



10.2

DEPARTMENT OF
PUBLIC WORKS

SPECIAL DISTRICTS
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

July 29, 1996

City Council
Sacramento, California

Honorable Members In Session:

**SUBJECT: ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02 FOR
THE CITY OF SACRAMENTO - PUBLIC HEARING**

LOCATION AND COUNCIL DISTRICT: The proposed district is Citywide.

RECOMMENDATION:

This report recommends that the City Council:

1) On August 7, 1996 -

- Conduct Public Hearing #1, close the hearing, and
- Continue the item to August 13, 1996.

2) On August 13, 1996 -

- Conduct Public Hearing #2, and
- Adopt Resolution Approving Report and Ordering Formation of Additional Library Services Assessment District No. 96-02.

CONTACT PERSON:

Susan Hildreth, Deputy Library Director, 264-2737
Karen Shipley, Special Districts Analyst, 264-5236

FOR COUNCIL MEETING OF: August 7, 1996

SUMMARY:

The purpose of the public hearing is to receive public testimony and/or protests regarding the proposed budget, services and assessments for *Additional Library Services Assessment District No. 96-02*. No council action is required at Public Hearing #1. At Public Hearing #2 Council may approve the district formation subject to voter approval. The schedule for the assessment proceedings and ballot measure is an attachment to this report.

Hearing #1 Closed
FROM CONTINUED
TO 8.7.96
8.13.96
Hearing #2

CITY HALL
915 I STREET
ROOM 200
SACRAMENTO, CA
95833-2608

TEL: 916-264-7113
FAX: 916-264-5553

APPROVED
BY THE CITY COUNCIL

AUG 13 1996

OFFICE OF THE
CITY CLERK

Hearing #2

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND INFORMATION:

On July 23, 1996, City Council adopted the Resolution of Intention for the proposed Additional Library Services Assessment District No. 96-02 establishing the public hearing dates of August 7 and 13, 1996. Also adopted was a resolution calling for an election which will place the proposed district on the November ballot for voter approval.

Additional Library Services

The assessment district will provide improved library services: keep libraries open more hours, restore book and library material budgets, and update technology in neighborhood, community, and regional libraries. A cost estimate of district expenditures is shown on Exhibit B. The additional library services that will be provided are:

ADDITIONAL LIBRARY SERVICES PROVIDED BY ASSESSMENT

	WEEKLY HOURS		ANNUAL BUDGET	
	Current Open Hours	Open Hours If Measure Passes	Base Book and Materials Budget 1996/97	Base Book and Materials Budget if Measure Passes
Regional Library Martin Luther King	35	42	\$81,500	\$180,500
Community Libraries Colonial Heights Belle Cooledege	29-31	40	\$48,000 to \$63,000	\$125,000 to \$163,000
Neighborhood Libraries Del Paso Heights McClatchy McKinley North Sacramento/Hagginwood South Natomas Valley Hi	13-29	20-35	\$5,600 to \$19,300	\$14,600 to \$50,500
Bookmobile Traveling Branch			\$6,000	\$12,000
Specialized Materials to benefit branches ⁽¹⁾			\$8,000	\$108,000

⁽¹⁾ Housed at Central Library

The assessment will also provide \$300,000 annually for the following electronic information and technological improvements for children and adults in all City library branches:

- Internet terminals and high speed Internet connections.
- Multimedia computers and on-line magazine full text articles.
- Computer access to library electronic information from the home, office, or school.

FINANCIAL CONSIDERATIONS:

The proposed assessment district will generate approximately \$3 million in annual revenue and will require a levy of the following assessments:

FY 1997/98 ASSESSMENT LEVY

Land Use	Equivalent Dwelling Unit	Benefit Factor	Assessment Per Parcel
RESIDENTIAL			
Single Family	1.00	1	\$22.00/single family
Multi-Family ⁽¹⁾ :			
a) 1-4 units	.75	1	a) \$16.50/units 1-4
b) 5-15 units	.50	1	b) \$11.00/units 5-15
c) over 15 units	.25	1	c) \$5.50/unit over 15
Condominiums	.75	1	\$16.50/condo
Mobile Homes	.50	1	\$11.00/mobile home
NON-RESIDENTIAL	<u>First 5 Acres</u> <u>Acres over 5</u>		<u>First 5 Acres</u> <u>Acres over 5</u>
Institutional	6/acre 1.5/acre	.75	\$99.00/acre \$24.75/acre
Professional	6/acre 1.5/acre	.50	\$66.00/acre \$16.50/acre
Commercial/Industrial and recreational	6/acre 1.5/acre	.25	\$33.00/acre \$8.25/acre
VACANT⁽²⁾			
Misc. Vacant, parking lots, airports, cemeteries & mortuaries	1.5	.25	\$8.25/acre (no more than 5 acres will be assessed)
EXEMPT USES			
Common area, agriculture, Utilities, Public Agencies	n/a	n/a	\$0

⁽¹⁾ Add applicable a, b & c for total multi-family assessment per parcel.

⁽²⁾ Per parcel, no more than 5 acres of vacant land will be assessed, and parcels with a benefit unit (benefit factor X EDU) under .05 will not be assessed.

The budget to maintain services can fluctuate each year based on the cost of services and supplies. In order to mitigate increased costs each year, the assessments may be increased by the amount of increase in the Consumer Price Index (CPI), San Francisco area, all items, most recently available prior to the date of increase, provided however that this increase not exceed three percent (3%) in any year.

