



REPORT TO COUNCIL

City of Sacramento

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www.CityofSacramento.org

PUBLIC HEARING
August 7, 2008

**Honorable Mayor and
Members of the City Council**

Title: 12th Street Maintenance District

Location/Council District: 12th Street between "C" and "I" Streets in Council Districts 1 and 3 (Exhibit B-1, Page 11).

Recommendation: Conduct a Public Hearing on the proposed dissolution of the existing District and its replacement with a new assessment District and upon conclusion of the Public Hearing: 1) direct staff to count the ballots and return with the results; then 2) Receive the City Clerk's oral report on the tabulation. Based on the results of the tabulation **either: a)** adopt a **Resolution** approving the Engineer's Report, ordering the formation of the 12th Street Maintenance District No. 2008-02, dissolving the existing Maintenance District No. 90-03, confirming and levying a service fee to pay for maintenance services, and recording a notice of assessment with the County Recorder; and adopt a **Resolution** amending the FY2008/09 City budget for the 12th Street Maintenance District No. 2008-02; **OR b)** adopt a **Resolution** terminating the proceedings as to 12th Street Maintenance District No. 2008-02 and directing staff to return for the proceedings to dissolve the 12th Street Maintenance District No. 90-03.

Contact: Salina Cheung, Program Specialist, (916) 808-5236; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenter: Salina Cheung

Department: Planning Department

Division: Public Improvement Financing

Organization No.: 22001411

Description/Analysis:

Issue: The existing 12th Street Maintenance District No. 90-03 ("District") was formed on April 3, 1990 to provide funding for sidewalk cleaning and landscape maintenance. With the passage of the Proposition 218 in 1997, the annual service fee rate was frozen and cannot be increased without a vote.

The annual service fee has become insufficient to cover all the costs incurred by this District. In the past few years, the fund balance of the District has been

used to cover only some of the costs. The fund balance has now been completely depleted and services cannot be maintained.

A new District will allow a sufficient annual service fee rate and the flexibility to increase the rate in accordance with consumer price index. If the new District is approved, the existing District would be dissolved. If the new District is not approved, the existing District would be levied one last time for FY08/09 and the proceedings to initiate dissolution of the existing District would begin in the Spring of 2009. Also, the property owners will be responsible for the maintenance services.

Policy Considerations: The formation proceedings are being conducted in accordance with City Code Chapter 3.128, Section XIID of the California Constitution, and the Proposition 218 Omnibus Implementation Act,. This process is consistent with the City's Strategic Plan 3-Year Goal to "achieve sustainability and enhance livability."

Sustainability Considerations: There are no sustainability considerations applicable to the formation process and administration of a special district.

Environmental Considerations: Under California Environmental Quality Act (CEQA) Guidelines, administration and annual maintenance of a special district do not constitute a project and are therefore exempt from review.

Committee/Commission: None

Rationale for Recommendation: The actions in the recommended Resolutions are pursuant to Article XIID of the California Constitution, the Proposition 218 Omnibus Implementation Act, and Chapter 3.128 of the Sacramento City Code.

Financial Considerations: The proposed service fee will be used to defray expenses associated with the maintenance services and administration provided in the new District. The proposed service fee rate for FY2008/09 will be \$3.32 per linear foot of the property frontage on 12th Street. The total cost of the District for FY2008/09 is \$12,625. The amount charged to the property owners is proposed to be \$266 per year for a typical 80 foot wide parcel. There is no impact to the General Fund.

Emerging Small Business Development (ESBD): City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: Carol Shearly
for Mark Griffin
Manager, Planning Department

Approved by: Carol Shearly
Carol Shearly
Director, Planning Department

Recommendation Approved:

Ray Kerridge
Ray Kerridge
City Manager

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BACKGROUND

On April 3, 1990, City Council adopted Resolution No. 90-245 approving the formation of the 12th Street Maintenance District No. 90-03 (“existing District”). The existing District was formed under City Code Chapter 3.128 as a maintenance benefit area for the purpose of funding services that are over and above normal services provided by the City. The maintenance services include the following:

- Weekly (one time per week) clean-up of the sidewalks and gutters, litter pick-up and weed control in the landscaped areas.
- Shrub & tree pruning (for trees less than 15 feet high) performed up to 4 times per year.
- Leaf collection and removal during the fall/winter seasons.

