Folsom City Council
Staff Report

MEETING DATE:	3/28/2023
AGENDA SECTION:	New Business
SUBJECT:	Resolution 11007 – A Resolution Authorizing the City Manager to Sign the Petition and Ballot on Behalf of the City of Folsom in Support of the Renewal of the Historic Folsom Property and Business Improvement District
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends approving Resolution 11007 – A Resolution Authorizing the City Manager to Sign the Petition and Ballot on Behalf of the City of Folsom in Support of the Renewal of the Historic Folsom Property and Business Improvement District.

BACKGROUND / ISSUE

The Historic Folsom Property and Business Improvement District (HFPBID) is a benefit assessment district whose main goal is to provide improvements and activities which constitute and convey a special benefit to assessed parcels. This approach has been used successfully in Historic Folsom and elsewhere throughout the country to provide special benefits to property owners, namely increased sales, attraction of new tenants, increased occupancies, and specifically increased property values.

The HFPBID was created in 2008 pursuant to provisions of the Streets and Highway Code and City Council Resolution No. 8317. By statute, the initial term was limited to five years, and the City Council renewed the District for the maximum allowable term of ten years in 2013 at the request of the Folsom Historic District Association (FHDA). With the current term ending on December 31, 2023, HFPBID property owners and FHDA now wish to renew the district for another ten-year term.

HFPBID property owners decided to pursue renewal of the HFPBID in order to continue a revenue source devoted to providing special benefits to assessed property owners. If renewed, the HFPBID would generate approximately $170,757.12. in assessment revenue on an annual basis for advocacy & program coordination, image enhancement, enhanced maintenance, and related management and administration that are above and beyond those provided by the City and other government agencies.

MANAGEMENT DISTRICT PLAN

The Management District Plan **(Attachment 2)** includes the proposed boundary of the HFPBID, a service plan, assessment methodology, budget, proposed means of governance, and Engineer's Report. The HFPBID includes parcels located in the historic commercial area of the City of Folsom. It is bound by the Folsom Lake State Recreation area on the north and west, the Sutter Street / Figueroa Street Alley on the south, and Scott Street on the east, as shown in the map in the Management District Plan.

The HFPBID will have a ten (10)-year-life, beginning January 1, 2024 through December 31, 2033. Once per year beginning on the anniversary of HFPBID renewal there is a 30-day period in which property owners paying more than 50% of the assessment may protest and begin proceedings to terminate the HFPBID.

As provided by State Law, the HFPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Sacramento. Parcels which do not receive property tax bills will be invoiced by the City. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Sacramento shall distribute funds collected to the City of Folsom, which shall forward them to the HFPBID. Existing laws for enforcement and appeal of property taxes, including penalties and interest, apply to the HFPBID assessments.

HFPBID RENEWAL PROCESS

April 11, 2023	RESOLUTION OF INTENTION HEARING Upon the submission of a written petition, signed by the property owners in the proposed HFPBID who will pay more than 50 percent (50%) of the assessments proposed to be levied, the City Council may initiate proceedings to renew a district by the adoption of a resolution expressing its intention to renew a district.
April 22, 2023	NOTICE & PROPOSITION 218 BALLOT The Property and Business Improvement District Law of 1994 and Proposition 218 require the City mail written notice and assessment ballots to the owners of all property proposed to be assessed within the renewed HFPBID. Mailing the notice and assessment ballot begins a mandatory forty-five (45) day period in which owners may cast ballots.
June 13, 2023	FINAL PUBLIC HEARING Council will open a public hearing and receive public testimony. At the end of testimony, Council will close the public hearing and direct tabulation of assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment. A majority protest exists if the ballots in opposition to the proposed assessment exceed the ballots in support of the proposed assessment, weighted by the amount each owner will pay. If there is no majority protest, Council may adopt a resolution declaring the results of the majority protest proceedings and renewing the HFPBID.

POLICY / RULE

The Property and Business Improvement Law of 1994, California Streets and Highways Code section 36600 et seq., authorizes cities to renew property and business improvement districts for the purposes of promoting economic revitalization and financing activities and services to improve the overall economic climate in said districts.

ANALYSIS

Adoption of this resolution will authorize the City Manager to sign petitions and assessment ballots on behalf of properties owned by the City of Folsom in support of the renewal of the HFPBID. This Resolution shall be deemed valid only if petitions are received from property owners representing over fifty percent (50%) of non-City owned property proposing to be assessed in the HFPBID.

FINANCIAL IMPACT

If the HFPBID renewal is successful, then the City's annual contribution is an estimated $82,644.22 beginning in Fiscal Year 2024-2025. The City's assessment is a General Fund (Fund 010) expense. Future assessment rates may be subject to an increase of no more than three percent (3%) annually.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review pursuant to California Environmental Quality Act Guidelines §15061(b)(3).

