

STAFF REPORT

City Council Workshop Discussion Item

DATE: June 30, 2021

TO: Honorable Mayor and Council Members

FROM: Merritt Perry, City Manager

SUBJECT: **Discussion of Fortuna Business Improvement District**

STAFF RECOMMENDATION:

Discuss the history and future of the Fortuna Business Improvement District Corporation (FBID) and provide direction to staff.

INTRODUCTION:

The long-time Fortuna Business Improvement District Executive Director, Diana Rios, will be resigning effective July 20, 2021 after 12 years of serving at that position. The FBID Board of Directors and the FBID Executive Director have expressed their desire to consider changes to the Fortuna Municipal Code (FMC) and the contract between FBID and the City of Fortuna. This is an opportune time to consider any potential changes to the contract between the City and FBID and the FMC while the current Executive Director is available to provide input and answer questions.

Generally, the FBID has been compliant with the terms of the contract with the City with the exception of completion of timely audits. The last audit provided to the City was for fiscal year 2014-2015. Staff have been in communication with FBID and requested that all audits be completed through the fiscal year 2020-2021 and be provided to the City. Executive Director Rios has been working to satisfy that request, but has expressed that the FBID does not have sufficient funding to cover its operating expenses and also complete the necessary audits. In 2014 the City provided a loan to FBID to complete their most recent audit, which was repaid by a reduction of the contribution made to FBID by the City.

There have been several ideas for the future of the FBID that the public, FBID Executive Director, Fortuna City Council Members and others have shared with staff for possible changes to the FBID. Some of those ideas include:

- Continuing the FBID with no changes
- Dissolving the FBID and discontinuing the activities undertaken by the organization
- Having the City hire staff and conduct the operation of the FBID
- Contract with another organization or consultant to conduct the operation of the FBID

Staff has not had adequate time to consider the range of possible changes to the FBID and is seeking direction from the City Council as to whether any changes to the Fortuna Municipal Code or Contact with the FBID should be made at this time.

BACKGROUND

A Business Improvement District is a program of a city under which the city levies an assessment against businesses or property to fund services or improvements that benefit the assessed businesses or property. The program of services, improvements, and assessments are described in documents created during the establishment process.

The FBID was established by the Fortuna City Council in 1990 by Ordinance 90-550 (attached to this staff report) in accordance with the Parking and Business Improvement Area law of 1989.

The fees to fund the district are paid by all businesses, trades and professions located within the boundaries of the district on an annual basis. The amount of the fees was last updated in 2002 by Ordinance No. 2002-636 (attached) and varies by the type of business and the gross receipts of that business.

A total of 62 percent of the funds raised within each of the three core areas identified defined in the ordinance stays in those core areas, with direction by a subcommittee from each individual core area.

The funds raised within the citywide area and the remaining 38 percent of the funds raised within each of the three is used to promote the entire community and overseen by the advisory committee, the FBID Board of Directors.

The City has also voluntarily matched the funding provided for by the assessment with City General Funds for several years (10+).

There are four purposes established for which the funds are to be used including the following:

- A. Promotion of public events which are to take place on or in public places in the district;
- B. Decoration of any public place in the district;
- C. Furnishing of music in any public place in the district;
- D. The general promotion of business activities in the district;
- E. Marketing to fill available space, recruiting and expansion of commercial enterprise.

The FBID Board of Directors serves as the advisory committee of the district with representatives from the following:

1. Downtown, one representative;
2. Redwood Village Shopping Center, one representative;
3. Strongs Creek Plaza, one representative;
4. City of Fortuna, one representative;
5. Citywide, one representative;
6. Fortuna Chamber of Commerce, one representative;
7. One person nominated by the six representatives identified above.

The advisory committee members serve as the members of the Fortuna Business Improvement Corporation. The city council approves all nominations.

FINANCIAL IMPACT:

The City of Fortuna has historically contributed funding equivalent to the amount of the assessments collected from the FBID members. Currently, the amount contributed by the City is approximately \$61,000 and the amount of assessments collected from the FBID members is the same amount.

ATTACHMENTS:

- Exhibit A Fortuna Municipal Code Chapter 5.40
- Exhibit B Contract between City of Fortuna and FBID
- Exhibit C Ordinance 90-550
- Exhibit D Ordinance 2002-636
- Exhibit E Diana Rios Resignation Letter
- Exhibit F Draft FY 2021-2022 FBID Budget

5.40.010 Establishment of district.

A parking and business improvement district to be known as the "Fortuna Business Improvement District" (the "district") is hereby established pursuant to the Parking and Business Improvement Area Law of 1989, Streets and Highway Code Section 36500 et seq. The boundaries of the district and of the three benefit core areas within the district shall be as set forth on Exhibit A attached to the ordinance codified in this chapter and on file in the city clerk's office. (Ord. 2010-685 § 1; Ord. 2002-636 § 2; 90-550 § 1(A)).

5.40.020 Definitions.

For the purpose of calculating the amount of assessment owed, the following definitions shall apply:

"Fiscal year" means July 1st to June 30th of each year.

"Gross receipts" includes the total amount of the sale price of all sales and the total amount charged or received for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in gross receipts shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from gross receipts shall be cash discounts allowed and taken on sales; credit allowed on property accepted as part of the purchase price and which property may later be sold; any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser; such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit; amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected; that portion of the receipts of a general contractor which represent payments to subcontractors; provided, that such subcontractors are licensed under this chapter, and provided the general contractor furnished the collector with the names and addresses of the subcontractors and the amounts paid each subcontractor.

"Hospitality" businesses include all bars, restaurants, hotels, motels and RV parks.

"Professions" and "service" businesses include general office, attorney, architects, physicians and others in a medical/health service field, news and advertising media, printers, photographers, real estate brokers, builders, service stations, repairing and servicing businesses, renting and leasing businesses, laboratories (including dental and optical), hearing aid services, utilities, artists and designers, vending machine businesses, and other business not included in the "retail" category, as defined in this section.

"Retail businesses" include all businesses not covered by other definitions set forth in this section at least 50 percent of whose gross income is derived from "retail sales" as that is defined in the California Sales and Use Tax Law. The fact that a substantial part of its business consists of other than retail sales does not exclude the business from classification so long as such other business component does not account for more than 50 percent of such business gross income.

Wholesale and Manufacturing. "Wholesale" businesses are those that sell (something) in quantity usually, for resale. "Manufacturing" businesses are those that produce something from raw materials by hand or machinery. (Ord. 2002-636 § 2; Ord. 90-550 § 1(F)).

5.40.030 Benefit assessment.

All businesses, trades and professions located within the boundaries shown on Exhibit A attached to the ordinance codified in this chapter and found on file in the office of the city clerk, shall, commencing July 1, 1990, pay a benefit assessment in addition to the city business license fee, in the amounts identified in Exhibit B as amended on March 18, 2002, and attached to the ordinance codified in this chapter and found on file in the office of the city clerk.