Benefit to Property

The presence of library facilities have proved a potent factor in maintaining a sound economic condition and a high standard of livability in communities throughout the United

States. A library directly benefits all properties within its service area by providing the convenience of a local library, access to a wide range of materials, as well as enhanced property values.

The benefit of libraries may be viewed as the educational, recreational, cultural and economic resource they provide to the community. Various property types including residential, commercial and industrial properties receive benefit. The benefit of library use to professionals and the general business community includes: increasing profits in companies; performing work better and with greater quality; and speeding products from discovery to the market place. In addition, public libraries support certain valued community goals, including improving the quality of life, supporting lifelong learning needs, and supporting the community's economy.

The quality of the educational system is often important to businesses considering relocation. Schools, colleges and universities, cultural/recreational facilities and libraries are all noted "amenity infrastructure investments" in real estate appraisal literature as contributors to determination of real estate value. The American Association of Certified Appraisers states that appraisers look to see if a community has a local library when assessing property values.

Libraries provide benefit to many different types of properties, with all types of land uses and improvements, including both residential and non-residential uses. Libraries contribute to increased productivity and profitability as well as improving the "Quality of Life" and making communities more desirable.

Benefit Methodology

There are two components to the formula used to establish benefit to the individual parcels from library services, a benefit factor and equivalent dwelling unit (EDU) factor. First, a benefit factor is assigned to each parcel of land in proportion to the estimated benefit the parcel receives relative to the other parcels within the District. This is done because the benefit to property varies depending on the type of land use of the property. The second component, equivalent dwelling units, allocates benefit based on intensity of land use and calibrates residential use and non-residential use to each other on a single scale, thereby allowing a uniform method of assessment. A single family home is used as the basic unit of apportionment and is given an EDU of 1. The multiple residential and non-residential parcels are then assigned an EDU based on size of parcel or intensity of land use. The benefit unit is then calculated by multiplying the parcel benefit factor by the parcel EDU. The total assessment is then calculated by multiplying the benefit unit by \$22.

Parcels being determined to have a benefit unit of under .05 will not be assessed, as the costs of collecting and processing assessments that small (\$1.10) are not considered cost-effective relative to the amount received by the City. A detailed discussion of the benefit methodology is discussed in the Engineer's Report which is on file with the City Clerk.

Funding for Election

Costs to the City for the three City-wide measures that are anticipated for the November 5, 1996 ballot are estimated at \$62,000. \$21,000, or one-third of those costs, is being assigned to the Library assessment district as shown on Exhibit B.

ENVIRONMENTAL CONSIDERATION:

Council action in adopting these resolutions is exempt from CEQA because it will have no conceivable effect on the physical environment and is therefore not within the definition of a CEQA project.

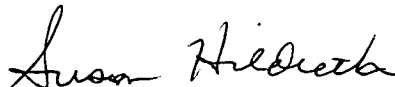
POLICY CONSIDERATIONS:

The procedures under which this district is being initiated are pursuant to City Code Title 85 adopted by Council on July 2, 1996.

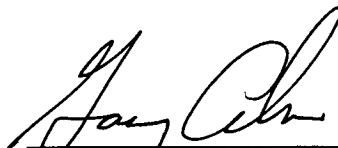
Title 85 requires that the City Council refer the levy of assessment to the voters for approval at an election. The attached schedule (Exhibit A) takes into consideration the time involved to acquire voter approval. If approved, the proposed assessment would expire at the end of ten (10) years.

MBE/WBE: None. No goods or services are being purchased.

Respectfully submitted,

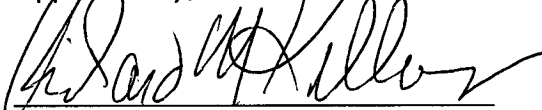


Susan Hildreth
Deputy Library Director

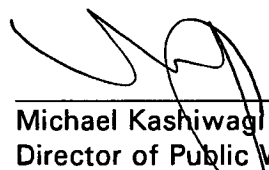


Gary Alm
Manager, Real Estate Services &
Special Districts

Approved by,

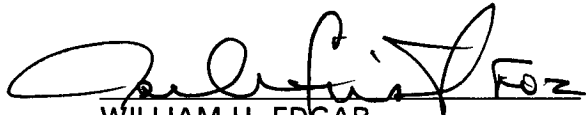


Richard M. Killian
Library Director



Michael Kashiwagi
Director of Public Works

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager

Attachments

File:96115

EXHIBIT A

ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02

SCHEDULE

June 25, 1996	Council Action: <ul style="list-style-type: none">• Pass for Publication - Ordinance adding Title 85 to the Sacramento City Code, Relating to Additional Library Services Assessment District Procedures.
July 2, 1996	Council Action: <ul style="list-style-type: none">• Adopt Ordinance adding Title 85 to the Sacramento City Code, Relating to Additional Library Services Assessment District Procedures.
July 23, 1996	Council Action: <ul style="list-style-type: none">• Adopt Resolution Initiating Formation Proceedings.• Adopt Resolution of Intention to Form the City of Sacramento Additional Library Services Assessment District No. 96-02.• Adopt Resolution Calling an Election With Respect to the Additional Library Services Special Assessment. (Text of Measure and Ballot Language)
July 26, 30, & Aug 2	Notice of Hearing is published. (Resolution of Intention)
August 7, 1996	Council Action: <ul style="list-style-type: none">• Conducts Public Hearing #1
August 13, 1996	Council Action: <ul style="list-style-type: none">• Conducts Public Hearing #2• Adopt Resolution Approving Report and Ordering Formation of the District
November 5, 1996	General Election.
July 1, 1997	Refer assessments to County for inclusion on FY 1997/98 tax bill.
January 1998	Receive first funds from County.