ATTACHMENTS

1. Resolution 11007 – A Resolution Authorizing the City Manager to Sign the Petition and Ballot on Behalf of the City of Folsom in Support of the Renewal of the Historic Folsom Property and Business Improvement District
2. Historic Folsom Property and Business Improvement District Management District Plan and Engineer's Report

Respectfully Submitted,

Elaine Andersen, City Manager

ATTACHMENT 1

RESOLUTION NO. 11007

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN THE PETITION AND BALLOT ON BEHALF OF THE CITY OF FOLSOM IN SUPPORT OF THE RENEWAL OF THE HISOTRIC FOLSOM PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

WHEREAS, property owners propose renewal of the Historic Folsom Property and Business Improvement District (HFPBID) pursuant to the Property and Business Improvement Law of 1994, California Streets and Highways Code section 36600 et seq., which authorizes cities to renew property and business improvement districts for the purposes of promoting economic revitalization and financing activities and services to improve the overall economic climate in said districts; and

WHEREAS, under the provisions of Proposition 218 in the California Constitution, government agencies receiving special benefits must pay assessments in Property and Business Improvement Districts for the special benefit they receive; and

WHEREAS, passage of this Resolution will authorize the City Manager of the City of Folsom to sign petitions and assessment ballots on behalf of all City-owned properties in the HFPBID. This signature shall be deemed valid only if petitions are received from property owners representing over fifty percent (50%) of non-City owned property proposing to be assessed in the HFPBID; and

WHEREAS, the City owns the following eighteen (18) properties proposed to be assessed within the renewed HFPBID:

070-0052-023-0000	070-0045-027-0000	070-0045-015-0000
070-0052-027-0000	070-0045-026-0000	070-0032-002-0000
070-0010-017-0000	070-0033-003-0000	070-0033-002-0000
070-0034-002-0000	070-0041-003-0000	070-0041-002-0000
070-0032-005-0000	070-0041-001-0000	070-0045-028-0000
070-0034-001-0000	070-0042-001-0000	070-0051-043-0000

WHEREAS, the City Council has determined that the public interest will be served by having these properties participate in the renewed HFPBID.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the City Manager is hereby authorized to sign petitions and assessment ballots indicating support for the proposed renewal of annual assessments levied by the HFPBID, which is estimated at $82,644.22 for the City properties, on behalf of the City of Folsom. Future assessment rates may be subject to an increase of no more than three percent (3%) annually.

PASSED AND ADOPTED this 28th day of March, 2023, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

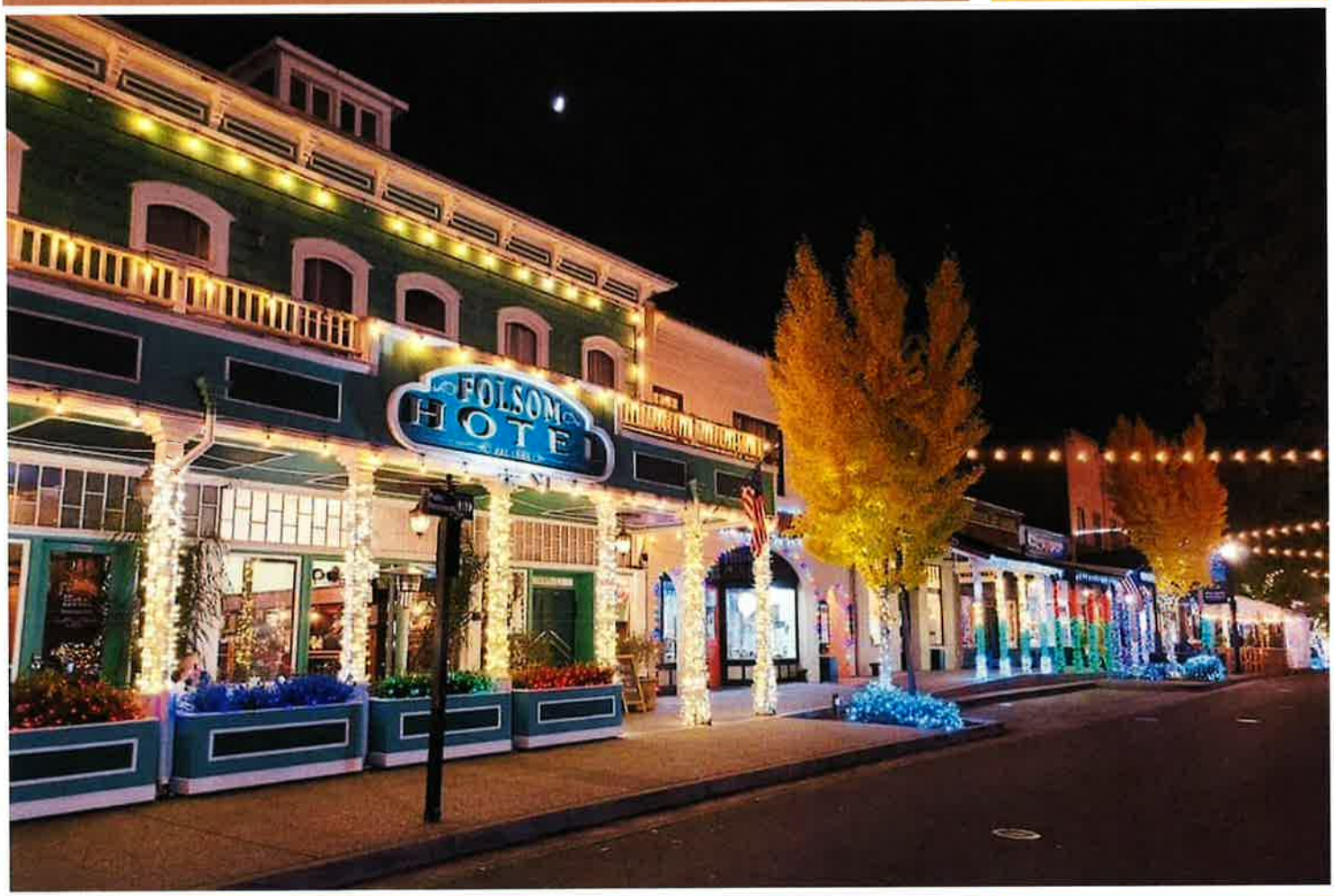
Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

