



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: July 6, 2021

TO: Christine Daniel, City Manager

FROM: Brad Farmer, Finance Director

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

Resolution Of The City Council Of The City Of Emeryville Establishing The Fiscal Year 2021-22 Property And Business Improvement District ("PBID") Annual Assessment Levy For The Respective Parcels Within The Improvement District With No Increase In Assessment For All Parcels, And Approving The Preliminary Budget Submitted By The Emeryville Transportation Management Association ("ETMA") For Service Year 2022

RECOMMENDATION

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

- The PBID Annual Assessment for Fiscal Year (FY) 2021-22 with no increase on all parcels; and
- The ETMA preliminary budget for Service Year 2022.

BACKGROUND

The current Citywide Property and Business Improvement District (PBID) assessment levy funds the Emery Go-Round shuttle service. The PBID was first established in 2001 and renewed in 2006 for an additional 10 years (Resolution No. 06-141). On August 4, 2015, both the Management District Plan and the assessment formulas were ratified pursuant to an assessment ballot proceeding conducted in accordance with state law (Proposition 218), and based upon this ratification, approved by the City Council for 15 additional years (FY 2029-30, service year 2030) (Resolution No. 15-103). 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 law, the City is obligated to contract with the 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 following year and then recommends a corresponding assessment levy to the City Council for adoption. On June 17, 2021, the ETMA Board of Directors were presented the 2022 preliminary budget and a recommendation for a 3% increase in the PBID assessment levy. The Board voted on a zero percent (0%) levy assessments recommendation to the City Council, given the current state of the economy, impacts to businesses and residents and the unknown service demands for Emery Go Round. The ETMA's final 2022 budget will be brought to City Council for approval in the fall.

The ETMA's costs to meet the demands for service over the past 12 years have increased over 5% yearly on average. Developing the new bus yard is expected to cost approximately \$3.5 million. The ETMA has built up a \$3 million cash reserve beyond the minimum 15% for this purpose, and the City's Capital Improvement Program included \$1 million from the Transportation Impact Fee Fund for the ETMA yard. The City Council authorized the grant of those capital funds to the ETMA in fall 2020, after the ETMA notified the City that it had selected its contractor for the project. The bus yard project is nearing completion, with site work expected to be completed by the end of July 2021, and the City's grant funding is anticipated to be fully expended.

FISCAL IMPACT

PBID funds may only be used for the services outlined in the PBID management plan and are held in a special City Fund (Fund 805). The PBID management 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 defined in Section 36614.5 of the Streets and Highways Code. Maintaining the FY 2020-21 rate and not increasing the levy on the PBID for the FY 2021-22 assessment. The existing levy, from FY 2020-21 will cover the ETMA's 2022 service year operating budget and PBID related administrative fees. Under the City/ETMA contract, if general 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 retain a balanced budget.

The General Fund budget includes \$533,900 in General Benefit Contribution for fiscal year 2021-22. If the City Council approves the EMTA Preliminary Budget for Service Year 2022, the City will not need to increase the contribution for fiscal year 2020-21.

STAFF COMMUNICATION WITH THE PUBLIC

No public outreach was conducted for this hearing. Staff communicated with staff from the ETMA.

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



Christine Daniel, City Manager

ATTACHMENTS

1. ETMA 2022 Preliminary Budget
2. ETMA 2020 Annual Report and 2014-2020 Ridership Report
3. Fiscal Year 2021-22 Preliminary Assessment Levy 3% Increase
4. Draft Resolution Approving Annual Levy and PBID Preliminary Budget