



Ag. Rpt. 32

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

May 17, 1982

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

APPROVED  
BY THE CITY COUNCIL

MAY 25 1982

CITY MANAGER'S OFFICE  
**RECEIVED**  
APPROVED  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

Honorable Members in Session:

OFFICE OF THE  
CITY CLERK

SUBJECT: Establishment of Maintenance Benefit Area in Old Sacramento

MAY 25 1982

## SUMMARY

This report regards the legal, financial and practical issues involved in the formation of a maintenance benefit area in Old Sacramento.

## BACKGROUND

At the request of the Budget and Finance Committee on November 24, 1981, Agency staff was directed to research the possibility of the formation of a maintenance benefit area in Old Sacramento. In order to accomplish this task, the following activities were completed:

1. Identification of the various options available to structure, finance and service the district;
2. Review of the current level of services performed for this area and the associated costs; and
3. Determination of the additional services and fees necessary to satisfy the Old Sacramento merchants and property owners (e.g., maintenance, lighting, landscaping, etc.).

## Legal Authority

The legal authority for the City of Sacramento to establish a maintenance benefit area is established in Chapter 55 of the City Code. Under this procedure the City can assess property owners a maintenance service fee for "any service rendered by the City in maintaining public property which is in addition to the level of service

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generally provided for comparable public property not included in a maintenance benefit area". One of the following methods can be used to assess property owners service fees: 1) a flat service fee per parcel, 2) per front footage of each parcel, 3) per parcel size, 4) a combination of any of the first three methods, or 5) any other method other than an ad valorem tax or special tax. The establishment of the maintenance benefit area requires majority approval of the City Council and cannot proceed if a majority protest of the property owners has been filed. Majority protest in this context means a "protest filed by the owner or owners of real property within the proposed maintenance benefit area who would pay the majority of the estimated service fee stated in the resolution of intention".

## Research Development

Upon discussions with the various City Departments which perform service functions for Old Sacramento, a list of the current level of services was compiled (see Appendix A) to utilize as the baseline service levels for the development of the maintenance benefit area. This information was presented to a group of Old Sacramento Citizens and Merchants Association board members and property owners for input regarding the additional service requests desired for the area. During these meetings numerous questions and comments arose concerning present service levels and additional requests for services (see Appendix B). Feedback was received from the different City Departments concerning these comments and rough cost estimates for the additional services were developed for the recommended activities. These figures were returned to the Committee along with information concerning the various methods which could be utilized to assess property owners for these additional service fees (see Appendix C). This same information was presented at a meeting held for all property owners on March 17, 1982. Upon a review of the City maintenance benefit ordinance, it has been determined that additional security costs cannot be included as an eligible activity under this ordinance. Therefore, those activities were eliminated from consideration. The final additional activities are presented below:

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## Estimated Costs for Additional Services Requested for Old Sacramento

### I. Waste Removal Division

|   |            |
|---|------------|
| A. Perform holiday street sweeping (\$184/day x 12 holidays)  | \$2,205    |
| B. Clean under handicapped ramps (purchase of back-pack blower and maintenance - no additional labor expense) | <u>286</u> |
|   | \$2,491    |
| Contingency @7%   | <u>174</u> |
|   | \$2,665    |

### C. Remove trash/sweep boardwalks

#### City Personnel

4-1/2 hours (MWF) or 13 hours per week -  
approximately \$10,120

vs.

#### Private Maintenance Service

4-1/2 hours x 3 days x 52 weeks x \$7.50 5,265

### II. Billing Costs

Administration (approximately 59 accounts billed once per year x \$3 per account) 177

TOTAL ESTIMATE \$8,107

### Assessment Techniques

The different assessment techniques were compiled as a result of a survey which was performed of various cities in the State which were operating/developing assessment districts (San Diego, San Francisco, San Jose, Stockton, etc.). Most cities utilized traditional approaches for assessment fee structures (lineal front footage

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or per parcel square footage), however, the method utilized by one area, the San Diego Gas Lamp Quarter, included a more comprehensive approach to developing its formula. It appears a technique based on this comprehensive analysis (front footage, parcel size and number of floors) represents the most equitable method to allocate costs (see Appendix C).