The existing District has 41 commercial parcels, which include nine publicly owned parcels, within a seven block area along both sides of 12th Street from “C” Street to “I” Street. Since 1997, after the passage of the Proposition 218 Omnibus Implementation Act, the annual service fee rate has remained the same without any increases. This is because this District was formed without the inclusion of an option to increase the service fee each year by the consumer price index inflator. The current annual service fee rate is at the maximum authorized level; however, the total annual service fee amount has become insufficient to cover all the maintenance and administration costs. In the past few years, the fund balance of the existing District has been used to cover only some of the costs. The fund balance has now been completely depleted.

In order to provide funding for the remainder of the current maintenance contract, staff is levying the existing District for the last time in Fiscal Year (FY) 2008/09. After the current maintenance contract expires at the end of December 2008, the existing District will not have enough funding to provide services within the District area. The proposed formation of the new District allows the property owners to vote and decide if they want to continue the maintenance services through the City. The new District would allow a higher annual service fee rate to be charged and the flexibility to increase the rate in accordance with consumer price index.

If the property owners choose to form a new District, they will be assessed the new District’s service fee rate for FY08/09 and there will be no interruption with the maintenance services. However, if the property owners choose not to form a new District, they will be responsible for the maintenance services or they may contract with private maintenance firms to continue the maintenance services beginning January 1, 2009.

Staff has initiated the proceedings to form a new District on June 17, 2008.

**12th Street Maintenance District No. 2008-02
Schedule of Proceedings**

June 17, 2008 Resolution of Intention and Set Date for Public Hearing

June 18, 2008 Mailing and Publishing Public Hearing Notices

August 7, 2008 Public Hearing

If the proposed District is approved:

August 2008 New service fees are placed on County Tax Roll or hand-billed to public agency parcels.
Existing District is dissolved.

If the proposed District is not approved:

August 2008 Existing service fees are placed on County Tax Roll or hand-billed to public agency parcels for the last time.

Spring 2009 Proceedings to initiate the dissolution of the existing District.

RESOLUTION NO.

Adopted by the Sacramento City Council

**ORDERING DISSOLUTION OF 12th STREET MAINTENANCE DISTRICT NO. 90-03;
ADOPTING THE ENGINEER'S REPORT AND ORDERING FORMATION OF THE
12TH STREET MAINTENANCE DISTRICT NO. 2008-02; CONFIRMING AND LEVYING
AN ASSESSMENT, ORDERING MAINTENANCE SERVICES TO BE PERFORMED IN
THE DISTRICT, AND DIRECTING THAT A NOTICE OF ASSESSMENT BE
RECORDED**

