REPORT TO COUNCIL
City of Sacramento

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915 I Street, Sacramento, CA 95814-2671
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CONSENT
May 30, 2006

Honorable Mayor and
Members of the City Council

Subject: Power Inn Area Property and Business Improvement District – Initiate Proceedings FY2006/07

Location/Council District:

The Power Inn Area Property and Business Improvement District (PBID) is located in Council District 6. Located in the Power Inn industrial corridor south of Highway 50, the Power Inn Area PBID is comprised of approximately 671 individual parcels and 400 property owners (Attachment A, page 6).

Recommendation:

Adopt a Resolution of Intention to establish the Power Inn Area Property and Business Improvement District and to rescind Resolution No. 2006-313.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Fiscal Manager, (916) 808-8788
Presenters: Not Applicable
Department: Development Services
Division: Public Improvement Financing
Organization No: 4815

Summary:

The report will initiate the proceedings of the assessment district to be known as the Power Inn Area Property and Business Improvement District (PBID) #2006-04. Adoption of the attached resolution will set the time and place for the public hearing and authorize staff to mail notices to all property owners within the PBID. The public hearing is scheduled for the afternoon Council session of July 18, 2006. The attached resolution will also rescind and supersede a previously adopted resolution of intention that was premature.

Committee/Commission Action: None

Background Information:

- **PBID Concept:** The formation of the PBID was initiated by the Power Inn Business & Transportation Association (BTA) along with property and business owners along the Power Inn industrial corridor and is a cooperative effort with the City of Sacramento. The purpose of the District is to provide special services to enhance and revitalize a designated area of the Power Inn industrial corridor area. The PBID will enhance and support the City of Sacramento and the Power Inn BTA efforts to attract new business investment and jobs to the area. Under the Property and Business Improvement District concept, the cost will be shared by each property owner, based on the level of benefit received, over and above a baseline level of City services already provided to the area. The baseline City services will not change (will not decrease) from the current level provided because of the enhanced services provided by the PBID.

- **Management Plan:** The Power Inn Area "Management Plan" is a comprehensive document, which describes the process of forming the PBID and identifies the services provided to the property and business owners. A copy of the Management Plan has been filed with the City Clerk's office.

- **Services:** A complete list of services to be provided is included in the Management Plan, however a brief overview follows:

  1. Advocacy & Communications

     A communications and advocacy program will be launched to "tell the story" of the Power Inn area and the new partnership created between the property owners, business owners and the BTA. The program will be developed to promote the Power Inn area as a thriving commercial and industrial center with many great opportunities. Several types of communication elements could be used including newsletters, e-news, crime bulletins, and interactive website/phone system. It will be important to facilitate consistent and frequent communications with property owners and tenants

     A primary activity of the PBID funds will be to increase advocacy which will focus on Power Inn area issues and focus on leveraging money for additional capital improvements. One of the main goals is to provide the Power Inn area with an effective, clear voice in government decisions. The Plan provides for additional resources allowing an administrator to be the advocate for property and business owners within the District. The administrator will market the Power Inn area to potential businesses, coordinate special events to work to attract more business to the area.

2. Security Coordination

Safety and the perception of safety are among some of the issues property owners would like to address in the area. The Service Plan budget provides for a security coordination program that will be developed to serve a number of functions. This program will build upon the BTA's current efforts and increase awareness of security efforts as well as coordinate with existing property owner security services.

A security program with close ties to the community is a vital part of a public safety plan. A security coordination program that keeps in close communication with the property and business owners in the Power Inn area is one of the critical points of this coordination effort. The security coordination program will work closely with the Sacramento Police and integrate with their existing programs. The program would include regular meetings between property owners, business owners, and other stakeholders in the area. Security tips would be shared with the community via regular fax and email bulletins. A database of contact information would be created which would serve as a resource for contacting property and business owners in emergency situations. Grant opportunities would be sought to fund further programs such as patrol bikes and surveillance cameras.

3. Economic Development & Marketing

Economic Development & Marketing activities will focus on business recruitment and promotion of the Power Inn area. Activities will include inventory management which will be a key resource when the BTA looks to recruit new businesses to the area. The program will also include business resources such as an employee talent pool so the area businesses can refer employees. The BTA will continue to promote and collaborate with citywide development agencies, Sacramento Area Commerce and Trade Organization (SACTO), and the Metro Chamber on business friendly programs. Activities will also include banners and a marketing brochure or newspaper.

4. Maintenance Beautification

A maintenance patrol will provide additional debris and litter collection along with removal of illegal signage and illegal dumping above and beyond existing City services. The maintenance patrol will also work to mitigate weeds in public places. The program will work and communicate with business and property owners in order to improve relationships and encourage owners to create a sense of pride in their own business environments. Maintenance of banners will also be included.

