

Meeting Date: 9/13/2016

Report Type: Staff/Discussion

Report ID: 2016-00640

Title: Handle Business Improvement District No. 2016-04

Location: District 4

Recommendation: Conduct a public meeting regarding the proposed renewal of the Handle Business Improvement District No. 2016-04.

Contact: Sheri Smith, Program Specialist, (916) 808-7204; Mark Griffin, Special Districts Manager, (916) 808-8788, Department of Finance

Presenter: Sheri Smith, Program Specialist, (916) 808-7204, Department of Finance

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

1-Description/Analysis

2-Background

3-Schedule of Performances

City Attorney Review

Approved as to Form

Michael W. Voss

8/30/2016 5:03:52 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 8/24/2016 4:51:53 PM

Description/Analysis

Issue:

The Handle Business Improvement District (BID) was formed in 2011 for a five-year term to provide maintenance, marketing, and special event services to benefit retail and restaurant businesses within the district boundaries. The owners of food and beverage establishments within the boundaries of the BID have petitioned the City to renew the district for a ten-year term. If approved, the renewed BID will deliver services solely to food and beverage establishments available for public occupancy within and around the boundaries of 18th Street, 19th Street, L Street, and Capitol Avenue. The boundary of the proposed BID has expanded to add six parcels that have, or are likely to have, a food service use in the near future and will directly benefit from the activities of the BID.

The annual assessment rate would be 1.5% of gross sales, which is unchanged from the expiring BID, and excludes the sale of alcohol, retail merchandise, and services. The BID provides a level of safety, maintenance, and economic development services above what the City currently provides. The maintenance, safety improvements, special events, and advertising will be focused solely on increasing business revenues for the restaurants and food services within the district. The assessment and services are further detailed in the Management District Plan (MDP) included as Exhibit C to the attached Resolution.

On August 9, 2016, Council approved the Resolution of Intention (ROI) to renew the BID and set September 13, 2016 and September 27, 2016 as the dates for the public meeting and public hearing respectively for the proposed renewal of the BID. The ROI included a boundary map that was missing seven parcels that are in the existing BID and were intended to be included within the renewed district boundaries. The boundary map to be adopted at the public hearing has been corrected to include parcels inadvertently excluded from the petition and ROI map. Despite this issue, the descriptions and statements in the petition and ROI have enabled owners to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district, as required by the Property and Business Improvement District Law of 1994. Affected businesses submitted petitions in support of the renewal of the BID and the formal Joint Notice of Public Meeting and Public Hearing, included the correct map.

The public meeting is a venue for public testimony and for affected business owners in the BID to discuss the renewal proceedings. No formal action will be taken by Council subsequent to the conclusion of the public meeting.

Policy Considerations: The public meeting is required by the California Streets and Highways Code Part 7 (beginning with Section 36600) of Division 18.

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

Rationale for Recommendation: District services include economic development services above 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 the BID.

Financial Considerations: The BID is self-supporting and has no impact to the General Fund. Financing is provided by the levy of assessments upon businesses that benefit from the improvements and services.

The operating budget for the BID, which will fluctuate with market conditions and the gross sales of assessed businesses, will be adjusted annually to reflect Council approved assessments and expenditure plans. An annual report, setting the budget based on the MDP, will be presented to the City Council prior to September 1, 2017, and once a year thereafter, as required by the MDP and pursuant to Streets and Highways Code Section 36650.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

The BID was approved by Council on July 19, 2011, in accordance with the Property and Business Improvement District Law of 1994 (PBID Law) and Sacramento City Code Section 3.92.050. The BID became effective on October 1, 2011 for a five-year term. The BID business owners have successfully petitioned to renew the BID for a ten-year term.

If renewed, the BID will continue to provide the following services to restaurants and food service establishments:

- Streetscape and Safety Projects: targeted services to assessed businesses which will include: 1) maintenance services (lighting and landscaping improvements) and 2) public safety programs. All projects and programs will have the ultimate goal of improving the business environment for assessed businesses to create an increase in business revenue for those businesses. Streetscape and Safety improvements will not be provided to non-assessed businesses or properties within the district.
- Marketing, Advertising, and Special Events: increased marketing and advertising services will be provided to assessed businesses. Collateral materials promoting the assessed businesses will be created, and special events designed to bring increased patronage to assessed businesses will be sponsored.

The BID's Board of Directors has prepared the MDP, which is attached as Exhibit C to the Resolution and is on file with Public Improvement Financing Division of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts. The MDP is a comprehensive document that describes the process of forming the BID, levying the assessment, and providing the services identified by the business owners.

