

Downtown Richmond Property & Business Improvement District

Management District Plan

May 14, 2012



Prepared by



www.civitasadvisors.com

(800)999-7781

DOWNTOWN RICHMOND PBID MANAGEMENT DISTRICT PLAN 2013-2017

TABLE OF CONTENTS

I.	Overview	2
II.	Background	3
III.	Boundaries.....	4
IV.	Service Plan and Budget.....	6
	A. Services.....	6
	B. Operations Budget	7
V.	Engineer’s Report.....	8
	A. Assessment Methodology	8
	B. Time and Manner for Collecting Assessments	9
VI.	Continuation of City Services	11
	A. City Base Levels of Service Policy.....	11
	B. City Council Resolution.....	11
VII.	Governance.....	12
	A. Owners’ Association.....	12
	B. Brown Act and Public Records Act Compliance.....	12
	C. Annual Report.....	12
Appendix 1 – PBID Law.....		13
Appendix 2 – Assessment Calculation Table		28
Appendix 3 – Draft Base Level of Services Resolution		31



I. OVERVIEW

Developed by a growing coalition of property and business owners, the Downtown Richmond Property and Business Improvement District (DRPBID) is a benefit assessment district whose main goal is to improve Downtown Richmond. The DRPBID will establish various programs to increase commercial activity in Downtown Richmond. This approach has been used successfully in other cities throughout the country to increase sales, attract new tenants, increase occupancies, and increase property values.

- Location:** The District generally includes parcels along portions of Macdonald Avenue from 7th Street (in the west) to the BART tracks (in the east); portions of 8th Street and Harbour Way from Barrett Avenue (in the north) to Bissell Avenue (in the south); portions of Marina Way from Nevin Avenue (in the north) to Bissell Avenue (in the south); and portions of 16th Street from Macdonald Avenue (in the north) to Bissell Avenue (in the south). For a detailed boundary description and map, see Section III.
- Services:** Cleaning, maintenance, safety, marketing, promotions, business attractions and advocacy to specially benefit assessed parcels. For a detailed description of the services being offered in the District, see Section IV.
- Budget:** The DRPBID budget for the initial year of operation is \$183,092.00. In years two through five the budget may be subject to an increase in assessment rates of no more than three percent per year. For a detailed breakdown of the budget for the District, see Section IV.
- Cost:** The initial cost to the parcel owner is \$0.12 per parcel square foot per year for commercial parcels. Parcels owned and utilized by non-profit housing agencies shall be assessed a rate of \$0.05 per parcel square foot per year. Assessment rates may be subject to an increase of no more than three percent per year. For a detailed description of the assessment methodology, see Section V.
- Formation:** DRPBID formation requires submittal of petitions from property owners representing at least 50% of the total assessment. The “Right to Vote on Taxes Act” (also known as Proposition 218) requires a ballot vote in which more than 50% of the ballots received, weighted by assessment, be in support of the DRPBID.
- Duration:** The proposed DRPBID will have a five-year life commencing January 1, 2013. After five years, the petition process, ballot process, and City Council hearing process must be repeated for the DRPBID to be reestablished.

II. BACKGROUND

The International Downtown Association estimates that more than 1,500 Property and Business Improvement Districts currently operate throughout the United States and Canada; there are over two hundred in California alone.

A Property and Business Improvement District may provide services, identity formulation, market research, and economic development in addition to those provided by local government. Property and Business Improvement Districts may also provide physical improvements such as entry features, benches, or lighting. These services are concentrated within a distinct geographic area and are paid for by means of a special parcel owner assessment. A Board of Directors representing those who pay the assessment would govern the organization responsible for providing these services.

Property and Business Improvement Districts are proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values and sales volumes.

