

**CITY OF SAN MATEO
RESOLUTION NO. ____ (2022)**

**APPROVING THE PROPOSED ANNUAL ASSESSMENT SCHEDULE FOR THE DOWNTOWN BUSINESS
IMPROVEMENT AREA FOR FISCAL YEAR 2023-24**

WHEREAS, the Parking and Business Improvement Area Law of 1989 (California Street and Highway Code Section 36500 *et seq.*) authorizes cities to establish new parking business improvement districts for the purpose of imposing assessments on businesses for certain purposes and to modify the boundaries, assessments and activities in the district; and

WHEREAS, the City Council approved Ordinance No. 1986-12 (Ordinance) establishing the Downtown Business Improvement Area (DBIA); and

WHEREAS, the City Council approved Ordinance No. 1995-21 to repeal and replace the section of the Ordinance entitled, "System of Charges or Assessments;" and

WHEREAS, the City Council approved Ordinance No. 1996-13 amending the DBIA to again repeal and replace the section entitled, "System of Charges or Assessments," and to change the number of benefit zones from three to two; and

WHEREAS, the City Council approved Ordinance No. 2008-7 expanding the DBIA boundary; and

WHEREAS, the City Council supports a strong, economically sustainable and vibrant Downtown with enhanced cleaning services, public space programming for special events, and beautification programs; and

WHEREAS, the Downtown businesses value enhanced cleaning services, special community events to promote Downtown businesses and enhance Downtown's image; and

WHEREAS, the DBIA fees have not been increased in twelve years, despite rising costs in San Mateo and the surrounding region; and

WHEREAS, the Downtown San Mateo Association commissioned NBS to evaluate the methods of current assessment and to provide guidance on amended assessments; and

WHEREAS, NBS provided a Memorandum dated October 5, 2022, ("NBS Study") with its findings and proposed assessment schedule; and

WHEREAS, the proposed assessment schedule in the NBS Study was created to more equitably distribute costs among the businesses based on their business type, size, and location in the DBIA to assist with creating and maintaining a vibrant Downtown core; and

WHEREAS, the proposed assessment will start on July 1, 2023, to allow businesses time to plan for the new rates and provide a longer recovery time for businesses who are still struggling financially; and

WHEREAS, a public hearing was held on November 7, 2022, after being duly noticed for a time and place specified in the notice of intention; and

WHEREAS, all protests, either written or otherwise to the assessment proposed were heard and considered at the public hearing; and

WHEREAS, Streets and Highways Code section 36535(b) authorizes the City Council, upon the conclusion of the public hearing, to approve changes in the proposed assessments; and

WHEREAS, this project is exempt from California Environmental Quality Act (CEQA) requirements because it is an administrative activity that will not have a significant effect on the environment per CEQA Guidelines section 15378(b)(5)).

NOW, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES THAT:

1. The City Council confirms that a majority protest, within the meaning of Streets and Highways Code Sections 36525 and 36540, was not made with regards to the proposed assessments.
2. The City Council hereby approves and confirms the findings of the NBS Study.
3. The City Council approves the proposed assessment set forth in the Annual Assessment Schedule for FY 2023-2024, attached hereto as Exhibit A for the Downtown Business Area set forth in the "DBIA Boundary Map," attached hereto as Exhibit B.

Exhibit A:
Downtown Business Improvement Area (DBIA) Annual Assessment Schedule For FY 2023-2024

Retail (based on annual gross receipts)				
	Zone 1		Zone 2	
	PROPOSED	Existing	PROPOSED	Existing
0- \$150,000	\$200.00	\$166.36	\$100.00	\$66.55
\$150,001- \$400,000	\$400.00	\$332.72	\$200.00	\$99.82
\$400,001- \$600,000	\$800.00	\$665.43	\$400.00	\$133.10
\$600,001- \$1,000,000	\$1,150.00	\$998.15	\$575.00	\$199.62
\$1,000,000+	\$1,500.00	\$1,330.88	\$750.00	\$332.72

Professional (based on number of employees)				
	Zone 1		Zone 2	
	PROPOSED	Existing	PROPOSED	Existing
Up to 5 Employees	\$550.00	\$98.82	\$275.00	\$66.55
6-15 Employees	\$1,200.00		\$600.00	
16-35 Employees	\$2,300.00		\$1,150.00	
36-75 Employees	\$3,050.00		\$1,525.00	
76+ Employees ^{1, 2}	\$3,050.00		\$1,525.00	

- 1 - \$3,050 + \$14.00 per employee over 75 employees for Zone 1
- 2 - \$1,525 + \$10.00 per employee over 75 employees for Zone 2

Service (based on number of employees)				
	Zone 1		Zone 2	
	PROPOSED	Existing	PROPOSED	Existing
Up to 5 Employees	\$400.00	\$133.08	\$200.00	\$66.55
6-15 Employees	\$1,150.00		\$575.00	
16-35 Employees	\$1,700.00		\$850.00	
36-75 Employees	\$2,300.00		\$1,150.00	
76+ Employees ^{3, 4}	\$2,300.00		\$1,150.00	

- 3 - \$2,300 + \$10.00 per employee over 75 employees for Zone 1
- 4 - \$1,150 + \$7.00 per employee over 75 employees for Zone 2

Financial (flat rate)				
	Zone 1		Zone 2	
	PROPOSED	Existing	PROPOSED	Existing
Financial (flat rate)	\$1,500.00	\$998.15	\$775.00	\$665.44

Assessment Category Definitions:

- **Employees:** shall be defined as Full Time Equivalent employees on staff as reported by the business on the City of San Mateo business license application
- **Miscellaneous:** Removed
- **Hotels:** Removed
- **Retail:** includes but not limited businesses that have goods and food for sale including automotive vehicles and parts dealers, home furnishing stores, jewelers, electronics and

appliance stores, building material and garden equipment and supplies dealers, food and beverage stores, full-service restaurants, limited service restaurant, fast food restaurants, cafeterias, dessert and snack establishments, bars, gasoline stations, clothing and clothing accessories, sporting goods, hobby stores, music instruments, book stores, general merchandise store, wireless phone stores and similar

- **Professional:** includes but not limited to businesses that offer services that are highly specialized and typically require licensing and regulations. Professional service providers and information-based businesses such as software publishers, data processing, network hosting and related services, internet publishing and broadcasting and web search portals, venture capital, insurance agencies and brokerage, real estate agents and brokers, offices of lawyers, accounting, architectural, engineering advertising, translation and interpretation services, veterinary services, offices of physicians, offices of dentists, and other health practitioners
- **Service:** includes but is not limited to providers of personal and business services such as hair salons, nail salons, lock smiths, dry cleaners, auto service and maintenance shops, gyms, vacuum repair shops, educational, childcare, electronic equipment repair, personal care services, and similar
- **Financial:** includes but not limited to businesses in the financial industry such as money management, payments, digital banking, banks, savings and loan companies, credit unions, and finance companies

Exhibit B: Map of Downtown San Mateo Business Improvement Area (DBIA)

Zone 1 - Shaded parcels

Zone 2 – Parcels outlined in black

