

**Meeting Date:** 3/15/2016

**Report Type:** Public Hearing

**Report ID:** 2016-00109

**Title: Renewal and Expansion of the Midtown Sacramento Property and Business Improvement District No. 2016-02 (Noticed 01/27/2016)**

**Location:** District 4

**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and upon conclusion, pass a Motion directing the City Clerk to: 1) tabulate the assessment ballots submitted and not withdrawn before the hearing is closed; and 2) bring back as a Consent item on March 22, 2016, with the tabulation results.

**Contact:** Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Special Districts 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  
3/2/2016 3:32:02 PM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 2/25/2016 11:37:05 AM

## Description/Analysis

**Issue Detail:** The property and business owners within Midtown Sacramento and along the Alhambra Corridor have proposed to renew and expand the Midtown Sacramento Property and Business Improvement District (PBID) No. 2016-02 for a ten-year term. The existing PBID expires at the end of 2017. The PBID is reforming a year early in order to expand the boundary to include the Alhambra Corridor and additional properties in the Midtown area that will benefit from the services provided.

Marshall Park is the only City owned parcel within the current PBID. The expanded boundary in the renewal will add eight City parcels including the new dog park at 19<sup>th</sup> and Q Streets, Fremont Park, Winn Park, and the fire station in the Alhambra Corridor. PBID services for the park properties specifically include graffiti abatement, litter management, and waste and trash removal around the exterior of the parks as well as homeless navigation services in and around the parks.

On January 26, 2016, the City Council passed Resolution 2016-0023: 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 March 15, 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 PBID and assessment). Staff will report the results of the tabulation at the City Council meeting on March 23, 2016. 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 PBID.

**Policy Considerations:** The actions in the recommended Resolution are required by the California Streets and Highways Code Part 7 (beginning with Section 36600) of Division 18. The City will participate as owner of nine parcels. The City Council delegated the authority to cast ballots in favor of the renewal on January 12, 2016.

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

**Rationale for Recommendation:** PBID services include economic development services in addition to what the City currently provides. This includes focused marketing, outreach and other activities to convey a positive image, expand existing businesses and attract new businesses to Midtown resulting in increased economic activity and revenue.

The PBID serves as a key partner to the City's economic development efforts—particularly in the area of enhancing a clean and safe environment, addressing homeless issues, and providing increased marketing for new business development. In addition, the PBID has the potential to serve as a critical partner in identifying both business needs and opportunities, as they will in many instances become the first entity to be contacted by local businesses.

To the extent that expanded boundaries include additional business resources, the City's opportunity for greater economic development activity and effectiveness is increased.

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

There are 845 parcels in the proposed PBID service area. The total PBID assessment budget for the first year is approximately \$1,526,207. If the PBID is renewed and expanded, the City will continue to participate as property owners. The City's current year assessment is \$13,653 for one parcel. If the PBID is renewed and expanded, the City's assessment will increase by \$33,067 to approximately \$46,720 for nine parcels. The City's assessment will be three percent of the overall PBID assessment. A map of City property in the existing and expanded PBID is provided in the Background section.

Future assessment rates may be subject to further increases of no more than three percent annually based on the proposed Management District Plan that will govern the PBID upon successful renewal and expansion. If the PBID 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 Midtown Sacramento PBID was approved by City Council on August 9, 2007, in accordance with the PBID Area Law of 1994, became effective on January 1, 2008, and was renewed on July 31, 2012 for a five-year term expiring at the end of 2017. The PBID is reforming a year early in order to expand the boundary to include the Alhambra Corridor and additional properties in the Midtown area. A map of the expansion area is provided below. The PBID property owners have successfully petitioned to renew the PBID for a ten-year term.

If renewed with the proposed expansion, the PBID will continue to provide funding and the following services in the Midtown area and Alhambra Corridor:

- **Maintenance and Safety:** regular litter removal services, patrols, liaison with Sacramento Police Department, graffiti and sticker removal, advocacy and planning efforts to help decrease homelessness, nuisance behavior control, and crime prevention.
- **Place Making:** marketing and branding efforts and capital improvements to promote economic activity, attract investment, and increase commerce within the PBID.
- **Advocacy:** advocate on behalf of Midtown stakeholders, communication and public relations to preserve and grow Midtown's role as a destination in the region.
- **Administration and Contingency:** provides the administrative support to sustain the various services. The contingency portion is included as a buffer to account for possible delinquent assessments.

The District's Board of Directors has prepared has prepared the Management District (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.

