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DEPARTMENT OF
PUBLIC WORKS

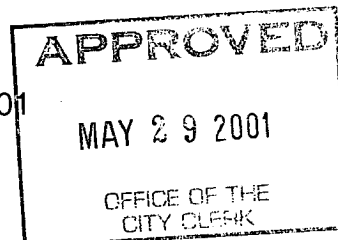
CITY OF SACRAMENTO
CALIFORNIA

SPECIAL DISTRICTS
1231 I STREET, ROOM 300
SACRAMENTO, CA 95814

TECHNICAL SERVICES
DIVISION

PH 916-264-7474
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May 15, 2001



City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02
ANNUAL REPORT**

LOCATION AND COUNCIL DISTRICT:

Citywide, all districts.

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolution:

- Accepting the Additional Library Services Assessment District Annual Report for FY 2001/02; and
- Setting the Public Hearing Date for consideration of the annual report and levy of annual assessments for FY 2001/02.

CONTACT PERSONS:

Rita Goolkasian, Special Districts Analyst, 264-5236
Rick Hiseley, Fiscal Officer, Library Services, 264-2717

FOR COUNCIL MEETING OF: May 29, 2001

Department of
PUBLICWORKS
CITY OF
SACRAMENTO

City Council
Additional Library Services Assessment District 96-02
May 15, 2001

SUMMARY:

The recommended Council action authorizes filing of the FY 2001/02 Annual Report and sets the public hearing date for June 19, 2001. The proposed budget of \$3,993,874 reflects a 3.0% consumer price index (CPI) adjustment for inflation. A schedule of the annual proceedings is shown on Exhibit A.

COMMITTEE/COMMISSION ACTION:

The Sacramento Public Library Authority (Authority) was provided a copy of this report for their information. No action is required of the Authority.

BACKGROUND INFORMATION:

On September 9, 1997, the City Council approved an agreement between the City and the Authority for the administration of the district, which is necessary to account for the revenue and expenditures of the District and to levy the assessments each year.

In November 1996, City of Sacramento voters approved an assessment district to fund additional library services, which extends open hours, provides more books and materials, and improves technology. The first assessment was placed on the FY 1997/98 County tax roll and is effective for 10 years. The voters also approved an annual increase based on the Consumer Price Index (CPI), San Francisco area, all items, but not to exceed three percent (3%) in any year. Since the most recent CPI index increase was 6.5%, a 3% increase in the assessments will occur in FY 2001/02. This CPI adjustment is the only change in the assessment amounts. The assessment methodology is described in Exhibit B and the annual Engineer's Report is on file in the City Clerk's office.

FINANCIAL CONSIDERATIONS:

The FY 2001/02 assessments are anticipated to generate approximately \$3.550 million in revenue based on the increase of additional units in the City for both the current and upcoming fiscal year. The specific costs are detailed in Exhibit C. All costs incurred with the administration of this district are paid for by assessment district revenue, with no impact to the general fund.

ENVIRONMENTAL CONSIDERATION:

Under CEQA guidelines, administration of an assessment district and related activities do not constitute a project and is therefore exempt from review.

POLICY CONSIDERATIONS:

This report conforms to requirements of City Code Title 85. The levy of annual assessments as described herein was approved by City voters in November 1996.

City Council
Additional Library Services Assessment District 96-02
May 15, 2001

ESBD PROGRAM

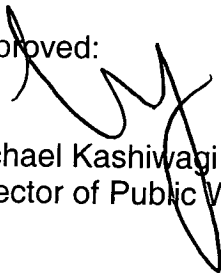
None. No goods or services are being purchased with this agreement.

Respectfully submitted,



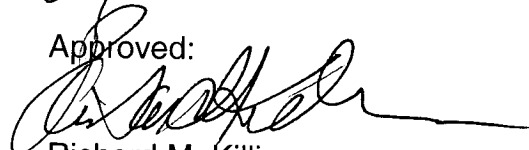
Gary Alm, Manager
Development Services

Approved:



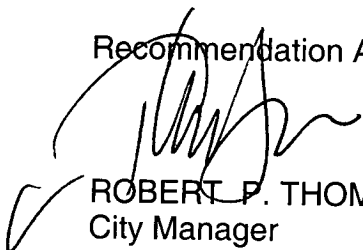
Michael Kashiwagi
Director of Public Works

Approved:



