

COUNCIL COMMITTEE MINUTES

Concurrent Special Committee Meetings of the Sacramento City Council, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento and the Parking Authority of the City of Sacramento.

COMMITTEE NAME: LAW AND LEGISLATION

MEETING DATE: January 18, 1994

MEETING TIME: 12:00 noon

LOCATION: 915 I STREET, 2ND FLOOR, COUNCIL CHAMBER

I HEREBY CALL Special Meetings of the Sacramento City Council, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, and Parking Authority of the City of Sacramento to be conducted concurrently with the Council committee meetings listed below, which are incorporated herein by reference. The Special Meetings are called to permit Members who are not on the listed committees to attend the meetings and participate in the discussions. In the event five (5) or more members of the City Council are present at a Committee meeting, only those items listed on the agenda can be acted on or discussed.

The meeting was called to order at 12:10 p.m. by Committee Chair Heather Fargo.

PRESENT: Committeemembers Heather Fargo, Josh Pane,* Sam Pannell, and Deborah Ortiz.

*Committeemember Pane arrived at 12:35 p.m.

1. Report on Business Improvement Area legislation.

RECOMMENDATION OF STAFF: For Committee information.

COMMITTEE ACTION: Supported introduction of this legislation, with a report back in 30 days.

VOTING RECORD:

| | |
|-----------|-----------------------|
| Moved: | Fargo |
| Seconded: | Ortiz |
| Ayes: | Fargo, Ortiz, Pannell |
| Absent: | Pane |

MINUTES:

Bob Thomas, Deputy City Manager, presented this item to the Committee. He said that he would bring this matter to the Committee in the near future with a written report. He then passed out some graphs relating to the proposed Downtown Sacramento Partnership, Inc. assessment, including boundaries, purpose, and average cost per block. He explained that this

ITEM CONTINUED ON FOLLOWING PAGE.

COUNCIL COMMITTEE MINUTES

1. ITEM CONTINUED FROM PREVIOUS PAGE.

proposed assessment district covers a 102-block area, and that it is difficult to establish a new assessment district downtown because a large part of this area consists of state offices and the state currently exempts itself from all assessment districts. John Lambeth of the Downtown District has been asked to develop some legislation to introduce into the Legislature. Mr. Thomas said that he has not had a chance to review it yet and is not requesting the Committee to act on anything today.

John Lambeth was available to answer questions. Chair Fargo pointed out that this enabling legislation is not just for the City of Sacramento, but that other cities around the state will be getting involved. He said that cities in most states across the country have the ability to assess property owners for business improvement areas; California is one of the few states that doesn't specifically authorize such an assessment. Mr. Lambeth stated that the law now allows for a protest procedure where, if 50% of the business owners protest, then the district isn't formed, that they are now looking for a more stringent requirement of having 50% of the property owners sign a petition to start the process to obtain the services provided by the assessment district. There was some discussion.

Deputy City Manager Bob Thomas asked the Committee for permission to introduce this legislation and review it again in 30 days before taking a formal action. Fargo moved, Ortiz seconded, and unanimous support was given to introduce proposed legislation on the Business Improvement Area assessment district.

2. Update on state legislative activities affecting local government's ability to apply special permit process to establishments selling alcoholic beverages.

RECOMMENDATION OF STAFF: For Committee information.

MINUTES:

Dianne Guzman, Director of Planning and Development, updated the Committee on this issue. She said there is a City team working together on this, consisting of Planning, the Police Department and the City Attorney's office. She said there will be a statewide symposium on March 18th in Oakland to talk about problems and solutions, as well as to have an opportunity to talk about what kind of legislative effort could be made. She believes there needs to be a statewide coalition behind any legislation due to the fact that the liquor industry has a very strong voice. She noted that the problems experienced in Sacramento are with the crime and other negative impacts in the neighborhoods which revolve around licensed liquor establishments. She said the City has been trying to use

ITEM CONTINUED ON FOLLOWING PAGE.

COUNCIL COMMITTEE MINUTES

2. ITEM CONTINUED FROM PREVIOUS PAGE.

the conditional use permit process which not only allows the City to take consideration of effects on adjacent property, but really mandates the City to look at that. As the law now stands, the City has local land use ordinance authority and the City has a wide range of conditions it can put on an establishment. What the liquor industry would like to see is a state-approved list which would be the only conditions that could be put on conditional use permits for liquor establishments, which would greatly limit the City's range of things to do. She said the liquor industry would also like to see the ABC enforce these conditions rather than cities, which would really tie the City's hands.

