



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

**PUBLIC HEARING**  
**July 27, 2010**

**Honorable Mayor and  
Members of the City Council**

**Title: Mack Road Property and Business Improvement District (PBID) No. 2010-02**

**Location/Council District:** Council District 8 within the Mack Road Commercial Corridor (Attachment 2, Page 6).

**Recommendation:** Conduct a public hearing and, upon conclusion, direct the City Clerk to: (1) tabulate the assessment ballots submitted and not withdrawn before the hearing closed, and (2) report back as a Consent item on August 5, 2010, with the tabulation results.

**Contact:** Sini Makasini, Administrative Analyst, (916) 808-8243; Mark Griffin, Fiscal Manager, (916) 808-8788

**Presenter:** Sini Makasini

**Department:** Finance

**Division:** Public Improvement Financing

**Organization No:** 06001321

### **Description/Analysis**

**Issue:** A majority of property owners along the Mack Road Commercial Corridor proposed to establish the Mack Road Property and Business Improvement District (District) for a five year term. In response, the City Council adopted a resolution that: (1) directed staff to mail assessment ballots and notices of public hearing to the owners of real property within the proposed District and; (2) set July 27, 2010, as the date for a public hearing on the proposed District and assessment. At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the district and assessment). Staff

will report the results of the tabulation at the City Council meeting on August 5, 2010. If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the City Council adopt a resolution declaring the results of the majority protest proceedings and establishing the District.

**Policy Considerations:** The proceedings under which this district is being processed are set forth in Section 36600 of the California Streets and Highways Code, entitled “Property and Business Improvement District Law of 1994.” This action is consistent with the Strategic Planning Focus Area of Sustainability and Livability.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Under California Environmental Quality Act (CEQA) guidelines, formation of a PBID does not constitute a project and is therefore exempt from review.

**Sustainability Considerations:** There are no sustainability considerations applicable to the formation or renewal process and administration of an assessment district.


**Committee/Commission Action:** None

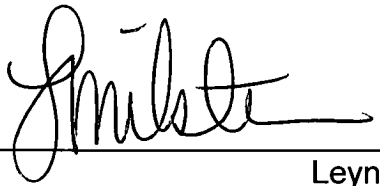
**Rationale for Recommendation:** The actions in the recommended Resolution are procedures prescribed by Part 7 (beginning with Section 36600) of Division 18 in the California Streets and Highways Code for the formation of a PBID.

**Financial Considerations:** Financing will be provided by the levy of assessments upon real property that benefits from improvements and activities of the District. The District does not issue bonds.

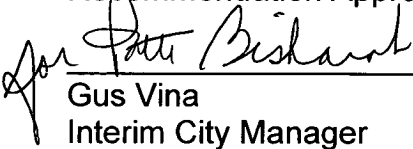
The total assessment for FY2010/11 is projected at \$410,511 as shown on Attachment 1 on page 4. Future assessment rates may be subject to an increase of no more than 3% annually.

**Emerging Small Business Development (ESBD):** City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

Respectfully Submitted by:   
Mark Griffin  
Fiscal Manager, Finance Department

Approved by:   
Leyne Milstein  
Director, Finance Department

Recommendation Approved:

  
Gus Vina  
Interim City Manager

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## BACKGROUND

The proposed Mack Road PBID (District) will be a benefit assessment district formed by the property owners to fund services such as security programs, image enhancement, transportation improvements and advocacy for economic development within the boundaries of the District. The PBID is comprised of approximately 159 parcels (Attachment 2, Page 6).

The District may also undertake landscaping and other improvements to beautify and make the District look more festive. These services are also concentrated within a geographic area and are paid for by means of a special assessment on benefited properties.

The Management Plan is on file with the Public Improvement Financing Division, which has been designated by the City Clerk as the custodian of such records. The Management Plan is a comprehensive document, which describes the process of forming the PBID and providing the services identified by the property and business owners.

### Assessment Budget

If the Mack Road PBID is approved, the total district budget for year one (FY2010/11) of its five year operation is a base of \$410,511. Assessment rates may be subject to an increase of no more than 3% per year.

