

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	05/13/19	Open	Action	05/08/19

Subject: Property-Based Business Improvement District on Folsom Boulevard in City of Rancho Cordova

ISSUE

Whether to (1) direct the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC JPA) to sign a petition in favor of, and, if the petition is successful, direct the SPTC JPA to cast an assessment ballot for creation of a Property and Business Improvement District (PBID) along Folsom Boulevard in the City of Rancho Cordova; and (2) authorize the General Manager/CEO to enter into an amendment to the Easement Agreement with SPTC JPA to clarify responsibility with respect to property-related fees, assessment ballots and special assessments.

PROPOSED ACTIONS

- A. Motion: Direct SPTC JPA to Sign a Petition in Favor of and Cast an Assessment Ballot for Creation of a PBID Along Folsom Boulevard in the City of Rancho Cordova; or
- B. Motion: Direct SPTC JPA to Cast an Assessment Ballot Against the Creation of a PBID Along Folsom Boulevard in the City of Rancho Cordova; and
- C. Adopt Resolution No. 19-05-_____, Delegating Authority to the General Manager/CEO to Approve and Execute an Amendment to the Easement with the SPTC JPA Related to Property-Related Fees and Assessments.

FISCAL IMPACT

Budgeted:	Yes	FY 2020:	\$	23,500
Budget Source:	Operating	Annualized:		5% increase per year for 5 years
Funding Source:	Operating	Total Amount:	\$	129,852

DISCUSSION

There is an effort underway to form a Property and Business Improvement District along Folsom Boulevard in the City of Rancho Cordova area (Rancho Cordova PBID) as shown on Attachment 1. This area, which includes SacRT's Zinfandel and Cordova Town Center Light Rail Stations, is part of the rail corridor owned by the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC JPA).

SacRT has an easement Agreement with SPTC JPA for SacRT's use of this rail corridor, which requires that SacRT must bear "any and all expenses associated with the Easement", including, without limitation, "any and all expenses of managing, improving, operating and maintaining" the

Approved:

Presented:

Final 05/08/19

General Manager/CEO

VP, Finance and Procurement/CFO

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property, but does not specifically address assessments. SPTC JPA has requested a formal agreement acknowledging SacRT’s commitment to pay the Rancho Cordova PBID assessment in exchange for the SPTC JPA agreeing to petition/vote in favor of PBID. Accordingly, the purpose of this Issue Paper is to (1) describe the purpose, cost, and other details of the proposed Rancho Cordova PBID; (2) obtain direction from the Board on whether to direct the SPTC JPA to support or oppose the formation the Rancho Cordova PBID with an understanding that SacRT will ultimately pay the assessment if the formation is successful; and (3) authorize the General Manager/CEO to execute an amendment to the Easement to specify that SacRT is responsible for paying all property-related fees and assessments that relate to SacRT’s portion of the corridor and, as a consequence, SacRT has the authority to direct SPTC JPA to take actions to support or oppose such fees and assessments as desired by SacRT.

Purpose: The purpose of the Rancho Cordova PBID would be to provide activities and improvements that constitute and convey a special benefit to assessed parcels. Under the proposed Rancho Cordova PBID Service Plan, see Attachment 2, the major focus of the Rancho Cordova PBID is security and maintenance (73%), which includes “detering and reporting” nuisance behavior and unlawful activity, and marketing and advocacy (8%), which includes “[e]ngaging with property and business owners to promote regional transit as a viable, alternative option.”

Budget: The Rancho Cordova PBID annual assessment budget for the initial year of its five (5) year operation is anticipated to be \$439,019.23 as shown below:

Service	FY 19 Budget	%
Security & Maintenance	\$320,484.03	73
Administration	\$52,682.31	12
Marketing & Advocacy	\$35,121.54	8%
Improvements	\$13,170.58	3%
Contingency / Reserve	\$17,560.77	4%
TOTAL	\$439,019.22	100

The annual budget may be subject to an increase in assessment rates of no more than five percent (5%) per year. The assessment funds will be supplemented by non-assessment funds (such as grants and event income), so that the total budget for the initial year is estimated at \$459,905.75.

