



REPORT TO COUNCIL

City of Sacramento

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PUBLIC HEARING
July 18, 2006

Honorable Mayor and
Members of the City Council

Title: Power Inn Area Property and Business Improvement District – Public Hearing
FY 2006/07

Location/Council District:

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

Recommendation:

Adopt two Resolutions: 1) Declaring the Results of the Majority Protest Proceedings and Establishing the Power Inn Area Property and Business Improvement District; and 2) Approving the City's Fiscal Year 2006/07 Budget for the Power Inn Area PBID.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Sini Makasini

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Summary:

On May 30, 2006, the City Council initiated the approval of the Power Inn Area PBID and authorized staff to publish a notice of public hearing and mail notices to each property owner. The purpose of this hearing is to receive public testimony and to take action in forming this District.

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 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.

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 06/07 will be \$175 per acre of land for Zone 1, and \$100 per acre of a land 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 is 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: *Simi McKin*
for: Mark Griffin
Fiscal Manager, Development Services Department

Respectfully Submitted by: *Carol Shearly*
Carol Shearly
Director of Planning, Development Services Department

Recommendation Approved:

for *Ray Kerridge*
Ray Kerridge
City Manager

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ATTACHMENT B

**SCHEDULE OF PROCEEDINGS
POWER INN AREA
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT 2006-04**

February 2006	Petition drive kick-off
May 26, 2006	Received Signed Petitions
May 30, 2006	Council Adopts: <ul style="list-style-type: none">o Resolution Accepting Petition and Approving the Boundary Mapo Resolution of Intention
May 31, 2006	Record Boundary Map
May 31, 2006 Ballot	Mail, Publish Notice of Hearing, Management Plan, and
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-_____

RESOLUTION DECLARING THE RESULTS OF THE MAJORITY-PROTEST PROCEEDINGS AND ESTABLISHING THE POWER INN AREA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

BACKGROUND

- A. The owners of property within the boundaries of the Power Inn Area Property and Business Improvement District (PBID) have submitted petitions asking that the City Council establish the PBID. Included with the petitions was a management district plan (The Power Inn Area Property and Business Improvement District Management District Plan) that describes the proposed assessment to be levied on property within the PBID to pay for the following activities and improvements: (1) Advocacy and Communications, (2) Security Coordination, (3) Economic Development and Marketing, and (4) Maintenance and Beautification. The Power Inn Area PBID Management District Plan is on file with the City Clerk and made reference to. Attached as Exhibit A to this resolution, and made a part of it, is a map of the exterior boundaries of the PBID.
- B. The proposed owners who signed the petitions will collectively pay more than 50% of the proposed assessment. Accordingly, on May 30, 2006, the City Council adopted Resolution No. 2006-387 entitled "Resolution of Intention to Establish the Power Inn Area Property and Business Improvement District" (the Resolution of Intention). Among other things, the Resolution of Intention states that a public hearing on the establishment of the PBID and the proposed assessment will be held on July 18, 2006, at 2:00 p.m. in the City Council's chambers, Sacramento City Hall, 915 "I" Street (first floor), Sacramento, California. The Resolution of Intention also states the City Council's finding that the Power Inn Area PBID Management District Plan satisfies all requirements of Streets and Highways Code section 36622.
- C. The properties within the exterior boundaries of the PBID will be benefited by the activities and improvements to be funded by the proposed assessment.
- D. On May 31, 2006, the City Clerk mailed to each record owner of each parcel within the District's exterior boundaries a notice concerning the public hearing on the establishment of the PBID and the proposed assessment. Each notice included the statutorily required information about the assessment and the majority-protest procedure, as well as an assessment ballot.
- E. At 2:00 p.m. on July 18, 2006, in the City Council's chambers, Sacramento City Hall, 915 "I" Street (first floor), Sacramento, California, the City Council held a

public hearing regarding the establishment of the Power Inn Area PBID and the levy of the assessment. During the public hearing, the City Council heard and received all objections and protests to the establishment of the PBID and the proposed assessment. At the conclusion of the hearing, and in accordance with Government Code section 53753, the City Clerk tabulated the assessment ballots submitted and not withdrawn. The City Clerk determined that the number of assessment ballots submitted and not withdrawn in opposition to the proposed assessment did not exceed the number of ballots submitted and not withdrawn in favor of the proposed assessment, with ballots weighted according to the amount of the assessment to be imposed upon the parcel for which each ballot was submitted. Therefore, a majority protest against the proposed assessment does not exist.

