

**Capitol Station District d/b/a  
The River District  
Property and Business Improvement District #04-01**



THE RIVER DISTRICT

**2010 - 2011  
Annual Report**

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

**Submitted By The River District**

**March 1, 2010**

# Capitol Station District d/b/a River District Property and Business Improvement District #04-01

## 2010-2011 Annual Report

### PBID SUMMARY

The boundaries and benefit zones of The River District Property and Business Improvement District (PBID) remain unchanged for the 2010-2011 fiscal year. As permitted in the "Property and Business Improvement District Law of 1994", and incorporated in the *Management Plan for the Capitol Station Property Owners Business Improvement District No. 04-01*, (April, 2004), The River District Board of Directors approved an increase of 5% in the PBID assessment for 2010-2011 as allowed in the Agreement for Implementation of Management District. The annual assessment rate is adjusted to compensate for higher business costs and to avoid reductions in service. The PBID does not anticipate contributions to be made to the PBID from sources other than assessments in during the 2010-2011 fiscal year.

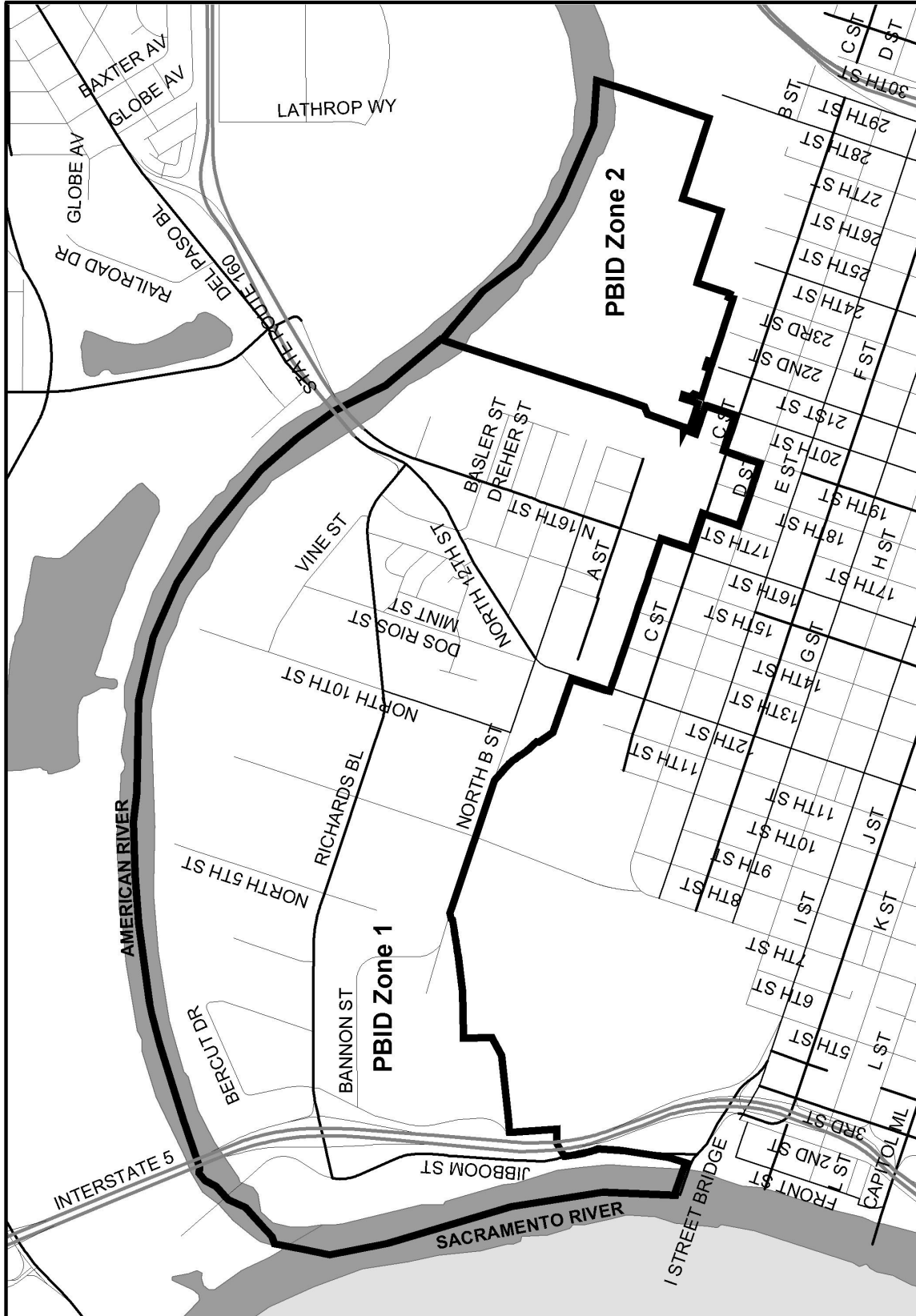
### PBID BOUNDARIES

**A. Service Area.** The PBID Service Area is approximately 850 acres, bounded by the American River to the north, Sacramento River to the west, Union Pacific rail berm at North B Street and continuing to C Street on the south, and 28<sup>th</sup> Street to the east. A map of the area is included with this report. It should be noted that residentially-zoned properties and parcels owned by organizations organized under section 501(c)(3) of the IRS code are exempt from assessment. (For more detail on the PBID assessment structure see "Assessment Methodology.")

**B. Benefit Zones.** The River District PBID is comprised of two geographic Zones which determine the level of PBID benefits and services received:

- Zone 1 includes the majority of PBID properties, from the Sacramento River on the west to the 20<sup>th</sup> Street rail lines on the east. This area is more fully developed and has fewer unimproved properties than Zone 2.
- Zone 2 consists primarily of vacant parcels and properties that are not fully developed. Zone 2 is located east of the 20<sup>th</sup> Street rail lines and north of the Union Pacific Railroad mainline tracks.

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B.Mueller 5/10/05

