



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
June 23, 2009

Honorable Mayor and
Members of the City Council

Title: Midtown Sacramento Property and Business Improvement District – Annual Proceedings Fiscal Year 2009/10

Location/Council District: The Midtown Sacramento Property and Business Improvement District (PBID) is located in the central commercial core of Midtown Sacramento in Council Districts 1, 3, 4 and is comprised of approximately 560 parcels.

Recommendation: Adopt a **Resolution** adopting the Midtown Sacramento PBID annual budget and levying assessment for Fiscal Year (FY) 2009/10.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Finance Department

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: The existing district is required by the PBID Area Law of 1994 to present an annual Management Plan budget for City Council approval. Approval of the District's annual budget will authorize the City to collect assessments in the amount sufficient to provide funding for clean and safe programs, parking services, marketing and advocacy within the Midtown commercial corridor for FY2009/10.

Policy Considerations: The annual proceedings for the District are being processed as set forth in Sections 36600 to 36671 of the California Streets and Highways Code, entitled "Property and Business Improvement District Law of 1994." This process is consistent with the City's Strategic Plan 3 Year Goals to "achieve sustainability and enhance livability" and to "expand economic development throughout the City."

Environmental Considerations: Under the California Environmental Quality Act (CEQA) guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

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

Committee/Commission Action: None

Rationale for Recommendation: The actions in the recommended Resolution are required by Part 7 (beginning with Section 36600) of Division 18 in the California Streets and Highways Code.

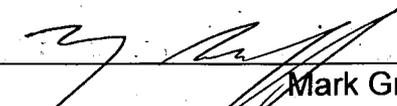
Financial Considerations: Financing will be provided by levy of assessments upon real property that benefits from improvements and activities. The PBID does not plan to issue bonds. The PBID assessment budget for FY2009/10 is \$610,018 (Exhibit B, page 8). The Midtown Sacramento PBID will receive approximately \$598,650. The remaining \$11,368 will be retained by the City to cover City administrative costs associated with this PBID. City owned properties will have a total annual assessment of approximately \$49,500. Funding to pay City Assessments is included in the annual budget.

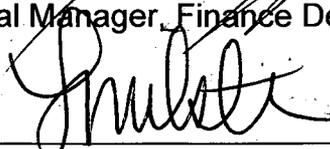
Annual assessment rates are based on the special benefit received. These special benefits have been calculated based on an allocation of program costs and a calculation of parcel square foot. Assessment rates vary based on property classification (see Exhibit B page 8). Assessment rates may be subject to an increase by no more than 3% per year, as approved by the PBID Board of Directors and authorized in the Management Plan. The FY2009/10 assessment rate will increase by 3% from the previous year.

| Program | Budget | % of Total |
|-----------------------------------|------------------|-------------------|
| Administration (MBA & City costs) | \$79,567 | 13.0% |
| Maintenance | \$114,047 | 18.7% |
| Marketing/Advocacy | \$114,047 | 18.7% |
| Parking Services | \$90,177 | 14.8% |
| Security – Daytime/Nighttime | \$212,180 | 34.8% |
| Total | \$610,018 | 100% |

Formal amendment to the City's FY2009/10 Approved Budget will be brought under separate action if necessary.

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: 
Mark Griffin
Fiscal Manager, Finance Department

Approved by: 
Leyne Milstein
Director, Finance Department

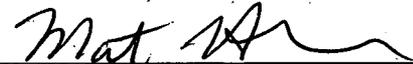
Recommendation Approved:

Ray Kerridge
City Manager

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Attachment 1

BACKGROUND

The Midtown Sacramento PBID was approved by City Council on August 9, 2007, in accordance with the Property and Business Improvement District Area Law of 1994. The District became effective on January 1, 2008. The District provides funding for the following services within the central commercial core of Midtown Sacramento: security services, street maintenance, parking services and marketing efforts for economic development within the boundaries of the PBID.

