



REPORT TO COUNCIL

City of Sacramento

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

PUBLIC HEARING
July 17, 2007

**Honorable Mayor and
 Members of the City Council**

Title: Greater Broadway Property and Business Improvement District (PBID)

Location/Council District: Broadway between 3rd Ave and Franklin Boulevard, Council Districts No. 4 & 5. (Exhibit "A", Page 7).

Recommendation: Conduct a public hearing and upon conclusion, adopt 1) a **Resolution** declaring the Results of the Majority Protest Proceedings and establishing the Greater Broadway PBID; and 2) a **Resolution** approving the City's Fiscal Year 2007/08 Budget for the Greater Broadway PBID Area.

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

Description/Analysis

Issue: The property owners along the Broadway commercial corridor proposed to form the Greater Broadway Property and Business Improvement District (PBID) with a five-year term. On May 29, 2007, the City Council initiated the approval of the Greater Broadway 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.

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, district formation does not constitute a project and is therefore exempt from review.

Committee/Commission: None

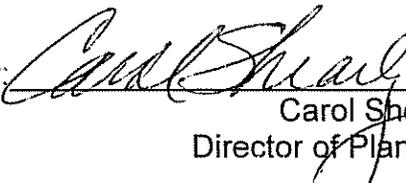
Rationale for Recommendation: The actions in the recommended Resolutions are required by the California Streets and Highways Codes, which is codified as part 7 (beginning with section 36600) of division 18.

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 \$223,500 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 \$46,000. City funds will come from a non-departmental organization.

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: 
for Mark Griffin
Fiscal Manager

Approved by: 
Carol Shearly
Director of Planning

Recommendation Approved:

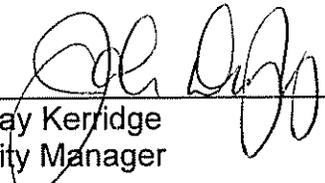

Ray Kerridge
City Manager

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BACKGROUND

The proposed Greater Broadway PBID will be a benefit assessment district formed by the property owners to fund services such as street maintenance, image enhancement, security programs and advocacy 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 Greater Broadway PBID will be formed pursuant to California's "Property and Business Improvement District Law of 1994".

The Greater Broadway PBID will deliver services to properties within the Broadway commercial corridor. The attached resolutions declare the results of the majority protest proceedings establishing the Greater Broadway Property and Business Improvement District, and approving the City's Fiscal Year 2007/08 Budget for the Greater Broadway PBID. On May 29, 2007, the City Council initiated the approval of the Greater Broadway 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.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**RESOLUTION DECLARING THE RESULTS OF THE MAJORITY-PROTEST
PROCEEDINGS AND ESTABLISHING THE GREATER BROADWAY
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT**

BACKGROUND

- A. The owners of property within the boundaries of the Greater Broadway 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 Greater Broadway PBID 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 Greater Broadway 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 29, 2007, the City Council adopted Resolution No. 2007-326 entitled "Resolution of Intention to Establish the Greater Broadway 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 17, 2007, 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 Greater Broadway 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 30, 2007, 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 17, 2007, 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 Greater Broadway 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 Greater Broadway Property and Business Improvement District.

- (a) The PBID is established for a five-year term that will expire on December 31, 2012.
- (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 Greater Broadway 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.

