



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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CONSENT
August 5, 2010

Honorable Mayor and
Members of the City Council

Title: Ballot Results: Mack Road Property and Business Improvement District (PBID) – No. 2010-02

Location/Council District: Mack Road Commercial Corridor, located in Council District 8

Recommendation: 1) Receive report on the tabulation of assessment ballots submitted and not withdrawn before the public hearing closed on July 27, 2010; and 2) based on the results of the tabulation: a) adopt a **Resolution** declaring the results of the majority-protest proceedings and establishing the Mack Road PBID No. 2010-02; b) adopt a **Resolution** approving the Mack Road PBID budget and levying assessment; and c) adopt a **Resolution** approving the proposed FY2010/11 City Budget for the Mack Road PBID No. 2010-02.

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

Presenters: Not Applicable

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: A majority of property owners along the Mack Road commercial corridor proposed to establish the Mack Road Property and Business Improvement District No. 2010-02 (District) for a five year term. In response, on June 10, 2010, 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 27, 2010, as the date for a public hearing on the proposed District and assessment. At the conclusion of the hearing, the City Clerk tabulated the assessment ballots submitted and not withdrawn to determine whether there was a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the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).

Based on the results of the tabulation, there is not a majority protest. As such, staff recommends that the City Council adopt a resolution declaring the results of the

majority protest proceedings and establishing the District. Staff also recommends that City Council adopt the District's annual budget and levy the assessment. In addition, staff recommends that City Council adopt the proposed FY2010/11 City Budget for the District.

Policy Considerations: The proceedings under which the District is proposed to be formed 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 California Environmental Quality Act (CEQA) guidelines, initiation of a PBID does not constitute a project and is therefore exempt from review.

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

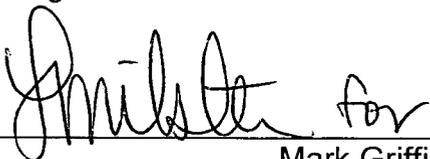
Committee/Commission: None.

Rationale for Recommendation: The actions 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 will be provided by the levy of assessments upon real property that benefits from the improvements and activities of the District. The District does not issue bonds. The total assessment for FY2010/11 is projected to be \$410,511.

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

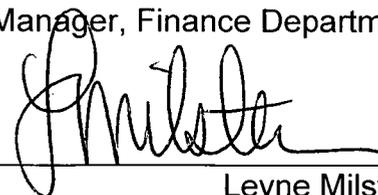
Respectfully Submitted by:



Mark Griffin

Fiscal Manager, Finance Department

Approved by:



Leyne Milstein

Director, Finance Department

Recommendation Approved:



Gus Vina
Interim City Manager

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BACKGROUND

The proposed Mack Road PBID No. 2010-02 (District) will be a benefit assessment district formed by the property owners to fund services such as security programs, image enhancement, transportation improvements, and advocacy for economic development within the boundaries of the District. The District is comprised of approximately 159 parcels (Exhibit “B”, Page 43).

The District may also undertake landscaping and other improvements to beautify and make the District look more festive. These services are concentrated within a geographic area and are paid for by means of a special assessment on benefited properties.

The District will deliver services to properties within the Mack Road commercial corridor. The attached resolution sets the time and place for the public hearing and authorizes staff to mail notices of public hearing to all property owners within the District.

Tabulation Results of Assessment Ballots

On June 10, 2010, the City Council directed staff to complete the actions necessary to renew the district. On June 11, 2010, staff mailed out approximately 69 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 on July 27, 2010, the assessment ballots were tabulated to determine whether a majority protest exists.

The City Clerk’s tabulation of ballots found that 77.45% of ballots were in favor of establishing the District. The assessment ballots are weighted for each property according to the proportional financial obligation of each property. The actual ballot count is a result of assessment value for all ballots cast. The total assessment value is \$410,511. The ballots cast represent \$119,547.37 which is a turnout of approximately 29%. Of the ballots returned and not withdrawn, the amount cast in favor of the assessment was \$92,585.78 and the amount cast in opposition to the assessment was \$26,961.59.

Based on the tabulation results, a majority protest does not exist—that is, the ballots submitted in opposition to the assessment do not exceed the ballots submitted in favor of it—therefore, the proceedings to levy the assessment will continue.

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION DECLARING THE RESULTS OF THE MAJORITY-PROTEST PROCEEDINGS AND ESTABLISHING THE MACK ROAD PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID)

BACKGROUND

- A.** The owners of property within the boundaries of the Mack Road PBID No. 2010-02 (District) have submitted petitions asking that the City Council establish the District. Included with the petitions was a summary of the Management District Plan (Plan) that describes the proposed assessment to be levied on property within the District to pay for the following activities and improvements: (1) Security services will be provided implementing a security program to coordinate the existing security on Mack Road; (2) Image enhancement, to promote a vibrant commercial center through marketing and advertising along with landscaping and other improvements to beautify the District; (3) Transportation improvements will include efforts to improve the ingress and egress of the commercial areas; and (4) Advocacy and administration, to promote business interests and allow the business community to speak with one voice. The District Plan is on file with the Public Improvement Financing Division, which has been designated by the City Clerk as the custodian of such records.
- B.** The proposed owners who signed the petitions will collectively pay more than 50% of the proposed assessment. Accordingly, on June 10, 2010, the City Council adopted Resolution No. 2010-304 entitled "Resolution of Intention to Establish the Mack Road Property and Business Improvement District" (the Resolution of Intention). Among other things, the Resolution of Intention states that a public hearing on the establishment of the District and the proposed assessment will be held on July 27, 2010, at 6:00 p.m. in the City Council's chambers, Sacramento City Hall, 915 "I" Street (first floor), Sacramento, California. The Resolution of Intention also states the City Council's finding that the District Plan satisfies all requirements of Streets and Highways Code Section 36622.
- C.** The properties within the exterior boundaries of the District will be benefited by the activities and improvements to be funded by the proposed assessment.
- D.** On June 11, 2010, the City Clerk mailed to each owner of record of each parcel within the District's exterior boundaries a notice concerning the public hearing on the establishment of the District and the proposed assessment. Each notice included the statutorily required information about the assessment and the majority-protest procedure, as well as an assessment ballot.

- E. At 6:00 p.m. on July 27, 2010, in the City Council's chambers, Sacramento City Hall, 915 "I" Street (first floor), Sacramento, California, the City Council held a public hearing regarding the establishment of the District and the levy of the assessment. During the public hearing, the City Council heard and received all objections and protests to the establishment of the District and the proposed assessment. The City Clerk has received, been given custody of, and tabulated the assessment ballots returned and not withdrawn by the owners of property located within the District. The City Clerk has reported the results of the tabulation by her written Certificate to the City Council. The Clerk's Certificate of Ballot Results for the Mailed-Ballot Property Majority Protest Proceeding indicates that, of the assessment ballots signed and returned to the City Clerk, and not withdrawn, prior to the close of the public hearing on July 27, 2010, and weighting the ballots for each property according to the proportional financial obligation of each property, 77.45 percent of the assessment ballots were in favor of the levy of the assessments as proposed, and 22.55 percent were opposed. The number of assessment ballots submitted and not withdrawn in opposition to the proposed assessment did not exceed the number of ballots submitted and not withdrawn in favor of the proposed assessment, with ballots weighted according to the amount of the assessment to be imposed upon the parcel for which each ballot was submitted. Therefore, a majority protest against the proposed assessment does not exist.
- F. All actions and proceedings described in paragraphs A through E were undertaken and completed in accordance with law.

