REPORT TO COUNCIL
City of Sacramento

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

CONSENT
June 26, 2007

Honorable Mayor and
Members of the City Council

Title: Downtown Sacramento Property and Business Improvement District – Initiate Annual Proceedings FY2007/08

Location/Council District: The Downtown Sacramento Property and Business Improvement District (PBID) is located in Council Districts 1 and 3. The Downtown Sacramento PBID is comprised of approximately 66 City blocks and includes 468 individual parcels of land (Exhibit A, page 7).

Recommendation: Adopt 1) a **Resolution** adopting the Downtown Sacramento PBID Annual Budget, and Levying Assessment; and 2) a **Resolution** amending the Fiscal Year 2007/08 City Budget for the Downtown Sacramento PBID.

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 existing district is required by the Property and Business Improvement District Area Law of 1994 to present before City Council an annual budget for approval. Approval of the district's annual budget will authorize the City to collect assessments in the amount sufficient to provide funding for economic development, marketing, safety programs and maintenance services within the Downtown Sacramento PBID area for FY2007-08. The proposed budget of $2,059,812 was adjusted 5.0% for inflation from the FY 2006/07 budget.

Policy Considerations: The annual proceedings for this district are being processed as 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 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 Action: None

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

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 PBID assessment budget for FY 2007/08 is $2,059,812 (Details on Exhibit "B", page 11). The Downtown Sacramento PBID will receive an approximate total of $2,055,624. The remaining $4,188 will be retained by the City to cover City administration cost.

Program	Budget	**% of Total**
Public Safety	$ 852,470	41
Maintenance Program	$585,495	29
Economic Development & Marketing	$595,308	29
Old Sacramento Additional Activities	$26,539	1
Total	**$ 2,059,812**	**100**

The properties within the district are categorized in four benefit zones. The assessment rates for each zone is based on the levels of service and benefit received. Annual Assessments are based upon calculation of lot square footages plus building square footage within each benefit zone.

Zone	Sub-District Name	FY 2007/08 Max AuthorizeTax Cost/Sq.Ft./Parcel	FY 2007/08 Max Authorize Tax Cost/Sq.Ft./Bldg.
A	1. K Street Corridor	$0.1506	$0.0753
B	2. Civic Center	$0.1260	$0.0630
C	3. Old Sacramento	$0.1553	$0.0776
D	4. Capitol Mall / Plaza	$0.0468	$0.0234

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

Approved by: _____
Carol Shearly
Director of Planning

Recommendation Approved:

_____
Ray Kerridge
City Manager

Table of Contents:

	Report	Pg 1
Attachments		
1	Background	Pg 4
2	Resolution Adopting Annual Budget and Levying Assessment	Pg 5
	Exhibit A, Map of District	Pg 7
	Exhibit B, District and Parcel Assessment	Pg 8
3	Resolution Amending the FY 2007/08 City Budget	Pg 9
	Exhibit A, Map of District	Pg 10
	Exhibit B, District Budget and Parcel Assessment	Pg 11

S:\Moves\DEV\Spec Dists\DISTRICT PROJECTS\PBID\Downtown Management District\FY 2007-2008\Downtown Sac Annual Report 0708.doc

Attachment 1

BACKGROUND

The Downtown Sacramento PBID was established by the City Council and approved by the property owners on June 13, 1995. The District was renewed for 10 more years effective January 1, 2006, in accordance with the Property and Business Improvement District Area Law of 1994. The District provides funding to the Downtown Sacramento PBID which provides the following services:

- Public Safety and Maintenance Programs
  - Community Services Guides
  - Maintenance Patrol

- Economic Development and Marketing
  - Attract New Business
  - Enhance Downtown Image

- Old Sacramento Improvements & Activities
  - Economic Development & Marketing
  - Safety Program

The annual assessments are based upon allocation of program costs and a calculation per Parcel square foot and Building square foot. The assessment rates proposed for FY 2007/08 will increase by 5% in order to keep pace with the consumer price index and other program costs. The Downtown Sacramento PBID Advisory Board has prepared the Annual Report, which is on file with the City Clerk. The report addresses the current and proposed budgets and services to be provided.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE ANNUAL BUDGET AND LEVYING ASSESSMENT FOR DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (FY 2007/08)

BACKGROUND

A. The Downtown Sacramento Property and Business Improvement District ("District"), as depicted in Exhibit A, was established by the City Council and approved by the property owners on June 13, 1995. The District was renewed for 10 more years effective January 1, 2006.

