

Meeting Date: 4/14/2015

Report Type: Public Hearing

Report ID: 2015-00055

Title: Downtown Sacramento Property and Business Improvement District No. 2014-06
(Noticed 02/11/2015)

Location: District 4

Recommendation: Conduct a public hearing and, upon conclusion, direct the City Clerk to 1) tabulate the assessment ballots submitted and not withdrawn before the hearing is closed; and 2) report back as a Consent item on April 23, 2015, with the tabulation results.

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Presenter: Sini Makasini, Administrative Analyst, (916) 808-7967, Department of Finance

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Proposed District Map

City Attorney Review

Approved as to Form
Michael W. Voss
4/1/2015 2:18:07 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 3/26/2015 7:52:58 PM

Description/Analysis

Issue Detail: A majority of property owners along the Downtown corridor have proposed to renew the Downtown Sacramento Property and Business Improvement District (District) No. 2014-06 for a ten-year term. On February 10, 2015, the City Council passed Resolution 2015-0035: 1) directing staff to mail assessment ballots and notices of public hearing to the owners of real property within the proposed District; and 2) setting April 14, 2015, as the date for a public hearing on the proposed District and assessment.

At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the District and assessment). Staff will report the results of the tabulation at the City Council meeting on April 23, 2015. If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the City Council adopt a resolution declaring the results of the majority protest proceedings and renewing the District.

Policy Considerations: The goal of the District is to provide services to promote safety, maintenance and economic development of the Downtown corridor in an effort to increase business development and revenue.

Environmental Considerations: The renewal of a District does not constitute a project under California Environmental Quality Act (CEQA) and is therefore exempt from review pursuant to Guidelines Section 15378(b)(4).

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

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

There are 460 parcels in the District service area. The total District assessment budget for the first year is approximately \$2,716,642. If the District is renewed, the City and the Redevelopment Agency Successor Agency (RASA) will continue to participate as property owners. City-owned properties will have a total first year annual assessment of \$568,121, a decrease of \$24,871 from the current year, due to the sale of City-owned parcels within the Downtown Plaza. The assessment on RASA parcels will be \$42,484 in the first year, which is a decrease of \$19,737 over the current assessments due to parcels sold on the 700 block of K Street. As future sales of RASA properties occur, assessments will decrease accordingly. Funds for the City's current assessments for this District are included in the FY2014/15 Approved Budget. Future assessment rates may be subject to an increase of no more than 5% annually. If the District is renewed, the annual budget will be adjusted to reflect the Council approved assessments and expenditure plans.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

The District was originally approved in 1995 as the first in the state under the Property Business Improvement District Area Law of 1994. The District has since been renewed twice with the last renewal approved by City Council on June 14, 2005 for a ten-year term. The property owners have successfully petitioned to renew the District for another ten-year term. If renewed, the District will continue to provide funding and the following services in the Downtown corridor:

- Maintenance, Safety, and Nuisance Abatement: regular litter removal services, patrols, liaison with Sacramento Police Department, on-demand graffiti removal, advocacy and planning efforts to help decrease homelessness, nuisance behavior control and crime prevention.
- Business Development: marketing and branding efforts to increase awareness of downtown businesses, retail and business recruitment activities to improve the marketability and overall profile of the District.
- Administration and Contingency: provides the support to sustain the various services (maintenance, safety, nuisance abatement and business development). The contingency portion is included as a buffer to account for possible delinquent assessments.

The District's Board of Directors has prepared the Management Plan (Plan) and Engineer's Report, which is on file with Public Improvement Financing unit of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts. The Plan is a comprehensive document that describes the process of forming the District and providing the services identified by the property and business owners.

Assessment Budget

If the District is renewed, the total assessment for the first year of its ten-year operation will be approximately \$2,716,643. The annual assessments are based upon allocation of program costs and a calculation per parcel and building square feet. Assessment rates may be subject to an increase of no more than 5% per year at the discretion of the District Board of Directors.

Downtown Sacramento PBID FY2015/16 Budget

Program	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F	Total
Maintenance	268,390.30	150,064.33	-	6,665.30	67,593.22	104,948.22	597,661.37
Safety	226,098.25	202,725.09	167,525.51	22,459.53	38,004.12	103,847.42	760,659.92
Nuisance Abatement	38,664.66	52,734.08	27,243.06	28,806.38	16,798.90	25,917.90	190,164.98
Business Development	169,627.87	150,319.72	56,463.03	108,407.32	48,034.43	91,975.41	624,827.78
Administration	149,340.98	118,116.68	53,386.72	35,346.94	36,216.52	69,421.40	461,829.24
Contingency Reserve	26,354.29	20,844.12	9,421.19	6,237.69	6,391.15	12,250.84	81,499.28
Total	\$878,476.35	\$694,804.02	\$314,039.51	\$207,923.16	\$213,038.34	\$408,361.19	\$2,716,642.57