EXHIBIT B

ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02

COST ESTIMATE

Library Services

Staff Cost for Extended Open Hours (95 hours per week average)	\$ 739,567
Branch Books and Materials	515,136
Start-up Collection - Valley Hi	166,667
Technology Enhancements	300,000
Circulation System Replacement/Upgrade	154,800
Furniture/Equipment	100,000
Leases	60,000
Services and Supplies	81,376
Increase to City Portion of Shared Cost	256,468
Reserve for Future Operations	<u>535,224</u>
SUBTOTAL LIBRARY SERVICES	\$2,909,238

Administrative Costs

County Billing Costs	47,648
City Finance Administration	2,704
Special Districts Formation & Administration	18,000
Assessment Engineer Database Maintenance	35,000
Election Cost	<u>21,000</u>
SUBTOTAL ADMINISTRATIVE COSTS	<u>\$ 124,352</u>

TOTAL COST ESTIMATE: \$3,033,590

APPROVED
BY THE CITY COUNCIL
AUG 13 1996
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 96-456

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING REPORT AND ORDERING THE FORMATION OF ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

This Council has taken a series of actions preliminary to Ordering the Formation of Additional Library Services Assessment District No. 96-02, City of Sacramento, Sacramento County, California, and now makes the following findings and orders:

- 1) This district will provide direct and special benefit to residential and non-residential properties within the District from the services provided in the form of enhanced real property values and other benefits described in the Engineer's Report.
- 2) The Engineer of Work filed on July 19, 1996 the report as directed, and the City Council called a hearing on the Report as required by Title 85, of the Sacramento City Code, Section 85.05.550. Notice of the hearing was given by publication.
- 3) At the time and place for which notice was given, the City Council conducted public hearings and gave every interested person an opportunity to object to the proposed services, the extent of the assessment district, or the proposed assessment.
- 4) The City Council hereby overrules each of these protests, written or oral.
- 5) The City Council finds that the protest against the proposed services, extent of the assessment district, or the proposed assessment (including all written protests not withdrawn in writing before the conclusion of the protest hearing) is made by the owners of property who will pay less than 50% of the total assessments proposed.
- 6) The Council approves the Report required by Title 85 of the Sacramento City Code Section 85.04.400.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

- 7) The City Council finds that the Engineer of Work in the Report has fairly and properly apportioned the cost of services to each parcel of land in the assessment district in proportion to the estimated benefits to be received by each parcel, respectively, from the services. The City Council hereby confirms the diagram, budget and assessments as set forth in the Report and levies each individual assessment set forth therein for Fiscal Year 1997/98.
- 8) This Council orders the formation of Additional Library Services Assessment District No. 96-02 as detailed in the Report, subject to voter approval as required by Title 85 of the Sacramento City Code Section 85.05.580.

MAYOR

ATTEST:

CITY CLERK

9

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

**ENGINEER'S REPORT
FISCAL YEAR 1997/98
ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02**

The undersigned respectfully submits the enclosed report as directed by the City Council.

Dated: July 19, 1996

Michael Kashiwagi, Director of Public Works
City of Sacramento, Engineer of Work

By Robert J. Lee

I HEREBY CERTIFY that the enclosed Engineer's Report together with Assessment and Assessment Diagram thereto attached, was filed with me on the 19th day of July, 1996.

Valerie A. Burrowes, City Clerk
City of Sacramento, Sacramento County,
California

By Valerie A. Burrowes

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram Thereto attached, was approved and confirmed by the City Council of the City of Sacramento, California, on the 13th day of August, 1996.

Valerie A. Burrowes, City Clerk
City of Sacramento, Sacramento County,
California

By Valerie A. Burrowes

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment diagram thereto attached, was recorded in my office on the _____ day of _____, 1996.

Michael Kashiwagi, Director of Public Works
City of Sacramento, Engineer of Work

By _____



Berryman & Henigar

BSI Consultants, Inc. • Henigar & Ray, Inc.

CITY OF SACRAMENTO

SACRAMENTO COUNTY, CALIFORNIA

**REPORT FOR THE
ADDITIONAL LIBRARY SERVICES ASSESSMENT
DISTRICT NO. 96-02 AND THE LEVY OF THE FIRST
ANNUAL ASSESSMENT FOR THE 1997/98 FISCAL YEAR**

***As Accepted by the
City of Sacramento***

July 23, 1996

***Prepared by:
Berryman & Henigar***

**CITY OF SACRAMENTO
ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT
NO. 96-02**

ENGINEER'S REPORT

TABLE OF CONTENTS

	PAGE
CERTIFICATIONS	i
ENGINEER'S REPORT	ii
PART I Description of District	1
PART II Cost Estimate	4
PART III Assessment Roll	5
PART IV Assessment Methodology	6
PART V Property Owner List	19
PART VI Assessment District Diagram	20

REPORT

PURSUANT TO CITY CODE TITLE 85 CHAPTER 85.04

ADDITIONAL LIBRARY SERVICES ASSESSMENT DISTRICT NO. 96-02

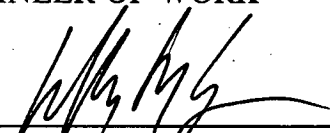
CITY OF SACRAMENTO

In accordance with direction of the City Council on July 2, 1996, and as required by Chapter 85.04 of the City Code, adopted July 2, 1996 (Ordinance #96-039), the undersigned, Jeffrey M. Cooper and Joan E. Cox, the authorized representatives of Berryman & Henigar, the duly appointed Engineer of Work, makes the following report concerning the proposal to form the Additional Library Services Assessment District No. 96-02 and thereby finance services described in this report.