2024-2033



HISTORIC FOLSOM PROPERTY AND BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN AND ENGINEER'S REPORT

Prepared pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq.

February 22, 2023

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Prepared by Civitas

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FOLSOM HISTORIC DISTRICT ASSOCIATION

I. OVERVIEW

Developed by a growing coalition of property owners, the Historic Folsom Property and Business Improvement District (HFPBID) is a benefit assessment district whose main goal is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. This approach has been used successfully in other cities throughout the country to provide special benefits to property owners, namely increased sales, attraction of new tenants, increased occupancies, and specifically increased property values. The HPBID was created in 2008 and was subsequently renewed in 2014 for a ten (10) year term. The HPBID has reached the end of this term, and property owners now wish to renew the HPBID for another ten (10) year term. The renewed HFPBID will continue to provide services above and beyond those furnished by the City of Folsom, for the direct benefit of assessed parcels. As required by state law, property owners have created this Management District Plan (Plan) to renew the HFPBID.

Location: The HFPBID is located in the historic commercial area of the City of Folsom. It is bound by the Folsom Lake State Recreation area on the north and west, the Sutter Street / Figueroa Street Alley on the south, and Scott Street on the east. A map is provided in Section V.

Purpose: The purpose of the HFPBID is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. The HFPBID will provide Advocacy & Program Coordination, Image Enhancement & Marketing, Enhanced Maintenance services, and related administration directly and only to assessed parcels within its boundaries.

Budget: The HFPBID annual assessment budget for the initial year of its ten (10) year operation is anticipated to be $170,757.12. The annual budget may be subject to an increase in assessment rates of no more than three percent (3%) 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 $179,663.27. The amount of non-assessment funds is the minimum amount necessary to pay for the general benefit provided by District programs. Further detail on the separation of special and general benefit is provided in Section IX.

Cost: The cost to the parcel owner is based on parcel size, benefit zone, and parcel use as shown in the table below. Property tax-exempt parcels owned by non-profit entities and religious institutions will be assessed at fifty percent (50%) of the standard commercial assessment rate. Parcels with single-family residential uses shall not be assessed. Assessment rates are subject to a cost-of-living increase of no more than three percent (3%) per year. The annual increase will be based on the Consumer Price Index.

	Annual Assessment Rate ($/sq ft)				
Parcel Type	**Zone 1A**	**Zone 1B**	**Zone 2**	**Zone 3**	**Zone 4**
Commercial Uses	$0.15	$0.17	$0.17	$0.085	$0.075
Non-Profit/Religious	$0.075	$0.085	$0.085	$0.0425	$0.0375

Renewal: HFPBID renewal requires submittal of petitions from property owners representing more than 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 HFPBID.

Duration: The HFPBID will have a ten (10)-year-life, beginning January 1, 2024 through December 31, 2033. Near the end of the term, the petition, ballot, and City Council hearing process must be repeated for the HFPBID to be renewed for another term of up to ten (10) years.

Management: The Folsom Historic District Association (FHDA) will continue to serve as the Owners' Association for the HFPBID, with oversight from the Folsom City Council.

II. IMPETUS

There are several reasons why now is the time to renew the HFPBID. The most compelling reasons are as follows.

1. **The Need to be Proactive in Determining the Future of Historic Folsom.**
In order to protect their investment, parcel owners must be partners in the process that determines the level and frequency of services, and how new improvements and development projects are implemented. The HFPBID will allow these owners to lead and shape future services and improvements through the HFPBID.

2. **The Need to Attract New Business and Investment Throughout Historic Folsom.**
If Historic Folsom is to compete as a successful commercial district it must develop its own well-financed, proactive strategy to retain businesses and tenants as well as attract new business and investment. The HFPBID provides the financial resources to develop and implement a focused strategy that will work to prevent and fill vacancies and attract new tenants to all areas of Historic Folsom.

