. The businesses in Benefit Zone 1 (2005) are expected to generate about \$23,350 in assessments. The remainder of the funds needed for the work program will be provided from the taxes (which are calculated using the same 70% of business license surcharges) generated in the original Parking Exempt district, which go into the City's General Fund. In accordance with the contract obligations contained in Agreement 9354, "Napa Downtown Association Agreement, Management of Assessment Districts", this report was reviewed and approved on May 14, 2013, by the "Owners Association," which is the NDA Board of Directors. Since the assessment revenue comes from business owners in the boundary area, the activities funded by this revenue must be for the benefit of those who pay, and are reviewed by their representatives on the NDA Board.

Required Components of Annual Report: The California Streets and Highways Code Section 36533 requires that annual reports for PBIAs contain the following information:

1. Any proposed change in boundary of area or benefit zone, or parcel classification.

Response: No changes to boundaries or classifications are proposed.

2. Improvements and activities to be provided for the Fiscal Year.

Response: Maintenance of 12 surface parking lots and 3 parking structures in Downtown Napa, including litter and garbage cleanup, sweeping, repair and cleaning of elevators in the garages, pressure washing, equipment purchasing and rental, contract services for elevator and fire sprinklers, signage, paint, graffiti removal, electrical maintenance and janitorial supplies.

3. Estimate of cost to provide the improvements and activities for the year:

Response: The estimated cost to fund the items listed above is \$141,757.00

4. Method and basis of levying assessment.

Response: Per Napa Municipal Code Section 3.30.040 Method of Assessment: The assessments shall be levied in an amount equal to 70% of the business license tax, imposed on each business in the Zone 1 (2005), pursuant to Napa Municipal Code Chapter 5.04 Business Licenses Generally. Estimated revenue to be received from these assessments in FY 13 /14 is \$23,350.00.

5. Amount of any surplus or deficit revenues to be carried over from previous fiscal year.

Response: There is no surplus revenue or deficit to be carried over from the previous year.

6. Amount of any contributions to be made from sources other than assessments levied pursuant to this part.

Response: The General Fund will provide the balance of funding for the FY 13/14 work program, which is \$118,407.80.

The 2013 Benefit Zone 1 (2005) PBIA No. 1 Advisory Board members and their respective affiliations are:

Sara Brooks (President), Napa Mill
Tom Finch, Filippi's Pizza Grotto
Anette Madsen, Anette's Chocolates
Steve Pierce, The Executive Room
Steve Rodrigues, Val's Liquors

Celeste Carducci, Uncorked at Oxbow
Stephanie Kendall, Carpe Diem
Joe Peatman, Jr., Downtown Joe's
Cheryl Richburg, NV Traditions
Craig Smith, NDA

FINANCIAL IMPACTS:

This action results in the receipt of revenue into the City of Napa Parking Maintenance fund, managed by the Parks & Recreation Division. These funds are collected by Finance Department as business owners in the area acquire or renew business licenses.

CEQA:

The Community Development Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

Attachment 1: A Resolution approving the 2013 Annual Report & Budget and Advisory Board for Parking & Business Improvement Area No. 1, Benefit Zone 1 (2005), with Exhibits "A", "B", and "C", and authorizing the City Clerk to schedule a public hearing on June 4, 2013 to approve the levying of assessments in said area in accordance with NMC Section 3.30.

NOTIFICATION:

City Parks & Recreation Department staff and the Napa Downtown Association were notified of this agenda item prior to the meeting date.

RECOMMENDED ACTION:

Staff recommends that the City Council move, second and approve each of the actions set forth below, in the form of the following motion. Move to:

Adopt a Resolution approving the 2013 Annual Report, Budget and Advisory Board for Napa Parking & Business Improvement Area 1, Benefit Zone 1 (2005), and authorizing the City Clerk to schedule a public hearing on June 4, 2013 to levy assessments in said area in accordance with NMC Section 3.30.