



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2671
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CONSENT
May 25, 2010

Honorable Mayor and
Members of the City Council

Title: North Franklin Property and Business Improvement District (PBID) – Annual Proceedings for Fiscal Year (FY) 2010/11

Location/Council District: The North Franklin PBID is located in Council District 5 within the North Franklin Commercial Corridor and is comprised of approximately 147 individual parcels.

Recommendation: Adopt a **Resolution** adopting the North Franklin PBID annual budget and levying an assessment for FY2010/11.

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

Presenters: Not Applicable

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: The PBID Area Law of 1994 requires the North Franklin PBID (District) to present an annual 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 advocacy, security coordination, maintenance services and image enhancement programs within the District for FY2010/11.

Policy Considerations: The annual proceedings for the District are set forth in Sections 36600 to 36671 of the California Streets and Highways Code, entitled "Property and Business Improvement District Law of 1994." This action is consistent with the Strategic Planning Focus Area of Sustainability and Livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): 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 or renewal and administration of an assessment district.

Committee/Commission Action: None

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

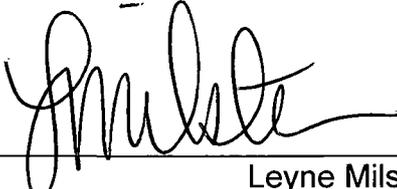
Financial Considerations: Financing of the District will be provided by the levy of assessments upon real property that benefits from improvements and activities of the District. The District does not plan to issue bonds. The City of Sacramento participates as a property owner in the District. City-owned property will have a total annual assessment of approximately \$3,376. Funding to pay for City Assessment is included in the City Annual Budget.

The District assessment budget for FY2010/11 is \$109,839. In addition, there is available fund balance of \$16,024 for a total of \$125,863 (details on Exhibit B, page 8). The District will receive approximately \$122,336 for operations. The City will retain \$3,527 to cover City administrative costs.

The annual operating budget for the District will be adjusted to reflect the Council approved assessments and expenditure plans.

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, Department of Finance

Approved by: 
Leyne Milstein
Director, Finance Department

Recommendation Approved:

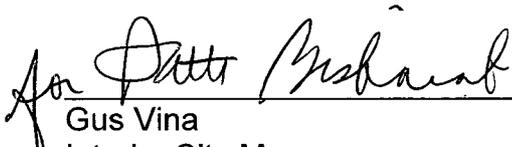

Gus Vina
Interim City Manager

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Attachment 1

BACKGROUND

The North Franklin PBID (“District”), formerly known as the Franklin Boulevard PBID, was approved by City Council on August 17, 2004, in accordance with the PBID Area Law of 1994. The District was renewed for five more years on July 24, 2007 and became effective on January 1, 2008.

The District will continue to provide funding for the following services within the North Franklin commercial corridor:

- Security Coordination and Advocacy
- Maintenance
- Image Enhancement Program

The District’s Advisory Board has prepared the Annual Report, which is on file with the City’s Public Improvement Financing Division, which has been designated by the City Clerk as the custodian of such records. The report addresses the current and proposed budgets and services to be provided. The Management District’s Advisory Board is recommending an annual 1.8% Consumer Price Index (CPI) increase in the assessment.

The annual assessments are based upon allocation of program costs and a calculation per parcel square foot. The assessment rates proposed for FY2010/11 will increase by the February CPI of 1.8% as recommended by the District’s Advisory Board. The cost to the property owner is \$0.0103 per parcel square foot and \$4.63 per parcel front footage in Zone 1. Zone 2 assessment rate will be \$0.00137 per parcel square foot. Tax-exempt parcels are assessed at 10% of the full assessment in either zone.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE ANNUAL NORTH FRANKLIN PROPERTY AND BUSINESS IMPROVEMENT DISTRICT BUDGET AND LEVYING ASSESSMENT FOR FY2010/11

BACKGROUND

- A. The North Franklin Property and Business Improvement District (“District”) the boundaries of which are depicted in Exhibit A, was renewed by the City Council and approved by the property owners on July 24, 2007. The District was approved for five years 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, in accordance with the PBID Law.
- C. The District provides for advocacy and communications, economic development and marketing, security coordination and maintenance services with the intent of continuing to create a positive atmosphere in the North Franklin Commercial Corridor. All services are as defined within the Management Plan Annual Report, and by reference made a part of this resolution which is separately bound and on file with the Public Improvement Financing Division, which the City Clerk has designated as the custodian of such records.
- D. The FY2010/11 assessment rates will increase by 1.8% 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 City Council finds that the background statements in paragraphs A through E are true and correct.

Section 2. The annual budget set forth in the FY2010/11 Management Plan is adopted and the assessments set forth in the FY2010/11 Management Plan are authorized to be levied.

Section 3. Exhibits A and B are part of this resolution.