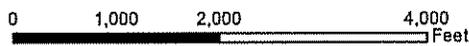
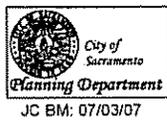
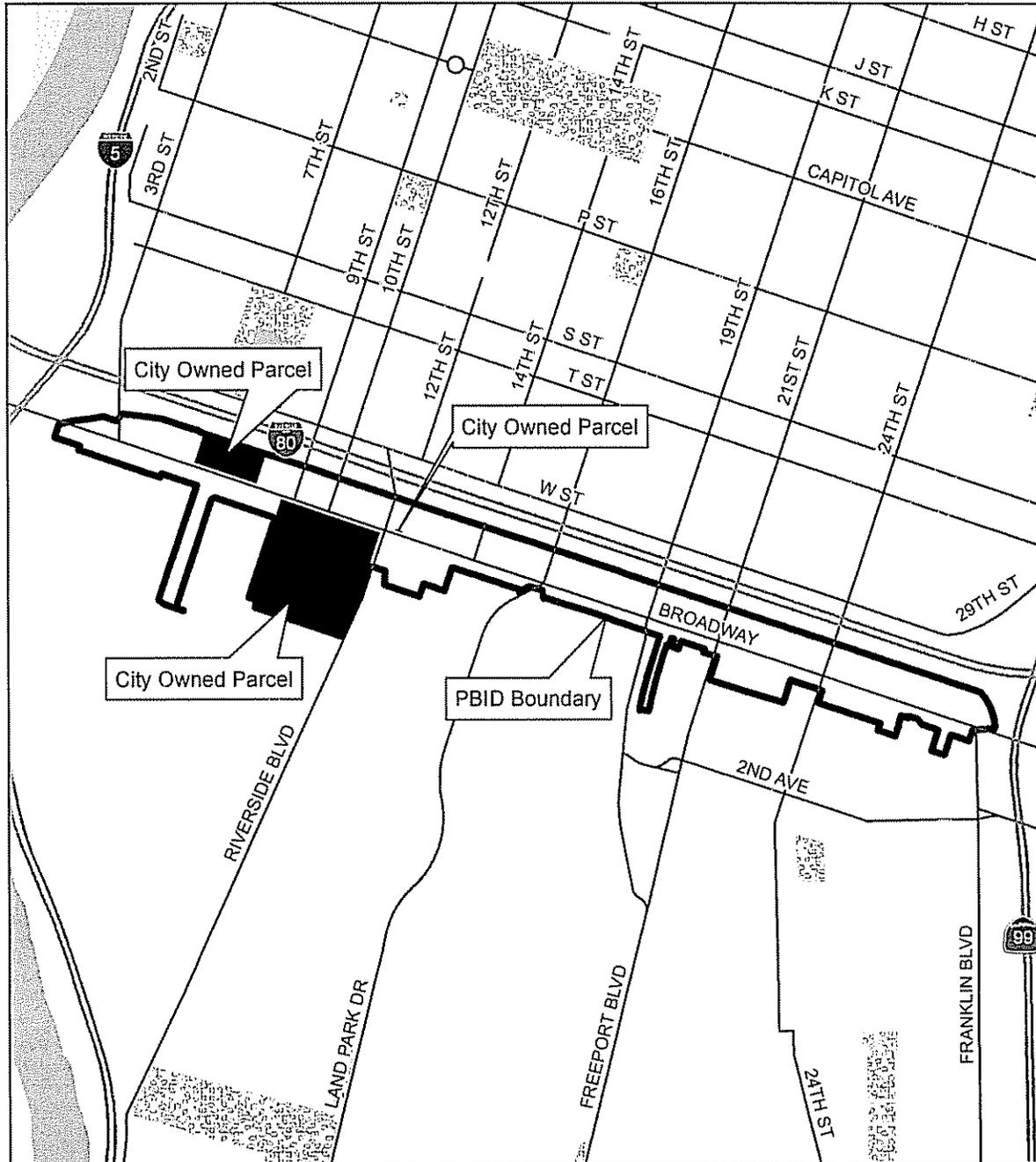
PASSED AND ADOPTED on July 17, 2007, by the following vote:

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EXHIBIT A

Greater Broadway Property and Business Improvement District



Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING THE CITY'S FISCAL YEAR 2007/08
BUDGET FOR THE GREATER BROADWAY PROPERTY AND BUSINESS
IMPROVEMENT DISTRICT
FUND 2XX**

BACKGROUND

- A. The Greater Broadway 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 17, 2007, 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 Greater Broadway PBID FY 2007/2008 revenue and expenditure budget is established at \$223,500, 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 \$8,902 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.

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Exhibit A: District Map – 1 Page

