

RESOLUTION NO. 2011-291

Adopted by the Sacramento City Council

May 24, 2011

RESOLUTION OF INTENTION TO ESTABLISH THE HANDLE BUSINESS IMPROVEMENT DISTRICT NO. 2011-04

BACKGROUND:

- A. The business owners within the Handle Business Improvement District (District) have submitted petitions asking that the City Council (Council) establish the District. Included with each petition was a Management District Plan (MDP) summary and a map showing the boundaries of the District. The map is entitled "BID Boundary Map." The petitions, the boundary map, and the MDP are on file with the Public Improvement Financing unit (PIF unit) of the Department of Finance, which has been designated by the City Clerk (Clerk) to be the repository of documents associated with special districts.
- B. The MDP provides for the following improvements and services within the District, all of which are intended to make the District safer, cleaner, and increase the commercial activity: (1) Security services will be provided to complement existing security provided by City Police; (2) Lighting, Landscaping, and Signage; and 3) Image enhancement through Marketing and Advertising, to promote a vibrant commercial center. The MDP proposes to fund these improvements and services through the levy of a benefit assessment on businesses within the District.
- C. The Council finds that the City has received the petitions signed by the business owners in the proposed District who will pay more than 50 percent of the proposed assessment. The Council thus accepts the petitions and intends to establish the District and to levy on businesses within the District boundaries in accordance with the Property and Business Improvement District Law of 1994 (PBID Law) and Sacramento City Code Section 3.92.050.
- D. The MDP, prepared in accordance with the provisions of Streets and Highways Code Section 36622, has been filed with the PIF unit, which has been designated by the Clerk to be the repository of documents associated with special districts.
- E. The Council finds that the MDP satisfies all of the requirements of Streets and Highways Code Section 36622.
- F. Formation of future Business Improvement Districts (BIDs) will follow the model established by the formation of the District in accordance with the PBID Law.

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

- Section 1. The Council finds and determines that the recitals set forth above are true.
- Section 2. The Council finds that the business owners who will pay more than 50 percent of the assessment proposed in the MDP have signed the petitions. The Council thus accepts the petitions and intends to establish the District and to levy an assessment on businesses within the District boundaries in accordance with the PBID Law and City Code. In the first year of the five-year term, the proposed assessment budget is approximately \$200,000 as shown on Exhibit B to this resolution. The assessment categories are proposed as follows. Food and beverage businesses are proposed to be assessed 1.5% of gross sales, excluding alcohol sales. Retail businesses with under \$100,000 in gross annual revenue are proposed to be assessed a flat assessment of \$25 per month. Retail businesses with \$100,000 or more in gross annual revenue are proposed to be assessed a flat assessment of \$50 per month. Business classification as "food and beverage" or "retail" is based on the primary business activity of each business. The current businesses in the proposed District and the assessment categories in which they are proposed to be placed are shown on Exhibit C to this resolution.
- Section 3. Exhibits A, and B and C are part of this resolution.
- Section 4. The Council finds that the MDP satisfies all requirements of Streets and Highway Code Section 36622.
- Section 5. The exterior boundaries of the BID are shown on the "BID Boundary Map" attached to this resolution as Exhibit A.
- Section 6. No bonds will be issued for this District.
- Section 7. The time and place for a public meeting on the establishment of the District is set for June 21, 2011, at 6:00 pm in the City Council chambers, New City Hall, 915 "I" Street (first floor), Sacramento, California. The City Council may continue the public meeting from time to time.
- Section 8. The time and place for the protest hearing on the establishment of the District is set for July 12, 2011, at 6:00 p.m. in the City Council chambers, New City Hall, 915 "I" Street (first floor), Sacramento, California. The City Council may continue the public hearing from time to time.
- Section 9. The Clerk is directed to give notice of the time and place of the public meeting and public hearing in accordance with Streets and Highways Code Section 36623. The Clerk is to do this by mailing (or causing to be mailed) written notices in the time, form, and manner stipulated in Streets and Highways Code Section 36623 to all persons who operate businesses within the District and will be subject to the proposed assessment. The form of the notice must be