Annual assessment rates are based on the special benefit received. These special benefits have been calculated based on an allocation of program costs and a calculation of parcel square foot. Assessment rates vary based on property classification (see Exhibit B, page 8). Assessment rates may be subject to an increase by no more than 3% per year. The FY2009/10 assessment rate is an increase of 3% from the previous year.

The Midtown PBID Board has prepared the Management Plan Annual Report, which is on file with the Public Improvement Financing Division, which the City Clerk has designated as the custodian of such records. The report addresses the proposed budgets and services to be provided.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**ADOPTING THE ANNUAL BUDGET AND LEVYING ASSESSMENT
FOR MIDTOWN SACRAMENTO
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FOR FY2009/10**

BACKGROUND

- A. The Midtown Sacramento Property and Business Improvement District (District), the boundaries of which are depicted in Exhibit A, was established by the City Council and approved by the property owners on August 9, 2007 and became effective January 1, 2008.
- B. The City Council established the District under the Property and Business Improvement District Law of 1994 (California Streets and Highway Code, Sections 36600 to 36671) (the "PBID Law") and has previously levied assessments on property in the District to pay for improvements and services to be provided within the District, all in accordance with the PBID Law.
- C. The Midtown Sacramento PBID provides for clean and safe programs, parking services and marketing/advocacy promotion with the intent of continuing to create a positive business atmosphere in Midtown Business Corridor Area. All services are as defined within the Management Plan, which was approved on the initial formation, or re-formation of the District as part of Resolution No. 2007-426, and by reference made a part of this resolution. The Management Plan is on file with the Public Improvement Financing Division, which has been designated by the City Clerk as the custodian of such records.
- D. The FY2009/10 assessments will increase by 3% from the previous year, and are still below the highest authorized amount for the District shown on Exhibit B.
- E. 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 annual budget set forth in the FY2009/10 Annual Report is adopted and the assessments set forth in the FY2009/10 Annual Report are authorized to be levied.

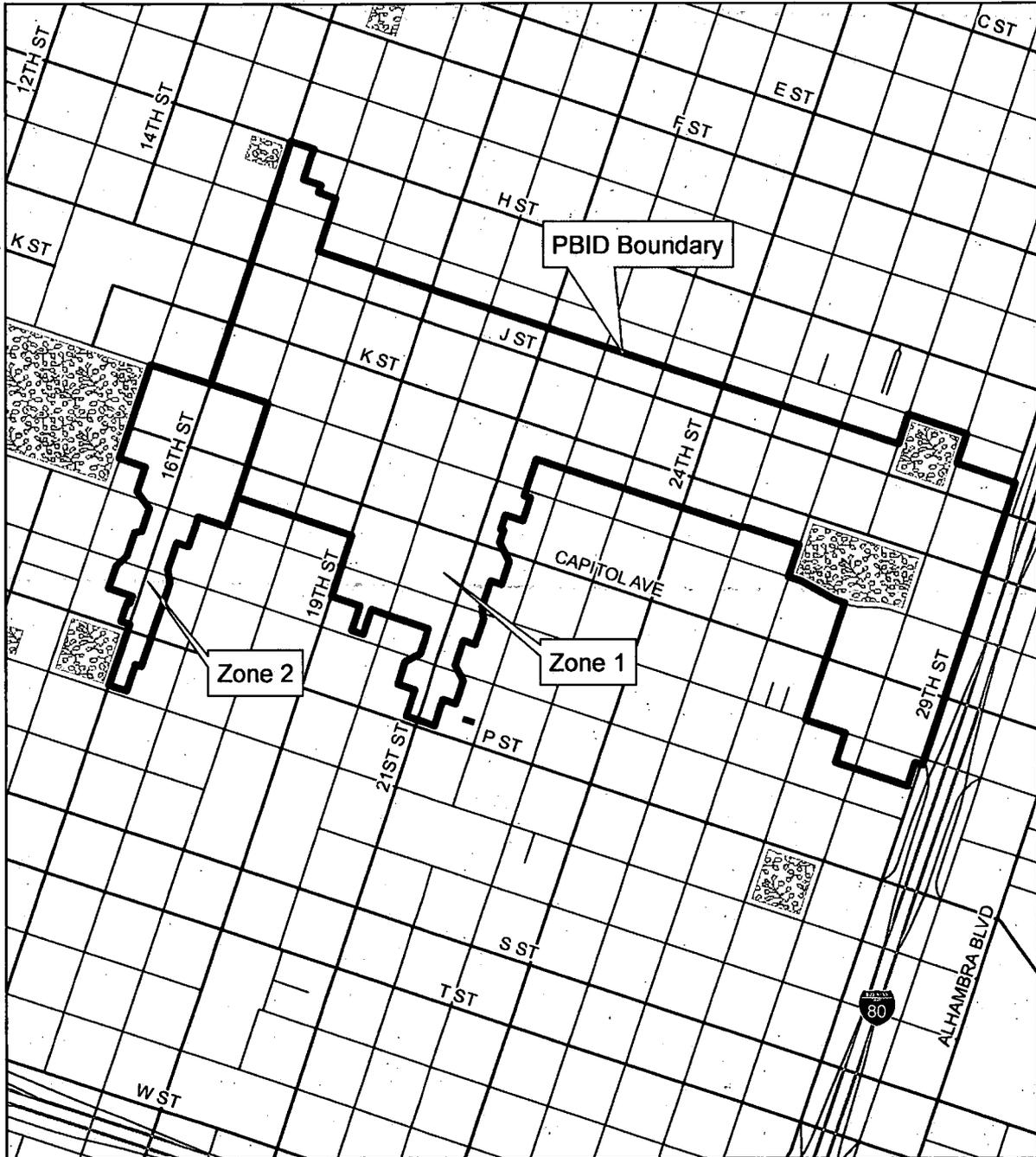
Section 2. Exhibits A and B are part of this resolution.

