



REPORT TO COUNCIL

City of Sacramento

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

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CONSENT
June 1, 2010

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

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

Location/Council District: Council Districts 1 and 3.

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

Contact: Sini Makasini, Administrative Analyst, (916) 808-8243; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Finance Department

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: The PBID Area Law of 1994 requires the Downtown Sacramento 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 economic development, marketing, safety programs and maintenance services 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 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 properties will have a total annual assessment of approximately \$411,000. Funding to pay for the assessments on City-owned property is included in the FY2010/11 Proposed Budget.

The District assessment budget for FY2010/11 is \$2,372,601. In addition, there is available fund balance of \$28,874 for a total of \$2,401,475 (details on Exhibit B, page 8). The District will receive approximately \$2,393,138 for operations. The City will retain \$8,337 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, Finance Department

Approved by: _____
Leyne Milstein
Director, Finance Department

Recommendation Approved:

for John Beskant
Gus Vina
Interim City Manager

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Attachment 1

BACKGROUND

The Downtown Sacramento PBID (District) was established by the City Council and approved by the property owners on June 13, 1995, in accordance with the PBID Area Law of 1994. The District was renewed for 10 more years effective January 1, 2006. The PBID is comprised of approximately 66 City blocks, including 468 individual parcels of land (Exhibit A, page 7).

The District will continue to provide funding for the following services:

- Public Safety and Maintenance Programs
 - Community Services Guides
 - Maintenance Patrol

- Economic Development and Marketing
 - Attract New Business
 - Enhance Downtown Image

- Old Sacramento Improvements & Activities
 - Economic Development & Marketing
 - Safety Program

The District Advisory Board has prepared the 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.

The assessment rates proposed for FY2010/11 will increase by 3% from the previous year in order to keep pace with the consumer price index and other program costs. The budget is included as Exhibit B to the resolution.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE ANNUAL DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT BUDGET AND LEVYING ASSESSMENT FOR FY2010/11

BACKGROUND

- A. The Downtown 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 June 13, 1995. The District was renewed for 10 more years effective January 1, 2006.
- B. The City Council established the District under the Property and Business 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 economic development, marketing, safety, and maintenance services with the intent of continuing to create a positive economic atmosphere in the Downtown Sacramento area. 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 3.0% from the previous year, and are still below the highest authorized amount for the District as shown on Exhibit B.
- E. 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 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 A