## IMPORTANT ISSUES

On the basis of staff analysis and citizen input on this subject, the following issues/concerns have surfaced during the development of this research:

1. Service Levels - Businesses and property owners in Old Sacramento deny they are receiving the services that City Maintenance Divisions have reported. They strongly question the quality and quantity of these baseline service levels.
2. Cost Comparisons - Arguments have arisen concerning comparable maintenance costs in relation to other areas of the City. These arguments stem from the belief that it is questionable whether Old Sacramento is receiving its "fair share" of the maintenance budget. Although staff has reviewed other service levels performed in the City to determine whether the service levels are comparable (see Appendix D), data does not exist to make an equitable comparison for actual per square foot maintenance costs for the area. This is attributed to the fact that although the total maintenance costs are available, for example, for both the Old Sacramento and K Street Mall areas, there are unique maintenance characteristics of each area which preclude accurate cost comparisons (i.e., fountains, boardwalks, landscaping).
3. Administrative Control of Funds - Due to the strong reservations about the quality of the service currently being performed in the area, business and property owners are reluctant to financially support any increase in service costs for this area. A number of individuals expressed interest in the formation of a joint public/private maintenance committee to oversee the administration of the maintenance in Old Sacramento. Their budget would include both the City funds currently budgeted for the area and, if necessary, any additional assessment fees which would be obtained through the development of a maintenance area. This structure

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would allow them to have tighter control over the quality of the services and provide them with more assurances that additional service fees would actually assist in alleviating the existing maintenance problems.

A cursory review of this issue by City legal staff indicates the authority for the formation of a joint committee is not clearly established in either the City Maintenance Benefit Area ordinance or in the State of California Code for the establishment of maintenance districts (Sections 5820 et seq. or the Street and Highways Code within the Improvement Act of 1911). Therefore, it is questionable whether this action could be constituted as a lawful delegation of authority.

## STAFF RECOMMENDATION

Due to the strong negative feelings toward the entire maintenance issue in Old Sacramento, staff believes it is premature to proceed with the formation of a maintenance benefit area at this time. Until the underlying problems are remedied, the necessary support for the development of this district cannot be obtained. Therefore, the following actions are recommended:

### 1. Utilization of Public funds:

Due to the minimal costs of additional service requests (\$7,930 or approximately \$12,000 if performed by City staff) it is recommended that these increases be considered as part of the normal City budget review process. In addition to the City General Funds, Agency P.I.L.O.T. funds represent another potential source of financing for this project.

### 2. Recommendation in absence of public funds:

As it appears the formation of a joint private/public committee to oversee the administration of the maintenance funds is not possible through the authority established in the City ordinance, it is recommended that the property owners and/or merchants develop an independent association in which they assess members for these services. The activities covered in their association could address on a comprehensive basis the needs of the area, i.e., maintenance, security, promotional and advertising activities, etc. The formation of an independent association would provide these individuals with the necessary controls they feel are fundamental for effective administration.

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A draft report outlining the above staff recommendations was presented to the Old Sacramento Citizens and Merchants Association on April 20, 1982. The Association is in concurrence with this staff recommendation (see letter attached as Appendix F).

## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of May 17, 1982 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the staff recommendations. The votes were recorded as follows:

AYES: Dickinson, Fisher, Kneprath, Luevano, A. Miller,  
B. Miller, Walton

NOES: Angelides

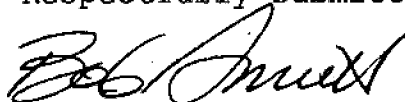
ABSENT: Teramoto

## GENERAL RECOMMENDATION

In the future, staff recommends that subjects dealing with maintenance benefit area formations be handled by City staff for the following reasons:

1. The legal authority to develop a maintenance benefit area is established through a City ordinance, therefore, assistance for legal interpretations is required through City legal staff.
2. All maintenance activities are provided through City Departments. Identification of current activities and representation of these items is best handled directly by these individuals. Maintenance specialists trained and experienced in these areas are best prepared to assess the adequate service levels necessary to obtain the levels of quality required by property owners. Creating an additional party in this process is counterproductive to program development.