The benefit assessment shall be payable annually during each fiscal year, as provided in FMC 5.40.080. (Ord. 2002-636 § 2; Ord. 94-595 § 2; Ord. 90-550 § 1(B)).

5.40.040 Residential exclusion.

No one shall be required to pay an assessment based on a residential use within the district. (Ord. 2002-636 § 2; Ord. 90-550 § 1(C)).

5.40.050 Advisory committee.

A. The authorized number of members of the advisory committee of the district shall be seven unless modified by an amendment of this chapter. The advisory committee shall be represented by the following:

1. Downtown, one representative;
2. Redwood Village Shopping Center, one representative;
3. Strongs Creek Plaza, one representative;
4. City of Fortuna, one representative;
5. Citywide, one representative;
6. Fortuna Chamber of Commerce, one representative;

7. One person nominated by the six representatives identified above.

B. The following types of businesses shall be represented on the advisory committee:

1. Retail, three representatives;
2. Professional and service, two representatives;
3. Manufacturing/wholesale, one representative; and
4. Hospitality, one representative.

C. If a person to represent the above business categories cannot be found, the advisory committee shall nominate a representative from one of the other categories.

D. The advisory committee members shall serve as the members of the Fortuna Business Improvement Corporation.

E. The city council shall approve all nominations. (Ord. 2010-685 § 2; Ord. 2002-636 § 2; Ord. 97-610 § 2; Ord. 90-550 § 1(D)).

5.40.060 Allocation of funds.

A total of 62 percent of the funds raised within each of the three core areas identified in Exhibit A attached to the ordinance codified in this chapter and found on file in the office of the city clerk shall remain in such area. These funds shall be used to promote such area. A subcommittee from each individual core area shall determine how the funds are spent within the core area.

The funds raised within the citywide area and the remaining 38 percent of the funds raised within each of the three core areas shall be used to promote the entire community. The advisory committee shall determine how these funds are spent. (Ord. 2010-685 § 3; Ord. 2002-636 § 2; Ord. 90-550 § 1(E)).

5.40.070 Purposes of assessments.

The purposes for which the funds raised by said benefit assessment shall be devoted to the statutory purposes set forth in Section 36500 of the Act, or one or more of said purposes, which are as follows:

- A. Promotion of public events which are to take place on or in public places in the district;
- B. Decoration of any public place in the district;
- C. Furnishing of music in any public place in the district;

D. The general promotion of business activities in the district;

E. Marketing to fill available space, recruiting and expansion of commercial enterprise. (Ord. 2002-636 § 2; Ord. 90-550 § 1(G)).

5.40.080 Collection of benefit assessment.

The benefit assessment authorized by the ordinance codified in this chapter shall be billed by the city as of July 1st of each fiscal year and shall be paid within 30 days thereafter. Each billing shall represent 100 percent of the annual assessment. It shall be unlawful for any person to transact and carry on any business in the city without first having paid the required Fortuna business improvement district assessment. This obligation shall be enforced by the city, pursuant to the provisions of Chapter 1.08 FMC. (Ord. 2003-640 § 1; Ord. 2002-636 § 2; Ord. 90-550 § 2).

CONTRACT BY AND BETWEEN
CITY OF FORTUNA
AND THE
FORTUNA BUSINESS IMPROVEMENT CORPORATION

THIS CONTRACT is entered into this 1st day of August , 2000, by and between the CITY OF FORTUNA, California, a Municipal Corporation (hereinafter referred to as the "City"), and the FORTUNA BUSINESS IMPROVEMENT CORPORATION, a California Nonprofit Corporation (hereinafter referred to as "Corporation").

PREAMBLE:

Pursuant to the provisions of the Parking and Business Improvement Area Law of 1989 Part 6 (commencing with Section 36500) of the California Streets and Highways Code, the City has passed and approved Ordinance No. 90-550 (Title 5 Chapter 5.40 Fortuna Business Improvement District of the Fortuna Municipal Code) (hereinafter referred to as the "FBID Ordinance") establishing the Fortuna Business Improvement District (FBID) (hereinafter referred to as the "District"). By this reference the FBID Ordinance, and any subsequent ordinances, modifications and amendments pertaining to Corporation adopted by the City, are hereby made a part of this contract. It is the desire of the City Council to enter into a contract with the Corporation for the administration and implementation of the District as provided for in the FBID Ordinance.

THE PARTIES AGREE AS FOLLOWS:

- A. OBJECTIVES: The general purpose of the Corporation and its objectives shall be devoted to promoting retail, wholesale, service and manufacturing businesses located within the City of Fortuna, to promote tourism and to stimulate economic development conducive to the progress and general welfare of the community.

The strategy for obtaining the above-stated objectives shall be consistent with the FBID Ordinance and shall include:

1. Promotion of public events which are to take place on or in public places in the District.
 2. Decoration of any public place in the District.
 3. Furnishing of music in any public place in the District.
 4. Promotion of general business activities in the District.
- B. RESPONSIBILITIES OF THE CORPORATION: Consistent with the purpose of the District and with City Council approval of the annual budget, the Corporation shall:
1. Implement activities and events which carry out the purpose and strategies as stated above.

2. Prepare an annual budget, including a proposal outlining goals and objectives to be accomplished during the coming year, for submission to, review and approval by the City as specified in Section D of this Contract.
3. Shall work with the Downtown and Redwood Village Assessment Areas to determine how funds required by the Ordinance to be allocated to those areas shall be spent and such funds shall be included in the Corporation's annual budget. (The Ordinance that created the Fortuna Business Improvement District requires that sixty-two percent (62%) of the funds raised within the Downtown and Redwood Village Assessment Areas be allocated to those areas. A subcommittee of business owners from the Downtown and Redwood Village Assessment Areas is also required to determine how those funds will be spent).
4. Open an account in a financial establishment to deposit and transact all Corporation financial business consistent with the implementation of the District. All interest generated on the deposit of such funds shall be expended by the Corporation for the purposes herein specified.
5. Submit annual activity and progress reports to the City on or before the 1st of June of each year, and provide the City with other information as requested.
6. Submit monthly finance reports to the City.
7. Advise the City Council concerning changes in assessments and boundaries related to the FBID Ordinance.
8. Retain the records relative to this Contract for three (3) years. Upon termination of this Contract, said records shall be turned over to the City.

