



DATE: December 15, 2025

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Nancy Sands, Senior Management Analyst

SUBJECT: Resolution to Approve the 2026 Downtown Petaluma Business Improvement District Annual Report and Related Budget; Declaring the Intention to Levy the 2026 Annual Assessment; and Setting a Public Hearing on the Proposed 2026 Annual Assessment

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution Approving the 2026 Downtown Petaluma Business Improvement District Annual Report and Related Budget, Declaring the Intention to Levy the 2026 Annual Assessment for the District, and Setting the Public Hearing on the Proposed 2026 Annual Assessment.

BACKGROUND

The Petaluma Downtown Business Improvement District (DBID) is a special assessment district designed to support economic health and business success within the district boundaries.

The DBID was established in November 2000 when Petaluma City Council approved Ordinance 2104 N.C.S. The DBID is regulated by Petaluma Municipal Code (PMC) Chapter 6.04 in compliance with the state Parking and Business Improvement Area Law of 1989, Streets and Highways Code Section 36500 et seq.

All businesses, trades, and professions located within the district boundaries are subject to the annual assessment in an amount approved by City Council. A Board of Directors (Board) administers the affairs of the DBID; the Petaluma Downtown Association (PDA) Board serves as the DBID Board. Property owners and nonprofits are not subject to the DBID.

The collected assessments are used to fund programs, services, activities, and improvements that benefit businesses within the district and meet guidelines set forth in the City ordinance and state law. Examples include shopping and promotional programs; public events; and the acquisition, construction, installation, or maintenance of tangible property with a useful life of five years or more, such as benches, decorations, façade improvements; and permanent landscaping.

The DBID fiscal year runs January 1 - December 31. The first step in the collection of assessments for the new fiscal year is Council adoption of a Resolution of Intention to Levy the Annual Assessment; this process requires the DBID Board to present for Council review and approval an annual report that includes a proposed budget for the upcoming fiscal year. The following summarizes what shall be included in the resolution of intention to levy:

1. Declare the intention to change the district boundaries if a change is proposed;
2. Declare the intention to levy and collect assessments within the district;
3. Describe proposed improvements and activities;
4. Refer to the district by name and indicate the location of the area;
5. Refer to the report on file for a full and detailed description of that fiscal year's proposed improvements/activities, district boundaries, and proposed assessments;
6. Fix a time and place for a public hearing that shall be held not less than 10 days after the adoption of the resolution of intention;
7. State that at the public hearing written and oral protest may be made.

The public hearing is the second step in the process and provides an opportunity for public comment and input on the proposed budget and the DBID annual assessment. The public hearing must be noticed through publishing of the resolution of intention in a newspaper of general circulation in the city not less than seven days before the public hearing. Staff recommend the public hearing be held at the January 5, 2026, City Council meeting.

The City Council cannot adopt, modify, or otherwise amend the proposed budget of the DBID in a manner that is inconsistent in any way with the budget as agreed to and presented by the Board except in the case of a written majority protest from business owners that will pay fifty percent or more of the assessments proposed to be levied.

Once City Council adopts the Resolution levying the assessment at the January 5, 2026, City Council meeting, the DBID may proceed with the assessment collections process for the fiscal year.

DISCUSSION

2025 – Overview of Achievements

The City, PDA, and business/property owners worked closely together to ensure the DBID community was well served in 2025. City staff and the PDA executive director met regularly and had ongoing “check-in” conversations to identify issues and develop solutions. City Staff attended scheduled DBID meetings and interacted with individual businesses based on their specific needs.

Our shared achievements include:

- Monthly DBID meeting agendas focused on supporting business success, with quarterly updates from City;

- Special advertising rates and marketing initiatives for DBID businesses, including Maritime Passport to capture foot traffic from visiting boaters and special/holiday event ads;
- Successful DBID events, including Sidewalk sale, Trick-or-Treat trail, and Holiday Open House and Shopping Stroll, with promotion through City community update and social media;
- Collaborative approach to Graffiti abatement in the downtown area, in partnership with Code Enforcement, Rebuilding Together Petaluma, and Business/Property Owners;
- Ongoing City investment for capital improvement projects within district boundaries, such as dredging, Keller Street Garage lighting improvements, and ADA Improvements;
- Ongoing partnership with Rebuilding Together Petaluma and SAFE Team to improve cleanliness and safety in the district while supporting the needs of unsheltered community members;
- Coordinated efforts to address health hazards related to unsecured garbage, recycling, and compost in the district;
- Coordination to support downtown beautification efforts with City, DBID, and other nonprofits;
- Coordination and input for Downtown Parking Management Study.

2025 Review and 2026 Annual Report

Attachment 1 includes a review of 2025 activities and year-over-year budget comparisons as well as the materials required for Council review, including the 2026 Proposed Budget, Assessment Schedule and Boundary Map.

The proposed 2026 budget is shown below.

Percentage	Description	Amount
27%	Security	\$17,280
23%	Marketing	\$14,720
30%	Beautification	\$19,200
20%	Administration	\$12,800
100%	ALL	\$64,000

Mungle & Associates performed the DBID billing and collection services for 2025 and will carry out these same services in 2026. The services include printing and mailing the DBID billing notices and attachments, processing and depositing all payments, and preparing and submitting reports to PDA staff for periodic review. Mungle & Associates will mail up to three (3) notices and make a reminder call approximately 15 days after the deadline to pay. Mungle & Associates also will provide year-round delinquent account collection services for prior DBID calendar years.

The fee for these services is \$12 per business.

Attachment 1 includes a draft version of the billing notice for transmission to approximately 600 businesses in the district boundary. Mail for the DBID will be sent to Mungle & Associates' office and processed for deposit into a DBID bank account.

PUBLIC OUTREACH

This agenda item was noticed with the Monday, December 15, 2025, Regular City Council/PCDSA Meeting agenda, in accordance with Government Code §54954.2(a) and was placed on the tentative agenda at the December 1, 2025, City Council meeting. In addition, information about the BID process and this agenda item have been included in a PDA email to its subscriber list; and on the PDA website at <https://petalumadowntown.com/membership-bid>. If City Council approves this item, a public hearing will be scheduled for January 5, 2026. Entities that are subject to the DBID assessment will be notified of this hearing in the following ways:

- The item will be noticed with the January 5, 2026, Regular City Council/PCDSA Meeting agenda.
- Notice of the date and time of the public hearing will be published in the Argus Courier at least seven days before the public hearing in accordance with Streets and Highways Code Section 36534 (see Attachment 3 for the drafted public notice).
- The hearing date and time will be publicized by the PDA via email and on its website

COUNCIL GOAL ALIGNMENT

Annual approval of the DBID assessment aligns with City Council's goal to "Encourage a thriving business environment that results in a strong, diverse, resilient economy and supports community prosperity."

ENVIRONMENTAL REVIEW

Administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5)]. If the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.

FINANCIAL IMPACTS

The City views the DBID and PDA as valuable partners in helping us meet our economic and community development goals. With that in mind, the City provides staffing and financial resources to support DBID initiatives and activities, including the following:

- Staff time dedicated to attending DBID meetings and supporting downtown-related communications, events, and improvements;
- Funding minor improvements to downtown infrastructure and decorations (e.g., electrical wiring; lamp post hardware; holiday decorations);
- Graffiti abatement program;
- Public noticing costs.

ALTERNATIVES

If this resolution is not approved, the DBID will not be able to collect its assessments.

ATTACHMENTS

1. DBID Report from Petaluma Downtown Association including: a) Letter from PDA Executive Director; b) 2026 DBID Proposed Projects; c) 2014-2025 DBID analysis; d) 2025 DBID Funds Received and Expenditures; e) 2026 Annual Report Assessment Schedule, Budget, and Map for 2026 Fiscal Year; f) DBID Letter and Sample Invoice to Business Owners with Boundary Map
2. Resolution Approving 2026 Annual Report and Budget and Declaring Intention to Levy Annual Assessment
3. Draft Public Notice for December 26, 2025, edition of Argus-Courier



December 15, 2025

Honorable Mayor Kevin McDonnell & Petaluma City Council Members:

On behalf of the Petaluma Downtown Business Improvement District (BID) Board of Directors and members, we extend our gratitude for your continued support.

