REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Continued from 6-5-07

CONSENT
June 5, 2007

Honorable Mayor and
Members of the City Council

Title: Midtown Sacramento Property and Business Improvement District (PBID) – Initiate Proceedings FY 2007/08

Location/Council District: Midtown Sacramento, Council District No. 1, 3, 4 (Exhibit "A", Page 6).

Recommendation: 1) Adopt a **Resolution of Intention** establishing the Midtown Sacramento Property and Business Improvement District.

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

Presenters: Not Applicable

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: The property owners along the Midtown commercial corridor proposed to form the Midtown Sacramento Property and Business Improvement District (PBID) with a five-year term. Adoption of the attached Resolution of Intention to establish the PBID will set the time and place for the Public Hearing on the formation of the PBID and the proposed assessment authorizing staff to mail notices to all property owners within the PBID.

Policy Considerations: The proceedings under which this district is being processed are set forth in Section 36600 of the California 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."

Environmental Considerations: Under California Environmental Quality Act (CEQA) Guidelines, initiation of a PBID does not constitute a project and is therefore exempt from review.

Committee/Commission: None

Rationale for Recommendation: The actions in the recommended Resolution are required by the California Streets and Highways Codes, which is codified as part 7 (beginning with section 36600) of division 18.

Financial Considerations: Financing will be provided by the levy of assessments upon real property that benefits from improvements and activities. The PBID does not plan to issue bonds. The total assessment for FY 2007/08 is projected at $575,000 as shown on Exhibit B, page 7. The City of Sacramento will be participating as a property owner in the district. City-owned properties will have a total annual assessment of approximately $47,000 and are listed on the Resolution, Background, under Section B. City funds will come from non-department.

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

Respectfully Submitted by: _____
Carol Shearly
Director of Planning

Recommendation Approved:

_____
Ray Kerridge
City Manager

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Attachment 1

BACKGROUND

The proposed Midtown Sacramento PBID will be a benefit assessment district formed by property owners to fund services such as security, street maintenance, parking services and marketing efforts for economic development within the proposed boundaries of the PBID.

PBID Districts may also undertake physical improvements within the district boundaries such as entry features, benches, or lighting. These services are concentrated within a district geographic area and are paid for by means of a special assessment on benefited properties.

In general, Districts are proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values and sales volume. The Midtown Sacramento PBID will be formed pursuant to California's "Property and Business Improvement District Law of 1994."

The Midtown Sacramento PBID will deliver services to properties within the Midtown commercial corridor. The attached resolution sets the time and place for the public hearing and authorizes staff to mail notices to all property owners within the PBID.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

TO ESTABLISH THE MIDTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

BACKGROUND:

A. The property owners within the Midtown Sacramento PBID have submitted petitions asking that the City Council establish the PBID. Included with each petition was a Plan summary and a map showing the boundaries of the PBID. The map is entitled "PBID Boundary Map." The petitions, the boundary map, and the Management District Plan are on file with the City Clerk.

B. The City owns the following 5 properties within the proposed Midtown Sacramento PBID:

007-0042-001-0000, Park = $11,434.50
007-0106-001-0000, Sutter's Fort = $13,904.35
007-0112-001-0000 , Sutter's Fort = $13,904.35
007-0174-003-0000 , City Property (RT Lease) = $6,476.50
007-0273-004-0000, City Utility = $823.28

C. The District Management Plan provides for the following improvements and activities within the PBID, all of which are intended to continue to improve the Midtown commercial corridor: (1) Clean and Safe Programs, (2) Parking Services, and (3) Marketing. The District Management Plan proposes to fund these improvements and activities through the levy of a benefit assessment on real property within the PBID.

D. The City Council finds that the City has received petitions signed by property owners representing over 50 percent of the total proposed assessment amounts, signed the petitions requesting the formation process be undertaken. 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.

E. At the direction of the City Council and the Fiscal Manager of the Public Improvement Financing Division (for the proceedings for the formation of this PBID) has filed the Management Plan with the City Clerk, which was prepared in accordance with the provisions of Streets and Highways Code Section 36622.

F. The City Council finds that the Management Plan satisfies all of the requirements of Streets and Highways Code Section 36622. The Plan provides for the following improvements and services within the PBID, all of which are intended to make the PBID safer, cleaner, and increase the commercial activity: (1) clean and safe programs to provide security patrol and a safety committee working with local law enforcement on specific crime issues in the area, (2) Parking Services, and (3) Marketing to promote business interests and allow the business community to speak with one voice. The Plan proposes to fund these improvements and services through the levy of a benefit assessment on real property within the PBID.

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 recitals set forth above are true.

Section 2. The City Council finds that property owners who will collectively pay more than 50% of the assessment proposed in the 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 5-year term, the proposed assessment budget is approximately $575,000., as shown on Exhibit B to this resolution.

Section 3. The City Council finds that the 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 "PBID 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 24, 2007, at 2:00 p.m. in the City Council's chambers, New 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 give notice 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.

