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DEPARTMENT OF
FINANCE

REVENUE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 104
915 I STREET
SACRAMENTO, CA
95814-2696

December 11, 1990
RA90166:MLF:ldm

916-449-5454

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: PROPOSED MODIFICATION TO THE STOCKTON BOULEVARD BUSINESS
IMPROVEMENT AREA**

SUMMARY

This report initiates the process of modifying the boundaries of the current Stockton Boulevard Business Improvement Area (BIA). The current Stockton Boulevard BIA extends from Broadway to Fruitridge Road. It is proposed that the Area be extended to include the entire length of Stockton Boulevard that is located in the City of Sacramento. Staff recommends that to initiate the modification process the City Council establish January 29, 1991 as the date for the hearing for the modification of the Stockton Boulevard BIA.

BACKGROUND

The Stockton Boulevard BIA was established in 1988 at the request of the Stockton Boulevard Merchants and Property Owners Association (SBMPOA). The SBMPOA represents the interest of the businesses in the Area and administers the currently collected funds.

There are currently 156 businesses in the existing BIA that is bordered on the north by Broadway and to the south by Fruitridge Road. The expansion area is bordered on the north by Alhambra Boulevard, to the south by Broadway. The second expansion area begins at Fruitridge Road, proceeding south to Riza Avenue (the City limits for Stockton Boulevard). The modified BIA will include both sides of Stockton Boulevard. Attachment A is a map of the current and proposed expansion of the BIA.

The modification of the current BIA would generate approximately an additional \$17,200 for the general promotion of business activities within the Stockton Boulevard BIA. The total assessments within the modified BIA are estimated to be:

	<u>Number of Businesses</u>	<u>BIA Assessments</u>
Current BIA	156	\$13,300.00
Alhambra to Broadway Expansion	36	3,600.00
Fruitridge to Riza Expansion	<u>168</u>	<u>13,600.00</u>
Total - Modified BIA	360 =====	\$30,500.00 =====

The goal of the BIA modification is to consolidate the entire Stockton Boulevard corridor into a single marketplace. On November 28, 1990 the Sacramento Housing and Redevelopment Commission adopted a motion recommending the expansion and a copy of the Sacramento Housing and Redevelopment Agency (SHRA) report (Attachment B) is attached.

The SBMPOA has been actively working on the expansion of the BIA and has received a favorable response from businesses within the Area. A copy of the modification request from SBMPOA is included in the SHRA report.

DISCUSSION

As requested by the SBMPOA and in accordance with the Parking and Business Improvement Area Law of 1989, modification of the Stockton Boulevard BIA requires:

- January 3, 1991 City Council adopts a Resolution of Intention to modify the BIA and sets a date for public hearing.
- January 29, 1991 City Council holds public hearing and if less than fifty percent (50.0%) protests, adopts an ordinance modifying the current BIA.

Notice of the public hearing will be mailed to all business owners in the BIA, current area and expansion area.

FINANCIAL DATA

There is no financial impact to the City if the BIA is modified. The additional businesses would be billed the BIA assessment fees with the business operations tax.

The additional BIA fees generated will provide funds to allow the Stockton Boulevard commercial area to improve its economic image.

POLICY CONSIDERATIONS

The proposed modification of the Stockton Boulevard BIA is the first modification of any BIA. The authority for City Council to modify an existing BIA is in accordance with the Streets and Highways Code.

MBE/WBE EFFORTS

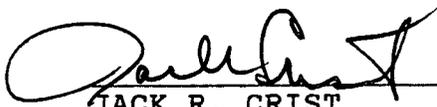
Not applicable.

RECOMMENDATION

It is recommended that the Budget and Finance Committee recommend that the City Council:

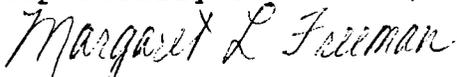
1. Adopt the attached Resolution of Intention to modify the boundaries of the business improvement area (BIA) in the Stockton Boulevard area; and
2. Direct the Revenue Manager to act on behalf of the City Clerk in providing notice of the hearing and matters related thereto to the businesses in the modified BIA.

RECOMMENDATION APPROVED:



JACK R. CRIST
Deputy City Manager

Respectfully submitted,


Margaret L. Freeman
Revenue Manager

Attachments

Contact Person: Margaret L. Freeman
Revenue Manager
449-5724

December 11, 1990
Districts 5 & 6

1631



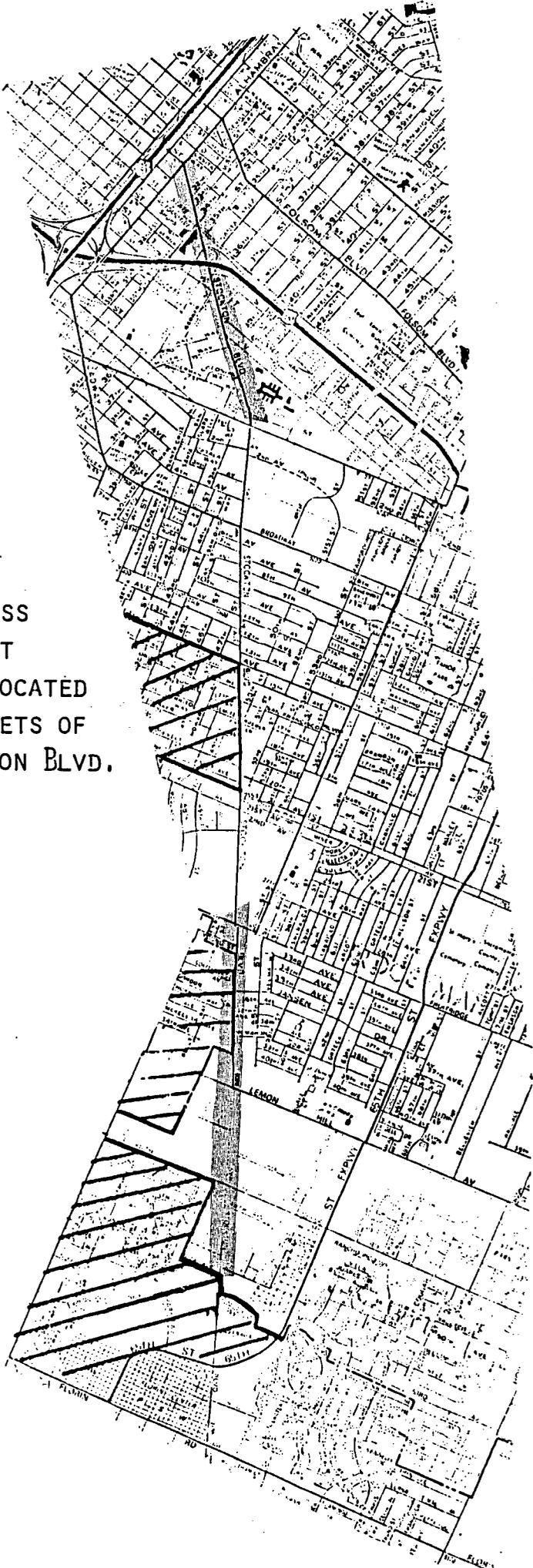
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THE EXPANDED BUSINESS
IMPROVEMENT DISTRICT
SERVICING AREA IS LOCATED
BETWEEN THESE TWO SETS OF
ADDRESSES ON STOCKTON BLVD.

