

CITY OF NAPA CITY COUNCIL
AGENDA REPORT

CONSENT CALENDAR
AGENDA ITEM 4.D.
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 Annual Report and Budget for the Napa Parking & Business Improvement Area 1, Zone 2; Schedule Public Hearing to Levy Taxes

ISSUE STATEMENT:

Adopt a resolution approving the 2013 Annual Report, Budget and Advisory Board for the Napa Parking & Business Improvement Area 1, Benefit Zone 2, and authorize the City Clerk to schedule a public hearing on June 4, 2013 to levy taxes in accordance with NMC Section 3.28.

DISCUSSION:

The Napa Downtown Association (NDA) has submitted the annual budget, programs and promotional events, and roster of officers for the period January 1 – December 31, 2013, for activities funded by the Napa Parking & Business Improvement Area 1, Benefit Zone 2 (PBIA). In accordance with the contract obligations contained in Agreement 9354, “Napa Downtown Association Agreement, Management of Assessment Districts”, the NDA must prepare and file with the City an annual report which describes improvements and activities that will be performed by the NDA using revenues generated by the PBIA. The Council shall also adopt a resolution of intention to authorize the levying of these taxes through the end of the fiscal year.

In accordance with the PBIA, which was approved by the business owners in 1972, the City receives PBIA tax revenue from merchants in the PBIA boundaries, in an amount of 40% of the business license tax, paid when business licenses are acquired or renewed. The PBIA boundaries include the downtown core generally between Jefferson Street, Soscol Avenue, Yount Street and Division Street (see map on Exhibit C). The PBIA tax revenues are paid by the City to the NDA, under the terms of Agreement 9354, to be used by NDA for promotional and marketing purposes benefitting those business owners subject to the PBIA tax. The NDA has estimated that \$106,075 in PBIA tax revenue will be received in 2013. These funds are combined with other sources of revenue, including sponsorships, booth fees, food vendors, and beverage sales and used for area-wide promotions and marketing activities (listed in #2 below).

Required Components of Annual Report: Although the PBIA tax is not required to comply with any particular reporting requirements, City staff has used the structure

provided by California Streets and Highways Code Section 36533 (which is consistent with similar assessment reports provided by NDA for the Oxbow Business Improvement Area) for the PBIA annual report, to include 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: Manage and promote Chefs' Market; Main Street Reunion Car Show; Blues, Brews & BBQ; Wine, Crafts & Jazz Festival; Halloween; Tree Lighting and Christmas Parade. Conduct familiarization tours with media, concierges, event planners, etc. Prepare a Downtown Business education program. Research a secret shopper program. Establish an ambassador program, and provide advocacy regarding political issues affecting downtown.

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

Response: The estimated cost for management and promotion as provided in #2 above is \$598,384. The taxes would fund 18 percent of the overall program.

4. Method and basis of levying taxes in the Napa Parking & Business Improvement Area 1, Zone 2.

Response: The taxes for the PBIA are levied in an amount equal to 40% of the business license tax for businesses in the "Promotions" District. Business license taxes are imposed on each business pursuant to Napa Municipal Code Chapter 5.04.

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 budget anticipates \$493,500 from event registration fees, commercial vendors, the Wine Tasting Card, booth fees, alcohol beverage sales sponsorships, and administration funds from the PBID.

The 2013 PBIA 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 no financial obligation for the City or impact to its General Fund. City staff provides administrative coordination and assistance relating to the collection and processing this revenue and the preparation of payments to the NDA, which are remitted on a monthly basis.

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: Resolution with Exhibits A, B, and C.

NOTIFICATION:

The Napa Downtown Association was 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 the Napa Parking & Business Improvement Area 1, Benefit Zone 2, and authorizing the City Clerk to schedule a public hearing on June 4, 2013 to levy taxes in the Parking & Business Improvement Area 1, Benefit Zone 2, in accordance with NMC Section 3.28.