BACKGROUND

- A. The 12th Street Maintenance District No. 2008-02 is proposed to replace the existing 12th Street Maintenance District No. 90-03, which provides funding for services that are over and above normal services offered by the City.
- B. Property owners within the boundaries of the District, shown on Exhibit B-1 to this Resolution, are proposed to be charged a service fee to cover the cost of delivering maintenance services that are greater than normal city services.
- C. By Resolution No. 2008-413, the City Council (1) initiated proceedings to establish the territory described in Exhibit A the proposed maintenance benefit area, to be designated as the 12th Street Maintenance District No. 2008-02; (2) designated the Supervising Engineer of the Department of Transportation to be the Engineer for purposes of (a) establishing the territory described in Exhibit A the proposed maintenance benefit area; and (b) fixing a service fee to be charged against each owner of the property lying in the proposed maintenance benefit area to finance the maintenance services generally described in Exhibit B; (3) directed the Engineer to prepare and file with the City Clerk a map of the territory to be established and (4) directed the Engineer to prepare and file with the City Clerk the Engineer's Report required by section 4 in article XIID of the California Constitution.
- D. As directed, the Engineer has prepared and filed with the City Clerk (1) a map entitled "Boundary Map 12th Street Maintenance District No. 2008-02" which shows the proposed boundaries of the territory to be established (the Boundary Map); and (2) an Engineer's Report prepared in accordance with section 4 in article XIID of the California Constitution (the Engineer's Report). The City Clerk presented the Boundary Map and the Engineer's Report to the City Council for consideration, and, after considering them, the City Council approved the Boundary Map and preliminarily approved the Engineer's Report by Resolution No. 2008-414.
- E. By Resolution No. 2008-415, the City Council declares (a) that it intends to establish the territory described in Exhibit A in accordance with Chapter 3.128; (b) that the boundaries of the territory are as shown on the Boundary Map entitled "Boundary Map 12th Street Maintenance District No. 2008-02" which was approved

by Resolution No. 2008-414 and is on file in the City Clerk's office; (c) that the maintenance services to be provided are generally described in Exhibit B; (d) that all real property within the territory will be specially benefited by the maintenance services unless the City Council finds and determines otherwise at the public hearing; (e) that the City Council intends to pay for the maintenance services by levying annual service fees, in accordance with Chapters 3.44 and 3.128 of the Sacramento City Code and article XIID of the California Constitution, on all assessable lots and parcels within the established territory that are specially benefited by the maintenance services; and (f) the City Council intends to dissolve the existing maintenance district No. 90-03, if the new maintenance district No. 2008-02 is approved by the property owners.

- F. By Resolution No. 2008-415, the City Council also (1) set August 7, 2008, as the date for a public hearing on the proposed service fee; (2) directed the City Clerk to give notice of the hearing in accordance with Chapter 3.44 of the Sacramento City Code, with the notices to include assessment ballots as required by article XIID of the California Constitution; and (3) found that all assessable lots and parcels within the established territory will be specially benefited by the maintenance services unless the City Council finds and determines otherwise at the public hearing.
- G. The City Clerk has filed with the City Council an affidavit confirming her compliance with the legal requirements for mailing the notices and ballots. Relying on this affidavit, the City Council finds that a notice of public hearing and an assessment ballot were mailed to each record owner of an identified parcel within the territory to be established, as ordered by Resolution No. 2008-415 and as required by law.
- H. On August 7, 2008, at the time and place set forth in the notice of hearing mailed to all owners of real property located within the territory to be established, the City Council held a public hearing on the proposed service fee. During the hearing, the City Council (1) heard all protests against the proposed service fee from record owners of real property within the territory to be established; and (2) accepted testimony from all interested persons, whether or not they own real property within the territory to be established. Immediately after the hearing concluded, the City Clerk tabulated the assessment ballots submitted and not withdrawn (weighting the ballots according to the amount of the service fee on each parcel) and determined that the total dollar amount of all ballots cast in favor of the service fee exceeded the total dollar amount of all ballots cast in opposition to it.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds and determines that the Background statements A through H are true and correct.
- Section 2. No majority protest having been made through the assessment-ballot procedure, the City Council—
- (a) overrules all protests to the proposed assessment and these proceedings;

- (b) orders the dissolution of 12st Street Maintenance District No. 90-03 effective on the date of this resolution;
- (c) approves the Engineer's Report on the proposal to levy an annual service fee on land within the territory to be established, which is on file with the City Clerk and was preliminarily approved by Resolution No. 2008-414;
- (d) establishes a budget, as set forth in the Engineer's Report;
- (e) orders the formation of the district of the territory generally described in Exhibit A, with exterior boundaries as shown on the assessment diagram set forth in the Engineer's Report and the boundary map approved by Resolution No. 2008-414;
- (f) orders that the maintenance services described in the Engineer's Report be provided within the established territory;
- (g) finds and determines that each parcel within the established territory, as shown on the assessment diagram set forth in the Engineer's Report, has been assessed in proportion to the benefits the parcel will receive from the maintenance services, all as described in the Engineer's Report;
- (h) confirms the assessment diagram and the assessment roll set forth in the Engineer's Report; and
- (i) levies the assessment set forth in the Engineer's Report.