5611



6685



COUNTY



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



December 11, 1990

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Proposed Modification to the Stockton Boulevard Business
Improvement District

SUMMARY

This report regards an extension of the existing Stockton Boulevard Business Improvement District (BID). The present BID along Stockton Boulevard now extends from Broadway to Fruitridge Road. It is proposed that the District be extended to include the entire length of Stockton Boulevard that is located in the City of Sacramento as shown on the attached map. The staff recommends adopting the attached resolution to extend the BID.

BACKGROUND

The existing Stockton Boulevard BID was established in 1988. The existing boundaries are bordered on the north by Broadway and to the south by Fruitridge Road (see Attachment 1). The Stockton Boulevard Merchants and Property Owners Association (SBMPOA) represents the interests of the businesses in the area and administers the collected funds.

The goal of the district is to provide a financing structure which will allow for self-sufficiency of the Business Association on an on-going basis to fund promotional and operating expenses (i.e. letterhead, postage, rent, clerical support, etc.) and other actions approved by the Association's Board of Directors and the general membership. All businesses within the commercial area are assessed a fee based upon their gross receipts, as reported to the City Revenue Department for business license purposes. In the past, the existing BID generated approximately \$10,000/year. The projected income for 1990 is approximately \$12,000.

This report recommends a modification to the existing BID to include the entire length of Stockton Boulevard that is located

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
December 11, 1990
Page 2

within the City of Sacramento. The northern boundary shall extend from 4th Avenue to Alhambra Boulevard. The southern section extends from Fruitridge Road and proceeds south to Riza Street, the City limits for Stockton Boulevard (see Attachment 1). This proposed modification shall include both sides of the street and will affect 207 businesses.

The goal of the BID modification is to consolidate the entire Stockton Boulevard corridor into a single marketplace. The SBMPOA will provide to this new area, as well as the existing area, commercial development assistance that includes, but is not limited to, management and technical assistance, business and community promotions, image improvement and area beautification.

It is estimated that the additional area will generate approximately \$20,000 per year for a total of \$32,000 for the entire BID. As in the existing area, the new fees will be based upon gross receipts at a level of .0005 mils per dollar of gross receipts. Non-retail businesses will be charged a flat fee of \$28.00 per year. There will be a minimum charge of \$28.00 per year for any firm conducting a business in the commercial area and a maximum charge of \$285.00 per year. The collected BID fees will be adjusted for inflation.

There is strong support from the SBMPOA for this BID modification. A subcommittee of the Association has been working on the establishment of the BID modification since April 1990. All businesses in the affected area were notified in August 1990 and were invited to attend the upcoming meetings to express their concerns. Two meetings were held in September-- one for the Asian businesses on September 18th, and one for the non-Asian businesses on September 25th. All BID information and mailings were translated into Vietnamese to accommodate the business people in the area (see Attachments 2, 3, and 4). The mailouts and the meetings generated inquiries, interest, and a favorable response by the area business owners. No opposition was expressed at either meeting. Subsequently, the subcommittee completed the final draft of the BID modification. This was approved at the SBMPOA General Membership meeting on September 28, 1990. The Parking and Business Improvement Area Act of 1989 (see Attachment 5), a state statute, provides the City Council with the authority to adopt the modification and outlines the various steps which must be followed to adopt this BID modification.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
December 11, 1990
Page 3

The tentative dates and various actions which must occur in the formation of the BID are presented below:

<u>Tentative Date</u>	<u>Action</u>
November 28, 1990	SHRC reviews BID proposal
December 11, 1990	City Council meets to adopt ordinance and names the SBMPOA as the operating agency

FINANCIAL DATA

The implementation of the BID will not financially impact the Agency. Funds for the operation of the BID will be derived from the businesses within the district.

POLICY IMPLICATIONS

There are no policy implications as a result of this action. The endorsement of the BID is consistent with the Agency's policy to promote self-help and self-sufficiency of business associations within commercial revitalization target areas.

ENVIRONMENTAL REVIEW

None required. This is an administrative action which is exempt under CEQA Guideline's Section 15378 (b) (3); the National Environmental Policy Act (NEPA) does not apply.

MBE/WBE

No impact.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of November 28, 1990 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
December 11, 1990
Page 4

RECOMMENDATION

The staff recommends adoption of the attached resolution approving the modification of the BID for the Stockton Boulevard Commercial Area.

Respectfully submitted,

ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Molly Oser, Assistant Planner
(916) 440-1318

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

MODIFICATION TO THE EXISTING STOCKTON BOULEVARD BUSINESS IMPROVEMENT DISTRICT

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO:

Section 1: The proposed extension of the present Stockton Boulevard Business Improvement District (BID), now covering from Broadway to Fruitridge Road, to include the entire length of Stockton Boulevard that is located in the City of Sacramento, is hereby approved.

CHAIR

ATTEST:

SECRETARY

P:\share\reso\extendbid.mo

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

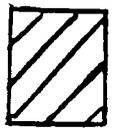
DATE ADOPTED: _____

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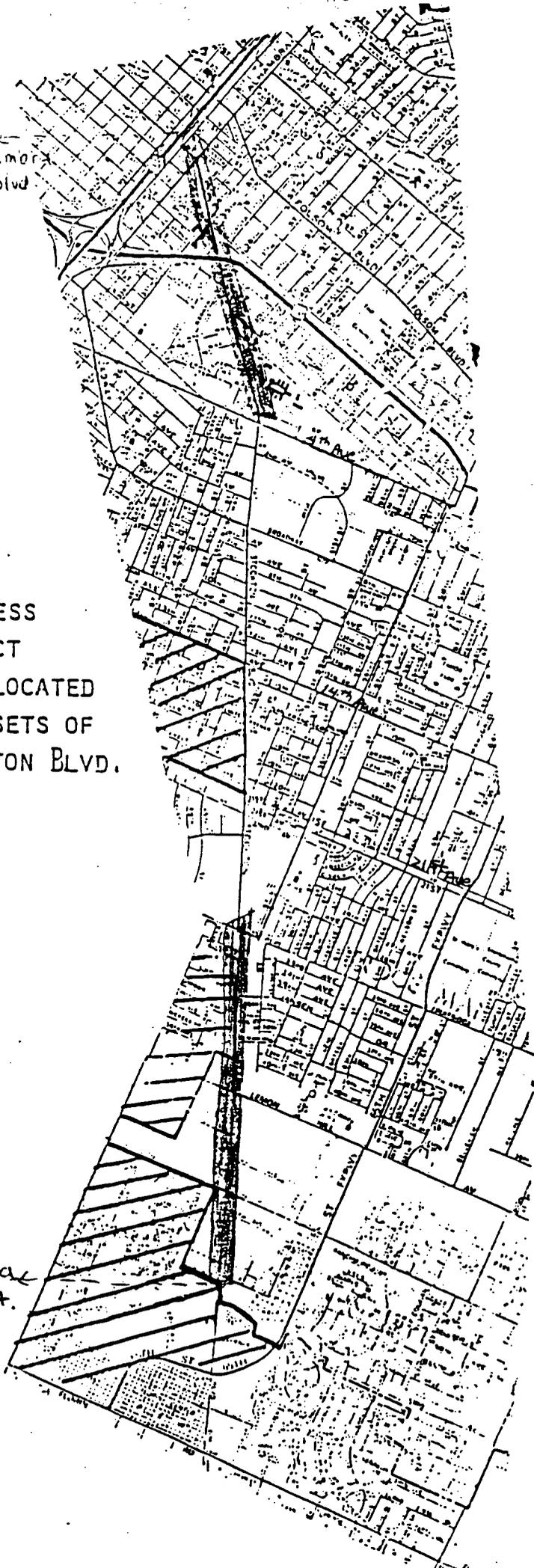
THE EXPANDED BUSINESS
IMPROVEMENT DISTRICT
SERVICING AREA IS LOCATED
BETWEEN THESE TWO SETS OF
ADDRESSES ON STOCKTON BLVD.