Cost: The assessment rate (cost to the parcel owner) is based on parcel square footage and use classification. The initial annual rate per parcel is based on a parcel’s classification as having a commercial use/public use, a religious use, an apartment use, or a railroad use. The initial annual rate for each commercial use/public use parcel would be \$0.0550 per parcel square foot. The initial annual rate for each religious use parcel would be \$0.0500 per parcel square foot. The initial annual rate for each apartment use parcel would be \$0.0350 per parcel square foot. The initial annual rate for each railroad use parcel would be \$0.0262 per parcel square foot. Based on the

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SPTC JPA property square footage within boundaries of the proposed district, SacRT’s annual assessment would be approximately \$23,500 for the first year. Assessment rates may be subject to an increase of no more than five percent (5%) per year.

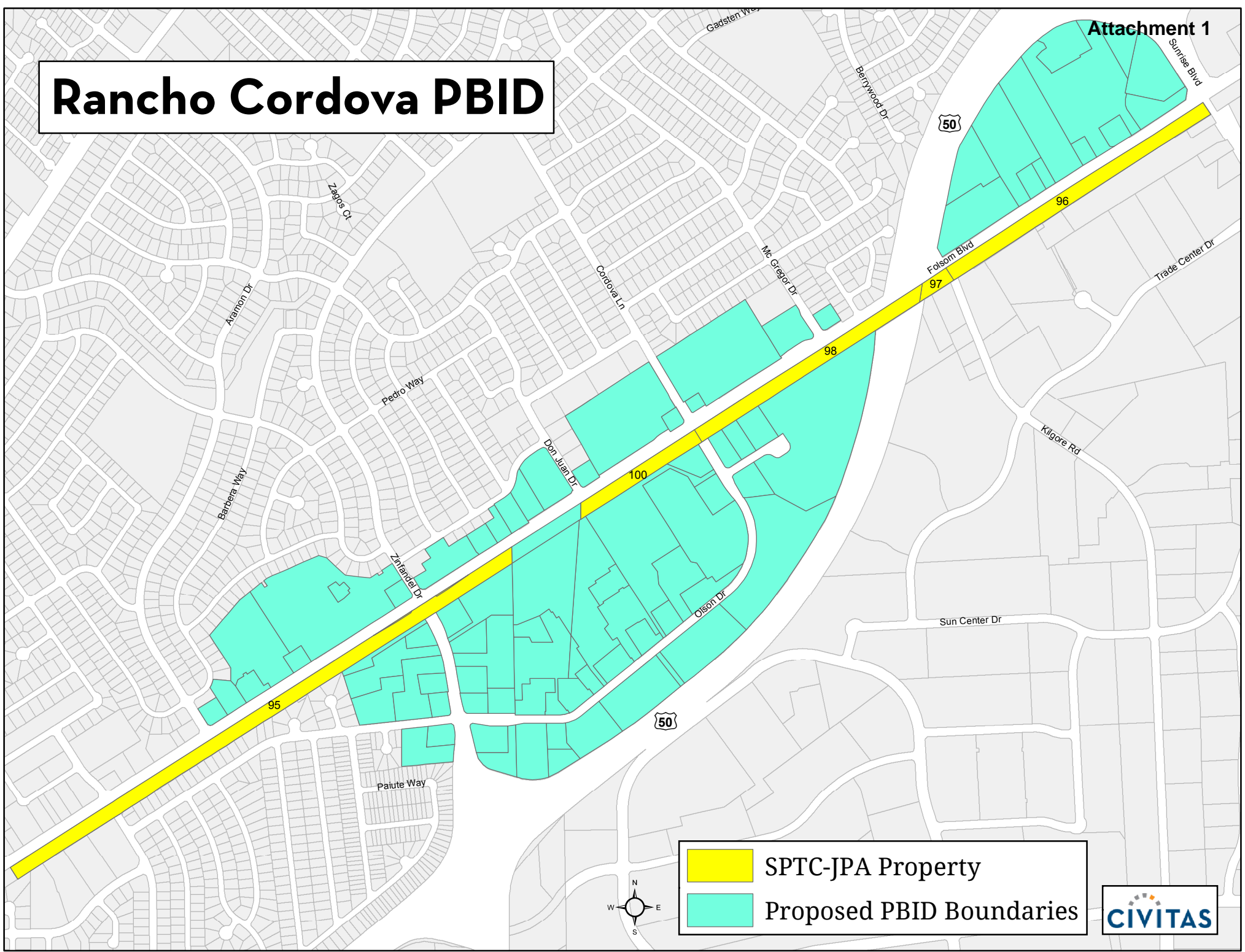
Management: The Rancho Cordova Chamber of Commerce (the Chamber) will serve as the Owners’ Association for the Rancho Cordova PBID. The Chamber will form a new standing steering committee, to be known as the “PBID Governing Committee” (PGC). The PGC will be comprised solely of property owners paying the Rancho Cordova PBID assessment; however, additional non-voting seats may be held by representatives of the Chamber and the City of Rancho Cordova, as designated by the PGC and with consent by the Chamber’s Board. The number of members of the PGC and the criteria for membership on the PGC will be determined by the Chamber and set forth in the Chamber’s bylaws. The Chamber Board’s resolution creating the PGC will delegate the authority to manage matters related to the Rancho Cordova PBID to the PGC, including, but not limited to, management of assessment funds and decision making regarding Rancho Cordova PBID programs.