The DRPBID will be formed pursuant to a State Law that took effect in January of 1995. The “Property and Business Improvement District Law of 1994,” which was signed into law by Governor Pete Wilson, ushered in a new generation of Property and Business Improvement Districts in California by allowing a greater range of services and independence from government. Key provisions of the law include:

- Allows Property and Business Improvement Districts to provide services ranging from security to maintenance, and from business advocacy to economic development.
- A Property and Business Improvement District is ***designed and governed by those who will pay*** the assessment.
- Petition and ballot support from private property owners paying at least 50% of proposed private property assessments are required to form a Property and Business Improvement District.
- Allows for the formation of a property owner advisory board to provide oversight of District operations and submit a yearly service plan.
- Requires limits for assessments to ensure that they do not exceed pre-established levels.
- Provides a multi-year life for Property and Business Improvement Districts and requires a new petition and balloting process to renew a District. The DRPBID will have a five-year term.

The “Property and Business Improvement Business District Law of 1994” is provided in Appendix 1 of this document.

III. BOUNDARIES

The DRPBID will deliver services to Downtown Richmond. The District generally includes parcels along portions of Macdonald Avenue from 7th Street (in the west) to the BART tracks (in the east); portions of 8th Street and Harbour Way from Barrett Avenue (in the north) to Bissell Avenue (in the south); portions of Marina Way from Nevin Avenue (in the north) to Bissell Avenue (in the south); and portions of 16th Street from Macdonald Avenue (in the north) to Bissell Avenue (in the south).

The specific District boundaries are as follows:

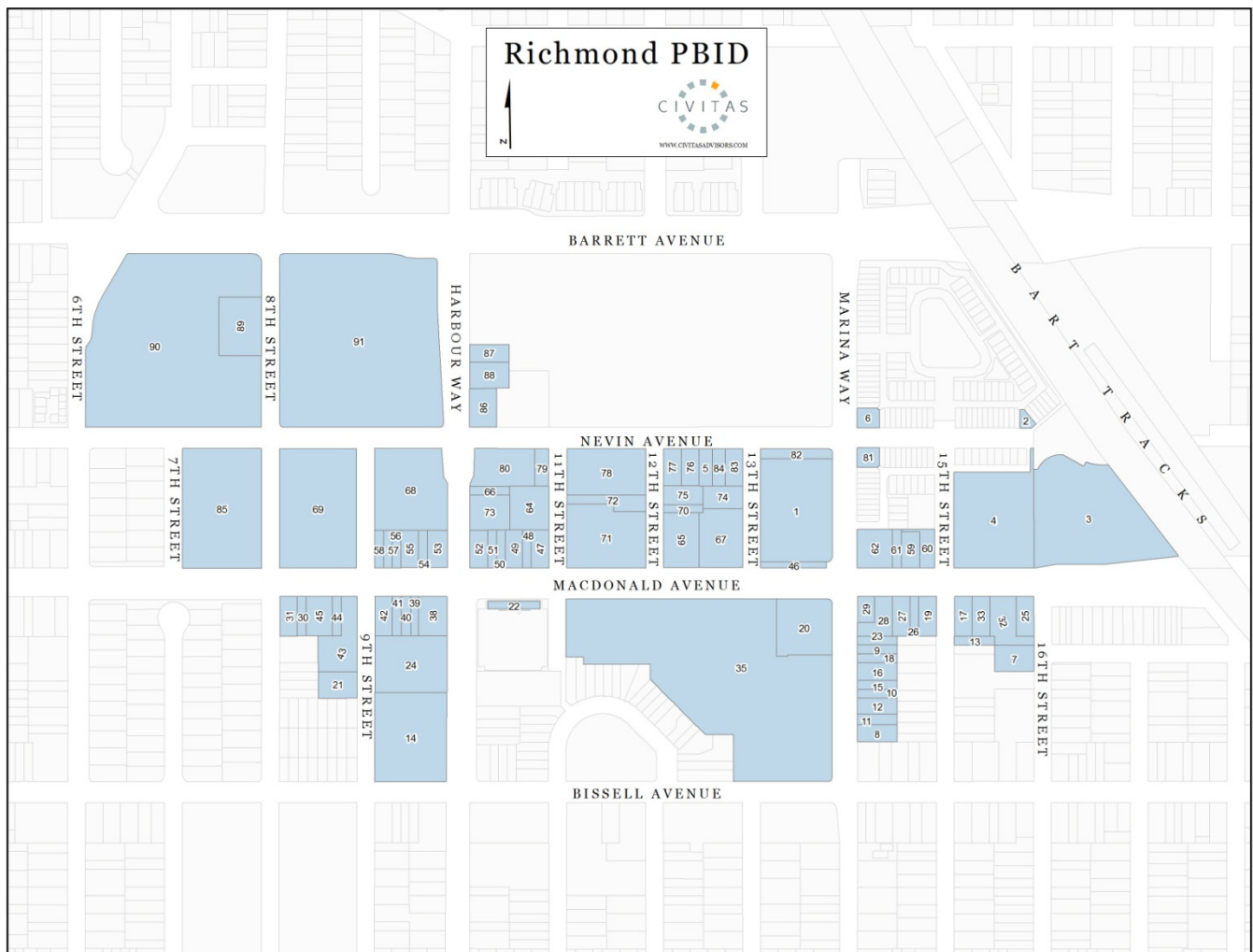
Beginning at the southeast corner of the intersection of 6th Street and Barrett Avenue then east along the south edge of Barrett Avenue, across 8th Street, to Harbour Way. South along the west edge of Harbour Way to a point opposite the northwest corner of Assessor's Parcel Number (APN) 540-420-005 (Map ID 87). East across Harbour Way, then east along the northern boundary of APN 540-420-005 (Map ID 87). South along the eastern boundary of parcels fronting the east edge of Harbour Way to Nevin Avenue. East along the south edge of Nevin Avenue, across 11th Street, 12th Street, and 13th Street, to Marina Way. North along the east edge of Marina Way to the northwest corner of APN 540-480-133 (Map ID 6). East along the northern boundary then south along the eastern boundary of APN 540-480-133 (Map ID 6) to Nevin Avenue. South across Nevin Avenue, then south along the eastern boundary and west along the southern boundary of APN 540-480-134 (Map ID 81) to Marina Way. South along the east edge of Marina Way to the northwest corner of APN 540-071-017 (Map ID 62). East along the northern boundary of parcels fronting the north edge of Macdonald Avenue, across 15th Street, to the BART tracks. Southeast along the southwest edge of the BART tracks to Macdonald Avenue.