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Exhibit A: District Map -1 Page

Exhibit B: Fiscal Year 2009/10 District & Parcel Assessment

EXHIBIT A
Midtown Sacramento
Property and Business Improvement District



G.I.S.
City of
Sacramento
Planning Department
BMueller 05/27/08

0 625 1,250 2,500
Feet



EXHIBIT B

**MIDTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2009/10 DISTRICT AND PARCEL ASSESSMENT**

DISTRICT ASSESSMENT

| District | FY2009/10 Assessment Budget | Surplus / (deficit) | FY2009/10 Revenue |
|-------------------------|-----------------------------------|------------------------|----------------------|
| Midtown Sacramento PBID | \$610,018 | \$0 | \$610,018 |

PARCEL ASSESSMENT

Annual assessment rates are based on special benefit received. These special benefits have been calculated based on an allocation of program costs and a calculation of parcel square foot. Assessment rates vary based on property classification (see chart below). Assessment rates may be subject to an increase by no more than 3% per year.

| Property Classification | Annual Rate per Lot Square-Foot Zone 1 | Annual Rate per Lot Square Foot Zone 2 | Parking Service Charge |
|--|---|---|--|
| Standard Full Service Area (ZONE 1) | \$0.1337 | NA | Yes, \$.0216 included into annual rate |
| Standard Reduced Service Area (ZONE 2) | NA | \$0.0965 | Yes, \$.0216 included into annual rate |
| Religious, Educational or Other Charitable Tax-Exempt Parcels | \$0.0603 | \$0.0402 | No Parking Charge |
| Healthcare Tax Exempt Rate | \$0.0825 | \$0.0550 | No Parking Charge |
| Publicly-owned Parks | \$0.1114 | \$0.0743 | No Parking Charge |

**Five Year Fiscal Year Operating Budget
Annual Assessment with 3% Maximum Increase per Year**

| | 2008 | 2008 | 2009 | 2010 | 2012 |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Annual Assessment | \$575,000 | \$592,250 | \$610,018 | \$628,318 | \$647,168 |