Majority Protest Criteria:

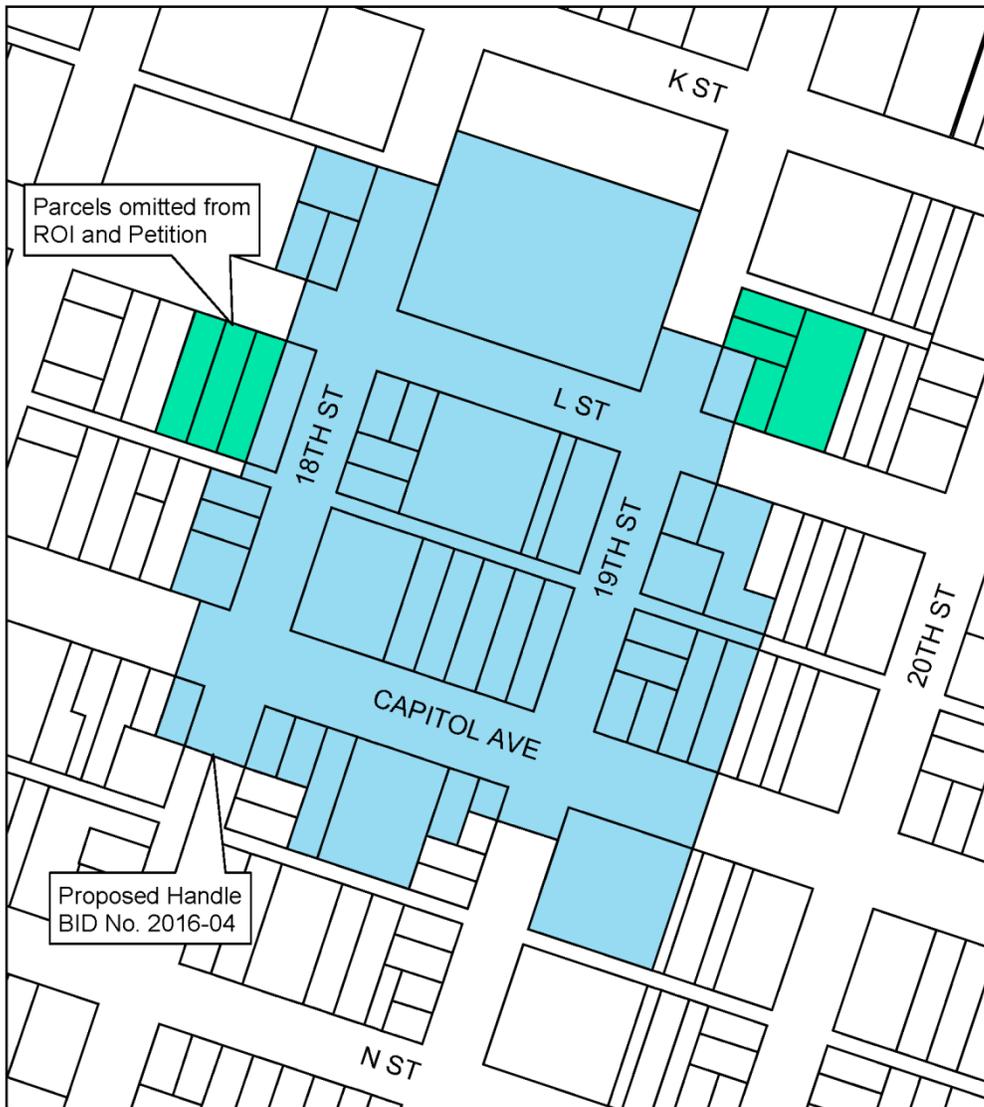
At the public hearing, scheduled for September 29, 2016, the City Clerk will certify whether or not a majority protest exists with regard to the renewal of the BID. Section 36623 of the PBID Law states that a majority protest exists if the owners of businesses that will pay 50% or more of the proposed assessment submit written protests against renewal of the District. If a majority protest exists, Council is required to abandon the renewal proceedings and take no further action to levy an assessment on the businesses within the boundaries of the BID for at least one year.

The City's established procedures for the calculation of the protest weight are as follows. Each business, subject to the assessment, is assigned a protest weight equal to the amount of the individual business assessment as a percentage of the total assessment. The individual business assessment is equal to the assessment submitted to the City over a 12 month period. For new businesses, with less than 12 months of payments to the City, the payment data is annualized to project 12 months of payments. For new businesses with no payments to the City, the business assessment is estimated based on payments made by businesses of a similar size and product. The assigned weight for each business reflects the amount of the estimated payments that will be remitted by the businesses during the first year of renewal.

Boundary Map

The ROI included a boundary map that was missing 7 parcels, originally in the BID, and intended to be included within the renewed district boundaries. The boundary map, which will be adopted at the public hearing, has been corrected to include the parcels as shown below.

Handle Business Improvement District No. 2016-04



City of
SACRAMENTO
Finance Department
BMueller, 09/02/16

Proposed Handle BID No. 2016-04 Area
Parcels omitted from ROI and Petition

0 50 100 200 Feet



HANDLE BUSINESS IMPROVEMENT DISTRICT 2016-04

June 1, 2016	Draft MDP to City
June 30, 2016	Final MDP to Handle
August 2, 2016	Signed Petitions to City
August 9, 2016	Resolution of Intention – City Council
August 10, 2016	Mail Notices of Public Meeting and Public Hearing

September 13, 2016	City Council – Public Meeting
---------------------------	--------------------------------------

September 27, 2016	City Council - Public Hearing (Minimum 45 Days After Noticing)
October 1, 2016	Collections Begin for Renewed District