Respectfully submitted,



WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

  
\_\_\_\_\_  
WALTER J. SLIPE  
City Manager

Contact Person: Leo T. Goto

CURRENT LEVEL OF SERVICES IN OLD SACRAMENTO

| <u>Service</u>        | <u>Entity</u>  | <u>Level</u>   |
|-----------------------|--|--|
| Street Sweeping       | City Engineering<br>Division of Waste Removal                  | One City employee mechanically sweeps three (3) times per week (Monday, Wednesday, Friday) except on holidays (2:30 a.m. - 3:30 a.m.)<br><br>One City employee manually sweeps areas unavailable to mechanized sweeping (e.g., corners, parked car spots and areas of especially dense litter) except holidays         |
| Refuse Collection     | City Engineering<br>Division of Waste Removal                  | The employee who manually sweeps the area also empties 48 streetside litter containers twice each day, seven days per week (4:30 a.m. - 7:30 a.m. and 11:00 a.m. - 12:00 p.m.)<br><br><u>Note:</u> Budget amendment created funding for 15 litter containers - to include both replacement/additional locations        |
| Boardwalk Maintenance | Department of General Services - Facility Maintenance Division | Maintenance handled on an "as needed" basis except when twice a year boardwalks are inspected and repaired during a one week period.   |
| Street Lights         | Department of General Services - Facility Maintenance Division | 111 Street lights - "as needed" maintenance  |
| Security              | Police Department  | In addition to patrol car inspections performed for downtown area, the following walking beat services are provided:<br>7:00 a.m.-5:00 p.m. Seven-day shift for one patrol officer<br>5:00 p.m.-3:00 a.m. Four-day shifts for two officers (one day-Saturday overlap)<br>3:00 a.m.-7:00 a.m. None during evening shift |
| Landscaping           | City Park and Recreation                                       | Performed both under contract with a private landscaper and with City Personnel for parking and landscaped areas owned by City   |

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ADDITIONAL SERVICES REQUESTED/COMMENTS RECEIVED

I. Waste Removal

A. Street Sweeping

- 1. Wash streets and alleys once a week during non-rain periods
- 2. Clean under handicapped ramps
- 3. Perform service on holidays

B. Refuse Collection

- 1. Perform service on holidays
- 2. Whose responsibility is trash clean-up on boardwalks?
- 3. "Type" of trash collections

II. Facility Maintenance

A. Boardwalks

- 1. Criteria for boardwalk repair/replacement
- 2. Increase inspection of boardwalks from two to four times per year
- 3. Request for meetings with OSCMA prior to inspections

B. Street Lights

Current level sufficient

III. Security

- A. Provide additional police officer walking beat services on Friday and Saturday evenings and Saturday and Sunday days
- B. Request for elimination of Monday as overlap day
- C. Question of whether time period from 5:00 - 7:00 p.m. covered
- D. Request for increased visibility of officers

IV. Landscaping

Sufficient

V. Other

- A. Addition of a public restroom between under-freeway passage and Second Street on K
- B. Comparable service levels in City



DRAFT ROUGH ESTIMATES OF  
SAMPLE ASSESSMENT METHODS  
ESTIMATED FIRST YEAR COST = \$8,100

| <u>PROPERTY</u>   | <u>A</u><br>Parcel Size<br>@.026c | <u>B</u><br>Front<br>Footage<br>@.13c | <u>C</u><br>Combination<br>A+B | <u>D</u><br>Weighted Factor |
|---|-----------------------------------|---------------------------------------|--------------------------------|-----------------------------|
| <u>Three Story (Orange)</u>                                   |                                   |                                       |                                | <u>.033c</u>                |
| Clarendon Hotel (73)<br>large amt. front ftge                 | \$330                             | \$453                                 | \$388                          | \$534                       |
| Leggett Ale House (37)<br>small amt. front ftge               | 62                                | 38                                    | 50                             | 88                          |
| Fratt Building (98)<br>large amt. parcel ftge                 | 139                               | 209                                   | 173                            | 230                         |
| <u>Two Story (Yellow)</u>                                     |                                   |                                       |                                | <u>.024c</u>                |
| Heywood Building (110)<br>large amt. front ftge               | 181                               | 262                                   | 220                            | 216                         |
| Barnum Hotel (25)<br>small amt. front ftge                    | 106                               | 49                                    | 77                             | 107                         |
| Hall, Luhrs and Co. (26)<br>large amt. parcel ftge            | 240                               | 109                                   | 174                            | 241                         |
| Pioneer Telegraph<br>Building (108)<br>small amt. parcel ftge | 36                                | 40                                    | 38                             | 41                          |
| <u>One Story (Red)</u>  |                                   |                                       |                                | <u>.016c</u>                |
| Stanford Brothers<br>Warehouse (85)<br>large amt. front ftge  | 165                               | 375                                   | 267                            | 148                         |
| Pendergast Store (81)<br>small amt. front ftge                | 40                                | 36                                    | 38                             | 29                          |
| Harris Winkle Building<br>(43-44)<br>large amt. parcel ftge   | 148                               | 135                                   | 140                            | 108                         |
| <u>Vacant (Blue)</u>  |                                   |                                       |                                | <u>.008</u>                 |
| Firehouse Complex (66-72)<br>large amt. front ftge            | 514                               | 539                                   | 522                            | 191                         |
| Latcher Building (95)<br>small amt. parcel and<br>front ftge  | 36                                | 44                                    | 40                             | 14                          |
| Orleans Hotel (48)<br>large amt. parcel ftge                  | 328                               | 153                                   | 239                            | 110                         |