EXHIBIT A

Handle Business Improvement District No. 2011-04

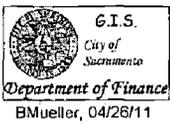
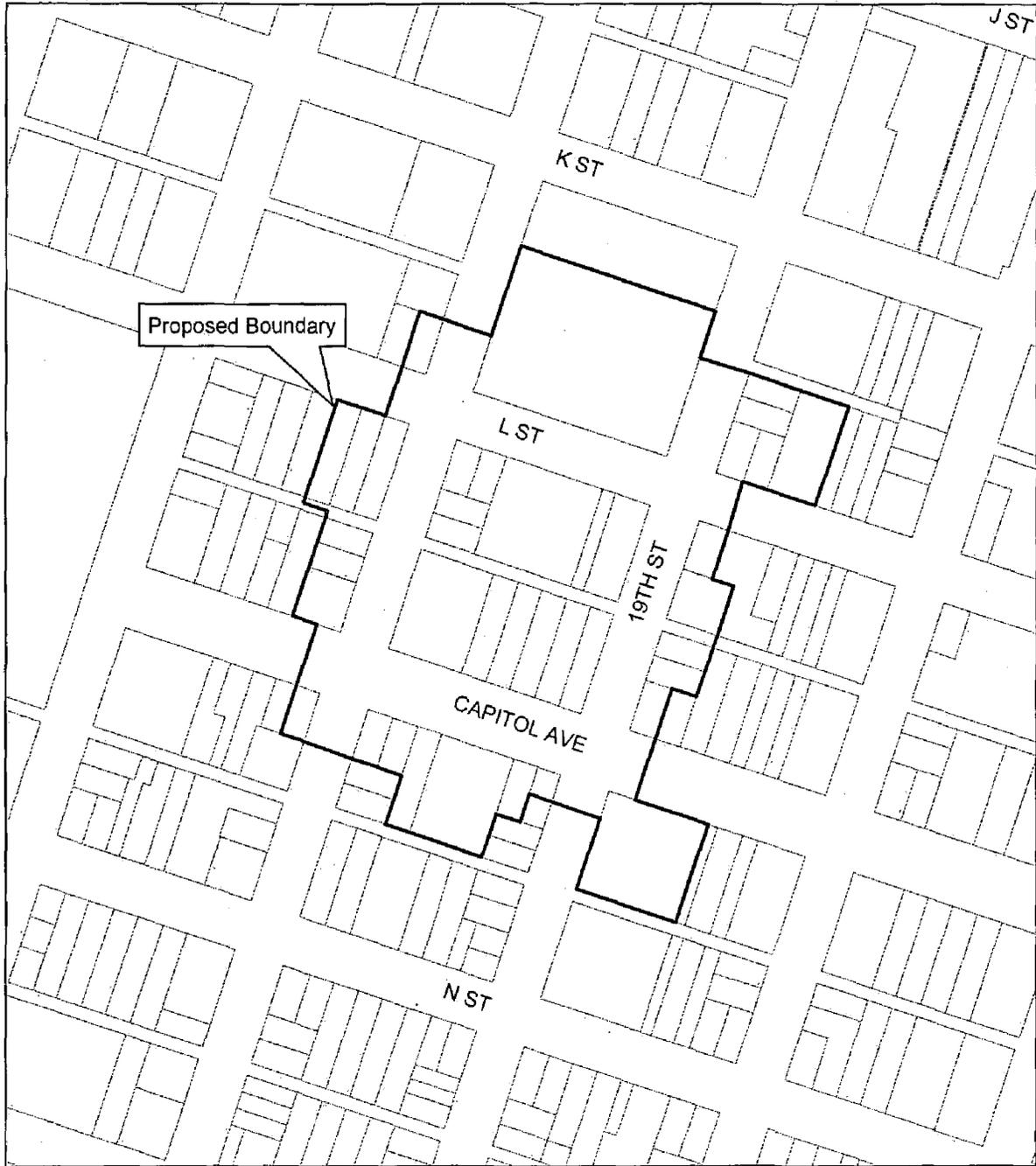