West along the north edge of Macdonald Avenue to 16th Street. South along the west edge of 16th Street to the southeast corner of APN 540-150-008 (Map ID 7). West along the southern boundary, then north along the western boundary of APN 540-150-008 (Map ID 7); then west along the southern boundary of APN 540-150-026 (Map ID 13) to 15th Street. West across 15th Street, then continuing west along the southern boundary of parcels fronting the south edge of Macdonald Avenue to the northeast corner of APN 540-140-028 (Map ID 23). South along the eastern boundary of parcels fronting the east edge of Marina Way to the southeast corner of APN 540-140-020 (Map ID 8). West along the southern boundary of APN 540-140-020 (Map ID 8) to Marina Way. Southwest across Marina Way to the northwest corner of the intersection of Bissell Avenue and Marina Way. West along the southern boundary of parcels fronting the south edge of Macdonald Avenue to 11th Street. North along the east edge of 11th Street to Macdonald Avenue. West along the south edge of Macdonald Avenue to the northeast corner of APN 540-460-008 (Map ID 22). South along the eastern boundary, west along the southern boundary, and north along the western boundary of APN 540-460-008 (Map ID 22) to Macdonald Avenue. West along the south edge of Macdonald Avenue to Harbour Way. South along the west edge of Harbour Way to Bissell Avenue. West along the north edge of Bissell Avenue, then north along the east edge of 9th Street to a point opposite the southeast corner of APN 538-250-008 (Map ID 21). West along the southern boundary of APN 538-250-008 (Map ID 21), then north along the western boundary of parcels fronting the west edge of 9th Street to the southern boundary of APN 538-250-003 (Map ID 45). West along the southern boundary of parcels fronting the south edge of Macdonald Avenue to 8th Street. North along the east edge of 8th Street to Macdonald Avenue. West along the north edge

of Macdonald Avenue, across 8th Street, to 7th Street. North along the east edge of 7th Street to Nevin Avenue. West along the north edge of Nevin Avenue to 6th Street. North along the east edge of 6th Street to Barrett Avenue, the point of beginning.