Section 3. In accordance with section 3114 of the Streets and Highways Code, the City Clerk is directed to transmit the assessment diagram and the assessment roll to the Engineer, the City's Supervising Engineer of the Department of Transportation. The Engineer is directed to record the assessment diagram and assessment roll in his or her office.

Section 4. In accordance with section 3114 of the Streets and Highways Code, the City Clerk is further directed to file a copy of the assessment diagram in the office of the Sacramento County Recorder and to execute and record a notice of assessment in the office of the Sacramento County Recorder. Upon the recording of the diagram and notice, the assessment will become a lien upon the parcels assessed.

Section 5. Exhibits A, B, and B-1 are part of this resolution.

Table of Contents:

Exhibit A: Boundary Description - 1 Page
Exhibit B: Maintenance Description - 1 Page
Exhibit B-1: Map of District - 1 Page

EXHIBIT A

**12th Street Maintenance District No. 2008-02
Boundary Description**

All that portion of the City of Sacramento as shown on the official map or plat thereof described as follows:

Beginning at the center of the intersection of C Street and 12th Street then east along the center of C Street to a point north of the northeast corner of the parcel located at the southeast corner of C Street and 12th Street, then south along the east property line of all parcels with frontage on 12th Street or adjacent to the parcels with frontage on 12th Street between C Street and E Street, to the center of I Street, then west along the center of I Street to a point south of the southwest corner of the parcel located at the northwest corner of I Street and 12th Street, then north along the west property line of all parcels with frontage on 12th Street to the center of C Street, then east to the beginning.