Process: Under the Property and Business Improvement District Law of 1994, a city may initiate proceedings to form a Property and Business Improvement District (PBID) upon receipt of a written petition signed by property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied. The proceedings include holding a public hearing and offering property owners an opportunity to protest formation of the district. Assessments are levied based on the estimated benefit to the respective property or business owners within the district. Signed petitions for the Rancho Cordova PBID are being requested by May 31, 2019. This is to allow for the hearing and ballot process to begin in June so that the PBID can be formed and start collecting assessments in 2020.


Based on the process detailed above, it is possible the PBID may be approved by other property owners regardless of whether or how the SPTC JPA signs a petition or casts a vote, in which case SacRT would still have to pay the assessment. On the other hand, the vote of the SPTC JPA could prove determinative if it is a close vote as to whether or not to approve the PBID. Because of that, Staff felt it important to bring this issue to the Board for consideration.

Rancho Cordova PBID

Attachment 1



 SPTC-JPA Property

 Proposed PBID Boundaries



Rancho Cordova Property and Business Improvement District

Service Plan

March 19, 2019

PROPOSED BUDGET

The budgets below are examples of how funds could be allocated in the initial year. Budget categories may require adjustments up or down to continue the intended level of services. The Owners’ Association Board of Directors will have the authority to re-allocate up to fifteen percent (15%) of total service budget between categories. Over the five (5) year term of the district, the assessment rate may be subject to annual increases that will not exceed five percent (5%) per year. Increases will be determined by the Owners’ Association Board of Directors and can vary each year.

Service	FY 19 Budget	%
Security & Maintenance	\$320,484.03	73%
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Improvements	\$13,170.58	3%
Contingency / Reserve	\$17,560.77	4%
TOTAL	\$439,019.22	100%

PROPOSED SERVICES

Security & Maintenance

Safety and the perception of safety are the leading issues with RCPBID property owners. The safety and maintenance program will serve a number of functions. This program will increase awareness of security efforts, coordinate efforts of existing property owner security programs, and act as the “eyes and ears” for the Rancho Cordova Police Department. The program will reduce street disorder and serve a lead role in crime prevention. Maintenance is another leading issue with RCPBID property owners. A maintenance service will patrol the RCPBID for litter and other garbage. The service will also remove graffiti, shopping carts, weeds, and other debris from streets and sidewalks.

Security

A security program that keeps in close communication with RCPBID property and business owners is a key point of this program. The security program will have flexibility to address the needs throughout the RCPBID, via a patrol program that can respond to the needs of every owner within the RCPBID. With these factors in mind, the safety and patrol program will include, but is not limited to:

- Supporting crime prevention on assessed parcels and reporting issues to the Rancho Cordova Police Department

- Deterring and reporting on illegal street vending, illegal dumping, and street code violations.
- Deterring and reporting on public intoxication, panhandling and loitering, trespassing, prostitution, scavenging, and shopping cart confiscation.
- Increasing visibility of the patrol within the RCPBID, including patrolling of security personnel by vehicle, to allow security personnel to have contact with the local businesses, property owners and residents.
- Providing information to help reduce nuisance behaviors, occurring in the RCPBID area, which can deter tenants and customers on assessed parcels.

