



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
June 10, 2010

Honorable Mayor and
Members of the City Council

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

Location/Council District: Council District 8 within the Mack Road Commercial Corridor.

Recommendation: Adopt a **Resolution of Intention** establishing the Mack Road PBID.

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 property owners along the Mack Road commercial corridor have proposed to form the Mack Road PBID (District) with a five-year term. Adoption of the attached Resolution of Intention to establish the District will set the time and place for the Public Hearing on the formation of the District, the proposed assessment, and authorize staff to mail notices to all property owners within the District.

Policy Considerations: The proceedings under which the District is proposed to be formed 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 California Environmental Quality Act (CEQA) guidelines, initiation 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.

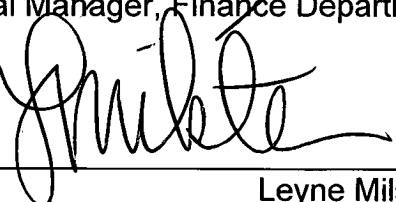
Committee/Commission: None

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. The District does not plan to issue bonds. The District assessment budget for FY2010/11 is \$410,511. The District will receive approximately \$401,350 for operations. The remaining \$9,161 will be retained by the City to cover City administrative costs (details on Exhibit B, page 9). 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, Finance Department

Respectfully Submitted 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 117 parcels (Exhibit "A", Page 8).

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.

PBIDs are formed pursuant to California's "Property and Business Improvement District Law of 1994." PBID's are proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values and sales volume.

The District will deliver services to properties within the Mack Road commercial corridor. The attached resolution sets the time and place for the public hearing and authorizes staff to mail notices to all property owners within the District.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**RESOLUTION OF INTENTION TO ESTABLISH THE MACK ROAD PROPERTY AND
BUSINESS IMPROVEMENT DISTRICT NO. 2010-02**

BACKGROUND:

- A. The property owners within the Mack Road PBID (District) have submitted petitions asking that the City Council establish the District. Included with each petition was a Plan summary and a map showing the boundaries of the District. The map is entitled “PBID Boundary Map.” The petitions, the boundary map, and the Management District Plan (Plan) are on file with the Public Improvement Finance Division (PIF), which has been designated by the Clerks office as the custodian of such records.
- B. The Plan provides for the following improvements and services within the District, all of which are intended to make the District safer, cleaner, and increase the commercial activity: (1) Security services will be provided implementing a security program to coordinate the existing security on Mack Road; (2) Image enhancement, to promote a vibrant commercial center through marketing and advertising along with landscaping and other improvements to beautify the District; (3) Transportation improvements will include efforts to improve the ingress and egress of the commercial areas; (4) Advocacy and administration, to promote business interests and allow the business community to speak with one voice. The Plan proposes to fund these improvements and services through the levy of a benefit assessment on real property within the District.
- C. The City Council finds that the City has received the petitions signed by the property owners in the proposed District who will pay more than 50 percent of the proposed assessment. The City Council thus accepts the petitions and intends to establish the District and to levy an assessment on real property within the District boundaries in accordance with the Property and Business Improvement District Law of 1994 and Sacramento City Code Section 3.92.050.
- D. The Plan, prepared in accordance with the provisions of Streets and Highways Code Section 36622 has been filed with the PIF Division.
- E. The City Council finds that the Plan satisfies all of the requirements of Streets and Highways Code Section 36622.

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 recitals set forth above are true.
- Section 2. The City Council finds that the property owners who will pay more than 50 percent of the assessment proposed in the Plan have signed the petitions. The City Council thus accepts the petitions and intends to establish the District and to levy an assessment on real property within the District boundaries in accordance with the Property and Business Improvement District Law of 1994 and Sacramento City Code Section 3.92.050. In the first year of the 5-year term, the proposed assessment budget is approximately \$410,511 as shown on Exhibit B to this resolution.
- Section 3. Exhibits A and B are part of this resolution.
- Section 4. The City Council finds that the Plan satisfies all requirements of Streets and Highway Code Sections 36622 and 36660.
- Section 5. The exterior boundaries of the PBID are shown on the “PBID Boundary Map” attached to this resolution as Exhibit A.
- Section 6. No bonds will be issued for this District.
- Section 7. The time and place for the public hearing on the establishment of the District and the proposed assessment is set for July 27, 2010, at 6:00 p.m. in the City Council chambers, New City Hall, 915 "I" Street (first floor), Sacramento, California. The City Council may continue the public hearing from time to time.
- Section 8. The City Clerk is directed to give notice of the time and place of the public hearing in accordance with Streets and Highways Code Section 36623. The City Clerk is to do this by mailing (or causing to be mailed) written notices and assessment ballots in the time, form, and manner provided by Government Code Section 53753 to all persons who own real property that is within the District and will be subject to the proposed assessment. The forms of the notices and ballots must be approved by the City Attorney. The City Clerk is further directed to file an affidavit with the City Council when all notices and ballots have been mailed, setting forth the time and manner of her compliance with the requirements of law for mailing the notices and ballots.

Section 9. At the public hearing, the City Council will consider all objections or protests to the proposed assessment, and any interested person will be permitted to present written or oral testimony. At the conclusion of the public hearing, all ballots submitted and not withdrawn will be tabulated in accordance with Government Code Section 53753.