Richard M. Killian
Library Director

Recommendation Approved:



ROBERT P. THOMAS
City Manager

EXHIBIT A

ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02

SCHEDULE

May 29, 2001	Council Action:
	<ul style="list-style-type: none">• Adopt Resolution directing the filing of the Additional Library Services Assessment District No. 96-02 annual report for FY 2001/02• Set the public hearing date for consideration of the annual report and levy of annual assessments for FY 2001/02
June 5, 2001	Notice of Hearing is published.
June 19, 2001	Conducts Public Hearing and adopts: <ul style="list-style-type: none">• Resolution Approving Report and Levying FY 2001/02 Assessments.• Resolution Amending the FY 2001/02 Budget for the Additional Library Services Assessment District No. 96-02
July 1, 2001	Prepare final assessment roll for adopted budget.
August 2001	Refer assessments to County for inclusion on FY 2001/02tax bill.

EXHIBIT B

ASSESSMENT METHODOLOGY

This section of the Report describes the methodology, which was developed to establish the basis of assessment for apportioning the costs of additional library services, and which was approved by the voters on November 5, 1996.

METHODOLOGY

To establish the benefit to the individual parcels within the Assessment District, a Benefit Unit system has been established. Each parcel of land is assigned Benefit Units (BU's) in proportion to the estimated benefit the parcel receives relative to the other parcels within the District from library services.

Basic Formula:

$$(\text{Benefit Factor}) \times (\text{Equivalent Dwelling Units}) = \text{Benefit Units}$$

BENEFIT FACTOR

There are varying levels of benefit to property from library services and facilities based on the different types of property use. Because the benefit to property varies depending on the type of land use of the property a Benefit Factor is applied to the formula for each property.

The Benefit Factor provides a scale of the estimated relative benefit which properties receive from library services.

- **Residential** - Improved residential properties are given a Benefit Factor of 1.00, and all other land uses are compared to the residential land use. Residential properties traditionally are the highest beneficiaries of the library services, being involved in recreational, educational, and economic types of activities, and also having a high level of participation in special programs and services which are available.
- **Institutional** - Institutional land uses benefit from the library in a manner similar to residential properties, but have a lesser potential for use. These include boarding houses, retirement homes, and private schools and colleges.
- **Professional** - Land uses such as professional buildings, office buildings, hospitals, day care/nurseries, medical and dental offices, veterinary clinics, and churches, have high levels of research and/or business activity requirements due to the professional nature of the land uses. Hospitals have professional staff who utilize libraries, as well as patients and/or residents who participate in library programs, such as outreach programs. These land uses have a high potential for library use; however, that potential is less than for institutional-type uses.
- **Commercial/Light Industrial** - General commercial and industrial land uses have a lower level of research and business activity requirements than professional-type land uses, and therefore have less potential for library utilization.
- **Heavy Industrial/Recreational** - Land uses such as warehouses, service shops, bowling alleys, etc., also have a low level of research and business activity requirements like general commercial/industrial land uses.
- **Vacant Land** - Vacant property is assigned a Benefit Factor to reflect the least value of the range of potential future development. Land use types are determined by their highest potential for future development, but actual development may be lower and is difficult to predict before the development occurs.

BENEFIT FACTORS

Sacramento County Land Use Descriptions	Benefit Factor
RESIDENTIAL USES	
Single Family Residential (SFR)	1.00
Multi-Family Residential (MFR)	1.00
Mobile Homes (MHP)	1.00
NON-RESIDENTIAL USES	
Institutional (INS)	
Boarding, Rooming & Retirement Homes, Private Schools	0.75
Professional (PRO)	
Medical and Dental offices, Veterinary clinics, Office buildings, Churches (CHR), Hospitals, Day Nursery	0.50
Commercial / Light Industrial (COM)	
Misc. Commercial, Stores & Store Combos, Department & Discount Retail, Shopping Centers, Radio & TV Studios, Restaurants & Hotels/Motels, Banks, Bed & Breakfast	0.25
Heavy Industrial / Recreational (IND)	
Car Washes, Commercial Garages & Service Stations, Automobile Dealerships, Nurseries, Warehousing & Heavy Industrial, Terminals, Trucking and Distribution, Sports Courts, Fields or Stadium, Theaters, Bowling Alleys, & Skating Rinks, Private Clubs	0.25
VACANT USES (VAC)	
Misc. Vacant, Radio or TV Transmitter, Parking Lots and Garages, Mining Operations, Marinas, Golf Courses, Airports, Cemeteries & Mortuaries	0.25
EXEMPT USES	
Common Area, Agriculture, Utilities, Public Agencies	n/a

EQUIVALENT DWELLING UNITS

In order to allocate benefit fairly between the parcels, an Equivalent Dwelling Unit (EDU) methodology is proposed which equates different residential and non-residential land uses to each other, thereby allowing a uniform method of assessment.

