



REPORT TO COUNCIL

City of Sacramento

23

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

CONSENT
May 23, 2006

Honorable Mayor and
Members of the City Council

**Subject: Downtown Sacramento Property and Business Improvement District –
Initiate Annual Proceedings FY2006/07**

Location/Council District:

The Downtown Sacramento Property and Business Improvement District (PBID) is located in Council Districts 1 and 3. The Downtown Sacramento PBID is comprised of approximately 66 City blocks and includes 468 individual parcels of land (Exhibit A, page 7).

Recommendation:

Adopt a Resolution: 1) Adopting the Downtown Sacramento PBID Annual Budget and Levying Assessment; and 2) Amending FY 2006/07 City's Budget.

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

Presenters: Not Applicable

Department: Development Services

Division: Public Improvement Financing

Organization No: 4815

Summary:

The Downtown Sacramento PBID was established to provide funding for economic development, maintenance services and safety programs within the Downtown Area. The recommended Council action is to adopt the attached Resolution of Intention (ROI) to levy and collect assessments for 2006/07. The proposed budget of \$1,957,141 was adjusted 5.0% for inflation from the FY 2005/06 budget.

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 for another five years. On June 14, 2005, City Council approved the Downtown Sacramento PBID for a 10-year period 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.

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 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.

Budget: PBID assessment budget for FY 2006/07 is \$1,957,141.00 (Details on Exhibit B pg. 11). The Downtown Sacramento PBID will receive an approximate total of \$1,946,329.00. The remaining \$10,812.00 will be retained by the City to cover City administration cost.

Program	Budget	% of Total
Safety Guide Program	\$ 810,496	41
Maintenance Program	\$557,614	29
Economic Development & Marketing	\$563,756	29
Old Sacramento Additional Activities	\$25,275	1
Total	\$ 1,957,141	100

The properties within the district are categorized in four benefit zones. The assessment rates for each zone is based on the levels of service and benefit received. Annual Assessments are based upon calculation of lot square footages plus building square footage within each benefit zone.

Environmental Considerations:

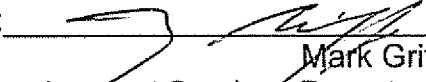
Under the California Environmental Quality Act (CEQA) guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

Policy Considerations:

The annual proceedings for this district are being processed as set forth in the Landscaping and Lighting Act of 1972, California Streets and Highways Code sections 22500, et seq. This process is consistent with the City's Strategic Plan 3-Year Goal to "achieve sustainability and enhance livability" and to "expand economic development throughout the city."

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, Development Services Department

Respectfully Submitted by: 
Carol Shearly
Director of Planning, Development Services Department

Recommendation Approved:


Bon 
Ray Kerridge
City Manager

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Pg. 11	Exhibit B, District Budget & Parcel Assessment

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE ANNUAL DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT BUDGET AND LEVYING ASSESSMENT (FY 2006/07)

BACKGROUND:

- A. The Downtown Sacramento Property and Business Improvement District ("District"), as depicted in Exhibit A, was established by the City Council and approved by the property owners on June 13, 1995. The District was renewed for 10 more years effective June 14, 2005.
- B. The City Council established the District under the Property and Business Law of 1994 (California Streets and Highway Code—Sections 36600 to 36671) 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 of 1994.
- C. The Downtown Sacramento Property and Business Improvement District provides for economic development, maintenance services and safety programs within the Downtown Area. All services are as defined within the Management District Annual Report, separately bound and on file in the City Clerk's Office, and by reference made a part of this resolution.
- D. This year's assessments are an increase from the previous year, but below the highest authorized amount for this district 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 City Council

- (a) adopts the annual budget set forth in the FY 2006/07 Management Plan; and
- (b) levies the assessment set forth in the FY 2006/07 Management Plan

