



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
June 22, 2010

Honorable Mayor and
Members of the City Council

Title: Power Inn Area Property and Business Improvement District (PBID) –
Annual Proceedings for Fiscal Year (FY) 2010/11

Location/Council District: Council District 6, located in the Power Inn Industrial
Corridor.

Recommendation: Adopt a **Resolution** adopting the Power Inn Area PBID annual
budget and levying an assessment for FY2010/11.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Fiscal
Manager, (916) 808-8788

Presenters: Not Applicable

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: The PBID Area Law of 1994 requires the Power Inn Area PBID (District) to present an annual budget for City Council approval. Approval of the District's annual budget will authorize the City to collect assessments in the amount sufficient to provide funding for economic development, security coordination, maintenance services, and advocacy communications within the District for FY2010/11.

Policy Considerations: The annual proceedings for the District are set forth in Sections 36600 to 36671 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 the California Environmental Quality Act (CEQA) guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

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

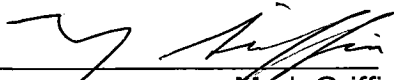
Committee/Commission Action: None

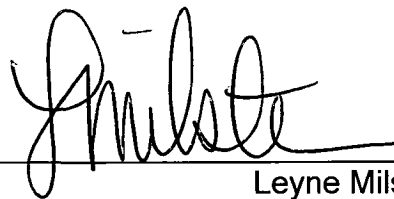
Rationale for Recommendation: The actions in the recommended Resolution are procedures prescribed by Part 7 (beginning with Section 36600) of Division 18 in the California Streets and Highways Code for the formation of a PBID.

Financial Considerations: Financing of the District will be provided by the levy of assessments upon real property that benefits from improvements and activities of the District. The District does not plan to issue bonds. The City of Sacramento participates as a property owner in the District. City-owned properties will have a total annual assessment of approximately \$52,000. Funding to pay the City's Assessment is included in the FY2010/11 Proposed Budget.

The District assessment budget for FY2010/11 is \$280,200. In addition, there is available fund balance of \$21,150 for a total of \$301,350 (details on Exhibit B, page 8). The District will receive approximately \$295,702 for operations. The City will retain \$5,648 to cover City administrative costs. The annual operating budget for the District will be adjusted to reflect the Council approved assessments and expenditure plans. The assessment rates proposed for FY2010/11 will increase by 5% as voted on by the PBID Board of Directors and approved by the District Management Plan.

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, Department of Finance

Approved by: 
Leyne Milstein
Director, Finance Department

Recommendation Approved:


Gus Vina
Interim City Manager

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Attachment 1

BACKGROUND

The Power Inn Area PBID (District) was approved by City Council on July 18, 2006, in accordance with the PBID Area Law of 1994. The District was approved for five years and became effective on January 1, 2007. The PBID is comprised of approximately 671 individual parcels.

The District provides funding for the following services within the Power Inn Industrial Corridor: Community Service Initiatives providing security patrol and daily street maintenance; Economic Development outreach and activities to convey a positive image for the area; and promotion of events and marketing, advocating consumer awareness of services available in the corridor.

The District Advisory Board has prepared the Annual Report, which is on file with the Public Improvement Financing Division, which the City Clerk has designated as the custodian of such records. The report addresses the proposed budgets and services to be provided.

The annual assessments are based upon allocation of program costs and a calculation per acre of land at \$203.09 per zone 1 and \$116.05 per acre for zone 2. All religious and tax-exempt properties will be assessed at a 50% rate for either zone. The assessment rates proposed for FY2010/11 will increase by 5% as voted on by the PBID Board of Directors and approved by the District Management Plan.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE ANNUAL POWER INN AREA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT BUDGET AND LEVYING ASSESSMENT FOR FY2010/11

BACKGROUND

- A. The Power Inn Area Property and Business Improvement District (District) the boundaries of which are depicted in Exhibit A, was established by the City Council and approved by the property owners on July 18, 2006.
- B. The City Council established the District under the Property and Business Improvement District Law of 1994 (California Streets and Highway Code, Sections 36600 to 36671) (the PBID Law) and has previously levied assessments on property in the District to pay for improvements and services to be provided within the District, in accordance with the PBID Law.
- C. The District provides for security coordination, image enhancement, maintenance beautification projects, advocacy and communication with the intent of continuing to create a positive atmosphere in the District. All services are as defined within the Management Plan Annual Report, and by reference made a part of this resolution which is separately bound and on file with the Public Improvement Financing Division, which the City Clerk has designated as the custodian of such records.
- D. The FY2010/11 assessment rates will increase by 5% from the previous year, and are still below the highest authorized amount for the District (shown on Exhibit B).
- E. The City Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The City Council finds that the background statements in paragraphs A through E are true and correct.
- Section 2.** The annual budget set forth in the FY2010/11 Management Plan is adopted and the assessments set forth in the FY2010/11 Management Plan are authorized to be levied.

Section 3. Exhibits A and B are part of this resolution.