- **PBID Formation:** Formation proceedings require submission of petitions from property owners representing more than 50 percent of the total annual assessments prior to initiating proceedings. Ballots are mailed to all affected property owners. A majority vote is required for the district to proceed. The PBID will have a five-year life, beginning January 1, 2007. After five years, the petition and ballot process must be repeated for the District to continue its existence.

- **Previous Action:** At its afternoon meeting on May 9, 2006, the City Council was inadvertently presented with, and approved, a Resolution of Intention to establish the PBID (Resolution No. 2006-313). That action was premature, however, as sufficient property-owner petitions had not yet been received. Accordingly, the Resolution of Intention that is the subject of this report will also rescind the previous resolution.

Financial Considerations:

Financing will be provided by levy of assessments upon real property that benefits from improvements and activities. The PBID does not plan to issue bonds. The annual costs to the property owners will be based on a per acre cost. The assessment rates proposed for FY 2006/07 will be $175 per acre for Zone 1 and $100 per acre for Zone 2. All religious and tax-exempt properties will be assessed at a 50% rate for either Zone.

Budget: Proposed PBID assessment budget for first year of operation is $230,000

Program	Budget	% of Total
Advocacy & Communications	$65,000	28.26
Security Coordination	30,000	13.04
Economic Development & Marketing	40,000	17.39
Maintenance / Beautification	85,000	37.00
Contingency / PBID Renewal	10,000	4.34
Total	230,000	100

Environmental Considerations:

Under the California Environmental Quality Act (CEQA) guidelines, district formation proceedings do not constitute a project, and are therefore exempt from review.

Policy Considerations:

These proceedings for this district are being processed as set forth in section 36600 of the Streets and Highways Code, entitled "Property and Business Improvement District Law of 1994." This process is consistent with the City's Strategic Plan 3-Year Goal to "achieve sustainability and enhance livability" and to "expand economic development throughout the City."

Emerging Small Business Development (ESBD):

City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: _____
Mark Griffin
Fiscal Manager, Development Services Department

Respectfully Submitted by: _____ for
Carol Shearly

Director of Planning, Development Services Department

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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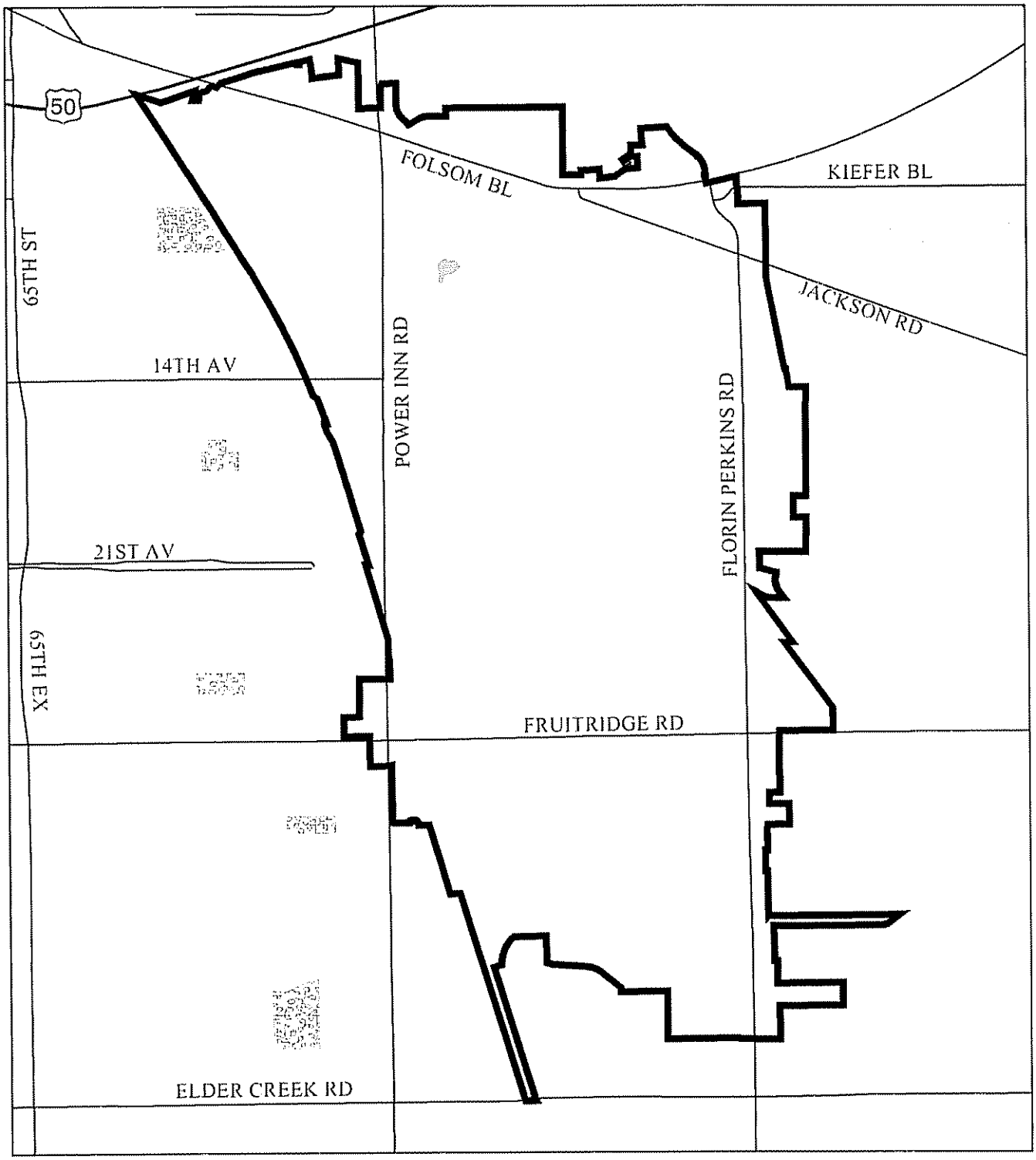
ATTACHMENT A