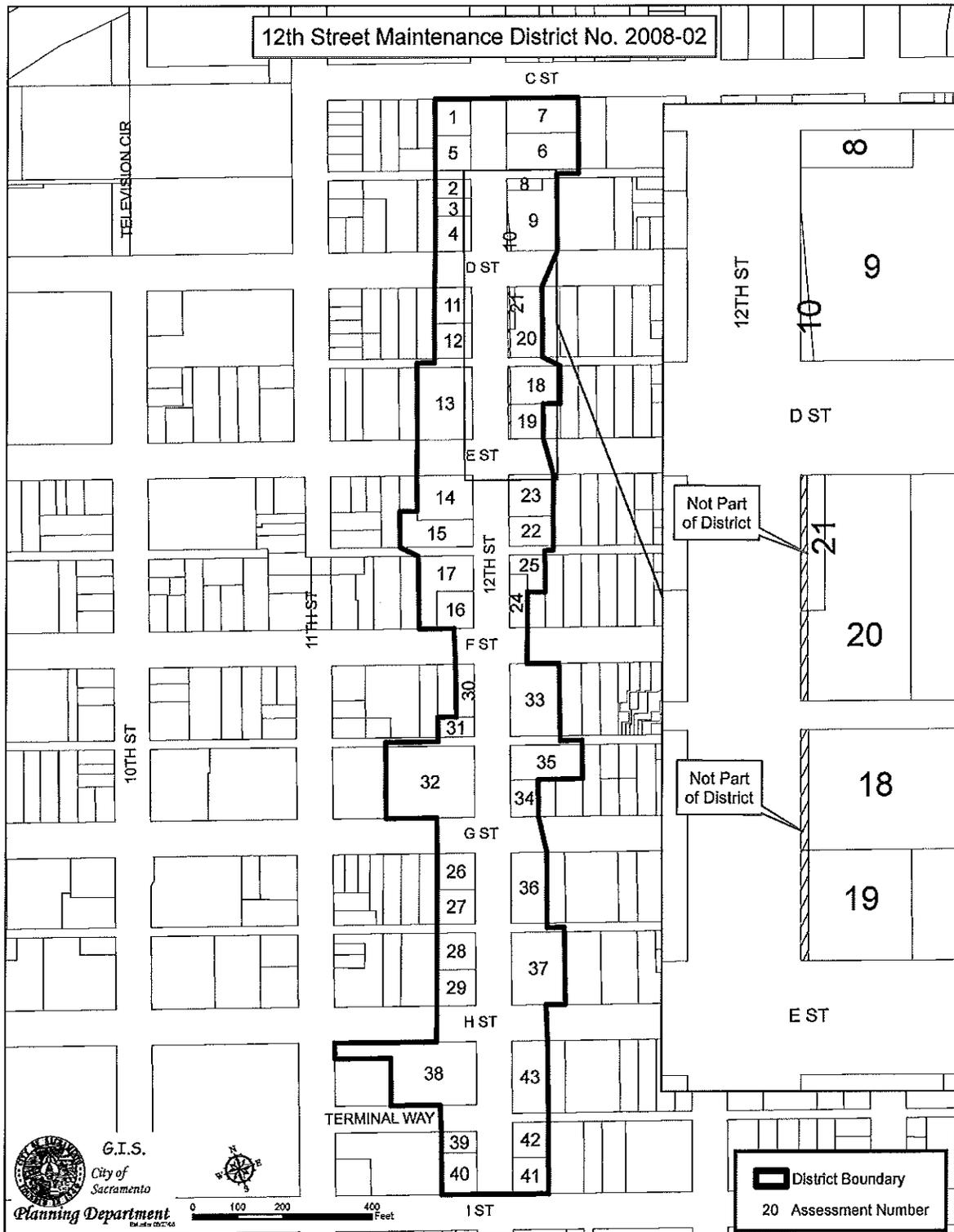
EXHIBIT B

**12th Street Maintenance District No. 2008-02
Maintenance Description**

The Services to be provided within the 12th Street Maintenance District No. 2008-02 are described as follows:

- Weekly (one time per week) clean-up of the sidewalks and gutters, litter pick-up and weed control in the landscaped areas.
- Shrub & tree pruning (for trees less than 15 feet high) performed up to 4 times per year.
- Leaf collection and removal during the fall/winter seasons.

EXHIBIT B-1



RESOLUTION NO.

Adopted by the Sacramento City Council

AMENDING THE FISCAL YEAR (FY 2008/09) CITY BUDGET FOR THE 12TH STREET MAINTENANCE DISTRICT NO. 2008-02, FUND 2207

BACKGROUND:

- A.** The 12th Street Maintenance District No. 2008-02 replaced the existing 12th Street Maintenance District No. 90-03, which provides funding for services that are over and above normal services offered by the City.
- B.** Property owners within the boundaries of the District, shown on Exhibit A to this Resolution, are to be charged a service fee to cover the cost of delivering maintenance services that are greater than normal city services.
- C.** The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the background statements A through C are true and correct.

Section 2. The proposed FY2008/09 revenue (\$12,625) and expenditure (\$12,625) budgets for the 12th Street Maintenance District No. 2008-02 shall be amended as shown on Exhibit B.

Section 3. The Finance Director is authorized to establish the expenditure authority for the Departments of Transportation, Planning and Finance necessary to provide services for the 12th Street Maintenance District No. 2008-02 in the amount of \$12,625 which will be reimbursed by the 12th Street Maintenance District No. 2008-02.

Section 4. Exhibits A and B are part of this resolution.