C. RESPONSIBILITIES OF CITY: The City shall:

1. Collect all charges or assessments due under the FBID Ordinance at the same time and in the same manner as the business license tax.
2. Distribute to the Corporation all funds collected by the FBID Ordinance, excluding any delinquent assessment penalties or interest collected, and a matching amount derived from revenues collected for cable television franchise fees set aside specifically for the purpose of enhancing FBID Ordinance revenues.
3. Review and approve all nominations to serve on the Board of Directors of the Fortuna Business Improvement Corporation.
4. Review and approve the Corporation's annual budget, submitted to the City pursuant to Section II as provided herein. The City's review may include recommended modifications to said budget. It is the intent of this Contract to recognize that:

- a. the Corporation and the FBID are the result of an initiative generated by business people located within the Fortuna Business Improvement District, for their benefit;
 - b. that the businesses and individuals within the District are more closely concerned with and knowledgeable of the needs and the operations of the District; and
 - c. to the extent consistent with the Streets and Highway Code Section 36503, the City shall not unreasonably withhold approval of the Corporation's proposed budget.
5. Pay to the Corporation on a quarterly basis, all funds to be collected pursuant to the FBID Ordinance plus the matching amount derived from cablevision franchise fees for such purpose. Such payments shall be due as assessment fees are collected and shall be forwarded to the Corporation in four installments; the first installment on or before the Friday following the third Monday of August of each fiscal year, in an amount equal to the accumulated amount due as of July 31. Subsequent quarterly installments shall be forwarded to the Corporation on or before the Friday following the third Monday in November, February and May, and shall be for the amount due the Corporation based on assessment fees collected as of the last day of the prior month.
 6. Not initiate any changes in the District boundaries, assessments or charges as prescribed in the FBID Ordinance or limit or increase the amount of revenue to be collected pursuant to said Ordinance, without first consulting with the Corporation.
 7. Grant to the Corporation the discretion to expend funds to carry out this Contract so long as the expenditures remain consistent with this Contract, the FBID Ordinance and the approved budget.
 8. Not contract with any other group or organization to represent or implement the District pursuant to the FBID Ordinance.
 9. By April 15th of each year, provide the Corporation with an estimate of revenues to be received pursuant to the FBID Ordinance for use by the Corporation in preparing the ensuing year's budget.
 10. On a quarterly basis, provide the Corporation a listing of new businesses within the District.

D. BUDGET:

1. On or before June 1 of each year, the Corporation shall submit for City review and approval, an annual fiscal year budget for the implementation of the Contract. Said budget shall include:
 - a. An estimate of revenue to be received pursuant to the FBID Ordinance to be provided by City staff as provided herein.

- b. Identification of proposed expenditures including but not limited to expenses for:
 - 1) Administration/Operations
 - 2) Beautification/Special Projects
 - 3) General Promotions
 - 4) Special Events Promotions/Advertising
 - 5) Reserves/Miscellaneous
 - c. A narrative description of the Corporation's proposed activities within the fiscal year in carrying out the approved budget, including a listing of specific goals and objectives to be achieved in the upcoming fiscal year.
 - d. A narrative summary of the Corporation's previous year's activities, including a description of accomplishments in implementation of goals and objectives.
 - e. A listing of all assets of the Corporation and estimated value of these assets.
2. The budget may allocate five percent (5%) of FBID revenues for discretionary use of the Corporation's Board of Directors.
 3. Up to ten percent (10%) of funds identified in the approved budget may be shifted at the discretion of the Corporation's Board of Directors. Any changes in the budget above the ten percent (10%) amount must first be considered and approved by the City.
 4. Nothing in this Contract shall preclude the City from assisting the Corporation financially or in any other means available to the City in the implementation of the District.
 5. Said budget may include the proposed expenditure of revenues of the Corporation from sources other than the revenue received pursuant to the FBID Ordinance. The expenditure of such other revenue shall not require the review or approval by the City and may be included in the budget document as a convenience to the Corporation.
 6. In the event the budget is not approved by the City by June 30th, the Corporation's activities may continue into the new fiscal year carrying forward the previous year's budget.
 7. The budget shall be consistent with this Contract and the FBID Ordinance.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to **be covered as insureds** with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured or in any case where an agreement to indemnify the additional insured would be invalid under subsection b of Section 2782 of the Civil Code. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.
2. For any claims related to this project, the Contractor's insurance coverage shall be **primary** insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty **(30) days' prior written notice** by certified mail, return receipt requested, has been given to the City.

Acceptability of Insurers

Insurance is to be placed with California-admitted insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage

Contractor shall furnish the City with **original** certificates and amendatory endorsements effecting coverage required by this clause. The endorsements shall be signed by an authorized representative of the issuing insurer. The endorsements shall be on forms provided by the City, or if provided on other than the City's forms, those endorsements or policies shall conform to the City's requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Subcontractors

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to all of the requirements stated herein.

- E. AUDITS: Corporation will annually submit its accounting records to the City's Finance Director who will organize and prepare the records for the fiscal year audit. The audit will be conducted as a part of the City's annual audit, at the Corporation's expense. Where any findings indicate that Contract requirements are not being met and upon such written notification, Corporation agrees to take appropriate corrective action immediately.

- F. INSURANCE: Corporation shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the execution of the terms of this contract by the Corporation, his agents, representatives, employees or subcontractors.

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Special Events

In addition, for any special events sponsored by the Corporation using City facilities or public rights of way, said policy shall name City as an additional insured and shall constitute primary insurance as to City, its officers, agents and employees, in accordance with City requirements.

- G. INDEMNIFICATION: Corporation shall indemnify, defend, and hold harmless the City, its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Corporation's performance pursuant to the terms of this contract, or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.
- H. TERM OF CONTRACT:
The effective date of the Contract shall be the date first entered on page one herein. Performance under the terms of this Contract shall continue for a period of five (5) years from effective date hereof unless and until terminated as provided for hereinafter. The parties may extend this Contract, in writing, for a period beyond five (5) years.
- I. TERMINATION OF CONTRACT: The City may terminate this Contract in whole or in part immediately for cause, which shall include:
1. Failure, for any reason, of the Corporation to fulfill in a timely and proper manner its obligations under this Contract; and
 2. Improper use or reporting of funds provided under this Contract.
 3. Termination of the District.
- J. NOTICES: Notices sent pursuant to this Contract shall be by mail, postage prepaid, to the parties at the addresses as follows:

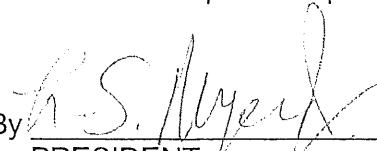
City of Fortuna
P. O. Box 545
Fortuna, CA 95540

Fortuna Business Improvement Corporation
P. O. Box 1000
Fortuna, CA 95540


IN WITNESS WHEREOF, the City and the Corporation have executed this Contract as of the date first above written.