Power Inn Area PBID



Development Services

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ATTACHMENT B

SCHEDULE OF PROCEEDINGS
POWER INN AREA
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT 2006-06

February 2006 Petition drive kick-off

May 26, 2006 Received Signed Petitions

May 30, 2006 Council Adopts:
- Resolution Accepting Petition and Approving the Boundary Map
- Resolution of Intention

May 31, 2006 Record Boundary Map

May 31, 2006 Mail, Publish Notice of Hearing, Management Plan, and Ballot

July 18, 2006 Public Hearing – City Council

<u>COUNCIL CONSIDERS ALL PROTESTS, LEVIES ANNUAL ASSESSMENT</u>

July 19, 2006 Record Assessment Diagram Map

August 2006 Transfer assessments to County Auditor/Controller

November 2006 Property Owners receive tax bills

January 2007 District services commence

RESOLUTION NO. 2006-____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON _____

RESOLUTION OF INTENTION TO ESTABLISH THE POWER INN AREA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

BACKGROUND:

A. The owners of property within the proposed Power Inn Area Property and Business Improvement District No. 2006-04 (the PBID) have submitted petitions asking that the City Council establish the PBID. Included with each petition was a summary of the management district plan for the PBID and a map showing the proposed PBID boundaries. The map is entitled "Power Inn Property & Business Improvement Study Area." The petitions, the boundary map, and the management district plan are on file with the City Clerk.

B. The management district plan provides for the following improvements and activities within the PBID, all of which are intended to continue to improve the Power Inn commercial area: (1) Advocacy & Communications, (2) Security Coordination, (3) Economic Development & Marketing, and (4) Maintenance & Beautification. The management district plan proposes to fund these improvements and activities through the levy of a benefit assessment on real property within the PBID.

C. On May 9, 2006, the City Council was inadvertently presented with, and approved, a Resolution of Intention to establish the PBID (Resolution No. 2006-313). That resolution was premature, however, as sufficient property-owner petitions had not yet been received, and thus should be rescinded.

BASED ON THE FOREGOING BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the facts set forth in the Background are true.

Section 2. The City Council finds that the property owners who will pay more than 50% of the assessment proposed in the management district plan have signed the petitions. The City Council thus accepts the petitions and intends to establish the PBID and to levy an assessment on real property within the PBID boundaries in accordance with the Property and Business Improvement District Law of 1994 and Sacramento City

Code section 3.92.050. In the first year of the five-year term, the proposed assessment will be approximately $230,000.

Section 3. The City Council finds that the management district plan satisfies all requirements of Streets and Highway Code sections 36622 and 36660.

Section 4. The exterior boundaries of the PBID are shown on the "Power Inn Property & Business Improvement Study Area" boundary map attached to this resolution as Exhibit A.

Section 5. No bonds will be issued for the PBID.

Section 6. The time and place for the public hearing on the establishment of the PBID and the proposed assessment is set for July 18, 2006, at 2:00 p.m. in the City Council's chambers, City Hall, 915 "I" Street (first floor), Sacramento, California. The City Council may continue the public hearing from time to time.