2025 Overview

We are pleased to report another year of strong engagement and dedication from business owners within the BID. The PDA staff and BID Advisory Committee have maintained regular monthly meetings, focusing on shopping/marketing and beautification priorities. In 2025, we continued the educational component to these meetings, featuring small business support organizations such as the Sonoma County Small Business Development Center and Blue Zones.

The PDA Executive Director meets regularly with most city departments to discuss downtown issues, upcoming events and projects that impact on the downtown business community. The BID advisory committee acknowledge and appreciate being better connected to and served by the City thanks to the Police and Economic Development staff's participation at BID meetings and response to individual business needs.

Key Activities Funded in 2025

Marketing and Events play a critical role in boosting downtown visibility and supporting small businesses. In 2025, the BID organized several successful events to drive foot traffic and sales, including:

- **Downtown Clean-up Day – March**
- **Annual Sidewalk Sale (August)**
- **Trick or Treat Trail (October)**
- **Santa's Riverboat Arrival – Small Business Saturday (November)**
- **Holiday Open House and Shopping Stroll (December)**

The BID continued with the Maritime Passport to encourage boating visitors to shop downtown, produced a Holiday Shopping Passport, and a Bingo game for children and introduced a Holiday Hen Hunt (similar to "Find Waldo"). Marketing efforts were strengthened through partnerships with the Visitor Program and the Downtown Association.

Security – Escalating security costs were addressed in 2025, coverage was negotiated and the contract was adjusted to match collection. We still have nightly coverage and the security team remained responsive to specific issues and problem areas. Daily reports on security activities provided valuable insights and facilitated timely responses.

Beautification - The BID continued its investment in enhancing downtown's aesthetic appeal, including purchasing and installing annual holiday lighting, banners, and decorations. We collaborated with the city to support efforts to replace waste receptacles and expand holiday lighting in Center Park, Helen Putnam, and North Water Street.

2025 Financial Report - In 2025, the BID collected \$59,949, reflecting a 93.5% collection rate based on the initially estimated assessment amount of \$64,000.

Several closed businesses were replaced by new tenants operating at the same locations. Newly established businesses are exempt from the assessment during their first calendar year; therefore, we anticipate recapturing a portion of the lost revenue in 2026 as these businesses become subject to assessment.

The table below shows income from assessment 2016-2025

2016 \$71,544
2017 \$65,206
2018 \$67,458 (Includes collections from 2017)
2019 \$74,000 (Includes collections from 2018)
2020 \$67,101 (Approximately 10% down from previous year due to Covid-19)
2021 \$69,293 (Reflects permanent and temporary closures due to Covid)
2022 \$63,512 (8% lower than prior year reflecting ongoing COVID related closures)
2023 \$54,743 (15% lower due to business closures)
2024 \$52,768 (82.5% collection of the \$64,000 billed)
2025 \$59,949 (93.5% collection of the \$64,000 billed)

Attached are the 2025 Annual Report, Assessment Schedule, and Map, and proposed budget, for Council approval.

The 2026 BID budget approved by the BID advisory committee is allocated as follows:

27%	Security	\$17,280
23%	Marketing	\$14,720
30%	Beautification	\$19,200
20%	Administration	\$12,800
TOTAL:		\$64,000

This budget is based on receiving 100% of projected assessments. If actual collections fall short, we will adjust spending as needed. As expenses continue to increase, we will reassess all ongoing costs annually.

Billing and Collections - For 2026, Mungle & Associates will once again manage billing and collections. Their services will include:

- Billing both existing and new businesses for 2026 and collecting delinquent assessments from 2024-2025

The 2026 BID billing packet will include:

- A cover letter.
- A BID invoice.
- A map of the BID area.
- An updated information form to help us maintain accurate records.

The BID Committee maintains an up-to-date database for billing and actively discusses strategies to address outstanding delinquencies.

We value our continued partnership with the city and hope to see you at one of our events or BID meetings in 2026.

Yours sincerely,



Historic Depot Building • 210 Lakeville Hwy , Petaluma CA 94952

www.PetalumaDowntown.com

Ph: (707) 762-9348 • Email: Info@PetalumaDowntown.com

BID ANALYSIS 2015-2025

Previous years BID Actual Collections											Forecast
YEAR	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Collected	\$ 71,544	\$ 65,206	\$ 67,458	\$ 74,000	\$67,101	\$69,293	\$63,512	\$54,743	\$52,768	\$59,949	\$64,000

BUDGET

BID	2015/16	2015/16	2016/17	2016/17	2017/2018	2017/2018	2018/2019	2018/2019	2019/2020	2019/2020	2020/21	2020/2021	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25
	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual
Security	32%	\$ 22,895	27%	\$ 17,606	27%	\$ 18,214	27%	\$ 19,980	27%	\$ 18,117	27%	\$ 18,709	27%	\$ 17,148	27%	\$ 14,780	27%	\$ 14,247	27%	\$ 16,186
Marketing	28%	\$ 20,033	23%	\$ 14,997	23%	\$ 15,515	23%	\$ 17,020	23%	\$ 15,433	23%	\$ 15,937	23%	\$ 14,608	23%	\$ 12,591	23%	\$ 12,137	23%	\$ 13,788
Beautification	20%	\$ 14,308	30%	\$ 19,562	30%	\$ 20,237	30%	\$ 22,200	30%	\$ 23,610	30%	\$ 20,788	30%	\$ 19,054	30%	\$ 16,423	30%	\$ 15,830	30%	\$ 17,984
Administration	20%	\$ 14,308	20%	\$ 13,041	20%	\$ 13,492	20%	\$ 14,800	20%	\$ 13,420	20%	\$ 13,859	20%	\$ 12,702	20%	\$ 10,949	20%	\$ 10,554	20%	\$ 11,991
	100%	\$71,544	100%	\$ 65,206	100%	\$ 67,458	100%	\$ 74,000	100%	\$ 67,101	100%	\$ 69,293	100%	\$ 63,512	100%	\$ 54,743	100%	\$52,768	100%	\$59,949

15/16 Budget	BID increase objective to receive payments from businesses not previously billed
16/17	change % distribution to increase downtown beautification due to security camera elimination
2017/18-2019	No Changes
2018/19	Increase in collectuon of assessment fees, due improvement of BID communications and local collection.
2019/2020	Initial good payment rate but declined due to business closures due to Covid-19
2020/21	Despite the closure of a number of downtown Businesses we collected 92% of assessements
2021/22	Collection down 8% due to covid related closures and 1st year exemption for new businesses
2022/23	We billed 571 businesses this year and collected 72%, in 2019 we billed 628 with a collection rate of 80%
2023/24	We billed 577 businesses this year and collected 82%
2024/25	560 Businesses billed this year and collected 93%)
2026	We billed 556 businesses and that number changes annually depending on turnover, excess from the previous year help us meet any shortfalls.