Maintenance Patrol

The maintenance program will focus on making the RCPBID as a cleaner and more inviting place to do business. Maintenance patrols will provide additional litter pickup and removal beyond City services. The patrol will perform regular rounds, Monday through Friday, throughout the RCPBID to find and address maintenance problems. The maintenance patrol program may include, but is not limited to:

- Patrolling the RCPBID to pick up any garbage from illegal dumping in public areas.
- Contacting appropriate retailers and/or property owners to retrieve abandoned shopping carts.
- Painting or removing any graffiti in public areas, such as benches and bus stops.
- Removing weeds from sidewalks, planters in the public right of way, and gutters, excluding center medians.
- Removing all posters and advertisements illegally posted on public property.
- Communicating with Owners' Association staff to carry out any emergency clean up problems.
- Maintaining statistics on the amount of garbage collected, shopping carts retrieved and posters/signs removed. Statistics will be reported monthly to Owners' Association staff.

Marketing & Advocacy

Marketing efforts will highlight the RCPBID as a unique destination in an effort to increase visitor activity and sales that directly benefit the assessed parcels. Marketing may include, but is not limited to:

- Promoting and marketing the RCPBID as a desirable destination.
- Business advocacy efforts, including endeavors to attract businesses to vacant properties.
- Promoting and executing special events to attract visitors.
- Creating and maintaining the RCPBID brand package and website.
- Creating and distributing promotional materials, including visitor guides, maps, press releases and newsletters.



- Advocating in collaboration with and behalf of the RCPBID at local government agencies for economic development decisions, planning decisions, and implementing homeless initiatives.

Administration

The improvements portion of the budget will be used to fund tangible items that will better the area of the RCPBID to help with promoting and improving the look and feel of the RCPBID. Improvements may include: the addition of pole banners, wayfinding signage, park benches, trash receptacles, bike racks, planters, public art and other similar initiatives.

Administration

The administration portion of the budget will be utilized for administrative costs associated with providing the activities and improvements for the RCPBID. These costs may include rent, telephone charges, legal fees, accounting fees, postage, administrative staff, insurance, and other general office expenses.

Contingency / Reserve / City Fees

The budget includes a prudent fiscal reserve. Changes in data, lower than anticipated collections, higher than expected program costs, and other issues may change the revenue and expenses. In order to buffer the organization for unexpected changes in revenue, and/or allow the RCPBID to fund other overhead or renewal costs, the reserve is included as a budget item. Should contingency funds remain at the expiration of the RCPBID, and property owners wish to renew the district, the remaining funds may be used for the costs of renewal. This category also includes the necessary funds to pay the City of Rancho Cordova’s fees associated with collection of assessments. The City’s fee is anticipated to be one percent (1%) of the assessments collected.

INITIAL ASSESSMENT RATE

Parcels are assessed based on parcel size. To determine a parcel’s assessment, the applicable lot size rates in the tables below are applied to the parcel’s actual lot size within the RCPBID. The assessment rates* are:

Commerical Use Lot Size Assessment Rate (sq. ft.)	Religious Use Lot Size Assessment Rate (sq. ft.)	Railroad Use Lot Size Assessment Rate (sq. ft.)	Apartment Use Lot Size Assessment Rate (sq. ft.)
\$0.0550	\$0.0500	\$0.0262	\$0.0350