FORTUNA BUSINESS IMPROVEMENT
CORPORATION
A California Nonprofit Corporation

CITY OF FORTUNA
A Municipal Corporation

By 

PRESIDENT

By 

CITY MANAGER

Exhibit C

ORDINANCE NO. 90-550

AN ORDINANCE OF THE
CITY OF FORTUNA, CALIFORNIA,
ESTABLISHING THE
FORTUNA BUSINESS IMPROVEMENT DISTRICT

WHEREAS, on April 23, 1990, the City of Fortuna (the "City") adopted Resolution No. 90-10 (the "Resolution"), declaring its intention to establish a parking and business improvement district (herein referred to as the "District") and levy a benefit assessment on all businesses, trades and professions within said district, the proceeds of which shall be used for the public purposes therein described, pursuant to the Parking and Business Improvement Area Law of 1989 Part 6 (commencing with Section 36500) of Division 18 of the California Highways Code (the "Act"); and

WHEREAS, Pursuant to the Act and the Resolution, the City called and held a public hearing, after giving notice thereof, on May 14, 1990 at 7:00 p.m.; and

WHEREAS, said public hearing has been held and the City Council has heard and considered all oral and written protests or other comments regarding such proposed action, and protests in writing from businesses in the proposed area paying a majority of the proposed assessment have not been received; and

WHEREAS, this City Council has now determined to establish the proposed district as a parking and business improvement district, to provide for the imposition of a benefit assessment and to adopt an ordinance to such effect; and

WHEREAS in the opinion of this City Council, the businesses within the District will be benefited by the expenditure of the funds raised by the assessments proposed to be levied; and

WHEREAS, this City Council may, for each of the purposes set forth in Section 36521 of the Act, establish and modify one or more separate benefit zones based upon the degree of benefit derived from the purpose and may impose a different assessment or charge within each of the benefit zones; and

WHEREAS, all provisions of the Act applicable to the establishment or disestablishment of a District shall apply to the establishment, modification, or disestablishment of benefit zones pursuant to the Act, and the establishment or the modification of any benefit zone shall follow the same procedure as provided for the establishment of a parking and business improvement district and the disestablishment of a benefit zone shall follow the same procedure as provided for the disestablishment of a district; and

WHEREAS, this City Council may modify the boundaries, assessments, or charges established pursuant to this Ordinance; the modifications shall be made pursuant to the requirements of the Act, but no assessment or charge shall be modified which would impair the ability of the District to meet the obligation of a contract or operate physical improvements; and

WHEREAS, changes may be made in the assessments or charges, or in the uses to which the revenue shall be put, as specified in this Ordinance and such changes shall be made by later ordinance adopted after a hearing before the City Council; and

WHEREAS, for purposes of the assessments or charges to be imposed pursuant to this Ordinance, this City Council may make a reasonable classification of businesses, giving consideration to various factors, including general benefit to businesses and the degree of benefit received from programs of the District; and

WHEREAS, the assessments or charges levied on businesses pursuant to this Ordinance shall, to the maximum extent feasible, be levied on the basis of the estimated benefit to the businesses within the District; and

WHEREAS, this City Council may modify the number or representation of the advisory committee (Board of Directors of the District), as specified in this Ordinance and such changes shall be made by later ordinance adopted after a public hearing.

WHEREAS, A Resolution of Intention, public hearing and findings, which set forth facts regarding the adoption of the Resolution, the conduct of a public hearing and certain findings of this City Council, are true and correct and incorporated herein by reference.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FORTUNA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Title 5 of the Fortuna Municipal Code is hereby amended by adding the following section:

Section 5.40 Fortuna Business Improvement District.

A. Establishment of District.

A parking and business improvement district to be known as the "Fortuna Business Improvement District" (the "District") is hereby established pursuant to the Parking and Business Improvement Area Law of 1989, Streets and Highway Code Section 36500 et. seq. The boundaries of the District and the benefit zones within the District shall be set forth on Exhibit A Hereof.

B. Benefit Assessment.

All businesses, trades and professions located within the boundaries shown on Exhibit A, shall, commencing July 1, 1990, pay a benefit assessment in addition to the City Business License fee, in the amounts identified in Exhibit B.

The benefit assessment shall be payable annually during each Fiscal Year, as provided in Section 2 hereof.

C. Residential Exclusion.

No one shall be required to pay an assessment based on a residential use within the District.

D. Advisory Committee.

The authorized number of directors of the district shall be seven (7) unless modified by an amendment to this Ordinance. The Advisory Committee shall be represented by the following:

Downtown, one representative;
Redwood Village Shopping Center; one representative;
Citywide area as identified on Exhibit A, one representative;
Person appointed by the Fortuna City Council, one representative;
One person nominated by the Fortuna Chamber of Commerce; one representative; and
Two people nominated by the five representatives identified above.

In addition, the following types of businesses shall be represented on the Board of Directors:

Retail, three representatives;
Professional and service; two representatives;
Manufacturing/wholesale, one representative; and
Restaurants/bars, one representative.

If a person to represent the above business categories cannot be found, the Board of Directors shall nominate a representative from one of the other categories.

The City Council shall approve all nominations.

E. Allocation of Funds:

A total of sixty-two percent (62%) of the funds raised within each Core Area identified in Exhibit A shall remain in such area. These funds shall be used to promote such area. A subcommittee from each individual Core Area shall determine how the funds are spent within the Core Area.

The funds raised within the Citywide Area and the remaining thirty-eight percent (38%) of the funds raised within each Core

Area shall be used to promote the entire community. The Advisory Committee shall determine how these funds are spent.

F. Definitions.

For the purpose of calculating the amount of assessment owed, the following definitions shall apply:

1. Retail Business.

Retail businesses include all businesses not covered by other definitions set forth in this Section at least fifty percent (50%) of whose gross income is derived from "retail sales" as that is defined in the California Sales and Use Tax Law. The fact that a substantial part of its business consists of other than retail sales does not exclude the business from classification so long as such other business component does not account for more than fifty (50%) of such business gross income.

2. Bar and Restaurant.

A "bar" is a business which serves food and especially alcoholic beverages.

A "restaurant" business is a public eating place.

3. Profession and Service.

"Professions" and "service" businesses include general office, attorney, architects, physicians and others in a medical/health service field, news and advertising media, printers, photographers, real estate brokers, builders, service stations, repairing and servicing businesses, renting and leasing businesses, laboratories (including dental and optical), hearing aid services, utilities, artists and designers, vending machine businesses, and other businesses not included in the "retail" category, as defined in (a) above.

4. Wholesale and Manufacturing.

"Wholesale" businesses are those that sell (something) in quantity usually, for resale.

"Manufacturing" businesses are those that produce something from raw materials by hand or machinery.

5. Fiscal Year.

Fiscal Year means July 1 to June 30 of each year.

6. Purposes of Assessments.

The purposes for which the funds raised by said benefit assessment shall be devoted to the statutory purposes set forth

in Section 36500 of the Act, or one or more of said purposes, which are as follows:

1. Promotion of public events which are to take place on or in public places in the District.
2. Decoration of any public place in the District.
3. Furnishing of music in any public place in the District.
4. The general promotion of business activities in the District.
5. Marketing to fill available space, recruiting and expansion of commercial enterprise.

SECTION 2. Collection of Benefit Assessment.

The benefit assessment authorized by this Ordinance shall be billed by the City as of July 1 of each Fiscal Year and shall be paid within 30 days thereafter. Each billing shall represent one-hundred (100%) percent of the annual assessment.

SECTION 3. Severability and Repeal of Conflicting Ordinances.

If any section or provisions, or parts thereof in this ordinance shall be adjudged invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity of the ordinance as a whole or of any other section or provision or part thereof.