DATED: July 23, 1996.

Respectfully submitted,

BERRYMAN & HENIGAR
ENGINEER OF WORK



JEFFREY M. COOPER, P.E.
RCE No. 31572



JOAN E. COX, P.E.
RCE No. 41965

ENGINEER'S REPORT

On July 23, 1996 the City Council of the City of Sacramento adopted a Resolution of Intention which directed the Engineer of Work to make and file a Report, consisting of the following:

We, Jeffrey M. Cooper and Joan E. Cox, the authorized representatives of Berryman & Henigar, the duly appointed Engineer of Work, submit this Engineer's Report for the Assessment District, consisting of six (6) parts as stated below.

PART I

This part contains the description of the services to be provided by the district and describes each parcel to be assessed within the district.

PART II

This part contains an estimate of the cost for the services to be provided, including incidental costs and expenses in connection therewith.

PART III

This part contains an assessment of the estimated cost of the improvements apportioned to each benefitted lot or parcel of land within the Assessment District.

PART IV

This part contains the method of apportionment of assessments, indicating the proposed assessment of the net amount of the costs and expenses of the services to be assessed upon the several lots and parcels of land within the assessment District, in proportion to the estimated benefits to be received by such lots and parcels. The Assessment Roll is filed in the Office of the City Clerk and by reference is made a part hereof.

PART V

A traditional assessment roll is a listing of all parcels of land within the District. In accordance with City Code Title 85, Section 85.04.420, the City Manager has determined that a specific assessment roll of all parcels within this District is not required. For a listing of all parcels of land within the District, refer to the Assessor's parcel maps on file at the Sacramento County Assessor's Office.

PART VI

This part contains the Diagram of the Assessment District Boundaries showing the exterior boundaries of the Assessment District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District and is on file in the Office of the City Clerk and incorporated herein by reference.

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Sacramento for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

**PART I
DESCRIPTION OF DISTRICT**

The Sacramento Public Library's budget has been shrinking since 1991-92. A sluggish economy and action by the State of California which shifted City property tax revenues to public schools have had a negative impact on the City's general fund, the primary source of library funding. Since 1991, library open hours and the books and library materials budgets for City library branches have decreased 21%.

"Libraries for Our Future," a citizens's committee, asked the City Council to place a measure on the ballot that would allow the voters of the City to approve a special assessment for additional library services. The Additional Library Services Assessment District proposes a schedule of assessments as set forth in Part IV of this Report. The assessment would be collected only if a majority of the voters approve the measure, and would expire at the end of ten (10) years.

The Assessment District will provide improved library services: keep libraries open more hours, restore book and library material budgets, and update technology in neighborhood, community and regional libraries. The additional services that will be provided identified below:

	Current Open Hours	Open Hours if Measure Passes	Base Book and Materials Budget FY 1996-97	Base Book and Materials Budget if Measure passes
Regional Library • Martin Luther King	35	42	\$81,500	\$180,500
Community Libraries • Colonial Heights • Belle Cooledege	29 - 31	40	\$48,000 to \$63,000	\$125,000 to \$163,000
Neighborhood • Del Paso Heights • McClatchy • McKinley • North Sacramento / Hagginwood • South Natomas • Valley Hi (proposed)	13 - 29	20 - 35	\$5,600 to \$19,300	\$14,600 to \$50,500
Bookmobile - Traveling Branch			\$6,000	\$12,000
Specialized Materials to benefit branches (housed at Central Library)			\$8,000	\$108,000

The assessment will also provide \$300,000 annually for the following electronic information and technological improvements for children and adults in the all City library branches:

- Internet terminals and high speed Internet connections
- multimedia computers and on-line magazine full text articles
- computer access to library electronic information from the home, office or school

The assessments would be imposed on all parcels of real property within the City of Sacramento based on the use and estimated proportional special benefit to those land uses. The amounts levied for Fiscal Year 1997-98, the first year of the assessment, will not exceed the rates set forth in Part IV of this Report. The chart that follows provides a summary of the assessments which are estimated to be generated by each of the different land use categories within the District.

ASSESSMENTS - Fiscal Year 1997-98 (YEAR ONE)	
Land Use	Assessment
Single Family Residential	\$2,019,600
Condominium	\$92,384
Multi-Family Residential	\$598,455
Mobile Home Park	\$35,057
Boarding Houses / Private Schools	\$14,528
Professional	\$67,919
Churches	\$25,908
Commercial/Light Industrial	\$39,443
Heavy Industrial/Recreational	\$103,047
Vacant	\$37,249
Total	\$3,033,590

The assessment rates could increase each year in proportion to the increase in the consumer price index, up to a maximum of three percent (3%) per year, compounded annually. At the maximum increase of 3% each year, the assessments in the tenth year would be \$28.70 on single family residences, with proportional increases for other land uses.

The City's current general fund contribution to the library may not be replaced by the library assessment. With one exception, if the budgeted City general fund contribution to the library is reduced below the 1996-97 level of \$6,300,000, the library assessments may not be levied. That exception is that if the reduction is no more than the same proportion of reduction that is imposed on the City's net general fund budget for non-safety departments (which are all

operating departments except police and fire), in any year during the ten-year period, then the library assessment may none-the-less be levied. (The City's net general fund budget for non-safety departments is the total general fund contribution to their operating budgets excluding expenditures which are offset by fees or other non-tax revenues.) Following any reduction from the 1996/97 minimum level of \$6,300,000 and for the library assessment to be levied in any subsequent year, the Library must receive increases in its City general fund contribution proportional to the increases in the non-safety departments' net general fund budgets up to at least the minimum level.