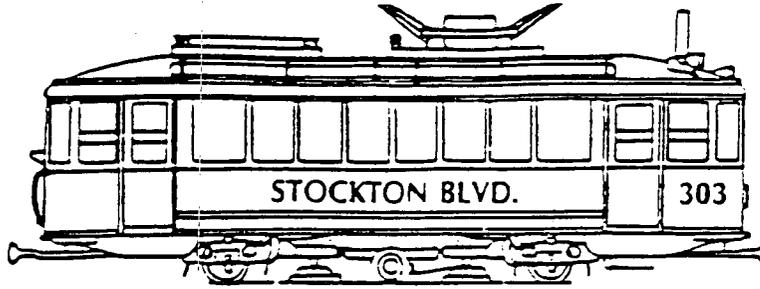
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Rizae
St.



COUNTY





Stockton Boulevard Merchants and Property Owners Association

BUSINESS NAME
PERSONS NAME

Tài-liệu đính-kèm là một giải-thích ngắn, gọn cho kế-hoạch dự-tính của sự Phát-triển Thương-mại địa-phương. Chương-trình này hiện tại khu-vực giữa đường Broadway và Fruitridge. Hội-dồng Thành-phố Sacramento, Ủy-Ban Tài-Chánh đã tán-thành sự mở rộng khu-vực Phát-triển Thương-Mại trọn chiều dài của con đường Stockton tọa-lạc ngay trong Thành-phố Sacramento.

Xin vui lòng duyệt lại tài-liệu thông báo đính kèm và xin nêu ra các câu hỏi liên-hệ trong cuộc hội-họp tại Colonial Heights Library, vào ngày, 4799 Stockton Boulevard, Tuesday September, 18th, 6:30 pm to 8 pm.

Kính mong gặp quý vị trong phiên họp,

Celso Bida

President

Celso Bida

c.c. Pham Thuy, Community Service Representative

Phát-triển Thương-mại địa-phương.

Từ năm 1965, một sắc luật đã được áp-dụng như là căn-ban cho các hiệp-hội tự-lực phát-triển thương-mại. Sắc luật được mệnh danh là Nổi Đầu Xe và Vùng Phát-Triển Thương-Mại căn-ban cho gần 71 nhà buôn bán. Phần lớn đã có từ lâu lắm rồi ở vùng trung-tâm chợ cũ với nhiều nhà buôn kỹ-cửu tương-tử như ở đường Stockton blvd. Dự-tính sẽ cho phép Hội-đồng Thành-phố Sacramento thu được một lệ-phí đáp-ứng được các đề-xướng tổng-quat của các hoạt-động thương-mại trong vùng. Hiệp-hội sẽ hoạch-định tổ-chức và ấn-định lịch-trình thu lệ-phí. Sự đánh thuế hay lệ-phí này được tính theo sự đánh-gia trong tiền lối căn-ban phòng-định của dịch-vụ thương-mại trong khu-vực.

Các hoạt-động dự-tính là:

Mua thêm đất, thành-lập và tu-bổ các bãi đậu xe, tiện-ích cho khu-vực.

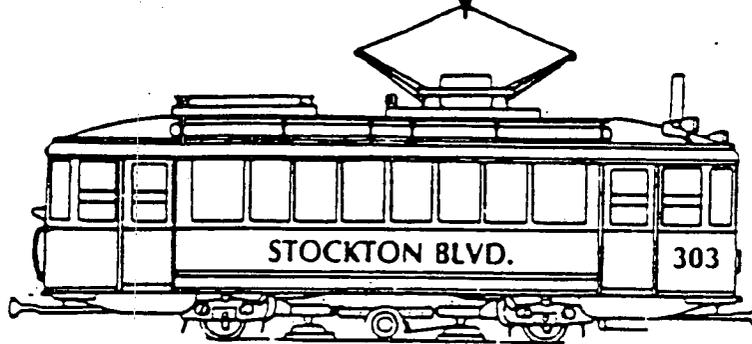
Trang-hoàng các nơi công-cộng trong vùng.

Đề-nghị các công-ích cho mọi người và đòi hỏi sự cung-ứng tuân-tiêu an-ninh

Đề-nghị các hoạt-động về thương-mại.

Việc thu tiền lệ-phí này có thể được thực-hiện cùng một lúc với các sắc thuế khác ấn-định bởi Thành-Phố như thuế môn-bãi, thuế trước-ba. Hội-đồng Thành-phố cũng có trọn quyền ấn-định số tiền, nhưng Thành-phố uỷ-nhiệm một nhóm người để ước-tính hợp-ly của khoáng tiền. Phần lớn các trưởng-hộ, Thành-phố tham-dự vào hợp-đồng liên-hệ với các hoạt-động thương-mại hoặc với các hiệp-hội thương-gia để được góp ý và họ trở thành người chịu đóng thuế và trung-t gian với những y-kien của chính họ.

Quan-ly hữu-hiệu cùng các trách-nhiệm cho những cải-tiến này sẽ tồn-tại với các thương-gia đường Stockton blvd và Hiệp-hội Chủ-nhan địa-óc theo các sắc-luật và điều-lệ đã được thành-lập từ năm 1984. Hiệp-hội được tổ-chức như là một Hội tương-tê, một Hội bất-vụ-lợi với những mục-dịch là tự-lực để đại-diện cho Cộng-Đông thương-mại đường Stockton blvd. Tiếng nói của tổ-chức nâng cao được không khí sinh-hoạt kinh-tê suốt con đường dài Stockton blvd. Việc này cũng giúp-ích thu-hút được nhiều khách mua hàng và tiệm-tàng hứa hẹn cho các chủ-nhan của các hiệu buôn.



Stockton Boulevard Merchants and Property Owners Association
3856 Stockton Blvd.

September 28, 1990

Louis T.M. Myles
City of Sacramento
Revenue Division
915 I Street Room 104
Sacramento, Ca. 95814-2696

Dear Mr. Myles:

Enclosed is our request to modify the present Business Improvement District.(BID) On September 28, 1990, the Stockton Boulevard Merchants and Property Owners Association approved the modification proposal. Since the Association represents the business and residential interests on the boulevard, by being designated as the administrator of collected funds will allow the Association to continue the revitalization effort.

A great deal has been accomplished in the past years. The modification of our existing BID, is a critical phase in making Stockton Boulevard a viable part of our growing city.

Sincerely,

Celso Brida
President

September 26, 1990

TO: Stockton Boulevard Merchants and Property Owners Association

FROM: Rick DeGregorio, Revitalization Coordinator

SUBJECT: PROPOSED STOCKTON BOULEVARD BUSINESS IMPROVEMENT DISTRICT MODIFICATION

SUMMARY

The attached report to the City Council on the modification of the present Business Improvement District (BID) Broadway to Fruitridge Road, to include the entire length of Stockton Boulevard that is located in the City of Sacramento.

BACKGROUND

The Stockton Boulevard Merchants and Property Owners Association (SBMPOA) is organized to provide commercial development assistance that include, but not limited to management and technical assistance, business and community promotions, image improvement and area beautification. The goal of the BID modification is to consolidate the entire Stockton Boulevard corridor into a single marketplace. The additional participants will supply the necessary funding to allow the SBMPOA the ability to continue the present level of assistance, and remain a self-sufficient organization. The district will create a mutually beneficial relationship between merchants within the business area and local government. The merchants' benefit is the development of a steady and certain stream of income. Local government benefits from increased sales and property values as a result of improvements in the area by the merchants. All businesses in the commercial area will be assessed a fee based upon the amount of their gross receipts, as reported to the City Revenue Department for business license purpose. The basis for establishment of the business improvement district modification is the "Parking and Business Improvement Area Act of 1989".

PURPOSE

It is the intention of the SBMPOA to enter into a contract with the City of Sacramento, to represent the interests of businesses in the modified area for the purpose of this program. To establish a parking and business improvement district with a charge imposed by the City

for the general promotion of business activities, special events, Association operating expenses, i.e., stationery, postage, clerical, purchase of office equipment, payment of rent, and other actions approved by the board and general membership. The assessment of charges must be imposed to the maximum extent feasible, on the basis of estimated benefit to the businesses within the area.

BUSINESS IMPROVEMENT DISTRICT BOUNDARIES

The modified commercial area shall be bordered on the north by Alhambra Boulevard, to the south by ~~4th Avenue~~ ^{Broadway}. The second section begins at Fruitridge Road, proceeding south to Riza Street. (The City limits for Stockton Boulevard.) The BID shall include both sides of the Boulevard (see attached map).

COLLECTION OF CHARGES

The collection of the charges imposed may be made at the same time and in the same manner as any other levy by the City on such businesses. The most common method of collection of the charges is with the business license or business registration fee. The rate of levy proposed is based on the weighted charges of gross receipts as reported to the City Revenue Department on business license purposes. The proposed charge is over and above the business operation tax imposed on each business within the commercial area shall be as follows:

- a. Retail Activity: .0005 mills per dollar of gross receipts.
- b. Non-Retail: A flat fee of \$28.00 per year. The flat fee for the non-retailers recognizes that the benefit derived by them from the Associations' programs is minimal, thereby indicating a nominal rate of levy.
- c. Voluntary Contribution: Any business, person, or institution located in the commercial area, which is exempt from payment by reason of being located in the County portion of the commercial area is not to be charged under this proceeding but may make a voluntary contribution to the City. Such contributions shall be used for the purpose of this program. The suggested contribution shall be \$28.00 per year.

- d. There shall be a minimum charge of \$28.00 per year for any firm conducting a business in the commercial area, and a maximum charge of \$285.00 per year. The collected BID fees will be adjusted for inflation.
- e. The collection procedure shall be administrated by the Revenue Officer of the City of Sacramento. It is estimated based on the total revenue generated (Gross Receipts) in the commercial area, at the charged rate, the BID can raise the proposed \$20,000 budget. (Estimated budget for the modified area only.) The effective date for commencement of the charges to be imposed shall be January 1, 1991. Beginning with the anniversary date (once a year), the funds will be retained by the City and distributed to the Association on a quarterly basis. The first payment can be expected on April 1991. It will not be a situation where the full amount of \$20,000 is available at once, instead approximately \$5,000 per quarter is more realistic.

ELIGIBLE ACTIVITIES

- a. The acquisition, construction or maintenance of parking facilities for the benefit of the area.
- b. Decoration of any public place in the area.
- c. Promotion of public events which are to take place in the area.
- d. Furnishing music in any place in the area.
- e. The general promotion of business activities in the area.

ESTABLISHMENT OF THE BUSINESS IMPROVEMENT DISTRICT

There is strong support from the SBMPOA for the establishment of this BID modification. In April 1990, the BID modification proposal was presented to the Association. A committee was formed to develop the program. A feasibility study for the BID was discussed in meetings during the months of June, July and August 1990. The committee reviewed the various methods to compute the assessment and analyzed the additional geographical boundaries. All businesses in the identified areas were notified of the meetings held in September 1990, and were invited to attend. One meeting was presented to the

Asian business on September 18 and another for the non-Asian on September 25. All BID information was translated into (Vietnamese) for better understanding. The main objective of the procedure was to be fair and equitable because Stockton Boulevard area has many diverse types of businesses and ethnic groups. The committee completed the final draft in September 1990. The City Council will then adopt a resolution of intention to establish a BID and conduct a public hearing on the boundaries, use of collected revenues, and a system of charge. Copies of the resolution will be mailed to each business in the area and published in a newspaper as a legal notice. The tentative dates and various actions which must occur in the formation of the BID are presented below:

September 28, 1990 - Final draft presented to SBMPOA for approval

November 13, 1990 - Ordinance passed for publication by the City

December 11, 1990 - SHRA and City Council meet to adopt ordinance and names the SBMPOA as the operating agency.

DISPOSITION OF FUNDS

The City Council has the sole discretion to expend the revenues derived from the assessment or charges. The City may designate existing groups to make recommendations on the expenditures of the funds. In most cases the City enters into a contractual relationship with the business or merchants association to not only make recommendations, but to be the recipient of the collected funds and to expend them pursuant to their recommendations.

BUDGET AND EXPENDITURES

A.	SBMPOA administrative expenses, office rental, supplies and equipment purchases	\$4,700
B.	Maintenance, Landscaping, Trash Removal, Beautification, and Nuisance Abatement	4,200
C.	General Assistance, Communication, Coordination Government Liaison, Problem Solving, etc.	1,400
D.	Image Promotion	3,200
E.	Crime Prevention and Security Patrols	4,000
F.	Special Events and Community Projects	<u>2,500</u>
	TOTAL ASSESSMENT	<u>\$20,000</u>

CONCLUSION

In situations where an older commercial area loses their primacy as the retail and service center of the community, the result is changes in customer shopping habits. This, coupled with aggressive competition from newer retail areas and a decrease in investment, a negative economic image is created. This condition must be addressed in order to reverse this trend. The addition of these two commercial areas will economically complement the existing BID (Broadway to Fruitridge Road) and strengthen Stockton Boulevard as a viable commercial center.

