



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
June 24, 2008

Honorable Mayor and
Members of the City Council

Title: 12th Street Maintenance District No. 90-03 - Fiscal Year 2008/09 Budget

Location/Council District: The district is located on 12th Street between "C" and "I" Streets in Council Districts 1 and 3 (Exhibit A, Page 7)

Recommendation: Adopt a **Resolution** establishing the service fee for the 12th Street Maintenance District.

Contact: Salina Cheung, Program Specialist, (916) 808-5236; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis:

Issue: The 12th Street Maintenance District No. 90-03 ("District") is required by the City Code to present an annual budget to City Council for approval. Approval of the annual budget will authorize the City to collect service fees to provide funding for maintenance of the 12th Street District in Fiscal Year ("FY") 2008/09. However, the annual service fee is not sufficient to cover the costs of the District, and the current maintenance contract will expire at the end of December 2008. To continue the services, property owners may choose to form a new District that allows a higher service fee to be charged. Alternatively, the property owners may choose to dissolve the District and to contract with private maintenance firms on their own.

The City initiated the formation proceedings of a new district, the 12th Street Maintenance District No. 2008-02, on June 17, 2008. A public hearing is scheduled on August 7, 2008. Depending upon whether the new district is approved or not, property owners will be assessed either the new service fee amount or the current service fee amount for FY 2008/09.

Policy Considerations: The annual proceedings are being conducted in accordance with City Code chapter 3.128. This process is consistent with the City's Strategic Plan 3-Year Goal to "achieve sustainability and enhance livability."

Environmental Considerations: Under the CEQA guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

Committee/Commission: None

Rationale for Recommendation: The actions in the recommended Resolution are required by City Code chapter 3.128.

Financial Considerations: The service fees are used to defray expenses associated with the maintenance services and administration provided in the District. The Departments of Transportation and Planning have both reduced their respective administration costs in order to keep total expenses within the available revenue and contingency. The fee for FY2008/09 will remain at \$1.48 per linear foot of 12th Street frontage which is the maximum allowed.

The total cost of the District for FY2008/09 is \$5,310. The amount charged to the property owners is proposed to be \$118 for a typical 80 foot wide parcel for total district fee revenues of \$5,310. There is no impact to the General Fund.

Formal amendment to the City's FY2008/09 Budget will be brought under separate action after adoption of the Citywide budget.

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, Planning Department

Approved by: _____


Carol Shearly
Director, Planning Department

Recommendation Approved:


Ray Kerridge
City Manager

Table of Contents:

	Report	Pg 1
Attachments		
1	Background	Pg 4
4	Resolution, Adopting Annual Budget and Fixing Fee.....	Pg 5
	Exhibit A, Map of District	Pg 7
	Exhibit B, Annual Budget	Pg 8
	Exhibit C, Service Fee Schedule.....	Pg 9

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BACKGROUND

On April 3, 1990, City Council adopted Resolution No. 90-245 (the "District") approving the formation of the 12th Street Maintenance District. The District was formed under City Code chapter 3.128 as a maintenance benefit area for the purpose of funding services that are over and above normal services provided by the City. The maintenance services include the following:

- Weekly (one time per week) clean-up of the sidewalks and gutters, litter pick-up and weed control in the landscaped areas.
- Shrub & tree pruning (for trees less than 15 feet high) performed up to 4 times per year.
- Leaf collection and removal during the fall/winter seasons.

The District includes 41 commercial parcels within a seven block area along both sides of 12th Street from "C" Street to "I" Street. The fees are charged by front footage. The annual fee for a typical 80 foot wide lot is \$118 per year (\$1.48 per linear foot).

Since 1997, the annual service fee rate has remained the same without any increases. However, the annual service fee has become insufficient to cover all the maintenance and administration costs. In the past few years, the fund balance of the District was used to cover some of the costs. Unfortunately, the fund balance has now been completely depleted.

In order to provide funding for the remainder of the current maintenance contract, staff recommends levying the District for the last time in Fiscal Year (FY) 2008/09. After the current maintenance contract expires at the end of December 2008, the District will not have enough funding to provide services within the District area. Property owners will have to decide whether to continue the services through the City by forming a new District or to dissolve the District.

If the property owners choose to form a new District, they will be assessed the new District's service fee rate for FY08/09 and there would be no interruption with the maintenance services. However, if the property owners choose not to form a new District, they will be responsible for the maintenance services or they may contract with private maintenance firms to continue the maintenance services beginning January 1, 2009.

