



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
July 18, 2006

Honorable Mayor and
Members of the City Council

Title: 12th Street Maintenance District – Budget for FY 2006/07

Location/Council District: The maintenance district is located on 12th Street between “C” and “I” Streets in Council Districts 1 and 3.

Recommendation:

Adopt Resolutions: 1) Fixing the Service Fee and for FY2006/07 for the 12th Street Maintenance District; and 2) Amending the City’s FY2006/07 Budget for the 12th Street Maintenance District.

Contact: Bob Cooper, Senior Engineer, 808-5778; Mark Griffin, Fiscal Manager, 808-8788

Presenter(s): Not Applicable

Department: Development Services

Division: Public Improvement Financing

Organization No: 4815

Summary:

Staff recommends Council adopt the resolution that will fix the FY 06/07 annual service fee and amend the budget for the 12th Street Maintenance District. Services funded by the District include weekly sweeping of gutters and sidewalks, and landscape maintenance. There is no increase in the annual service fee. The fees necessary to implement the budget represent a full recovery of costs for this district and are shown on Exhibit “B” of the Resolution (see page 8).

Committee/Commission Action: None.

Background Information:

On April 3, 1990, City Council adopted Resolution No. 90-245 approving the formation of the 12th Street Maintenance District. The district was formed under City Code chapter 3.128 as a maintenance benefit area for the purpose of funding services that are over and above normal services provided by the City. The maintenance services

include debris and leaf cleanup and streetscape maintenance (weed control and pruning) along 12th Street once per week.

The district includes 41 commercial parcels within a seven block area along both sides of 12th Street from "C" Street to "I" Street. The fees are charged by front footage. The current annual fee for a typical 80 foot wide lot is \$118 per year (\$1.48 per lineal foot).

Since 1997, the annual service fee has been \$1.48 per foot. The service fee, by itself, does not cover the costs of the district and the existing fund balance is being used to offset the costs. Staff estimates that the annual fee revenues and remaining fund balance will enable the district to operate through FY 07/08. The district will be forced to dissolve if the service fee is not increased within the next two years.

Staff is currently canvassing the property owners in the district to find out if they would prefer to:

1. continue the operation of the district by increasing the annual service fee so that the current maintenance activities can continue, or
2. dissolve the district by not increasing the service fee and depleting the fund balance by July 2008.

In order to continue services and maintain a minimum fund balance, the annual service fee will need to increase to approximately \$3.40 per lineal foot (\$272 per year for a typical 80 foot lot). To comply with the requirements of Proposition 218, a majority of the property owners must vote in favor of increasing the service fee; otherwise, the fee cannot be increased.

One of the purposes of the City's Maintenance Benefit Area ordinance is to charge service fees to the owners benefited property in order to fully recover the additional incurred costs. If the property owners vote to increase the service fee and continue the district, the service fee will be levied annually that recover all costs. City Council or the property owners can vote annually to discontinue the district.

If the property owners choose to dissolve the district, they may choose to contract with private maintenance firms to continue the service provided by the City.

Financial Considerations:

The fees are used to defray expenses associated with the services and administration provided in this area. The proposed expenditures are fully fee supported and there is no increase recommended at this time.

The total cost of the 12th Street Maintenance District for FY 06/07 is \$10,366. The total amount charged to the property owners is proposed to be \$118 for a typical 80 foot wide parcel (\$9.83/month) for a total district fee revenues of \$5,289. The budget will be offset with \$4,818 from available fund balance. There is no impact to the General Fund.

FY 05/06 Fees Charged	FY 06/07 Budget	Surplus Offset	FY 06/07 Fees Charged
\$5,289	\$10,107	\$4,818	\$5,289

Environmental Considerations:

Under California Environmental Quality Act (CEQA) Guidelines, the annual proceedings for fixing service fees within a maintenance district do not constitute a project and are therefore exempt from review.

Policy Considerations:

The annual proceedings are being conducted in accordance with City Code chapter 3.128. Approving the annual service fee is consistent with the City's goal to achieve sustainability and enhance livability.

Emerging Small Business Development (ESBD):

Not applicable. No goods or services are being purchased.