Table of Contents:

Exhibit A: Map of District

Exhibit B: FY2008/09 District Budget and Service Fee

EXHIBIT A

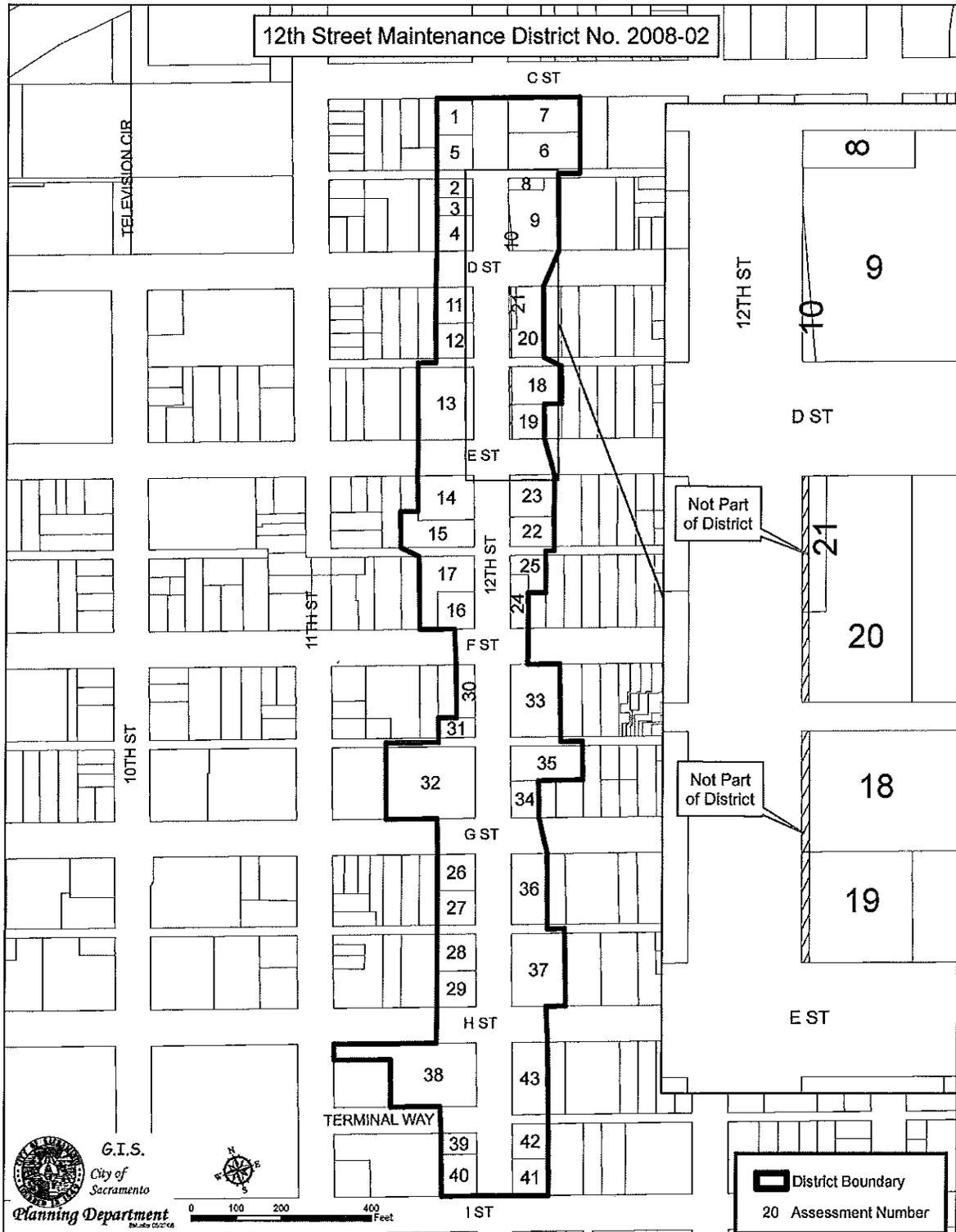


EXHIBIT B

**12TH STREET MAINTENANCE DISTRICT NO. 2008-02
FY 2008/09 DISTRICT BUDGET**

Department of Transportation – Street Maintenance	
Maintenance Contract Cost	\$ 8,000
Contract Administration & Inspection	500
Department of Finance – Accounting	
Finance Administration	1,227
County Billing Fee	99
Parcel Recording	291
Planning Department	
Public Improvement Financing Administration	1,500
Contingency	1,008
Subtotal	\$ 12,625
Total Service Fees Charged To Property Owners	\$ 12,625