*Committeemember Pane arrived at 12:35 p.m.

Committeemember Ortiz suggested that the City look at another route legislatively that is not simply reaction to what the industry is doing. She said she would like to see the City take a position regarding its ability to maximize land use relating to impacted neighborhoods, etc., and to be more aggressive. There was some discussion, and this will be brought to the symposium on March 18th. It was pointed out that ABC does not have the manpower to enforce all of the problem establishments selling alcohol, and that in one area there are 70,000 liquor licenses and 7,000 problem establishments, but only six ABC inspectors. Ms. Guzman said that staff would keep the Council informed of the progress of this issue.

3. A. Report back on local hiring and affirmative action hiring on City construction projects.

RECOMMENDATION OF STAFF: Support and forward to Council.

COMMITTEE ACTION: Referred item to SHRA and OEOC;
Bring back to Committee.

VOTING RECORD: Moved: Pannell
Seconded: Pane
Ayes: Panell, Pane, Ortiz, Fargo

MINUTES:

Greg Hovious, Contract Officer in the Department of Facility Management, discussed the staff report included in the agenda packet. Chair Fargo asked whether this affirmative action program only involves construction projects, and Mr. Hovious said at this time yes, but that the City, SHRA and OEOC envision it as a much larger program in the future. He continued

ITEM CONTINUED ON FOLLOWING PAGE.

COUNCIL COMMITTEE MINUTES

3.A. ITEM CONTINUED FROM PREVIOUS PAGE.

by saying that this particular part of the program (construction) is the most visible and largest part of the problem, but by no means addresses all of the concerns. He pointed out that this program has been discussed with trade groups, the unions, contract associations, and OEOC and SHRA.

B. Report back on Local Business Enterprise Program.

RECOMMENDATION OF STAFF: Provide direction to staff.

COMMITTEE ACTION: Referred item to SHRA and OEOC;
Bring back to Committee.

VOTING RECORD: Moved: Pannell
Seconded: Pane
Ayes: Pannell, Pane, Ortiz, Fargo

MINUTES:

Aaron Chong, MBE/WBE Coordinator for the City, discussed the Local Business Enterprise program and explained how the data was compiled for this study. He noted that the cities of Oakland and San Francisco have Local Business Enterprise programs now. Pannell expressed his concern for the residents of the City or County who are paying for all these jobs and they are not being rewarded with preferences because jobs go to people in El Dorado Hills or Yuba City. Mr. Hovious continued by explaining that there were no penalties for lack of compliance in the past, but the City is prepared right now to utilize the OEOC people to help accomplish these goals in the best possible way.

Chair Fargo asked whether it costs more to do business in the City than in the unincorporated areas. She asked if the City charges more for business licenses, utility users tax, property tax, etc. She explained that if the businesses were paying more to have their business located in the City limits, it would be a good incentive to keep businesses from moving into the unincorporated areas, and there should be rewards. Mr. Chong agreed that this was something to look into, but said he did not have any figures right now regarding the differential in costs within the City limits and the unincorporated areas.

Greg Hovious noted that the Local Business Enterprise program did not encompass only construction, but was for the entire program.

Chair Fargo felt the City should reward those people who have actually physically located within the City. Committeemember Pannell agreed. Deputy City Attorney Diane Balter said

ITEM CONTINUED ON FOLLOWING PAGE.

COUNCIL COMMITTEE MINUTES

3.B. ITEM CONTINUED FROM PREVIOUS PAGE.

that in that case, rather than making negative findings about the business climate the way Oakland did, you would be making some findings about it being more expensive to do business in the City of Sacramento than it is to do business elsewhere, and you have to consider whether you want to make those findings. Greg Hovious pointed out that there are two additional costs -- the City of Sacramento Business Operation Tax, which is a \$5,000.00 maximum fee for a construction company or other business, and the additional quarter-cent or half-cent sales tax for being in the City. Attorney Balter said the sales tax is County-wide. There was some discussion about these costs. Chair Fargo expressed her wish to at some point give preference to small LBEs which are in the City limits.