SECTION 4. Term of Ordinance.

This ordinance shall become effective thirty (30) days after it is adopted and shall remain in effect unless repealed.

This Ordinance's adoption and enforcement shall be reviewed after a three year trial, and if the Advisory Committee and/or the City Council are not satisfied with the results of the District, it will be terminated.

Upon the disestablishment of an area, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be refunded to the owners of the businesses then located and operating with the area in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the area is disestablished.

This Section does not preempt the right of the City Council to terminate or continue the District at any time following a required public hearing.

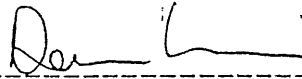
SECTION 5. Within fifteen days after passage, the City Clerk shall cause this Ordinance to be published one time in a newspaper of general circulation published and circulated in the City.

PASSED AND ADOPTED on this 21st day of May, 1990 by the following vote:

AYES: Councilmembers Mel Berti, Phil Nyberg, John Prevost, Dick Rodrigue and Mayor Dean Lewis,

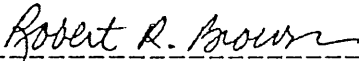
NOES: None

ABSENT: None



Mayor, City of Fortuna

ATTEST:



City Clerk, City of Fortuna

Exhibit A

Fortuna Business Improvement District Boundary

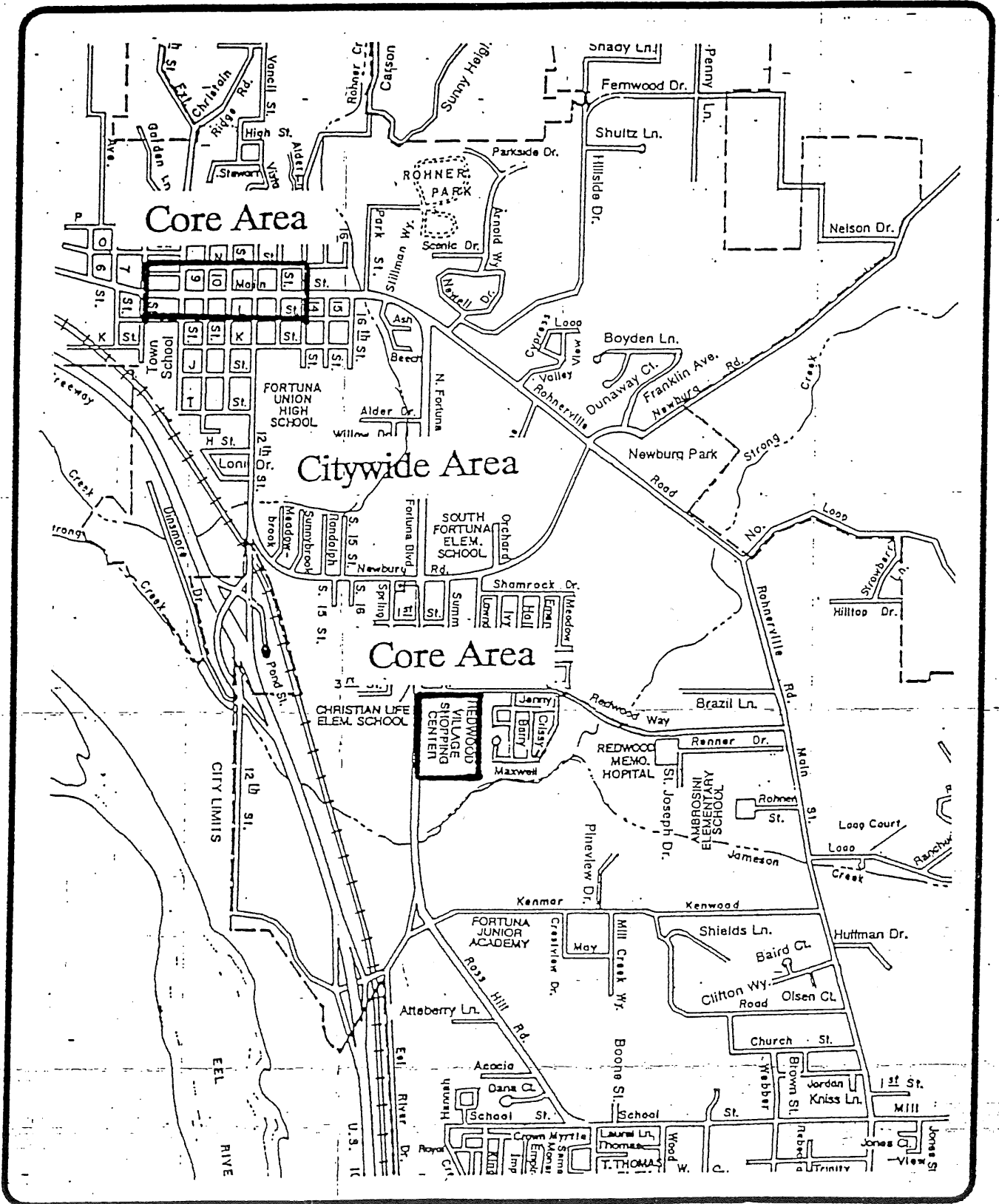


EXHIBIT B

ASSESSMENT SCHEDULE

DOWNTOWN/REDWOOD VILLAGE

| GROSS RECEIPTS | BUSINESS IMPROVEMENT DISTRICT ASSESSMENT | | | | |
|------------------------|--|--------------------|--------------------------|---------------------------|-----------------|
| | TYPE OF BUSINESS | | | | |
| | RETAIL | BAR/ RESTAURANT | PROFESSIONAL/ SERVICE | MANUFACTURE/ WHOLESALE | AUTO DEALERS |
| O to 10,000 | 45.00 | 37.50 | 15.00 | 15.00 | 30.00 |
| 10,000 to 30,000 | 75.00 | 62.50 | 25.00 | 25.00 | 50.00 |
| 30,000 to 70,000 | 105.00 | 87.50 | 35.00 | 35.00 | 70.00 |
| 70,000 to 130,000 | 120.00 | 100.00 | 40.00 | 40.00 | 80.00 |
| 130,000 to 200,000 | 150.00 | 125.00 | 50.00 | 50.00 | 100.00 |
| 200,000 to 500,000 | 210.00 | 175.00 | 70.00 | 70.00 | 140.00 |
| 500,000 to 1,000,000 | 270.00 | 225.00 | 90.00 | 90.00 | 180.00 |
| 1,000,000 to 1,500,000 | 360.00 | 300.00 | 120.00 | 120.00 | 240.00 |
| 1,500,000 to 2,000,000 | 450.00 | 375.00 | 150.00 | 150.00 | 300.00 |
| In excess of 2,000,000 | 600.00 | 500.00 | 200.00 | 200.00 | 400.00 |