SERVICE FEE RATE

Neighborhood	Service Fee Per Linear Foot for FY2008/09
12 th Street Maintenance District No. 2008-02	\$3.32

RESOLUTION NO.

Adopted by the Sacramento City Council

**ABANDONING PROCEEDINGS IN 12TH STREET MAINTENANCE
DISTRICT NO. 2008-02 AND AUTHORIZING AND DIRECTING RELATED ACTIONS;
DIRECTING STAFF TO PREPARE AND RETURN TO COUNCIL FOR ITS
CONSIDERATION A RESOLUTION OF INTENTION FOR THE DISSOLUTION OF 12TH
STREET MAINTENANCE DISTRICT NO. 90-03 FOR FISCAL YEAR (FY) 2009/10**

BACKGROUND:

- A. The City Council has taken a series of actions preliminary to considering the levy of assessment to maintain funding for sidewalk cleaning and landscape maintenance through a 12th Street Maintenance District No. 2008-02 in, City of Sacramento, County of Sacramento, State of California (the "Assessment District").
- B. At the direction of the City Council, the Supervising Engineer of the City's Department of Transportation (the "Supervising Engineer") as Engineer filed with the City Clerk the report prescribed in the California Constitution Article XIID. (The "Engineer's Report.")
- C. By Resolution Nos. 2008-413, 2008-414 and 2008-415, adopted on June 17, 2007, the City Council in accordance with law initiated proceedings and preliminarily approved the Engineer's Report, scheduled the public hearing for August 7, 2008, and provided for notice of the hearing to be mailed to the owners of property within the Assessment District, along with protest ballots.
- D. The Public Hearing was conducted as scheduled on August 7, 2008, after all interested persons were permitted to appear and testify before the City Council, and were also provided a final opportunity to submit, change or withdraw protest ballots, the City Council closed the public hearing, and directed the City Clerk to tabulate the protest ballots.
- E. The City Clerk has received, been given custody of, and has tabulated the assessment ballots returned by the owners of property located within the Assessment District, and has reported the results of the count by her written Certificate, to the City Council.
- F. By Resolution No. 2008-441, adopted on June 24, 2008, the City Council orders the levy of service fee within the 12th Street Maintenance District No. 90-03 for FY 2008/09.
- G. The City Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that the statements in the Background are true.
- Section 2. The City Council accepts the City Clerk's Certificate of Ballot Procedure Results and, in accordance therewith, finds and determines that a majority protest exists under Section 53753(e) (2) of the California Government Code, and therefore, under Section 53753(e) (3), the City Council may not impose the proposed assessment. Accordingly, the proceedings for the Assessment District are hereby abandoned.
- Section 3. Pursuant to Section 3117 of the California Streets and Highways Code, the City Clerk is hereby authorized and directed to record a certified copy of this Resolution Abandoning Proceedings with the Sacramento County Recorder. As further specified by Section 3117, the following information pertains to the Assessment District proceedings:
- (a) The date of adoption of this Resolution Abandoning Proceedings is August 7, 2008.
 - (b) The date of adoption of the Resolution of Intention was June 17, 2008.
 - (c) The boundary map for the Assessment District was filed for record in the office of the County Recorder of Sacramento County on June 19, 2008, in Book 109, page 0022.
- Section 4. The City Council directs staff to prepare and return to Council for its consideration a Resolution of Intention for the dissolution of the 12th Street Maintenance District No. 90-03 upon the conclusion of service fee collection for FY 2008/09.
- Section 5. This resolution takes effect when adopted.

