



Notice of Regular Meeting

ECONOMIC DEVELOPMENT COMMISSION

THURSDAY, July 14, 2016 4:00 P.M.

City Manager's Conference Room
300 Forest Avenue, Pacific Grove, CA

- 1) **Call to Order / Roll Call**
- 2) **Approval of Agenda**
- 3) **Commissioner and Council Liaison Announcements**
- 4) **Public Comments**

(Comments from the audience cannot receive Commission action. Comments must deal with matters subject to the jurisdiction of the Commission and will be limited to three minutes. Whenever possible, letters are to be submitted to the Commission in advance of the meeting.)

- 5) **Approval of Minutes**

- a) June 9, 2016 (**Attachment A**)

- 6) **Presentation by the Monterey County Convention & Visitor's Bureau:** Presentation on Pacific Grove tourism statistics by April Locke, Marketing Manager

- 7) **Unfinished/Ongoing**

- a) **First Friday Sponsorship:** Review proposal from First Friday for annual sponsorship and take action whether to sponsor. Reference: Adrienne Jonson/Moe Ammar
- b) **Proposed Business License Tax Increase:** Review proposal to increase the business license tax and take action, if necessary (**Attachment B**) Reference: Willy Nelson
- c) **CALED Strategic Planning Work Sessions:** Review "Problem Statement" (provided at meeting) for accuracy and identify stakeholders to invite to work sessions on Aug 30th & 31st. Reference: Jacquie Atchison

- 8) **New Business –N/A**

- 9) **Reports**

- a) **Economic Development Director's Report:** Mark Brodeur

Next meeting: August 11, 2016 4:00PM

Adjournment

THIS MEETING IS OPEN TO THE PUBLIC AND ALL INTERESTED PERSONS ARE WELCOME TO ATTEND. THE CITY OF PACIFIC GROVE DOES NOT DISCRIMINATE AGAINST INDIVIDUALS WITH DISABILITIES AND MEETINGS ARE HELD IN ACCESSIBLE FACILITIES.



City of Pacific Grove
 Economic Development Commission
 Minutes - Draft
 Thursday, June 9, 2016 4:00 p.m.
 City Manager's Conference Room
 300 Forest Avenue, Pacific Grove, CA

1) Call to Order/Roll Call

Chair Atchison called the meeting to order at 4:00 p.m. Present: Chair Atchison, Vice Chair Davis, Secretary Matthews, Commissioners Stillwell, Cohen, Bain, Nelson, and Ammar.
 City Council Liaison, Mayor Bill Kampe
 Staff Liaison, Mark Brodeur
 Absent: Commissioners Addeman and Krokower

2) Approval of Agenda

Action: Upon Motion by Commissioner Ammar and seconded by Commissioner Stillwell, the approval of the Agenda was passed unanimously.

3) Commissioner and Council Liaison Announcements

Chair Atchison announced that Butterfly By The Sea is for sale and, if not sold by end of July, will close. Miss Hannah Grace on Grand Ave and The Iron Gate Gift Shop on 15th Street are also closing. Commissioner Ammar announced that four buildings in the downtown area have been sold in the past six months. The buildings at 612 Lighthouse Ave and 572 Lighthouse Ave are also for sale. Mayor Kampe stated that the Admissions Tax and the Business License Tax will be on the June 15th City Council agenda.

4) Public Comments: J. Patrick Thomas distributed his bio. He is moving from Fairfax Virginia to Pacific Grove in August and is looking for a position as a business development executive.

5) Approval of Minutes

Action: Motion made by Commissioner Ammar and seconded by Commissioner Davis to approve the May 19, 2016, minutes. Motion approved unanimously

6) Unfinished/Ongoing

a) 2016/2017 EDC Work Plan: Review, discuss and take action, if necessary. (Attachment B) Reference: Jacquie Atchison Chair Atchison pointed out a few changes to the Annual Strategic Work Plan 2016-17. The budget for the CALED LEAP strategic planning sessions projected to be \$3,100 plus expenses. Commissioner Ammar indicated that August 16th and 17th for the planning session may not be doable. The "The Little Car Show" is August 17th in Pacific Grove and the Concours d'Elegance events are also that week and hotels/motels are sold out. Chair Atchison will check if the date can be changed.