Committeemember Pannell said he would like to look at trying to have some kind of incentives to get firms up to the City's goals. He moved staff recommendation for 3A. There was further discussion regarding the meaning of "local." Greg Hovious explained the difficulty in trying to balance all the various goals in deciding who gets what when dealing with goals, and that he feels the City is doing well in hiring local Sacramento companies. He said this item is scheduled to go before the Sacramento Housing and Redevelopment Agency, and that he would appreciate some direction regarding what the Committee wants to do.

Mary Wray from the Sacramento Housing and Redevelopment Agency spoke. She requested that this issue be referred to the OEOC. She feels they could add a little more to the discussion.

Maurice Read of the Building Construction Trades Counsel of Sacramento-Sierra stated they are sensitive to neighborhood hire and that they are trying to work with staff to do this in the best possible way given the constraints with federal and state laws. He asked the Committee to keep in mind that the Building Construction Trades Counsel's jurisdiction here locally includes Sacramento County, Yolo County, Placer County, El Dorado County and Amador County. He also noted that "local hire" includes local businesses and local workers, and some of the local businesses have non-local workers, etc.

Committeemember Pannell said he understands that the City of Davis has a program where priority is given to Davis-owned businesses when awarding contracts, and asked that staff look into this. Mr. Hovious said that the Cities of Oakland and San Francisco have this type of program.

Pannell restated his motion to accept staff's recommendation to refer this item to the SHRA and OEOC, Pane seconded the motion, and it was unanimously supported. It will be brought back to the Committee.

COUNCIL COMMITTEE MINUTES

AB 1080 (Easton) relating to the Public Contract Dispute Resolutions Act.

RECOMMENDATION OF STAFF: Opposition

COMMITTEE ACTION: Opposed

VOTING RECORD: Moved: Pannell
 Seconded: Pane
 Ayes: Pannell, Pane, Ortiz, Fargo

MINUTES:

Greg Hovious presented AB 1080, the Public Contract Dispute Resolutions Act, which is now in front of the State Legislature and which establishes a Contract Board of Appeals that would preempt the state court system for contractors who have grievances against local government. He explained that this Board of Appeals is mandatory for all bid disputes, which could result in a 60-day mandatory delay period while the contractor is having a bid grievance heard by this Board. He said that at one time this didn't apply to charter cities, but that it was recently amended to include charter cities as well. There is another hearing this coming Monday, and it is moving very quickly, so he said he would like to have the City's position on this bill. He explained that if a contractor is not happy with the Board's decision, the matter can be brought before the courts, but it is mandatory to first appear before the Appeals Board. He noted that the League of California Cities, among other organizations, opposes this bill. Deputy City Attorney Joe Robinson asked that the City oppose this bill as written, but that it may be possible to work with the proponents of this bill to work out a better alternative.

Pannell moved to oppose AB 1080 as it is now written, Pane seconded the motion, and it was unanimously opposed.

The meeting was adjourned at 1:30 p.m.