Petaluma Downtown Association
 Bid Funds Received and Expenditures
 For Fiscal Year Ending June 30, 2025

BID Percentages Date	Transaction	To/From	Description	Amount	23% Marketing	27% Security	30% Beautification	20% Admin	TOTAL
7/1/2024	Beginning Balance				44,346.31	-8,591.15	16,460.37	-2,760.08	49,455.45
7/31/2024	Deposits		Bid Income	641.30	147.50	173.15	192.39	128.26	641.30
8/31/2024	Deposits		Bid Income	325.00	74.75	87.75	97.50	65.00	325.00
9/30/2024	Deposits		Bid Income	1,195.00	274.85	322.65	358.50	239.00	1,195.00
10/31/2024	Deposits		Bid Income	1,326.00	304.98	358.02	397.80	265.20	1,326.00
11/30/2024	Deposits		Bid Income	275.00	63.25	74.25	82.50	55.00	275.00
12/31/2024	Deposits		Bid Income	3,535.00	813.05	954.45	1,060.50	707.00	3,535.00
1/31/2025	Deposits		Bid Income	825.00	189.75	222.75	247.50	165.00	825.00
2/28/2025	Deposits		Bid Income	23,839.00	5,482.97	6,436.53	7,151.70	4,767.80	23,839.00
3/31/2025	Deposits		Bid Income	18,009.00	4,142.07	4,862.43	5,402.70	3,601.80	18,009.00
4/30/2025	Deposits		Bid Income	4,180.00	961.40	1,128.60	1,254.00	836.00	4,180.00
5/31/2025	Deposits		Bid Income	4,640.00	1,067.29	1,252.91	1,392.12	928.08	4,640.40
06/30/2025	Deposits		Bid Income	1,158.50	266.46	312.80	347.55	231.69	1,158.50
	Total Assessments paid			59,948.80	13,788.32	16,186.29	17,984.76	11,989.83	59,949.20

BID Marketing

07/09/2024	Credit Card	Staples	B2B Ref Cards	(67.41)					
7/31/2024	Deposit	Passport Receipts	Passport Program	200.00					
8/7/2024	Deposit	Passport Receipts	Passport Program	50.00					
8/14/2024	Credit Card	Fastsigns	Sidewalk Sale	(599.61)					
8/20/2024	Deposit	Passport Receipts	Passport Program	100.00					
8/23/2024	Deposit	Passport Receipts	Passport Program	50.00					
08/29/2024	2523	Jeff Mayne	Reimb Passport Exp.	(1,740.44)					
8/31/2024	Credit Card	Target	Sidewalk Sale	(27.48)					
9/4/2024	2530	Sonoma Media Investments	Sidewalk Sale	(790.02)					
9/10/2024	Deposit	Holiday Radio Ads	Reimbursements	650.00					
9/11/2024	Deposit	Holiday Radio Ads	Reimbursements	975.00					
9/13/2024	Deposit	Holiday Radio Ads	Reimbursements	325.00					
9/17/2024	Deposit	Holiday Radio Ads	Reimbursements	325.00					
9/18/2024	Deposit	Holiday Radio Ads	Reimbursements	325.00					
9/19/2024	Deposit	Holiday Radio Ads	Reimbursements	325.00					
9/23/2024	Deposit	Passport Receipts	Passport Program	100.00					
9/24/2024	Deposit	Passport Receipts	Passport Program	50.00					
9/25/2024	Deposit	Passport Refund	Passport Program	(50.00)					
9/26/2024	Deposit	Passport Receipts	Passport Program	50.00					
10/03/2024	2548	Jeff Mayne	BID Meeting	(94.00)					
10/9/2024	Deposit	Holiday Radio Ads	Reimbursements	325.00					
10/24/2024	Deposit	Holiday Market Place	Merchant Participation	250.00					
10/25/2024	Deposit	Holiday Market Place	Merchant Participation	375.00					
10/28/2024	Deposit	Holiday Market Place	Merchant Participation	250.00					
10/29/2024	Deposit	Holiday Market Place	Merchant Participation	150.00					
10/30/2024	Deposit	Holiday Market Place	Merchant Participation	200.00					
10/31/2024	Deposit	Holiday Market Place	Merchant Participation	550.00					
11/4/2024	Deposit	Holiday Market Place	Merchant Participation	100.00					
11/5/2024	Deposit	Holiday Market Place	Merchant Participation	200.00					
11/6/2024	Deposit	Holiday Market Place	Merchant Participation	100.00					
11/8/2024	Deposit	Holiday Market Place	Merchant Participation	100.00					
11/12/2024	Deposit	Holiday Market Place	Merchant Participation	600.00					
11/19/2024	Deposit	Holiday Market Place	Merchant Refunds	(150.00)					
11/20/2024	2582	Sonoma Media Investments	Sidewalk Sale	(2,613.33)					
11/21/2024	2583	Sonoma Media Investments	Sidewalk Sale	(1,864.32)					
11/25/2024	Deposit	Holiday Market Place	Merchant Participation	150.00					
11/25/2024	Deposit	Holiday Market Place	Merchant Participation	200.00					
11/29/2024	Deposit	Holiday Market Place	Merchant Refunds	(50.00)					
11/30/2024	Deposit	Holiday Market Place	Merchant Participation	250.00					
12/3/2024	2593	PETALUMA MINUTEMAN	Passport cards	(434.80)					
12/5/2024	Deposit	Holiday Market Place	Merchant Participation	100.00					
12/6/2024	Credit Card	Facebook	Trick or Treat Trail	(125.00)					
12/7/2024	Credit Card	Amazon	Passport expenses	(156.80)					
12/9/2024	Refund	Holiday Market Place	Merchant Refunds	(50.00)					
12/11/2024	Refund	Holiday Market Place	Merchant Refunds	(50.00)					
12/12/2024	2599	CHERYL WAGNER	Holiday Event	(275.00)					
12/20/2024	Deposit	Passport Receipts	Passport Program	100.00					
12/23/2024	Refund	Holiday Market Place	Merchant Refunds	(3,000.00)					
12/26/2024	2603	City of Petaluma (Banner Permi	Sidewalk Sale	(62.00)					
12/26/2024	2607	ELISA SEPPA	Holiday Event	(20.00)					
12/31/2024	Credit Card	Facebook	Holiday Market Place	(64.19)					

Petaluma Downtown Association
 Bid Funds Received and Expenditures
 For Fiscal Year Ending June 30, 2025

BID Percentages Date	Transaction	To/From	Description	Amount	23% Marketing	27% Security	30% Beautification	20% Admin	TOTAL
12/31/2024	Transfer	PVP	Reimb Ads		350.00				
1/15/2025	2619	WINE COUNTRY RADIO /IN:	Holiday 2024		(4,800.00)				
2/7/2025	Credit Card	Facebook	Holiday Market Place				(1.22)		
2/7/2025	Credit Card	Yiftee	Supplies holiday				(158.50)		
2/7/2025	Credit Card	Custom Costumes	Holiday Market Place				(90.00)		
7/24/2024	2485	First Alarm Security & Patrol				(1,274.00)			
8/29/2024	2521	First Alarm Security & Patrol				(1,274.00)			
10/3/2024	2543	First Alarm Security & Patrol				(1,274.00)			
10/9/2024	2552	First Alarm Security & Patrol				(1,274.00)			
10/30/2024	2565	First Alarm Security & Patrol				(1,274.00)			
11/27/2024	2584	First Alarm Security & Patrol				(1,274.00)			
12/26/2024	2602	First Alarm Security & Patrol				(1,274.00)			
2/12/2025	2633	First Alarm Security & Patrol				(1,274.00)			
3/12/2025	2647	First Alarm Security & Patrol				(1,274.00)			
4/2/2025	2663	First Alarm Security & Patrol				(1,274.00)			
5/7/2025	2695	First Alarm Security & Patrol				(1,274.00)			
6/4/2025	2725	First Alarm Security & Patrol				(1,274.00)			
10/10/2024	2557	Sierra Display					(11,760.00)		
4/7/2025	Credit Card	Freidmans	Clean Up Day				(45.60)		
4/7/2025	Credit Card	Tractor Supply	Clean up Day				(268.53)		
5/7/2025	2706	ELISA SEPPA	Clean up Day				(98.88)		
7/1/24-6/30/2025		Direct BID Admin costs	Credit Card Discounts		(272.92)	(320.38)	(356.00)	(237.30)	
7/1/24-6/30/2025		Bid Share of admin costs	Dues & Subscriptions					(16.20)	
7/1/24-6/30/2025		Bid Share of admin costs	Employee Benefits					(2,086.43)	
7/1/24-6/30/2025		Bid Share of admin costs	Equipment Maintenance.					(10.50)	
7/1/24-6/30/2025		Bid Share of admin costs	Equipment Upgrades					(73.81)	
7/1/24-6/30/2025		Bid Share of admin costs	Insurance					(327.98)	
7/1/24-6/30/2025		Bid Share of admin costs	Interest Expense					(135.84)	
7/1/24-6/30/2025		Bid Share of admin costs	License and Tax					(1.00)	
7/1/24-6/30/2025		Bid Share of admin costs	Office Supplies & Postage					(463.38)	
7/1/24-6/30/2025		Bid Share of admin costs	Payroll tax Expense					(1,213.11)	
7/1/24-6/30/2025		Bid Share of admin costs	Professional Fees		(2,218.96)	(2,604.86)	(2,894.29)	(3,098.74)	
7/1/24-6/30/2025		Bid Share of admin costs	Promotion					(221.41)	
7/1/24-6/30/2025		Bid Share of admin costs	Rent					(213.56)	
7/1/24-6/30/2025		Bid Share of admin costs	Software					(130.17)	
7/1/24-6/30/2025		Bid Share of admin costs	Telephones					(235.71)	
7/1/24-6/30/2025		Bid Share of admin costs	Travel					(126.00)	
7/1/24-6/30/2025		Bid Share of admin costs	Utilities					(156.81)	
7/1/24-6/30/2025		Bid Share of admin costs	Wages					(14,912.26)	
7/1/24-6/30/2025		Bid Share of admin costs	Website		(59.00)				
		Total BID expenses			(12,010.00)	(18,213.24)	(15,423.30)	(23,660.21)	(69,306.75)
6/30/2025		Ending balance BID			46,124.63	(10,618.10)	19,021.83	(14,430.46)	40,097.90