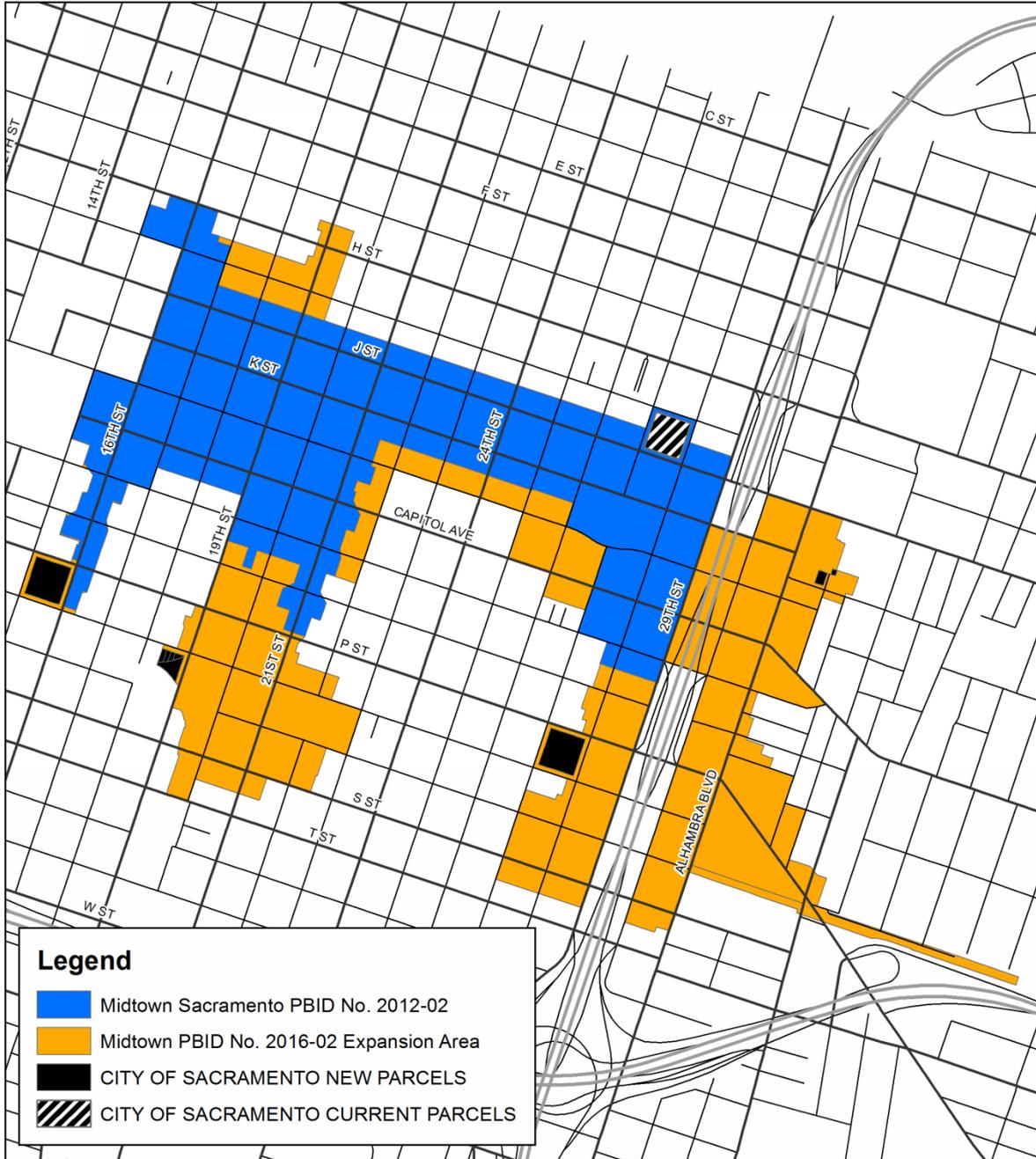
Annual assessment rates are based on an allocation of program costs and a calculation per parcel square foot. Assessment rates may be subject to an increase of no more than three (3%) percent per year.

**FY2016/17 Budget**

| <b>Program</b>                      | <b>Midtown 1A</b>  | <b>Midtown 1B</b> | <b>Alhambra 2A</b> | <b>Alhambra 2B</b> | <b>Total</b>       |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| Maintenance & Safety                | \$607,569          | \$22,716          | \$172,891          | -                  | \$803,176          |
| Advocacy, Communications & Admin.   | 276,168            | 10,325            | 78,587             | 16,472             | 381,552            |
| Place-making & Capital Improvements | 165,701            | 6,195             | 47,152             | 46,121             | 265,169            |
| Contingency Reserve                 | 55,234             | 2,065             | 15,717             | 3,294              | 76,310             |
| <b>Total</b>                        | <b>\$1,104,672</b> | <b>\$41,301</b>   | <b>\$314,347</b>   | <b>\$65,887</b>    | <b>\$1,526,207</b> |

# EXPANSION MAP

## Midtown Sacramento Property and Business Improvement District



**SCHEDULE OF PROCEEDINGS  
MIDTOWN SACRAMENTO  
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2016-02**

|                  |  |
|------------------|--|
| December 7, 2015 | Petition Drive Kick-off  |
| January 12, 2016 | City Manager Signature Authority – City Council  |
| January 15, 2016 | Receive Signed Petitions   |
| January 26, 2016 | City Council<br>Resolution of Intention  |
| January 27, 2016 | Record Boundary Map<br>Mail, Publish Notice of Hearing, Management Plan, and<br>Ballot |

|                       |   |
|-----------------------|---|
| <b>March 15, 2016</b> | <b>City Council<br/>Public Hearing &amp; Ballot Count</b> |
|-----------------------|---|

|                |   |
|----------------|---|
| March 22, 2016 | City Council<br>Ballot Results for Renewal<br>Resolution of Intention to Modify Existing District |
| March 25, 2016 | Record Notice of Assessment and Assessment Diagram  |
| March 29, 2016 | Publish Resolution of Intent to Modify Existing District  |
| April 14, 2016 | City Council<br>Modification Public Hearing<br>Modification Resolution                            |
| August 2016    | Assessment Roll to County   |

# Midtown Sacramento Property and Business Improvement District No. 2016-02