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

- Section 1.** That the statements in paragraphs A through F of the background are true and adopts them as findings.
- 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) Approves the Engineer's Report and District Plan on the proposal to levy an annual assessment on land within the district to be established, attached hereto as Exhibit A and by this reference made a part of this resolution, preliminarily approved by Resolution No. 2010-304, modified in non-substantive ways in this Resolution;
 - (c) Establishes the District for a five year term that will expire on December 31, 2015, for the territory generally described in Exhibit B, attached hereto and by this reference made a part of this resolution,

as shown in the Engineer’s Report and District Plan, preliminarily approved by Resolution No. 2010-304;

- (d) Confirms the assessment diagram and assessment roll and upon establishment of the District annual budget, levies the assessment on real property within the District, as described in the Engineer’s Report and District Plan. In accordance with Streets and Highways Code Section 36631 and the District Plan, the assessment to fund the activities and improvements for the District will be collected at the same time and in the same manner as are ad valorem property taxes and will have the same lien priority and penalties for delinquent payment.

Section 3. Properties within the District will be subject to any amendments to the Property and Business Improvement District Law of 1994.

Section 4. Bonds will not be issued.

Section 5. The City Manager (or designee) is directed to take all necessary actions to complete the establishment of the District and to levy the assessment. The City Clerk is directed to record, in the Sacramento County Recorder’s office, a notice and assessment diagram as required by Streets and Highways Code Section 36627. The City Clerk is further directed to certify the passage and adoption of this resolution and to enter it in the book of original resolutions.

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Exhibit A: Engineer’s Report & Mack Road PBID Management Plan - 35 Pages

Exhibit B: District Map -1 Page

EXHIBIT A

**MACK ROAD
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT**

MANAGEMENT DISTRICT PLAN

*Submitted to the
City of Sacramento*

May 24, 2010

By



MACK ROAD PBID MANAGEMENT DISTRICT PLAN

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I. INTRODUCTION AND OVERVIEW

Developed by a growing coalition of property and business owners, the Mack Road Property and Business Improvement District (MRPBID) is a benefit assessment district whose main goal is to improve Mack Road. The MRPBID will establish various programs to increase the commercial activity in Mack Road. This approach has been used successfully in other cities throughout the country to increase sales, attract new tenants, increase occupancies, and increase property values. Property owners and stakeholders within Mack Road have created this Management District Plan to form the MRPBID. The MRPBID will provide services and programs which serve to improve Mack Road.

Location: The MRPBID includes commercial properties fronting Mack Road between Franklin Boulevard on the west and Stockton Boulevard in the east. Commercial properties between Valley High and Bruceville Road, continuing down Bruceville to Timberlake Way, will also be included.

Services: Security, image enhancement, transportation improvements, and advocacy services to improve the Mack Road commercial corridor.

Budget: The MRPBID annual budget for each year of its five (5) year operation is anticipated to be \$410,511 with a maximum three percent (3%) increase per year after.

Cost: Each parcel owner will pay based on benefits received. The MRPBID will be divided into two zones based upon benefit received. Zone 1 will include all properties west of Highway 99. Zone 2 will include all properties between Highway 99 and Stockton Boulevard.

The annual assessment on parcels is \$0.03 per square foot in Zone 1 and \$0.02 per square foot in Zone 2. The programs provided by the MRPBID have been designed to provide benefits to parcels with commercial and multi-family residential uses. MRPBID programs do not provide benefits to parcels with a single-family residential use, thus those parcels shall not be assessed.

Formation: MRPBID formation requires submittal of petitions from property owners representing at least 50% of the total assessment. The "Right to Vote on Taxes Act" (also known as Proposition 218) requires a ballot vote in which more than 50% of the ballots received, weighted by assessment, be in support of the MRPBID.

Duration: The proposed MRPBID will have a five (5) year life. After five (5) years, the petition process, ballot process, and City Council hearing process must be repeated for the MRPBID to be reestablished.

II. WHY A PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FOR MACK ROAD?

There are several reasons why now is the time to form a Property and Business Improvement District in Mack Road. The most compelling reasons are as follows.

1. *The Need to be Proactive in Determining the Future of Mack Road.*

In order to protect their investment, parcel owners must be partners in the process that determines how new development projects are implemented. The MRPBID will allow these owners to lead and shape future developments through the MRPBID.

2. *The Need to Attract New Business and Investment Throughout Mack Road.*

If Mack Road is to compete as a successful commercial district it must develop its own well financed, proactive strategy to retain businesses and tenants as well as attract new business and investment. The MRPBID provides the financial resources to develop and implement a focused strategy that will work to fill vacancies and attract new businesses to all areas of Mack Road.

3. *An Opportunity to Create a Private/Public Partnership with a Unified Voice for Mack Road.*

Because parcel owners would be investing financial resources through the MRPBID, they will be looked upon as a strong partner in negotiations with the City. This partnership will have the ability to leverage the parcel owner's investment with additional public investment in Mack Road. Both property and business owners could be united under the MRPBID umbrella, which would then be able to approach the public sector with a viable and unified private sector voice.

4. *An Opportunity to Establish Private Sector Management and Accountability.*

A non-profit, private-sector business organization formed for the sole purpose of improving Mack Road will manage the services provided and the MRPBID. Annual MRPBID work plans and budgets are developed by a board composed of stakeholders that own businesses and property in the Mack Road area. New marketing and promotion services are subject to private sector performance standards, controls, and accountability.

III. WHAT IS A PROPERTY AND BUSINESS IMPROVEMENT DISTRICT?

The International Downtown Association estimates that more than 1,200 Property and Business Improvement Districts currently operate throughout the United States and Canada.

A Property and Business Improvement District may provide services, identity formulation, market research, and economic development in addition to those provided by local government. Property and Business Improvement Districts may also provide physical improvements such as entry features, benches, or lighting. These services are concentrated within a distinct geographic area and are paid for by means of a special parcel owner assessment. A Board of Directors representing those who pay the assessment would govern the organization responsible for providing these services.

Property and Business Improvement Districts are proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values and sales volumes.

The MRPBID will be formed pursuant to a State Law that took effect in January of 1995. The "Property and Business Improvement District Law of 1994," which was signed into law by Governor Pete Wilson, ushered in a new generation of Property and Business Improvement Districts in California by allowing a greater range of services and independence from government. Key provisions of the law include:

- Allows Property and Business Improvement Districts to provide services ranging from security to maintenance, and from business advocacy to economic development.
- A Property and Business Improvement District is *designed and governed by those who will pay* the assessment.
- Petition and ballot support from private property owners paying at least 50% of proposed private property assessments are required to form a Property and Business Improvement District.
- Allows for the formation of a property owner advisory board to provide oversight of District operations and submit a yearly service plan.
- Requires limits for assessments to ensure that they do not exceed pre-established levels.
- Provides a multi-year life for Property and Business Improvement Districts and requires a new petition and balloting process to renew a District. The MRPBID will have a five (5) year term.

The "Property and Business Improvement Business District Law of 1994" is provided in **Appendix 1** of this document.