PETALUMA DOWNTOWN ASSOC
 BID ANALYSIS - 07/01/16 TO 06/30/25

	MARKETING 23%	SECURITY 27%	BEAUTIFICATION 30%	ADMINISTRATIVE 20%	TOTAL 100%
BALANCE 07/15-06/16	26,366.57	30,491.78	20,255.12	1,505.80	78,619.27
RECEIVED 07/16-06/17	14902.91	17494.72	19438.58	12959.05	64,795.26
EXPENSED 07/16-06/17	-5,982.10	-12,432.83	-25,360.34	-11,112.43	-54,887.70
BALANCE 07/16-06/17	35,287.38	35,553.67	14,333.36	3,352.42	88,526.83
RECEIVED 07/1-06/18	15515.41	18214.55	20237.5	13490.89	67,458.35
EXPENSED 07/17-06/18	-12,794.74	-15,592.55	-13,430.87	-9,786.15	-51,604.31
BALANCE 07/17-06/18	38,008.05	38,175.67	21,139.99	7,057.16	104,380.87
RECEIVED 07/18-06/19	17,020.00	19,980.00	22,200.00	14,800.00	74,000.00
EXPENSED 07/18-06/19	-15,003.13	-19,521.90	-24,705.20	-11,153.16	-70,383.39
BALANCE 07/18-06/19	40,024.92	38,633.77	18,634.79	10,704.00	107,997.48
RECEIVED 07/19-06/20	15,433.40	18,117.47	20,130.52	13,420.35	67,101.74
EXPENSED 07/19-06/20	-15,234.41	-25,528.34	-23,610.12	-22,800.69	-87,173.56
BALANCE 07/19-06/20	40,223.91	31,222.90	15,155.19	1,323.66	87,925.66
RECEIVED 07/20-06/21	15,937.42	18,709.15	20,787.95	13,858.63	69,293.15
EXPENSED 07/20-06/21	-2,496.91	-21,436.62	-36,111.80	-12,403.00	-72,448.33
BALANCE 07/20-06/21	53,664.42	28,495.43	-168.66	2,779.29	84,770.48
RECEIVED 07/21-06/22	14,607.76	17,148.24	19,053.60	12,702.40	63,512.00
EXPENSED 07/21-06/22	-33,540.51	-26,614.24	-8,172.06	-12,091.85	-80,418.66
BALANCE 07/21-06/22	34,731.67	19,029.43	10,712.88	3,389.84	67,863.82
RECEIVED 07/22-06/23	12,591.10	14,780.86	16,423.17	10,948.77	54,743.90
EXPENSED 07/22-06/23	-12,777.78	-30,167.65	-10,226.52	-9,453.72	-62,625.67
BALANCE 07/22-06/23	34,544.99	3,642.64	16,909.53	4,884.89	59,982.05
RECEIVED 07/23-06/24	12,136.78	14,247.54	15,830.58	10,553.70	52,768.60
EXPENSED 07/23-06/24	-2,335.46	-26,481.33	-16,279.74	-18,198.67	-63,295.20
BALANCE 07/23-06/24	44,346.31	-8,591.15	16,460.37	-2,760.08	49,455.45
RECEIVED 07/24-06/25	13,788.32	16,186.29	17,984.76	11,989.83	59,949.20
EXPENSED 07/24-06/25	-12,010.00	-18,213.24	-15,423.30	-23,660.21	-69,306.75
BALANCE 07/24-06/25	46,124.63	-10,618.10	19,021.83	-14,430.46	40,097.90

Petaluma Downtown Business Improvement District

2026 Budget, Assessment Schedule, and Map

- 1) **Changes in Boundaries:** None are proposed.
- 2) **Changes in the Basis or Method of Assessment:** None are proposed.
- 3) **Changes in Classification of Businesses:** None are proposed.
- 4) **Changes in percentage in category -** None are proposed
- 5) **Improvements/Activities to be Undertaken & Related Budget:**
As proposed in the budget below.
- 5) **Surplus/Deficit Carried Over from Prior Year:** Because the BID is billed on a calendar-year basis but reported on a fiscal-year basis, the account reflects a mix of collections from both periods. Our current balance, including reserves, often helps cover any potential shortfall within the fiscal year.

- 6) **Contributions from Other Sources:** None

2026 Budget Allocations

Percentage	Activity Type	Amount
27%	Security	\$17,280
23%	Marketing	\$14,720
30%	Beautification	\$19,200
20%	Administration	\$12,800
100%	Total Services	\$64,000

Security - 27% - The Petaluma Downtown Association (PDA) contracts for security coverage of the general downtown area to be performed on a regular nightly schedule.

Marketing - 23% - These funds are used to supplement additional funds paid by individual merchants for the combined marketing efforts to create public awareness of events occurring in the downtown, e.g., Sidewalk Sale, Trick-or-Treat Trail, and other downtown events such as those listed under “administration.” PDA develops joint marketing agreements with the merchants using these funds and utilizes the combined buying power of the PDA and merchant community to obtain favorable prices for advertising that would not ordinarily be available to the individual merchant.

Beautification - 30% - A volunteer committee meets to consider requests for investing in beautification projects downtown. Directional signage, holiday decorations, seasonal banner placements, and graffiti cleanup are among the beautification projects funded by the BID.

Administration - 20% - Collected funds go to the collection of the assessment. Cost centers include rent, salary expense, and event coordination. This budget item also includes costs associated with assessment collections, including accounting services, printing, and mailing/postage.

Types of Businesses Assessed

- **Retail, Restaurant and Antique Collectives:** Businesses that buy and resell goods or comestibles. Examples are clothing stores, shoe stores, office supplies and antiques shops as well as businesses that sell prepared foods and drinks.
- **Service Businesses:** Businesses that sell services. Examples are beauty and barbershops, repair shops, most automotive-orientated businesses, entertainment businesses such as theaters, etc.
- **Lodging:** Includes renting rooms by the day or week to community visitors.
- **Professional Businesses:** Includes: Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and /or specialized licenses and/or advanced academic degrees.
- **Financial Institutions:** Includes Banking, Savings, Loan and Credit Unions.