Respectfully submitted,


Rick DeGregorio
Revitalization Coordinator

1631



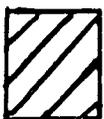
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THE EXPANDED BUSINESS
IMPROVEMENT DISTRICT
SERVICING AREA IS LOCATED
BETWEEN THESE TWO SETS OF
ADDRESSES ON STOCKTON BLVD.

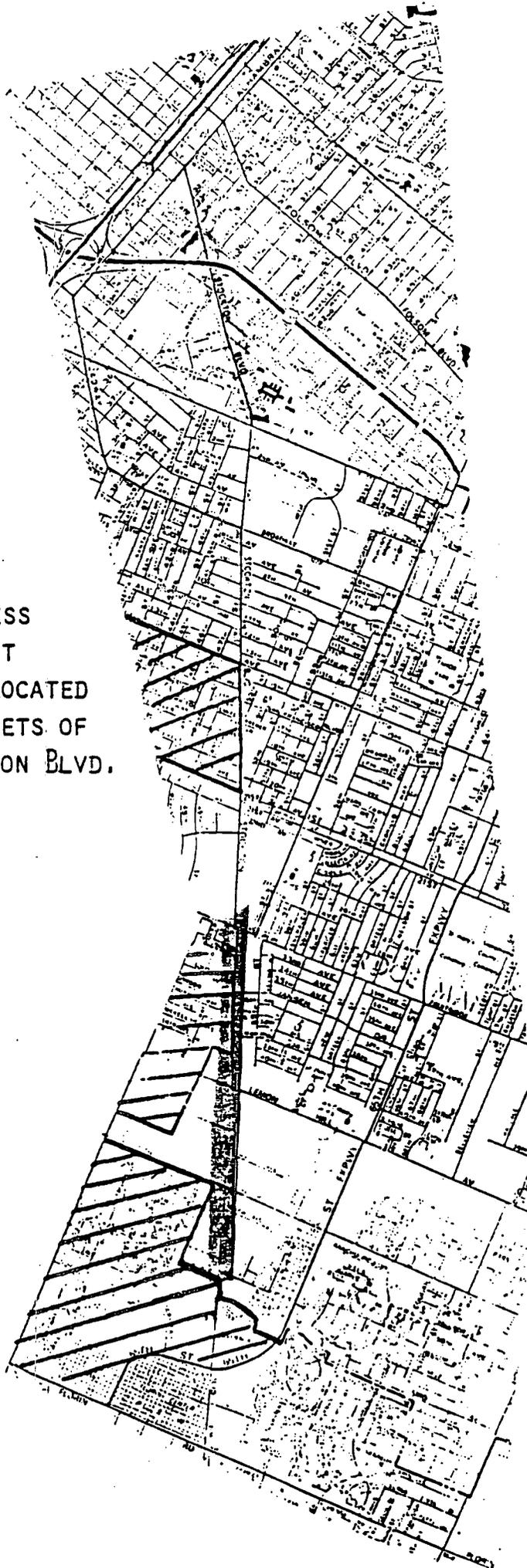
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COUNTY

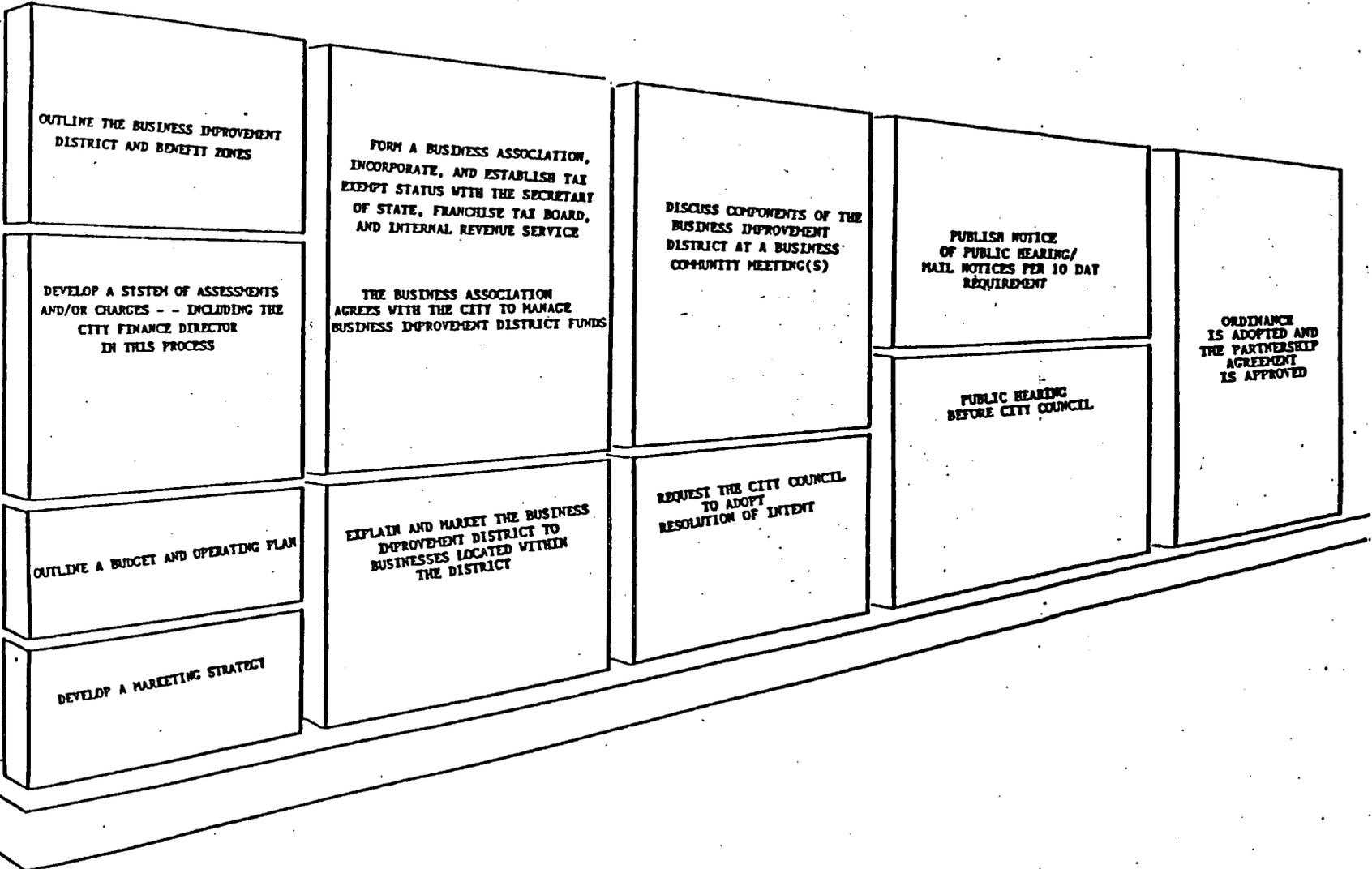


TURNING THE CORNER ON POOR ECONOMIC HEALTH: ESTABLISH A BUSINESS IMPROVEMENT DISTRICT

WANT OLDER COMMERCIAL AREAS HAVE LOST THEIR PRIDE AS THE RETAIL AND SERVICE CENTER OF THE COMMUNITY -- THE RESULT OF CHANGED SHOPPING HABITS, POOR COMMUNITY RELATIONS, COMPETITION FROM OTHER RETAIL AREAS, AND A NEGATIVE SELF-IMAGE.

THESE ISSUES MUST BE ADDRESSED BY THE OLDER COMMERCIAL AREA IN ORDER TO IMPROVE AND STRENGTHEN ITS ROLE AS A VIABLE BUSINESS CENTER.

CREATION OF A BUSINESS IMPROVEMENT DISTRICT (BID) IS A LOGICAL PART OF AN IMPROVEMENT PROGRAM. THE BID GIVES THE BUSINESS ASSOCIATION A STEADY BUDGET, THUS ENHANCING IMPROVEMENT EFFORTS.



OUTLINE THE BUSINESS IMPROVEMENT DISTRICT AND BENEFIT ZONES

DEVELOP A SYSTEM OF ASSESSMENTS AND/OR CHARGES -- INCLUDING THE CITY FINANCE DIRECTOR IN THIS PROCESS

OUTLINE A BUDGET AND OPERATING PLAN

DEVELOP A MARKETING STRATEGY

FORM A BUSINESS ASSOCIATION, INCORPORATE, AND ESTABLISH TAX EXEMPT STATUS WITH THE SECRETARY OF STATE, FRANCHISE TAX BOARD, AND INTERNAL REVENUE SERVICE

THE BUSINESS ASSOCIATION AGREES WITH THE CITY TO MANAGE BUSINESS IMPROVEMENT DISTRICT FUNDS

EXPLAIN AND MARKET THE BUSINESS IMPROVEMENT DISTRICT TO BUSINESSES LOCATED WITHIN THE DISTRICT

DISCUSS COMPONENTS OF THE BUSINESS IMPROVEMENT DISTRICT AT A BUSINESS COMMUNITY MEETING(S)

REQUEST THE CITY COUNCIL TO ADOPT RESOLUTION OF INTENT

PUBLISH NOTICE OF PUBLIC HEARING/ MAIL NOTICES PER 10 DAY REQUIREMENT

PUBLIC HEARING BEFORE CITY COUNCIL

ORDINANCE IS ADOPTED AND THE PARTNERSHIP AGREEMENT IS APPROVED

EXHIBIT

Assembly Bill No. 1693

CHAPTER 372

An act to add Part 6 (commencing with Section 36500) to Division 18 of the Streets and Highways Code, relating to parking and improvement areas, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 27, 1979. Filed with Secretary of State July 27, 1979.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1693, Mello. Parking and business and improvement area. Under the Parking and Business Improvement Area Law of 1965, a parking and business improvement area may be established with a charge imposed therein by the city for, among other things, the general promotion of retail trade activities in the area. Only where the charge is imposed for parking facility purposes is the charge to be imposed on the basis of benefit.

This bill would enact the Parking and Business Improvement Area Law of 1979 which would require that the assessments or charges be imposed, to the maximum extent feasible, on the basis of estimated benefit to businesses within the area. The assessment or charge imposed for parking facility purposes would be imposed on the basis of benefit.

This bill would take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Part 6 (commencing with Section 36500) is added to Division 18 of the Streets and Highways Code, to read:

PART 6. PARKING AND BUSINESS IMPROVEMENT AREA
LAW OF 1979

CHAPTER 1. GENERAL

36500. The purpose of this part is to authorize cities to impose assessments or charges, or both, on business within a parking and business improvement area which is in addition to any assessments, fees, charges, or taxes imposed in the city and to use such proceeds for the benefit of businesses within such parking and business improvement area by doing any of the following:

- (a) The acquisition, construction, or maintenance of parking facilities for the benefit of the area.
- (b) Decoration of any public place in the area.
- (c) Promotion of public events which are to take place on or in public places in the area.
- (d) Furnishing of music in any public place in the area.
- (e) The general promotion of business activities in the area.

36501. "Parking and business improvement area," or "area," as used in this part, means an area designated as provided in this part.

36502. "Business," as used in this part, means all types of business, including professions.

36503. The city council shall have sole discretion to expend the revenues derived from assessments or charges within the scope of the purposes set forth in Section 36500. The city council may designate existing advisory boards or commissions to make recommendations as to the expenditure of such funds, or the council may create a new advisory board or commission for such purpose. The city council may limit membership of such advisory board to persons paying the assessments or charges under this part.

36504. "Assessment" means a levy for the purpose of obtaining funds to construct physical improvements which will benefit a parking and business improvement area.

36505. "Charge" means a levy for the purpose of providing services and for programs which will benefit a parking and business improvement area.

36506. Both assessments and charges may be levied on a business.

36507. This part is intended to be construed liberally and, in the event any provision thereof should be held invalid, the remaining provisions shall remain in full force and effect. However, if the provisions of this part respecting the levying of fees or charges are held invalid in any area within which taxes have been levied pursuant to Part 5 (commencing with Section 36000) of this division, such taxes shall be automatically reimposed in an identical amount and upon the same businesses as a matter of law and no break in the imposition of any such tax shall be deemed to have occurred.

CHAPTER 2 ESTABLISHMENT

36520. A parking and business improvement area may be established as provided in this chapter.

36521. The city council shall adopt a resolution of intention to establish an area. The resolution shall contain all of the following information:

(a) A description of the boundaries of the proposed area.

(b) The time and place of a hearing to be held by the city council to consider establishment of an area.

(c) The proposed uses to which the proposed revenue shall be put.

(d) A description of the system of assessments or charges which will be used and the businesses upon which the levy will be made. If a classification system is used in making assessments or charges there shall be included a description by class or business of the classification system to be used.

36522. Notice of a hearing held under Section 36521, 36561, or 36580 shall be given by both of the following:

(a) One publication of the resolution of intention in a newspaper of general circulation in the city.

(b) Mailing of a complete copy of the resolution of intention to each business in the proposed, or established, area.

Publication and mailing shall be completed at least 10 days prior to the time of the hearing.

36523. Whenever a hearing is held under this part, the city council shall hear all protests and receive evidence for or against the proposed action. The city council shall also rule upon all protests and its determination shall be final. The city council may continue the hearing from time to time. Proceedings shall terminate if a protest is made by businesses in the proposed area which will pay a majority of the assessments or charges proposed to be imposed.

36524. If the city council decides to change the boundaries of the proposed area, the hearing shall be continued to a time at least 15 days after such a decision. Notice of the continued hearing shall be given as prescribed in Section 36522, showing the boundary amendments; but no resolution of intention is required.

36525. If the city council, following the hearing, decides to establish the proposed area, it shall adopt an ordinance to that effect. This ordinance shall contain all of the following information:

(a) The number, date, and title of the resolution of intention pursuant to which it was adopted.

