



**This item was continued from
6-7-05, item 3.3.**

DEVELOPMENT SERVICES
DEPARTMENT

**CITY OF SACRAMENTO
CALIFORNIA**

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DEVELOPMENT ENGINEERING
AND FINANCE

May 16, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT
DISTRICT #2005-02 – PUBLIC HEARING**

LOCATION AND COUNCIL DISTRICT:

Council District 1 and 3, see Exhibit A to Budget Resolution.

RECOMMENDATION:

This report recommends that the City Council conduct a public hearing on the Downtown Sacramento Property and Business Improvement District (PBID) and direct staff at the close of the hearing to count the ballots and present the results during the afternoon council session. After the ballot tally has been reported, it is recommended that the City Council:

- Adopt the attached Resolution declaring the results of the majority protest proceedings and establishing the Downtown Sacramento PBID; and
- Adopt the attached Resolution amending the Downtown Sacramento PBID FY2005/06 Revenue and Expenditure Budget.

CONTACT PERSONS: Sini Makasini, Administrative Analyst, 808-7967
Ron Wicky, Program Specialist, 808-5628

FOR COUNCIL MEETING OF: June 14, 2005

SUMMARY:

On April 26, 2005, the City Council initiated the approval of the Downtown 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.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

PBID Concept: The Downtown Sacramento PBID was approved by City Council on June 13, 1995, for an initial five (5) year term and again on June 6, 2000, in accordance with the Property and Business Improvement District Area Law of 1994. The district provides funding for the following services in a 66-City block area of downtown and Old Sacramento. This report proposes to renew the district for a 10-year period.

Management Plan: The Downtown Sacramento Management District Plan (“Annual Report”) is a comprehensive document, which describes the process of forming the PBID and the services provided. A copy of the Management Plan has been filed with the City Clerk’s Office. Additional copies are available upon request via the Downtown Sacramento Partnership Office at 900 J Street Sacramento, CA 95814.

Services: A complete list of services to be provided is included in the Management Plan, however a brief overview follows:

- **Guide Program** - The program will provide for trained security guides who will patrol the district 12 hours a day, 7 days a week. The guides will act as the eyes and ears of downtown and will assist in the prevention of crime. In addition to providing enhanced security, the guides will be trained to direct pedestrians to shopping and business destinations and will be knowledgeable of downtown promotions and events.
- **Maintenance** - The maintenance services include a Clean Streets Program and City Sweep Program. The Clean Streets Program will provide street custodians to maintain sidewalks and alleys by sweeping, steam cleaning and related surface maintenance control issues. The frequency of service for the sidewalks and alleys will vary in each sub-district with the most frequent being twice weekly on the K Street corridor. The City Sweep Program will provide mobile sweep crews for litter and graffiti removal 7 days a week. These crews will augment security guides to discourage litter and graffiti.
- **Business Support** - The Management District will provide a unified marketing program in an effort to allow the public to view the downtown as a single destination with a rich collection of attractions, events and services. Goals of revitalization include increased customer traffic, occupancies, sales and property values.

The properties within the district are categorized in four sub-districts (benefit zones). The assessment rates for each sub-district are based on the levels of service and benefit received. Assessment rates are determined as a cost per square foot of parcel area and cost per square foot of building area.

The Downtown Sacramento Partnership has prepared the Management Plan/Annual Report, which is on file with the City Clerk. The report addresses the current and proposed budget and services to be provided.

FINANCIAL CONSIDERATIONS:

Financing will be provided by levy of assessments upon real property that benefits from improvements and activities. The PBID does not plan to issue bonds.

City Participation: The City of Sacramento is fully participating as a property owner in the District. All costs associated with the services and administration of this district will be financed by the property owners. Each program activity has a 14% administrative budget built in, for a total of approximately \$260,587.00 in administrative and City cost. The total budget for the first year of this 10-year renewal is summarized as follows:

TABLE 1
 TOTAL COSTS

Program Activities	Annual Budget
Safety/Guides Program	\$771,846
Maintenance	\$527,260
Economic Development & Marketing	\$537,234
Old Sacramento Additional Activities	\$25,000
TOTAL BUDGET 2005/2006	\$1,861,340

The Downtown Management District will receive benefit assessments based on the Property and Business Improvement District Law of 1994. The assessment rates for each zone are based on the level of service to reflect benefits received. Assessment rates are based on a cost per square foot of parcel area and cost per square foot of building area. The assessment rates by sub-district are listed in Table 2.

