

**Meeting Date:** 7/14/2015

**Report Type:** Public Hearing

**Report ID:** 2015-00207

**Title:** Del Paso Boulevard Property and Business Improvement District No. 2015-03  
(Noticed 05/27/2015)

**Location:** District 2

**Recommendation:** Conduct a public hearing and, upon conclusion, pass a Motion directing the City Clerk to: 1) tabulate the assessment ballots submitted and not withdrawn before the hearing is closed; and 2) bring back as a Consent item on July 21, 2015, with the tabulation results.

**Contact:** Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Manager, (916) 808-8788, Department of Finance

**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

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**City Attorney Review**

Approved as to Form  
Michael W. Voss  
7/7/2015 10:03:32 AM

**Approvals/Acknowledgements**

Department Director or Designee: Dennis Kauffman - 6/25/2015 7:34:52 PM

## **Description/Analysis**

**Issue:** A majority of property owners within the Del Paso Boulevard and Arden Way business corridor have proposed to renew the Del Paso Boulevard Property and Business Improvement District (District) No. 2015-03 for a ten-year term. On May 26, 2015, the City Council passed Resolution 2015-014: 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 July 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At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the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 July 21, 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 If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the City Council adopt a resolution declaring the results of the majority protest proceedings and renewing the District.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, image enhancement and economic development within the Del Paso Boulevard and Arden Way business 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 306 parcels in the District service area. The total District assessment budget for the first year is approximately \$479,796.

City-owned properties will have a total first year annual assessment of approximately \$52,071, an increase of \$8,766 from the current year due to the addition of city-owned parcels pursuant to Proposition 218. The assessment on RASA parcels will be \$15,495 in the first year (no change from current assessment). Future assessment rates may be subject to an increase of no more than three (3%) 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 approved by City Council on July 20, 2010, in accordance with the PBID Area Law of 1994, and became effective on January 1, 2011. The District property owners have submitted petitions to renew the District for a ten-year term. If renewed, the District will continue to provide funding and the following services in the Del Paso Boulevard and Arden Way business corridor:

- **Security and Maintenance Enhancement:** security patrol units will canvass the district responding to and deterring illegal activity and will maintain close working relations with the Sacramento Police Department. Maintenance patrols will provide trash removal and additional debris and garbage collection above and beyond City services as well as graffiti abatement in public areas.
- **Image Enhancement and Advocacy:** marketing and promotion efforts to increase awareness of the Del Paso-Arden Way business corridor. The District will provide several types of communication efforts to attract and retain retail and business establishments for the overall improvement of the business corridor.
- **Administration:** cost provides the support to sustain the various services (security and maintenance, image enhancement and advocacy) and may include general office expenses and as well as administrative staff cost and other fees as necessary.

The District's Board of Directors has prepared the Management District Plan (Plan) and Engineer's Report, which is on file with Public Improvement Finance Division of the City Finance Department, 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. The attached resolution will initiate the renewal proceedings of the District. Annual assessment rates are based on an allocation of program costs and a calculation per parcel square foot. Assessment rates may be subject to an increase of no more than three (3%) percent per year.

**DEL PASO BOULEVARD PBID  
FY2015/16 Budget**

Service	Zone 1	Zone 2	Total
Security & Maintenance	250,917.58	8,172.66	259,090.24
Image & Advocacy	102,225.68	3,329.60	105,555.28
Administration	78,992.57	2,572.88	81,565.45
Contingency	32,526.35	1,059.42	33,585.77
<b>Total</b>	<b>\$464,662.18</b>	<b>\$15,134.56</b>	<b>\$479,796.74</b>

Public Hearing and Tabulation of Assessment Ballots

On May 26, 2015, City Council directed staff to complete the actions necessary to renew the District. On May 27, 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 July 21, 2015 City Council meeting.

**SCHEDULE OF PROCEEDINGS  
DEL PASO BOULEVARD PROPERTY AND BUSINESS IMPROVEMENT  
DISTRICT NO. 2015-03**

March 2015	Petition Drive Kick-off
May 12, 2015	Receive Signed Petitions
May 26, 2015	Resolution of Intention to Renew – City Council
May 27, 2015	Record Boundary Map, Mail Ballots Publish Notice of Hearing, Management Plan
<b>July 14, 2015</b>	<b>Public Hearing – City Council</b>
July 21, 2015	Ballot Results – City Council
July 22, 2015	Record Notice of Assessment and Assessment Diagram
August 2015	Assessment Roll to County

EXHIBIT A

**Del Paso Boulevard  
Property and Business Improvement District No. 2015-03**