The EDU method uses the single family home as the basic unit of apportionment. A **single family home** equals one Equivalent Dwelling Unit (EDU). Every other land use is converted to EDU's as described below. All properties in the District will be assigned dwelling units and land use classifications per the County Assessor's roll.

- **Single-Family Residence**

A single-family residence is used as the base unit for measuring parcel improvements; therefore, each single-family residence, is assigned 1.0 EDU.

- **Multiple-Residential**

Multiple-residential (including condominiums) land use equivalencies are determined based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single family residence, each dwelling unit defined as multi-family residential, including condominiums, would be **0.75 EDU**. Library benefits do not increase proportionately as the number of units increase on a multi-family parcel. Residential land uses designated as high density within a general plan, for instance, have a lower population per household than areas of lower density. Therefore, the population per unit decreases as the residential land use density increases and there is a corresponding reduction in benefit to a parcel. Also, as the number of dwelling units increase, the average value per rental unit decreases. Therefore, there is a reduced benefit to a parcel as the number of dwelling units increase. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, for 5 through 15 dwelling units (as parcels with 5 to 15 units are considered "high medium density" as opposed to the "low medium density" of duplexes, triplexes and four-plexes), and the equivalency is reduced to **0.25 EDU** per dwelling unit for more than 15 units, which are considered to be "high density". 15 units is established as the limit of the "high medium density" category as State law (California Title 25, Section 42) requires that apartment complexes with 16 or more dwelling units have a manager located on the premises, which is an indication of "high density".

- **Mobile Homes.** Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single-family residence. Therefore, mobile home parks and mobile homes located in mobile home parks would be assessed **0.5 EDU** per mobile home. No decrease would be applied to this factor, as mobile homes are all separate dwellings with no common walls.

The EDU's assigned to a multi-residential or a mobile home parcel are calculated based on the number of dwelling units and the appropriate EDU factor.

- **Non-Residential**

In order to convert improved non-residential property to EDU's, the density of these types of properties is compared to the basic single-family unit. According to the records of the Sacramento County Assessor, the median single family home in the County of Sacramento has a lot size of approximately 1/6 of an acre; therefore, the typical single-family residential density is six (6) dwelling units per acre. All properties that are developed for non-residential uses are therefore assigned 6 EDU's per acre for the first 5 acres. It is our experience, based upon a review of large non-residential parcels, that the utilization of that portion of non-residential property greater than 5 acres more closely resembles that of vacant land as it is typically underdeveloped. Therefore, after the first 5 acres, each additional acre will be charged 25% of 6 EDU's which results in 1.5 EDU's per acre, similar to vacant land as described below.

- **Vacant**

Vacant property consists of parcels with no improved structures. Based upon the opinions of professional appraisers, appraising current market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of the property, which is an average of 25

percent. Therefore, vacant property is assigned equivalency units at the rate of 25 percent of improved property. Vacant parcels are given an allocation based upon the acreage of the parcel. The parcels will be assigned EDU's at the rate of 25% of the developed non-residential properties, or 1.5 EDU per acre, up to a maximum of 5 acres per parcel. The portion of a vacant parcel that exceeds 5 acres is unlikely to become developed and is therefore treated as exempt open space.

Also included in the vacant category are those parcels with land uses, which closely resemble vacant property in that they have large land areas, comprised of mostly park-like open space or vacant land, and only a few buildings, if any. These land uses include radio/TV transmission facilities or towers, mineral processing, parking lots, open storage, golf courses and other miscellaneous recreational uses, cemeteries and mortuaries.

- **Exempt Properties**

Several land uses have been designated as exempt because they would not benefit from the proposed services and facilities, or they have a supporting use to a land use already being charged. These include common areas, open spaces, green belts, and sliver parcels, as well as all lands designated as agricultural as determined by the Sacramento County Assessor's use codes, unless improved with a residence. Properties owned by public agencies, such as cities, the County, the state or the federal government, are also exempt. Rights-of-way owned by utilities and railroad operating rights-of-way also are exempt by statute.