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Exhibit B: FY2010/11 District & Parcel Assessment -1 Page

EXHIBIT A

North Franklin Property and Business Improvement District

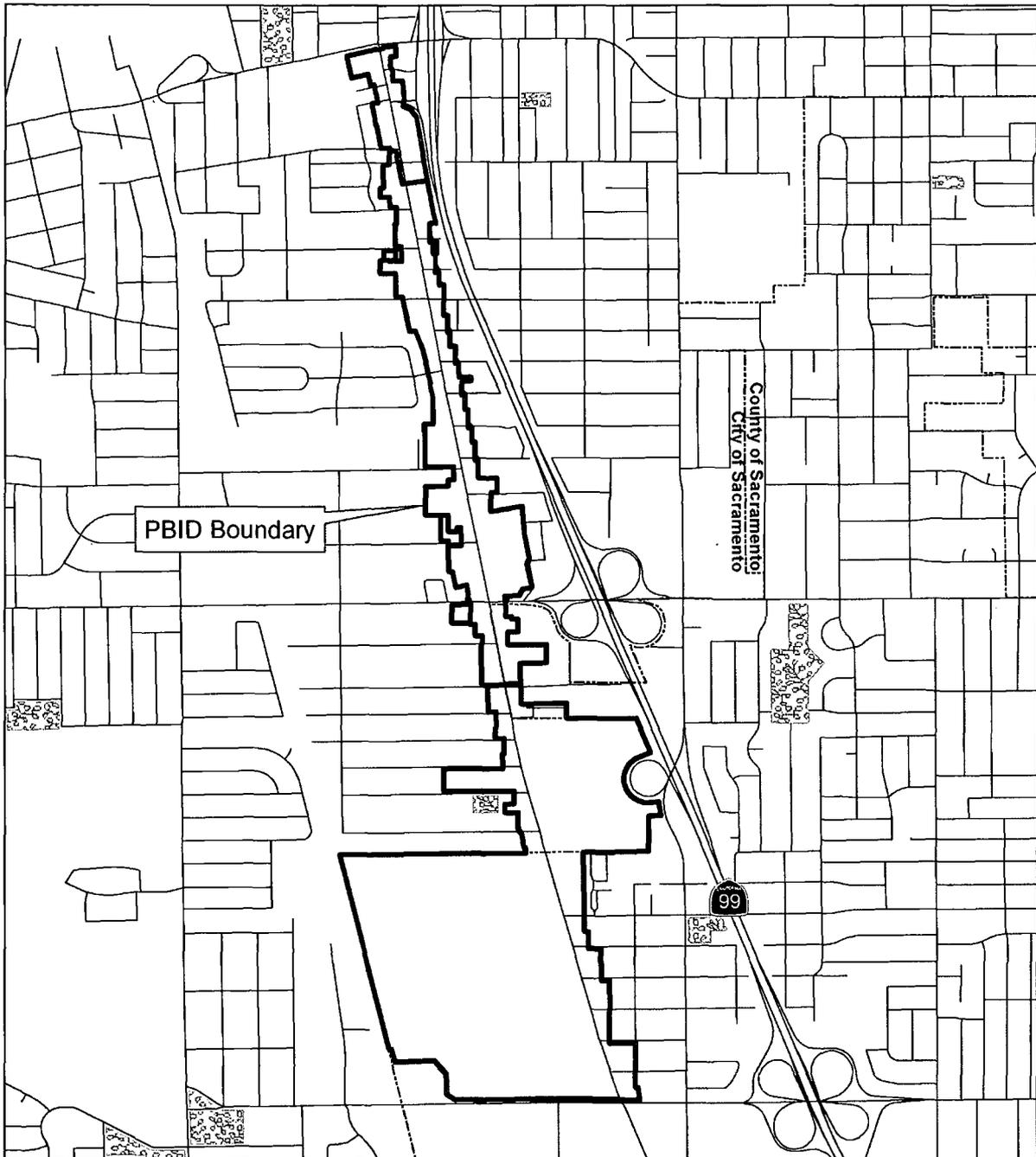


EXHIBIT B

**NORTH FRANKLIN
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2010/2011 DISTRICT BUDGET & PARCEL ASSESSMENT**

| | | |
|---|------------|-------------------------|
| Total Assessment Budget | | \$109,839 |
| Available Fund Balance | | <u>16,024</u> |
| Total Revenue | | <u>\$125,863</u> |
| Special Districts Administration | \$1,852 | |
| Consultant (NBS) Reporting | 250 | |
| Finance Administration | 1,276 | |
| County Billing Cost | <u>149</u> | |
| Less: Total City Administration Expense | | <u>\$3,527</u> |
| Estimated Total PBID Disbursement | | <u>\$122,336</u> |

PARCEL ASSESSMENT

Annual assessment rates are based on an allocation of program costs and a calculation of parcel square footage plus parcel front footage along Franklin Blvd. Assessment rates may be subject to an increase of no more than 3% per year or the Consumer Price Index (CPI), whichever is less.

| Zone | Parcel Square Footage Assessment | Parcel Front Footage Assessment | Exceptions |
|-------------|---|--|--|
| Zone 1 | \$0.0103 / sq. ft. | \$4.63 / ft. | Tax-exempt parcels are assessed at 10% of the full assessment. |
| Zone 2 | \$0.00137 / sq. ft. | None | |

FIVE YEAR OPERATING BUDGET

Annual Assessment with 3% Maximum Increase per Year

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| Annual Assessment | \$105,000.00 | \$108,150.00 | \$111,394.50 | \$114,736.33 | \$118,178.42 |