Respectfully Submitted by: Robert A. Griffin
 Mark Griffin
 Fiscal Manager, Public Improvement Financing

Approved by: Carol Shearly
 Carol Shearly
 Planning Director

Recommendation Approved:

Ray Kerridge
 Ray Kerridge
 City Manager

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- Pg 6 Exhibit A, District Map
- Pg 7 Exhibit B, Budget and Service Fee
- Pg 8 Exhibit C, Service Fee Schedule

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

RESOLUTION ADOPTING THE FY 2006/07 BUDGET FOR THE 12th STREET MAINTENANCE DISTRICT AND ESTABLISHING THE SERVICE FEE CHARGED TO OWNERS OF PROPERTY WITHIN THE DISTRICT

BACKGROUND:

- A. The 12TH Street Maintenance District was established by the City Council on April 3, 1990 by Resolution No. 90-245.
- B. Property owners within the boundaries of the 12th Street Maintenance District, shown on Exhibit A to this resolution, are charged a service fee to cover the cost of delivering maintenance services.
- C. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The City Council finds and determines that the background statements A through C are true and correct.
- Section 2.** The City Council has determined that the FY 2006/07 costs for the 12th Street Maintenance District are as shown on Exhibit B to this resolution.
- Section 3.** The City Council has determined that the additional costs shall be wholly borne by the property owners in the area.
- Section 4.** The City Council fixes the fee for each property owner as shown on the Exhibit C to this resolution.
- Section 5.** The proposed FY 2006/07 revenue (\$5,289) and expenditure (\$10,107) budgets for the 12th Street Maintenance District be amended as shown on Exhibit B. The expenditure budget will be offset with \$4,818 from the district's fund balance.
- Section 6.** The Finance Director is authorized to establish the expenditure authority for the departments of Transportation, Development Services

and Finance necessary to provide services for the 12th Street Maintenance District in the amount of \$10,107 which will be reimbursed by the 12th Street Maintenance District.

Section 7. Exhibits A, B, and C are part of this resolution.

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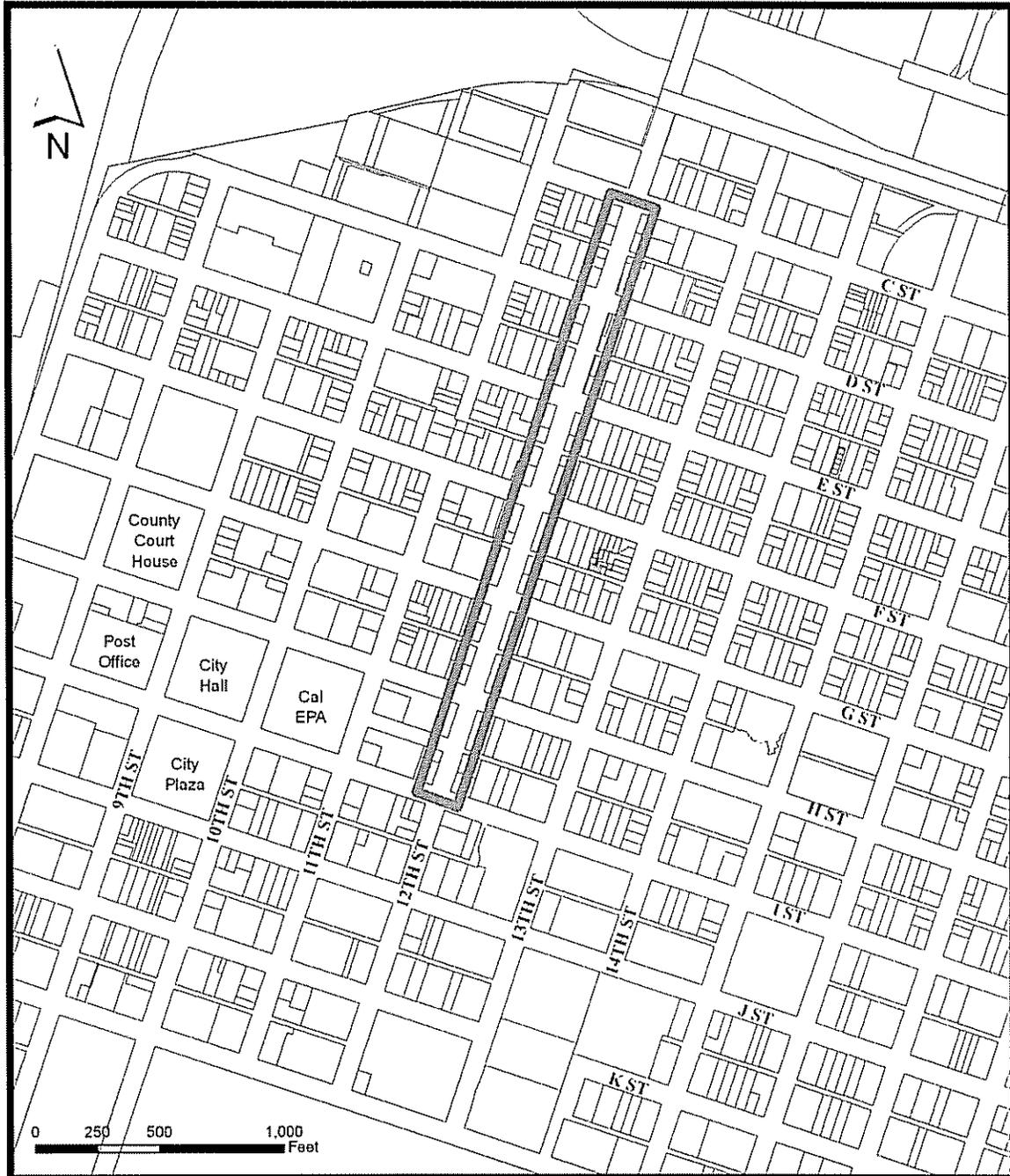
Exhibit A: District Map -1 Page

