



REPORT TO COUNCIL City of Sacramento

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

CONSENT
June 12, 2007

Honorable Mayor and
Members of the City Council

Title: 12th Street Maintenance District - Fiscal Year 2007/08 Budget

Location/Council District: The district is located on 12th Street between "C" and "I" Streets in Council Districts 1 and 3 (Exhibit A, Page 7)

Recommendation: Adopt a **Resolution** fixing the service fee and amending the budget for the 12th Street Maintenance District.

Contact: Bob Cooper, Senior Engineer, (916) 808-5778; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: The 12th Street Maintenance District ("District") is required by the City Code to present to City Council an annual budget for approval. Approval of the annual budget will authorize the City to collect service fees in the amount sufficient to provide funding for maintenance of the 12th Street District in Fiscal Year ("FY") 2007/08. The District will be forced to dissolve if the service fees are not increased by next year.

Policy Considerations: The annual proceedings are being conducted in accordance with City Code chapter 3.128. This process is consistent with the City's Strategic Plan 3-Year Goal to "achieve sustainability and enhance livability."

Environmental Considerations: Under the California Environmental Quality Act (CEQA) guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

Committee/Commission: None

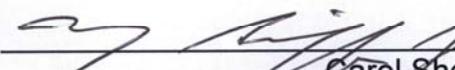
Rationale for Recommendation: The actions in the recommended Resolution are required by City Code chapter 3.128.

Financial Considerations: The service fees are used to defray expenses associated with the maintenance services and administration provided in the District. The Departments of Transportation and Planning have both reduced their respective administration costs in order to keep total expenses within the available revenue and contingency. The fee for FY2007/08 will remain at \$1.48 per linear foot of 12th Street frontage which is the maximum allowed.

The total cost of the District for FY2007/08 is \$6,970. The amount charged to the property owners is proposed to be \$118 for a typical 80 foot wide parcel for total district fee revenues of \$5,310. The budget will be offset with \$1,660 from the contingency. There is no impact to the General Fund.

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, Planning Department

Approved by: 
Carol Shearly
Director, Planning Department

Recommendation Approved:

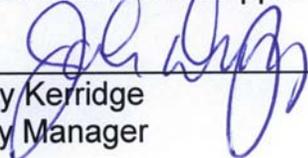

Ray Kerridge
City Manager

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BACKGROUND

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 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 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 FY2007/08. The District will be forced to dissolve if the service fee is not increased by next year (FY2008/09).

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

Property owners were surveyed during 2006 to determine their preference for the future of the District. The survey presented two options:

Option 1: Continue current one day per week maintenance at current rate of \$1.48 per frontage foot and deplete the fund balance. At end of June 2008, the District will end.

Option 2: A majority vote of the property owners to increase the assessment to cover costs for the existing one day per week service and maintain a small fund balance. Assessments will increase over the next three or four years to approximately \$3.25 per lineal foot. Assessments will be adjusted annually to cover costs.

The first letters and surveys were sent out on July 5, 2006. A follow up letter and survey was sent out on August 1, 2006 to those owners that did not respond to the first letter.

Since the service fee is based on frontage, each property owner was awarded one vote for each foot of frontage along 12th Street. For example, a property owner with 80 feet of frontage received 80 votes that could be cast in total for either Option 1 or Option 2. The district includes 33 parcels owned by 27 owners. The total frontage of these 33 privately owned parcel totals 3,060 linear feet. Following is a summary of the results from the voting.

Table 1

Survey Results By Total Votes			
	Votes	Total Percent	Total Percent of Those Voting
Option 1	1047	34.2%	47.6%
Option 2	1153	37.7%	52.4%
Not Voting	<u>860</u>	<u>28.1%</u>	
Total Votes	3060	100.0%	100.0%

Table 2

Survey Results By Total Owners		
	Owners	Percent in Favor
Option 1	10	37.04%
Option 2	9	33.33%
Not Voting	8	29.63%
Totals	27	100%

The results of this informal survey were somewhat mixed. Table 2 shows that 10 owners preferred Option 1 (dissolve the district) and 9 owners preferred Option 2 (continue the district). However, if this was a formal vote conducted under City code, the future of the district would be determined by the result shown in Table 1 where the majority of the votes (52.4%) cast are in favor of Option 2.