3. **An Opportunity to Create a Private/Public Partnership with a Unified Voice for Historic Folsom.**
Because parcel owners would be investing financial resources through the HFPBID, they will be looked upon as a strong partner in negotiations with the City. This partnership will have the ability to leverage the parcel owner's investment with additional public investment in Historic Folsom.

4. **An Opportunity to Establish Private Sector Management and Accountability.**
A non-profit, private organization formed for the sole purpose of improving Historic Folsom will manage the services provided and the HFPBID. Annual HFPBID work plans and budgets are developed by a board composed of stakeholders that own property in the Historic Folsom. Improvements and activities provided by the HFPBID are subject to private sector performance standards, controls, and accountability.

III. BACKGROUND

The International Downtown Association estimates that more than 1,500 Property and Business Improvement Districts (PBIDs) currently operate throughout the United States and Canada. PBIDs are a time-tested tool for property owners who wish to come together and obtain collective services which benefit their properties.

PBIDs provide supplemental services in addition to those provided by local government. They may also finance physical and capital improvements. These improvements and activities are concentrated within a distinct geographic area and are funded by a special parcel assessment. Services and improvements are only provided to those who pay the assessment.

Although funds are collected by the local government, they are then directed to a private nonprofit. The nonprofit implements services and provides day-to-day oversight. The nonprofit is managed by a Board of Directors representing those who pay the assessment, to help ensure the services meet the needs of property owners and are responsive to changing conditions within the PBID.

PBIDs all over the globe have been proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values, lease rates, occupancy rates, and sales volumes.

The HFPBID will be renewed 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. Key provisions of the law include:

- Allows a wide variety of services which are tailored to meet specific needs of assessed properties in each individual PBID;
- Requires property owner input and support throughout the renewal process;
- Requires written support on both a petition and ballot from property owners paying 50% of proposed assessments;
- Allows for a designated, private nonprofit corporation to manage funds and implement programs, with oversight from property owners and the City;
- Requires limits for assessment rates to ensure that they do not exceed the amount owners are willing to pay; and
- Requires the PBID be renewed after a certain time period, making it accountable to property owners.

The "Property and Business Improvement Business District Law of 1994" is provided in Appendix 2 of this document.

IV. HISTORY AND ACCOMPLISHMENTS

A. History

Folsom's Historic District is the City's original central business district, with a vast amount of history and unique character that is beloved by the community. Folsom has experienced significant growth and the Folsom Historic District property owners embraced the need for the district to be clean, safe, attractive, and marketable. With the growth of new shopping centers, Historic Folsom property owners felt it vital to continue to attract visitors with enhanced beautification and professional management. The mission of the Folsom Historic District Association is to preserve, and independently shape the unique qualities that make it attractive, safer, cleaner, and more marketable.

In 1997 the City of Folsom designated a defined area known as the Sutter Street Historic Commercial Subarea in the Historic District Specific Plan, with a goal to maintain, restore, and reconstruct sites which represent the history of the Folsom area. These are the boundaries which encompass the PBID.

In 2006 the Folsom Historic District Association began the process of establishing a PBID. The goal was to provide for the maintenance, beautification, marketing, and management of a completed Streetscape Project funded by the Folsom Redevelopment Agency. The PBID was established for its initial five (5) year term beginning in 2008 and was subsequently renewed in 2014 for a ten (10) year term.

B. Accomplishments

The Historic District of Folsom is a thriving, vibrant place to be proud of. It is without question that since its inception in 2008, the PBID has been pivotal in making a difference in the development of this special part of Folsom. Listed below are some key points in which this valuable program is working:

Advocacy and Program Coordination

- Routine programs that are encouraged and promoted:
  - Monthly Merchant Meetings/networking
    - Fosters a sense of community and good neighbors
    - Merchant Meetings have included meetings with Safety Officers, Free CPR Training, Community Leader discussions
    - Important reviews of upcoming, recently passed, or current events
  - Marketing and Instagram classes, etc .
  - Monthly marketing meeting with City, Chamber, Museums
  - Neighbor and Stakeholder quarterly meetings
  - Regular updates between meetings to all businesses within the District
  - Regular updates to the community via Constant Contact, e-blasts, Website updates
- Professional Management
  - 1 full-time executive director

- 2 seasonal part time employees
- 60 on-call seasonal event staff

- Services also include accounting, legal, telephone, postage, and insurance costs.