IV. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT BOUNDARIES

The MRPBID will deliver services to the Mack Road area. The District includes commercial properties fronting Mack Road between Franklin Boulevard on the west and Stockton Boulevard in the east. Commercial properties between Valley High and Bruceville Road, continuing down Bruceville to Timberlake Way, will also be included.

The service area includes approximately 159 properties with 107 property owners. The MRPBID boundary is illustrated on Figure 1. Please see the following pages for the specific assessment formula based on lot square footage. A larger map is available on request by calling (916) 325-0604 or 1-800-999-7781.

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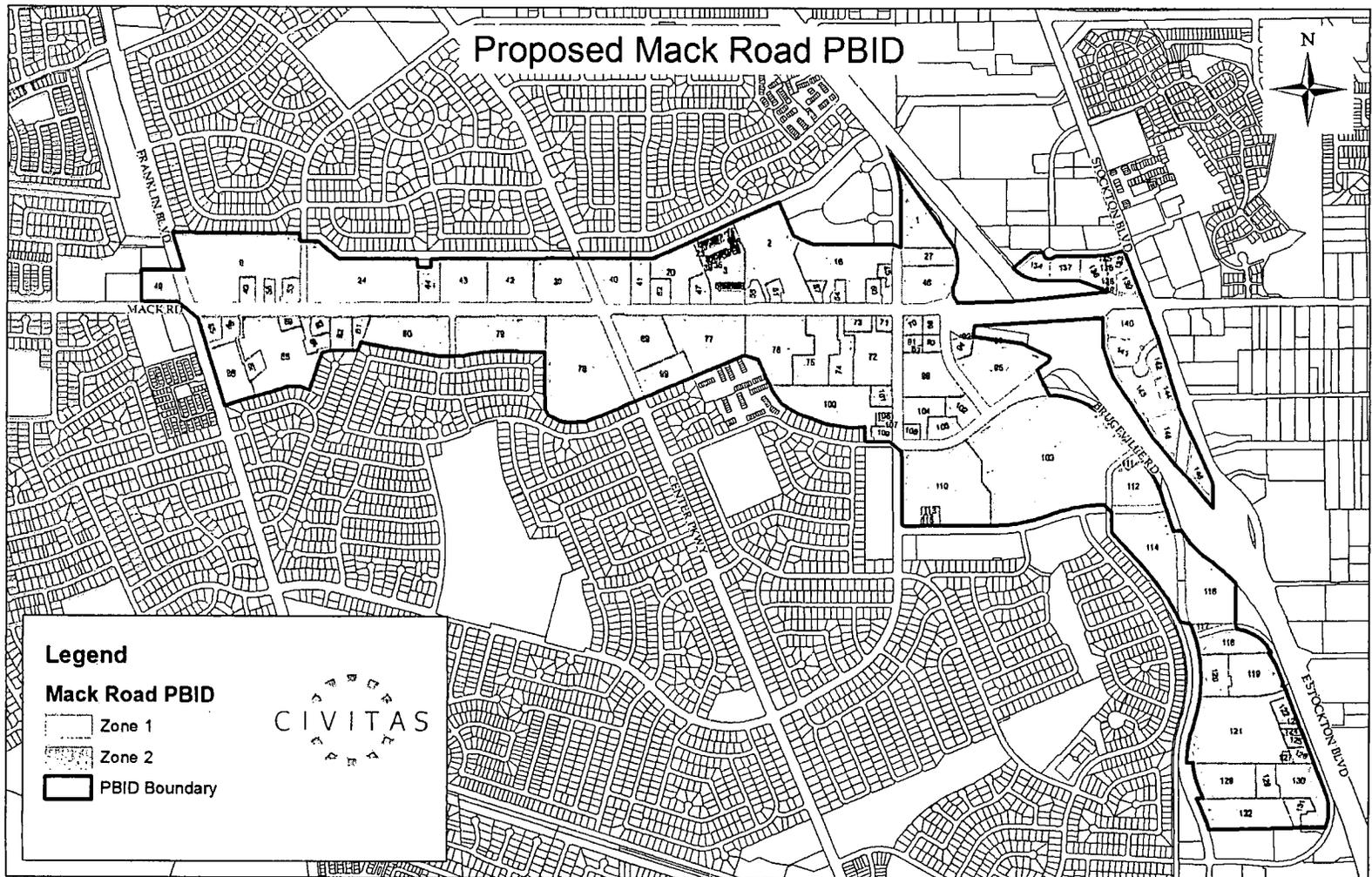


Figure 1

V. SERVICE PLAN AND BUDGET

A. History of Establishing the Service Plan

Property and business owners in the Mack Road area have been concerned about the need for coordinated supplemental services in the area for several years. City services and efforts in the area have been welcomed, but limited resources have not allowed for a more comprehensive approach to managing the commercial area.

In 1994, Governor Wilson signed AB 3754 (Caldera) establishing the Property and Business Improvement District Law of 1994. This statewide enabling law created a mechanism for property owners to join forces and improve their commercial districts. The owners in Mack Road have the opportunity to utilize this tool to provide efficient supplemental services in a cost-effective manner. The following service plan details the nature and extent of the services proposed and provides an itemized budget.

B. Programs and Services to be Provided

The MRPBID Service Plan provides for business advocacy services above and beyond those currently provided by the City of Sacramento. Existing City services will remain intact pursuant to a "base levels of service" agreement between the City of Sacramento and the parcel owners within the District as detailed in Section VII.

MRPBID service levels will be based on the amount paid into the MRPBID. Program descriptions and budgets for MRPBID image enhancement, business advocacy, and administrative services are provided in the following pages.

The first step in preparing the service plan was to identify the existing "baseline" level of services provided by the City of Sacramento. In order to identify the aspects of the MRPBID that needed additional services, property owners within the MRPBID were consulted. In addition, numerous discussions were held with City of Sacramento staff and business owners. Based on the information and opinions collected during this process, service priorities were identified. The information from each step of this process was integrated and this service plan was developed.

The following are some key aspects of the service plan budget:

1. Security

Enhanced security services are needed to keep the Mack Road area safe for patrons, employees, residents and visitors. **The primary task of the security program will be to coordinate the existing security on Mack Road**, including the security provided by the hospitals, retail centers, and apartment buildings. Security services may include contracting with private security firms, security patrols, and/or contracting and partnering with the Sacramento Police Department.

The budget for the Security program is \$287,357.70 or 70% of the budget.

2. Image Enhancement

The program will be developed to promote Mack Road as a vibrant commercial center. Marketing and advertising of the area will keep shoppers coming for entertainment and special events as well as regular shopping. An event and promotional campaign may be established. Landscaping and other improvements may be made to beautify and make the area look more festive.

The budget for Image Enhancement is \$20,525.55 or 5% of the budget.

3. Transportation Improvements

Transportation improvements shall include efforts to improve the ingress and egress of the commercial areas east of Highway 99. These limited funds shall be used for identification of projects, initial design work and may be used as matching dollars for public agency grants. The costs for these programs have been allocated over the five (5) year life of the MRPBID.

The budget for the transportation improvements program is \$41,051.10 or 10% of the total MRPBID budget.

4. Advocacy and Administration

The MRPBID will facilitate a strong and organized voice to represent the property and business owners along Mack Road. Administration, with guidance from the Board of Directors, will provide for the day-to-day operations of the District programs.