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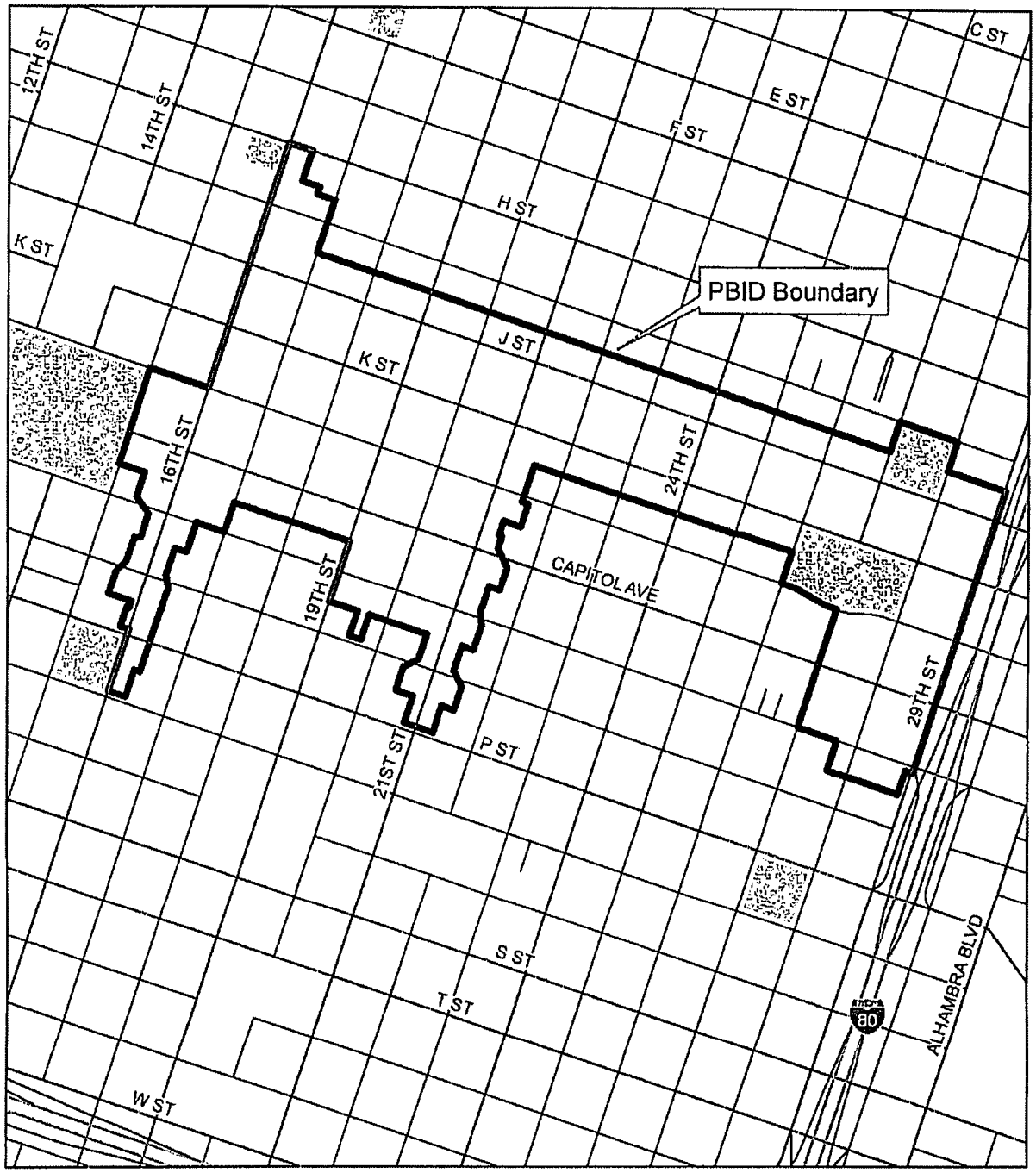
EXHIBIT A

Midtown Sacramento
Property and Business Improvement District



City of Sacramento Planning Department
BMueller 05/11/07

0 625 1,250 2,500 Feet

N W E S

EXHIBIT B

PBID assessment budget for FY 2007/08 is $575,000. The Midtown Sacramento PBID will receive an approximate total of $567,500. The remaining $7,500 will be retained by the City to cover City administration cost.

Program	Budget
Clean & Safe	$307,500
Marketing	$107,500
Parking Service	$85,000
Administrative Fees	$67,500
City Administrative Fees	$7,500
Total	**$575,000**

Annual assessment rates are based on special benefit received. These special benefits have been calculated based on an allocation of program costs and a calculation of parcel square foot. Assessment rates vary based on property classification (see chart below). Assessment rates may be subject to an increase by no more than 5% per year.

Property Classification	Annual Rate per Lot Square Foot Zone 1	Annual Rate per Lot Square Foot Zone 2	Parking Service Charge
Standard Full Service Area (ZONE 1)	$.126	**NA**	Yes, $.021 included into annual rate
Standard Reduced Service Area (ZONE 2)	**NA**	$.091	Yes, $.021 included into annual rate
Religious, Educational or Other Charitable Tax-Exempt Parcels	$.105	$.07	No Parking Charge
Healthcare Tax Exempt Rate	$.105	$.07	No Parking Charge
Publicly-owned Parks	$.105	$.07	No Parking Charge