Staff is proposing for FY2007/08 to keep the service fee to \$1.48 per foot for FY2007/08. This amount will allow the district to operate for the next fiscal year.

Based on the survey results, staff will begin the proceedings to raise the assessments to levels that are necessary in order to recover costs. Staff will propose that during spring 2008 a public hearing be held. The property owners in the district will be notified by mail that a formal vote will be conducted to formally determine the future of the district.

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE FISCAL YEAR (FY) 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 District, shown on Exhibit A to this Resolution, are charged a service fee to cover the cost of delivering maintenance services that are greater than normal city 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 FY2007/08 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 Exhibit C to this resolution.

Section 5. The proposed FY2007/08 revenue (\$5,310) and expenditure (\$6,970) budgets for the 12th Street Maintenance District shall be amended as shown on Exhibit B. The expenditure budget will be offset with \$1,660 from the district's contingency fund.

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 \$6,970 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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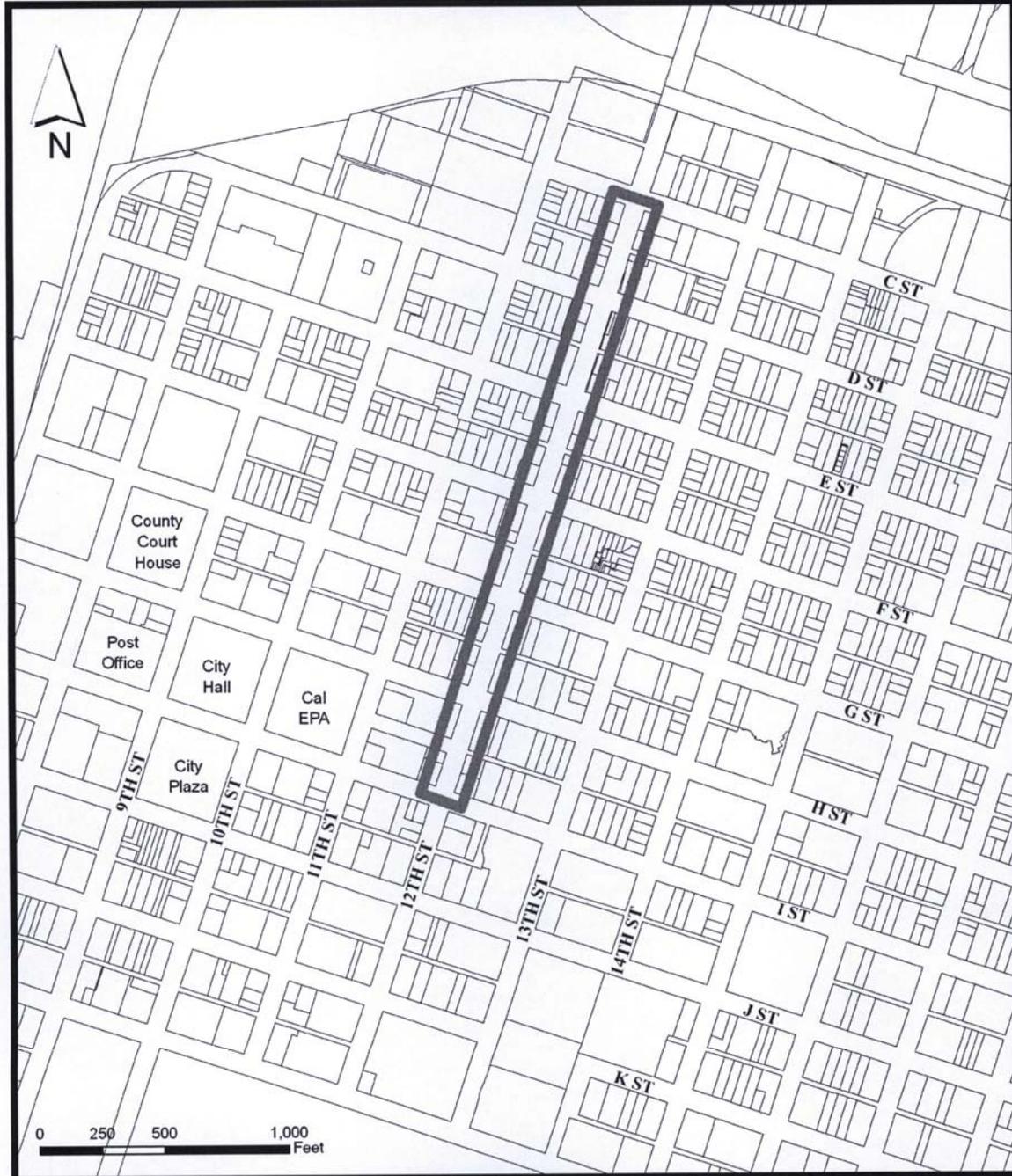
Exhibit A: District Map