The budget for Advocacy and Administration is \$41,051.10 or 10% of the budget.

5. Contingency Reserve

The budget includes a prudent fiscal reserve. Changes in data and other issues may change the revenue and expenses. In order to buffer the organization for unexpected changes in revenue, and/or allow the MRPBID to fund other overhead or renewal costs, the reserve is included as a budget item.

The budget for the contingency reserve is \$20,525.55 or 5% of the budget.

C. Operations Budget

1. Annual Operating Budget Summary

The summary of the annual operating budget for the MRPBID is provided on the following pages. Budgeted Services include services to be provided over five (5) years. Although revenues may fluctuate from year to year, the proportional allocation of revenues shall remain consistent, except that funds can be reallocated between services by up to fifteen percent (15%) each year. The total improvement and activity plan budget for 2010 is projected at \$410,511.

The draft Budget for the Service Plan is as follows:

MRPBID
DRAFT Annual Budget, Years One through Five

<i>Services Provided</i>	<i>Descriptions</i>	<i>Total</i>
Security – 70%		\$287,357.70
Image Enhancement – 5%		\$20,525.55
Transportation Improvements – 10%		\$41,051.10
Advocacy and Administration – 10%		\$41,051.10
Contingency Reserve (For nonpayment, errors in data, - 5% and other contingencies)		\$20,525.55
Total Annual Budget		\$410,511

The Board of Directors can shift up to 15% between budget items. Please see the following table for a five year budget projection with a maximum 3% increase per year.

<i>Mack Road PBID Five Year Operating Budget Annual Assessment with 3% Maximum Increase Per Fiscal Year</i>					
	2011	2012	2013	2014	2015
Annual Assessment	\$410,511	\$422,826	\$435,511	\$448,576	\$462,033

VI. ENGINEER'S REPORT

A. Assessment Methodology

1. Base Formula

Property owners, merchants, and other Mack Road stakeholders have emphasized that an assessment formula for the MRPBID be fair, balanced, and commensurate with benefits received.

Each parcel owner will pay based on benefits received. Tax-exempt parcels shall be assessed regardless of their tax-exempt status. The MRPBID will be divided into two zones based upon benefit received. Zone 1 will include all properties west of Highway 99. Zone 2 will include all properties between Highway 99 and Stockton Boulevard. Each property owner will pay based on benefits received. The variables used for the annual assessment formula are based on gross parcel square footage. Parcel square footage is relevant to the highest and best use of a property, and will reflect the long-term value implications of the MRBID. Gross parcel square footage has been determined based on the Sacramento County GIS, Parcel Basemap Metadata file created by the GIS section of Sacramento County Public Works last updated on May 10, 2010.

The annual assessment on parcels is \$0.03 per square foot in Zone 1 and \$0.02 per square foot in Zone 2. The programs provided by the MRPBID have been designed to provide benefits to parcels with commercial and multi-family residential uses. MRPBID programs do not provide benefits to parcels with a single-family residential use, thus those parcels shall not be assessed.

For more information about parcel assessments, please contact Civitas at (916) 325-0604 or (800)999-7781.

The total maximum MRPBID budget for each year of its five (5) year operation is a base of \$410,511 in the first year with a maximum three percent (3%) increase per year after.

2. Determination of Special Benefit

New physical improvements, marketing, additional security, and promotion services are anticipated throughout the MRPBID. The special benefit to properties from the MRPBID exceeds the total amount of the assessment.

Assessment law provides that the expenses of the MRPBID shall be apportioned in proportion to the benefit received by each parcel. In addition, Proposition 218 requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Proposition provides that only special benefits are assessable. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the MRPBID. The general enhancement of property value does not constitute a special benefit.

Each and every parcel within the MRPBID, except for exempt parcels (discussed below), receives a particular and distinct benefit from the improvements and activities of the MRPBID, over and above general benefits conferred by the general activities of the City. The proposed physical improvement, maintenance, and marketing programs will improve economic development within the MRPBID,

thereby benefiting all parcels within the MRPBID. These programs contribute to a specific enhancement of the property values of each of the parcels within the MRPBID.

Table 1 provides the assessments within the MRPBID. A listing of the proposed parcels within the Mack Road PBID is included as **Appendix 2**. A map keyed to the Table 1 has been included as **Figure 1**.

3. Government-Owned Parcels

Under “The Right to Vote on Taxes Act” (also known as Proposition 218) all public parcels are required to pay assessments unless they can demonstrate by clear and convincing evidence that their parcels do not receive benefit. The City of Sacramento and other public parcels will pay their “fair share” of all assessments.

4. Residential Parcels

The primary purpose of the MRPBID is to benefit parcels with commercial and multi-family residential uses. Any incidental benefit to parcels with single-family residential uses in Mack Road does not warrant assessing those parcels. Therefore, parcels within the boundaries of the MRPBID to the extent that they are parcels with single-family residential uses shall not be assessed.

5. Assessment Notice

An Assessment Notice will be sent to owners of each parcel in the MRPBID. The Assessment Notice provides an estimated assessment based upon lot square footage. The final individual assessment for any particular parcel may change, up or down, if the parcel or building areas differ from those found on the Assessment Notice. A list of parcels to be included in the MRPBID is provided within **Appendix 2**.

B. Time and Manner for Collecting Assessments

As provided by State Law, the MRPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Sacramento. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Sacramento shall distribute funds collected to the City of Sacramento and then to the MRPBID pursuant to the authorization of this Plan. Existing laws for enforcement and appeal of property taxes apply to the MRPBID assessments.

Review of this MRPBID Management District Plan and preparation of the Engineers Report was prepared under the direction of:



Mark Rodgers
State of California Registered Civil Engineer
No. 41540
Wood Rodgers Inc
3301 C Street, Bldg 100B
Sacramento, CA 95816



Table 1
Mack Road Property and Business Improvement District
Assessment Calculation Table

APN	Map ID	LSF	ZONE	Assessment Rate	Annual Assessment
11700110240000	78	663418.8	1	0.03	\$19,902.56
11700110370000	85	48787.2	1	0.03	\$1,463.62
11700110390000	82	68824.8	1	0.03	\$2,064.74
11700110400000	81	38287.0	1	0.03	\$1,148.61
11700110410000	80	264409.2	1	0.03	\$7,932.28
11700110420000	79	299257.2	1	0.03	\$8,977.72
11700120060000	105	10500.0	1	0.03	\$315.00
11700120070000	71	18750.0	1	0.03	\$562.50
11700120090000	99	131115.6	1	0.03	\$3,933.47
11700120100000	107	8250.0	1	0.03	\$247.50
11700120120000	69	217364.4	1	0.03	\$6,520.93
11700120130000	77	317988.0	1	0.03	\$9,539.64
11700120150000	74	88862.4	1	0.03	\$2,665.87
11700120160000	75	195148.8	1	0.03	\$5,854.46
11700120170000	76	309276.0	1	0.03	\$9,278.28
11700120190000	72	202118.4	1	0.03	\$6,063.55
11700120200000	73	39118.0	1	0.03	\$1,173.54
11700120210000	100	324086.4	1	0.03	\$9,722.59
11700120220000	101	42776.0	1	0.03	\$1,283.28
11700120230000	109	31015.0	1	0.03	\$930.45
11701200200000	120	103237.2	1	0.03	\$3,097.12
11701200260001	148-162	12134.6	1	0.03	\$364.04
11701200260002	148-162	12134.6	1	0.03	\$364.04
11701200260003	148-162	12134.6	1	0.03	\$364.04
11701200260004	148-162	12134.6	1	0.03	\$364.04
11701200260005	148-162	12134.6	1	0.03	\$364.04
11701200260006	148-162	12134.6	1	0.03	\$364.04
11701200260007	148-162	12134.6	1	0.03	\$364.04
11701200260008	148-162	12134.6	1	0.03	\$364.04
11701200260009	148-162	12134.6	1	0.03	\$364.04
11701200260010	148-162	12134.6	1	0.03	\$364.04
11701200260011	148-162	12134.6	1	0.03	\$364.04
11701200260012	148-162	12134.6	1	0.03	\$364.04
11701200260013	148-162	12134.6	1	0.03	\$364.04

