

**Greater Broadway Partnership
Property and Business Improvement District #2012-0973**



**2012
Annual Report**

**Prepared Pursuant to the State of California Property and Business
Improvement District Law of 1994**

Submitted by the Greater Broadway Partnership

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2012 Annual Report

INTRODUCTION

In 2012, the Greater Broadway Partnership (GBP) continued to improve the commercial environment along Broadway by delivering value added services consistent with the Management District Plan. Recognizing that we continued to have a challenging economic environment, the District Board did not increase assessments this past year. The following Annual Report outlines the GBP's specific accomplishments.

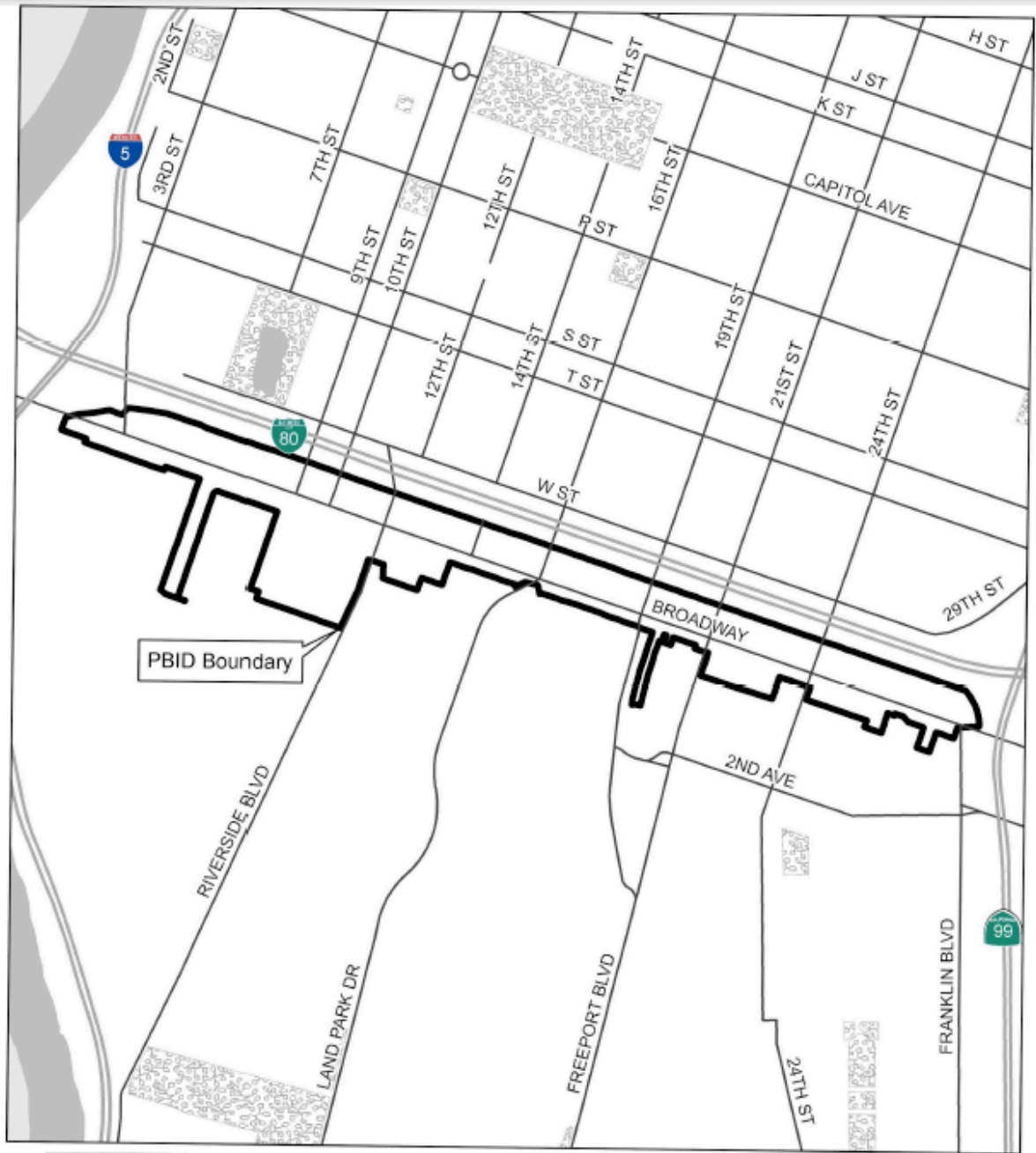
PBID BUDGET UNCHANGED IN 2012 FROM PRIOR YEARS

In 2012, the Property and Improvement District (PBID) did not generate any revenue other than the district assessment. In addition there was no increase in the district assessments (although PBID law does allow an increase, the GBP Board of Directors did not exercise that option in the period 2007-2012). The boundaries and benefits zones of the Greater Broadway Partnership PBID are consistent with those approved in the Management Plan adopted in 2007.

PBID BOUNDARIES

The Greater Broadway Partnership PBID is located along Broadway and X Street, and is bordered by 3rd Street on the West and 28th Street on the East. It includes 5.6 linear street miles and over 300 properties and approximately 200 businesses. The Greater Broadway District is comprised of three sub-districts: the Marina, Tower, and Upper Broadway. Each of these sub-districts has a unique history, character, and architectural style. A map of the area is included in this report.

DISTRICT MAP



THE GBP PBID MANAGEMENT PLAN

The GBP Management Plan provides for security and safety, image and street maintenance, promotion and advocacy, and administration. Recent accomplishments for 2012 include:

A. Security and Safety

The GBP provided a daily private security patrol identifying loitering and trespassing issues as well as other reportable criminal activity. In addition, there is regular liaison with the Sacramento Police Department, and on-call graffiti removal that is performed by a private contractor.

B. Image and Street Maintenance

The GBP provided a private street cleaning service that conducts weekday trash abatement, public right-of-way weed abatement, removal or reporting of illegal dumping, and removal of illegal postings (signs). They collected litter and managed 33 trash receptacles. This past year the street cleaning service removed 818 bags of trash, 326 shopping carts, 980 illegal signs, 355 stickers, and 833 incidents of graffiti. The private services also worked closely with the appropriate city staff to ensure a safe and professional looking district. As a result the district is cleaner and more inviting.

C. Promotion and Advocacy