In accordance with the current Library Master Plan, part of the City general fund contribution may be set aside for construction or lease and operation of libraries in South Natomas and Valley Hi.

The benefit from the library services and facilities is uniformly distributed throughout the District, and no special benefit areas or zones are recommended.

Additional Library Services Assessment District No. 96-02 consists of all property within the corporate boundaries of the City of Sacramento.

The map of the proposed boundaries of the District is on file in the office of the City Clerk, and is by reference made a part of this report.

**PART II
COST ESTIMATE**

The estimate of the fair and reasonable cost of the services and facilities to be provided to the District, including incidental expenses in connection with providing those services and facilities and all other related costs as provided in Section 85.04.440 of the City Code, is \$3,033,590 for Fiscal Year 1997-98 as shown below:

ESTIMATED COSTS FOR ADDITIONAL SERVICES AND FACILITIES

Library Services:

Staff Cost for Extended Hours (95 per week average) . . .	\$	739,567
Branch Books and Materials	\$	515,136
Start-up Collection - Valley Hi	\$	166,667
Technology Enhancements	\$	300,000
Circulation System Replacement/Upgrade	\$	154,800
Furniture/Equipment	\$	100,000
Leases	\$	60,000
Services and Supplies	\$	81,376
Increase to City Portion of Shared Cost	\$	256,468
Reserve for Future Operations	\$	535,224

Subtotal Library Services \$ **2,909,238**

Administrative Costs:

County Billing Costs	\$	47,648
City Finance Administration	\$	2,704
Special Districts Administration	\$	18,000
Assessment Engineer & Database Maintenance	\$	35,000
Election Cost	\$	21,000

Subtotal Administrative Costs \$ **124,352**

TOTAL ASSESSMENT \$ **3,033,590**

PART III
ASSESSMENT ROLL

The proposed assessment and the amount of assessment for Fiscal Year 1997-98 apportioned to each lot or parcel, as shown on the latest roll at the Assessor's Office are contained in the Assessment Roll on file in the office of the City Clerk of the City of Sacramento, and is incorporated herein by this reference.

The description of each lot or parcel is part of the records of the Assessor of the County of Sacramento and these records are, by this reference, made part of this Report.

PART IV

ASSESSMENT METHODOLOGY

BENEFIT

As described below, studies in a number of communities, including counties and cities throughout the United States, have indicated that libraries result in an increase in property values in the community. Consequently, such library facilities have proved a potent factor in maintaining a sound economic condition and a high standard of livability in the community. A library directly benefits all properties within its service area since they have the convenience of a local library, access to a wide range of materials, as well as enhanced property values from the presence of a library in the area.

The benefit of libraries as educational, recreational, cultural and economic resources to residential, commercial and industrial properties has been summarized by a number of studies. These studies have indicated that the benefit of library use to professionals and the general business community includes: increasing profits in companies; performing work better and with greater quality; and speeding products from discovery to the market place. In addition, public libraries support certain valued community goals, including improving the quality of life, supporting lifelong learning needs, and supporting the community's economy.

The quality of the educational system is often important to businesses considering relocation. Schools, colleges and universities, cultural/recreational facilities and libraries are all noted "amenity infrastructure investments" in real estate appraisal literature as contributors to determination of real estate value. The American Association of Certified Appraisers states that appraisers look to see if a community has a local library when assessing property values.

Public libraries lead to other infrastructure improvements which directly benefit property values. For example, libraries are heavily used by children. Because of this, there is an inducement to local governmental agencies to make public improvements which are known to be directly beneficial to local property values, such as adequate crosswalks, traffic signals, street lighting, safety patrols, etc. to provide safer access to the facilities. Libraries also provide a constructive environment and a safe place for youth, thus reducing destructive behavior such as graffiti vandalism.

It is clear that libraries provide benefit to many different types of properties, with all types of land uses and improvements, including both residential and non-residential uses. Commercial and industrial properties benefit, not only from increased property values, but also from the contribution libraries give to increased productivity and profitability. Both improved properties and vacant properties benefit due to libraries improving the "Quality of Life" and making communities more desirable.

It is therefore concluded that properties benefit from the estimated increase to property desirability due to improved quality of life, increased economic activity, expanded employment opportunities, and increased capacity to draw businesses, home buyers, renters, etc. to the District.

METHODOLOGY

To establish the benefit to the individual parcels within the Assessment District, a Benefit Unit system is proposed. Each parcel of land is assigned Benefit Units (BU's) in proportion to the estimated benefit the parcel receives relative to the other parcels within the District from library services.

Basic Formula:

$$(\text{Benefit Factor}) \times (\text{Equivalent Dwelling Units}) = \text{Benefit Units}$$

BENEFIT FACTOR

There are varying levels of benefit to property from library services and facilities based on the different types of property use. Because the benefit to property varies depending on the type of land use of the property a Benefit Factor is applied to the formula for each property.

Nearly all properties, whether improved or vacant, receive benefit from library services and facilities in the form of increased property value due to the library system's use, or availability for use, by the owners or occupants of property; increased economic activity; expanded employment opportunities; and increased capacity to draw businesses, home buyers, renters, etc. to the District. Vacant property values increase due to library services and facilities primarily because of the development potential of the vacant property. When property values are increased in an area, the value of both the land and the improvements to the land are increased.

