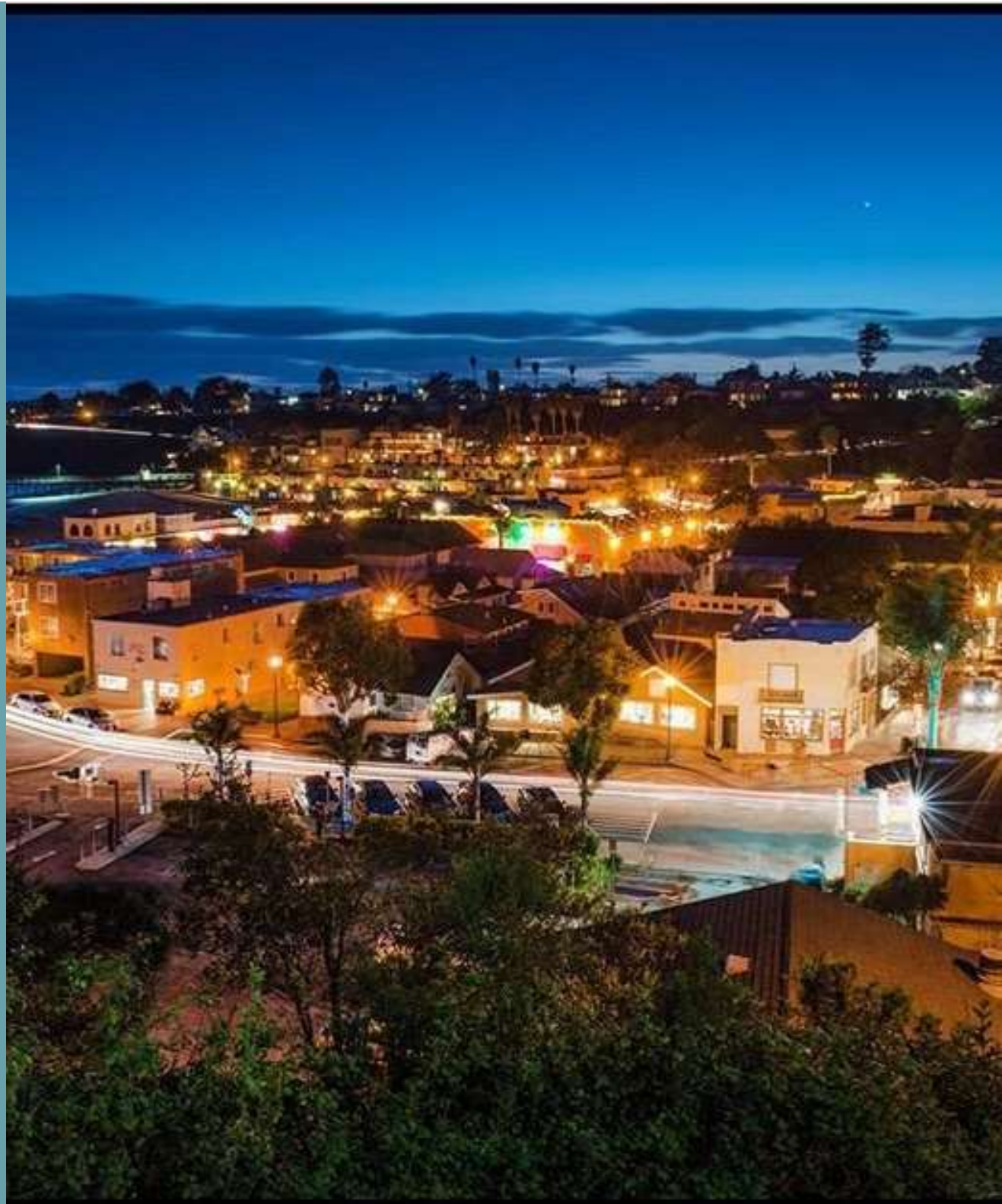


CAPITOLA  
VILLAGE  
AND WHARF  
BUSINESS  
IMPROVEMENT  
AREA  
ASSESSMENTS  
FY 2024-25

June 13, 2024



# Background

- June 23, 2005 - City Council adopted Ordinance No. 889 establishing the Capitola Village & Wharf Business Improvement Area (BIA)
- BIA is a business-based, self-imposed assessment district with assessments paid by businesses within the district for improvements & activities that support, revitalize and attract tourists to those businesses
- Assessment amounts are determined by business classification and number of full-time equivalent employees
  - *Assessed at 75% maximum allowable*
  - *Reduced by 50% for Hotels & Lodging*
    - Consistent with prior years
- Businesses may make in-lieu payments in the form of gift certificates for use by the BIA
  - *No in-lieu payments for FY 2024-25*

# Annual Assessment Process

May 23, 2024 - City Council set a public hearing for this evening

- *Notice of Public Hearing published in Santa Cruz Sentinel and mailed to affected business owners*

California State Law & Capitola Municipal Code require City Council conduct a public hearing annually prior to approving assessments

- *BIA submits an annual plan and budget for Council approval*

No fiscal impact to the City – all services provided by the City are reimbursed by BIA

- *Public Works Dept. - \$3,000*
- *Finance Dept. - \$4,200*

# Annual Assessment Process (cont.)

- BIA Budget includes Assessment revenue as well as Restricted Transient Occupancy Tax (TOT) revenue
  - *Measure J approved by voters in 2018 dedicated a portion of TOT revenues for local business groups*
  - *February 28, 2019, the City Council directed that the TOT revenues restricted for local business groups would be split evenly between the BIA and the Capitola Soquel Chamber of Commerce*
    - Requiring a minimum of 25% of restricted TOT revenue be allocated for Village Improvements and/or Enhancements
    - Restricted TOT revenue and its uses need to be presented separately with annual budget
    - Annual report on use of restricted TOT revenues

# Annual Assessment Process (cont.)

- FY 2024-25 BIA Budget includes \$37,000 of restricted TOT revenue
  - Village Enhancements - \$14,000
  - Holidays & Events - \$7,500

# Proposed Assessments

Business Category	Number of Full-Time Equivalent Employees*		
	0 – 5 employees	6 – 10 employees	More than 10 employees
Retail / Service	\$315	\$630	N/A
Restaurant Full Bar	N/A	\$720	\$1,080
Restaurant Beer and Wine	\$367.50	\$682.50	\$1,042.50
Restaurant No Alcohol	\$315	\$630	N/A
	<b>Flat Fee</b>		
Wine/Beer Service	\$315		
Office / Professional / Specialty	\$90		
Short-term Rental	\$135		
Seasonal Food Service	\$210		
	<b>Per Unit Fee</b>		
Hotel / Motel / Inn	\$180 per unit		

# Recommended Action

Conduct the Public Hearing and adopt proposed Resolution levying FY 2024-25 Capitola Village and Wharf Business Improvement Area Assessments and accepting BIA Annual Plan and Budget