CITYWIDE

| GROSS RECEIPTS | BUSINESS IMPROVEMENT DISTRICT ASSESSMENT | | | | |
|------------------------|--|--------------------|--------------------------|---------------------------|-----------------|
| | TYPE OF BUSINESS | | | | |
| | RETAIL | BAR/ RESTAURANT | PROFESSIONAL/ SERVICE | MANUFACTURE/ WHOLESALE | AUTO DEALERS |
| O to 10,000 | 15.00 | 22.50 | 15.00 | 15.00 | 30.00 |
| 10,000 to 30,000 | 25.00 | 37.50 | 25.00 | 25.00 | 50.00 |
| 30,000 to 70,000 | 35.00 | 52.50 | 35.00 | 35.00 | 70.00 |
| 70,000 to 130,000 | 40.00 | 60.00 | 40.00 | 40.00 | 80.00 |
| 130,000 to 200,000 | 50.00 | 75.00 | 50.00 | 50.00 | 100.00 |
| 200,000 to 500,000 | 70.00 | 105.00 | 70.00 | 70.00 | 140.00 |
| 500,000 to 1,000,000 | 90.00 | 135.00 | 90.00 | 90.00 | 180.00 |
| 1,000,000 to 1,500,000 | 120.00 | 180.00 | 120.00 | 120.00 | 240.00 |
| 1,500,000 to 2,000,000 | 150.00 | 225.00 | 150.00 | 150.00 | 300.00 |
| In excess of 2,000,000 | 200.00 | 300.00 | 200.00 | 200.00 | 400.00 |

These tables are the amount of the increased assessment to be allocated to the Business Improvement District

ORDINANCE NO. 2002-636

AN ORDINANCE AMENDING CHAPTER 5.40 OF TITLE 5, FORTUNA BUSINESS
IMPROVEMENT DISTRICT,
OF THE MUNICIPAL CODE OF THE CITY OF FORTUNA

The City Council of the City of Fortuna, State of California does hereby ordain as follows:

SECTION 1. DECLARATION OF INTENT

The purpose of this Ordinance is to amend Fortuna Business Improvement District fees.

SECTION 2. Chapter 5.40, Fortuna Business Improvement District, of the Fortuna Municipal Code is hereby amended as follows:

CHAPTER 5.40 - FORTUNA BUSINESS IMPROVEMENT DISTRICT

Sections:

| | |
|----------|-----------------------------------|
| 5.40.010 | Establishment of district. |
| 5.40.020 | Definitions. |
| 5.40.030 | Benefit assessment. |
| 5.40.040 | Residential exclusion. |
| 5.40.050 | Advisory committee. |
| 5.40.060 | Allocation of funds. |
| 5.40.070 | Purposes of assessments. |
| 5.40.080 | Collection of benefit assessment. |

5.40.010 Establishment of district.

A parking and business improvement district to be known as the "Fortuna Business Improvement District" (the "District") is hereby established pursuant to the Parking and Business Improvement Area Law of 1989, Streets and Highway Code Section 36500 et seq. The boundaries of the District and the benefit zones within the district shall be as set forth on Exhibit A hereof. (Ord. 90-550 §1(A)).

5.40.020 Definitions.

For the purpose of calculating the amount of assessment owed, the following definitions shall apply:

"Hospitality" businesses include all bars, restaurants, hotels, motels and RV parks.

Bar and Restaurant. A "bar" is a business which serves food and especially alcoholic beverages.

A "restaurant" business is a public eating place.

"Fiscal year" means July 1st to June 30th of each year.

"Professions" and "service" businesses include general office, attorney, architects, physicians and others in a medical/health service field, news and advertising media, printers, photographers, real estate brokers, builders, service stations, repairing and servicing businesses, renting and leasing businesses, laboratories (including dental and optical), hearing aid services, utilities, artists and designers, vending machine businesses, and other business not included in the "retail" category, as defined in this section.

"Retail businesses" include all businesses not covered by other definitions set forth in this section at least fifty percent of whose gross income is derived from "retail sales" as that is defined in the California Sales and Use Tax Law. The fact that a substantial part of its business consists of other than retail sales does not exclude the business from classification so long as such other business component does not account for more than fifty percent of such business gross income.

Wholesale and Manufacturing. "Wholesale" businesses are those that sell (something) in quantity usually, for resale.

"Manufacturing" businesses are those that produce something from raw materials by hand or machinery. (Ord. 90-550 §1(F)).

"Gross receipts" includes the total amount of the sale price of all sales and the total amount charged or received for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in gross receipts shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from gross receipts shall be cash discounts allowed and taken on sales; credit allowed on property accepted as part of the purchase price and which property may later be sold; any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser; such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit; amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected; that portion of the receipts of a general contractor which represent payments to subcontractors; provided, that such subcontractors are licensed under this chapter, and provided the general contractor furnished the collector with the names and addresses of the subcontractors and the amounts paid each subcontractor.

5.40.030 Benefit assessment.

All businesses, trades and professions located within the boundaries shown on Exhibit A attached to the ordinance defined in this chapter and found on file in the office of the city clerk, shall, commencing July 1, 1990, pay a benefit assessment in addition to the city business license fee, in the amounts identified in Exhibit B as amended on ~~September 19, 1994~~ March 18, 2002, and attached to the ordinance defined in this chapter and found on file in the office of the city clerk. (Ord. 94-595)

The benefit assessment shall be payable annually during each fiscal year, as provided in Section 5.40.080. (Ord. 90-550 §1(B)).

5.40.040 Residential exclusion.

No one shall be required to pay an assessment based on a residential use within the district. (Ord. 90-550 §1(C)).

5.40.050 Advisory committee.

- A. The authorized number of members of the advisory committee of the district shall be seven unless modified by an amendment of this chapter. The advisory committee shall be represented by the following:
1. Downtown, one representative;
 2. Redwood Village Shopping Center, one representative;
 3. City of Fortuna, one representative;

4. Citywide area as identified on Exhibit A attached to the ordinance codified in this chapter and found on file in the office of the city clerk, one representative;
 5. Fortuna Chamber of Commerce, one representative;
 6. Two people nominated by the five representatives identified above.
- B. The following types of businesses shall be represented on the advisory committee:
1. Retail, three representatives;
 2. Professional and service, two representatives;
 3. Manufacturing/wholesale, one representative; and
 4. HospitalityRestaurant/bars, one representative.
- C. If a person to represent the above business categories cannot be found, the advisory committee shall nominate a representative from one of the other categories.
- D. The advisory committee members shall serve as the members of the Fortuna Business Improvement Corporation.
- E. The city council shall approve all nominations. (Ord. 97-610; Ord. 90-550 §1(D)).

5.40.060 Allocation of funds.

A total of sixty-two percent of the funds raised within each core area identified in Exhibit A attached to the ordinance codified in this chapter and found on file in the office of the city clerk shall remain in such area. These funds shall be used to promote such area. A subcommittee from each individual core area shall determine how the funds are spent within the core area.

The funds raised within the citywide area and the remaining thirty-eight percent of the funds raised within each core area shall be used to promote the entire community. The advisory committee shall determine how these funds are spent. (Ord. 90-550 §1(E)).