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

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EXHIBIT A

**Downtown Sacramento
Property and Business Improvement District 2005-02**

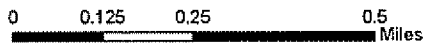
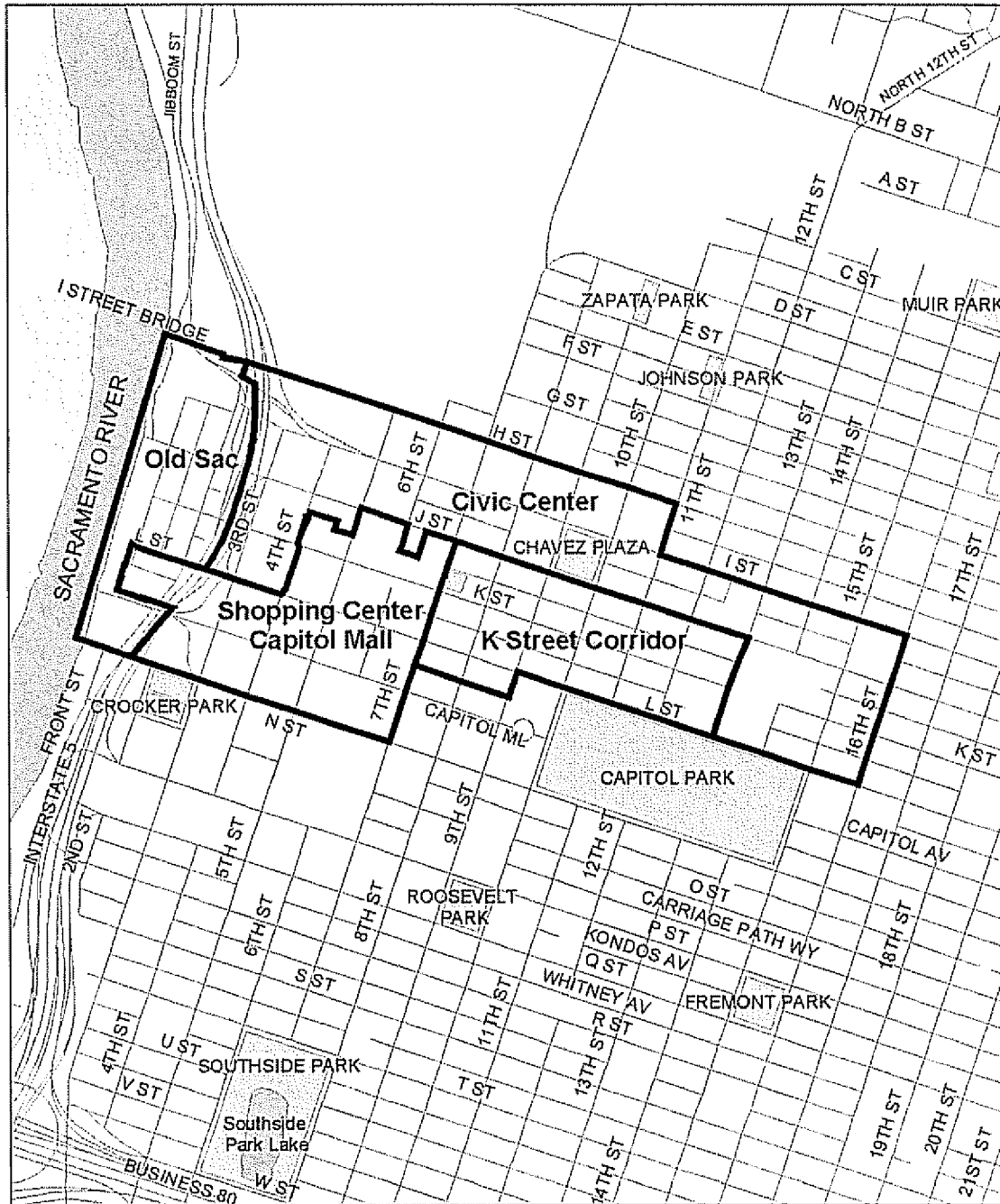


EXHIBIT B

**DOWNTOWN SACRAMENTO
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2006/2007
DISTRICT AND PARCEL ASSESSMENT**

DISTRICT ASSESSMENT

District	FY 2006/07 Budget	Surplus/ (deficit)	FY 2006/07 Assessed
Downtown Sacramento PBID	\$1,957,141	\$6,629	\$1,950,512

PARCEL ASSESSMENT

The assessment rates are adjusted by 4.0% (percent) for inflation as provided under the Property and Business Improvement District Law.

ASSESSMENT RATES

Zone	Sub-District Name	FY 2006/07 Max Authorize Tax Cost/Sq.Ft./Parcel	FY 2006/07 Max Authorize Tax Cost/Sq.Ft./Bldg.
A	1. K Street Corridor	\$0.1434	\$0.0717
B	2. Civic Center	\$0.1200	\$0.0600
C	3. Old Sacramento	\$0.1479	\$0.0740
D	4. Capitol Mall / Plaza	\$0.0446	\$0.0223

RESOLUTION NO. 2006-

Adopted by the Sacramento City Council

AMENDING THE FISCAL YEAR 2006/07 CITY'S BUDGET FOR THE DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FUND 261

BACKGROUND:

- A.** The Downtown Sacramento Property and Business Improvement District ("District"), as depicted in Exhibit A, was established by the City Council and approved by the property owners on June 13, 1995. The District was renewed for 10 more years effective June 14, 2005.
- B.** The City Council established the District under the Property and Business Law of 1994 (California Streets and Highway Code--Sections 36600 to 36671) 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 of 1994.
- C.** 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 C are true and correct.

Section 2. The FY2006 revenue of \$1,950,512 (\$1,957,141 - \$6,629 surplus) and expenditure of \$1,957,141 budget is amended for the District as set forth in Exhibit B.

Section 3. The Finance Director is authorized to expend a portion of the budgeted funds in the amount of \$10,812 for Development Services and for the Department of Finance to provide services for the District, as set forth in Exhibit B, which will be reimbursed by the District.