B. The City Council established the District under the Property and Business Law of 1994 (California Streets and Highway Code–Sections 36600 to 36671) and has previously levied assessments on property in the District to pay for improvements and services to be provided within the District, all in accordance with the PBID Law of 1994.

C. The Downtown Sacramento Property and Business Improvement District provides for economic development, marketing, safety and maintenance services with the intent of continuing to create a positive economic atmosphere in the Downtown Sacramento area. All services are as defined within the Management Plan Annual Report, separately bound and on file in the City Clerk's Office, and by reference made a part of this resolution.

D. This year's assessments will increase by 5% from the previous year, and are still below the highest authorized amount for this district shown on Exhibit B.

E. 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 E are true and correct.

Section 2. The City Council:

a) adopts the annual budget set forth in the FY 2007/08 Management Plan; and

b) levies the assessment set forth in the FY 2007/08 Management Plan.

Section 3. Exhibits A and B are part of this resolution.

Table of Contents:

Exhibit A: District Map -1 Page
Exhibit B: FY2007/08 District & Parcel Assessment -1 Page

EXHIBIT A

Downtown Sacramento
Property and Business Improvement District (PBID) 2005-02

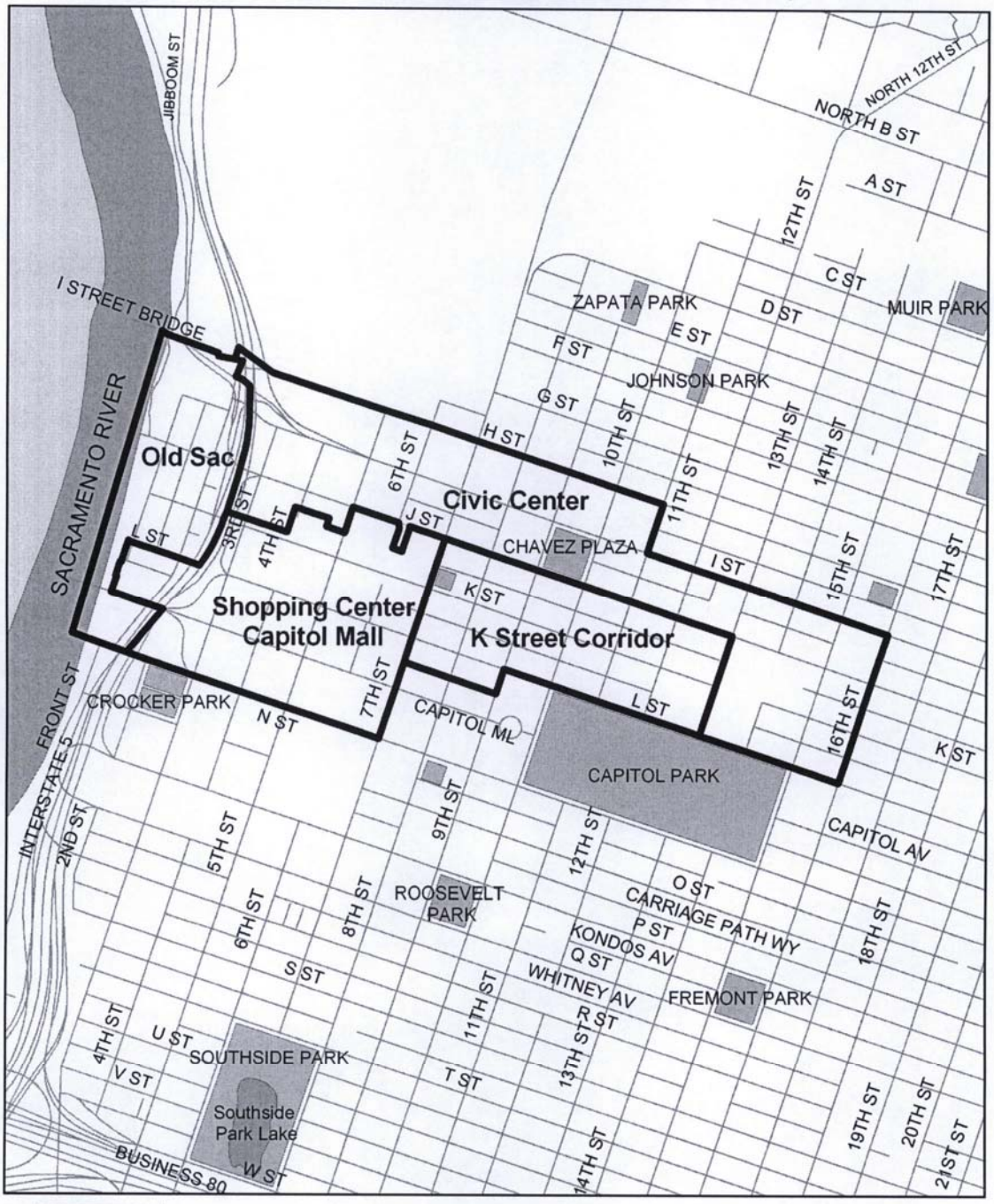


EXHIBIT B

DOWNTOWN SACRAMENTO
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY 2007/2008 DISTRICT AND PARCEL ASSESSMENT

DISTRICT ASSESSMENT

District	FY 2007/08 Budget	Surplus / (deficit)	FY 2007/08 Assessment
