



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: May 12, 2020

SUBJECT: Consideration of Relief to La Mesa Businesses of In-City Business License Fees During the COVID-19 Health Emergency

ISSUING DEPARTMENT: Finance

SUMMARY:

Issue:

Should the City Council adopt a resolution confirming the Director of Emergency and Disaster's regulation to waive in-City business license fees for La Mesa businesses through April 2021?

Recommendation:

That the City Council adopt a resolution confirming the Director of Emergency and Disaster's regulation to waive in-City business license fees for La Mesa businesses through April 2021.

Fiscal Impact:

Waiving of fees will result in a loss of business tax revenue of approximately \$265,000 through the end of Fiscal Year 2020/2021.

City's Strategic Goals:

Maintain a financially sound and affordable city government

BACKGROUND:

At the City Council meeting on April 28, 2020 Council Member Alessio raised concerns over the difficulties that La Mesa businesses are currently facing regarding the novel COVID-19 virus and consequently, the City Council directed staff to examine how to provide relief to local businesses from business license fees. On March 4, 2020 the

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Governor had declared a statewide emergency and the City of La Mesa proclaimed the existence of a local emergency on March 13. On March 19 an executive order by the Governor ordered that all individuals stay home except for essential workers. This has resulted in the temporary closing of numerous businesses in La Mesa as well as difficulties for businesses that were able to stay open in some capacity.

Pursuant to Title 6 of the La Mesa Municipal Code the City requires business licenses for all persons and organizations that conduct business within the City limits, either temporarily or from a fixed place of business. There are approximately 5,500 active licenses currently. In-city businesses with a fixed location within the City limits hold over 3,700 licenses and include home businesses, salon booth rentals, restaurants and bars, offices, retail, day care, trailer parks, and apartment complexes. The fees charged to these businesses vary based on the type of business with most paying \$35 per year, plus an additional \$3 per employee for commercial businesses or a flat \$35 per year for home businesses. Fees collected from La Mesa businesses total approximately \$265,000 per year. Out-of-city businesses are located outside of the City limits and enter La Mesa to conduct business such as contractors and consultants. These businesses are generally charged a flat fee of \$70 per year from which the City collects approximately \$125,000 annually. Additionally, all businesses must pay a state-mandated \$4 CASp (Certified Access Specialist) fee that funds a program for accessibility standards training.

Licenses are valid for one year and are renewed twelve months after a business begins operating and every year following with all fees collected at the time of application and again with each renewal. Businesses are mailed a renewal form annually with an explanation of fees due.

DISCUSSION:


In recognition of the hardship experienced by La Mesa businesses related to the novel COVID-19 virus, the waiver of business license fees for in-City La Mesa businesses will provide a measure of relief as follows:

- Waiver of business license fees of in-city businesses for one year beginning May 13, 2020 through April 30, 2021.
- Applications for new businesses would still be accepted and processed for required approvals through the Planning and Zoning Division, Fire Prevention and other divisions as necessary.
- Renewals would still be mailed annually but would include an insert and other indicators that renewal fees are waived.
- CASp fees would still be collected for all applications and renewals as required by state law.
- Out-of-city businesses would still pay fees with no change to current procedures.

CONCLUSION:


Staff recommends that the City Council consider and provide direction regarding the adoption of a resolution confirming the Director of Emergency and Disaster's regulation to waive in-City business license fees for La Mesa businesses through April 2021.

Reviewed by:



Greg Humora
City Manager

Respectfully submitted by:



Sarah Waller-Bullock
Director of Finance



Scott Munzenmaier
Purchasing Officer

Attachments: Resolution

RESOLUTION NO. 2020-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MESA CONFIRMING
THE DIRECTOR OF EMERGENCY AND DISASTER'S REGULATION TO WAIVE
IN-CITY BUSINESS LICENSE FEES FOR LA MESA BUSINESSES COMMENCING
MAY 13, 2020 THROUGH APRIL 30, 2021

WHEREAS, on April 14, 2020 the City Council of the City of La Mesa confirmed the Mayor's appointment of the City Manager as Director of Emergency and Disaster (Director);

WHEREAS, the Director has promulgated numerous rules and regulations which have been confirmed by the City Council;

WHEREAS, the Director has now promulgated a regulation to waive in-city business license fees for La Mesa businesses commencing May 13, 2020 through April 30, 2021;

WHEREAS, La Mesa Municipal Code Section 2.56.060 requires that the City Council confirm such regulation to waive in-city business license fees;

WHEREAS, on March 4, 2020 the Governor declared a statewide emergency regarding the novel COVID-19 virus and the City of La Mesa proclaimed the existence of a local emergency on March 13;

WHEREAS, on March 19 an executive order by the Governor ordered that all individuals stay home except for essential workers which has resulted in the temporary closure of numerous businesses in La Mesa as well as difficulties for businesses that were able to stay open in some capacity;

WHEREAS, La Mesa requires business licenses for all persons, firms or corporations that conduct business within the City limits, either with or without a fixed place of business, including annual fees (as well as a state-mandated \$4 CASp fee); and

WHEREAS, in recognition of the hardship that has been presented to La Mesa businesses by the novel COVID-19 virus, the waiver of business license fees for in-City La Mesa businesses would provide a measure of relief.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California, that the City Council confirms the Director of Emergency and Disaster's regulation to waive in-city business license fees (but not state-mandated CASp fees) required pursuant to Title 6 of the La Mesa Municipal Code commencing May 13, 2020 through April 30, 2021 for La Mesa Businesses with a fixed place of business within the City limits.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of La Mesa, California, held the 12th day of May 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MEGAN WIEGELMAN, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2020-__, duly passed and adopted by the City Council of said City on the 12th of May 2020, and by the vote therein recited.

MEGAN WIEGELMAN, CMC, City Clerk

(SEAL OF CITY)