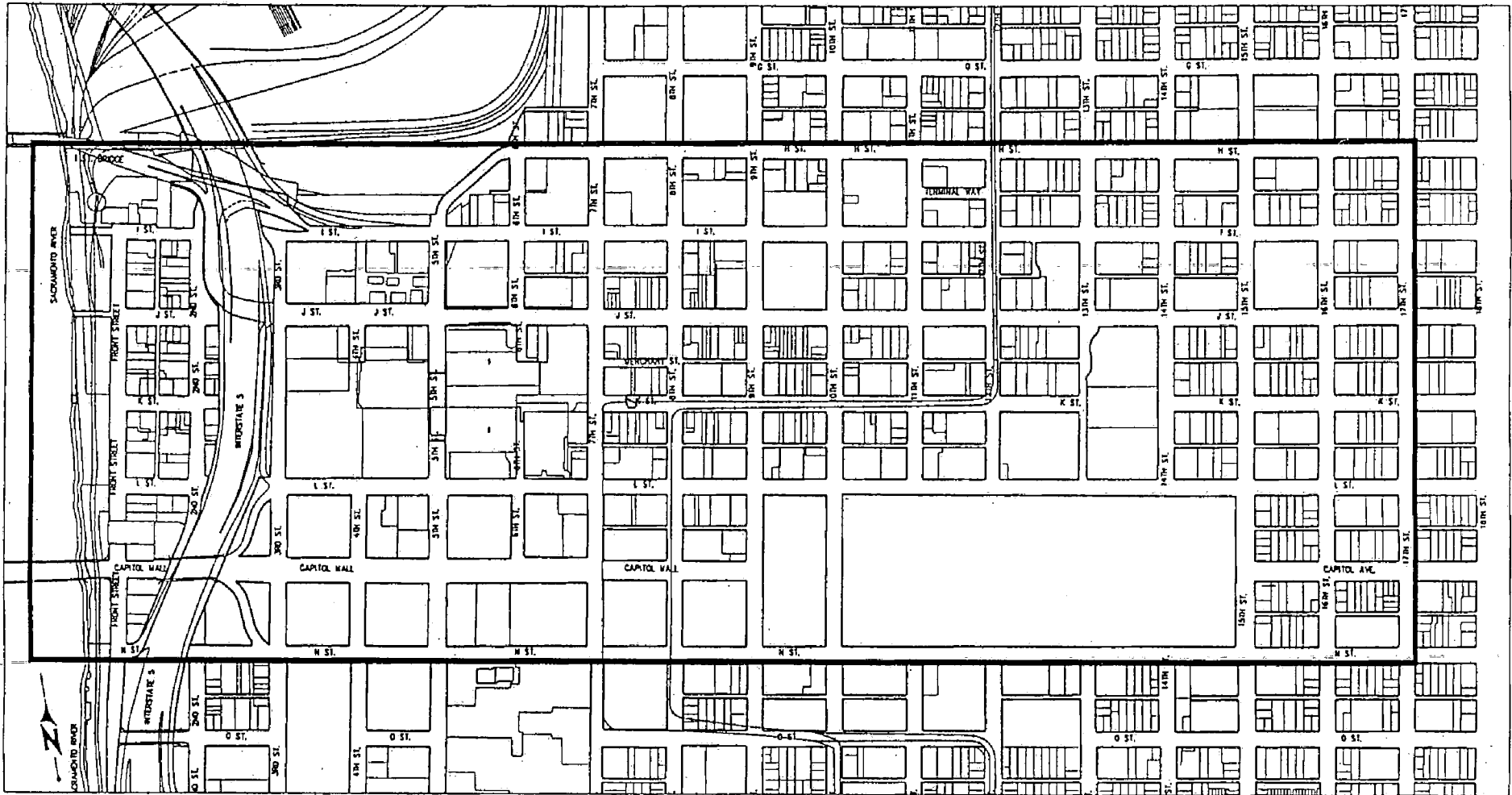
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HEATHER FARGO, Chair

ATTEST:


JUDY SANDERS, Secretary

DOWNTOWN SACRAMENTO PARTNERSHIP ANNUAL BASE BUDGET



Methodology

Parcel Area, Building Area, Employees

Service Level

Annual DSP Administration

Total Annual Cost

\$300,000 / yr.

Average Cost Per Block

\$4,600/blk./yr.