The District also includes APN 540-480-135 (Map ID 2).

The service area includes approximately 91 parcels with 41 property owners. The DRPBID boundary is illustrated by the map below. The numbers on the map correspond to the Assessment Calculation Table included as Appendix 2. Each parcel is identified with a Map ID number corresponding to its Assessor's Parcel Number (APN). A larger map is available on request by calling (916) 325-0604 or (800) 999-7781.



IV. SERVICE PLAN AND BUDGET

A. Services

DRPBID services will be provided to assessed parcels based on the amount paid into the DRPBID.

1. **Cleaning, Maintenance, and Safety**

Cleaning, maintenance and safety programs will provide a special benefit to assessed properties. Cleaning and maintenance staff will be hired to provide services throughout the District. Cleaning and maintenance services may include: graffiti removal, litter abatement, installation of trash receptacles, and sidewalk pressure washing. Safety programs may include security patrols, coordination with the police department and private security agencies operating within the District, and dissemination of safety information to property owners and their tenants.

2. **Marketing, Promotions and Business Attraction**

These services will be designed to promote and improve business conditions throughout the District. Business attraction and retention services will work to keep existing businesses in the District and attract new businesses to fill vacancies. These services may include website development and operation, business listings, signage, and marketing programs. Funds may also be used to sponsor special events to the extent they specially benefit assessed property owners.

3. **Administration & Advocacy**

The District will create a unified voice to advocate for the interests of Downtown Richmond. Advocacy efforts will include representing downtown property owners at the City Council and other agencies, and applying for grants and additional funding streams to improve downtown. This line item also includes administrative expenses such as telephone, postage, insurance, accounting, and similar expenses.

4. **Contingency**

A prudent portion of the budget will be maintained in a reserve fund to cover lower than anticipated collections and increased program costs.

5. **Collection Fee**

The City of Richmond will retain one percent of the amount collected to cover its costs of collection and administration.

B. Operations Budget

Although revenues may fluctuate from year to year, the proportional allocation of revenues shall remain consistent with the table below, except that funds can be reallocated between categories by up to fifteen percent (15%) of the total budget each year. Parcel owners will contribute the entire amount through annual parcel square footage assessments.

Category	%	2013	2014	2015	2016	2017
Cleaning, Maintenance & Safety	55	\$100,700.60	\$103,721.62	\$106,833.27	\$110,038.26	\$113,339.41
Marketing, Promotions & Business Attraction	24	\$43,942.08	\$45,260.34	\$46,618.15	\$48,016.70	\$49,457.20
Administration	15	\$27,463.80	\$28,287.71	\$29,136.35	\$30,010.44	\$30,910.75
Contingency	5	\$9,154.60	\$9,429.24	\$9,712.12	\$10,003.48	\$10,303.58
Collection Fees	1	\$1,830.92	\$1,885.85	\$1,942.42	\$2,000.70	\$2,060.72
Totals	100	\$183,092.00	\$188,584.76	\$194,242.30	\$200,069.57	\$206,071.66

**This table assumes that the maximum three percent per year increase is implemented and that the Board does not exercise the ability to adjust categorical expenditures.*

V. ENGINEER'S REPORT

A. Assessment Methodology

1. Base Formula

Property owners, merchants, and other Downtown Richmond stakeholders have emphasized that an assessment formula for the DRPBID be fair, balanced, and commensurate with benefits received.

Each parcel owner will pay based on benefits received. The variable used for the annual assessment formula is gross parcel size.

The annual assessment on commercial parcels throughout the District is \$0.12 per parcel square foot per year. Parcels owned and utilized by non-profit housing agencies shall be assessed a rate of \$0.05 per parcel square foot per year. Assessment rates may be subject to an increase of no more than three percent per year. Because the programs in the DRPBID have been designed to provide special benefits to parcels with commercial uses, and do not provide benefit to parcels with residential uses, parcels with exclusively residential uses and residential portions of mixed-use parcels shall not be assessed.

