

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING CHAPTER 4.37 OF THE SANTA BARBARA MUNICIPAL CODE BY ESTABLISHING NEW BUSINESS CATEGORIES AND REVISING RATES OF ASSESSMENT FOR SPECIFIED CATEGORIES OF BUSINESSES OF THE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT ASSESSMENT DISTRICT ESTABLISHED BY CITY ORDINANCE NO. 4179, ADOPTED ON SEPTEMBER 3, 1991, PURSUANT TO THE REQUIREMENTS OF PARKING AND BUSINESS IMPROVEMENT AREA LAW OF THE 1989 CALIFORNIA STREETS AND HIGHWAYS CODE SECTIONS 36500-36551

WHEREAS, on August 6, 1991, the City Council of the City of Santa Barbara adopted a "Resolution of the Council of the City of Santa Barbara declaring the City Council's intention to form a Downtown Parking and Business Improvement Area Assessment District (PBIA) and preliminarily approving the "Engineers Report" thereon as City Resolution No. 91-126 and called for a public hearing on the proposed parking and business assessment district on September 3, 1991 (hereinafter the "1991 Resolution of Intention");

WHEREAS, the public hearing was held pursuant to the Resolution of Intention on September 3, 1991 and the City Council considered any and all protests to the formation of the proposed Parking and Business Improvement Area Assessment, its boundaries, and the method and level of business assessments;

WHEREAS, the majority of the businesses made subject to the assessment did not protest the formation of such an Assessment District at the September 1991 public hearing before the Council and the City Council approved the required Final Engineers Report and adopted City Ordinance 4719 codifying Santa Barbara Municipal Code Chapter 4.37 and establishing the Downtown Parking and Business Improvement Area Assessment District;

WHEREAS, on September 7, 1999, the City Council adopted a Resolution of the Council of the City of Santa Barbara Declaring its Intention to Modify the Boundaries of the 1991 Downtown Parking and Business Improvement Area Assessment District Established by City Ordinance No. 4719, to Consider a Reduction in the Assessment Rates Thereof; and Establishing a Time of 2:00 p.m. on Tuesday, September 28, 1999 in the City Council Chambers for a Public Hearing and to Receive Any Protests on the Proposed Modifications Pursuant to the Requirements of Parking and Business

Improvement Area Law of 1989 (California Streets & Highways Code Sections 36500-36551);

WHEREAS, the Public Hearing was held pursuant to the Resolution of Intention on September 28, 1999 in the City Council Chambers of the City of Santa Barbara to consider any protests to the proposed new boundaries of the PBIA Benefit Assessment District, to consider any and all proposed revisions to the proposed PBIA Benefit Assessment District and to consider all public comments and protests thereon;

WHEREAS, a majority of the businesses subject to the proposed PBIA Benefit Assessment District did not protest the establishment of the new 1999 boundaries of the Area of such a parking and business benefit assessment district;

WHEREAS, on October 5, 1999, the City Council adopted Ordinance No. 5126, which expanded the boundaries of the 1991 PBIA and reduced the Assessment Rates for all categories of Assessment payers;

WHEREAS, on October 5, 1999, the City Council approved the PBIA Final Engineers Report of Formula and Methodology of Assessments dated October 5, 1999 as the method and basis of levying the PBIA Benefit Assessments;

WHEREAS, the City provided the required mailed and published notice of Resolution of the Council of the City of Santa Barbara Declaring Council's Intention to Levy PBIA Assessment Rates for the 2011 Fiscal Year in the manner required by Sections 36523 and 36523.5 of the State Streets and Highways Code;

WHEREAS, on May 11, 2010, the City Council approved the Resolution of Intention to Levy PBIA Assessment Rates for the 2011 Fiscal Year;

WHEREAS, on May 11, the City Council approved the 2011 PBIA Annual Assessment Report and its attached Addendum to the PBIA Final Engineers Report of Formula and Methodology of Assessments dated April 7, 2010;

WHEREAS, on May 25, 2010, the Public Hearing was held pursuant to the Resolution of Intention to Levy PBIA Assessment Rates for the 2011 Fiscal Year in the City Council Chambers of the City of Santa Barbara to consider any protests to the proposed business classifications and assessment rates, and to consider all public comments and protests thereon;

WHEREAS, at the Public Hearing on May 25, 2010, a majority of the businesses subject to the proposed PBIA Assessment Rates for the 2011 Fiscal Year did not protest the establishment of the business categories and assessment rates;

WHEREAS, the Improvements and Activities to be provided in the 1999 Expanded Downtown PBIA Benefit Assessment District will be funded by the proposed assessments and the revenue from the assessments will not be used to provide any

improvements or activities outside the 1999 Expanded Downtown PBIA Benefit Assessment Area; and

