

**RESOLUTION NO. \_\_\_\_-2024**

**RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF FORT BRAGG**

and

**RESOLUTION NO. ID \_\_\_\_\_-2024**

**RESOLUTION OF THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT  
BOARD**

**EXTENDING THE WATER CAPITAL IMPROVEMENT FEE AND SEWER  
CAPITAL IMPROVEMENT FEE DEFERRAL PROGRAM FOR  
RESTAURANTS, CAFES, AND COFFEE SHOPS IN THE CENTRAL  
BUSINESS DISTRICT AND DECLARING THE DEFERMENT EXEMPT FROM  
CEQA UNDER 14 CCR15273(a)(4)**

**WHEREAS**, pursuant to Resolution No. 4171-2000, the City of Fort Bragg imposes a capacity charge (the “Water Fee”) to fund capital improvements to the City's water system; and

**WHEREAS**, pursuant to Section 14.24.060 of the Fort Bragg Municipal Code, the Fort Bragg Municipal Improvement District collects and sets the rate of a capacity charge (the “Sewer Fee”) to fund capital improvements to the District's wastewater system; and

**WHEREAS**, the Water Fee and the Sewer Fee (collectively, the “Fees”) are distinct from the service charges recurring utility fees charged for ongoing use of water or sewer services; and

**WHEREAS**, small businesses located in the Central Business District were economically disproportionately impacted during the COVID-19 pandemic and associated State and County Shelter-in-Place orders; and

**WHEREAS**, businesses in the Central Business District have closed or downsized their retail presence during the COVID-19 pandemic and associated State and County Shelter-in-Place orders in greater numbers than businesses located in the rest of the City; and

**WHEREAS**, the number of vacant storefronts in the Central Business District continues to impact the economic vitality of the downtown Central Business District; and

**WHEREAS**, the historic downtown Central Business District is an important aspect of and an asset to the City's tourism-based economy; and

**WHEREAS**, essentially all of the businesses in the Central Business District have been and continue to be small unique enterprises that make the Fort Bragg Central Business District an attraction for visitors and encourages those visitors to stroll through the shops, and fee deferrals may allow businesses to establish new uses in vacant buildings and thereby improving the overall vitality of the downtown area; and

**WHEREAS**, the lack of food service businesses in the Central Business District, particularly on Franklin Street, has been cited as a contributing factor to the increase in vacant buildings. The lack of food service businesses has also been blamed as partially responsible for the limited hours of operation in the Central Business District, which in turn reduces the pedestrian traffic; and

**WHEREAS**, the City Council, by its Resolutions No. 4495-2021 and 4741-2023, created a program that allowed the temporary deferral of the Water Fee for restaurants, cafes and coffee shops in the Central Business District; and

**WHEREAS**, the Board of Directors of the Improvement District, by its Resolution No. ID 460-2021, created a program that allowed the temporary deferral of the Sewer Fee for restaurants, cafes and coffee shops in the Central Business District; and

**WHEREAS**, the City Council and the Board of Directors desire to extend the deferral programs for the Water Fee and the Sewer Fee (collectively the "Fees"); and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Fort Bragg and the Board of Directors of the Fort Bragg Municipal Improvement District No. 1 that:

1. Based on all the evidence presented, the City Council and Board of Directors find as follows:
  - a. The foregoing recitals are true and correct and are made a part of this Resolution.
  - b. The continued deferral of the Fees could encourage potential Restaurant, Cafe, and Coffee Shop businesses (as defined in the City's Inland Land Use & Development Code) to expand their existing use or engage in new enterprises in the Central Business District.
  - c. Expanded and newly established Restaurant, Cafe, and Coffee Shop businesses in the Central Business District would add additional pedestrian traffic to the neighborhood and create a destination or anchor that would benefit other businesses in the Central Business District.
  - d. The continued deferral of the Water Capital Improvement Fee is consistent with the City's Priority Area 1: Jobs/Industry and Goal 3 - Foster and help sustain local businesses.
2. Only at the request of an applicant, the City/Improvement District shall defer collection of either or both of the Fees where such fee would otherwise be due in connection with a change in occupancy in the Central Business District to the extent the resulting occupancy is a Restaurant, Cafe or Coffee Shop.
3. Such deferral may only be requested in connection with a building permit that is issued no earlier than January 1, 2024, and no later than December 31, 2025.
4. The deferred Fee may be paid to the City/Improvement District at any time; the amount due shall be calculated based on the Fee (or Council/Board designated successor to the Fee) that would be due if the change in use occurred at the time the Fee (or successor) is actually paid (ie, the then-current rate schedule will apply; not the

schedule that was in effect at the time deferral was granted).

5. If a subsequent change in use occurs at a property for which a Fee has been deferred and not repaid, the Fee (or its successor) (in connection with that change in use shall be calculated as if the existing use on the property was the use that existed before the change in use for which the Fee was deferred. Payment of the Fee thus calculated at the then-current rates shall satisfy the deferred Fee and the Fee (or successor) then due.
6. It is the intent of the City Council that the City will loan from the General Fund to the funds into which Fee proceeds are normally deposited in such amounts as are necessary to ensure that the deferral of Fees does not delay the improvement of the water and sewer systems.
7. Staff shall maintain as a public record a list of locations that have been granted a deferral pursuant to this Resolution.
8. The Master Fee Schedule shall be amended to reference this Resolution; to summarize the deferral program established by this Resolution; and to advise of the existence of the list maintained pursuant to Section 7 of this Resolution and the methods for obtaining such list.
9. The following terms shall have the following meanings:
  - a. "Restaurant, Cafe or Coffee Shop" shall have the same meaning as set forth in the Inland Land Use & Development Code.
  - b. "Central Business District" shall mean the CBD Zoning District as established under the Inland Land Use & Development Code.
10. If the City Council/Board adopts a new fee that it designates as a successor to a Fee that is eligible for deferral, that successor fee shall itself be a Fee that is eligible for deferral.
11. The action taken by this Resolution is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to Title 14, the California Code of Regulations("CEQA Guidelines"), Section 15273(a)(4) which provides an exception for modifications to fees for the purpose of obtaining funds for capital projects necessary for maintaining service within existing service areas; and
12. This Resolution shall become effective upon its adoption.

**The above and foregoing Resolution was introduced by Council/Board Member \_\_\_\_\_, seconded by Council/Board Member \_\_\_\_\_, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg/District Board of the Fort Bragg Municipal Improvement District No. 1 held on the 12<sup>th</sup> day of February, 2024, by the following vote:**

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**  
**RECUSED:**

**BERNIE NORVELL**  
**Mayor/Chairperson**

**ATTEST:**

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**Diana Sanchez**  
**City Clerk/Secretary**