



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
June 1, 2010

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

Title: River District Property and Business Improvement District (PBID) – Annual Proceedings Fiscal Year (FY) 2010/11

Location/Council District: Council District 1 within the Richards Boulevard Redevelopment area.

Recommendation: Adopt a **Resolution** adopting the River District 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 River District 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, community service initiatives, public project advocacy and planning 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

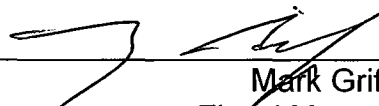
Rationale for Recommendation: The actions in the recommended Resolution are procedures prescribed by Part 7 (beginning with Section 36600) of Division 18 in the California Streets and Highways Code for the formation of a PBID.

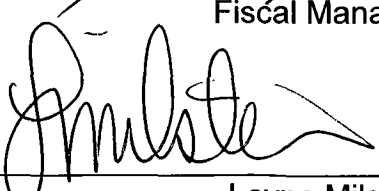
Financial Considerations: Financing will be provided by levy of assessments upon real property that benefits from improvements and activities. The District does not plan to issue bonds. The City of Sacramento participates as a property owner in the District. City-owned properties will have a total annual assessment of approximately \$44,000. Funding to pay for the assessments on City-owned property is included in the FY2010/11 Proposed Budget.

The District assessment budget for FY2010/11 is \$329,278. In addition, there is available fund balance of \$74,068 for a total of \$403,346 (details on Exhibit B, page 8). The District will receive approximately \$398,185 for operations. The City will retain \$5,161 to cover City administrative costs.

The annual operating budget for the District will be adjusted to reflect the Council approved assessments and expenditure plans.

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

Respectfully Submitted by: 
Leyne Milstein
Director, Finance Department

Recommendation Approved:


Gus Vina
Interim City Manager

Table of Contents:

	Report	Pg	1
Attachments			
1	Background	Pg	4
2	Resolution Adopting Annual Budget and Levying Assessment.....	Pg	5
	Exhibit A, Map of District.....	Pg	7
	Exhibit B, District and Parcel Assessment.....	Pg	8-9

Attachment 1

BACKGROUND

The River District PBID (District) was approved by City Council on July 27, 1999, in accordance with the PBID Area Law of 1994. The District was renewed for 10 more years on July 27, 2004, and became effective on January 1, 2005. The PBID is comprised of approximately 830 acres including 514 individual parcels of land (Exhibit A, page 7).

The District provides funding for the following services within the Richards Boulevard Redevelopment Area: Community Service Initiatives providing daily security patrol and trash abatement; Economic Development outreach and activities to convey a positive image for the area; Transportation/Public Projects Infrastructure Advocacy and Planning to advance the design and implementation of new roadway, transit, utility and streetscape projects.

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 on a cost per acre calculation. The assessment rates proposed for FY2010/11 will increase by 5.0% as voted on by the River District Board of Directors and approved by the District Management Plan.

The annual assessment rate is adjusted to compensate for higher business costs and to avoid reductions in services. The rates proposed for FY2010/11 are \$449.40 per acre for Zone 1 and \$111.30 per acre for Zone 2.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE ANNUAL RIVER DISTRICT PROPERTY AND BUSINESS IMPROVEMENT DISTRICT BUDGET AND LEVYING ASSESSMENT FOR FY2010/11

BACKGROUND

- A. The River District 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 27, 1999. The District was renewed for 10 more years effective January 1, 2005.
- 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, all in accordance with the PBID Law.
- C. The District provides for economic development, community service initiatives, public projects, advocacy and planning with the intent of continuing to create a positive economic atmosphere in the Richards Boulevard Redevelopment Area. All services are as defined within the Management Plan Annual Report, 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 as shown on Exhibit B.
- E. The 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 and determines that the background statements 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.