**Assessment rates may be subject to an increase of no more than five percent (5%) per year.*

MANAGEMENT

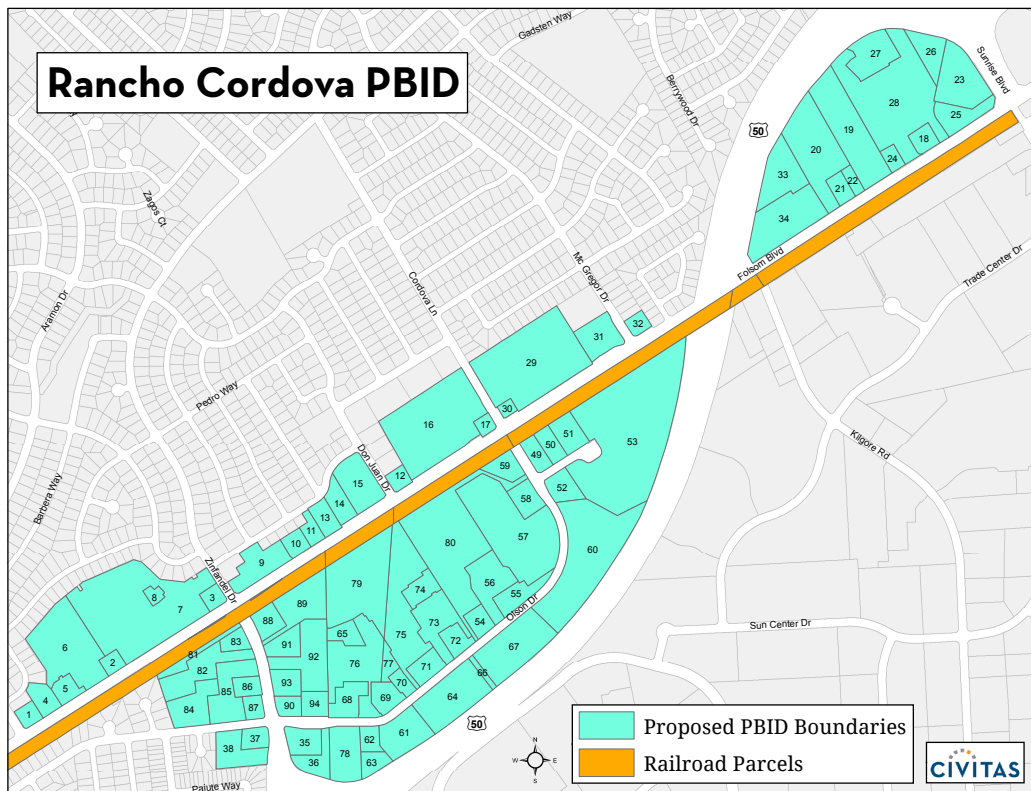
The Rancho Cordova Chamber of Commerce shall serve as the Owners' Association described in the Streets and Highways Code §36651. The Chamber shall form a new standing advisory committee, to be known as the "PBID Governing Committee" (PGC). The Chamber Board's resolution creating the PGC shall delegate the authority to manage matters related to the RCPBID to the PGC, including, but not limited to, management of assessment funds and decision making regarding RCPBID programs. The PGC shall be comprised solely of property owners paying the RCPBID assessment. Additional non-voting seats may be held by representatives of the Chamber and the City of Rancho Cordova as nominated by members of the PGC and appointed by the Chamber's Board. The number of members of the PGC and the criteria for membership on the PGC shall be set forth in the Chamber's bylaws.

TERM

The district will be formed for a five (5) year period, with services commencing January 1, 2020 through December 31, 2024. After the five (5) year term, the PBID may be renewed for up to ten (10) years if property owners support continuing the programs.

BOUNDARIES

The map below illustrates the proposed RCPBID boundaries.



Rancho Cordova Property Business Improvement District Partnership with Sac-Placerville Transportation JPA & Regional Transit

The Sac-Placerville Transportation JPA & Regional Transit parcels run through the center of the proposed Rancho Cordova Property Business Improvement District (RCPBID). There would be two stations in the RCPBID, Zinfandel and Cordova Town Center.

What additional services will the PBID provide for Regional Transit?