The GBP continued to promote district business and community life in 2012 through a variety of marketing activities and events. These activities are intended to create a strong district-wide identity for greater Broadway. This past year, the Partnership contracted with the Sacramento Press to develop an online campaign publicizing district businesses to their online readership. The Partnership also sponsored several community events that attracted visitors and promoted the district, including the Sierra Curtis Neighborhood Association's Home and Garden Tour, the Buddhist Church of Sacramento's Annual Japanese Food and Cultural Bazaar, and the Land Park Community Association's summer event, "a Taste of Land Park." In addition, the Partnership made a charitable contribution to the Asian Resource Center to support their holiday season community events. We also continued to maintain three sets of colorful street banners for the spring, summer and holiday seasons through out the district.

In the area of advocacy we worked as a liaison between Partnership members and the City of Sacramento. These activities included advocating for property and business owners within the district boundaries at City Council, Planning Commission, and community meetings. We also worked with the City of Sacramento Economic Development Department and private developers, publicizing business retention and attraction activities, creating and promoting events, and marketing activities that increase consumer awareness of the array of services available at district businesses.

In 2012, the Partnership realized several advocacy achievements. The partnership collaborated with Urban Land Institute of Sacramento (ULI) to produce a Broadway Vision Plan as a first step toward a comprehensive corridor plan. The Vision Plan is a roadmap and investment strategy to address challenges and opportunities along Broadway and chart a future that builds upon the business, cultural, social, and economic assets that currently exists. In addition, Applied Development Economics, a member of ULI Broadway Task Force, conducted a Retail Market Analysis to measure local household spending levels for retail and service stores, which provided insight and recommendations for the Vision Plan. Both the Vision Plan and the Retail Market Analysis are featured on our website.

The Partnership supported the City’s initiative to update the Zoning Code Parking Requirements. The Partnership attended meetings, reviewed documents and provided comments, voicing the parking concerns of District Members. The City of Sacramento recognized the Partnership for its contribution to the update of the Zoning Code Parking Requirements.

D. Administration

Administration is included in the annual budget to cover costs necessary to manage the improvements and activities specified in the PBID Management Plan including direct costs related to office rental, utilities, equipment, insurance, printing & reproduction and clerical & board support. This component also includes funds to reimburse costs incurred by the City to administer the collection and disbursement of PBID assessments.

