

RESOLUTION NO. 2016-65

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA  
RECEIVING BUSINESS LICENSE TAX INFORMATION AND PROVIDE  
STAFF WITH ANY FURTHER DIRECTION IN THE MATTER

WHEREAS, the City Council held its Strategic Planning and Goal Setting Retreat on February 19 and 20th, 2016; and

WHEREAS, during the retreat, the Council discussed various goals, strategies and priorities for improving the community, City service levels and City financial position; and

WHEREAS, the City Council requested that Staff provide additional information regarding the Marina business license tax.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Marina do hereby

- (1) Receives the business license tax information; and
- (2) Direct staff to bring this matter back with more detailed information as to the potential revenues based on gross revenues of businesses by category

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 19<sup>th</sup> day of April 2016, by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Brown, Morton, O'Connell, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

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Bruce C. Delgado, Mayor

ATTEST:

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Anita Sharp, Deputy City Clerk

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of May 3, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-  
RECEIVING BUSINESS LICENSE TAX INFORMATION AND  
PROVIDE STAFF WITH ANY FURTHER DIRECTION IN THE  
MATTER**

**REQUEST:**

1. Adopting Resolution No. 2016-, receiving Business License Tax information and provide staff with any further direction in the matter.

**BACKGROUND:**

The City Council held its Strategic Planning and Goal Setting Retreat on February 19 and 20<sup>th</sup>, 2016. During the retreat, the Council discussed various goals, strategies and priorities for improving the community, City service levels and City financial position. Staff informed the Council that the Marina business license tax is significantly lower than its neighboring jurisdictions and a review of the business license tax may be warranted.

The Marina business license tax took effect in 1978 and based upon the municipal code, the tax rates have not changed since 1978 (or 38 years). The business license tax rates were not index (i.e. to Consumer Price Index CPI) so the tax rates remained the same since 1978. For example, many business license categories pay \$25 per year.

Any expansion and/or increase of the Marina business license tax would require the City voter approval at a general election.

**ANALYSIS:**

At a summary level, the City annual business license revenue is \$120,000 (tax approx.\$80k and processing fee approx.\$40k). As of March 2016, there were 1,056 active Marina business licenses, with 540 businesses located within the city limits. The detail are as follows:

<b>Count of BusinessName</b>	
<b>Classifications</b>	<b>Total</b>
Advertising - outdoor structures	1
Any person conducting a business exclusively with a vehicle	25
Card Rooms	2
Coin operated machines - generally	9
Coin operated machines, laundry equipment	3
Contractors	348
Industrial Manufacturing	12
Motel, Apartment, etc. (living facility with ten or more units or spaces)	63
Professional Establishments	77
Retail, wholesale sales (services dealing with the public)	514
Soliciting, hawking, peddling	2
<b>Grand Total</b>	<b>1,056</b>

<b>Classifications</b>	<b>Located within Marina</b>
Advertising - outdoor structures	1
Any person conducting a business exclusively with a vehicle	2
Card Rooms	2
Coin operated machines - generally	7
Coin operated machines, laundry equipment	1
Contractors	50
Industrial Manufacturing	11
Motel, Apartment, etc. (living facility with ten or more units or spaces)	63
Professional Establishments	40
Retail, wholesale sales (services dealing with the public)	363
Soliciting, hawking, peddling	
Grand Total	540

For comparison purpose, **Exhibit A, B and C** provides the business license tax rates for Marina, Seaside and Salinas, respectively. Below is are examples of business license tax due by agency:

<b>Description</b>	<b>Marina</b>	<b>Seaside</b>	<b>Salinas</b>
Retail with gross revenues of \$1,500,000	\$135	\$1,343	\$1,050
Hotel with 80 rooms or gross revenues of \$2,000,000	\$80	\$3,700	\$300
Professional = owner only (no employee) or gross revenues of \$500,000	\$50	\$893	\$200
Contractors = owner only (no employee) or gross revenues of \$500,000	\$50	\$394	\$100

**FISCAL IMPACT:** No fiscal impact to receive this information.

**CONCLUSION:** This request is submitted for City Council consideration and possible action.

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Lauren Lai, CPA  
Finance Director  
City of Marina

**REVIEWED/CONCUR:**

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Layne P. Long  
City Manager  
City of Marina