Public libraries directly enhance the economic worth of nearby residential properties:

- libraries increase property values in the communities they serve. In fact, according to the American Association of Certified Appraisers, a community library is an amenity infrastructure investment that appraisers look for when assessing local property values;
- libraries increase marketability of residential real estate. Real estate agents use the presence of a local library as a selling point in marketing a home, especially to families with children, and Multiple Listing Services routinely mention neighborhood amenities such as proximity to transportation, schools, and libraries.

Public libraries also directly enhance the economic worth of nearby business properties:

- free access to the business, commercial, and legal information and resources of the well-developed public library increases the commercial value of parcels within a convenient radius;

Public libraries are a "value-added" benefit to commercial properties:

- studies have shown that public libraries provide the business, commercial, and legal resources essential to the economic success of business enterprises within their service areas. Profitable businesses lease commercial property, and owners of this commercial property benefit from having these successful tenants;
- public libraries have been shown to contribute significantly to an informed and skilled workforce, which is essential to the success of all business, industrial, and commercial endeavors. Successful businesses attract qualified and trained employees. Expanded employment opportunities lead to increased economic activity and an increased capacity to attract business. The cumulative effect is a growing workforce of skilled employees and successful businesses. Again, owners of commercial properties benefit from this success, which also enables them to keep a good return on their own property investments.

Public libraries provide an economic benefit to individual parcel owners by improving the attractiveness and desirability of their community to the "outside world":

- the improved cultural, educational, and recreational opportunities provided by the public library contributes significantly to the quality of life in a community, which increases its attractiveness as a place to live and work;
- communities with well-maintained and administered libraries are likely to attract better educated families with the means to maintain, protect, and improve their individual properties and thus contribute to high residential standards and property values;
- libraries are civic improvements that attract professionals to the community because the legal, patent, business, investment, archival, and other managerial collections of public libraries are essential to the success of legal, business, and other professionals;
- standard rating guides such as Places Rated Almanac invariably use libraries as a factor in rating the desirability of residential locations throughout the country.

Public libraries directly benefit all parcel owners by providing them tools for maintaining, protecting, and improving their properties. The local library provides ready, economic access to information essential to the property owner on everything from property liability to home improvement to zoning regulations.

The Benefit Factor provides a scale of the estimated relative benefit which properties receive from library services.

- **Residential** - Improved residential properties are given a Benefit Factor of 1.00, and all other land uses are compared to the residential land use. Residential properties traditionally are the highest beneficiaries of the library services, being involved in recreational, educational, and economic types of activities, and also having a high level of participation in special programs and services which are available.
- **Institutional** - Institutional land uses benefit from the library in a manner similar to residential properties, but have a lesser potential for use. These include boarding houses, retirement homes, and private schools and colleges.
- **Professional** - Land uses such as professional buildings, office buildings, hospitals, day care/nurseries, medical and dental offices, veterinary clinics, and churches, have high levels of research and/or business activity requirements due to the professional nature of the land uses. Hospitals have professional staff who utilize libraries, as well as patients and/or residents who participate in library programs, such as outreach programs. These land uses have a high potential for library use; however, that potential is less than for institutional-type uses.
- **Commercial/Light Industrial** - General commercial and industrial land uses have a lower level of research and business activity requirements than professional-type land uses, and therefore have less potential for library utilization.
- **Heavy Industrial/Recreational** - Land uses such as warehouses, service shops, bowling alleys, etc., also have a low level of research and business activity requirements like general commercial/industrial land uses.
- **Vacant Land** - Vacant property is assigned a Benefit Factor to reflect the least value of the range of potential future development. Land use types are determined by their highest potential for future development, but actual development may be lower and is difficult to predict before the development occurs.

BENEFIT FACTORS

Sacramento County Land Use Descriptions	Benefit Factor
RESIDENTIAL USES	
Single Family Residential (SFR)	1.00
Multi-Family Residential (MFR)	1.00
Mobile Homes (MHP)	1.00
NON-RESIDENTIAL USES	
Institutional (INS)	
Boarding, Rooming & Retirement homes, Private schools	0.75
Professional (PRO)	
Medical and Dental offices, Veterinary clinics, Office buildings, Churches (CHR), Hospitals, Day Nursery	0.50
Commercial / Light Industrial (COM)	
Misc. commercial, stores & store combos, Department & Discount Retail, Shopping centers, Radio & TV studios, Restaurants & Hotels/motels, Banks, Bed & Breakfast	0.25
Heavy Industrial / Recreational (IND)	
Car Washes, Commercial garages & service stations, Automobile Dealerships, Nurseries, Warehousing & Heavy Industrial, Terminals, trucking and distribution, Sports Courts, Fields or Stadium, Theaters & bowling alleys & skating rinks, Private Clubs	0.25
VACANT USES (VAC)	
Misc. Vacant, Radio or TV Transmitter, Parking lots and garages, Mining operation, Marinas, Golf Courses, Airports, Cemeteries & Mortuaries	0.25
EXEMPT USES	
Common Area, Agriculture, Utilities, Public Agencies	n/a

EQUIVALENT DWELLING UNITS

In order to allocate benefit fairly between the parcels, an Equivalent Dwelling Unit (EDU) methodology is proposed which equates different residential and non-residential land uses to each other, thereby allowing a uniform method of assessment.

The EDU method uses the single family home as the basic unit of apportionment. A **single family home** equals one Equivalent Dwelling Unit (EDU). Every other land use is converted to EDU's as described below. All properties in the District will be assigned dwelling units and land use classifications per the County Assessor's roll.

