



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** July 2, 2024

**TO:** Paul Buddenhagen, City Manager

**FROM:** Lawrence Chiu, Finance Director

**SUBJECT:** **PBID Assessment Levy And ETMA Budget**

**Resolution Of The City Council Of The City Of Emeryville Establishing The Fiscal Year 2025 Property And Business Improvement District (PBID) Annual Assessment Levy For The Respective Parcels Within The Improvement District With A 3% Rate Increase On All Parcels, And Approving The Preliminary Budget Submitted By The Emeryville Transportation Management Association (ETMA) For Service Year 2025**

## RECOMMENDATION

Staff recommends that the City Council conduct a public hearing and thereafter approve the above-entitled resolution addressing:

- The PBID Annual Assessment for Fiscal Year (FY) 2025 with a 3% rate increase on all parcels; and
- The ETMA preliminary budget for Service Year 2025.

## BACKGROUND

On July 31, 2001, the City Council established the Citywide Property and Business Improvement District (PBID) to fund the Emery Go-Round shuttle service and other alternative transportation programs in accordance with the Property and Business Improvement District Law of 1994 (Section 36600 et. seq. California Streets and Highways Code).

On July 18, 2006, the City Council adopted Resolution No. 06-141 extending the PBID for another ten years through FY 2016 (service/calendar year 2016).

On August 4, 2015, both the Property Management Plan (Plan) and the assessment formulas were ratified pursuant to a property assessment ballot proceeding conducted in accordance with state law (Proposition 218), and based upon a count of the ballots cast, it was determined that City property owners had ratified the PBID and the Plan. As a result, both the PBID and the Plan were approved by the City Council after a public hearing for 15 additional years through FY 2030 (service/calendar year 2030).

(Resolution No. 15-103). The Plan approved in 2015 allows for increases in the assessment up to 5% greater than the prior year's assessment. Each year, the City Council is required to approve the annual assessment levy, as well as the ETMA's annual report and budget.

## **DISCUSSION**

### PBID Assessment and ETMA Preliminary Budget

The City of Emeryville contracts with the ETMA to administer and operate the Emery Go-Round. According to PBID requirements, the City is obligated to contract with ETMA as the agency representing the property owners that pay for PBID-related services. Each year the ETMA develops a preliminary operating budget to determine the funding needs for the next year and then recommends a corresponding assessment levy to the City Council for adoption.

On May 21, 2024, the ETMA Board of Directors was presented with the 2025 preliminary budget and a recommendation for a 3% increase in the PBID assessment levy. The ETMA Board voted on a 3% levy assessment recommendation to the City Council, given the current state of the economy, and impacts to businesses and residents.

The ETMA's final 2025 budget will be brought to the City Council for approval in the fall.

## **FISCAL IMPACT**

PBID funds may only be used for the services outlined in the Plan and are held in a special City Fund (Fund 805). The Plan provides that PBID annual assessments be established by the City Council based upon the budget submitted by the ETMA acting as the owner's association as set forth under state law. Under the City/ETMA contract, if operating revenues are less than projected and/or if there is a need to cover unforeseen expenses, such as rising fuel costs, the ETMA Board is mandated to adjust the ETMA's operating budget accordingly to maintain a balanced budget.

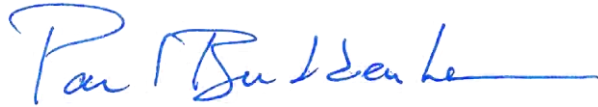
The City's FY 2025 General Fund budget includes \$674,721 in General Benefit Contribution to ETMA, an increase of \$65,448 or 10.7% over the budgeted FY 2024 contribution of \$609,273. The preliminary ETMA budget shows a City contribution of \$639,966 in FY 2025, which would be an increase of \$30,693 or 5% over the budgeted FY 2024 General Fund contribution of \$609,273.

If the City Council approves EMTA's preliminary budget for service year 2025, the City Council should authorize a corresponding increase in the PBID annual assessments by 3% for FY 2025 on all parcels.

## **STAFF COMMUNICATION WITH THE PUBLIC**

The ETMA Board conducted a noticed public meeting on May 21, 2024 to discuss the PBID. No additional public outreach was conducted for this hearing.

## **APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:**



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Paul Buddenhagen, City Manager

## **ATTACHMENTS**

1. ETMA 2025 Preliminary Budget
2. ETMA 2023 Annual Report
3. ETMA 2014-2024 Ridership Report
4. Fiscal Year 2025 Preliminary Assessment Levy 3% Increase
5. Draft Resolution Approving Annual Levy and PBID Preliminary Budget