2. Determination of Special Benefit

New services, including cleaning, maintenance, safety programs, marketing, promotions, business attractions, and advocacy will be provided to assessed parcels throughout the DRPBID. The special benefit to parcels from the DRPBID exceeds the total amount of the assessment.

Assessment law provides that the expenses of the DRPBID shall be apportioned in proportion to the special benefit received by each parcel. In addition, the law requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The law further 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 DRPBID. The general enhancement of property value does not constitute a special benefit.

Each and every parcel within the DRPBID, except for exempt parcels (discussed below), receives a particular and distinct special benefit from the improvements and activities of the DRPBID, over and above general benefits conferred on those parcels by the general activities of the City. The District's services will improve economic development within the DRPBID, thereby specially benefiting all assessed parcels within the DRPBID. These programs contribute to a specific enhancement of the property values of each of the parcels within the DRPBID. The District's services are carefully designed to provide special benefits, specifically enhanced services and the resulting increased commercial activity, to assessed parcels. The District's services will not create a general benefit to parcels within or outside the district.

3. Residential and Mixed-Use Parcels

California Streets and Highways Code Section 36632(c) states, "Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessment pursuant to this part." The primary purpose of the DRPBID is to benefit parcels with

commercial uses and high-density residential and mixed-use parcels. Any incidental benefit to low-density residential parcels within the DRPBID boundaries does not warrant assessing those parcels. Therefore, parcels within the boundaries of the DRPBID to the extent that they are low-density residential parcels with fewer than four units shall not be assessed. That portion of mixed-use parcels which is used for commercial purposes shall be assessed; however, low-density residential portions of mixed-use parcels shall not be assessed.

4. Government-Owned Parcels

The law requires all public parcels to pay their fair share of assessments unless they can demonstrate by clear and convincing evidence that their parcels do not receive benefit. The City of Richmond and other public parcels will receive and benefit from all of the District's services; therefore they will pay the full assessment rate.

5. Non-Profit Housing Agencies

Parcels owned and operated by non-profit housing agencies will receive and benefit from a portion of the District's services. They will not, however, receive the same degree of special benefit that is received by commercial parcels as they are not used for commercial purposes. These parcels will receive and benefit from a portion of the District's cleaning and maintenance programs. They will not receive nor benefit from marketing, promotions and business attraction services. Due to their lower pedestrian traffic and non-commercial nature, these parcels have a lower need for services; therefore, they will receive services less frequently and less intensively than commercial parcels. Non-profit housing parcels will pay an assessment rate equal to 41.6% of the standard rate (\$0.05 per parcel square foot in the initial year of operations), which accounts for the portion of maintenance and cleaning services they will receive, plus the administrative cost of providing those services.

B. Time and Manner for Collecting Assessments

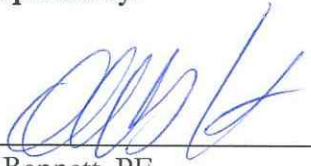
1. Assessment Notice

An Assessment Notice will be sent to owners of each parcel in the DRPBID. The Assessment Notice provides an estimated assessment based upon parcel square footage. The final individual assessment for any particular parcel may change, up or down, if the parcel area differs from that found on the Assessment Notice. A list of parcels to be included in the DRPBID is provided within Appendix 2.

2. Assessment Collection

As provided by State Law, the DRPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Contra Costa. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Contra Costa shall distribute funds collected to the City of Richmond and then to the DRPBID. Existing laws for enforcement and appeal of property taxes apply to the DRPBID assessments.