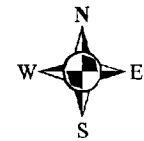
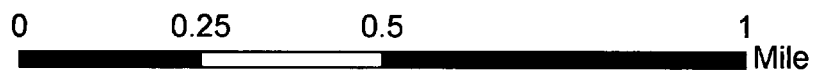
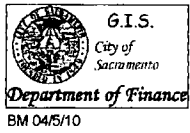
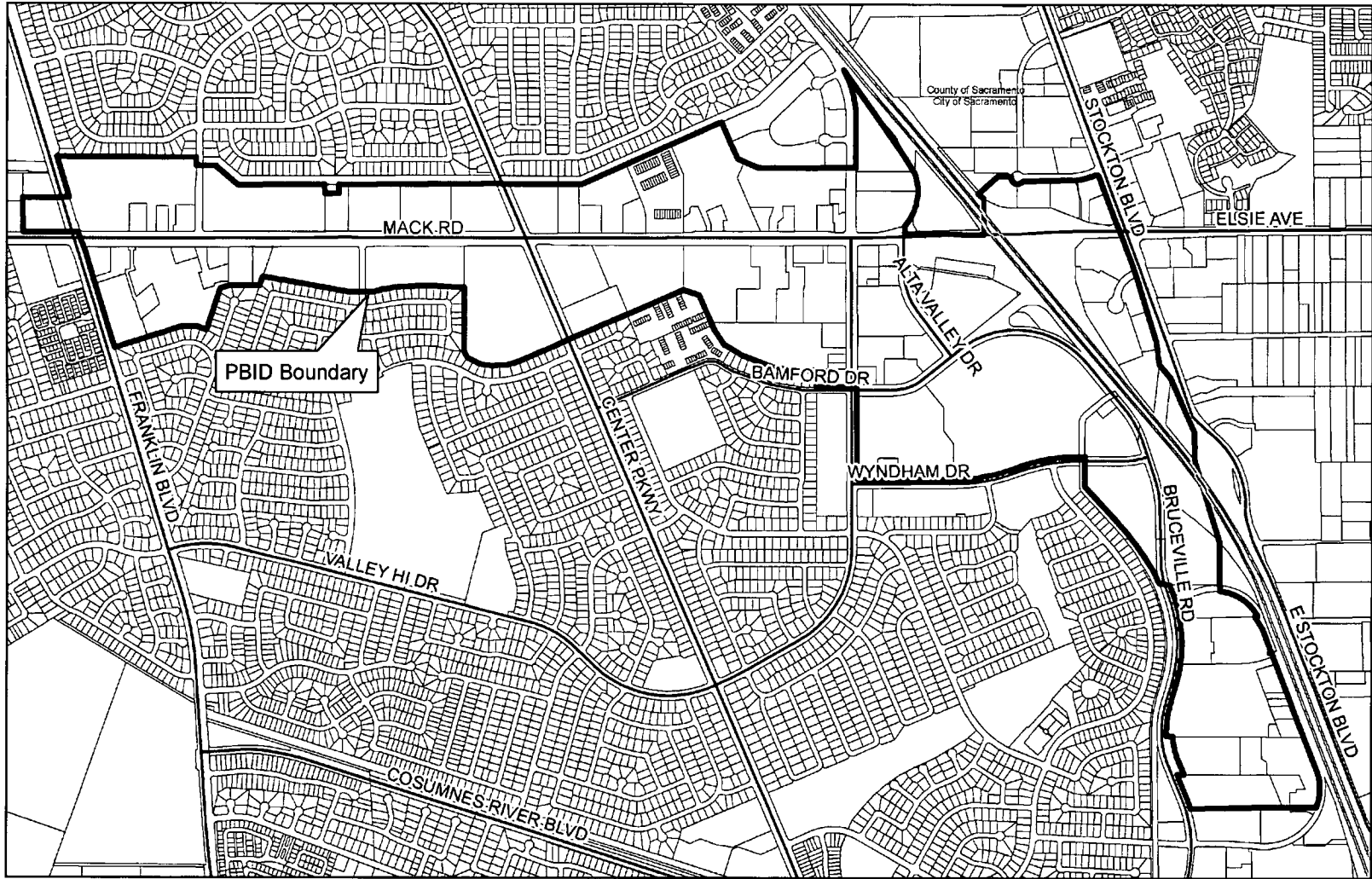
Program	Budget	% of Total
Security	\$287,357.70	70.0
Image Enhancement	\$20,525.55	5.0
Transportation Improvements	\$41,051.10	10.0
Advocacy / Administration	\$41,051.10	10.0
Contingency Reserve	\$20,525.55	5.0
<b>Total</b>	<b>\$410,511.00</b>	<b>100.0</b>

The properties within the District are categorized in two benefit zones. The annual assessment rates are based on an allocation of program costs and a calculation per parcel square foot. The rates proposed for FY2010/11 are \$0.03 per parcel square foot for Zone 1 and \$0.02 per parcel square foot for Zone 2. Tax exempt properties will be assessed regardless of their tax-exempt status.

#### Public Hearing and Tabulation of Assessment Ballots

On June 10, 2010, City Council directed staff to complete the actions necessary to establish the District. On June 11, 2010, staff mailed out assessment ballots and notices of public hearing to the owners of property in the proposed District. Ballots must be submitted no later than the close of the public hearing to be counted. At the close of the public hearing, the assessment ballots will be tabulated to determine whether a majority protest exists. If a majority protest exists—that is, if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of it—then the proceedings to levy the assessment will terminate. Staff will report back with the tabulation results at the August 5, 2010, City Council meeting.

# Mack Road Property and Business Improvement District No. 2010-02



**SCHEDULE OF PROCEEDINGS  
MACK ROAD  
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2010-02**

May 13, 2010	Petition Drive Kick-off
June 10, 2010	Received Signed Petitions
June 10, 2010	Resolution of Intention to Renew – City Council
June 11, 2010	Mail Assessment Ballots and Notices of Public Hearing
July 8, 2010	Record Boundary Map

<b>July 27, 2010</b>	<b>Public Hearing and Tabulation of Ballots – City Council</b>
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August 5, 2010	Ballot Results – City Council
August 6, 2010	Record Notice of Assessment and Assessment Diagram
August 2010	Assessment Roll to County