## THE RIVER DISTRICT PBID MANAGEMENT PLAN

The River District PBID Management Plan provides for improvements and activities which include community service initiatives, economic development, and transportation/public projects/infrastructure advocacy and planning. These improvements and activities are supplemental to those provided by the City and County of Sacramento. The overall PBID Management Plan will remain unmodified for the fiscal year 2010-2011. Current services include:

**A. Community Service Initiatives** to provide daily private security patrol, regular liaison with the Sacramento Police Department, weekday trash abatement, on-call graffiti removal, occasional public right-of-way weed abatement and advocacy/planning efforts to help mitigate the impact of the homeless population.

**B. Economic Development** activities to provide increased public information convey a positive image for the area. Such activities aid in the attraction of new jobs, businesses and investment which will improve the marketability and regional profile of the District.

**C. Transportation/Public Projects/Infrastructure Advocacy and Planning** to advance the design and implementation new roadway, transit, utility and streetscape projects as well as advocate for open space, amenities and other community benefit projects.

**D. Administration** is included in the annual budget to cover costs necessary to manage the improvements and activities specified in the PBID management plan including bookkeeping, office equipment, and other costs of doing business. This component also includes funds to reimburse costs incurred by the City and County to administer the collection and disbursement of PBID assessments.

## SERVICE PLAN BUDGETS

The River District Board of Directors has proposed an overall budget for fiscal year 2010-2011 in the amount of \$329,278—an increase of \$14,971 or 4.8% from 2009-2010. The budget is based upon the following projected allocation of Management District revenues:

• <b>Community Service Initiatives</b>	<b>52%</b>
• <b>Economic Development</b>	<b>18%</b>
• <b>Public Projects Advocacy &amp; Planning</b>	<b>18%</b>
• <b>Administration</b>	<b><u>12%</u></b>
<b>Total Services</b>	<b>100%</b>

## ASSESSMENT METHODOLOGY

**A. Base Formula.** Assessments for the 2010-2011 fiscal year will not exceed the following:

<b>Zone 1</b>	<b>\$449.40 per acre</b>
<b>Zone 2</b>	<b>\$111.30 per acre</b>

Property owners, businesses and other River District stakeholders have emphasized that the assessment formula for the PBID must be fair, balanced and proportionate with special benefits received.