Downtown Sacramento Property and Business Improvement District (PBID) 2005-02

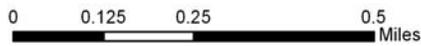
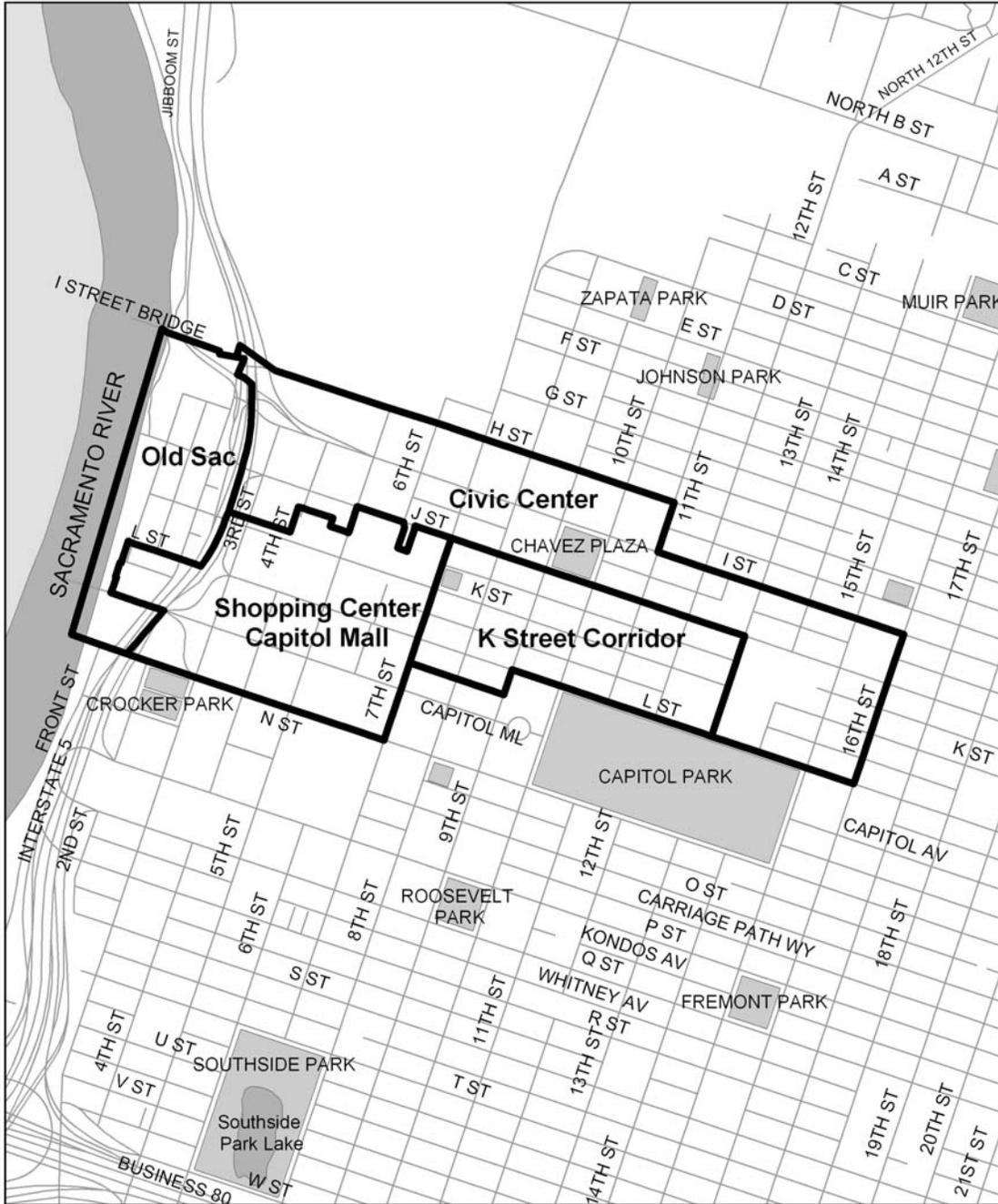


EXHIBIT B

**DOWNTOWN SACRAMENTO
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2010/2011 DISTRICT BUDGET**

Total Assessment Budget		\$2,372,601
Available Fund Balance		28,874
Total Revenue		<u>\$2,401,475</u>
Special Districts Administration	\$6,518	
Consultant (NBS) Reporting	250	
Finance Administration	1,276	
County Billing Cost	<u>293</u>	
Less: Total City Administration Expense		<u>\$8,337</u>
 Estimated Total PBID Disbursement		 <u>\$2,393,138</u>

PARCEL ASSESSMENT

The assessment rates are adjusted by 3.0% (percent) for Consumer Price Index (CPI) changes and other program costs as provided under the Property and Business Improvement District Law. The assessment rates for each zone are based on the levels of service and benefit received. Annual Assessments are based upon calculation of lot square footages plus building square footage within each benefit zone.

Condominium properties used exclusively as individually owned units will benefit from the public safety and maintenance components of the District, but will not directly benefit from economic development and marketing services. Qualifying properties may have their assessments adjusted by a pro rata share of the annual budget for economic development and marketing services for the qualifying portion of building square footage.

Benefit Zone	Sub-District Name	Per sq.ft. of Lot	Per sq.ft. of Bldg.	Condo cost per foot*	Res. Discount
A	K Street Corridor	\$0.1678	\$0.0839	\$0.1314	-21.7%
B	Civic Center	\$0.1404	\$0.0702	\$0.1039	-26.0%
C	Old Sacramento	\$0.1730	\$0.0865	\$0.1138	-34.2%
D	Capitol Mall/Plaza	\$0.0521	\$0.0261	\$0.0157	-69.9%