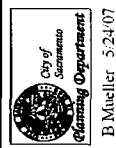
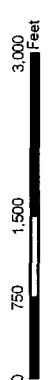
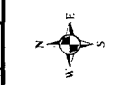
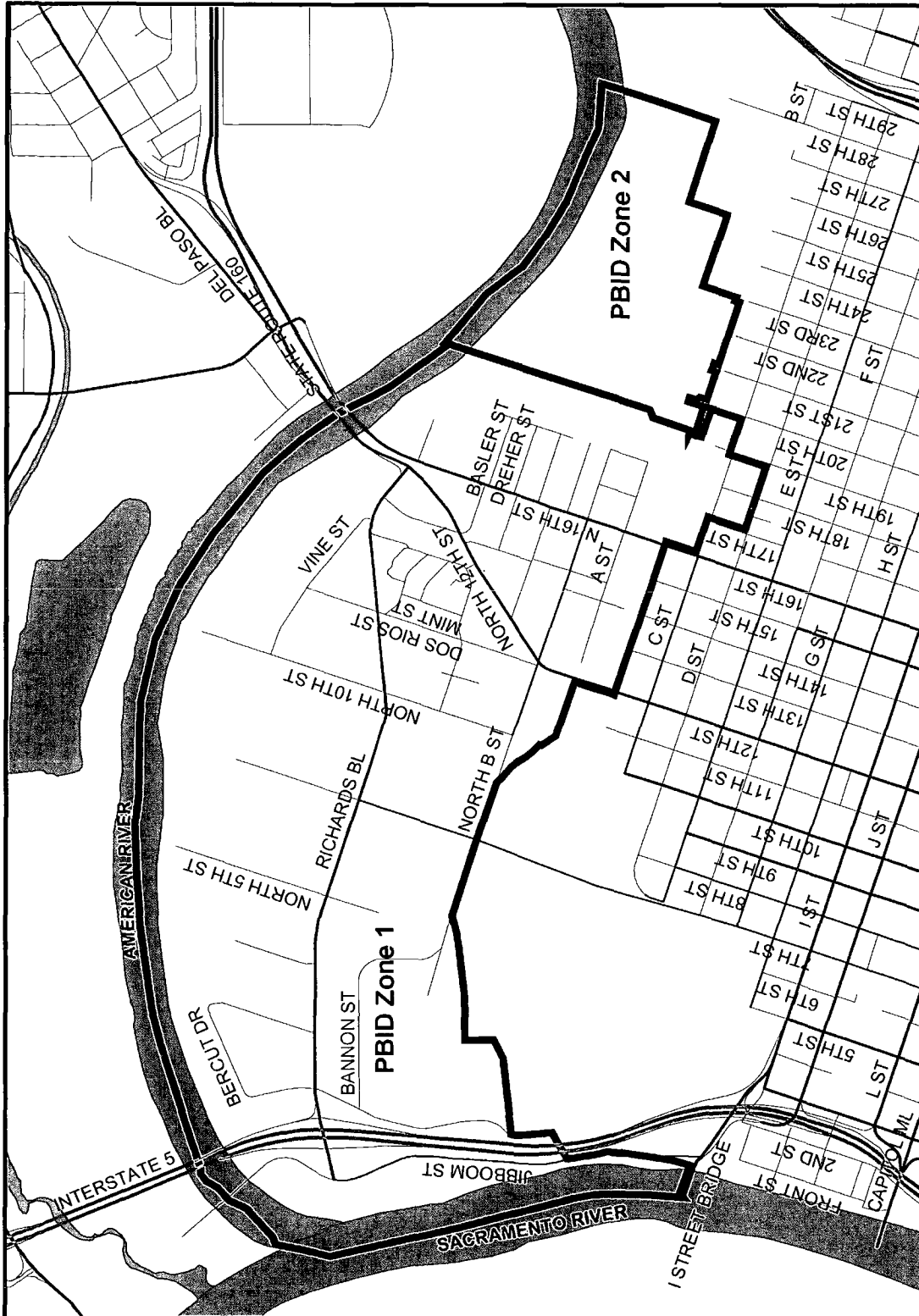
Table of Contents:

Exhibit A: District Map -1 Page

Exhibit B: FY2010/11 District & Parcel Assessment -2 Pages

EXHIBIT A

River District
Property And Business Improvement District No. 2004-01



B Mueller 5/24/07

EXHIBIT B

**RIVER DISTRICT
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2010/2011 DISTRICT BUDGET**

Total Assessment Budget		\$329,278
Available Fund Balance		74,068
Total Revenue		<u>\$403,346</u>
Special Districts Administration	\$3,314	
Consultant (NBS) Reporting	250	
Finance Administration	1,276	
County Billing Cost	<u>321</u>	
Less: Total City Administration Expense		<u>\$5,161</u>
Estimated Total PBID Disbursement		<u>\$398,185</u>

PARCEL ASSESSMENT

Annual assessment rates are based on an allocation of program costs and a calculation per acre. Assessment rates may be subject to an increase of no more than 5% per year to respond to changes in the Consumer Price index (CPI) and other program needs.

Benefit Zone	Cost Per Acre
Zone 1	\$449.40
Zone 2	\$111.30

EXHIBIT B (continued)**10 YEAR OPERATING BUDGET**

Annual Assessment with 5% Maximum Increase per Year

Program Year	Maximum Annual Assessment per Lot Acre Zone 1	Maximum Annual Assessment per Lot Acre Zone 2
2005	\$336	\$83
2006	\$353	\$87
2007	\$370	\$91
2008	\$389	\$96
2009	\$408	\$101
2010	\$429	\$106
2011	\$450	\$111
2012	\$473	\$117
2013	\$496	\$123
2014	\$521	\$129