SUMMARY DOWNTOWN SACRAMENTO PARTNERSHIP

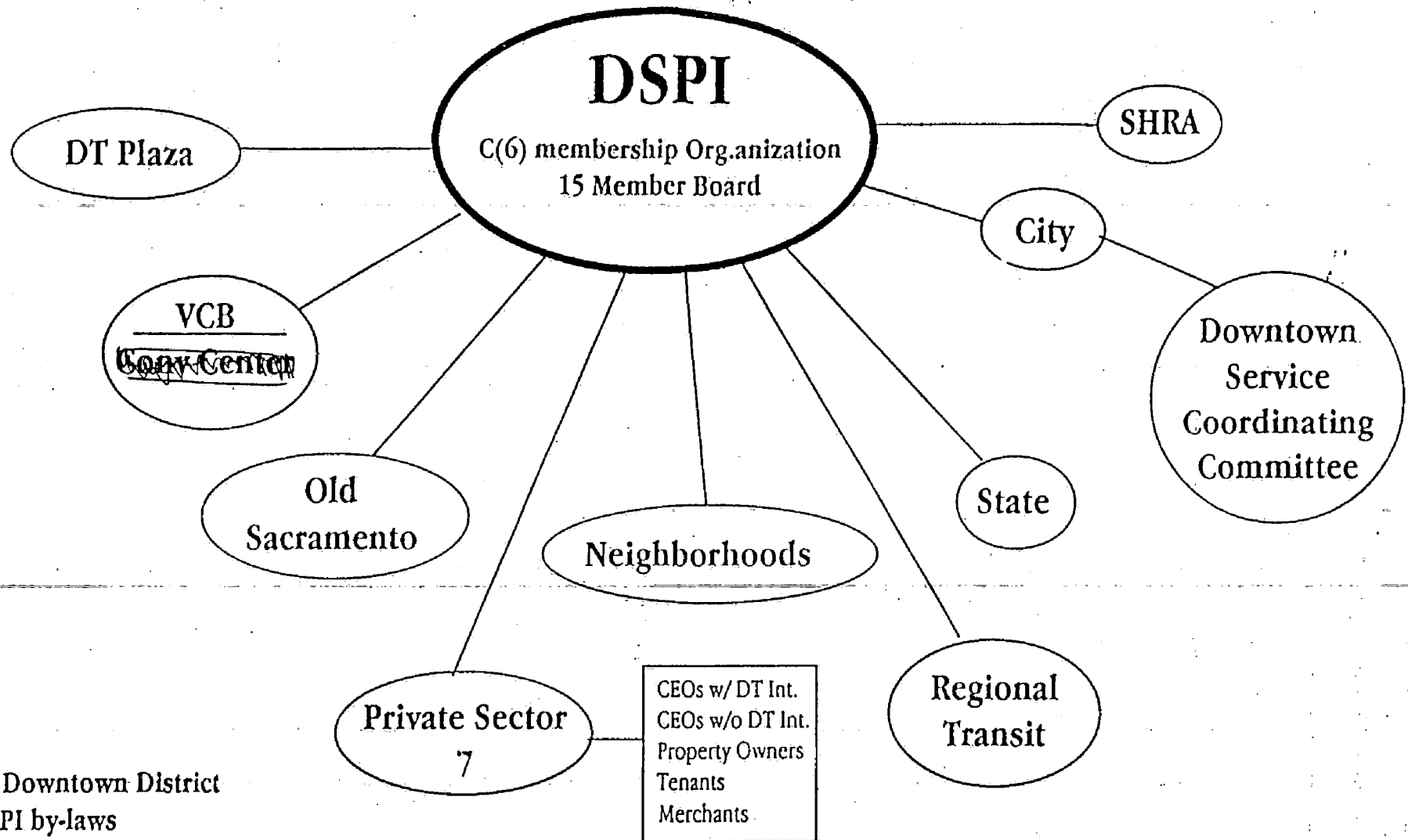
| | ANNUAL BUDGET | AVERAGE COST/BLOCK | METHODOLOGY | SERVICE |
|---|------------------|-----------------------|--|---|
| DSP ADMINISTRATION BASE BUDGET | \$300,000 | \$4,600 | Parcel Area Building Area Employees | DSP Administration |
| (EXISTING) SIDEWALK CLEANING | \$360,000 | \$5,500 | Sidewalk Frontage Parcel Area | Weekly Sidewalk Cleaning |
| (EXISTING) ALLEY MAINTENANCE | \$195,000 | \$3,000 | Alley Frontage Parcel Area | Weekly Clean and Maintain Alleys |
| SECURITY (Guide Program) | \$425,000 | \$6,500 | Parcel Area Building Area Employees | 15 Patrol Guides 9 a.m. to 11 p.m. 7 Days a Week |
| PROMOTIONAL MARKETING | \$350,000 | \$5,400 | Parcel Area Building Area Employees | Marketing the District |
| DOWNTOWN SHUTTLE | \$450,000 | \$6,900 | Parcel Area Building Area Employees, Trips | Transfer from RT to Major Employment Destinations in Downtown |
| SPECIAL EVENTS (Downtown + Old Sacramento) | \$318,000 | \$4,900 | Parcel Area Building Area Employees, Benefit | Commercial Events, Entertainment, Arts & Cultural Events |

Note: Costs are Based on Net Assessable Area of 65 Square Blocks

Downtown Sacramento Partnership, Inc.