EXHIBIT B

HANDLE BUSINESS IMPROVEMENT DISTRICT NO. 2011-04 DISTRICT BUDGET & ANNUAL ASSESSMENT IN YEAR 1

Total Assessment Budget	\$200,000
Total Revenue	<u>\$200,000</u>
District Formation cost *	\$ 7,500
City staff administrative costs	<u>5,000</u>
Less: Total City Expenses	<u>\$ 12,500</u>
Third-Party Administrator cost	\$ 5,000
District Consultant cost	<u>40,000</u>
Less: Total Other Expenses	<u>\$45,000</u>
 Estimated Total District Disbursement	 <u>\$142,500</u>

Total

** One-time expense, will not appear as a line item in the subsequent four years of the proposed District's budget*

ANNUAL ASSESSMENT

Assessment Category	Assessment Rate
Food & Beverage	1.5% of gross sales, excluding alcohol sales
Retail <i>(if gross annual revenue is under \$100,000)</i>	\$25 per month
Retail <i>(if gross annual revenue is over \$100,000)</i>	\$50 per month

Annual assessment rates are based on specific benefit to the assessed businesses and do not exceed the reasonable costs of providing the services or programs.

EXHIBIT C

CURRENT BUSINESSES AND ASSESSMENT CATEGORIES

<u>Businesses in the Handle District</u>	<u>Assessment Category</u>	<u>Situs Address</u>
58 degrees	Food & Beverage	1217 18th Street
Aioli	Food & Beverage	1800 L Street
Bead Fetish	Retail	1725 L Street
Buckhorn Grill	Food & Beverage	1801 L Street
Caren Templet	Retail	1801 L Street, #50
Chipotle	Food & Beverage	1831 Capitol Avenue
Crepeville	Food & Beverage	1730 L Street
Face It	Retail	1122 19 th Street
Ginger Elizabeth	Retail	1801 L Street
Harv's Car wash	Retail	1901 L Street
Ikon Bicycles	Retail	1126 18th Street
Java City	Food & Beverage	1800 Capitol Avenue
L Wine Lounge	Food & Beverage	1801 L St, # 50
Monster Ink	Retail	1126 19 th Street
Mulvaney's	Food & Beverage	1215 19th Street
Old Soul	Food & Beverage	1716 L Street
Paesanos	Food & Beverage	1806 Capitol Avenue
Press Bistro	Food & Beverage	1809 Capitol Avenue
Yogurt agogo	Food & Beverage	1801 L Street
Zanzibar	Food & Beverage	1731 L Street
Zocolos	Food & Beverage	1801 Capitol Avenue

Information is as of May 2011. Businesses may change over time. As a result in the change in businesses over time, the amount of assessments collected and associated HBID budget may vary.

approved by the City Attorney. The Clerk is further directed to file an affidavit with the Council when all notices have been mailed, setting forth the time and manner of her compliance with the requirements of law for mailing the notices.

Section 10. At the public meeting, the Council will consider all objections or protests to the proposed assessment. No formal action will be taken by Council.

Section 11. At the public hearing, the Council will consider all objections or protests to the proposed assessment, and any interested person will be permitted to present written or oral testimony. At the conclusion of the public hearing, if no majority protest exists, Council may authorize the formation of the District in accordance with Government Code Section 53753.

Section 12. Formation of future BIDs under PBID Law will follow the model established by the formation of the District.

Table of Contents:

Exhibit A: Proposed District Boundary Map

Exhibit B: District Budget and Business Assessment

Exhibit C: Current Businesses and Assessment Categories

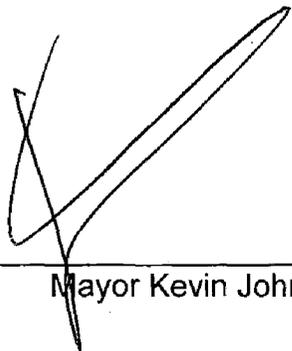
Adopted by the City of Sacramento City Council on May 24, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

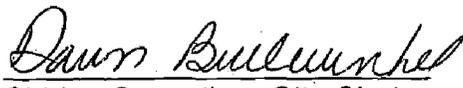
Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:

for 
Shirley Concolino, City Clerk