7) New Business

a) First Friday Sponsorship: Review proposal from First Friday for annual sponsorship and take action whether to sponsor. (Attachment C) reference : Jacquie Atchison The Commissioners reviewed the request for sponsorship and needed more information before approving. Chair Atchison and Commissioner Ammar will meet with Adrienne Jonson and the item will be discussed at our next meeting.

b) Special Events: Discuss the economic benefits of promotional events that are planned by the chamber, Downtown Business Improvement District or Hospitality Improvement District. Recommend to the City Council

waiving the fees of promotional events except labor cost. Such fees include application fee, sound permit fee, rental of cones or barricades. Reference: Moe Ammar. Commissioner Ammar explained the need for waiving the fees and what type of quality events we would like to bring to Pacific Grove. **Action:** Motion made by Commissioner Ammar and seconded by Commissioner Davis to recommend to the City Council to waive the fees of promotional events except labor cost. Fees include application fee, sound permit fee, rental of cones or barricades. Motion carried unanimously.

c) Proposed Business License Tax Increase: Review proposal to increase the business license tax and take action, if necessary (Attachment D) Reference: Willy Nelson The Commissioners discussed the proposal submitted by Ben Harvey, City Manager and decided to discuss further when the final draft is submitted to the City Council.

d) EDC Action Items: Review and take action, if necessary. (Attachment E) Reference: Ruth Matthews Secretary Matthews explained the purpose of the document and thought it would be a helpful tool for the Commissioners The document will be updated by the Secretary as needed.

8) Reports

a) Economic Development Director's Report: Director Brodeur updated the Commissioners on the Local Coastal Plan and the Land Use Plan. The LCP needs to be finalized in the next few weeks and presented at the Coastal Commission meeting in August in Monterey. The potential "Pacific Grove Hotel" on Central Ave update was also discussed and the EIR will start in the next few months.

ADJOURNMENT

Meeting adjourned at 5:29 p.m.

Respectfully submitted,

Ruth Matthews, Secretary



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Ben Harvey, City Manager

MEETING DATE: June 15, 2016

SUBJECT: Business Tax License Ordinance Revision

CEQA: Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378.

RECOMMENDATION

1. Receive a Report on Business License Tax Ordinance Revision
2. Provide direction to Staff related to a proposed ballot measure for the November 2016 General Election

DISCUSSION

At the May 18, 2016 meeting, the City Council authorized the City Manager to engage Hinderliter de Lamas & Associates (HdL), the [City’s business license administrator](#), to conduct a business tax analysis and ordinance review for Council consideration.

HdL provided the City with a comprehensive analysis of the City’s ordinance and the attached report that includes a comparative analysis of the City’s business tax and neighboring jurisdictions; a compilation of the data contained in the City’s tax registration database; and three options for the Council to consider separately, or in combination, when crafting the new business license tax policy.

A comprehensive chart of the following three options and their fiscal impact can be found on page 22 of the attached report. The three options are:

1. Remove the \$3,000 maximum tax cap.
2. Retain the cap and increase the tax rate (three tax rates are detailed on page 23 of the report).
3. Remove the cap, streamline the process by eliminating the separate current tax/processing method and apply a tax rate by business type.

Potential increased revenue using some of the proposed methods listed above is detailed below:

Remove Cap	\$ 182,600
Increase rate by .0012	\$ 65,400
Increase rate by .0014	\$ 130,800
Increase rate by .0016	\$ 196,200
Remove cap, tax by business type, eliminate processing fee	\$ 363,000

Revenue from business licenses is considered a general tax. The City may use this general tax revenue for any City purpose, such as police protection, fire suppression, storm water, street repair, park maintenance and restoration, library and museum purposes, recreation, code enforcement and other services.

NEXT STEPS

1. Determine whether to modify the current business license tax.
2. Decide upon a method to modify the current business license tax.
3. Direct staff to return on July 20, 2016 with an agenda item providing proposed ballot language for voters to consider a potential increase in business license tax.
4. Direct staff to prepare a resolution placing a proposed business license tax increase on the ballot for voter consideration at the November 8, 2016 general election.

To place a proposed tax measure on the general election ballot to give the City’s electorate an opportunity to vote on the measure, a Resolution and the first reading of the Ordinance must be approved by the City Council at a regularly scheduled meeting and sent to the County’s Elections Department no later than August 3, 2016. The Resolution calls for an election and asks the County to consolidate with the November 8, 2016 election. The proposed Ordinance amends Chapter 7.04.220 of the City’s Municipal Code to increase the License tax – Gross receipts.

ELECTION PROCESS TIMELINE

- August 3 Last date (regularly scheduled City Council meeting) for the City Council to take action to file a Notice of Election and Resolution requesting a measure to appear on the ballot
- August 19 Primary Arguments Due
- August 29 Rebuttal Arguments and City Attorney’s Impartial Analysis Due

Please note that the City Council will meet only once more, July 20, 2016, prior to the County Election Department deadline.

OPTIONS

Take no action. Please note that taking no action at this junction could prohibit any proposed business license tax measure from eligibility for potential inclusion on the ballot at the November 8, 2016 general election due to timing constraints.

FISCAL IMPACT

1. Preliminary estimated costs for adding a ballot measure within a general election is approximately \$75,000.

ATTACHMENTS

Attachment 1: Business Tax Analysis and Ordinance Review Prepared by HdL

RESPECTFULLY SUBMITTED:

Ben Harvey

Ben Harvey
City Manager