5.40.070 Purposes of assessments.

The purposes for which the funds raised by said benefit assessment shall be devoted to the statutory purposes set forth in Section 36500 of the Act, or one or more of said purposes, which are as follows:

- A. Promotion of public events which are to take place on or in public places in the district;
- B. Decoration of any public place in the district;
- C. Furnishing of music in any public place in the district;
- D. The general promotion of business activities in the district;
- E. Marketing to fill available space, recruiting and expansion of commercial enterprise. (Ord. 90-550 §1(G)).

5.40.080 Collection of benefit assessment.

The benefit assessment authorized by the ordinance codified in this chapter shall be billed by the city as of July 1st of each fiscal year and shall be paid within thirty days thereafter. Each billing shall represent one hundred percent of the annual assessment. (Ord. 90-550 §2).

SECTION 3: CONFLICTS:

All ordinances or parts of ordinances or resolutions in conflict herewith are hereby repealed to the extent of such conflicts and no further.

SECTION 4: EFFECTIVE DATE:

The effective date of this Ordinance is thirty (30) days after its adoption by the City Council.

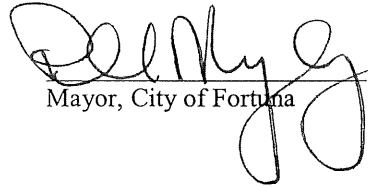
PASSED AND ADOPTED this 18th day of March by the following vote:

AYES: Councilmen Berti, Chapman, Cooke, Shelton and Mayor Nyberg


NOES: None

ABSENT: None

ABSTAIN: None


Mayor, City of Fortuna

ATTEST:



City Clerk, City of Fortuna

Exhibit A

Fortuna Business Improvement District Boundary

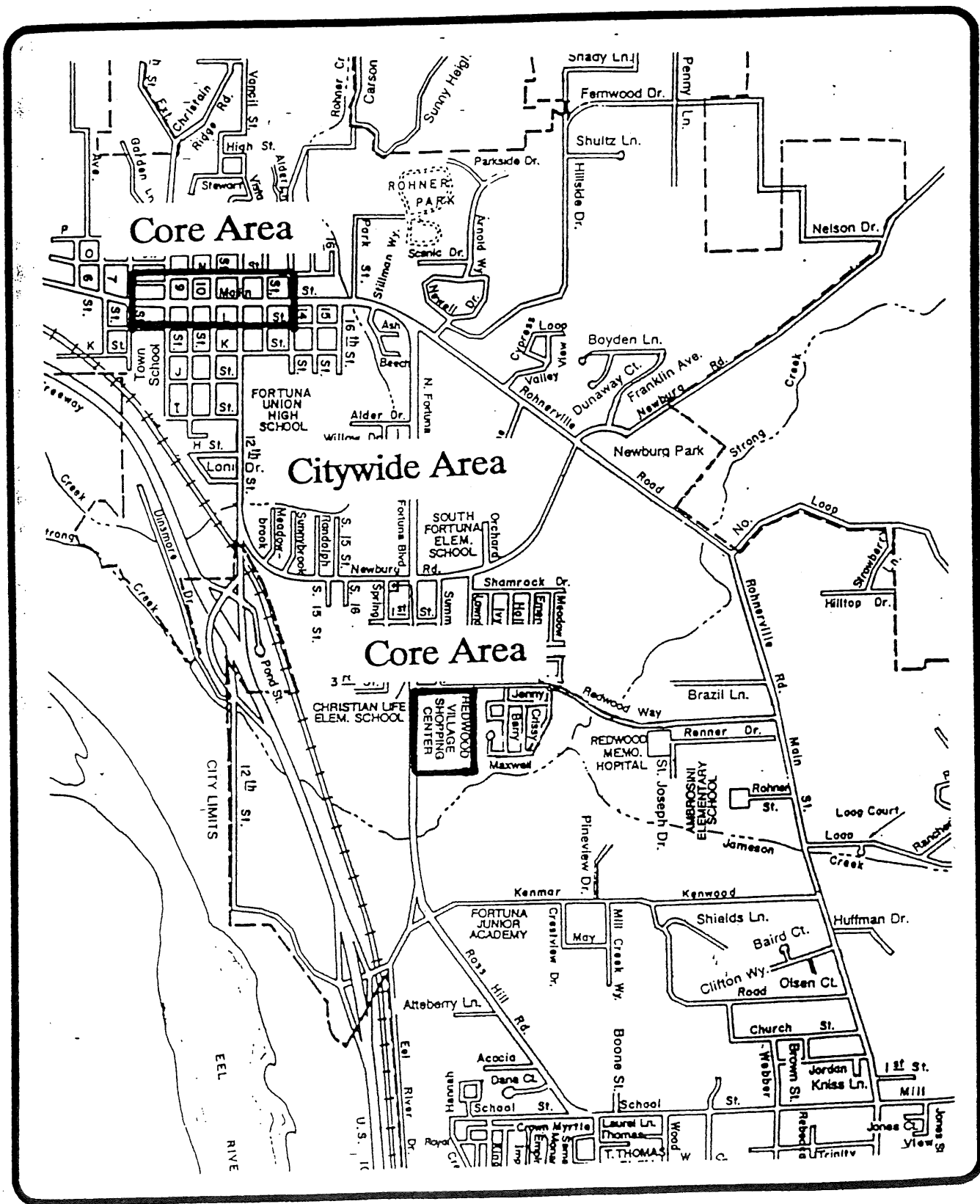


Exhibit B

2002-2003
BUSINESS IMPROVEMENT DISTRICT ASSESSMENT FEE
CITYWIDE AREA

| <u>Class</u> | <u>Gross Receipts</u> | <u>Retail</u> | <u>Hospitality</u> (Lodging, Bar or Restaurant) | <u>Professional/ Service</u> | <u>Manufacturing/ Wholesale</u> |
|--------------|------------------------------|---------------|---|----------------------------------|-------------------------------------|
| <u>A</u> | \$0 to \$10,000 | \$11.00 | \$16.50 | \$11.00 | \$11.00 |
| <u>B</u> | \$10,001 to \$20,000 | \$16.50 | \$24.75 | \$16.50 | \$16.50 |
| <u>C</u> | \$20,001 to \$40,000 | \$24.75 | \$37.00 | \$24.75 | \$24.75 |
| <u>D</u> | \$40,001 to \$80,000 | \$35.75 | \$54.00 | \$35.75 | \$35.75 |
| <u>E</u> | \$80,001 to \$140,000 | \$46.75 | \$70.00 | \$46.75 | \$46.75 |
| <u>F</u> | \$140,001 to \$260,000 | \$60.50 | \$90.75 | \$60.50 | \$60.50 |
| <u>G</u> | \$260,001 to \$500,000 | \$88.00 | \$132.00 | \$88.00 | \$88.00 |
| <u>H</u> | \$500,001 to \$900,000 | \$120.75 | \$181.00 | \$120.75 | \$120.75 |
| <u>I</u> | \$900,001 to \$1.4-million | \$161.00 | \$241.50 | \$161.00 | \$161.00 |
| <u>J</u> | \$1,400,001 to \$2-million | \$201.00 | \$302.00 | \$201.00 | \$201.00 |
| <u>K</u> | \$2,000,001 to \$3-million | \$267.00 | \$401.00 | \$267.00 | \$267.00 |
| <u>L</u> | \$3,000,001 to \$4.5-million | \$345.00 | \$517.50 | \$345.00 | \$345.00 |
| <u>M</u> | IN EXCESS OF \$4.5-million | \$431.00 | \$647.00 | \$431.00 | \$431.00 |