- **Single-Family Residence**

A single-family residence is used as the base unit for measuring parcel improvements; therefore, each single family residence, is assigned 1.0 EDU.

- **Multiple-Residential**

Multiple-residential (including condominiums) land use equivalencies are determined based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single family residence, each dwelling unit defined as multi-family residential, including condominiums, would be **0.75 EDU**. Library benefits do not increase proportionately as the number of units increase on a multi-family parcel. Residential land uses designated as high density within a general plan, for instance, have a lower population per household than areas of lower density. Therefore, the population per unit decreases as the residential land use density increases and there is a corresponding reduction in benefit to a parcel. Also, as the number of dwelling units increase, the average value per rental unit decreases. Therefore, there is a reduced benefit to a parcel as the number of dwelling units increase. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, for 5 through 15 dwelling units (as parcels with 5 to 15 units are considered "high medium density" as opposed to the "low medium density" of duplexes, triplexes and four-plexes), and the equivalency is reduced to **0.25 EDU** per dwelling unit for more than 15 units, which are considered to be "high density". 15 units is established as the limit of the "high medium density" category as State law (California Title 25, Section 42) requires that apartment complexes with 16 or more dwelling units have a manager located on the premises, which is an indication of "high density".

Mobile Homes. Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single family residence. Therefore, mobile home parks and mobile homes located in mobile home parks would be assessed **0.5 EDU** per mobile home. No decrease would be applied to this factor, as mobile homes are all separate dwellings with no common walls.

The EDU's assigned to a multi-residential or a mobile home parcel are calculated based on the number of dwelling units and the appropriate EDU factor.

- **Non-Residential**

In order to convert improved, non-residential property to EDU's, the density of these types of properties is compared to the basic single-family unit. According to the records of the Sacramento County Assessor, the median single family home in the County of Sacramento has a lot size of approximately 1/6 of an acre; therefore, the typical single-family residential density is six (6) dwelling units per acre. All properties that are developed for non-residential uses are therefore assigned 6 EDU's per acre for the first 5 acres. It is our experience, based upon a review of large non-residential parcels, that the utilization of that portion of non-residential property greater than 5 acres more closely resembles that of vacant land as it is typically underdeveloped. Therefore, after the first 5 acres, each additional acre will be charged 25% of 6 EDU's which results in 1.5 EDU's per acre, similar to vacant land as described below.

- **Vacant**

Vacant property consists of parcels with no improved structures. Based upon the opinions of professional appraisers, appraising current market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of the property, which is an average of 25 percent. Therefore, vacant property is assigned equivalency units at the rate of 25 percent of improved property.

Vacant parcels are given an allocation based upon the acreage of the parcel. The parcels will be assigned EDU's at the rate of 25% of the developed non-residential properties, or 1.5 EDU per acre, up to a maximum of 5 acres per parcel. The portion of a vacant parcel that exceeds 5 acres is unlikely to become developed and is therefore treated as exempt open space.

Also included in the vacant category are those parcels with land uses which closely resemble vacant property in that they have large land areas comprised of mostly park-like open space or vacant land, and only a few buildings, if any. These land uses include radio/tv transmission facilities or towers, mineral processing, parking lots, open storage, golf courses and other miscellaneous recreational uses, cemeteries and mortuaries.

- **Exempt Properties**

Several land uses have been designated as exempt because they would not benefit from the proposed services and facilities, or they have a supporting use to a land use already being charged. These include common areas, open spaces, green belts, and sliver parcels, as well as all lands designated as agricultural as determined by the Sacramento County Assessor's use codes, unless improved with a residence. Properties owned by public agencies, such as cities, the County, the state or the federal government, are also

exempt. Rights-of-way owned by utilities and railroad operating rights-of-way also are exempt by statute.

EQUIVALENT DWELLING UNIT (EDU) FORMULA				
Land Use	Basic Unit	x	EDU Factor =	EDU Rates
Single Family Res. (SFR)	1 D.U.	x	1.0 =	1 EDU/DU
Condominiums	1 D.U.	x	0.75 =	0.75 EDU/DU
Multi-family Res.	1 D.U.	x	0.75 =	0.75 EDU/DU for the first 4 units
			0.5 =	0.5 EDU/DU for add'l units over 4 and up to 15
			0.25 =	0.25 EDU/DU for add'l units over 15
Mobile Homes	1 D.U.	x	0.5 =	0.5 EDU/DU
Commercial / Industrial and other Non-Residential				
Based on the median density for SFR in Sacramento County of ~6 Dwelling Units per acre	1 Acre	x	6.0 =	6.0 EDU/Ac for the first 5 ac
			1.5 =	1.5 EDU/ac for add'l acres over 5 ac
Vacant (25% of Non-Res EDU's)	1 Acre	x	1.5 =	1.5 EDU/Ac 5 acre maximum

SUMMARY OF PARCEL DATA

The following table provides a general summary of the information compiled in the parcel database, including the EDU's and Benefit Units calculated by the methodology explained above.

It is recommended that Benefit Units under 0.05 not be assessed, as the costs of collecting and processing assessments that small are not considered cost-effective relative to the amount received by the City. Therefore, assessments of less than 0.05 Benefit Units will not be levied.