11701200260014	148-162	12134.6	1	0.03	\$364.04
11701200280000	116	261360.0	1	0.03	\$7,840.80
11701200490000	117	14288.0	1	0.03	\$428.64
11701200510000	118	128937.6	1	0.03	\$3,868.13
11701700090000	146	74487.6	2	0.02	\$1,489.75
11701700250000	113	22602.0	1	0.03	\$678.06
11701700260000	115	8848.0	1	0.03	\$265.44
11701700350000	94	32000.0	1	0.03	\$960.00
11701700490000	111	12197.0	1	0.03	\$365.91
11701700500000	112	145054.8	1	0.03	\$4,351.64
11701700550000	143	155073.6	2	0.02	\$3,101.47
11701700620000	95	307098.0	1	0.03	\$9,212.94
11701700640000	93	4818.0	1	0.03	\$144.54
11701700690000	142	43168.0	2	0.02	\$863.36
11701700700000	144	47916.0	2	0.02	\$958.32
11701700710000	145	89733.6	2	0.02	\$1,794.67
11701700730000	92	1315.0	1	0.03	\$39.45
11701700820000	141	82764.0	2	0.02	\$1,655.28
11701700830000	114	314067.6	1	0.03	\$9,422.03
11701700840000	140	117612.0	2	0.02	\$2,352.24
11701700850000	110	528382.8	1	0.03	\$15,851.48
11701700860000	103	1265418.0	1	0.03	\$37,962.54
11701810020000	122	36590.0	1	0.03	\$1,097.70
11701810030000	123	9298.0	1	0.03	\$278.94
11701810050000	126	28314.0	1	0.03	\$849.42
11701810220000	128	186436.8	1	0.03	\$5,593.10
11701810230000	124	11725.0	1	0.03	\$351.75
11701810240000	125	21875.0	1	0.03	\$656.25
11701810260000	132	230432.4	1	0.03	\$6,912.97
11701810350000	127	10890.0	1	0.03	\$326.70
11701810360000	121	500504.4	1	0.03	\$15,015.13
11701810370000	129	54014.4	1	0.03	\$1,620.43
11701810380000	130	186436.8	1	0.03	\$5,593.10
11701810400000	131	47916.0	1	0.03	\$1,437.48
11703300010000	68	30891.0	1	0.03	\$926.73
11703300020000	70	34252.0	1	0.03	\$1,027.56
11703300030000	90	27660.0	1	0.03	\$829.80
11703300050000	98	195148.8	1	0.03	\$5,854.46
11703300060000	102	69260.4	1	0.03	\$2,077.81
11703300070000	106	57063.6	1	0.03	\$1,711.91

11703300080000	104	97574.4	1	0.03	\$2,927.23
11703300090000	108	23871.0	1	0.03	\$716.13
11703300100000	91	24050.0	1	0.03	\$721.50
11703300110000	97	6000.0	1	0.03	\$180.00
11707800010000	86	48351.6	1	0.03	\$1,450.55
11707800020000	96	169884.0	1	0.03	\$5,096.52
11707800030000	87	51400.8	1	0.03	\$1,542.02
11707800040000	88	370260.0	1	0.03	\$11,107.80
11707800050000	89	25744.0	1	0.03	\$772.32
11707800060000	84	50094.0	1	0.03	\$1,502.82
11707800070000	83	31363.0	1	0.03	\$940.89
11800620140000	39	179467.2	1	0.03	\$5,384.02
11800620150000	42	177289.2	1	0.03	\$5,318.68
11800620160000	43	179902.8	1	0.03	\$5,397.08
11800620170000	24	462607.2	1	0.03	\$13,878.22
11800620180000	49	37250.0	1	0.03	\$1,117.50
11800620220000	53	40075.0	1	0.03	\$1,202.25
11800620230000	56	22433.0	1	0.03	\$672.99
11800620250000	44	71874.0	1	0.03	\$2,156.22
11800620260000	9	588931.2	1	0.03	\$17,667.94
11801030010000	40	128066.4	1	0.03	\$3,841.99
11801030050000	55	28226.0	1	0.03	\$846.78
11801030090000	2	395524.8	1	0.03	\$11,865.74
11801030100000	51	24263.0	1	0.03	\$727.89
11801030110000	16	350222.4	1	0.03	\$10,506.67
11801030120000	45	21257.0	1	0.03	\$637.71
11801030130000	50	28270.0	1	0.03	\$848.10
11801030140000	54	22520.0	1	0.03	\$675.60
11801030150000	57	26745.0	1	0.03	\$802.35
11801110620000	20	167270.4	1	0.03	\$5,018.11
11801110630000	41	72309.6	1	0.03	\$2,169.29
11801110640000	52	40075.0	1	0.03	\$1,202.25
11801110650000	47	47916.0	1	0.03	\$1,437.48
11801210010000	23	1650.0	1	0	\$0.00
11801210020000	21	1650.0	1	0	\$0.00
11801210030000	19	1650.0	1	0	\$0.00
11801210040000	17	1650.0	1	0	\$0.00
11801210050000	15	1650.0	1	0	\$0.00
11801210060000	14	1650.0	1	0	\$0.00
11801210070000	12	1650.0	1	0	\$0.00

11801210080000	11	1650.0	1	0	\$0.00
11801210090000	8	1650.0	1	0	\$0.00
11801210100000	7	1650.0	1	0	\$0.00
11801210110000	4	1650.0	1	0	\$0.00
11801210120000	5	1650.0	1	0	\$0.00
11801210130000	6	1650.0	1	0	\$0.00
11801210140000	10	1650.0	1	0	\$0.00
11801210150000	13	1650.0	1	0	\$0.00
11801210160000	18	1650.0	1	0	\$0.00
11801210170000	22	1650.0	1	0	\$0.00
11801210180000	25	1650.0	1	0	\$0.00
11801210190000	26	1650.0	1	0	\$0.00
11801210200000	29	1650.0	1	0	\$0.00
11801210210000	28	1650.0	1	0	\$0.00
11801210220000	30	1650.0	1	0	\$0.00
11801210230000	31	1650.0	1	0	\$0.00
11801210240000	32	1650.0	1	0	\$0.00
11801210250000	33	1650.0	1	0	\$0.00
11801210260000	34	1650.0	1	0	\$0.00
11801210270000	35	1650.0	1	0	\$0.00
11801210280000	36	1650.0	1	0	\$0.00
11801210290000	37	1650.0	1	0	\$0.00
11801210300000	38	1650.0	1	0	\$0.00
11801210310000	67	1650.0	1	0	\$0.00
11801210320000	66	1650.0	1	0	\$0.00
11801210330000	65	1650.0	1	0	\$0.00
11801210340000	64	1650.0	1	0	\$0.00
11801210350000	63	1650.0	1	0	\$0.00
11801210360000	62	1650.0	1	0	\$0.00
11801210370000	61	1650.0	1	0	\$0.00
11801210380000	60	1650.0	1	0	\$0.00
11801210390000	59	1650.0	1	0	\$0.00
11801210400000	58	1650.0	1	0	\$0.00
11801210410000	3	184258.8	1	0.03	\$5,527.76
11801310130000	139	38111.0	2	0.02	\$762.22
11801310210000	134	62290.8	2	0.02	\$1,245.82
11801310230000	137	67518.0	2	0.02	\$1,350.36
11801310290000	133	43560.0	2	0.02	\$871.20
11801310300000	135	1500.0	2	0.02	\$30.00
11801310310000	138	1090.0	2	0.02	\$21.80