SAMPLE ASSESSMENT FORMULAS

METHOD A - PARCEL SIZE

$$\frac{\$ 8,100}{308,000 \text{ S.F.}} \times \frac{\text{Total Maintenance Costs}}{\text{Total Parcel Square Footage}} = .026/\text{S.F.}$$

METHOD B - FRONT FOOTAGE

$$\frac{\$ 8,100}{63,294 \text{ S.F.}} \times \frac{\text{Total Maintenance Costs}}{\text{Total Frontage}} = .13/\text{S.F.}$$

METHOD C - COMBINATION A AND B

$$\frac{\$ 4,050}{308,000 \text{ S.F.}} \times \frac{1/2 \text{ Maintenance Costs}}{\text{Total Parcel Square Footage}} = .013/\text{S.F.}$$

$$\frac{\$ 4,050}{63,294 \text{ S.F.}} \times \frac{1/2 \text{ Maintenance Costs}}{\text{Total Front Footage}} = .064/\text{S.F.}$$

METHOD D - WEIGHTED FACTOR BY BUILDING CATEGORY

| <u>Building by<br/>Floor Category</u> | <u>Weight<br/>Factor</u> | <u>Total<br/>Parcel<br/>Footage</u> | <u>Total<br/>Front<br/>Footage</u> | <u>Footage<br/>and<br/>Parcel</u> | <u>Applied<br/>Weight<br/>Factor</u> | <u>% of<br/>Total<br/>Area</u> | <u>Total Cost</u> | <u>Constant<br/>Cost<br/>Per S.F.</u> | <u>Cost Per S.F.</u> |
|---------------------------------------|--------------------------|-------------------------------------|------------------------------------|-----------------------------------|--------------------------------------|--------------------------------|-------------------|---------------------------------------|----------------------|
| 0                                     | .5                       | 58,824                              | 11,620                             | 70,444                            | 35,222                               | .07                            | \$ 567            | .02                                   | \$.008               |
| 1                                     | 1                        | 56,300                              | 14,700                             | 71,000                            | 71,000                               | .14                            | 1,134             | .02                                   | .016                 |
| 2                                     | 1.5                      | 111,542                             | 19,082                             | 130,624                           | 195,936                              | .39                            | 3,159             | .02                                   | .024                 |
| 3                                     | 2                        | 81,385                              | 17,892                             | 99,277                            | 198,554                              | .40                            | 3,240             | .02                                   | .033                 |
|                                       |                          | 308,051                             | 63,294                             | 371,345                           | 500,712                              | 1.00                           | \$8,100           |                                       |                      |
|                                       |                          | A                                   | B                                  | C                                 | D                                    | E                              | F                 | Total F<br>Total D                    | F<br>C               |

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COMPARABLES

1. Street Cleaning/Litter Pickup - Waste Removal Division
  - a. 16th Street to Front and E to Q (downtown streets) are cleaned three times per week MWF. Litter containers emptied twice per day (not on Saturdays and Sundays).
  - b. Alhambra to 16th and C to T are cleaned every two weeks.
  - c. All other areas in the City are cleaned once every four weeks.
2. K Street Mall - Parks Division of Community Services
  - a. Mall area washed weekly.
  - b. Mall area swept daily.
  - c. All trash containers emptied twice daily (7 days per week).
3. Old Sacramento - Waste Removal Division
  - a. Streets cleaned MWF.
  - b. Litter containers emptied twice daily (7 days per week).

See 32



Please reply to  
1008 10th St., No. 370  
Sacramento 95814

April 20, 1982

Mr. William H. Edgar,  
Executive Director  
Sacramento Housing and Redevelopment Agency  
630 I Street  
Sacramento, Cal. 95814

Dear Mr. Edgar:

This morning at its regular weekly meeting, the Board of Directors of the Old Sacramento Citizens and Merchants Association voted to accept the recommendations contained in your Agency's report on the establishment of a maintenance benefit area in Old Sacramento. We feel that the small amount necessary for the additional services we would like would not be worth the effort necessary to establish the district.

The Board also asked me to express its thanks for the efforts of Susan Loftus who did the report, and for her courtesy and patience during our several meetings with her.

Thank you.

Sincerely,

Bruce Kleinschmidt,  
President

Received in E.D.'s Office

APR 21 1982

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REDEVELOPMENT AGENCY

APPENDIX F