TABLE 2
 ASSESSMENT RATES

Zone	Sub-District Name	Cost/Sq.Ft./Parcel	Cost/Sq.Ft./Bldg.
A	1. K Street	\$0.1379	\$0.0690
B	2. Civic Center	\$0.1154	\$0.0577
C	3. Old Sacramento	\$0.1422	\$0.0711
D	4. Capitol Mall / Plaza	\$0.0429	\$0.0214

Based on the above rates, the cost for a typical building on the K Street corridor with a 80' x 160' parcel (12,800 sq. ft.) and a building area of 35,000 sq. ft. would be \$4,180.12 per year.

Annual assessments may increase by as much as 5% per year to keep pace with the consumer price index and other program costs. The determination of annual assessment rates will be subject to the review and approval of the Downtown Sacramento Partnership Board of Directors.

ENVIRONMENTAL CONSIDERATIONS:

Under the California Environmental Quality Act (CEQA) guidelines, district formation proceedings do not constitute a project and is therefore exempt from review.

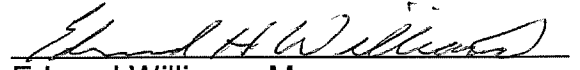
POLICY CONSIDERATIONS:

These proceedings are being conducted in accordance with the Property and Business Improvement District Law of 1994 as set forth in Section 36600 of the California Streets and Highways Code. Approval of the Downtown Sacramento Property and Business Improvement District is consistent with the City's Strategic Plan to promote and support economic vitality.

ESBD CONSIDERATIONS:

City Council approval of these proceedings is not affected by City policy related to the ESBD program.

Respectfully submitted,


Edward Williams, Manager
Development Engineering and Finance

RECOMMENDATION APPROVED:

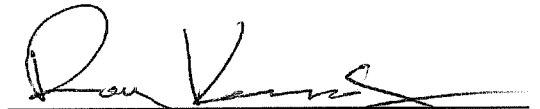

ROBERT P. THOMAS, City Manager

Table of Contents:

Attachment A, Schedule of Proceedings, pg. 6
Resolution, Declaring the Results and Establishing the Downtown Sacramento PBID, pg. 7
Resolution, Amending the Budget For FY 2005-2006, pg. 10
Exhibit A, Location Map of Downtown Sacramento PBID, pg. 11
Exhibit B, FY 2005-2006 Budget and Parcel Assessment, pg. 12

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ATTACHMENT A

**SCHEDULE OF PROCEEDINGS
DOWNTOWN SACRAMENTO
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT #2005-02**

March 3, 2005	Petition Drive Kick-Off
March 26, 2005	Received Signed Petitions
April 4, 2005	Management Plan & Boundary Map Submitted to Clerk's Office
April 26, 2005	Council Adopts: <ul style="list-style-type: none">• Resolution Accepting Petition and Approving the Boundary Map• Resolution of Intention
April 27, 2005	Mail Ballots, Publish Notice of Hearing & Record Boundary Map
June 14, 2005	Public Hearing – City Council <u>COUNCIL CONSIDERS ALL PROTESTS, LEVIES ANNUAL ASSESSMENT</u>
November 2005	Property Owners Receive Tax Bills
January 2006	District Services Commence

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON _____

RESOLUTION DECLARING THE RESULTS OF THE MAJORITY-PROTEST PROCEEDINGS AND ESTABLISHING THE DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

A. The owners of property within the boundaries of the Downtown Sacramento Property and Business Improvement District (PBID) have submitted petitions asking that the City Council establish the PBID and included with the petitions was a management district plan (The Downtown 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) safety programs and the deployment of Community Service Guides to reduce nuisance crimes and make the Downtown environment more hospitable; (2) maintenance programs to continue enhanced sidewalk sweeping, sidewalk washing, alley cleaning, litter and graffiti removal; (3) economic development, advocacy, and marketing programs to support existing businesses, attract new businesses, and enhance the image of downtown; and (4) Old Sacramento improvements & activities for additional safety, economic development and marketing to benefit the Old Sacramento sub-district (paid for exclusively by the Old Sacramento sub-district). The plan proposes to fund these improvements and services through the levy of a special benefit assessment on real property within the PBID. The Downtown Sacramento PBID Management District Plan is on file with the City Clerk and made reference to. Attached, as Exhibit A, is a map of the exterior boundaries of the PBID and is part of this resolution.

B. The proposed owners who signed the petitions will collectively pay more than 50% of the proposed assessment. Accordingly, on April 26, 2005, the City Council adopted Resolution No. 2005-264, entitled "Resolution of Intention to Establish the Downtown 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 June 14, 2005, at 2:00 p.m. in the City Council's chambers, Interim Sacramento City Hall, 730 "I" Street (first floor), Sacramento, California. The Resolution of Intention also states the City Council's finding that the Downtown 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 April 27, 2005, the City Clerk mailed to each record owner of each parcel within the Districts 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.

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7

RESOLUTION NO: _____

DATE ADOPTED: _____

E. At 2:00 p.m. on June 14, 2005, in the City Council's chambers, Interim Sacramento City Hall, 730 "I" Street (first floor), Sacramento, California, the City Council held a public hearing regarding the establishment of the Downtown 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; and

F. All actions and proceedings described in Recitals A through F were undertaken and completed in accordance with the Property and Business Improvement District Law of 1994.

BASED ON THE FOREGOING RECITALS, THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. Recitals Adopted as Findings. The City Council finds that Recitals A through F are true and adopts them as findings.

Section 2. Establishment of the Downtown Sacramento Property and Business Improvement District;

- (a) The PBID is established for a ten-year term that will expire on December 31, 2016.
- (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 Downtown 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.

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8

RESOLUTION NO: _____

DATE ADOPTED: _____

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 June 14, 2005, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MAYOR

ATTEST:

CITY CLERK

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9

RESOLUTION NO: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF: _____

RESOLUTION AMENDING THE FISCAL YEAR 2005/06 BUDGET FOR THE DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, FUND 261

Whereas the Downtown Sacramento Property and Business Improvement District (PBID) (See Exhibit A) was established by the City Council and voter approved by the property owners on June 14, 2005; and

Whereas property owners within the boundaries of the Downtown Sacramento PBID are assessed a fee (See Exhibit B) to cover the cost of delivering Safety programs, Maintenance programs, Economic development and Marketing support;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The proposed FY2006 revenue \$1,861,340 (\$1,866,059 - \$4,719 surplus) and expenditure \$1,861,340 budgets to be amended for the Downtown Sacramento PBID No. 2005-02. See Exhibit B for detailed information on the budget.
2. The Finance Director is authorized to amend the expenditure authority for the Development Services and the Department of Finance as necessary to provide services for the Downtown Sacramento PBID in the amount of \$1,861,340, which will be reimbursed by the Downtown Sacramento PBID.

MAYOR

ATTEST:

CITY CLERK

SM – DE&F

Exhibit A - Location Map (1 page)

Exhibit B - FY2005/06 Budget & Parcel Assessment (1 page)