Exhibit B: FY2007/08 District Budget and Service Fee

Exhibit C: Service Fee Schedule

EXHIBIT A

12th Street Maintenance District



 Maintenance Area



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EXHIBIT B

**12TH STREET MAINTENANCE DISTRICT
FY 2007/08 BUDGET**

Department of Transportation – Street Maintenance	
Maintenance Contract Cost	\$ 4,990
Contract Administration & Inspection	450
Department of Finance – Accounting	
Finance Administration	761
County Billing Fee	98
Parcel Recording	291
Planning Department	
Public Improvement Financing Administration	380
Subtotal	\$ 6,970
Less Contingency	(1,660)
Total Service Fees Charged To Property Owners	\$ 5,310

DISTRICT FEE REVENUES

Neighborhood	FY 2007/08 Budget	Surplus/ (deficit)	FY 2007/08 Fees charged
12 th Street Maintenance District	\$6,970	(\$1,660)	\$5,310

SERVICE FEE

<i>Neighborhood</i>	Maximum Authorized Per Lineal Foot	FY 2006/07	FY 2007/08
12 th Street Maintenance District	\$1.48	\$1.48	\$1.48

EXHIBIT C**12th Street Maintenance District
Service Fee Schedule FY2007/08**

Assmt No.	Parcel No.	Frontage	Total Fee
1	200750110000	80	\$118.40
2	200750240000	80	\$118.40
3	200750140000	40	\$59.20
4	200750150000	40	\$59.20
5	200750160000	80	\$118.40
6	200820020000	80	\$118.40
7	200820010000	80	\$118.40
8	200820160000	27	\$39.96
9	200820240000	11	\$16.28
10	not used	0	\$0.00
11	201150110000	80	\$118.40
12	201150120000	80	\$118.40
13	201150130000	160	\$236.80
14	201160080000	100	\$148.00
15	201160580000	80	\$118.40
16	201160110000	80	\$118.40
17	201210360000	65	\$96.20
18	201210340000	80	\$118.40
19	201210320000	85	\$125.80
20	201220010000	90	\$133.20
21	201220020000	70	\$103.60
22	201220250000	40	\$59.20
23	201220240000	120	\$177.60
24	201570070000	120	\$177.60
25	201570080000	40	\$59.20
26	201570130000	160	\$236.80
27	201560110000	80	\$118.40
28	201560120000	80	\$118.40
29	201560130000	80	\$118.40
30	201560140000	80	\$118.40
31	201610010000	160	\$236.80
32	201610200000	80	\$118.40
33	201610190000	80	\$118.40
34	201620010000	160	\$236.80
35	201620200000	160	\$236.80
36	600450020000	140	\$207.20
37	600460010000	47	\$69.56
38	600460070000	93	\$137.64

12th Street Maintenance District Annual Budget

June 12, 2007

39	2101160090000	60	\$88.80
40	not used	0	\$0.00
41	not used	0	\$0.00
42	600510210000	160	\$236.80
43	600510170000	80	\$118.40
44	600510160000	80	\$118.40
45	not used	0	\$0.00
46	not used	0	\$0.00
Totals		3,588	\$5,310.24