Image Enhancement and Marketing

- Public Plaza Activation
  - Year-round Saturday Farmers Market drawing in 800-1000 visitors weekly
  - 65+ days Seasonal Ice rink drawing in 22,000 skaters and additional 45,000 observers
- Amphitheater Activation
  - Year-round activation
    - Concerts
    - Dance Performances
    - Graduations
    - Local High School Spirit Parades
    - Fashion Shows
    - Award Ceremonies for local sporting events
- Marketing and Promotion of the Historic District
  - Increased visibility and foot traffic through new events
    - New annual events added:
      - Sip and Stroll
      - Spirits, Brews, and Bites
      - Hometown Parade
      - Art Hop
      - Folsom Lake Symphony Performance
      - Peter Lewis Memorial Blood Drive
      - Soap Box Derby
      - Festifall
      - Spring and Fall Concert Series
      - Twilight Concert Series (August)
      - Holiday Light Promenade – 6 week Christmas Light Stroll in the District, Santa Visits, Horse and Carriage rides
      - Pedestrian Promenade – Road closures, live music, pop up events
- Partner Events – FHDA Handles the scheduling, permits, communications and assists with marketing for these annual events:
  - Shakespeare (Take Note Troupe)
  - Peach Festival (Living Smart)
  - Light up the Dark (Powerhouse Ministries)
  - Eggcellent Adventure Passport
- One-Off Events
  - Hero Recognition (Folsom Fire Department)
  - Rainbow Bridge 100 Year Centennial Event
  - VW and Exotic Car shows

    - and too many more to list
- Branding
    - New Logos for FHDA - Regular
    - New Logo for FHDA – Holiday Season
    - New District banners (Spring and Winter)
- Video Production
    - Videos featuring Historic District merchants during Covid
    - Videos featuring dancing merchants for Reopening Celebration
    - Sponsor thank you videos for major events
    - Videos featuring highlights from the C'mas Tree Lighting, Holiday Promenade, and Hometown Parade

Enhanced Maintenance

- Maintenance and beautification program that strives to keep the Historic District neat and tidy, as well as make aesthetic improvements
    - District Wide Improvements
        - Overhead Lighting installed on 3 blocks
        - Parklet installation
        - Shade Structure over amphitheater
        - Cameras at Parking Garage, Amphitheater and Sutter St
        - Security in Parking Garage (seasonal)
        - Cleaning Crew on mid-week and weekends
        - Ambassador Program
            - 15 ambassadors trained to provide support on weekends and during events
        - Lincoln Highway signage in district
            - Denotes Folsom's part in the early 1900 highway system

Contingency and Renewal

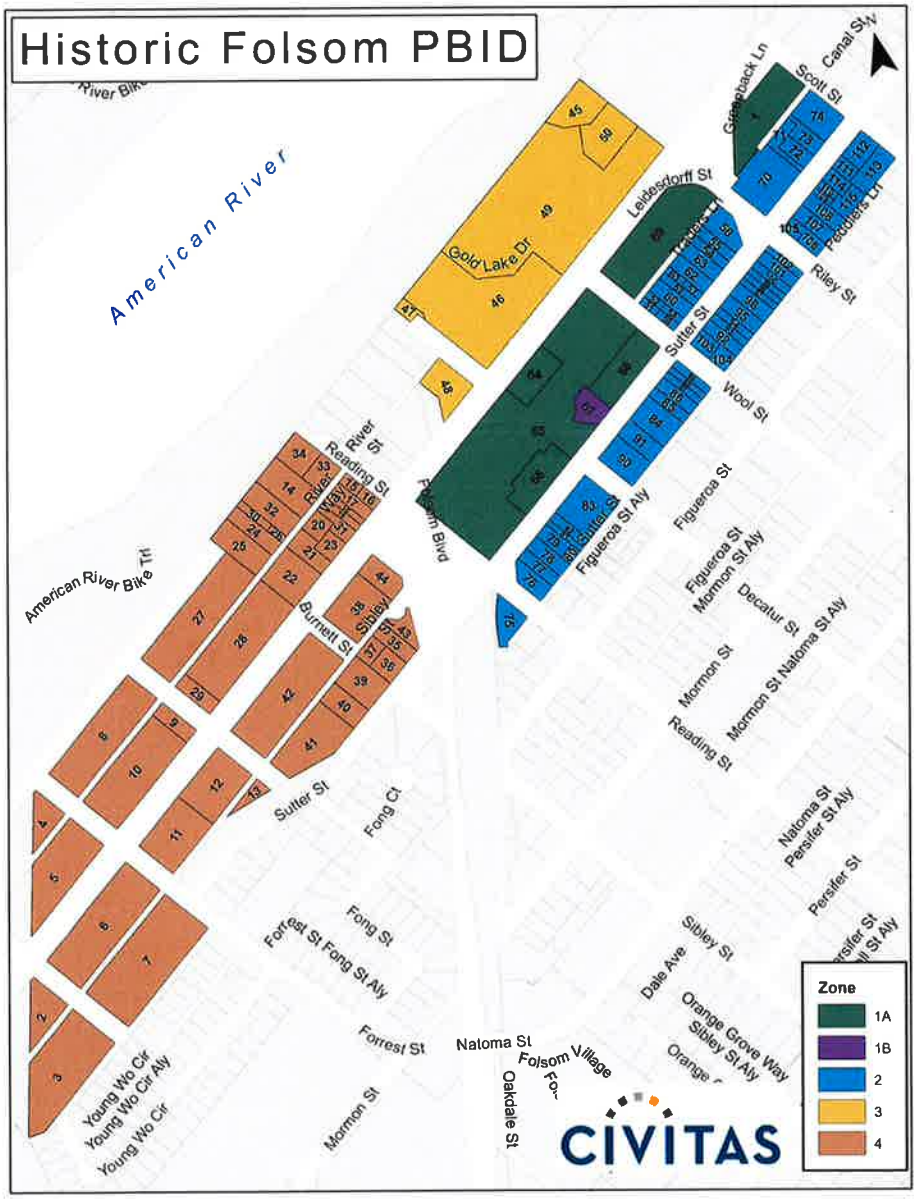
- Part of the PBID plan is a fiscal reserve to account for changes in anticipated revenue and/or expenses. This is a very small part of the overall budget (4%) but very prudent to plan for.
- At the end of the PBID term, if there are overages in this portion of the budget, the funds can be used toward renewal of the PBID.