WHEREAS, the businesses within the 1999 expanded Downtown PBIA Benefit Assessment Area will be benefited by the Improvements and Activities to be funded by the PBIA Assessments and such benefit is amply demonstrated by the Final Engineers Report, the 2011 PBIA Annual Assessment Report and its attached Addendum to the PBIA Final Engineer's Report of Formula and Methodology of Assessments dated April 7, 2010, the additional materials presented to the City Council in connection with the May 25, 2010 public hearing and the presentation, comments and evidence received by the City Council during the May 25, 2010 public hearing on this matter.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 4.37.040 of Santa Barbara Municipal Code Chapter 4.37 is amended to read as follows by deleting in its entirety section 4.37.040 and adding the following new section 4.37.040:

SECTION 4.37.040 ASSESSMENT RATES

The rates of assessment imposed by this Chapter shall be as follows:

I. RETAIL-WHOLESALE, THEATER AND FITNESS FACILITIES ASSESSMENT RATES.

Group A. SMALL PURCHASES. Retail and/or wholesale businesses with an average sale of less than twenty dollars (\$20.00), fifty-six cents (\$0.56) per hundred dollars (\$100.00) of gross sales.

Group B. MEDIUM PURCHASES. Retail and/or wholesale businesses with an average sale between twenty dollars and one hundred dollars (\$20-100), twenty-nine cents (\$0.29) per hundred dollars (\$100.00) of gross sales.

Group C. LARGE PURCHASES. Retail and/or wholesale businesses with an average sale of more than one hundred dollars (\$100.00), sixteen cents (\$0.16) per one hundred dollars (\$100.00) of gross sales.

Group D. THEATERS. Sixteen cents (\$0.16) per one hundred dollars (\$100.00) of gross sales.

Group E. FITNESS FACILITIES/HEALTH CLUBS. Twenty-nine cents (\$0.29) per one hundred dollars (\$100.00) of gross sales.

(As used in this subdivision (I), average sale is computed by dividing the total gross sales for the year by the number of sales transactions).

II. FINANCIAL INSTITUTIONS. Banks, savings and loan associations, thrift institutions, credit unions and all similar institutions, forty-eight cents (\$0.48) per usable square foot.

III. STOCK AND BOND BROKERAGE OFFICES. Eighty-one dollars and thirty cents (\$81.30) per broker.

IV. TRANSIT FACILITIES AND BUS DEPOTS. Six cents (\$0.06) per usable square foot.

V. PROFESSIONALS. Every person conducting or carrying on any business, profession or occupation hereinafter enumerated shall pay an annual assessment at the rate of thirty two dollars and fifty cents (\$32.50) per person practicing his profession, and sixteen dollars and thirty cents (\$16.30) for each nonprofessional in addition to the above.

(The enumerated businesses, professions and occupations in subparagraph V shall be as described in Santa Barbara Municipal Code Section 5.04.420 as presently enacted or hereinafter amended.)

VI. EDUCATIONAL FACILITIES AND MISCELLANEOUS CLASSIFICATIONS.

Group A. EDUCATIONAL FACILITIES. Nineteen cents (\$0.19) per usable square foot.

Group B. MISCELLANEOUS. All classifications not otherwise provided for, nineteen cents (\$0.19) per usable square foot.

VII. HOTELS AND MOTELS. Two-hundred seventy dollars (\$270.00) per guestroom per year for guestrooms without assigned parking spaces.

VIII. MISCELLANEOUS EXEMPT BUSINESSES AND RESIDENCES. Residences, alleys, private parking and businesses engaged in auto repairing, servicing or sales, and warehousing and manufacturing, shall be exempt from the additional annual business assessment, provided that the business described in this section shall be subject to the additional assessment for the portion of business area devoted to office space or retail sales in connection with that business.

SECTION 2. Section 4.37.070 of Santa Barbara Municipal Code Chapter 4.37 is hereby repealed in its entirety.

SECTION 3. Report of the Assessment Engineer. The Final Engineers Report and the Addendum to the Final Engineer's Report of Formula and Methodology of Assessments dated April 7, 2010, (as filed with the City Clerk) describes in more detail the proposed method and basis of levying the business assessments, the separate zones of charges, the assessment formula, the nature and type of the benefits to be funded and provided by the 1999 expanded Assessment District, and the assessment rates and various exemptions for different types of businesses under the Santa Barbara Municipal Code Chapter 4.37.

SECTION 4. **Assessment Protests.** At the public hearing on May 25, 2010, the City Council heard and considered all protests against the modification of the business categories and assessment rates of the City's Downtown PBIA Assessment District. Based on such hearing, the City Council determines that a majority protest to the proposed modification of the business categories and assessment rates does not exist.

SECTION 5. Notwithstanding Charter Section 514, this ordinance shall become effective on July 1, 2010.