



REPORT TO COUNCIL HF City of Sacramento

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

PUBLIC HEARING
July 13, 2010

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

Title: Del Paso Boulevard Property and Business Improvement District No. 2010-01 – Public Hearing

Location/Council District: Del Paso Boulevard Commercial Corridor, located in Council District 2 (Attachment 2, Page 6).

Recommendation: Conduct a public hearing and, upon conclusion, direct the City Clerk to: (1) tabulate the assessment ballots submitted and not withdrawn before the hearing closed, and (2) report back as a Consent item on July 20, 2010, with the tabulation results.

Contact: Brian Wong, Program Specialist, (916) 808-5778; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenter: Brian Wong

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: A majority of property owners along the Del Paso Boulevard commercial corridor proposed to renew the Del Paso Boulevard Property and Business Improvement District (District) for a five-year term. In response, the City Council adopted a resolution that (1) directed staff to mail assessment ballots and notices of public hearing to the owners of real property within the proposed District and (2) set July 13, 2010, as the date for a public hearing on the proposed District and assessment. At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the District and assessment). Staff will report the results of the tabulation at the City Council meeting on July 20, 2010. If

there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the City Council adopt a resolution declaring the results of the majority protest proceedings and establishing the District.

Policy Considerations: The proceedings under which this District is being processed are set forth in Section 36600 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): The renewal of a district does not constitute a project under CEQA and is therefore exempt from review pursuant to Guidelines Section 15378(b)(4).

Sustainability Considerations: There are no sustainability considerations applicable to the formation or renewal process and administration of an assessment district.

Committee/Commission: None

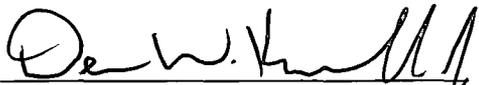
Rationale for Recommendation: The actions are required by the California Streets and Highways Code, which is codified as Part 7 (beginning with Section 36600) of Division 18.

Financial Considerations: Financing will be provided by the levy of assessments upon real property that benefit from improvements and activities of the District. The District does not issue bonds.

The total assessment for FY2010/11 is projected at \$366,179 as shown on Attachment 1 on page 4. If the District is renewed, the City of Sacramento will be participating as a property owner in the District. The City owns 18 parcels within the District and will have a total first-year annual assessment of \$43,263. Funds are currently budgeted for continued participation in the District. Future assessment rates may be subject to an increase of no more than 3% annually.

Emerging Small Business Development (ESBD): None. No goods or services are being purchased with this action.

Respectfully Submitted by: 
Mark Griffin
Fiscal Manager, Finance Department

Approved by:  for
Leyne Milstein
Director, Finance Department

Recommendation Approved:



Gus Vina
Interim City Manager

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BACKGROUND

The Del Paso Boulevard PBID No. 2005-03 (existing District) was approved by City Council on May 24, 2005, in accordance with the Property and Business Improvement District Area Law of 1994, and became effective on January 1, 2006. A majority of the property owners within the proposed Del Paso Boulevard PBID No. 2010-01 (District) proposed to renew the District for a five-year term to continue funding for the following services in the Del Paso Boulevard commercial corridor:

- Public Safety and Maintenance Program
 - Clean and Safe Program
 - Integration with City Police
 - Maintenance Patrol

- Advocacy / Administration

- Image Enhancement Program

The District Business Association has prepared the Management Plan (Plan), which is on file with the Public Improvement Financing Division, which has been designated by the City Clerk as the custodian of such records. The Plan is a comprehensive document which describes the process of forming the District and providing the services identified by the property and business owners.

Assessment Budget

If the District is renewed, the total District budget for the first year (FY2010/11) of its five-year operation is a base of \$366,179. Assessment rates may be subject to an increase of no more than 3% per year at the discretion of the District Board of Directors.

Del Paso Boulevard PBID FY2010/11 Budget

Program	Budget	% of Total
Security and Maintenance Enhancement (Clean and Safe)	\$201,398	55.00
Image Enhancement	\$84,221	23.00
Advocacy / Administration	\$54,927	15.00
Contingency / PBID Renewal	\$25,633	7.00
Total	\$366,179	100.00