Section 4. Exhibits A and B are part of this resolution.

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Exhibit A: District Map – 1 Page

Exhibit B: FY2006/07 District Budget & Parcel Assessment – 1 Page

EXHIBIT A

Downtown Sacramento
Property and Business Improvement District 2005-02

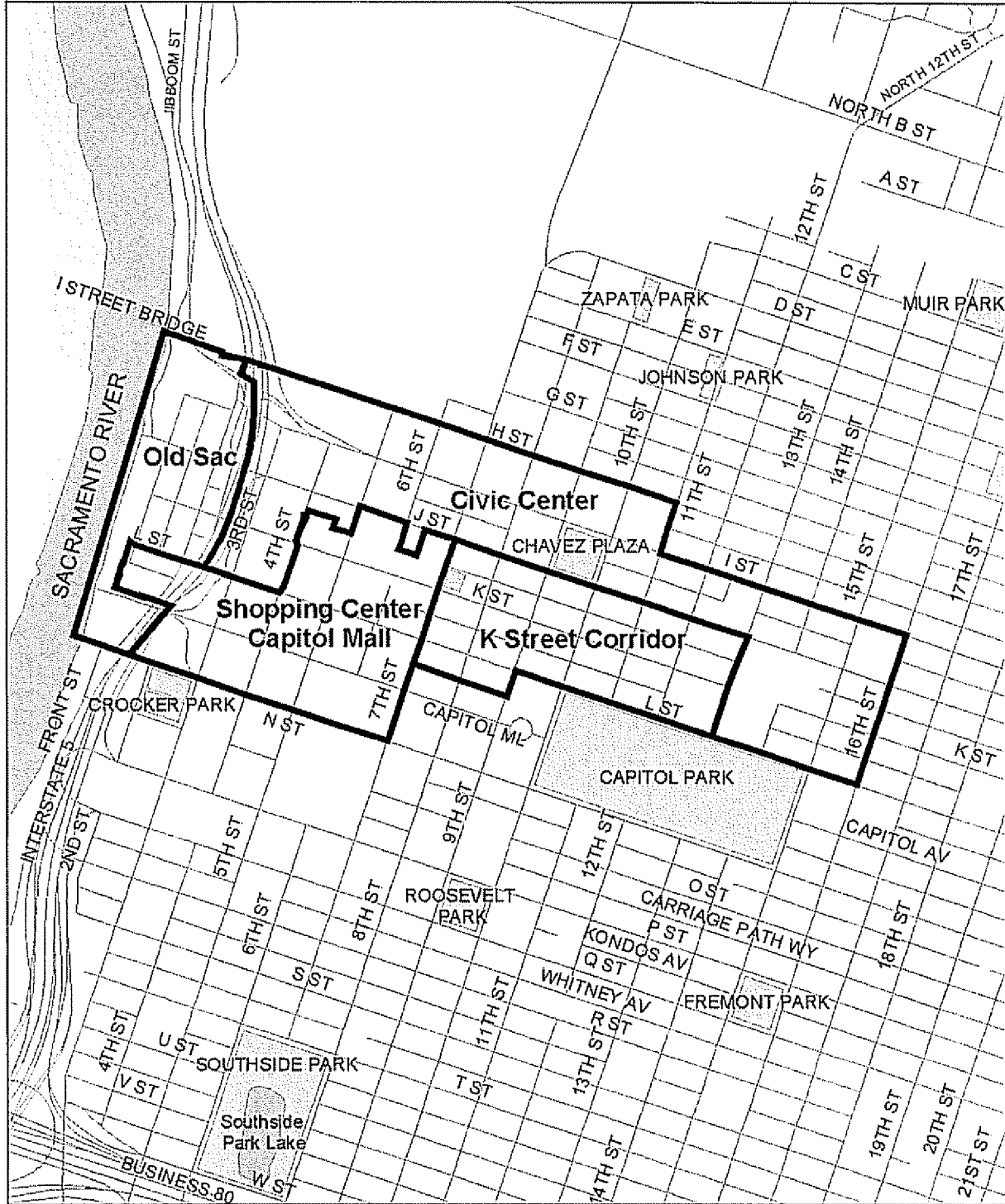


EXHIBIT B

**DOWNTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY 2006/07 BUDGET & PARCEL ASSESSMENT**

Downtown Sacramento PBID	\$1,946,329
Special Districts Administration	2,500
Consultant (Muni) Reporting	672
Finance Administration	713
County Billing Cost	298
Contingency	<u>6,629</u>
Subtotal	\$1,957,141

PARCEL ASSESSMENT

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

ASSESSMENT RATES

Zone	Sub-District Name	Cost/Sq.Ft./Parcel	Cost/Sq.Ft./Bldg.
A	1. K Street Corridor	\$0.1434	\$0.0717
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