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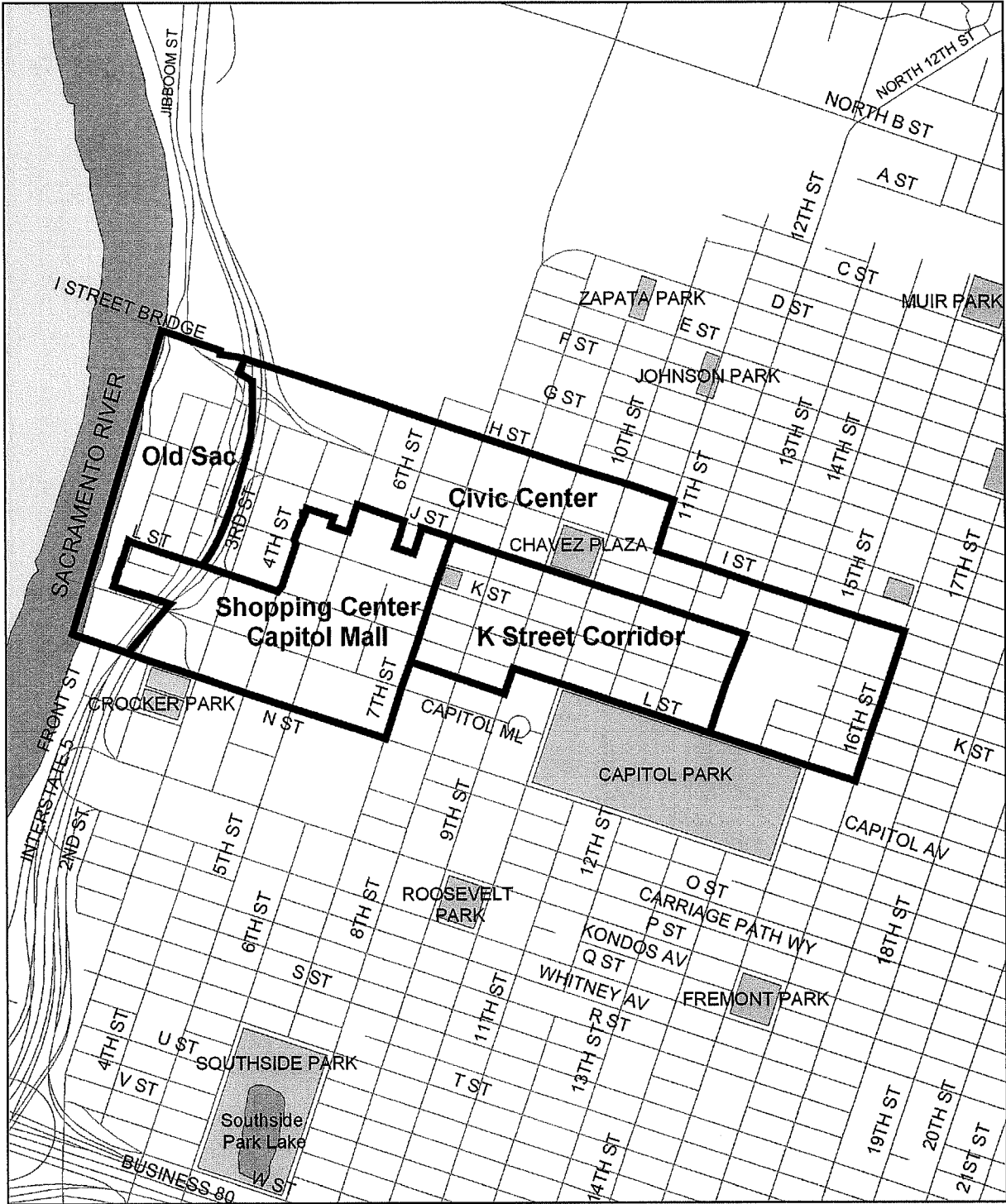
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RESOLUTION NO: _____

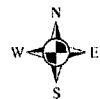
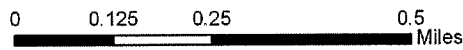
DATE ADOPTED: _____

Boundary Map Downtown Sacramento Property and Business Improvement District (PBID) 2005-02

Exhibit A



B Mueller 5/6/03



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11

RESOLUTION NO: _____

DATE ADOPTED: _____

EXHIBIT B

**DOWNTOWN SACRAMENTO PROPERTY AND
BUSINESS IMPROVEMENT DISTRICT FY 2005/06
BUDGET & PARCEL ASSESSMENT**

BUDGET

Downtown Sacramento PBID	\$1,848,824
Special Districts Administration	10,000
Consultant (NBS) Reporting	672
Finance Administration	1598
County Billing Cost	246
Contingency	<u>4,719</u>
Subtotal	\$1,866,059
Fund Balance	(\$4,719)
Total Assessed to Property Owners	\$1,861,340

PARCEL ASSESSMENT

ANNUAL ASSESSMENTS ARE BASED UPON AN ALLOCATION OF PROGRAM COSTS AND A CALCULATION OF LOT SQUARE FOOTAGE PLUS BUILDING SQUARE FOOTAGE AS REFLECTED BELOW:

Zone	Sub-District Name	Cost/Sq.Ft./Parcel	Cost/Sq.Ft./Bldg.
A	1. K Street	\$0.1379	\$0.0690
B	2. Civic Center	\$0.1154	\$0.0577
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12

RESOLUTION NO: _____

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