Review of this DRPBID Management District Plan and preparation of the Engineers Report was completed by:



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



Date



TRUSTED ENGINEERING ADVISORS

Bennett Engineering Services
1082 Sunrise Avenue, Suite 100
Roseville, California 95661

T 916.783.4100
F 916.783.4110

www.ben-en.com



**Downtown Richmond PBID
Management District Plan
May 14, 2012**

VI. CONTINUATION OF CITY SERVICES

A. City Base Levels of Service Policy

Throughout the process of establishing the DRPBID, stakeholders and business and property owners have voiced concerns that the City of Richmond maintains existing services at verifiable “baseline” service levels. A formal base level of service policy ensures that existing City services are enhanced, not replaced, by new DRPBID services.

B. City Council Resolution

If the property and business owners in Downtown Richmond request that the Richmond City Council adopt a resolution committing the City to establish and maintain base levels of service within the DRPBID, the City may consider such an adoption. The policy states that “basic service levels” provided to the area must be paid for by the general City revenues, and not subsidized by revenue which the DRPBID generates for enhanced and supplemented levels of service.

The policy allows for adjustments in the “basic service levels” commensurate with changes in the City’s overall financial condition. City wide service reductions can trigger a proportionate reduction in base levels of service within a Property and Business Improvement District.

A draft City of Richmond Resolution establishing this policy and an estimate of current services is provided in Appendix 3.

VII. GOVERNANCE

A. Owners' Association

The District shall be governed by the Richmond Main Street Initiative, with oversight from the Richmond City Council. The Richmond Main Street Initiative shall serve as the Owners' Association described in Streets and Highways Code section 36651. The Board of Directors of Richmond Main Street Initiative and its staff are charged with the day-to-day operations of the DRPBID.

The Board of Directors of the Richmond Main Street Initiative must be comprised of a majority of parcel owners paying the assessment. In addition, the Board of Directors must represent a variety of interests within the DRPBID and respond to the needs of property and business owners from various "commercial neighborhoods" within the DRPBID.

The Board of Directors shall act in the best interests of all of the properties and businesses within the DRPBID. The diverse representation described above ensures that the interests of all of the properties and business in the DRPBID shall be fairly represented. The City Council or Board of Directors reserves the right to amend or modify the composition of the Board by a separate resolution without amending the Management District Plan.

B. Brown Act and Public Records Act Compliance

The Richmond Main Street Initiative is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the Richmond Main Street Initiative board must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also required to comply with the recordkeeping and production requirements of the California Public Records Act.

C. Annual Report

The Richmond Main Street Initiative board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code section 36650 (see Appendix 1).

APPENDIX 1 – PBID LAW

Property And Business Improvement District Law of 1994

*** This document is current through the 2012 Supplement ***
(All 2011 legislation)

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this

part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. 'Improvement'

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.

(e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.

(f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of Part 1 of Division 2 of Title 5 of the *Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of Division 7 of Title 1 of the *Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(l) Any other item or matter required to be incorporated therein by the city council.

§ 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

§ 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

§ 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

§ 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including,

but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the

renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

§ 36671. Refund of remaining revenues upon disestablishment of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSMENT CALCULATION TABLE

Map ID	Assessor's Parcel Number (APN)	Exempt*	Parcel Size (sqft)	Initial Annual Assessment
1	540082033		62,525	\$7,503.00
2	540480135		1,655	\$198.60
3	540062012		92,489	\$11,098.68
4	540072018		5,387	\$646.44
5	540081003		4,031	\$483.72
6	540480133		3,310	\$397.20
7	540150008		8,437	\$1,012.44
8	540140020		0	\$0.00
9	540140027		2,812	\$337.44
10	540140023		0	\$0.00
11	540140021		0	\$0.00
12	540140022		0	\$0.00
13	540150026		2,812	\$337.44
14	538260013		52,110	\$6,253.20
15	540140024		0	\$0.00
16	540140025		5,625	\$675.00
17	540150001		5,625	\$675.00
18	540140026		2,812	\$337.44
19	540140005		5,625	\$675.00
20	540460049		25,091	\$3,010.92
21	538250008		8,437	\$1,012.44
22	540460008	1	3,354	\$167.70
23	540140028		2,817	\$338.04
24	538260007		32,390	\$3,886.80
25	540150006		5,625	\$675.00
26	540140004		2,812	\$337.44
27	540140003		5,625	\$675.00
28	540140002		7,500	\$900.00
29	540140001		3,750	\$450.00
30	538250002		2,812	\$337.44
31	538250001		5,625	\$675.00
32	540150029		11,249	\$1,349.88
33	540150002		5,625	\$675.00
35	540460048		241,279	\$28,953.48
38	538260009		9,135	\$1,096.20
39	538260004		2,437	\$292.44