SUMMARY OF PARCEL DATA INFORMATION					
Land Use	No. of Parcels	Dwelling Units	Area (Acres)	EDU's	Benefit Units
Single Family Residential	91,800	91,800	-----	91,800.000	91,800.000
Condominium	5,599	5,599	-----	4,199.250	4,199.250
Multi-Family Residential	8,551	55,805	-----	27,202.500	27,202.500
Mobile Home Park	67	3,187	-----	1,593.500	1,593.500
Boarding Houses/Private Schools	185	-----	164.52	880.515	660.386
Professional	1,512	-----	1,170.94	6,174.600	3,087.240
Churches	462	-----	429.26	2,355.285	1,177.642
Commercial/Light Industrial	2,049	-----	1,342.37	7,175.100	1,792.845
Heavy Industrial/Recreational	2,605	-----	3,903.36	18,738.135	4,683.951
Vacant	6,043	-----	12,317.78	7,024.410	1,693.157
Total	118,873				137,890.471

PRELIMINARY ASSESSMENT CALCULATION

The total number of Benefit Units (BU's) has been calculated based upon current land use data as shown on the latest Sacramento County Assessor's roll and the methodology described above. Based on the total estimated budget of \$3,033,590, as shown in Part II of this Report, the preliminary benefit charge rate for Fiscal Year 1997-98 is **\$22.00 per Benefit Unit**.

Sample calculations are provided on the following page. These samples illustrate the conversion to EDU's, the application of the Benefit Factors and the derivation of Benefit Units for various types of properties.

Costs to maintain services can fluctuate each year based on the cost of services and supplies. In order to mitigate increased costs each year, the rate per Benefit Unit may be increased by the amount of increase in the Consumer Price Index (CPI), San Francisco area, all items, most recently available prior to the date of increase, provided however that this increase not exceed three percent (3%) in any year.

Each parcel within the Assessment District shall be assessed on an annual basis for a period not to exceed ten (10) years.

MODIFICATIONS

It is recognized that the use codes entered in the County Assessor's roll for individual properties may not always be consistent with actual use or with the intent of this proposed methodology. Therefore, it is important to provide for the modification or adjustment of individual charges for certain property owners. It is recommended that the City develop and implement administrative procedures for the review of charges on individual properties, and that the City Manager, or designee, be authorized to make adjustments in the charges, where appropriate, consistent with the methodology for determining the benefit charges as described in this report.

SAMPLE CALCULATIONS FOR VARIOUS LAND USES

Land Use	Benefit Calculation (EDU) x (Benefit Factor)	=	Total BUs	Asmt @ \$22/BU
Residential Uses				
Single Family Res. (SFR)	(1 DU x 1 EDU/DU)	x 1.0 =	1.0	\$22.00
Triplex	(3 DU x 0.75 EDU/DU)	x 1.0 =	2.25	\$49.50
Apartment, 10-Unit	(4 DU x 0.75 EDU/DU) + (6 x 0.50 EDU/DU)	x 1.0 =	6.0	\$132.00
Apartment, 40-Unit	(4 DU x 0.75 EDU/DU) + (11 x 0.50 EDU/DU) + (25 DU x 0.25 EDU/DU)	x 1.0 =	14.75	\$324.50
Mobile Home Park, 15-Unit	(15 DU x 0.5 EDU/DU)	x 1.0 =	7.5	\$165.00
Non-Residential Uses				
Private School, 1/2 ac	(1/2 ac x 6 EDU/ac)	x 0.75 =	2.25	\$49.50
Office Building, 1/2 ac	(1/2 ac x 6 EDU/ac)	x 0.50 =	1.50	\$33.00
Office Building, 2 ac	(2 ac x 6 EDU/ac)	x 0.50 =	6.0	\$132.00
Restaurant, 1/4 ac	(1/4 ac x 6 EDU/ac)	x 0.25 =	0.375	\$8.25
Supermarket, 1/2 ac	(1/2 ac x 6 EDU/ac)	x 0.25 =	0.75	\$16.50
Service Station, 1/3 ac	(1/3 ac x 6 EDU/ac)	x 0.25 =	0.5	\$11.00
Public Storage, 2 ac	(2 ac x 6 EDU/ac)	x 0.25 =	3.0	\$66.00
Warehouse, 7 ac	[(5 ac x 6 EDU/ac) + (2 ac x 1.5 EDU/ac)]	x 0.25 =	8.25	\$181.50
Vacant Uses				
Vacant 1/6 ac parcel	(1/6 ac x 1.5 EDU/ac)	x 0.25 =	0.063	\$1.39
Vacant 1/2 ac parcel	(1/2 ac x 1.5 EDU/ac)	x 0.25 =	0.188	\$4.14
Vacant 1 ac parcel	(1 ac x 1.5 EDU/ac)	x 0.25 =	0.375	\$8.25
Vacant 5+ ac parcel	(5 ac x 1.5 EDU/ac)	x 0.25 =	1.875	\$41.25

EDU = Equivalent Dwelling Unit
 ac = Acre

DU = Dwelling Unit
 BU = Benefit Unit

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PART V
PROPERTY OWNER LIST

A traditional assessment roll is a listing of all parcels of land within the District. In accordance with City Code Title 85, Section 85.04.420, the City Manager has determined that a specific assessment roll of all parcels within this District is not required. For a listing of all parcels of land within the district, refer to the Assessor's parcel maps on file at the Sacramento County Assessor's Office.

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of Sacramento, which by this reference is hereby made a part of this report.

PART VI
ASSESSMENT DISTRICT DIAGRAM

A full-sized copy of the Boundary Map is on file in the Office of the City Clerk, of the City of Sacramento.

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Sacramento for Fiscal Year 1996-97. The Assessor's maps and records are incorporated by this reference herein and made part of this report.