



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2022-00816

May 17, 2022

Consent Item 03

Title: Central Midtown Restaurant Business Improvement District No. 2022-02 – Public Meeting (Noticed 04/27/2022)

Location: District 4

Recommendation: Conduct a public meeting regarding the proposed renewal of the Central Midtown Restaurant Business Improvement District No. 2022-02.

Contact: Sini Makasini, Development Project Manager, smakasini@cityofsacramento.org, (916) 808-7967; Sheri Smith, Special Districts Manager, ssmith@cityofsacramento.org, (916) 808-7204, Department of Finance

Presenter: None.

Attachments:

1-Description/Analysis

2-Schedule of Proceedings

3-District Map

Description/Analysis

Issue Detail: The Central Midtown Restaurant Business Improvement District (District) levies assessments on restaurants in the district to provide a higher level of services (including lighting, safety, and economic development) for restaurants in the District than what is provided by the City. On June 20, 2017, Council approved the initial formation of the District for a five-year term (Resolution No. 2017-0255). The District was formed under the California Property and Business Improvement Law of 1994. As the original term expires on June 30, 2022, restaurant owners within the District submitted a petition to the City for renewal of the District for a ten-year term that would run through June 30, 2032.

On April 26, 2022, Council adopted a Resolution of Intention to renew the District (ROI) which set May 17, 2022 and June 14, 2022 as the dates for the public meeting and public hearing, respectively. A joint notice of the public meeting and public hearing was mailed to restaurant business owners in the District on April 27, 2022.

The annual assessment rate for the renewal term would be 1.5 percent of gross food sales revenue including takeout and to-go sales plus a fixed amount based on the maximum occupancy for each restaurant. The assessment would not be collected on gross alcoholic beverage sales, and gross retail sales (such as coffee mugs, t-shirts, etc.). The fixed assessment amount (based on occupancy) is in addition to the gross food sales assessment.

Affected business owners in the District may provide objections or otherwise protest the renewal proceedings at the public meeting. No formal action will be taken by Council at the public meeting. Per the ROI, Council will hold a public hearing and take formal action on the renewal on June 14, 2022.

Policy Considerations: The recommended actions in this report are in accordance with the California Property and Business Improvement District Law of 1994 (California Streets and Highways Code section 36600 et seq.).

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): Renewal of the District creates a funding mechanism for services and does not have a significant impact on the environment. Accordingly, renewal of the District does not in itself constitute a project under CEQA and is therefore exempt from review pursuant to CEQA Guidelines section 15378(b)(4).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: The public meeting is a required step in the renewal process and its completion will allow the District renewal activities to continue. District services will enhance economic development and safety services above what the City currently provides. The District's services will include lighting, safety, placemaking, outreach, and other activities to convey a positive image within the restaurant corridor, resulting in increased economic activity and revenue.

The Midtown Association (Owners' Association), which is a nonprofit entity that serves as the governing body of the District, serves as a key partner to the City's economic development efforts, particularly in the area of enhancing a clean and safe environment in the District, while providing increased marketing efforts for the District. In addition, the Owners' Association has the potential to serve as a critical partner in identifying both business needs and opportunities, as it will in many instances be the first entity contacted by local restaurant businesses.

Financial Considerations: Financing is provided by the levy of assessments upon restaurant businesses that receive specific benefits from the services provided by the District. There are 11 participating restaurant businesses in the District service area. The total District assessment budget for the first year of the renewal will be approximately \$200,000. The District is self-supporting and has no impact to the General Fund.

Local Business Enterprise (LBE): Not applicable.

SCHEDULE OF PROCEEDINGS
CENTRAL MIDTOWN RESTAURANT
BUSINESS IMPROVEMENT DISTRICT NO. 2022-02

March 15, 2022	Petition Drive Kick-off
April 26, 2022	Resolution of Intention – City Council

May 17, 2022	City Council – Public Meeting
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June 14, 2022	City Council - Public Hearing
June 21, 2022	City Council - Results
July 1, 2022	Collections begin for the District

Central Midtown Restaurant Business Improvement District No. 2022-02