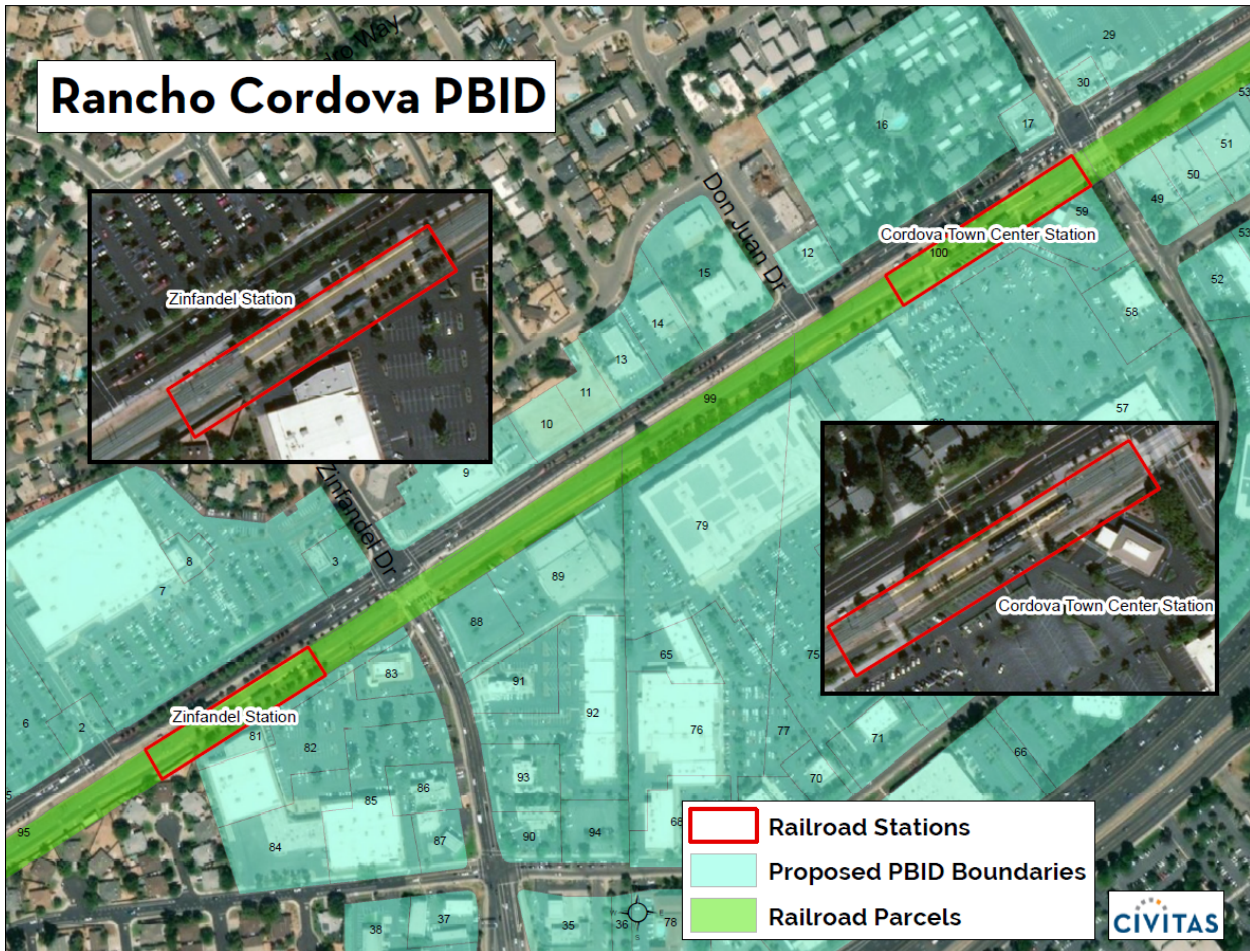
Seventy-three percent (73%) of the \$439,019 PBID budget, will be used for additional Security & Maintenance. Eight percent (8%) of the budget will be used for Marketing & Advocacy. Some of the services that provide specific or direct benefit to Regional Transit include:

- Reduction of nuisance behavior to encourage ridership, by deterring and reporting such activities as public intoxication, loitering, trespassing, prostitution, scavenging, and shopping cart confiscation.
- Engagement with property and business owners to promote regional transit as a viable, alternative option to other transportation methods for themselves and employees.
- Supporting crime prevention on assessed parcels in the RCPID and reporting such issues to the Rancho Cordova Police Department.
- Maintaining a partnership with the Rancho Cordova Police Department to help deter repeat offenders and reduce incident levels.
- Deterring and reporting illegal street vending, illegal dumping, and street code violations.
- Marketing aimed at increasing ridership.
- Promoting and marketing the RCPBID as a desirable destination.
- Promoting and executing special events to attract visitors.
- Business advocacy efforts to attract businesses to vacant properties.

Cost

Commercial Use Lot Size Assessment Rate (sq. ft.)	Religious Use Lot Size Assessment Rate (sq. ft.)	Railroad Use Lot Size Assessment Rate (sq. ft.)	Apartment Use Lot Size Assessment Rate (sq. ft.)
\$0.0550	\$0.0500	\$0.0262	\$0.0350

The initial annual assessment for the Sac-Placerville Transportation JPA & Regional Transit parcels will be: \$23,550.42.



RESOLUTION NO. 19-05-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 13, 2019

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE AN AMENDMENT TO THE EASEMENT AGREEMENT WITH THE SPTC JPA RELATED TO PROPERTY-RELATED FEES AND ASSESSMENTS.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is hereby authorized to enter into an amendment to the Easement with the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC JPA) to allow SacRT to direct SPTC JPA sign a petition in favor of or against; cast ballot for or against, creation or renewal; file a protest; or initiate any other legal action, related to a PBID, assessment district, property-related fee or other action requiring a property owner action and clarify that SacRT will be responsible for any resulting fee or assessment.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary