



Staff Reports

File #: 1310-2018, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Dr. Peter Pirnejad, Assistant City Manager - Development Services

Prepared By: Shari Cooper, Development Project Coordinator

TITLE:

Oxbow Business Promotions Assessment Area - 2019 Annual Report and Budget

RECOMMENDED ACTION:

Adopt a resolution approving the 2019 Annual Report and Budget for the Oxbow Business Promotions Assessment Area; authorizing the City Clerk to schedule a public hearing on June 19, 2018 to levy assessments in accordance with Napa Municipal Code Chapter 3.29; and determining that the actions authorized by this resolution are exempt from CEQA.

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, 2019, for the Oxbow Business Promotions Assessment Area ("Oxbow BPAA") which is identified in the Napa Municipal Code Chapter 3.29 as the "Oxbow Business Improvement Area." The Oxbow BPAA boundaries include businesses east of Soscol Avenue, generally bounded by River Terrace Way, Silverado Trail, Third Street and Soscol Avenue (see map on Exhibit "E" to Attachment 1).

In accordance with the contract obligations contained in City Agreement 9354 between the City and NDA, "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 assessment revenues generated by Oxbow BPAA. The California Streets and Highways Code require that the City Council approve these reports and adopt a resolution of intention to authorize the levying of assessments through the end of the NDA's fiscal year.

The City collects Oxbow BPAA assessments from merchants in the Oxbow BPAA boundaries and pays those assessment revenues to the NDA, and the NDA manages the expenditure of the assessment revenues for improvements and activities identified in the annual report, all under the terms of Agreement 9354.

Merchants in the Oxbow BPAA pay a promotional assessment equal to 40 percent of their business license tax when their business licenses are renewed. Therefore, assessment rates that are approved in 2018 are used to fund improvements and activities for the 2019 calendar year. The NDA estimates that \$40,400 in BPAA assessment revenue will be received in 2019. Revenues received will be spent on promotional activities that benefit the businesses paying the assessment.

Required Components of Annual Report

The California Streets and Highways Code Section 36533 requires that the annual report contain certain information. These requirements are detailed further in Exhibit “D” to Attachment 1 and provided in summary format below.

1. Any proposed changes in the boundaries of the Oxbow BPAA - There have not been any boundary changes to the Oxbow BPAA for the 2018 calendar year, and no boundary changes are anticipated for 2019.
2. The improvements and activities to be provided - As detailed on Exhibit “C” to Attachment 1, for every dollar of the assessment, an additional \$2.23 will be expended for the benefit of the businesses in the Oxbow BPAA. The Oxbow BPAA businesses will receive a special benefit through the following activities provided by the NDA (see details on “Exhibit D” to Attachment 1) regarding:
 - a) Promotion of Public Events and Provision of Live Music
 - b) Promotion of Tourism
 - c) Program Management and Support
3. Estimate of the cost of providing the improvements and activities -The NDA estimates the cost to provide the above activities and improvements totals \$472,688.
4. The method and basis for levying the assessment - The method and basis of levying assessments for the area remains the same as prior years, and equals 40 percent of the business license tax (imposed on each business pursuant to Napa Municipal Code Chapters 3.29 Oxbow Business Improvement Area and 5.04 Business Licenses Generally).
5. The amount of any surplus or deficit revenues to be carried over from prior fiscal year - The NDA estimates the amount of surplus to be carried over from 2017 to 2018 is \$107,000.
6. The amount of contributions to be made from other sources -
For 2019, the NDA budget estimates that the amount of all contributions to Oxbow BPAA expenditures from sources other than the assessments levied total \$90,230 (as depicted in Exhibit “C” to Attachment 1).

FINANCIAL IMPACTS:

The recommended action results in no financial City obligation or impact to the General Fund, but there are costs related to City staff time for financial accounting and preparation of staff reports and resolutions. The Oxbow BPAA assessment revenue, equal to 40 percent of the business license tax, is collected by the Finance Department and remitted monthly to the NDA.

CEQA:

City staff recommends that the City Council determine that the Recommended Action described in this Staff Report is exempt from CEQA, pursuant to CEQA Guidelines Section 15323 (normal operation of facilities for public gatherings).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution - 2019 Annual Report and Budget for the Oxbow BPAA
EX A - 2017 Budget to Actuals for the Oxbow BPAA and DBPTA
EX B - 2018 Budget for the Oxbow BPAA and DBPTA
EX C - 2019 Budget Estimate of Revenue Contributions to the Oxbow BPAA and
DBPTA
EX D - 2019 Annual Report for the Oxbow BPAA
EX E - Boundary Map for the Oxbow BPAA

NOTIFICATION:

City staff notified the Napa Downtown Association of this agenda item before the meeting date.