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

EXHIBIT A

Greater Broadway Property and Business Improvement District

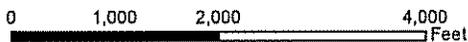
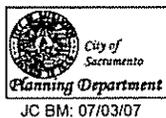
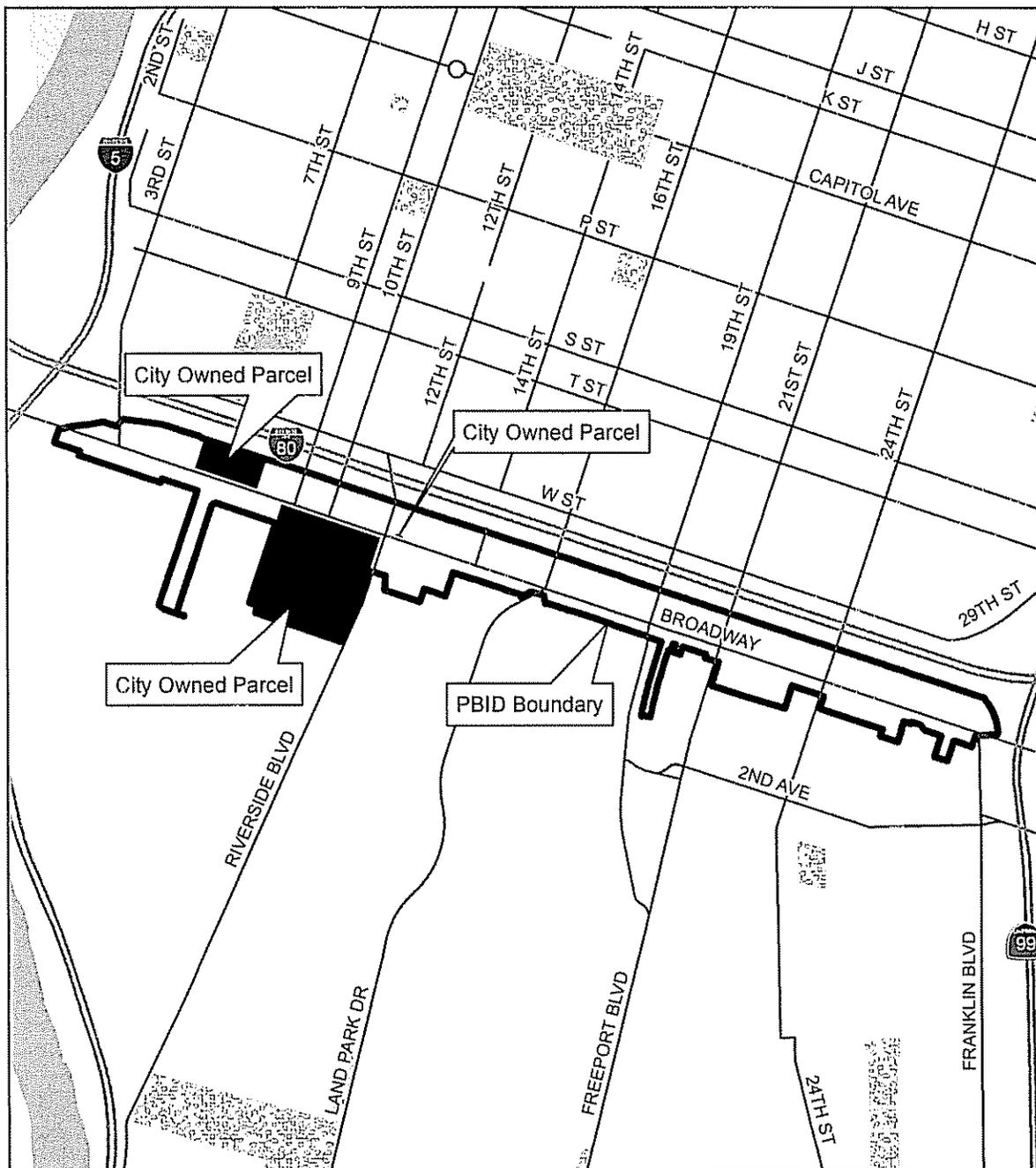


EXHIBIT B

**GREATER BROADWAY PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY 2007/08 BUDGET & PARCEL ASSESSMENT**

| | |
|----------------------------------|------------------|
| Greater Broadway PBID | \$214,598 |
| Special Districts Administration | 7,500 |
| Consultant (Muni) Reporting | 465 |
| Finance Administration | 761 |
| County Billing Cost | 176 |
| Contingency | <u>0</u> |
| Subtotal | \$223,500 |

PARCEL ASSESSMENT

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 feet. The standard cost to the property owner is \$0.05 per 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 the lesser of 3% per year or the Consumer Price Index.

| Property Classification | Rate per Lot Square Foot per Year |
|--|---|
| Commercial Parcels and Residential Parcels with more than Four Units | \$0.05 per year |
| Religious and/or Charitable Tax-Exempt Parcels | Not Assessed to the Extent the Parcels Receive Property Tax-Exempt Status |
| Cemetery and Public Housing Parcels | \$0.025 per year |
| Residential Parcels with Four Units or Less | Not Assessed |