The River District PBID assessments are based on a cost allocation approach, where assessments/benefits are determined on the basis of lot acreage. Lot acreage was chosen as the primary assessment variable for the following reasons:

1. It is the best indicator of the highest and best use of the parcels and will reflect the long-term value implications of PBID benefits.
2. District improvements and services are intended to enhance value throughout the district by encouraging the development and improvement of roadways and infrastructure, attracting new investment and providing a cleaner and safer business environment. The overall effect of these improvements and activities will convey benefits to all PBID parcels, regardless of degree of development, and will enhance parcels' development potential.

Assessment variables are outlined in the following section, Benefit Zones.

### **B. Benefit Zones.**

- Zone 1: Zone 1 comprises the majority of the PBID, from the Sacramento River on the west to the 20<sup>th</sup> Street rail spurs on the east. Zone 1 parcels have standard public access and higher development potential. There will be equal distribution of benefits from the PBID services throughout Zone 1. Based on benefits received, these parcels will be assessed at the full benefit level of \$449.40 per acre.
- Zone 2: Zone 2 consist of vacant and less developed parcels located east of the 20<sup>th</sup> Street rail spurs and north of the Union Pacific mainline tracks that have limited public access and limited development potential due to environmental contamination. Zone 2 parcels will receive PBID benefits through transportation/public projects/infrastructure planning and advocacy. Community service initiatives are not provided to these parcels due to lack of access. Benefits from economic development services are limited until environmental and access issues are resolved. Because these parcels receive reduced services, they are assessed at the rate of \$111.30 per acre which covers planning, advocacy and a portion of the PBID administrative costs.

**C. Exemptions.** Properties owned by not-for-profit organizations that are exempt from *ad valorem* property taxes are not subject to assessment, provided that the owner of such property submits valid documentation of exemption to the PBID. This includes non-profit corporations which have obtained federal tax-exemption under Internal Revenue Code Section 501(c)(3) or California franchise tax exemption under Revenue and Taxation Code Section 23701d.

A 1996 revision to the *Property and Business Improvement District Law of 1994* clarifies that properties zoned exclusively for residential use are exempt from PBID assessments. For The

River District PBID, all property zoned exclusively for residential purposes, both rental and owner-occupied, are not be subject to assessment.

**D. Government Assessments.** The River District PBID includes properties owned by the City of Sacramento, County of Sacramento, Sacramento Housing Authority, Sacramento Redevelopment Authority, and the State of California. In recognition of the benefits received, in support of the unified management district concept, and in compliance with Article XIII D of the California Constitution, these agencies are charged the same rate of assessment as private property owners.

**The River District  
Property and Business Improvement District**

**FY 2010-2011 Budget & Parcel Assessment Rate**

Planned PBID Services	Detail	Budget
Community Service Initiatives		\$170,000
Economic Development		\$60,000
Public Projects Advocacy & Planning		\$60,000
Administration:		
▪ <i>River District Admin Services</i>	\$34,117	
▪ <i>Special Districts Administration</i>	\$3,314	
▪ <i>Consultant Reporting</i>	\$250	
▪ <i>Finance Administration</i>	\$1,276	
▪ <i>County Billing</i>	<u>\$321</u>	
Administration Total		<u>\$39,278</u>
Total Expenditures Budget		\$329,278
<b>Total Assessed to Property Owners</b>		<b>\$329,278</b>

**Parcel Assessment**

The annual assessment rate is based on an allocation of program costs based on a per-acre calculation

Benefit Zone	Assessment Rate Per Acre
Zone 1	\$449.40
Zone 2	\$111.30