- F. All actions and proceedings described in paragraphs A through E were undertaken and completed in accordance with the Property and Business Improvement District Law of 1994.

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

Section 1. The City Council finds that the statements in paragraphs A through F of the background are true and adopts them as findings.

Section 2. Establishment of the Power Inn Area Property and Business Improvement District.

- (a) The PBID is established for a five-year term that will expire on December 31, 2011.
- (b) The activities and improvements to be provided for the PBID will be funded by the levy of an assessment on real property within the PBID, as described in the Power Inn Area PBID Management Plan, which is on file with the City Clerk.
- (c) Properties within the PBID will be subject to any amendments to the Property and Business Improvement District Law of 1994.
- (d) The revenue from the levy of the proposed assessment on property within the PBID may not be used to provide activities or improvements outside the PBID or for any purposes other than those specified in the Resolution of Intention.
- (e) In accordance with Streets and Highways Code section 36631 and the PBID Management Plan, the assessment to fund the activities and improvements for the PBID will be collected at the same time and in the same manner as are ad valorem property taxes and will have the same lien priority and penalties for delinquent payment.

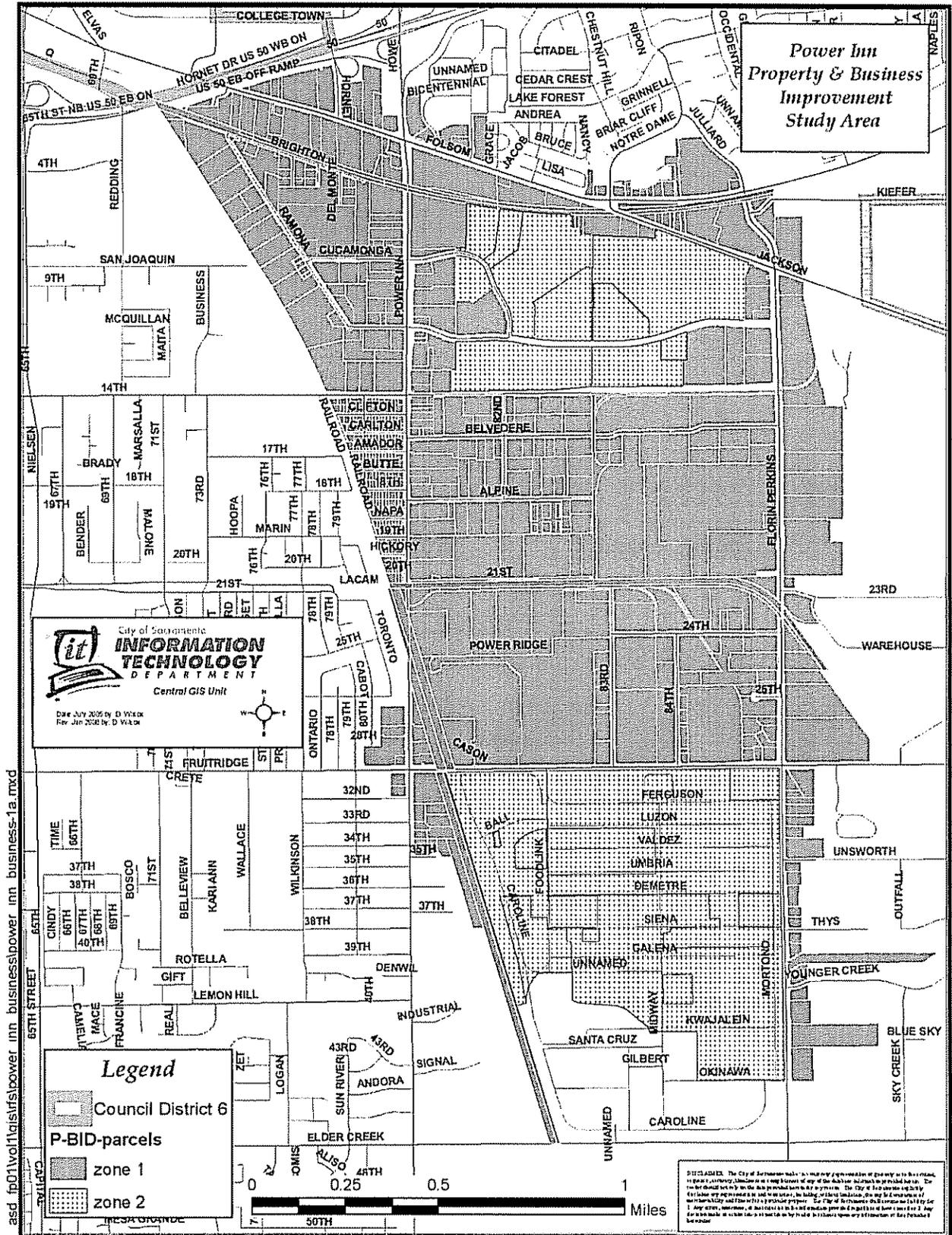
Section 3. Bonds. Bonds will not be issued.