SERVICE PLAN BUDGET

The GBP Board of Directors has proposed an overall budget for the fiscal year 2012 in the amount of \$226,397. The budget is based upon the following projected allocation of Management District Revenues:

District revenues:

Security and Safety	\$49,807	22%
Image and Street Maintenance	\$86,031	38%
Promotion Advocacy and Administration	\$87,493	38.6%
Administrative	\$3,066	1.4%
Total Services	\$226,397	100%

The above numbers represent the budget as recommended by the Board of the Partnership and approved by the City Council.

ATTACHMENT A: ASSESSMENT METHODOLOGY

Excerpt from the Management District Plan of 2007.

VII. ENGINEER'S REPORT

A. Assessment Methodology

1. Base Formula

Parcel owners, merchants, and other Greater Broadway area stakeholders have emphasized that an assessment formula for the PBID be fair, balanced, and commensurate with benefits received. Each parcel owner will pay based on benefits received. The variables used for the annual assessment formula are based on gross parcel square footage. Gross parcel square footage is relevant to the highest and best use of a property along Broadway, X Street, and the side streets in between Broadway and X Street, and will reflect the long-term value implications of the PBID.

The initial annual assessment on commercial parcels and residential parcels with more than four units is \$0.05 per parcel square foot of land each year. Cemetery and public housing parcels will initially be assessed at a rate of \$0.025 per parcel square foot of land each year. Religious and/or charitable tax-exempt parcels will not be assessed to the extent they receive property tax-exempt status. Residential parcels with 4 units or less will not be assessed. For example, a commercial parcel with 15,000 parcel square feet will pay \$750.00 per year. (15,000 lot square feet x \$0.05 per parcel square feet = \$750.00). See the Assessment Calculation Table at the end of this section which provides the assessment amount for each parcel. If more information about parcel assessments is desired, please call Downtown Resources at (916) 325-0604.

Greater Broadway PBID Proposed Annual Assessment	
	Rate per Parcel Square Foot per Year
Commercial Parcels and Residential Parcels with More than Four Units	\$0.05 per year
Cemetery and Public Housing Parcels	50% of the Assessment \$0.025 per year
Religious and/or Charitable Tax-Exempt Parcels	Not Assessed to the Extent the Parcels Receive Property Tax-Exempt Status
Residential Parcels with Four Units or Less	Not Assessed

Annual assessment rates are based on the special benefit received by the parcel. These special benefits have been calculated based on an allocation of program costs and a calculation of parcel square feet. The cost to the property owner is \$0.05 per parcel square foot. Assessment rates may be

subject to an increase by no more than 3% per year. Condominiums shall be assessed on a pro rated basis at the rate of \$0.05 per parcel square foot. Residential parcels with 4 units or less are not assessed.

As members of the community, the Greater Broadway Partnership PBID Board of Directors will maintain every effort to be careful stewards of the annual budget; however the Board may at its discretion raise the assessment by no more than the lesser of three-percent (3%) per year, or the Consumer Price Index.

2. Determination of Special Benefit

California Constitution Section 4, Article XIII D (Proposition 218) states, “while assessment district programs may confer a combination of general and special benefits to properties, only the special parcel-related benefits can be funded through assessments.”

The law provides that the expenses of the District shall be apportioned in proportion to the special benefit received by each parcel. In addition, Proposition 218 requires that parcel assessments may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable.

A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the District. Conversely, a general benefit is a benefit to properties in the area and in the surrounding community or a benefit to the public in general, resulting from the improvement, activity, or service to be provided by the assessment levied. Many general benefits to the public at large are conveyed by municipal services such as fire protection, police services, and public transit services. These services are targeted to serve the public at large and do not confer special benefits on particular parcels. The general benefits that may be received include the perception of a more aesthetically pleasing District area. These benefits cannot be measured. All general benefits, if any, are intangible and not quantifiable.