Assessment by Type of Business Within Zones

<u>Business Type</u>	<u>Zone A</u>	<u>Zone B</u>	<u>Zone C</u>
Restaurants & Retailers			
1 - 3 Employees	150	100	50
4 - 6 Employees	250	166	83
7+ Employees	350	232	116
Antique Collectives			
1-3 Dealers	150	100	50
4 - 6 Dealers	250	166	83
7+ Dealers	350	232	116
Service Operators			
1-3 Emp/Operators	150	100	50
4-6 Emp/Operators	250	166	83
7+ Emp/Operators	350	232	116
Professional Businesses			
	125	82	41
Financial Institutions			
	500	500	500
Lodging			
1-10 Rooms	150	150	150
11-25 Room	250	250	250
26+ Rooms	350	350	350

Note: Retail, restaurant, and service businesses will be charged on size which will be determined by number of employees, either full-time or the equivalent made up of multiples of part-time employees while Antique Collectives will be charged by number of business licenses active within one location.

BUSINESS IMPROVEMENT DISTRICT
PETALUMA DOWNTOWN ASSOCIATION

CITY OF PETALUMA
CALIFORNIA



Legend

- City Limit
- Downtown BID

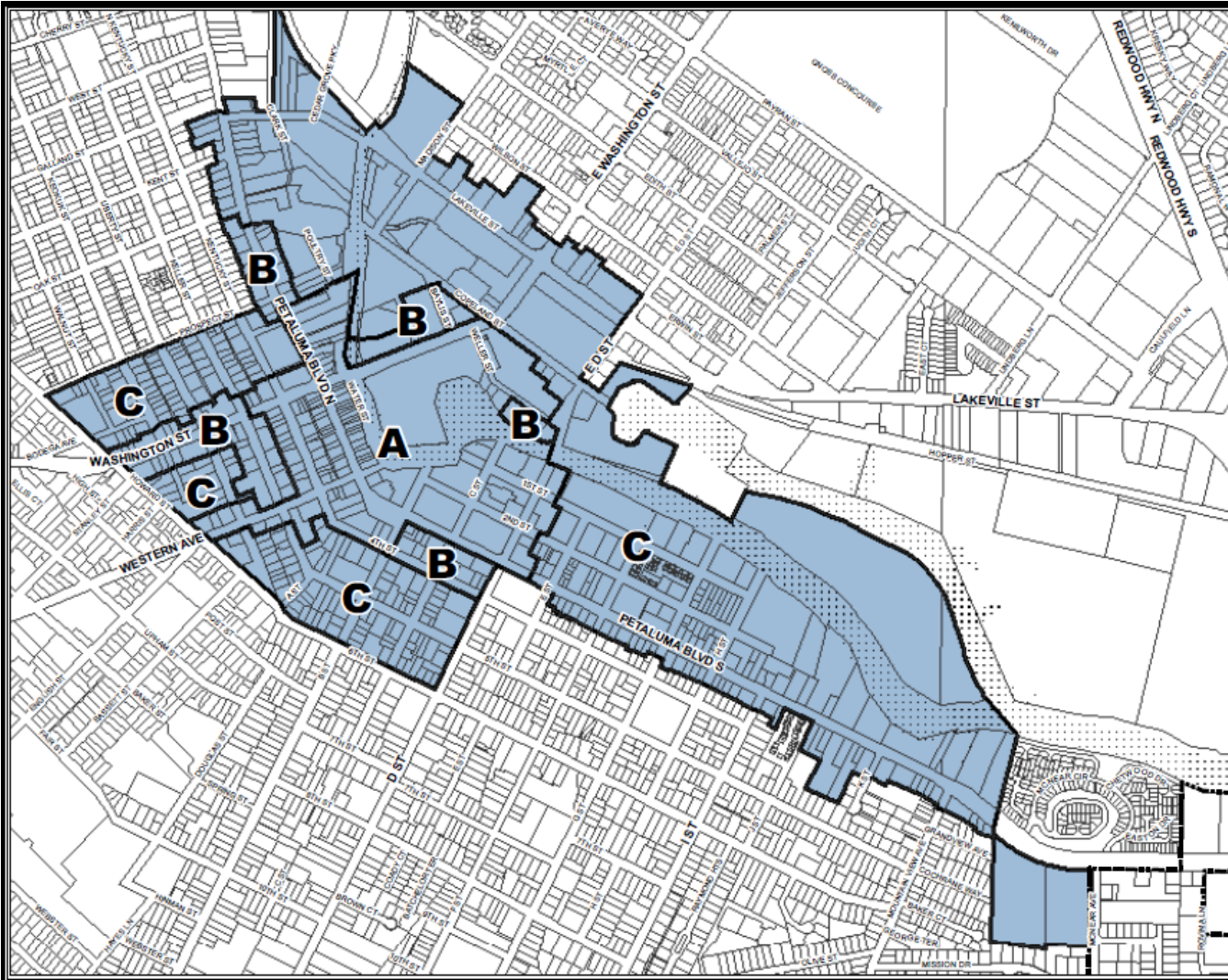
Note: Labels represent zones within the Business Improvement District.



0 260 520 1,040 1,560 Feet

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GIS Division, January 22, 2009



City of Petaluma, CA
Downtown Business Improvement District (BID)
Mungle & Associates – as administrating agent
628 E. Washington Street Suite A
Petaluma, CA 94952



January 2026

Dear Business Owner/ Tax Manager:

****2026 CITY OF PETALUMA DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID)****

The City of Petaluma City Council partners with Mungle & Associates for assistance in the collection of its mandatory Downtown Business Improvement District (BID) fees. This mailing is to transmit the 2026 Downtown Business District fees invoice that is **due upon receipt or before March 31, 2026 and becomes delinquent on April 1, 2026**. If late, late fees will apply.

This invoice is based and is calculated per your zone location, type of business and number of employees. To verify your calculation, the City of Petaluma uses data from the State Employment Development (EDD) regarding the number of employees submitted to them. Please be aware that it is important that the number of employees is accurately calculated and reported. Employees are calculated **on full time hours (part time employees should be added together to get a full time equivalent)** If you have any questions regarding zoning or number of employees, please contact Mungle & Assoc. at **(707)-241-0195** or email Mungle & Assoc. at PetalumaBID@cmungle.com.

Mungle & Associates Remittance Address:

**Mungle & Associates Attn: Petaluma BID
628 E. Washington Street. Suite A
Petaluma CA 94952**

(Make Checks Payable to: Petaluma Downtown BID)

The assessment was established in November 2000, when the Petaluma City Council adopted Ordinance 214 N.C.S. establishing the Downtown Business Improvement District (BID). This occurred at the request of the Petaluma Downtown Association (PDA), after an extensive public hearing process, required by State Law. During the process, local business owners who were to be included in the BID had the opportunity to protest the formation of the district and terminate the process. However, recognizing the utility of the BID, very few chose to oppose the BID and the District was formed. The PDA Board serves as the BID Board of Directors and administers the funds collected from you by the City of Petaluma. The PDA does not have the authority to change this ordinance or grant exemptions.

According to the 2026 annual report of the BID, approved by the Petaluma City Council in December 2025, assessment of funds will be used as follows:

27% Downtown Security	\$17,280
23% Downtown Marketing	\$14,720
30% Downtown Beautification	\$19,200
20% Administration	<u>\$12,800</u>
Total:	\$64,000

Your support of the Downtown Business Improvement District by making your timely mandatory payment continues the efforts made to maintain an economically vibrant and attractive downtown.

Sincerely yours,

Mungle & Associates
As administering agent for the City of Petaluma



City of Petaluma, CA
Downtown Business Improvement District (BID)
2024 Mandatory Assessment
Payable to: Petaluma Downtown BID

Mail To: Downtown BID c/o Mungle & Associates 628 E Washington St, Ste A, Petaluma, CA 94952

Phone: (707) 241-0195 • Email: PetalumaBid@cmungle.com

Due upon receipt or before: March 31, 2026

Delinquent: April 1, 2026

10% Penalty Phase: May 1, 2026

Downtown Petaluma Business Improvement District (BID) Assessment Fee Table

Retail, Restaurant and Antique Collectives: Businesses that buy and resell goods or comestibles. Examples are clothing stores, shoe stores, office supplies and antique shops as well as businesses that sell prepared foods and drinks.

Service Businesses: Businesses that sell services. Examples are beauty and barbershops, repair shops, most automotive orientated businesses, entertainment businesses such as theaters, etc.