Downtown Sacramento PBID	$2,063,493	$3,681	$2,059,812

PARCEL ASSESSMENT

The assessment rates are adjusted by 5.0% (percent) for inflation as provided under the Property and Business Improvement District Law.

ASSESSMENT RATES

Zone	Sub-District Name	FY 2007/08 Max AuthorizeTax Cost/Sq.Ft./Parcel	FY 2007/08 Max Authorize Tax Cost/Sq.Ft./Bldg.
A	1. K Street Corridor	$0.1506	$0.0753
B	2. Civic Center	$0.1260	$0.0630
C	3. Old Sacramento	$0.1553	$0.0776
D	4. Capitol Mall / Plaza	$0.0468	$0.0234

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

AMENDING THE CITY'S FISCAL YEAR 2007/08 BUDGET FOR THE DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, FUND 261

BACKGROUND

A. The Downtown Sacramento Property and Business Improvement District ("District"), as depicted in Exhibit A, was established by the City Council and approved by the property owners on June 13, 1995. The District was renewed for 10 more years effective June 14, 2005.

B. The City Council established the District under the Property and Business Law of 1994 (California Streets and Highway Code–Sections 36600 to 36671) and has previously levied assessments on property in the District to pay for improvements and services to be provided within the District, all in accordance with the PBID 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 the background statements, A through C are true and correct.

Section 2. The FY 2007/08 revenue budget (of $2,059,812 [$2,063,493 - $3681 surplus]) and expenditure budget (of $2,063,493) are amended for the District 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 $4,188 for the Planning Department 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.