11801310320000	136	63162.0	2	0.02	\$1,263.24
11801330060000	1	152460.0	1	0.03	\$4,573.80
11801330090000	46	200376.0	1	0.03	\$6,011.28
11801330100000	27	81892.8	1	0.03	\$2,456.78
11900700700000	48	84070.8	1	0.03	\$2,522.12
				TOTAL	\$410,511.22
* Residential parcels shall not be assessed					

VII. CONTINUATION OF CITY SERVICES

A. City Base Levels of Service Policy

Throughout the process of establishing the MRPBID, stakeholders and business and property owners have voiced concerns that the City of Sacramento maintains existing services at verifiable “baseline” service levels. A formal base level of service policy ensures that existing City services are enhanced, not replaced, by new MRPBID services.

B. City Council Resolution

If the property and business owners in Mack Road request that the Sacramento City Council adopt a resolution committing the City to establish and maintain base levels of service within the MRPBID, the City may consider such an adoption. The policy states that “basic service levels” provided to the area must be paid for by the general City revenues, and not subsidized by revenue which the MRPBID generates for enhanced and supplemented levels of service.

The policy allows for adjustments in the “basic service levels” commensurate with changes in the City’s overall financial condition. City wide service reductions can trigger a proportionate reduction in base levels of service within a Property and Business Improvement District.

A draft City of Sacramento Resolution establishing this policy and an estimate of current services is provided in **Appendix 3**.

VIII. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT GOVERNANCE

A. Mack Road Property and Business Improvement District

The District shall be governed by the Mack Road Partnership (“MRP”), with oversight from the Sacramento City Council. The MRP shall serve as the Management District Association described in the Streets and Highways code section 36651. The Board of Directors of MRP and its staff are charged with the day-to-day operations of the MRPBID.

The Board of Directors of MRP must include a majority proportion of parcel owners paying the assessment. In addition, the Board of Directors must represent a variety of interests within the MRPBID and respond to the needs of property and business owners from various “commercial neighborhoods” within the MRPBID.

The Board of Directors shall act in the best interests of all of the properties and businesses within the MRPBID. The diverse representation described above ensures that the interests of all of the properties and business in the MRPBID shall be fairly represented. The City Council or Board of Directors reserves the right to amend or modify the composition of the Board by a separate resolution without amending the Management District Plan.

B. Brown Act Compliance

The MRP is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the MRP board must be held in compliance with the public notice and other requirements of the Brown Act.

C. Annual Report

The MRP board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see **Appendix 1**).

**APPENDIX 1 – THE PROPERTY AND BUSINESS IMPROVEMENT
DISTRICT LAW OF 1994**

**PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994
STREETS AND HIGHWAYS CODE
Division 18. Parking**

*** THIS DOCUMENT IS CURRENT THROUGH 2009-2010 EXTRAORDINARY SESSIONS 1-5, ***
AND 7, AND URGENCY LEGISLATION THROUGH CH 4 OF THE 2010 REGULAR SESSION

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.

- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Owner"

"Property owner" or "owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) A map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(l) Any other item or matter required to be incorporated therein by the city council.

§ 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners of businesses in the proposed district which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties or businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing the district pursuant to Section 36625 or 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. If the assessment is levied on businesses, the text of the recorded notice shall be modified to reflect that the assessment will be levied on businesses, or specified categories of businesses, within the area of the district. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution establishing the management district plan described in Section 36622. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

§ 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

§ 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

§ 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623 . Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local

Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

§ 36671. Refund of remaining revenues upon disestablishment of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – PROPERTIES WITHIN THE MACK ROAD PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

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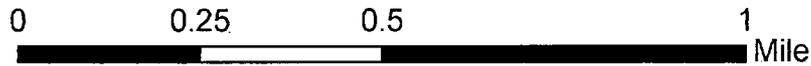
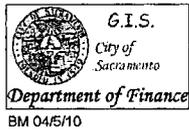
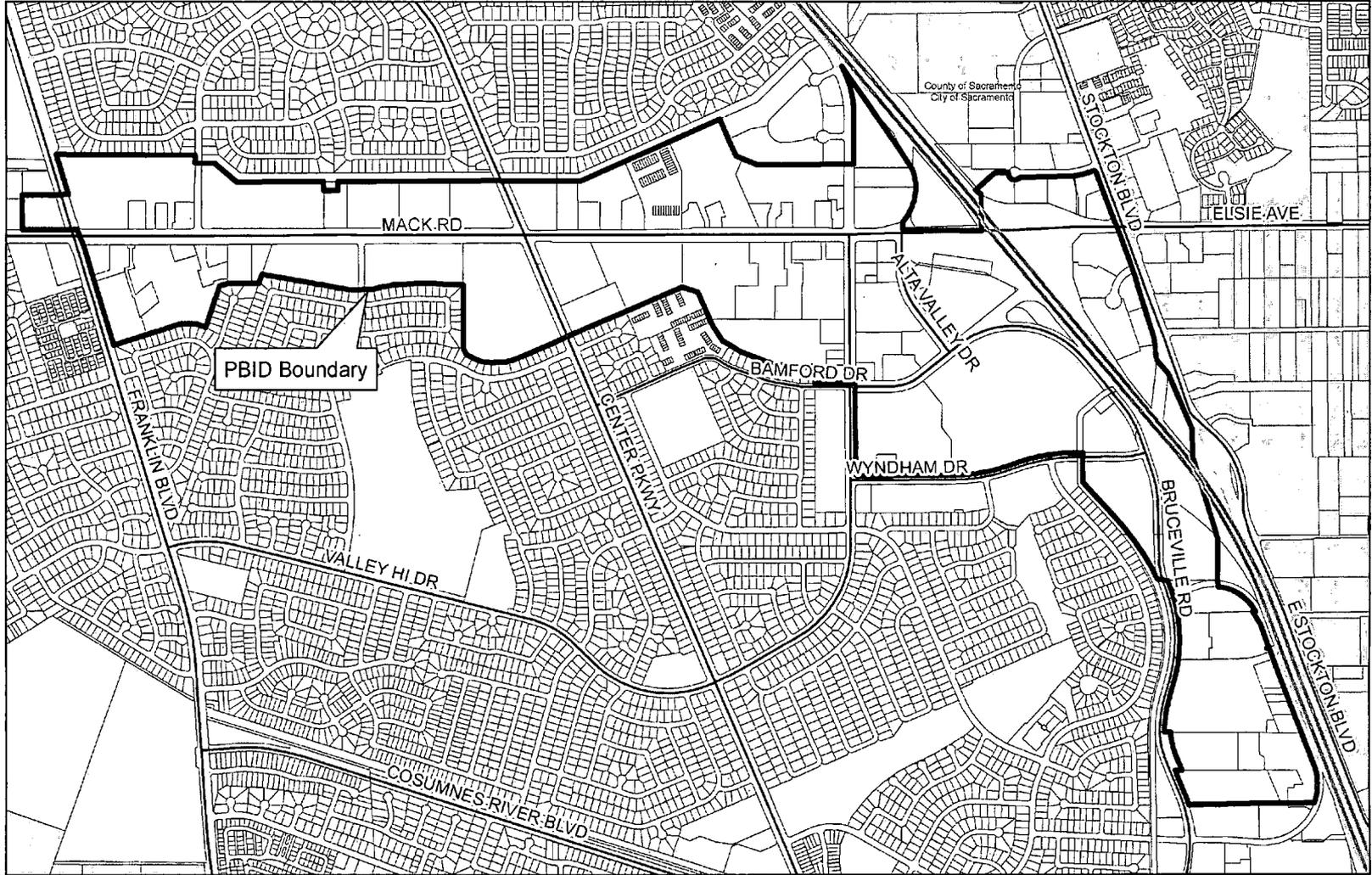
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Mack Road Property and Business Improvement District No. 2010-02