(b) The time and place the hearing was held concerning the formation of the area.

(c) The description of the boundaries of the area.

(d) A statement that the businesses in the area established by the ordinance shall be subject to any amendments to this part.

(e) The description of the system of assessments or charges to be imposed, with a breakdown by classification of business if such classification is used.

(f) A statement that a parking and business improvement area has been established.

(g) The uses to which the revenue shall be put.

(h) A finding that the businesses lying within the business and improvement area, in the opinion of the city council, will be benefited by the expenditure of the funds raised by the assessments or charges proposed to be levied.

36526. The city council may, for each of the purposes set forth in Section 36521, establish and modify one or more separate benefit zones based upon the degree of benefit derived from the purpose and may impose a different assessment or charge within each of the benefit zones.

36527. All provisions of this part applicable to the establishment or disestablishment of an area shall apply to the establishment, modification, or disestablishment of benefit zones pursuant to Section 36526. The establishment or the modification of any benefit zone shall follow the same procedure as provided for the establishment of a parking and business improvement area and the disestablishment of a benefit zone shall follow the same procedure as provided for disestablishment of an area.

36528. The city council may modify the boundaries, assessments, or charges established pursuant to this part. The modifications shall be made pursuant to the requirements of this part. No assessment or charge shall be modified which would impair the ability of the area to meet the obligation of a contract to construct or operate physical improvements.

CHAPTER 3. CLASSIFICATION OF BUSINESSES

36540. For purposes of the assessments or charges to be imposed pursuant to this part, the city council may make a reasonable classification of business, giving consideration to various factors, including general benefit to businesses and the degree of benefit received from parking programs only.

36541. A business recently established in the area may be exempted from the assessments or charges imposed pursuant to this part, for a period not exceeding one year from the date the business commenced in the area.

CHAPTER 4. ASSESSMENTS AND CHARGES

36560. The collection of the assessments or charges imposed pursuant to this part may be made at the same time and in the same manner as any other levy by the city on such business or in such other manner as the city council shall determine.

36561. Changes may be made in the assessments or charges, or in the uses to which the revenue shall be put, as specified in the ordinance establishing the area. Such changes shall be made by ordinance adopted after a hearing before the city council.

The city council shall adopt a resolution of intention to change assessments or charges, or the uses to which the revenue shall be put, at least 15 days prior to the hearing required by this section. The resolution shall specify the proposed change and shall give the time and place of the hearing.

36562. The assessments or charges levied on businesses pursuant to this part shall, to the maximum extent feasible, be levied on the basis of the estimated benefit to the businesses within the parking and business improvement area.

36563. The assessments or charges need not be imposed on the different classes established pursuant to Chapter 3 (commencing with Section 36540) of the business on the same basis or at the same rate. However, the assessments or charges imposed for the purpose of the acquisition, construction, or maintenance of parking facilities for the benefit of the area shall be imposed on the basis of benefit determined by the city council after giving consideration to (a) the total cost to be recovered from the businesses upon which the assessment or charge is to be imposed, (b) the total area within the boundaries of the parking and business improvement area, (c) the assessed value of the land and improvements within the area, (d) the total business volume generated within the area, and (e) such other factors as the city council may find and determine to be a reasonable measure of benefit from the construction or maintenance of parking facilities.

CHAPTER 5. DISESTABLISHMENT

36580. The city council may disestablish an area by ordinance after a hearing before the city council.

The city council shall adopt a resolution of intention to disestablish the area at least 15 days prior to the hearing required by this section. The resolution shall give the time and place of the hearing.

36581. Upon disestablishment of an area, any proceeds of the assessments or charges or the assets acquired with such proceeds, shall be subject to disposition as the city council shall determine.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV and shall go into immediate effect. The facts constituting such necessity are:

Parking and business improvement areas provide vital services which are necessary for the benefit of the business and commercial activity of the state. In order for these vital services not to be discontinued because of a lack of revenue, it is necessary that this act take effect immediately.

AMENDED IN ASSEMBLY JULY 11, 1986

AMENDED IN ASSEMBLY JULY 7, 1986

AMENDED IN ASSEMBLY APRIL 15, 1986

AMENDED IN SENATE JANUARY 28, 1986

AMENDED IN SENATE JANUARY 13, 1986

SENATE BILL

No. 951

**Introduced by Senator McCorquodale
(Coauthor: Assembly Member Cortese)**

March 6, 1985

An act to amend Sections 8571, 8652, 8663, 8665, 8680, 8682, and 9520 of, to add Chapter 5.5 (commencing with Section 6490) to Part 5 of Division 7 of, and to add Sections 8571.3 and 8769, 8769, 36505.5, and 36505.7 to, the Streets and Highways Code, relating to improvement bonds acts .

LEGISLATIVE COUNSEL'S DIGEST

SB 951, as amended, McCorquodale. Improvement acts: bonds.

(1) Under the Improvement Act of 1911, if any lot or parcel of land for which an improvement bond has been issued under the act is divided or combined, the bond may be surrendered and new bonds issued to the holder of the existing bond.

This bill would provide an alternative to the procedure under existing law for bonds meeting specified requirements. The bill would authorize, when a lot or parcel has been divided, including a division into condominium interests, or a portion of the lot or parcel has been transferred, the owner of any interest in the lot or parcel to file an application with a fee, specified, with the legislative body, to apportion the amount remaining unpaid on the bond assessment. The bill

- 1 collections.
- 2 SEC. 9. Section 8769 is added to the Streets and
- 3 Highways Code, to read:
- 4 8769. Before issuing bonds pursuant to this division,
- 5 the legislative body shall determine, and shall declare in
- 6 the resolution of intention to issue bonds, whether or not
- 7 the city will advance available funds from the city
- 8 treasury to cure any deficiency which may occur in the
- 9 bond redemption fund.
- 10 SEC. 10. Section 9520 of the Streets and Highways
- 11 Code is amended to read:
- 12 9520. Except as it may otherwise have determin
- 13 pursuant to Section 8571.3, the legislative body of any cit,
- 14 which has issued bonds which are outstanding under the
- 15 act may, at any time, determine by resolution that the
- 16 public interest or necessity requires the refunding of the
- 17 issue of bonds, and declare its intention to refund the
- 18 bonds and to levy reassessments as security for the
- 19 refunding bonds.
- 20 SEC. 11. Section 36505.5 is added to the Streets and
- 21 Highways Code, to read:
- 22 36505.5. "City" means a city or county.
- 23 SEC. 12. Section 36505.7 is added to the Streets and
- 24 Highways Code, to read:
- 25 36505.7. "City council" means the city council of a city
- 26 or the board of supervisors of a county.