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

EXHIBIT A

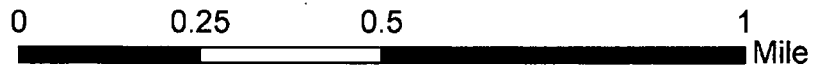
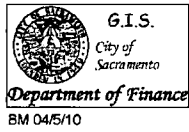
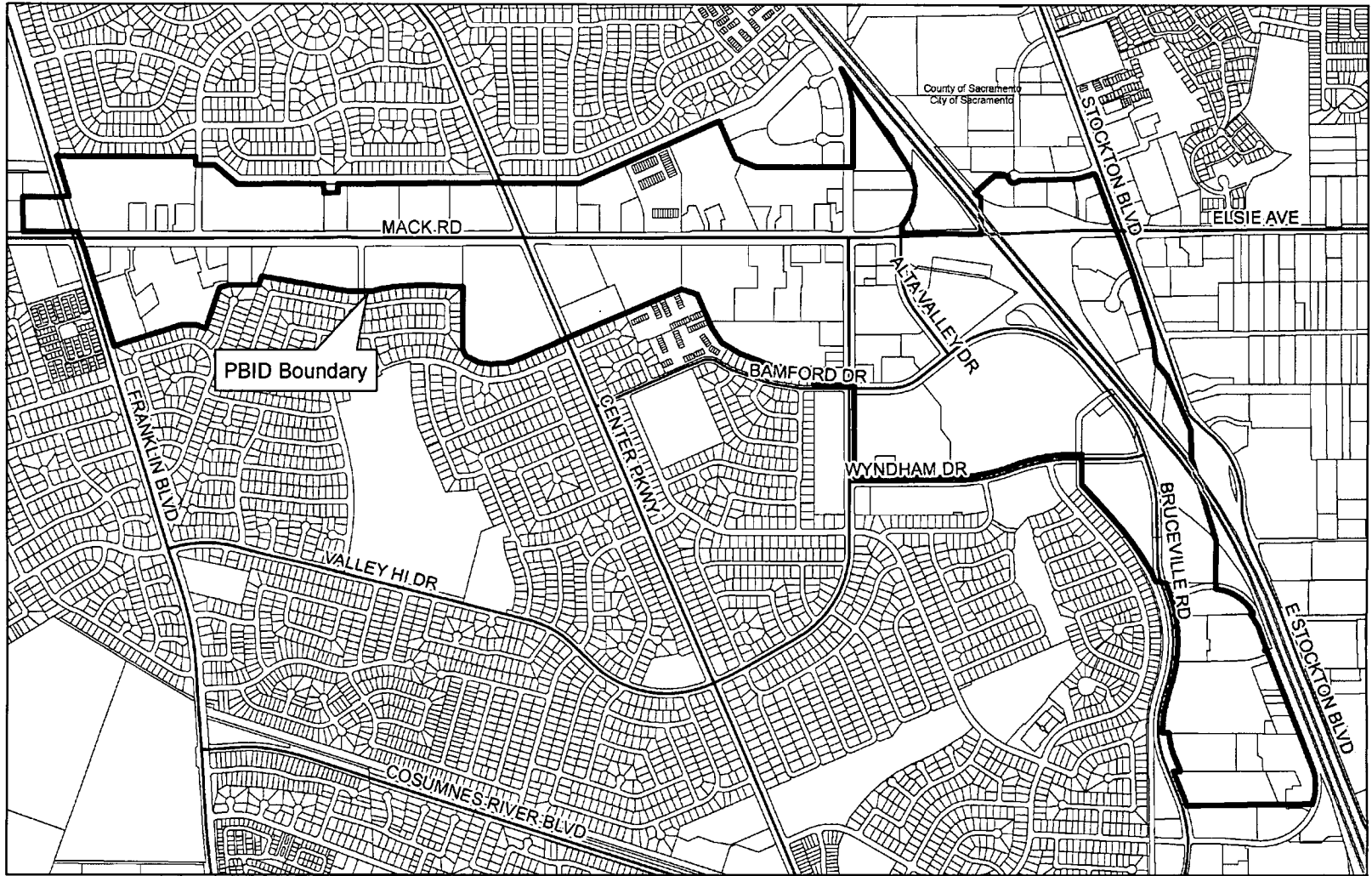


EXHIBIT B

**MACK ROAD
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2010/2011 DISTRICT BUDGET & PARCEL ASSESSMENT**

Total Assessment Budget		\$410,511
Total Revenue		<u>\$410,511</u>
Special Districts Administration	\$7,500	
Consultant (NBS) Reporting	250	
Finance Administration	1,276	
County Billing Cost	<u>135</u>	
Less: Total City Administration Expense		<u>\$9,161</u>
Estimated Total PBID Disbursement		<u>\$401,350</u>

ANNUAL PARCEL ASSESSMENT

Zone	Rate per parcel square foot
1	\$0.03
2	\$0.02

Annual assessment rates are based on special benefit received. These special benefits have been calculated based on an allocation of program costs and a calculation of parcel square feet. The assessment rates vary based on zone location. Assessment rates may be subject to an increase of no more than 3% per year.