



Agenda Date: 2/1/2005
Agenda Placement: 9B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Howard Siegel for Nancy Watt - County Executive Officer
Community Partnership Program
REPORT BY: Howard Siegel, Community Partnership Manager, 253-4621
SUBJECT: Proposed Vote on Property Business Improvement District

RECOMMENDATION

Discussion and possible action regarding the proposed downtown property and business improvement district.

EXECUTIVE SUMMARY

The City of Napa and the Napa Downtown Association have proposed the formation of a Downtown Property and Business Improvement District (PBID) in order to generate revenue from local property owners to fund improvements to the downtown area. The downtown Napa PBID includes approximately 300 properties and 150 property owners inside an area bordered by Jefferson Street on the west, Third and Fourth Streets on the south, Silverado Trail on the east, and by Clinton Street and the Napa River on the north.

The primary purposes of the proposed assessment district are to fund marketing programs and property related improvements for downtown Napa in order to increase commercial activity in the downtown area.

Each property owner inside these boundaries would be assessed an annual amount, based upon the total square footage of their respective parcel(s). In the case of the County, the three parcels in question would be the Historic Court House, the Carithers Building, and the Equipment Pool on Water Street. The estimated annual assessment for these properties would be a total of \$15,734.62. However, a 3% annual increase is provided for. The life of this Assessment District would be five years.

Every property owner has the opportunity to submit a Yes or No vote on this proposal to the City Clerk by the close of the Public Hearing being held on the evening of February 1st. There is also an opportunity to file any protests or legal challenges within 30 days of the Hearing.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	One possible source is "County Contributions".
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	For at least the next 5 years (if adopted), there would be an equivalent assessment (plus up to 3% annual increase). By the fifth year, the required payment could be as high as \$18,240.62.
Consequences if not approved:	The assessment may receive a majority vote with or without our approval, in which case the County would be mandated to pay the assessment. Other than some indirect benefits of an improved downtown (e.g., improved street lighting, more retail opportunities for employees), there is the intangible factor of being a good "corporate citizen" and continuing to foster improved relations with the City of Napa.
Additional Information:	At this time, the Board has the discretion to render either a Yes or No vote. However, in either case, in the event that a majority of property owners vote to approve, then the annual assessment would become mandatory.

ENVIRONMENTAL IMPACT

There is no Environmental Impact for this item.

BACKGROUND AND DISCUSSION

The proposed uses of the revenue are for a Marketing Program (56%), Aesthetic and Environmental (e.g., property improvements such as trees and street lightings, signage, etc.) (25%) and Program Administration (19%). Most of the benefits would accrue to the private sector, retail uses in particular. However, the County may benefit from some of the so-called "environmental" improvements such as street lighting, for example, as well as from the potential long-term benefit of increased property values and the potential for improved morale among employees due to a more vibrant downtown area.

There are two different geographical zones and 3 different rates being applied to the properties within those zones, although the universal basis for the determination of the assessment is land area per parcel. Two of the 3 County properties that have been included (Court House and Carithers) are located in Zone 1 with the third property in Zone 2. All three have been assessed at the "non-retail" rate (\$.12 per square foot in Zone 1 and \$.06 in Zone 2). The County Superblock is not included in the proposed boundaries of the Improvement District.

This rate appears to have been primarily applied to office-type occupancies. However, there is also a "non-profit" rate (\$.01 psf) that might be more appropriate for County buildings. Government Agencies are not exempt from this type of assessment, under Proposition 218, unless they can demonstrate clear and convincing evidence that no benefit will accrue to them. There is also a procedure to protest either the applied rate and/or the inclusion of any

given property (e.g. the Court House block) - within 30 days of the Public Hearing on February 1st - in the event that the District is approved.

Therefore, two decisions may be required - first, whether to vote "Yes" or "No" to the formation of the District; second (if vote passes), whether or not to file a protest regarding either rate and/or properties included on the list.

SUPPORTING DOCUMENTS

A . Management District Plan

CEO Recommendation: Policy Issue

Reviewed By: Howard Siegel