25

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO, CALIFORNIA, DECLARING ITS INTENTIONS TO EXPAND AN EXISTING BUSINESS IMPROVEMENT AREA IN THE STOCKTON BOULEVARD AREA, TO PROVIDE FOR THE LEVYING OF CHARGES ON SPECIFIED BUSINESSES CONDUCTED WITHIN SUCH AREA, CLASSIFYING VARIOUS BUSINESSES FOR SUCH PURPOSES, DESCRIBING THE BOUNDARIES OF THE PROPOSED AREA, THE AUTHORIZED USES TO WHICH THE PROPOSED REVENUES SHALL BE PUT, THE RATE OF SUCH CHARGES, FIXING THE DATE, TIME AND PLACE OF A HEARING TO BE HELD BY THE CITY COUNCIL TO CONSIDER THE EXPANSION OF SUCH AN AREA, AND DIRECTING THE GIVING OF NOTICE OF SUCH HEARING.

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

SECTION 1. AUTHORITY AND INTENTION

The City Council of the City of Sacramento hereby declares its intention of modifying the boundaries of an existing business improvement area in the Stockton Boulevard area under the Parking and Business Improvement Area Law of 1989, being Part 6 of Division 18 of the Streets and Highways Code Section 36500 through Section 36551 of said Streets and Highways Code of the State of California.

SECTION 2. NAME

The name of the existing business improvement area is the "Stockton Boulevard Business Improvement Area of the City of Sacramento," hereinafter referred to as the "Area."

SECTION 3. AUTHORIZED USES

The proposed authorized uses to which the proposed revenue shall be put are as follows:

- (a) The general promotion of business activities in the Area;

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- (b) The promotion of public events which are to take place on or in public places in the Area;
- (c) The decoration of any public place in the Area;
- (d) The furnishing of music in any public place in the Area.

SECTION 4. AREA AND BENEFIT ZONE

A description of the Area as modified is as follows:

Beginning at the intersection of Alhambra Boulevard and Casita Way proceeding east to the northeast corner of County Assessor Parcel Number 007-0283-002-0000 then proceeding in a southeasterly direction on the east property line of the commercially zoned property fronting or adjacent to property fronting Stockton Boulevard to southeast corner of County Assessor Parcel Number 040-0032-018-0000 then west along the City limits line to the center of Stockton Boulevard then south to the southeast corner of County Assessor Parcel Number 039-0201-005-0000 then west along the City limits line to the southwest corner of County Assessor Parcel Number 039-0201-005-0000 then proceeding in a northwesterly direction on the west property line of the commercially zoned property fronting or adjacent to property fronting Stockton Boulevard excepting property not in the City limits to the southwest corner of County Assessor Parcel Number 007-0353-002-0000 then north along the center of Alhambra Boulevard to the beginning.

SECTION 5. LEVY OF CHARGE IN ADDITION TO BUSINESS OPERATIONS TAX

It is proposed that a charge, which is in addition to the business operations tax as it is or may be imposed pursuant to Chapter 23 of the Sacramento City Code, be imposed. Such additional charge is to be imposed at the rates hereinafter set forth for the specified business classifications.

SECTION 6. CLASSIFICATION OF BUSINESSES AND CHARGES IMPOSED

It is proposed that the businesses conducted in the Area be classified as follows so as to promote the equitable imposition of the additional charge, hereunder, in relation to the relative benefits to be derived. The proposed charge, over and above the business operations tax, imposed on each business within the Area shall be as follows:

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- (a) Retailing Activity: \$28.00 fee for gross receipts of \$50,000 or less plus \$.0005 for each dollar of gross receipts in excess of \$50,000 for the reporting period.
- (b) Non-Retail: Flat fee of \$28.00
- (c) There shall be a minimum charge of \$28.00 per year for any business conducting business in the Area and a maximum charge of \$286.00 per year.

The determination of the type or class of business or businesses a charge payer is engaged in or about to engage in shall be an administrative function of the Revenue Manager of the City of Sacramento. In cases where a charge payer believes he is placed in the wrong business or class of business or businesses, he may apply in writing to the Revenue Manager for a change in his classification, setting forth in full his reason for requesting such change. The Revenue Manager shall conduct an investigation and shall, thereupon, render her decision in writing as to the proper classification or classifications.

If the charge payer is aggrieved by the Revenue Manager's decision, he shall have the right of appeal to the Director of Finance. The appeal shall be filed with the Director of Finance within ten (10) days of the date of the Revenue Manager's decision and shall be heard by the Director of Finance within thirty (30) days, thereafter. The charge payer shall be given at least seven (7) days notice of the hearing by the Director of Finance.

Annually on July 1, the amount of non-retail charges in subparagraph (b), above, and the maximum and minimum charges in subparagraph (c), shall be automatically increased by the amount of increase in the consumer price index, San Francisco area, all items, most recently available prior to the date of increase, provided, however, that in no event shall any automatic increase, hereunder, exceed ten percent (10%), and provided that the amounts of the charges which result from the application of the automatic increases, hereunder, shall be rounded to the nearest whole dollar.

SECTION 7. ADMINISTRATION

It is the intention of the City to provide for the administration of the Area's activities by seeking to enter into an agreement with a business organization or association, which, in the opinion of the City Council, has the capability of representing the interests of the businesses in the Area, whose general objectives are consistent with the purposes of this Resolution, and who will

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provide the resources to effectively achieve those objectives. However, the City Council will reserve unto itself sole discretion as to how the revenue derived from the charges, hereunder, is to be used within the scope of the said authorized purposes.

SECTION 8. PAYMENT OF CHARGE -- EFFECTIVE DATE

The collection of the charges proposed, hereunder, shall be at the same time and in the same manner as the general business operations tax under Chapter 23 of the Sacramento City Code. If the Area expansion is established, the effective date for commencement of the charges to be imposed on the businesses in the expanded area will be February 1, 1991.

SECTION 9. APPLICABILITY OF RELEVANT GENERAL BUSINESS OPERATIONS TAX PROVISIONS

The provisions of Chapter 23 of the Code of the City, insofar as they are relevant to the provisions hereunder, shall be made applicable to all businesses subject to the said charges. No business operations tax certificate shall be issued pursuant to the said Chapter 23 of the City Code unless the charges pursuant hereto are paid together with the applicable general business operations tax.

SECTION 10. DATE, TIME, AND PLACE OF HEARING, NOTICE

Notice is hereby given that January 29, 1991, at a regular meeting of the City Council to commence at or about 7:30 p.m., in the Council Chambers of City Hall, 915 "I" Street, Sacramento, California is the date, time, and place fixed for the hearing on this Resolution of Intention for the proposed modification of the "Stockton Boulevard Business Improvement Area" of the City of Sacramento.

Any person interested in, or desiring to protest the modification of said Area, and/or the extent thereof, the boundaries thereof, the proposed amount of the charges, the classification of businesses, the drawing of benefit zones, or to any other proposal or matter set forth in this Resolution of Intention, may appear before the Council at said time and place and be heard.

SECTION 11. PUBLICATION AND MAILING OF NOTICE

The City Clerk shall cause this Resolution of Intention to be published at least once in the official newspaper of the City of

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Sacramento, the first publication to be at least ten (10) days prior to the date of said hearing.

The City Clerk shall also mail a copy of this Resolution, postage prepaid, to each business in the proposed Area as described herein, which mailing shall be completed at least ten (10) days prior to the date of said hearing, all in accordance with Section 36522 of the California Streets and Highways Code.

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____