



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2017-00274

May 16, 2017

Consent Item 06

Title: Central Midtown Restaurant Business Improvement District No. 2017-02: Public Meeting (Noticed 04/21/2017)

Location: District 4

Recommendation: Conduct a public meeting regarding the proposed formation of the Central Midtown Restaurant Business Improvement District No. 2017-02.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:

1-Description/Analysis

2-Schedule of proceedings

Description/Analysis

Issue Detail: The business owners of food and beverage establishments within the boundaries of the Central Midtown Restaurant Business Improvement District (BID) have petitioned the City to form the district for a five-year term. If approved, the BID will deliver services solely to food and beverage establishments available for public occupancy within the proposed BID area.

The annual assessment rate would be 1.5% of gross sales and excludes the sale of alcohol, retail merchandise, and services. The BID provides a level of safety and economic development services above what the City currently provides. The lighting, safety improvements, special events, and advertising will be focused solely on increasing business revenues for the restaurants and food services within the district.

On April 18, 2017, Council approved the Resolution of Intention to establish the BID and set May 16, 2017 and June 6, 2017 as the dates for the public meeting and public hearing, respectively for the proposed formation of the BID. A Joint Notice of Public Meeting and Public Hearing was mailed to business owners in the BID on April 21, 2017.

The public meeting is a venue for affected business owners in the BID to protest the formation proceedings. No formal action will be taken by Council subsequent to the conclusion of the public meeting.

Policy Considerations: The actions in the recommended Resolution are required by the California Streets and Highways Code Part 7 (beginning with Section 36600) of Division 18.

Economic Impacts: Not applicable.

Environmental Considerations: The formation of a BID does not constitute a project under the California Environmental Quality Act and is therefore exempt from review pursuant to Guidelines Section 15378(b)(4).

Rationale for Recommendation: District services include economic development services above what the City currently provides. This includes focused marketing, outreach and other activities to convey a positive image, expand existing businesses, and attract new businesses to the BID.

Financial Considerations: The BID is self-supporting and has no impact to the General Fund. Financing is provided by the levy of assessments upon businesses that benefit from the improvements and services.

The operating budget for the BID, which will fluctuate with market conditions and the gross sales of assessed businesses, will be adjusted annually to reflect Council approved assessments and expenditure plans. An annual report, setting the budget based on the MDP, will be presented to the City Council prior to June 6, 2017, and once a year thereafter, as required by the MDP and pursuant to Streets and Highways Code Section 36650.

Local Business Enterprise (LBE): Not applicable.

Background: If established, the proposed Central Midtown Restaurant Business Improvement District (BID) will be comprised of approximately 19 businesses within the BID boundaries. The BID is a benefit assessment district formed by the business owners to fund safety and lighting programs in order to create a safer environment for patrons and visitors to the BID area. The BID will also provide placemaking services, arts and event programs that will focus on attracting patrons to the assessed businesses by funding family/neighborhood friendly programming in public spaces such as streets, alleyways and parking lots. The sponsored programs will focus on arts and annual signature events that drive restaurant sales.

The district's Board of Directors has prepared the Management District Plan (MDP), which is on file with the Public Improvement Finance Division of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts. The MDP is a comprehensive document that describes the process of forming the BID, levying the assessment, and providing the services identified by the business owners.

Majority Protest Criteria:

After the close of the public hearing, scheduled for June 6, 2017, the City Clerk will certify whether or not a majority protest exists with regard to the formation of the BID. Section 36623 of the PBID Law states that a majority protest exists if the owners of businesses that will pay 50% or more of the proposed assessment submit written protests against formation of the District prior to the close of the public hearing. If a majority protest exists, Council is required to abandon the formation proceedings and take no further action to levy an assessment on the businesses within the boundaries of the BID for at least one year.

The City's established procedures for the calculation of the protest weight are as follows. Each business, subject to the assessment, is assigned a protest weight equal to the amount of the individual business assessment as a percentage of the total assessment. The individual business assessment is equal to the assessment submitted to the City over a 12-month period. For new businesses, with less than 12 months of payments to the City, the payment data is annualized to project 12 months of payments. For new businesses with no payments to the City, the business assessment is estimated based on payments made by businesses of a

similar size and product. The assigned weight for each business reflects the amount of the estimated payments that will be remitted by the businesses during the first year of formation.

Boundary Map

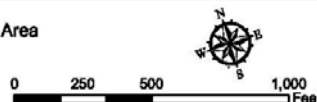
The ROI map inadvertently included parcels west of the train tracks. Parcels along the Northeast corner of the boundaries have also been removed. The final District boundaries are highlighted in blue.

Proposed Central Midtown Restaurant Business Improvement District No. 2017-02



City of SACRAMENTO
Finance Department
BMueller, 05/10/17

Proposed Central Midtown Restaurant BID Area
Parcels removed post ROI



SCHEDULE OF PROCEEDINGS

CENTRAL MIDTOWN RESTAURANT BUSINESS IMPROVEMENT DISTRICT NO. 2017-02

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|----------------|---|
| March 1, 2017 | Petition Drive Kick-off |
| April 3, 2017 | Signed Petitions to City |
| April 18, 2017 | Resolution of Intention – City Council |
| April 21, 2017 | Mail Notices of Public Meeting and Public Hearing |

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| May 16, 2017 | City Council – Public Meeting |
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| June 6, 2017 | City Council - Public Hearing (Minimum 45 Days After Noticing) |
| June 13, 2017 | City Council - Results |
| July 1, 2017 | Collections begin for newly formed District |