EXHIBIT B



RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE MACK ROAD PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID) BUDGET AND LEVYING ASSESSMENT FOR FY2010/11

BACKGROUND

- A.** The Mack Road PBID (the District), boundaries of which are depicted in Exhibit A, was established by the City Council and approved by the property owners on July 27, 2010.
- 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) to pay for improvements and services to be provided within the District, all in accordance with the PBID Law.
- C.** The District provides for economic development, image enhancement, security and maintenance services and advocacy/administration with the intent of continuing to create a positive atmosphere in the Mack Road Commercial Corridor Area. All services are as defined within the Management District Plan (Plan). The Plan associated with the District 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 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.** That the background statements in paragraphs A through D above are true.
- Section 2.** The City Council hereby:
 - (a) Adopts the budget set forth in the FY2010/11 Plan; and
 - (b) Levies on property within the District the assessment set forth in the FY 2010/11 Plan.
- Section 3.** Exhibits A and B are part of this resolution.

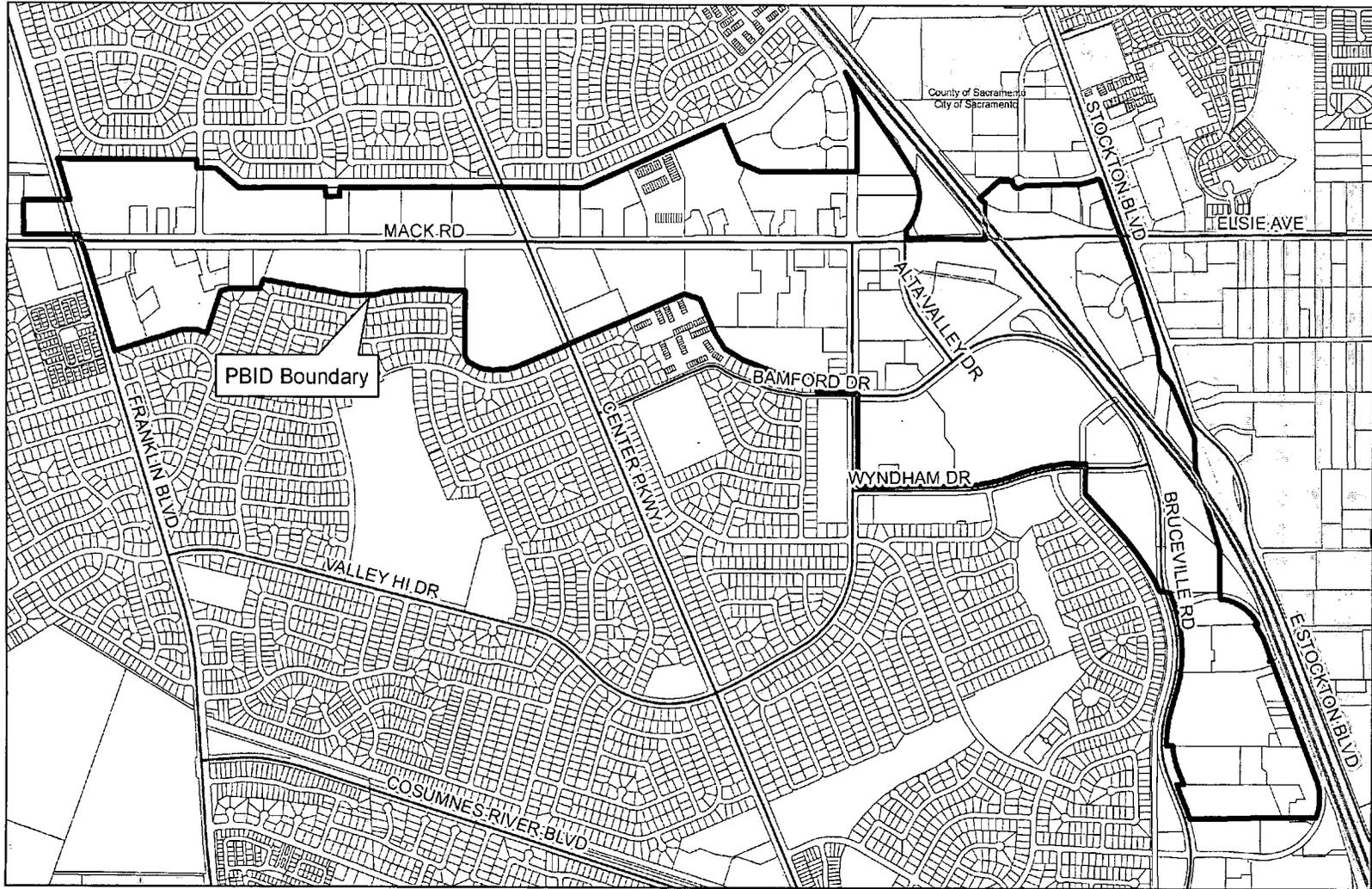
Table of Contents:

Exhibit A: District Map -1 Page

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

Mack Road Property and Business Improvement District No. 2010-02

EXHIBIT A



Mack Road PBID – Ballot Results

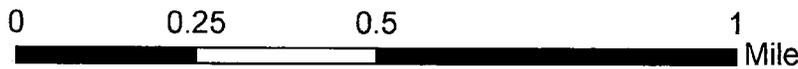
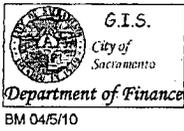


EXHIBIT B

**Mack Road
Property and Business Improvement District
FY2010/11 Budget**

The Mack Road PBID assessment budget for FY2010/11 is \$410,511

Program	Budget	% of Total
Security	\$287,357.70	70.0
Image Enhancement	\$20,525.55	5.0
Transportation Improvements	\$41,051.10	10.0
Advocacy / Administration	\$41,051.10	10.0
Contingency Reserve	\$20,525.55	5.0
Total	\$410,511.00	100.0

Parcel Assessment

Annual assessment rates are based on an allocation of program costs and a calculation of parcel square footage. Assessment rates may be subject to an increase of no more than 3% per year.