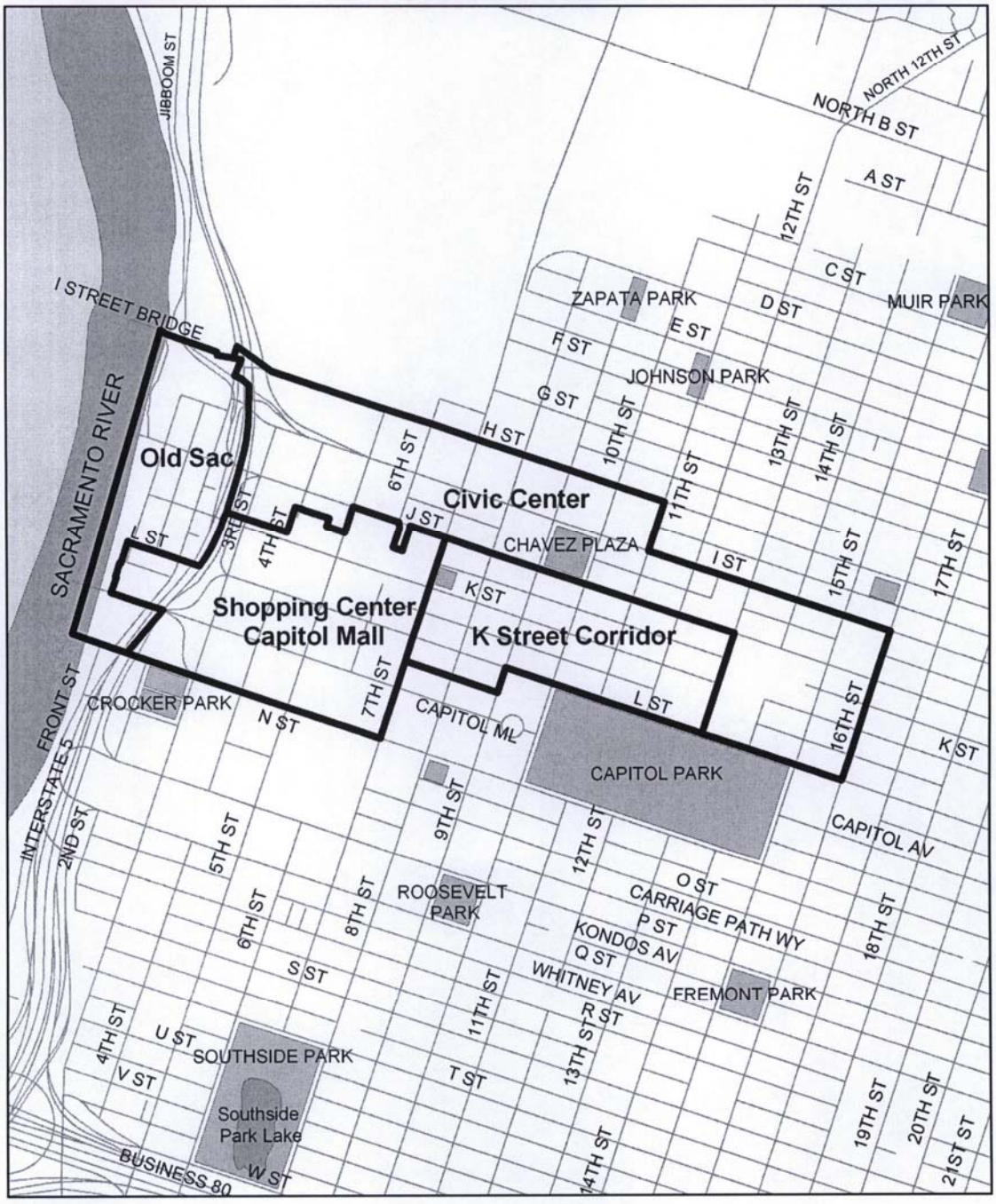
Section 4. Exhibits A and B are part of this resolution.

Table of Contents:

Exhibit A: District Map – 1 Page
Exhibit B: FY2007/08 District Budget & Parcel Assessment – 1 Page

EXHIBIT A

Downtown Sacramento
Property and Business Improvement District (PBID) 2005-02



City of Sacramento Planning Department

B Mueller 5/30/07

0 0.125 0.25 0.5 Miles

N W E S

EXHIBIT B

DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY 2007/08 BUDGET & PARCEL ASSESSMENT

Downtown Sacramento PBID	$2,055,624
Interest Earned (Surplus)	3,681
Downtown Sacramento PBID Total	$2,059,305
Special Districts Administration	$2,500
Consultant (Muni) Reporting	662
Finance Administration	761
County Billing Cost	265
Subtotal	$2,063,493
Less: Surplus	(3,681)
Total Assessment	**$2,059,812**

PARCEL ASSESSMENT

ANNUAL ASSESSMENT RATES ARE BASED ON AN ALLOCATION OF PROGRAM COSTS ON A COST PER PARCEL SQ. FT. AND BLDG. SQ FT. CALCULATION AS REFLECTED BELOW:

Zone	Sub-District Name	Cost/Sq.Ft./Parcel	Cost/Sq.Ft./Bldg.
A	1. K Street Corridor	$0.1506	$0.0753
B	2. Civic Center	$0.1260	$0.0630
C	3. Old Sacramento	$0.1553	$0.0776
D	4. Capitol Mall / Plaza	$0.0468	$0.0234