Exhibit B: FY2006/07 District Budget and Service Fee

Exhibit C: Service Fee Schedule

Exhibit A

12th Street Maintenance District



 Maintenance Area



Use as a Reference Map 12th Street Maintenance District and District 6 2006

EXHIBIT B

**12TH STREET MAINTENANCE DISTRICT
FY 2006/07 BUDGET**

Department of Transportation – Street Operations		
Maintenance Contract		\$6,000
Contract Administration & Inspection		1,391
Department of Finance – Accounting		
Finance Administration		541
County Billing Fee		85
Parcel Recording		290
Development Services Department		
Public Improvement Financing		<u>1,800</u>
	Subtotal	\$10,107
Less Fund Balance Offset		<u>- \$4,818</u>
	Total Service Fees charged to Property Owners	\$5,289

DISTRICT FEE REVENUES

Neighborhood	FY 2006/07 Budget	Surplus/ (deficit)	FY 2006/07 Fees charged
12 th Street Maintenance District	\$10,107	(\$4,818)	\$5,289

SERVICE FEE

Neighborhood	Maximum Authorized Per Lineal Foot	FY 2005/06	FY 2006/07
12 th Street Maintenance District	\$2.00	\$1.48	\$1.48

EXHIBIT C**12th Street Maintenance District
Service Fee Schedule FY2006/07**

Assmt No.	Parcel No.	Frontage	Total Fee
1	00200750110000	80	\$117.90
2	00200750240000	80	117.90
3	00200750140000	40	59.00
4	00200750150000	40	59.00
5	00200750160000	80	117.90
6	00200820020000	80	117.90
7	00200820010000	80	117.90
8	00200820160000	27	39.80
9	00200820240000	11	16.20
10	not used	0	0.00
11	00201150110000	80	117.90
12	00201150120000	80	117.90
13	00201150130000	160	235.90
14	00201160080000	100	147.40
15	00201160580000	80	117.90
16	00201160110000	80	117.90
17	00201210360000	65	95.79
18	00201210340000	80	117.90
19	00201210320000	85	125.27
20	00201220010000	90	132.70
21	00201220020000	70	103.20
22	00201220250000	40	59.00
23	00201220240000	120	176.90
24	00201570070000	120	176.90
25	00201570080000	40	59.00
26	00201570130000	160	235.90
27	00201560110000	80	117.90
28	00201560120000	80	117.90
29	00201560130000	80	117.90
30	00201560140000	80	117.90
31	00201610010000	160	235.90
32	00201610200000	80	117.90
33	00201610190000	80	117.90
34	00201620010000	160	235.90
35	00201620200000	160	235.90
36	00600450020000	140	206.40

37	00600460010000	47	69.30
38	00600460070000	93	137.10
39	02101160090000	60	88.42
40	not used	0	0.00
41	not used	0	0.00
42	00600510210000	160	235.90
43	00600510170000	80	117.90
44	00600510160000	80	117.90
45	not used	0	0.00
46	not used	0	0.00
Totals		3,588	\$5,288.98