Public Hearing and Tabulation of Assessment Ballots

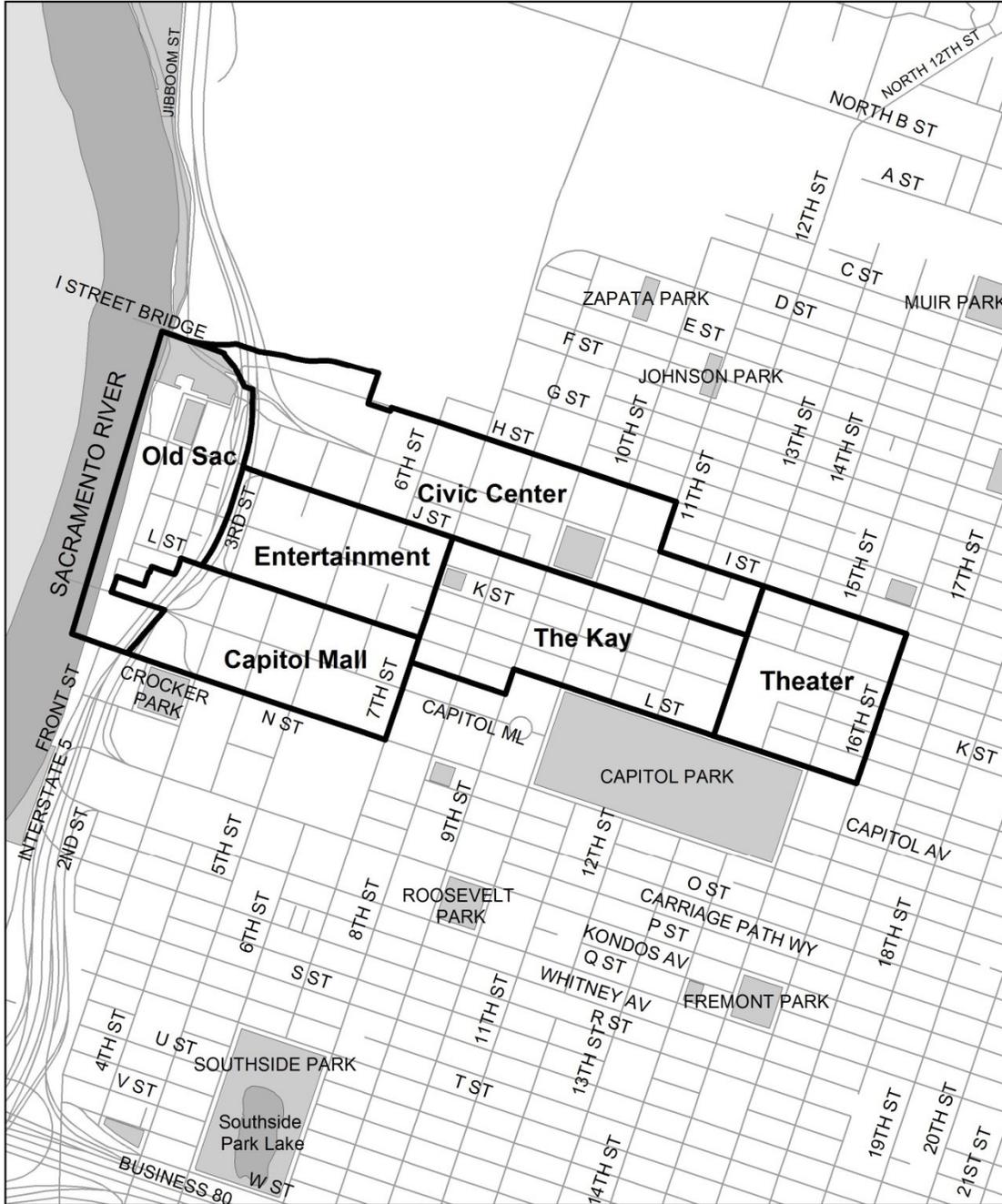
On February 10, 2015, City Council directed staff to complete the actions necessary to renew the District. On February 11, 2015, staff mailed out assessment ballots and notices of the public hearing to the owners of property in the proposed District. Ballots must be submitted no later than the close of the public hearing to be counted. At the close of the public hearing, the assessment ballots will be tabulated to determine whether a majority protest exists. If a majority protest exists—that is, if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of it—then the proceedings to levy the assessment will terminate. Staff will report back with the tabulation results at the April 23, 2015 City Council meeting.

**SCHEDULE OF PROCEEDINGS
DOWNTOWN SACRAMENTO
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2014-06**

December 17, 2014	Petition Drive Kick-off
January 13, 2015	City Manager Signature Authority – City Council
January 28, 2015	Receive Signed Petitions
February 10, 2015	Resolution of Intention to Renew – City Council
February 11, 2015	Record Boundary Map, Mail Ballots Publish Notice of Hearing, Management Plan
April 14, 2015	Public Hearing – City Council
April 23, 2015	Ballot Results – City Council
April 24, 2015	Record Notice of Assessment and Assessment Diagram
August 2015	Assessment Roll to County

EXHIBIT A

Downtown Sacramento Property and Business Improvement District (PBID) 2014-06



City of
SACRAMENTO
Finance Department
B Mueller 11/10/14

 Downtown Sacramento PBID
 Parks

0 0.125 0.25 0.5
Miles