Section 7. The City Clerk is directed to give notice of the time and place of the public hearing in accordance with Streets and Highways Code section 36623. The City Clerk is to do this by mailing (or causing to be mailed) written notices and assessment ballots in the time, form, and manner provided by Government Code section 53753 to all persons who own real property that is within the PBID and will be subject to the proposed assessment. The forms of the notices and ballots must be approved by the City Attorney. The City Clerk is further directed to file an affidavit with the City Council when all notices and ballots have been mailed, setting forth the time and manner of her compliance with the requirements of law for mailing the notices and ballots.

Section 8. At the public hearing, the City 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, all ballots submitted and not withdrawn will be tabulated in accordance with Government Code section 53753.

Section 9. This resolution supersedes Resolution No. 2006-313, which is rescinded.

_____
MAYOR

ATTEST:

_____
CITY CLERK

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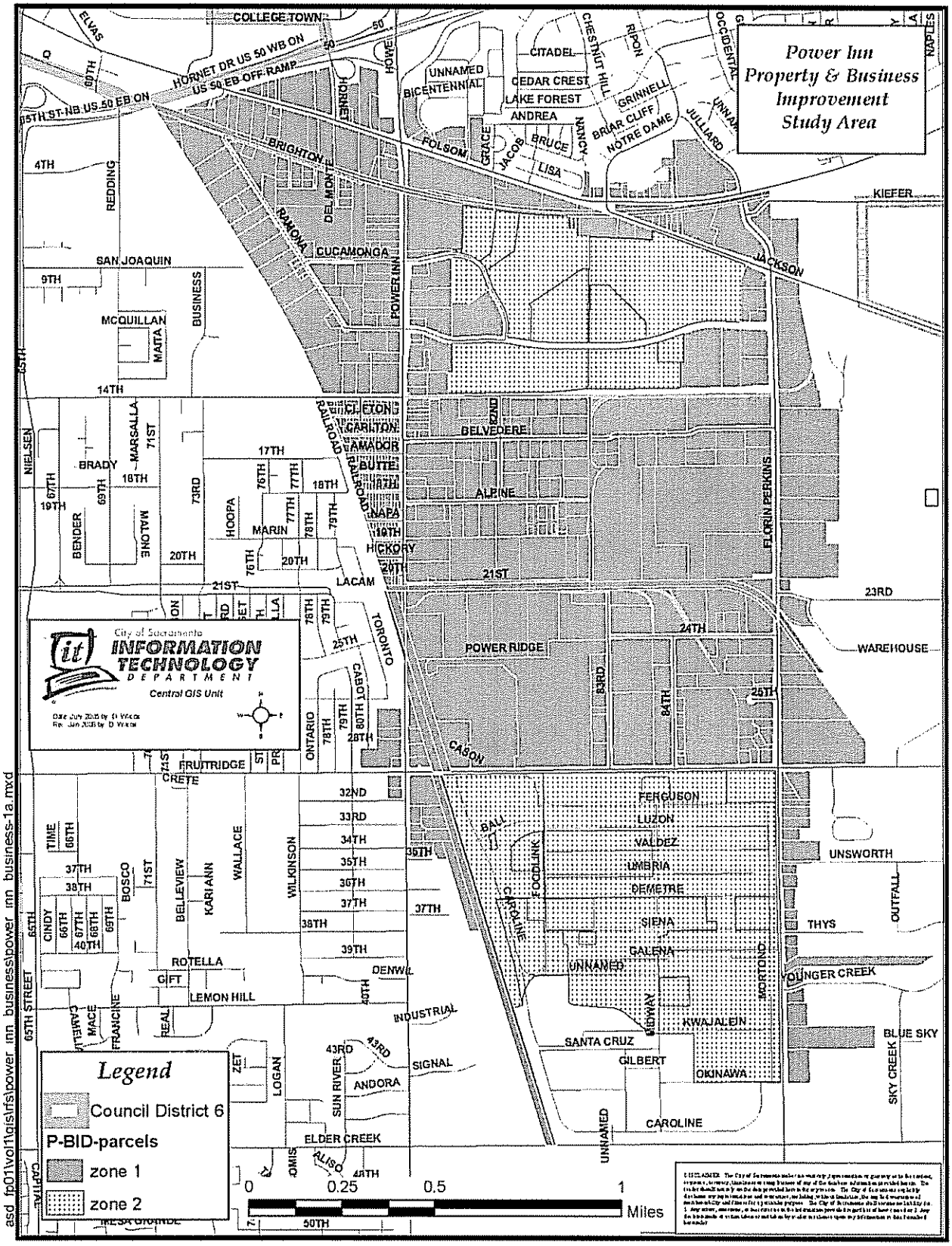
Exhibit A: Exterior Boundary Map -1 Page

EXHIBIT A



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