Property owners were surveyed during 2006 to determine their preference for the future of the District. The result showed that 52.4% of the votes preferred to continue the maintenance services within the District area with an increased service fee. Since the majority of the owners prefer to continue the maintenance services provided through the City, staff initiated the proceedings to form a new District, which would allow a higher annual service fee rate and the flexibility to increase the rate with consumer price index adjustments if the new district's costs increase.

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING THE FISCAL YEAR (FY2008/09) BUDGET FOR THE 12th STREET MAINTENANCE DISTRICT AND ESTABLISHING THE SERVICE FEE CHARGED TO OWNERS OF PROPERTY WITHIN THE DISTRICT

BACKGROUND:

- A. The 12th Street Maintenance District was established by the City Council on April 3, 1990 by Resolution No. 90-245.
- B. Property owners within the boundaries of the District, shown on Exhibit A to this Resolution, are charged a service fee to cover the cost of delivering maintenance services that are greater than normal city services.
- C. The City 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 City Council has determined that the FY2008/09 costs for the 12th Street Maintenance District are as shown on Exhibit B to this resolution.

Section 3. The City Council has determined that the additional costs shall be wholly borne by the property owners in the area.

Section 4. The City Council fixes the fee for each property owner as shown on Exhibit C to this resolution and orders the fee be placed on the County Assessor's Tax Roll for FY2008/09.

Section 5. Exhibits A, B, and C are part of this resolution.

Table of Contents:

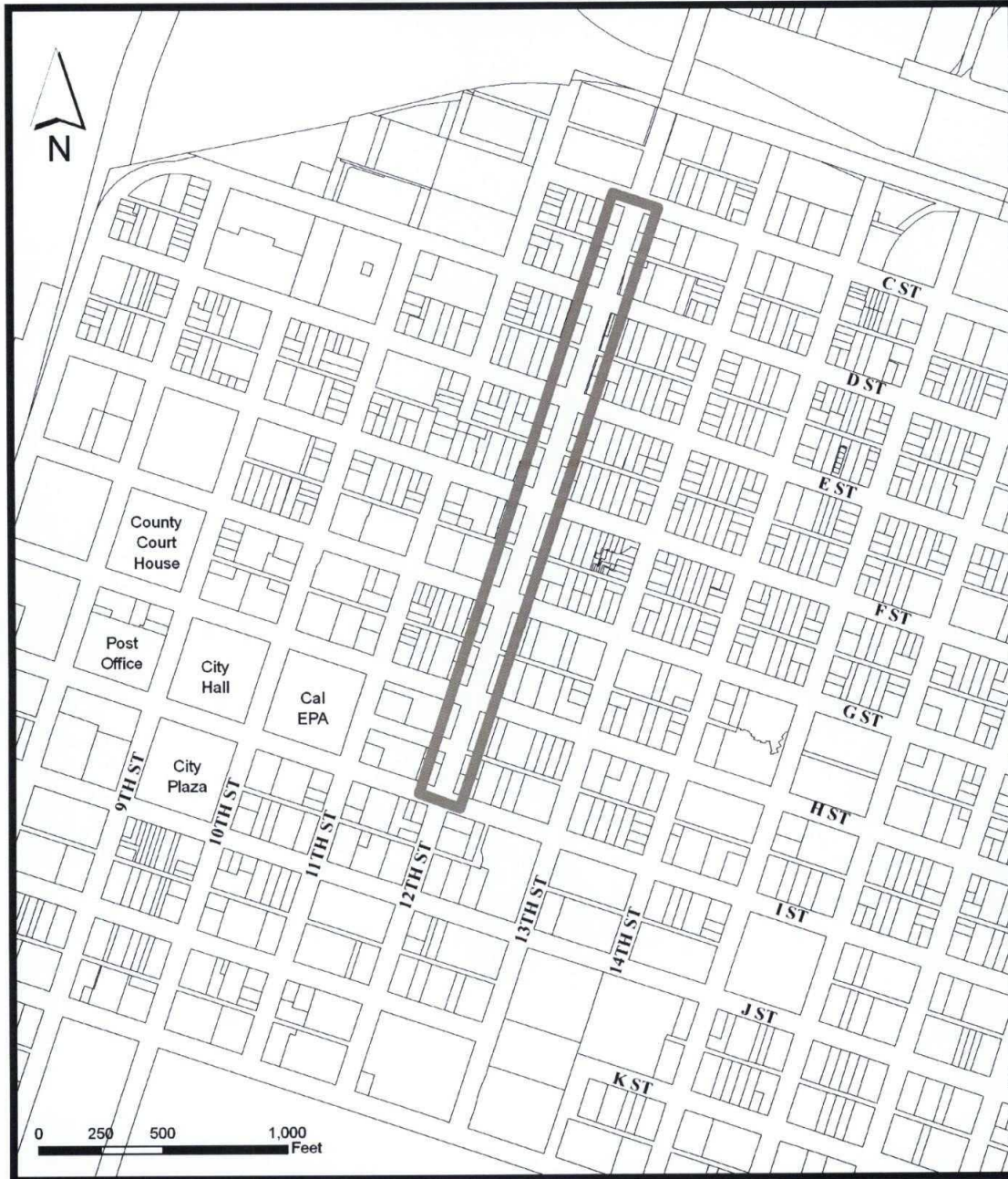
Exhibit A: District Map

Exhibit B: FY2008/09 District Budget and Service Fee

Exhibit C: Service Fee Schedule

EXHIBIT A

12th Street Maintenance District



 Maintenance Area



Usersarea Brent Maps 12th Street Maintenance District.mxd BMieller 6/20/06

EXHIBIT B**12TH STREET MAINTENANCE DISTRICT
FY 2008/09 BUDGET**

Department of Transportation – Street Maintenance	
Maintenance Contract Cost	\$ 3,329
Contract Administration & Inspection	450
Department of Finance – Accounting	
Finance Administration	761
County Billing Fee	99
Parcel Recording	291
Planning Department	
Public Improvement Financing Administration	380
Subtotal	\$ 5,310
Total Service Fees Charged To Property Owners	\$ 5,310

DISTRICT FEE REVENUES

Neighborhood	FY 2008/09 Budget	Surplus/ (deficit)	FY 2008/09 Fees charged
12 th Street Maintenance District	\$5,310	\$0	\$5,310

SERVICE FEE

Neighborhood	Maximum Authorized Per Linear Foot	FY 2007/08	FY 2008/09
12 th Street Maintenance District	\$1.48	\$1.48	\$1.48

EXHIBIT C

**12th Street Maintenance District
Service Fee Schedule FY2008/09**

Assessment No.	Parcel No.	Frontage (linear feet)	Service Fee
1	00200750110000	80	\$118.40
2	00200750240000	80	\$118.40
3	00200750140000	40	\$59.20
4	00200750150000	40	\$59.20
5	00200750160000	80	\$118.40
6	00200820020000	80	\$118.40
7	00200820010000	80	\$118.40
8	00200820160000	27	\$39.96
9	00200820240000	11	\$16.28
10	not used	0	\$0.00
11	00201150110000	80	\$118.40
12	00201150120000	80	\$118.40
13	00201150130000	160	\$236.80
14	00201160080000	100	\$148.00
15	00201160580000	80	\$118.40
16	00201160110000	80	\$118.40
17	00201210360000	65	\$96.20
18	00201210340000	80	\$118.40
19	00201210320000	85	\$125.80
20	00201220010000	90	\$133.20
21	00201220020000	70	\$103.60
22	00201220250000	40	\$59.20
23	00201220240000	120	\$177.60
24	00201570070000	120	\$177.60
25	00201570080000	40	\$59.20
26	00201570130000	160	\$236.80
27	00201560110000	80	\$118.40
28	00201560120000	80	\$118.40
29	00201560130000	80	\$118.40
30	00201560140000	80	\$118.40
31	00201610010000	160	\$236.80
32	00201610200000	80	\$118.40
33	00201610190000	80	\$118.40
34	00201620010000	160	\$236.80
35	00201620200000	160	\$236.80
36	00600450020000	140	\$207.20

Assessment No.	Parcel No.	Frontage (linear feet)	Service Fee
37	00600460010000	47	\$69.56
38	00600460070000	93	\$137.64
39	00201160090000	60	\$88.80
40	not used	0	\$0.00
41	not used	0	\$0.00
42	00600510210000	160	\$236.80
43	00600510170000	80	\$118.40
44	00600510160000	80	\$118.40
45	not used	0	\$0.00
46	not used	0	\$0.00
Total		3,588	\$5,310.24