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REPORT TO COUNCIL
City of Sacramento

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

PUBLIC HEARING
August 9, 2007

Honorable Mayor and
Members of the City Council

Title: Midtown Sacramento Property and Business Improvement District (PBID)

Location/Council District: Midtown Sacramento, Council District No. 1, 3, 4 (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 Midtown Sacramento PBID; and 2) a **Resolution** approving the City's Fiscal Year 2007/08 Budget for the Midtown Sacramento 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 Midtown commercial corridor proposed to form the Midtown Sacramento Property and Business Improvement District (PBID) with a five-year term. On June 21, 2007, the City Council initiated the approval of the Midtown Sacramento 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 annual assessment for FY 2007/08 is projected at $575,000 as shown on Exhibit B, page 10. 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. 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: _____
Mark Griffin
Fiscal Manager

Approved 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 resolutions declare the results of the majority protest proceedings establishing the Midtown Sacramento Property and Business Improvement District, and approving the City's Fiscal Year 2007/08 Budget for the Midtown Sacramento PBID. On June 21, 2007, the City Council initiated the approval of the Midtown Sacramento 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 MIDTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

BACKGROUND

A. The owners of property within the boundaries of the Midtown Sacramento 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 Midtown Sacramento 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) Clean and Safe Programs, (2) Parking Services, and (3) Marketing. The Midtown Sacramento 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 owners who signed the petitions will collectively pay more than 50% of the proposed assessment. Accordingly, on June 21, 2007, the City Council adopted Resolution No. 2007-426 entitled "Resolution of Intention to Establish the Midtown Sacramento 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 August 9, 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 Midtown Sacramento 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 June 22, 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 August 9, 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 Midtown Sacramento 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 Midtown Sacramento 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 Midtown Sacramento 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 August 9, 2007, by the following vote:

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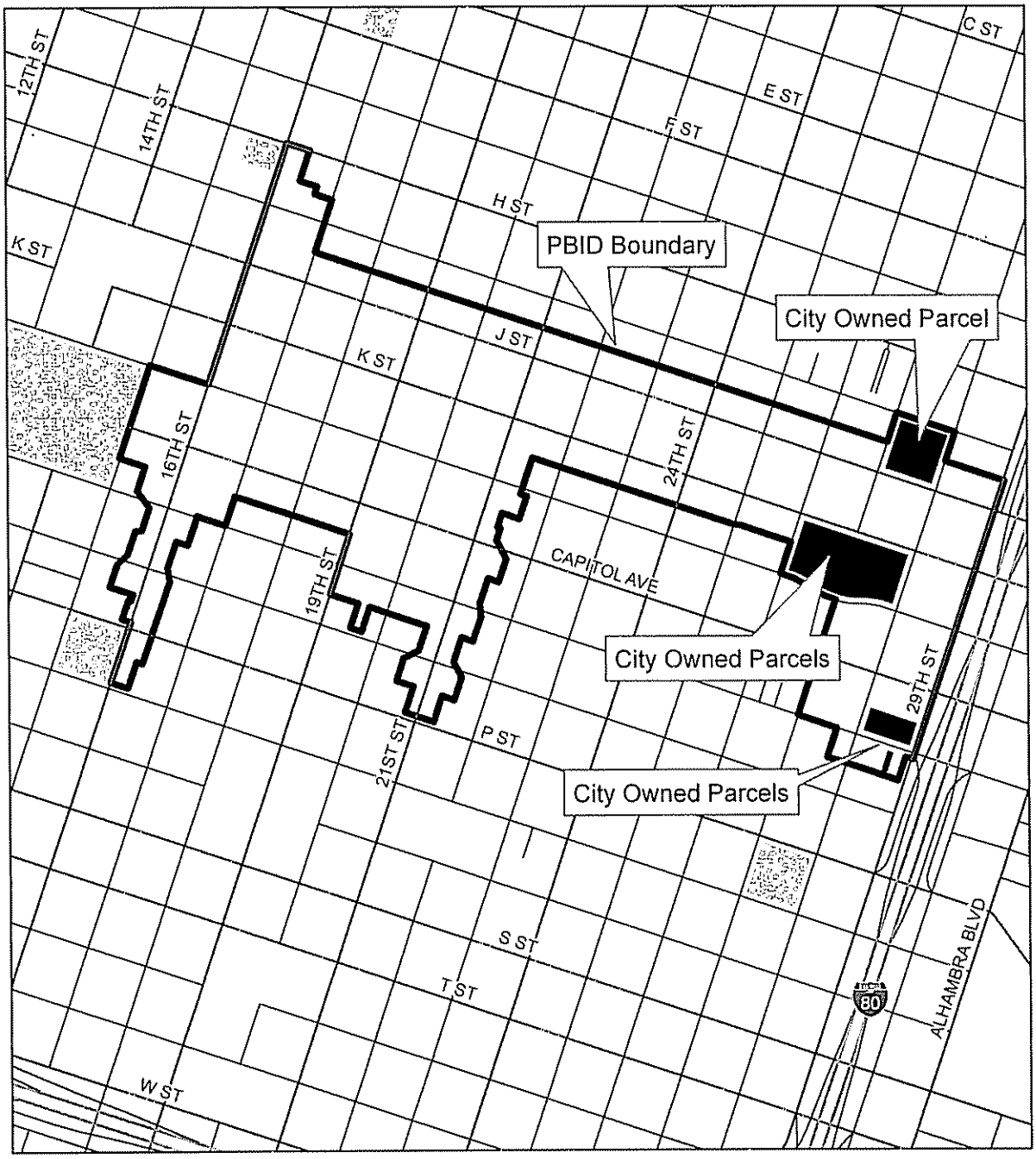
EXHIBIT A