Lodging: Includes renting rooms by the day or week to community visitors.

Professional Businesses: Includes Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and/or specialized licenses and/or advanced academic degrees.

Financial Institutions: Includes Banking, Savings, Loan and Credit Unions.

(Employees are calculated on full-time hours. Part-time employees should be added together to get a full-time equivalent.)

Description of Business	Zone A	Zone B	Zone C
Retailers and Restaurants:			
0-3 employees	\$ 150.00	\$ 100.00	\$ 50.00
4-6 employees	\$ 250.00	\$ 166.00	\$ 83.00
7+ employees	\$ 350.00	\$ 232.00	\$ 116.00
Antique Collectives:			
0-3 employees	\$ 150.00	\$ 100.00	\$ 50.00
4-6 employees	\$ 250.00	\$ 166.00	\$ 83.00
7+ employees	\$ 350.00	\$ 232.00	\$ 116.00
Service Businesses:			
0-3 employees	\$ 100.00	\$ 75.00	\$ 50.00
4-6 employees	\$ 200.00	\$ 150.00	\$ 100.00
7+ employees	\$ 300.00	\$ 225.00	\$ 150.00
Professional Businesses:	\$ 125.00	\$ 82.00	\$ 41.00
Financial Institutions:	\$ 500.00	\$ 500.00	\$ 500.00
Lodging:			
1 – 10 rooms	\$ 150.00	\$ 150.00	\$ 150.00
11 – 25 rooms	\$ 250.00	\$ 250.00	\$ 250.00
26+ rooms	\$ 350.00	\$ 350.00	\$ 350.00

Enter # of employees, operators, dealers or rooms: _____

(Employees are calculated on full-time hours. Part-time employees should be added together to get a full-time equivalent.)

In the table above, please circle fee assessment and enter amount due: \$ _____

If Paid after May 1st, 10% Penalty: \$ _____

Total Due: \$ _____

(Make Checks Payable To: Downtown BID)

Returned Check Disclaimer: Each returned item received due to insufficient funds will be electronically represented to the presenters' bank no more than two times in an effort to obtain payment. Downtown BID is not responsible for any additional bank fees that will accrue due to their submission of the returned item.



Petaluma Downtown BID Business Update Form

Remittance Address:

Petaluma Downtown BID c/o Mungle & Associates • 628 E Washington St, Ste A, Petaluma, CA 94952
Phone: (707) 241-0195 Email: PetalumaBID@cmungle.com

Instructions: Please complete this form if you have any changes to your account. To ensure that we have the correct information regarding your business and the number of employees you have, please update applicable sections on this form and return with your BID payment and remittance form to the address listed above. Thank you for taking the time to provide updated information on this form.

Business Name: _____ Account #: _____

DBA: _____

Business Mailing Address: _____
(Address/City State/Zip)

Business Physical Address: _____
(Street Address/City State/Zip)

Owner's Name: _____ Owner's Phone: () _____

Business Phone: () _____ Business Fax : () _____

Contact Person: _____ Contact Phone: () _____

Email Address: _____

Description of Business: _____

Function of Company: _____

Landlord's Name: _____ Landlord Phone: () _____

Business Classification (select all that apply):

- Retail Business or Restaurant Professional Business Financial Institution
- Antique Collectives Service Business Lodging

Type of Business (select one):

- Sole Proprietorship LLC - Single Member Professional Association
- General Partnership LLC - Multi Member DLLP
- Corporation Governmental Agency Other (please explain)

Business closed or no longer doing business in the municipality? Please complete the below information and return either by Fax to 707-765-1583 or by email to Downtown BID at PetalumaBID@cmungle.com.

I hereby affirm that my business indicated above closed or is no longer operating in the above mentioned municipality as of _____/_____/_____ (Date business closed).

Signature: _____ Print Name: _____

Form Completed By: _____ Print Name: _____



Petaluma Downtown Business Improvement

SAMPLE

Invoice

c/o Mungle & Associates
628 E Washington St., Ste A
Petaluma, CA 94952

Table with 2 columns: Date, Invoice #; 1/1/2026, 6350; Account #, 10001

Bill To
628 E Washington St STE A
Petaluma, CA 94952

Customer E-mail
carol@cmungle.com

Due Upon Receipt

Location

Main invoice table with columns Description and Amount. Includes text: Professional Business. Zone A Level 1, 125.00, THIS IS A MANDATORY ASSESSMENT..., We accept credit card payments..., This invoice reflects the amount our records indicate you owe..., Thank you! Your payment contributes to keeping the Business Improvement District vibrant!, DUE UPON RECEIPT DELINQUENT: APRIL 1, 2026, Total \$125.00

BID Phone # 707-241-0195

BUSINESS IMPROVEMENT DISTRICT
PETALUMA DOWNTOWN ASSOCIATION

CITY OF PETALUMA
CALIFORNIA



Legend

-  City Limit
-  Downtown BID

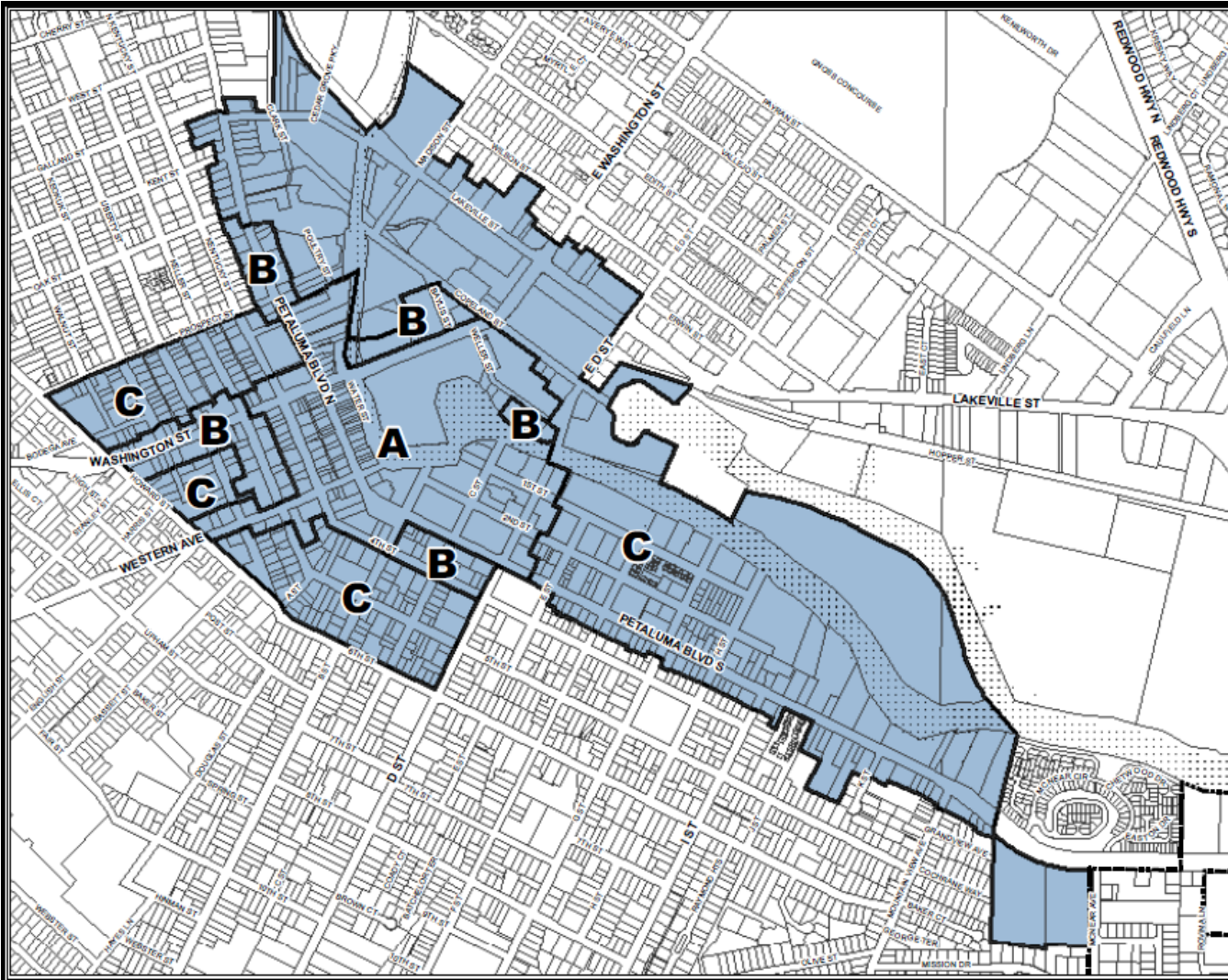
Note: Labels represent zones within the Business Improvement District.