“The Common Voice for Downtown”

Proposed: October 8, 1993 by IDA Panel

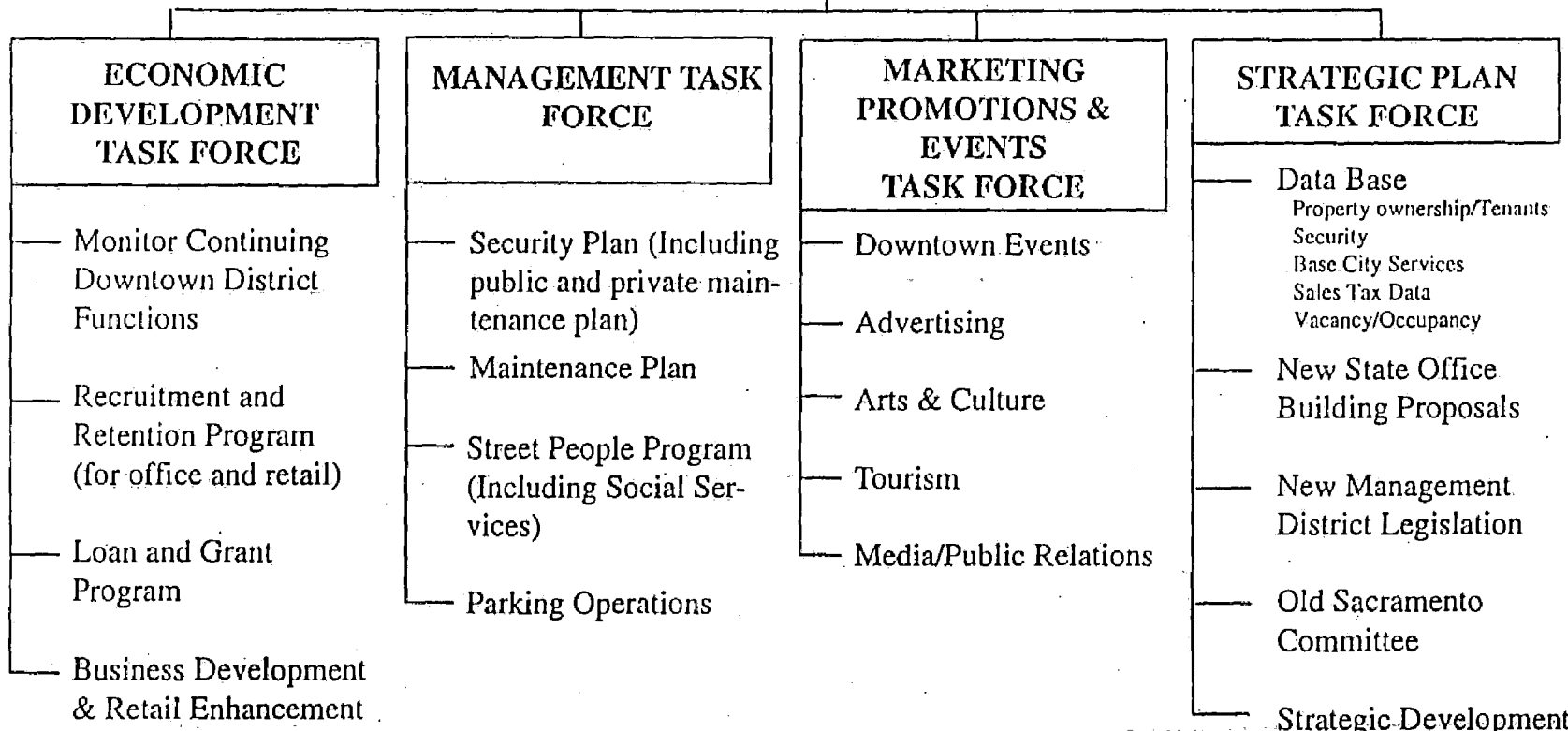


1. Dissolve Downtown District
2. Create DPI by-laws
3. Fold in Downtown District functions
4. Organize & recruit members
5. Staff with borrowed Executive and others
6. Create Task Force