Midtown Sacramento
Property and Business Improvement District



City of Sacramento Planning Department
BMueller 07/10/07

0 625 1,250 2,500 Feet

N W E S

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

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

BACKGROUND

A. The Midtown 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 August 9, 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 Midtown Sacramento PBID FY 2007/2008 revenue and expenditure budget is established at $575,000, 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 $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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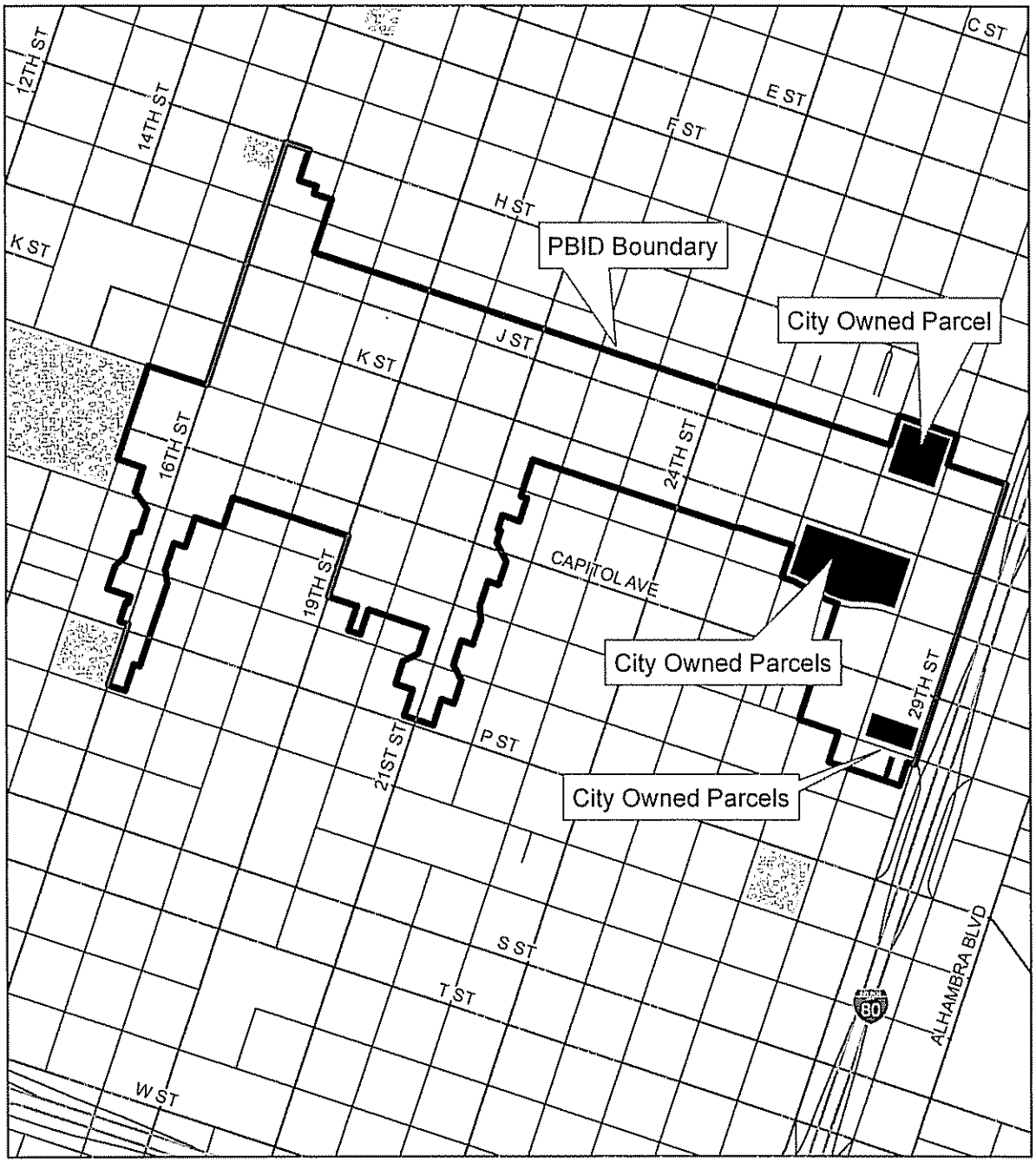
Exhibit A: District Map – 1 Page
Exhibit B: FY2006/07 District Budget & Parcel Assessment – 1 Page

EXHIBIT A

Midtown Sacramento
Property and Business Improvement District



City of Sacramento Planning Department

BMueller 07/10/07

0 625 1,250 2,500 Feet

N W E S

EXHIBIT B

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

Midtown Sacramento PBID	$565,595
Special Districts Administration	7,500
Consultant (Muni) Reporting	811
Finance Administration	761
County Billing Cost	333
Contingency	0
Subtotal	$575,000

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	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