V. BOUNDARIES

A. HFPBID Boundaries

The HFPBID is located in the historic commercial area of the City of Folsom. It is bound by the Folsom Lake State Recreation area on the north and west, the Sutter Street / Figueroa Street Alley on the south, and Scott Street on the east.

The service area includes approximately 81 properties with 46 property owners. The HFPBID boundary is illustrated by the map below. A larger map is available on request by calling Civitas at (916) 437-4300.



B. Benefit Zones

The Historic Folsom PBID will have four Zones of service. Zone 1 includes parcels within the HFPBID boundaries in the Historic Folsom Station, the Regional Transit Light Rail Station, and the Leidesdorff Plaza next to the Light Rail Station. Zone 2 includes all parcels within the HFPBID boundaries along Sutter Street that are bounded by Folsom Boulevard to the west, Scott Street to the east, the Sutter Street / Figueroa Street Alley to the south, and (with the exception of Zone 1 parcels) by Leidesdorff Street on the north. Zone 3 includes all parcels within the HFPBID boundaries north of Leidesdorff Street that are bounded by Folsom Boulevard to the west, the Folsom Lake State Recreation Area (FLSRA) to the north, and Riley Street to the east. Zone 4 includes all parcels within the HFPBID boundaries located in the Corporation Yard, west of Folsom Boulevard.

The HFPBID boundary is illustrated by the boundary map included in Appendix 3. Parcels in the map are identified by Map ID numbers corresponding to the Assessor's Parcel Numbers, included in the Assessment Calculation Table which can be found in Appendix 4.

It is the intent of the Engineer's Report that each parcel included in the HFPBID can be clearly identified. Every effort has been made to ensure that all parcels included in the HFPBID are consistent in the boundary description, the boundary map (included as Appendix 3), and the Assessment Calculation Table (included as Appendix 4). However, if inconsistencies arise, the order of precedence shall be: 1) the Assessment Calculation Table, 2) the District Boundary Map, and 3) this boundary description.

If the development, ownership, size, or zoning of a parcel changes during the term of this District, the assessment calculation may be modified accordingly.

VI. SERVICE PLAN & BUDGET

A. Renewal

Property and business owners in Historic Folsom had been concerned about the need for coordinated supplemental services in the area for several years. City services and efforts in the area have been welcomed, but limited resources have not allowed for a more comprehensive approach to managing the commercial area. As a result of the need for services the HFPBID was formed in 2008, and subsequently renewed in 2014, and property owners now wish to renew the HFPBID for another ten (10) year term.

A service plan to provide special benefits to assessed properties was developed using several methods. A series of property owner meetings, a survey of property owners, and an analysis of current property conditions and needs were conducted. The primary needs identified were: Advocacy & Program Coordination, Image Enhancement & Marketing, and Enhanced Maintenance. To meet those needs, the renewed HFPBID will continue to generate funds to provide these services, and related administration to assessed parcels within its boundaries.

B. Improvements, Maintenance and Activities

The HFPBID will provide supplemental improvements, maintenance and activities that are above and beyond those provided by the City and other government agencies. None of the services to be provided by the HFPBID are provided by the City or other government agencies. The improvements and activities will be provided directly and only to assessed parcels; they will not be provided to parcels that are not assessed. Each and every service is unique to the HFPBID, thus the benefits provided are particular and distinct to each assessed parcel.

1. Advocacy and Program Coordination

To provide Historic Folsom property owners with an effective, clear voice in government decisions, the advocacy will include an administrator to speak for the owners within the HFPBID. The administrator will ensure the delivery of quality services of the HFPBID and act as the unified voice to represent the interests of assessed parcels within the HFPBID. The HFPBID will focus on ways to garner additional funding and services from public entities specifically for Historic Folsom improvements. These programs will work to specially benefit assessed parcels by increasing commerce and making them more desirable for shoppers and potential tenants and will be a service provided directly to assessed parcels that is not provided to the public-at-large or parcels surrounding the District. The program coordination budget also includes general administrative costs, such as accounting, legal, telephone, postage, and insurance costs.