Map ID	Assessor's Parcel Number (APN)	Exempt*	Parcel Size (sqft)	Initial Annual Assessment
40	538260003		3,187	\$382.44
41	538260002		2,700	\$324.00
42	538260001		5,625	\$675.00
43	538250014		16,875	\$2,025.00
44	538250004		2,812	\$337.44
45	538250003		8,437	\$1,012.44
46	540082030		1,054	\$126.48
47	540091011		5,420	\$650.40
48	540091012		2,710	\$325.20
49	540091013		5,420	\$650.40
50	540091014		2,700	\$324.00
51	540091015		2,710	\$325.20
52	540091016		5,400	\$648.00
53	538132005		6,124	\$734.88
54	538132006		2,710	\$325.20
55	538132014		5,420	\$650.40
56	538132009		2,710	\$325.20
57	538132010		2,710	\$325.20
58	538132011		2,710	\$325.20
59	540071016		5,213	\$625.56
60	540071018		5,084	\$610.08
61	540071011		2,710	\$325.20
62	540071017		13,340	\$1,600.80
64	540091010		14,063	\$1,687.56
65	540081026		15,849	\$1,901.88
66	540091018		2,812	\$337.44
67	540081020		20,034	\$2,404.08
68	538132013		46,950	\$5,634.00
69	538131016		81,598	\$9,791.76
70	540081025		2,531	\$303.72
71	540092016		36,087	\$4,330.44
72	540092018		6,756	\$810.72
73	540091017		11,250	\$1,350.00
74	540081021		6,795	\$815.40
75	540081024		5,906	\$708.72
76	540081002		5,375	\$645.00
77	540081001		5,375	\$645.00
78	540092017		29,774	\$3,572.88

Map ID	Assessor's Parcel Number (APN)	Exempt*	Parcel Size (sqft)	Initial Annual Assessment
79	540091008		4,300	\$516.00
80	540091019		18,755	\$2,250.60
81	540480134		3,310	\$397.20
82	540082032		6,168	\$740.16
83	540081005		5,375	\$645.00
84	540081004		4,031	\$483.72
85	538142016		76,702	\$9,204.24
86	540420003		8,250	\$990.00
87	540420005		5,625	\$675.00
88	540420004		8,437	\$1,012.44
89	538440002		21,450	\$2,574.00
90	538440001	1	254,650	\$12,732.50
91	538111001		223,462	\$26,815.44
	TOTAL		1,676,269	\$183,092.00

***Exemptions:**

1 = Non-profit housing agency parcels

APPENDIX 3 – DRAFT BASE LEVEL OF SERVICES RESOLUTION

The following is a draft resolution which has not been adopted and is subject to further negotiation. This resolution is provided as a possible sample only.

RESOLUTION NO. _____

ADOPTED BY THE RICHMOND CITY COUNCIL

ON THE DATE OF _____

ADOPTING CITY POLICY REGARDING BUSINESS IMPROVEMENT DISTRICTS:

BASE LEVELS OF SERVICE

WHEREAS, business areas often face a need for collective efforts to promote their businesses and to improve the overall business climate and health of their Districts, and

WHEREAS, businesses often seek enhanced City services and infrastructure improvements.

NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHMOND,

1. Revenue garnered from a Business Improvement District (BID) or other similar assessment District should be used to improve the overall business climate of the area through various promotional programs and service enhancements. To that end, base service level measures should be established and agreed to at the inception of the financing of the District.
2. In the event of a significant downturn in Citywide revenues, the City Council may be forced to reduce base levels of municipal services Citywide unless a substitute source of Citywide revenues is available.