FY2010/11 Benefit Zone	Rate per Parcel Square Footage
Zone 1	\$0.03
Zone 2	\$0.02

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING THE PROPOSED FISCAL YEAR 2010/11
CITY BUDGET FOR THE MACK ROAD PROPERTY AND BUSINESS
IMPROVEMENT DISTRICT, FUND 2XXX**

BACKGROUND

- A. The Mack Road Property and Business Improvement District No. 2010-02 (District), the boundaries of which are depicted in Exhibit A, was established by the City Council and approved by the property owners on July 27, 2010.
- B. The City Council established the District under the Property and Business Law of 1994 (California Streets and Highway Code—sections 36600 to 36671) (PBID Law) to pay for improvements and services to be provided within the District, all in accordance with the PBID Law.
- C. 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.** That the background statements in paragraphs A through C above are true.
- Section 2.** The District's FY2010/11 assessment and expenditure budget is established at \$410,511, as set forth in Exhibit B.
- Section 3.** The Finance Director is hereby authorized to expend \$9,161 of the budgeted funds for the Department of Finance to provide services for the District, as set forth in Exhibit B, which will be reimbursed by the District.
- Section 4.** Exhibits A and B are part of this resolution.

Table of Contents:

Exhibit A: District Map – 1 Page

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

Mack Road Property and Business Improvement District No. 2010-02

EXHIBIT A

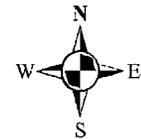
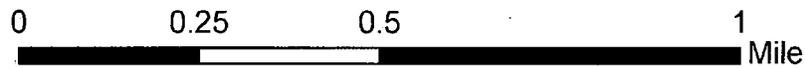
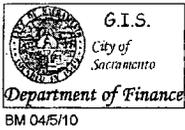
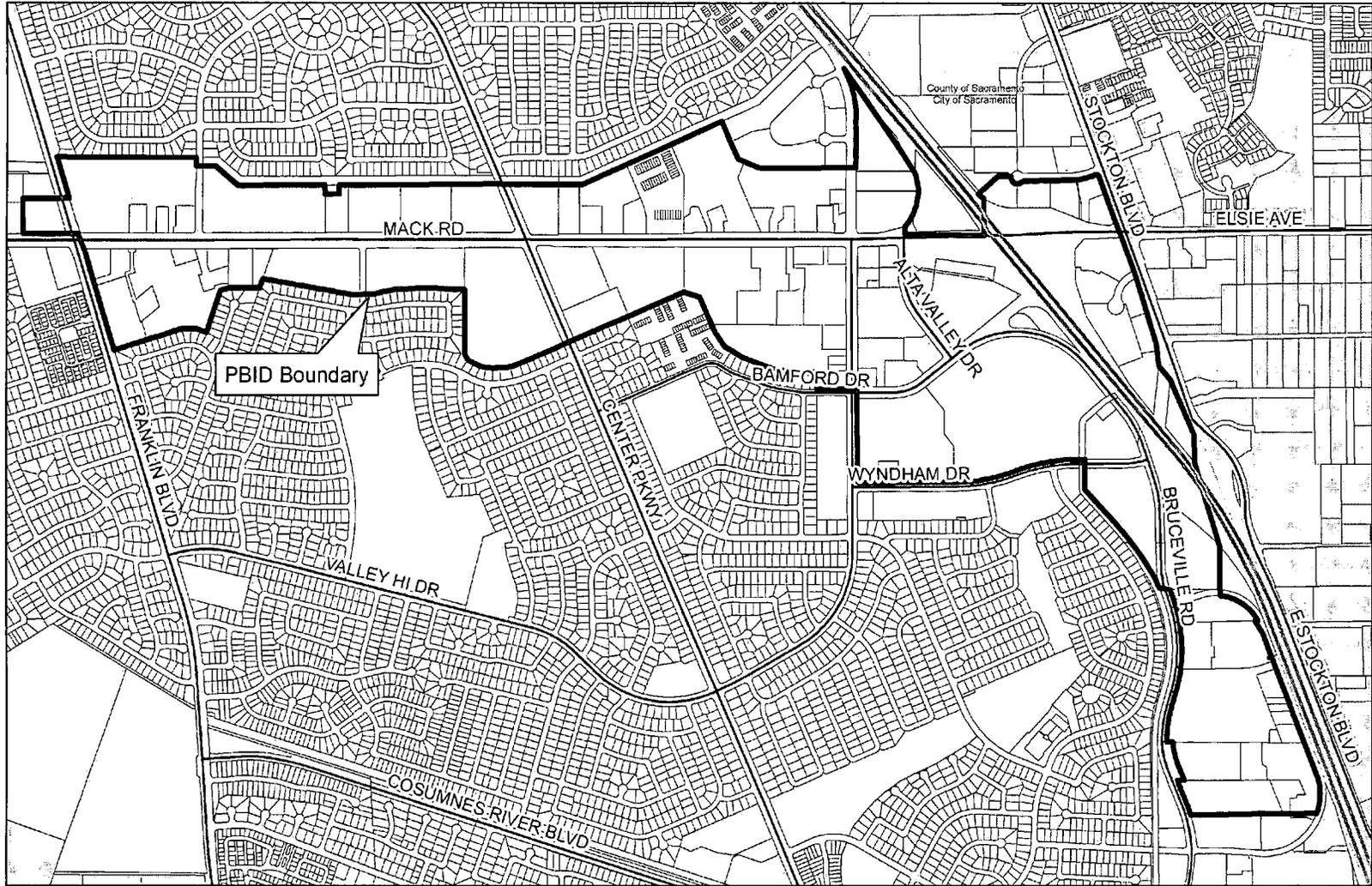


EXHIBIT B

**MACK ROAD PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2010/11 DISTRICT BUDGET & PARCEL ASSESSMENT**

Total Assessment Budget		\$410,511
Total Revenue		<u>\$410,511</u>
Special Districts Administration	\$7,500	
Consultant (NBS) Reporting	250	
Finance Administration	1,276	
County Billing Cost	<u>135</u>	
Less: Total City Administration Expense		<u>\$9,161</u>
Estimated Total PBID Disbursement		<u>\$401,350</u>

PARCEL ASSESSMENT

Annual assessment rates are based on an allocation of program costs and a calculation of parcel square footage. Assessment rates may be subject to an increase by no more than 3% per year.

FY2010/11 Benefit Zone	Rate per Parcel Square Footage
Zone 1	\$0.03
Zone 2	\$0.02

**SCHEDULE OF PROCEEDINGS
MACK ROAD
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2010-02**

May 13, 2010	Petition Drive Kick-off
June 10, 2010	Received Signed Petitions
June 10, 2010	Resolution of Intention to Renew – City Council
June 11, 2010	Mail, Publish Notice of Hearing, Management Plan, and Ballot
July 8, 2010	Record Boundary Map

July 27, 2010	Public Hearing and Tabulation of Ballots – City Council
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August 5, 2010	Ballot Results – City Council
August 6, 2010	Record Notice of Assessment and Assessment Diagram
August 2010	Assessment Roll to County