DRAFT

TASK FORCES

Chaired by Private sector DSPI Members
Report back to DSPI in 120 Days

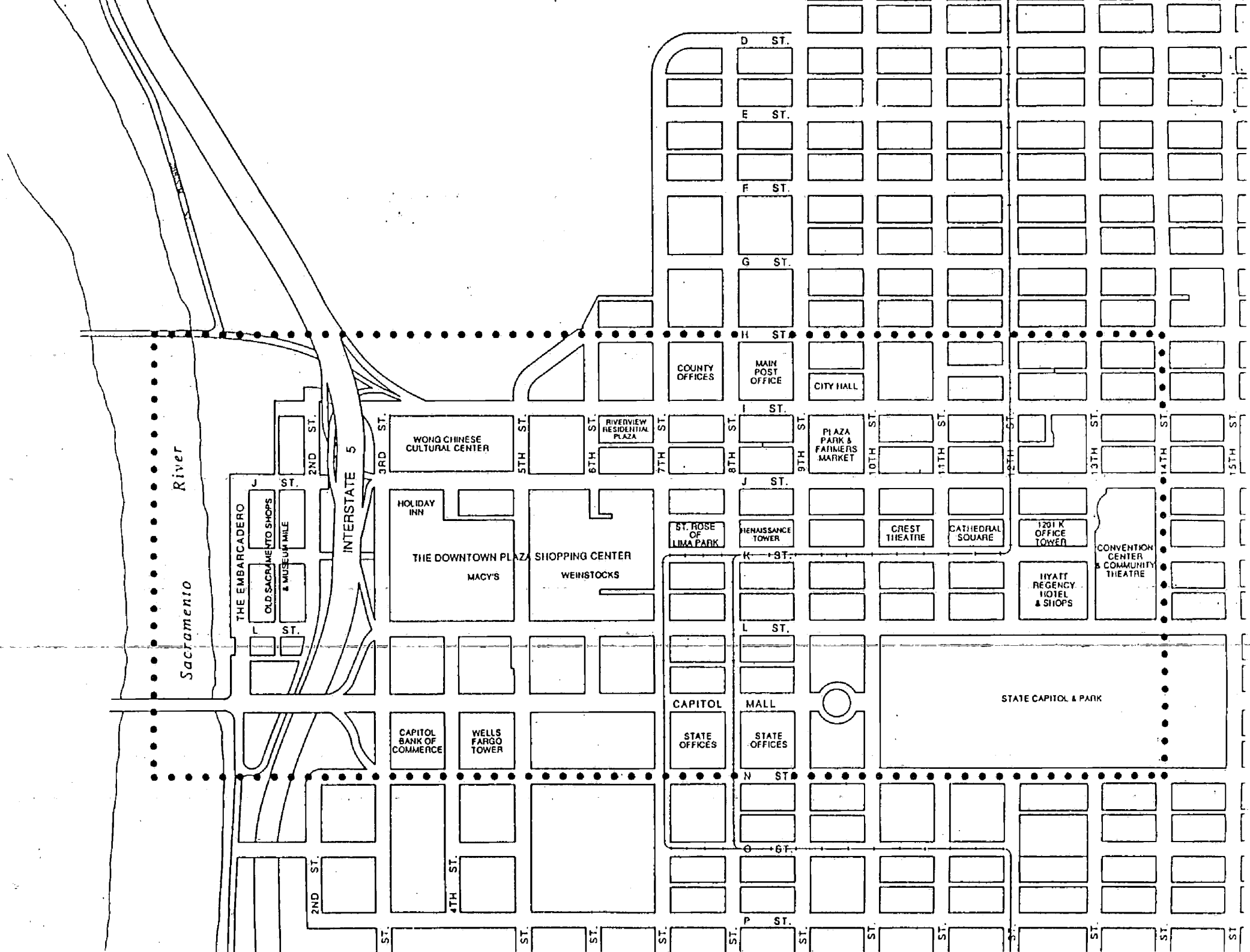


Purpose: to organize an economic development program which will increase business vibrancy.

Purpose: to develop a single operating services program for the Downtown District which includes K Street, corridor and Capitol mall.

Purpose: to develop a unified coordinated marketing and public relations program for all of the Downtown.

Purpose: to develop a vision and strategy for guiding a downtown investment program.



River

Sacramento

INTERSTATE 5

THE EMBARCADERO

OLD SACRAMENTO SHOPS & MUSEUM WALK

WONG CHINESE CULTURAL CENTER

HOLIDAY INN

THE DOWNTOWN PLAZA SHOPPING CENTER

MACY'S

WEINSTOCKS

RIVERVIEW RESIDENTIAL PLAZA

ST. ROSE OF LIMA PARK

RENAISSANCE TOWER

CREST THEATRE

CATHEDRAL SQUARE

1201 K OFFICE TOWER

CONVENTION CENTER & COMMUNITY THEATRE

HYATT REGENCY HOTEL & SHOPS

CAPITOL STATE OFFICES

MALL STATE OFFICES

STATE CAPITOL & PARK

CAPITOL BANK OF COMMERCE

WELLS FARGO TOWER

D ST.

E ST.

F ST.

G ST.

H ST.

I ST.

J ST.

K ST.

L ST.

M ST.

N ST.

O ST.

P ST.

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