2. Image Enhancement and Marketing

Image enhancement will include marketing and promotions to promote Historic Folsom as a destination with a rich set of unique opportunities. In order to draw customers to Historic Folsom, the District needs to market itself as a single locality for a wide variety of attractions, events, and services. The HFPBID will coordinate exciting and fun events for the historic area. Further, the marketing program will garner positive media coverage of Historic Folsom, and the good things happening in the area. Internally, it will be important to facilitate consistent and frequent communications with parcel owners and tenants. The Historic Folsom PBID will work closely with the Folsom Chamber of Commerce, the Folsom Tourism Bureau, and other stakeholders in the Historic District, as well as Folsom's City Government, to coordinate marketing efforts to make this program as efficient and possible. These programs will work to

specially benefit assessed parcels by increasing commerce and making them more desirable for shoppers and potential tenants, and will be a service provided directly to assessed parcels that is not provided to the public-at-large or parcels surrounding the District.

3. Enhanced Maintenance

A maintenance and beautification program will keep Historic Folsom clean as well as work to make aesthetic improvements. A landscaping program will maintain trees and cut back any weeds along the sidewalks and in public areas. In order to establish and maintain a uniform standard of cleanliness throughout the HFPBID, a maintenance patrol will provide additional debris and garbage collection beyond existing City services. The HFPBID will continue to work with the City to enforce ordinances which encourage a clean and aesthetically pleasing environment. These programs will work to specially benefit assessed parcels by increasing commerce and making them more desirable for shoppers and potential tenants.

4. Contingency and Renewal

The budget includes a prudent fiscal reserve. Changes in data and other issues may change the anticipated revenue and expenses. In order to buffer the organization for unexpected changes in revenue, and/or allow the HFPBID to fund other overhead or renewal costs, the reserve is included as a budget item. At the expiration of the HFPBID, if there are contingency funds remaining and owners wish to renew, the remaining funds could be used for the costs of renewal.

5. County and City Administration Fee

The City of Folsom shall retain a fee equal to three percent (3%) of the amount of the assessment collected to cover the costs of collection and administration for the City of Folsom and the County of Sacramento.

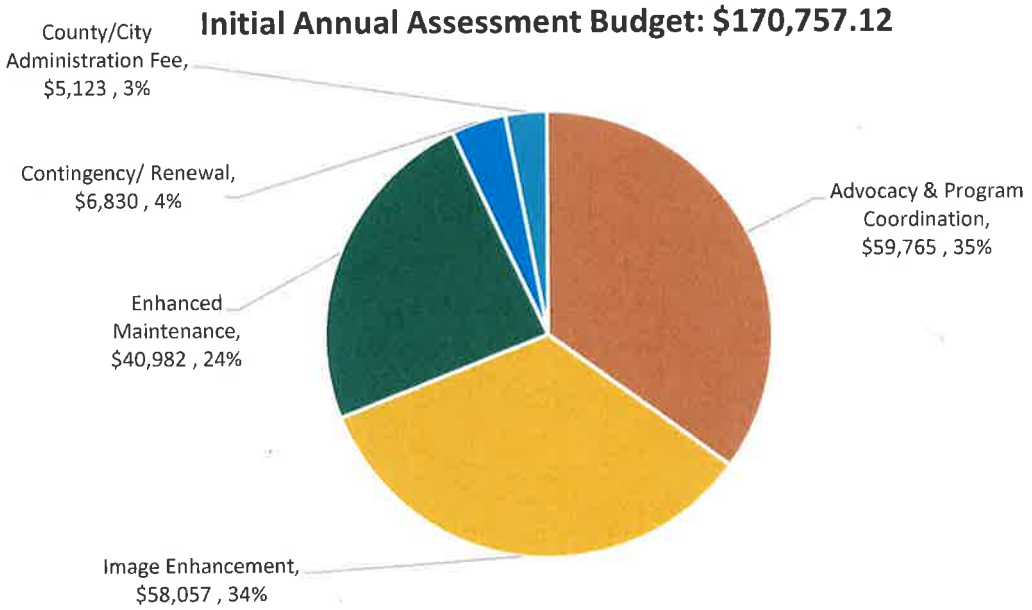
C. Annual Assessment Budget

A projected ten (10)-year budget for the HFPBID is provided below in sub-section E. The overall assessment budget shall remain consistent with this Plan. In the event of a legal challenge, assessment funds may be used to defend the HFPBID. The annual assessment budget is based on the following assumptions and guidelines:

1. The cost of providing improvements, maintenance and activities may vary depending upon the market cost for those improvements, maintenance, and activities. Expenditures may require adjustment up or down to continue the intended level of improvements, maintenance, and activities. The FHDA and their board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. Any change will be approved by the FHDA and submitted with the Annual Report.
2. Funds not spent in any given year may be rolled over to the next year.
3. The assessment rate will be subject to annual increases that will not exceed three percent (3%) per year. The annual increase will be based on the Consumer Price Index for All Items for the San Francisco-Oakland-San José Area published by the United States Department of Labor Bureau of Labor Statistics or, if no longer published, the City may select as a reference another index published by either the State of California or a federal department or agency charged with the responsibility of measuring the cost of living in the local geographical area. The City Council may delay or reject the annual increase in its discretion. The projections below in sub-section E illustrate the maximum annual three percent (3%) increase for all budget items.