0 260 520 1,040 1,560 Feet

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GIS Division, January 22, 2009



**Resolution No. 2025-XXX N.C.S.
of the City of Petaluma, California**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PETALUMA APPROVING THE 2026
DOWNTOWN PETALUMA BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT AND
RELATED BUDGET; DECLARING THE INTENTION TO LEVY THE 2026 ANNUAL
ASSESSMENT FOR THE DISTRICT; AND SETTING A PUBLIC HEARING ON THE PROPOSED
2026 ANNUAL ASSESSMENT ACTION**

WHEREAS, on November 20, 2000, in accordance with California Streets and Highways Code Section 36500 et seq. (“the Act”), the Petaluma City Council adopted Ordinance 2104 N.C.S., later codified as Chapter 6.04 of the Petaluma Municipal Code, establishing the Downtown Business Improvement District (“DBID”), within the area described in Exhibit A, which is attached to and made a part of this Resolution; and

WHEREAS, Section 6.04.050 of the Petaluma Municipal Code lists the types of improvements and activities that may be funded by the levy of assessments on businesses within the DBID as follows:

A. The acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following improvements:

1. Benches
2. Trash Receptacles
3. Decorations
4. Façade Improvements
5. Permanent Landscaping

B. Activities including, but not limited to, the following:

1. Promotion of public events which benefit businesses in the area, and which take place on or in public places within the area.
2. Furnishing of music in any public place in the area.
3. Activities which benefit businesses located and operating in the area, including but not limited to, commercial shopping and promotional programs; and

WHEREAS, under Section 6.04.100 of the Petaluma Municipal Code, the Board of Directors established to govern the affairs of the DBID must present the City Council with an annual report and budget for review and approval prior to the City Council consideration of levying a benefit assessment for the following fiscal year; and

WHEREAS, the requirements of Petaluma Municipal Code Section 6.04.100 are in accordance with the Act, which establishes annual procedures governing the levy of assessments pursuant to the Act, including preparation of an annual report, adoption of a resolution of intent giving notice of a public hearing at which written and oral protests may be made concerning levy of an annual assessment, and adoption of a resolution approving the annual report and levying the assessment; and

WHEREAS, Section 36535 of the Act provides that public hearings on levy of annual assessments pursuant to the Act must be conducted in accordance with Sections 36524 and 36525 of the Act, which provide as follows:

- A. The City Council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.
- B. Every written protest shall be filed with the City Clerk at or before the time fixed for the public hearing. The City Council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
- C. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.
- D. If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the City Council.
- E. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated; and

WHEREAS, the proposed DBID 2026 Budget establishes the following budgetary priorities with estimated revenues and expenditures; and

DBID 2026 Proposed Budget		
Percentage	Services	Amount
27%	Security	\$17,280
23%	Marketing	\$14,720
30%	Beautification	\$19,200
20%	Administration	\$12,800
	Total	\$64,000

WHEREAS, the 2026 Annual Report of the DBID is on file at the City Clerk’s office for public review, and attached to the staff report as Attachment 1 and contains a full and detailed description of the DBID improvements and activities to be provided for the 2026 fiscal year, the boundaries of the DBID and any benefit zones within the DBID, and the proposed assessments to be levied on businesses in the DBID for the 2026 fiscal year; and

WHEREAS, administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5)]; and

WHEREAS, if the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Petaluma as follows:

1. The above recitals are hereby declared to be true and correct and are incorporated into findings of the City Council.
2. Finds that the administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5). And if the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.
3. The DBID 2026 Annual Report, attachment 1 to the concurrent staff report and Budget, attached hereto as Exhibit A and incorporated herewith, is hereby approved.
4. Subject to California Streets and Highways Code Section 36500 et seq. (the “Act”) and a public hearing to be held pursuant to the Act, the Petaluma City Council intends to levy the assessment described in the DBID Annual Report and Budget for Fiscal Year 2026 to pay for improvements and activities within the DBID, which Annual Report and Budget is attached to and made a part of this Resolution as Exhibit A in accordance with Chapter 6.04 of the Petaluma Municipal Code and the Act.
5. A public hearing concerning levy of the assessment proposed for the DBID fiscal year 2026 will be conducted by the City Council on Monday, January 5, 2026, at the hour of 6:30 p.m., or as soon thereafter as the matter will be heard. The hearing will be held in person at City Hall, 11 English Street, Petaluma, Calif. Information on how to listen and/or speak at the hearing will be on the January 5, 2026, Petaluma City Council meeting agenda <https://cityofpetaluma.org/meetings/> by January 1, 2026.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE:

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 15th day of December 2025, by the following vote:

Approved as to form:

City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

City Clerk

Mayor

EXHIBIT A

Petaluma Downtown Business Improvement

District 2026 Annual Report, Budget, Assessment

Schedule, and Map

- 1) **Changes in Boundaries:** None are proposed.
- 2) **Changes in the Basis or Method of Assessment:** None are proposed.
- 3) **Changes in Classification of Businesses:** None are proposed.
- 4) **Improvements/Activities to be Undertaken & Related Budget:** As proposed in the budget below.
- 5) **Surplus/Deficit Carried Over from Prior Year:** Because the BID is billed on a calendar-year basis but reported on a fiscal-year basis, the account reflects a mix of collections from both periods. Our current balance, including reserves, often helps cover any potential shortfall within the fiscal year.

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Note: Retail, restaurant, and service businesses will be charged on size which will be determined by number of employees, either full-time or the equivalent made up of multiples of part-time employees while Antique Collectives will be charged by number of business licenses active within one location

BID 2025 Proposed Projects		
Proposed Projects	Rev/Exp	Notes
Security Patrols	\$15,288	Private security patrols DAILY 10pm-4am 52 weeks
	\$1,992	Additional security patrols
Security 27%	\$17,280	
Destination marketing downtown	\$500	Destination marketing ads & editorial in Chamber & Visitors guide
Sidewalk Sale	\$1,200	Street banner \$400, additional banners \$150 advertising \$500
Social Media Campaigns	\$1,000	Ads thru facebook & other social media promoting events & downtown shopping
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Administration 20%	\$12,800	
GRAND TOTAL	\$64,000	

Legal Notice: Publish Once

Resolution No. 2025-XXX N.C.S.
of the City of Petaluma, California

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PETALUMA APPROVING THE 2026 DOWNTOWN PETALUMA BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT AND RELATED BUDGET; DECLARING THE INTENTION TO LEVY THE 2026 ANNUAL ASSESSMENT FOR THE DISTRICT; AND SETTING A PUBLIC HEARING ON THE PROPOSED 2026 ANNUAL ASSESSMENT ACTION

WHEREAS, on November 20, 2000, in accordance with California Streets and Highways Code Section 36500 et seq. (“the Act”), the Petaluma City Council adopted Ordinance 2104 N.C.S., later codified as Chapter 6.04 of the Petaluma Municipal Code, establishing the Downtown Business Improvement District (“DBID”), within the area described in Exhibit A, which is attached to and made a part of this Resolution; and

WHEREAS, Section 6.04.050 of the Petaluma Municipal Code lists the types of improvements and activities that may be funded by the levy of assessments on businesses within the DBID as follows:

A. The acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following improvements:

1. Benches
2. Trash Receptacles
3. Decorations
4. Façade Improvements
5. Permanent Landscaping

B. Activities including, but not limited to, the following:

1. Promotion of public events which benefit businesses in the area, and which take place on or in public places within the area.
2. Furnishing of music in any public place in the area.
3. Activities which benefit businesses located and operating in the area, including but not limited to, commercial shopping and promotional programs; and

WHEREAS, under Section 6.04.100 of the Petaluma Municipal Code, the Board of Directors established to govern the affairs of the DBID must present the City Council with an annual report and budget for review and approval prior to the City Council consideration of levying a benefit assessment for the following fiscal year; and

WHEREAS, the requirements of Petaluma Municipal Code Section 6.04.100 are in accordance with the Act, which establishes annual procedures governing the levy of assessments pursuant to the Act, including preparation of an annual report, adoption of a resolution of intent giving notice of a public hearing at which written and oral protests may be made concerning levy of an annual assessment, and adoption of a resolution approving the annual report and levying the assessment; and

WHEREAS, Section 36535 of the Act provides that public hearings on levy of annual assessments pursuant to the Act must be conducted in accordance with Sections 36524 and 36525 of the Act, which provide as follows:

- A. The City Council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.
- B. Every written protest shall be filed with the City Clerk at or before the time fixed for the public hearing. The City Council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
- C. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.
- D. If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the City Council.
- E. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated; and

WHEREAS, the proposed DBID 2026 Budget establishes the following budgetary priorities with estimated revenues and expenditures; and

DBID 2026 Proposed Budget		
Percentage	Services	Amount
27%	Security	\$17,280
23%	Marketing	\$14,720
30%	Beautification	\$19,200

20%	Administration	\$12,800
	Total	\$64,000

WHEREAS, the 2026 Annual Report of the DBID is on file at the City Clerk’s office for public review, and attached to the staff report as Attachment 1 and contains a full and detailed description of the DBID improvements and activities to be provided for the 2026 fiscal year, the boundaries of the DBID and any benefit zones within the DBID, and the proposed assessments to be levied on businesses in the DBID for the 2026 fiscal year; and

WHEREAS, administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5)]; and

WHEREAS, if the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Petaluma as follows:

1. The above recitals are hereby declared to be true and correct and are incorporated into findings of the City Council.
2. Finds that the administration of assessment districts does not constitute a project under the California Environmental Quality Act (CEQA) because it involves continuing administrative or maintenance activities and organizational or administrative activities that will not result in direct or indirect physical changes in the environment. [14 Cal. Code Regs. § 15378(b)(2) & (5). And if the proposed action did constitute a project under CEQA the proposed action is statutorily exempt under CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares, and Charges) and categorically exempt under CEQA Guidelines Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land) as the resulting funds will be used to maintain downtown.
3. The DBID 2026 Annual Report and Budget is hereby approved.
4. Subject to California Streets and Highways Code Section 36500 et seq. (the “Act”) and a public hearing to be held pursuant to the Act, the Petaluma City Council intends to levy the assessment described in the DBID Annual Report and Budget for Fiscal Year 2026 to pay for improvements and activities within the DBID, which Annual Report and Budget is attached to and made a part of this Resolution as Exhibit A in accordance with Chapter 6.04 of the Petaluma Municipal Code and the Act.
5. A public hearing concerning levy of the assessment proposed for the DBID fiscal year 2026 will be conducted by the City Council on Monday, January 5, 2026, at the hour of 6:30 p.m., or as soon thereafter as the matter will be heard. The hearing will be held in

person at City Hall, 11 English Street, Petaluma, Calif. Information on how to listen and/or speak at the hearing will be on the January 5, 2026, Petaluma City Council meeting agenda <https://cityofpetaluma.org/meetings/> by January 1, 2026.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE:

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the XX day of MONTH 2025, by the following vote:

Approved as to form:

City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

City Clerk

Mayor

EXHIBIT A

Petaluma Downtown Business Improvement

District 2026 Annual Report, Budget, Assessment

Schedule, and Map

- 1) **Changes in Boundaries:** None are proposed.
- 2) **Changes in the Basis or Method of Assessment:** None are proposed.
- 3) **Changes in Classification of Businesses:** None are proposed.
- 4) **Improvements/Activities to be Undertaken & Related Budget:** As proposed in the budget below.
- 5) **Surplus/Deficit Carried Over from Prior Year:** Because the BID is billed on a calendar-year basis but reported on a fiscal-year basis, the account reflects a mix of collections from both periods. Our current balance, including reserves, often helps cover any potential shortfall within the fiscal year.

2026 Budget Allocations

Percentage	Activity Type	Amount
27%	Security	\$17,280
23%	Marketing	\$14,720
30%	Beautification	\$19,200
20%	Administration	\$12,800
100%	Total Services	\$64,000

Security - 27% - The Petaluma Downtown Association (PDA) contracts for security coverage of the general downtown area to be performed on a regular nightly schedule.

Marketing - 23% - These funds are used to supplement additional funds paid by individual merchants for the combined marketing efforts to create public awareness of events occurring in the downtown, e.g., Sidewalk Sale, Trick-or-Treat Trail, and other downtown events such as those listed under “administration.” PDA develops joint marketing agreements with the merchants using these funds and utilizes the combined buying power of the PDA and merchant community to obtain favorable prices for advertising that would not ordinarily be available to the individual merchant.

Beautification - 30% - A volunteer committee meets to consider requests for investing in beautification projects downtown. Directional signage, holiday decorations, seasonal banner placements, and graffiti cleanup are among the beautification projects funded by the BID.

Administration - 20% - Collected funds go to the day-to-day operations of the PDA office. Cost centers include rent, salary expense, and event coordination. This budget item also includes costs associated with assessment collections, including accounting services, printing, and mailing/postage.

Types of Businesses Assessed

- **Retail, Restaurant and Antique Collectives:** Businesses that buy and resell goods or comestibles. Examples are clothing stores, shoe stores, office supplies and antiques shops as well as businesses that sell prepared foods and drinks.
- **Service Businesses:** Businesses that sell services. Examples are beauty and barbershops, repair shops, most automotive-orientated businesses, entertainment businesses such as theaters, etc.
- **Lodging:** Includes renting rooms by the day or week to community visitors.
- **Professional Businesses:** Includes: Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and /or specialized licenses and/or advanced academic degrees.
- **Financial Institutions:** Includes Banking, Savings, Loan and Credit Unions.

Assessment by Type of Business Within Zones

<u>Business Type</u>	<u>Zone A</u>	<u>Zone B</u>	<u>Zone C</u>
Restaurants & Retailers			
1 - 3 Employees	150	100	50
4 - 6 Employees	250	166	83
7+ Employees	350	232	116
Antique Collectives			
1-3 Dealers	150	100	50
4 - 6 Dealers	250	166	83
7+ Dealers	350	232	116
Service Operators			
1-3 Emp/Operators	150	100	50
4-6 Emp/Operators	250	166	83
7+ Emp/Operators	350	232	116
Professional Businesses	125	82	41
Financial Institutions	500	500	500
Lodging			
1-10 Rooms	150	150	150
11-25 Room	250	250	250
26+ Rooms	350	350	350

Note: Retail, restaurant, and service businesses will be charged on size which will be determined by number of employees, either full-time or the equivalent made up of multiples of part-time employees while Antique Collectives will be charged by number of business licenses active within one location

BID 2025 Proposed Projects		
Proposed Projects	Rev/Exp	Notes
Security Patrols	\$15,288	Private security patrols DAILY 10pm-4am 52 weeks
	\$1,992	Additional security patrols
Security 27%	\$17,280	
Destination marketing downtown	\$500	Destination marketing ads & editorial in Chamber & Visitors guide
Sidewalk Sale	\$1,200	Street banner \$400, additional banners \$150 advertising \$500
Social Media Campaigns	\$1,000	Ads thru facebook & other social media promoting events & downtown shopping
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Petaluma Downtown Business Improvement District Boundary Map