Section 4. Boundaries. The exterior boundaries of the PBID are depicted on the map attached as Exhibit A.

Section 5. Authorization. The City Manager (or his designee) is directed to take all necessary actions to complete the establishment of the PBID and to levy the assessment. The City Clerk is directed to record, in the Sacramento County Recorder's office, a notice and assessment diagram as required by Streets and Highways Code section 36627. The City Clerk is further directed to certify the passage and adoption of this resolution and to enter it in the book of original resolutions.

PASSED AND ADOPTED on July 18, 2006, by the following vote:

EXHIBIT A



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RESOLUTION NO. 2006-

Adopted by the Sacramento City Council

APPROVING THE CITY'S FISCAL YEAR 2006/07 BUDGET FOR THE POWER INN AREA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FUND 284

BACKGROUND

- A. The Power Inn Area Property and Business Improvement District ("District"), as depicted in Exhibit A, was established by the City Council and approved by the property owners on July 18, 2006, all in accordance with the Property and Business Improvement District Law of 1994 (Streets and High Code sections 36600 to 36671).
- B. The City Council has levied assessments on the property within the District to pay for the improvements and services to be provided, all in accordance with the Property and Business Improvement Law of 1994.
- 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 background statements, A through C are true.

Section 2. The Power Inn Area PBID FY 2006/2007 revenue and expenditure budget is established at \$230,000, as set forth in Exhibit B.

Section 3. The Finance Director is authorized to expend a portion of the budgeted funds in the amount of \$7,066 for Development Services and for the Department of Finance to provide services for the District, as set forth in Exhibit B, which will be reimbursed by the District.

Section 4. Exhibits A and B are part of this resolution.

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Exhibit A: District Map – 1 Page

Exhibit B: FY2006/07 District Budget & Parcel Assessment – 1 Page

EXHIBIT B

**POWER INN AREA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY 2006/07 BUDGET & PARCEL ASSESSMENT**

Power Inn Area PBID	\$222,934
Special Districts Administration	5,000
Consultant (Muni) Reporting	921
Finance Administration	713
County Billing Cost	432
Contingency	<u>0</u>
Subtotal	\$230,000

PARCEL ASSESSMENT

ANNUAL ASSESSMENT RATES ARE BASED ON AN ALLOCATION OF PROGRAM COSTS AND A CALCULATION OF ACREAGE, CALCULATION AS REFLECTED BELOW:

Rate Per Acre of Land Zone 1	Rate Per Acre of Land Zone 2
\$175.00	\$100.00