2002-2003
BUSINESS IMPROVEMENT DISTRICT ASSESSMENT FEE
DOWNTOWN/REDWOOD VILLAGE AREA

| <u>Class</u> | <u>Gross Receipts</u> | <u>Retail</u> | <u>Hospitality</u> (Lodging, Bar or Restaurant) | <u>Professional/ Service</u> | <u>Manufacturing/ Wholesale</u> |
|--------------|------------------------------|---------------|---|----------------------------------|-------------------------------------|
| <u>A</u> | \$0 to \$10,000 | \$33.00 | \$27.50 | \$11.00 | \$11.00 |
| <u>B</u> | \$10,001 to \$20,000 | \$49.50 | \$41.25 | \$16.50 | \$16.50 |
| <u>C</u> | \$20,001 to \$40,000 | \$74.25 | \$62.00 | \$24.75 | \$24.75 |
| <u>D</u> | \$40,001 to \$80,000 | \$107.25 | \$89.00 | \$35.75 | \$35.75 |
| <u>E</u> | \$80,001 to \$140,000 | \$140.25 | \$117.00 | \$46.75 | \$46.75 |
| <u>F</u> | \$140,001 to \$260,000 | \$181.50 | \$151.25 | \$60.50 | \$60.50 |
| <u>G</u> | \$260,001 to \$500,000 | \$264.00 | \$220.00 | \$88.00 | \$88.00 |
| <u>H</u> | \$500,001 to \$900,000 | \$361.20 | \$302.00 | \$120.75 | \$120.75 |
| <u>I</u> | \$900,001 to \$1.4-million | \$483.00 | \$402.50 | \$161.00 | \$161.00 |
| <u>J</u> | \$1,400,001 to \$2-million | \$603.75 | \$503.00 | \$201.00 | \$201.00 |
| <u>K</u> | \$2,000,001 to \$3-million | \$802.00 | \$668.50 | \$267.00 | \$267.00 |
| <u>L</u> | \$3,000,001 to \$4.5-million | \$1,035.00 | \$862.50 | \$345.00 | \$345.00 |
| <u>M</u> | IN EXCESS OF \$4.5-million | \$1,294.00 | \$1,078.00 | \$431.00 | \$431.00 |

*Gross Receipts should be calculated without any State or Federal taxes included



6/24/2021

Fortuna Business Improvement District (FBID)
Board of Directors
PO BOX 1000
610 Main Street
Fortuna, CA 95540

Dear Fortuna Business Improvement District Board of Directors,
I am writing to inform you that I am giving my notice as the Fortuna Business Improvement District Board (FBID) Executive Director. My last day in the office will be Tuesday, July 20, 2021.

Working with you and serving the Fortuna business community has been the honor of a lifetime. During my tenure, I appreciated the opportunity to partner with local agencies and work for hand in hand with the City of Fortuna to help support our business owners.

The past 12 years have been extremely rewarding. When I accepted this position in 2009, my goal was to help make doing business in Fortuna the best experience possible. And I think we accomplished that.

Moving forward as the Humboldt County Economic Development Coordinator, I will continue to stay connected to you, our businesses, and our community.

I wish you much success moving forward as you continue to build a strong board and nurture successful relationships with the City of Fortuna and community leaders.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dianna Rios', is written over a large, stylized, circular flourish.

Dianna Rios

Exhibit F

| Areas of Focus | | | Promoting and providing various resources for community events, which are to take place on or in public places in the City of Fortuna. | Assist businesses of all types with recruitment, retention, relocation, and expansion for economic development. | The general promotion of tourism is a large and growing contributor to economic growth in the City of Fortuna. | The collaboration of beautification and decoration of the City of Fortuna to modernize and prevent the erosion of business districts. |
|--------------------------------|--|----------------------|--|---|--|---|
| Revenue from the City | Strongs Creek Plaza | \$ 2,785.00 | Public Decoration and | X | | X |
| | Redwood Village | \$ 5,075.00 | Rodeo Event, Lighted Parade & Marketing | X | X | X |
| | Downtown | \$ 8,378.00 | Apple Harvest, Holiday Event, City Wide Yard Sale, Marketing & Public | X | | X |
| | Citywide Funding | \$ 45,267.00 | | X | X | X |
| HLA Grant | | \$ 25,000.00 | | X | | X |
| Matching Revenue from the City | City Matching Funds | \$ 61,506.00 | | | | |
| TOTAL INCOME | | \$ 148,011.00 | | | | |
| Office Expense | Executive Director Salary | \$ 56,160.00 | Minimum | 25% | 50% | 15% |
| | Executive Director Health Stipend | \$ 4,800.00 | \$400 x12 Months | - | - | - |
| | Office Staff | \$ 12,170.00 | 13 Hours per week | 25% | 50% | 15% |
| | Payroll Taxes | \$ 6,950.00 | | - | - | - |
| | Workers Comp | \$ 750.00 | | - | - | - |
| | Office Rent | \$ 2,400.00 | Kids Free Movies | 33% | 33% | 33% |
| | Phone | \$ 1,200.00 | Only office phone | 25% | 25% | 25% |
| | Internet | \$ 1,500.00 | Office internet, email and | 25% | 25% | 25% |
| | Event Insurance | \$ 900.00 | | 25% | 25% | 25% |
| | Board of Directors Insurance | \$ 1,200.00 | | | | |
| | Audits | \$ - | | | | |
| | Bookkeeping | \$ 1,800.00 | | | | |
| | CPA and Taxes | \$ 600.00 | | | | |
| | Office Supplies and Equipment | \$ 2,400.00 | | | | |
| | Storage Unit | \$ 1,400.00 | | | | |
| ONLY Marketing and Promotion | Marketing HLA Grant | \$ 25,000.00 | | 40% | 25% | 20% |
| | Core Area Disbursments | \$ 16,238.00 | | 40% | 10% | 25% |
| | Generic Banners for Downtown with City Logo | \$ - | | | | |
| | People Mover Wrap, Tires and Break Repair | \$ - | | | | |
| | Funding to set aside to float the BID into next year | \$ 12,500.00 | | | | |
| | Retail Stratagies - Fortuna Chamber | \$ - | | | | |
| Total Expense | | \$ 147,968.00 | | | | |