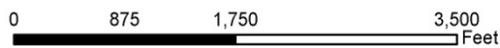
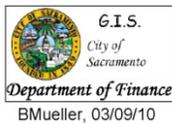
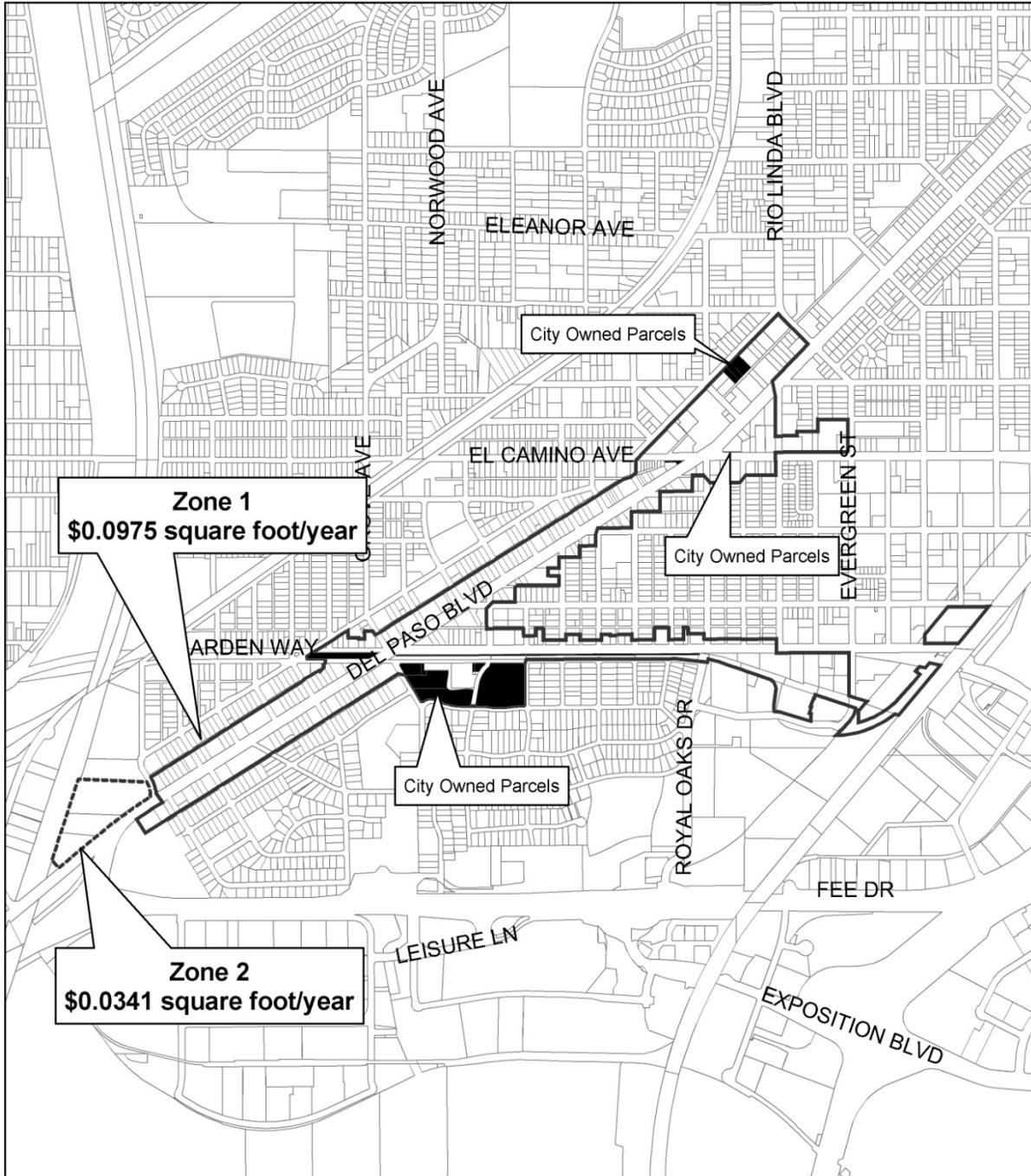
The properties within the District are categorized into different benefit zones. The annual assessments are based upon allocation of program costs and a calculation per parcel square foot. The cost to a property owner in Zone 1 is \$0.0975 per parcel square foot,

while the cost to a property owner in Zone 2 is \$0.0341 per parcel square foot. Tax exempt properties are assessed at 50% of the respective Zone 1 or Zone 2 assessment rates. Additionally, parcels in Zone 1 with an auto-wrecking land use will be subject to an assessment of \$0.02925 per parcel square foot, while parcels of the same land use in Zone 2 will be subject to an assessment of \$0.0102 per parcel square foot.

Public Hearing and Tabulation of Assessment Ballots

On May 18, 2010, City Council directed staff to complete the actions necessary to renew the District. On May 25, 2010, staff mailed out assessment ballots and notices of public hearing to the owners of property in the proposed District. Ballots must be submitted no later than the close of the public hearing to be counted. At the close of the public hearing, the assessment ballots will be tabulated to determine whether a majority protest exists. If a majority protest exists—that is, if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of it—then the proceedings to levy the assessment will terminate. Staff will report back with the tabulation results at the July 20, 2010, City Council meeting.

Del Paso Boulevard Property and Business Improvement District 2010-01



**SCHEDULE OF PROCEEDINGS
DEL PASO BOULEVARD
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2010-01**

December 1, 2009 Petition Drive Kick-off

May 10, 2009 Receive Signed Petitions

May 18, 2010 Resolution of Intention to Renew – City Council

May 20, 2010 Record Boundary Map

May 25, 2010 Mail Assessment Ballots and Notices of Public Hearing

July 13, 2010 Public Hearing and Tabulation of Ballots – City Council

July 20, 2010 Ballot Results – City Council

July 22, 2010 Record Notice of Assessment and Assessment Diagram

August 2010 Assessment Roll to County