The programs and services in the Greater Broadway Property and Business Improvement District’s Management District Plan are designed to provide targeted services to parcels within the District. These programs and services are tailored not to serve the general public, but rather the specific assessable parcels of the District. For example, the proposed street maintenance program, which includes daily litter clean-up, bus shelter maintenance, trash receptacle maintenance, and illegal dumping, is focused on the assessed parcels in the District. It will also aesthetically improve the District with additional landscaping and streetscape projects. These programs and services will directly benefit each of the assessed parcels adjacent to the

areas being maintained. The street maintenance program, security and safety programs, and advocacy and economic development program will improve economic development within the District, thereby benefiting the commercial and public parcels within the District.

The programs and services paid for from assessment revenue are parcel services conferring special benefit on the assessable parcels within the District. In addition, these services are not for the benefit of the general public and do not provide general benefit, as defined above. The programs and services provide special benefits, and all benefits derived from assessments outlined in the Management District Plan, go only for programs and services directly benefiting the parcel. The services are designed to increase foot traffic, improve the commercial corridor, increase marketing of commercial entities in the District, and improve the aesthetic appearance of the District and to provide these services only to assessed properties within the District boundaries. It is therefore appropriate that these special parcel-related benefits be funded by special assessments. The proposed District assessments will only be levied on parcels within its District boundaries and, in turn, assessment revenues will only be spent on programs, improvements and services that provide direct or special benefit to parcels within the District boundaries. It is hereby determined that any general benefits are not quantifiable, measurable, or tangible in the District area and to the surrounding community or the public in general. The programs and services listed in the Management District Plan will contribute to a special benefit of each of the assessable parcels within the District.

The expenses of the District will be apportioned in proportion to the benefit received by each parcel. Proposition 218 requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Proposition provides that only special benefits are assessable, and that the City must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the District. The general enhancement of property value does not constitute a special benefit.

Each parcel within the District, except for exempt parcels (discussed below), receives a particular and distinct benefit from the proposed improvements and activities, over and above general benefits conferred by the improvements and activities of the District. The security program will reduce street disorder and help to prevent crime, thereby protecting the properties within the District and increasing their attractiveness to potential customers. The advocacy and economic development program will improve properties within the District, thereby benefiting all businesses within the District.

3. Government Owned Property

In accordance with Proposition 218 all publicly owned parcels are required to pay assessments unless they can demonstrate by clear and convincing evidence that the publicly owned parcel does not receive benefit. It has been proposed that the City of Sacramento and Sacramento Regional Transit pay their “fair share” of all assessments. Because of less benefit received from promotion and image services, cemetery and public housing parcels shall be assessed at 50% of the commercial rate.

4. Religious and/or Charitable Tax-Exempt Parcels

The primary purpose of the PBID is to benefit parcels with commercial land uses. Religious and Charitable Tax-Exempt Parcels do not derive benefit from the proposed assessments. The incidental benefit to these parcels in the Greater Broadway PBID does not warrant assessing those parcels. Therefore, to the extent that they are tax-exempt, religious and charitable tax-exempt parcels within the boundaries of the District shall not be assessed.

5. Residential Properties

The primary purpose of the PBID is to benefit parcels with commercial land uses. Residential parcels with 4 units or less do not derive benefit from the proposed assessments. The incidental benefit to these residential parcels in the Greater Broadway PBID does not warrant assessing those parcels. Therefore, parcels with residential land uses of 4 units or less within the boundaries of the District shall not be assessed.

B. Assessment

An Assessment Notice will be sent to owners of each parcel in the PBID. The Assessment Notice provides an estimated assessment based upon the square footage of each parcel. The final individual assessment for any particular parcel may change if the parcel square footage differs from those found on the Assessment Notice. A Greater Broadway PBID Assessment Calculation Table follows this Engineer’s Report. Assessments are calculated based on the most recent available parcel data provided by the County of Sacramento. The assessment data will be as accurate as possible; however, the data may contain errors. Changes in property owner and parcel information may take up to one year to transpire. If a property owner discovers an error in the data or calculation please contact Downtown Resources at (916) 325-0604 or 1-800-999-7781.

C. Time and Manner for Collecting Assessments

The Greater Broadway PBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Sacramento. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Sacramento will distribute Greater Broadway PBID assessments collected to the City of Sacramento and then to the non-profit corporation managing the PBID pursuant to the authorization of the Management District Plan. Existing laws for enforcement and appeal of property taxes apply to the PBID assessments.

Review of this Greater Broadway PBID Management District Plan and preparation of the Engineers:



Orin N. Bennett
State of California
Registered Civil Engineer No. 25169