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Exhibit B: FY2010/11 District & Parcel Assessment -1 Page

EXHIBIT A

Power Inn Area PBID

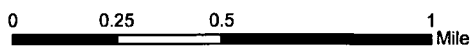
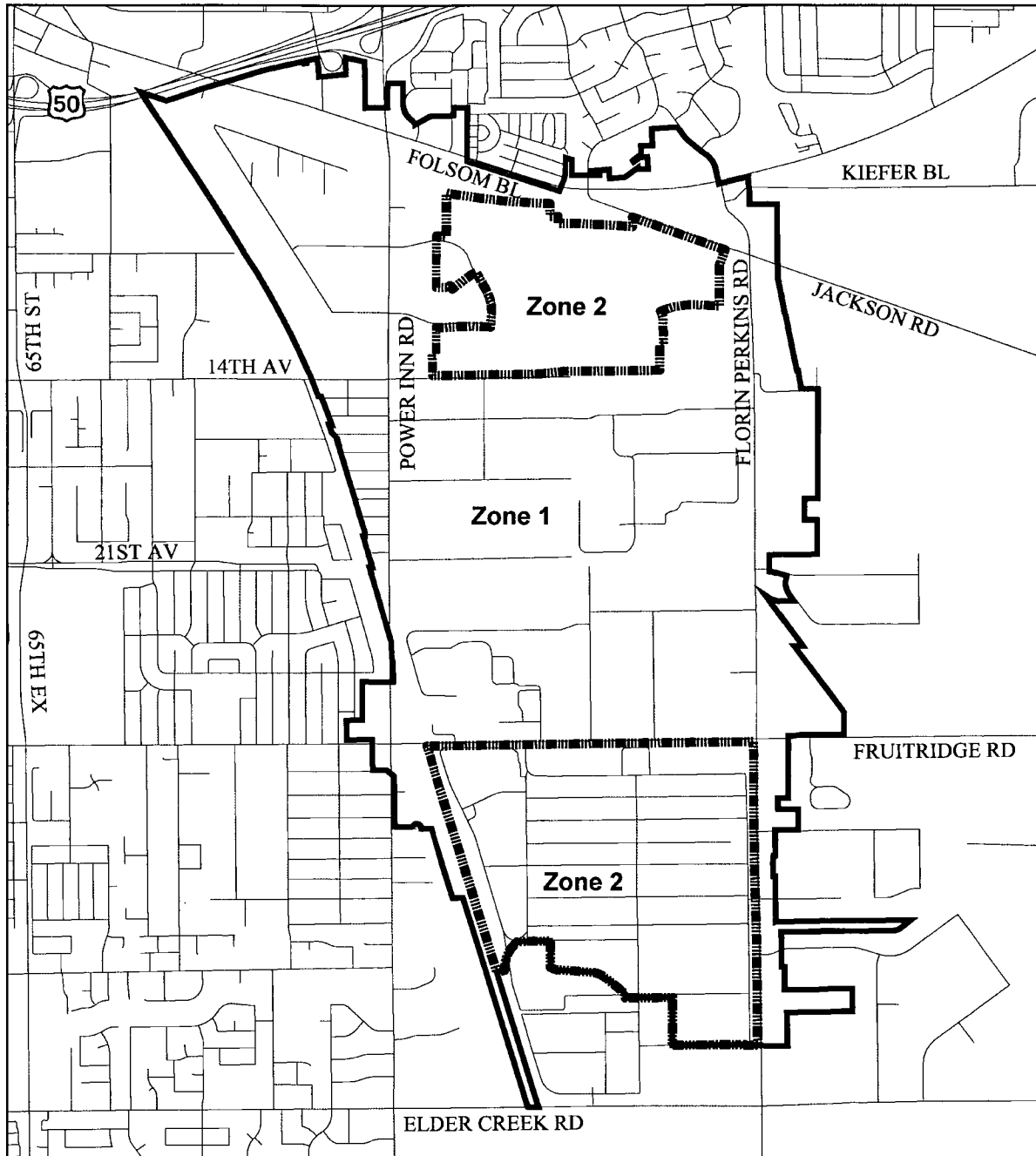


EXHIBIT B

**POWER INN AREA
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2010/2011 DISTRICT BUDGET & PARCEL ASSESSMENT**

Total Assessment Budget		\$280,200
Available Fund Balance		<u>21,150</u>
Total Revenue		<u>\$301,350</u>
Special Districts Administration	\$3,773	
Consultant (NBS) Reporting	250	
Finance Administration	1,276	
County Billing Cost	<u>349</u>	
Less: Total City Administration Expense		<u>\$5,648</u>
Estimated Total PBID Disbursement		<u>\$295,702</u>

PARCEL ASSESSMENT

ANNUAL ASSESSMENT RATES ARE BASED ON AN ALLOCATION OF PROGRAM COSTS ON A COST PER ACRE CALCULATION AS REFLECTED BELOW:

Rate Per Acre of Land Zone 1	Rate Per Acre of Land Zone 2
\$203.09	\$116.05

**Five Year Operating Budget
Annual Assessment with 5% Maximum Increase per Year**

	2007	2008	2009	2010	2011
Annual Assessment	\$230,000.00	\$241,500.00	\$253,575.00	\$266,253.75	\$279,566.44