EQUIVALENT DWELLING UNIT (EDU) FORMULA				
<i>Land Use</i>	<i>Basic Unit</i>	<i>x</i>	<i>EDU Factor</i>	<i>= EDU Rates</i>
Single Family Res. (SFR)	1 D.U.	x	1.0	= 1 EDU/DU
Condominiums	1 D.U.	x	0.75	= 0.75 EDU/DU
Multi-Family Res.	1 D.U.	x	0.75	= 0.75 EDU/DU for first 4
		x	0.05	= 0.5 EDU/DU for add'l units over four and up to 15
		x	0.25	= 0.25 EDU/DU for add'l units over 15
Mobile Homes	1 D.U.	x	0.5	= 0.5 EDU/DU for add'l units
Commercial / Industrial and Other Non-Residential				
Based on the median density for SFR in Sacramento County of ~6 Dwelling Units per Acre	1 Acre	x	6.0	= 6.0 EDU/Ac for first 5 ac
		x	1.50	= 1.5 EDU/Ac for add'l acres over 5
Vacant (25% of Non-Res EDU's)	1 Acre	x	1.50	= 1.5 EDU/Ac with a 5 acre maximum

EXHIBIT C

ESTIMATE OF COSTS

The estimate of the fair and reasonable cost of the services and facilities to be provided to the District, including incidental expenses in connection with providing those services and facilities and all other related costs as provided in Section 3.136.180 of the City Code, is \$3,993,874 for Fiscal Year 2001-02 as shown below:

ESTIMATED COSTS FOR ADDITIONAL SERVICES AND FACILITIES	
EXPENSES	
Library Services:	
Staff Cost for Extended Hours (95 per week average)	\$ 1,423,884
Branch Books and Materials	\$ 613,400
Furniture/Equipment	\$ 0
Leases	\$ 98,800
Services and Supplies	\$ 511,639
Assessment District Portion of Shared Cost	\$ 1,269,151
Subtotal Library Services	\$ 3,916,874
Administrative Costs:	
County Billing Costs	\$ 50,000
City Finance & Special Districts Administration	\$ 10,000
Assessment Engineer & Database Maintenance	\$ 17,000
Subtotal Administrative Costs	\$ 77,000
TOTAL COST ESTIMATE	\$ 3,993,874
REVENUE SOURCES	
FY 2001-02 Assessment Revenue	
Reserve	\$ 3,550,338
	\$ 443,536
TOTAL REVENUE ESTIMATE	\$ 3,993,874

RESOLUTION NO. 2001-319

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____



RESOLUTION ACCEPTING THE ANNUAL REPORT FOR FY 2001/02 ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT AND GIVING NOTICE OF A PUBLIC HEARING BEFORE THE CITY COUNCIL TO CONSIDER THE ANNUAL REPORT AND LEVY OF ANNUAL ASSESSMENTS FOR FY 2001/02 (PURSUANT TO CITY CODE TITLE 3.136 (Article VI, Section 3.136.180))

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The Director of Public Works, the designee of the City Manager, has filed with the City Clerk the annual report for FY 2001/02 for the Additional Library Services Assessment District No. 96-02 in accordance with the provisions of City Code, Title 3.136, Article VI, Section 3.136.180 and the City Council has accepted the report.
2. All interested persons are referred to the annual report for a full and detailed description of the additional services provided, an estimate of costs of the additional library services, the boundaries of the assessment district, and analysis of the method apportioning the costs.
3. The report shall provide for adjustment of the assessment by the amount of increase in the Consumer Price Index (CPI), San Francisco area, all items, most recently available prior to the date of the annual levy, but in no event shall the increase exceed three percent (3%) in any year, as provided upon formation of the district and as approved by City voters in November, 1996.
4. The City Council will conduct a public hearing on Tuesday, June 19, 2001, to consider the annual report and the levy of the proposed annual assessments. The hearing will be held at 7:00 p.m., in the City Council Chambers located in City Hall, 915 "I" Street, Second Floor, Sacramento, California.
5. The City Clerk is authorized and directed to give the notice of hearing as required by Title 3.136 of the City Code.

ATTEST:

MAYOR

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____