D. Service Budget

The total improvement, maintenance, and activity budget for 2024 that is funded by property assessments is $170,757.12. In addition to the assessment revenue, the programs will be supplemented by non-assessment funds. The total of non-assessment funds, and the determination of special and general benefit, is included in the Engineer's Report. The total of assessment and non-assessment funds is provided in Appendix 5. Below is an illustration of the estimated total assessment budget allocations for each budget category for the initial year of the of the District. Non-assessment funds may be shifted between budget categories as needed by the Board of the Owners' Association.



E. Annual Maximum Assessment Budget

The budget below assumes the maximum annual increase of three percent (3%) is enacted and that there are no changes to the categorical budget allocations.

Year	Advocacy & Program Coordination	Image Enhancement	Enhanced Maintenance	Contingency/ Reserve	County/ City Fee	Total
2024	$59,764.99	$58,057.42	$40,981.71	$6,830.29	$5,122.71	$170,757.12
2025	$61,557.94	$59,799.14	$42,211.16	$7,035.20	$5,276.39	$175,879.83
2026	$63,404.68	$61,593.12	$43,477.49	$7,246.25	$5,434.68	$181,156.22
2027	$65,306.82	$63,440.91	$44,781.82	$7,463.64	$5,597.72	$186,590.91
2028	$67,266.03	$65,344.14	$46,125.27	$7,687.55	$5,765.66	$192,188.65
2029	$69,284.01	$67,304.46	$47,509.03	$7,918.18	$5,938.62	$197,954.30
2030	$71,362.53	$69,323.59	$48,934.30	$8,155.72	$6,116.78	$203,892.92
2031	$73,503.40	$71,403.30	$50,402.33	$8,400.40	$6,300.29	$210,009.72
2032	$75,708.50	$73,545.40	$51,914.40	$8,652.41	$6,489.30	$216,310.01
2033	$77,979.76	$75,751.76	$53,471.83	$8,911.98	$6,683.97	$222,799.30
Total	$685,138.66	$665,563.24	$469,809.34	$78,301.62	$58,726.12	$1,957,538.98

VII. ASSESSMENT RATE

A. Assessment Formula

Individual assessed parcels shall be assessed an assessment rate according to each assessed parcel's proportionate special benefit derived from the services provided to each assessed parcel, as shown in the table below.

Parcel Type	Annual Assessment Rate ($/sq ft)				
	Zone 1A	Zone 1B	Zone 2	Zone 3	Zone 4
Commercial Uses	$0.15	$0.17	$0.17	$0.085	$0.075
Non-Profit/Religious	$0.075	$0.085	$0.085	$0.0425	$0.0375

B. Changes in Development, Ownership, Zoning, or Parcel Size

If the development, ownership, size, or zoning of a parcel within the HFPBID boundary changes during the term of the HFPBID the assessment amount may be modified according to the assessment methodology detailed in this Plan that is applicable to the parcel. These changes may be a result of land adjustments (including but not limited to lot splits, consolidations, right away setbacks, etc.), new construction, new ownership, or changes in zoning.

C. Assessment Ballot and Public Notice

During the hearing process, an Assessment Notice will be sent to owners of each parcel in the HFPBID. The Assessment Notice provides an estimated assessment. The final individual assessment for any particular parcel may change, up or down, if the parcel square footage, parcel type, benefit zone, or development status differ from those used to calculate the amount shown on the Assessment Notice. A list of parcels to be included in the HFPBID is provided within Appendix 4.

D. Time and Manner for Collecting Assessments

As provided by State Law, the HFPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Sacramento. Parcels which do not receive property tax bills will be invoiced by the City. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Sacramento shall distribute funds collected to the City of Folsom, which shall forward them to the HFPBID. Existing laws for enforcement and appeal of property taxes, including penalties and interest, apply to the HFPBID assessments.

E. Bonds

Bonds shall not be issued.

VIII. GOVERNANCE

A. Owners' Association

The HFPBID shall continue to be governed by the Folsom Historic District Assocation (FHDA), with oversight from the Folsom City Council. The FHDA shall serve as the Owners' Association described in the Streets and Highways Code §36651. The Board of Directors of FHDA and its staff are charged with the day-to-day operations of the HFPBID.

A majority of the Board of Directors of Folsom Historic District Assocation must be parcel owners paying the assessment. The Board may also include representation from business owners, the City of Folsom, and the County of Sacramento. The Board of Directors must represent a variety of interests within the HFPBID and respond to the needs of property and business owners from various "commercial neighborhoods" within the HFPBID.

B. Brown Act & Public Records Act Compliance

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. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association must act as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the FHDA Board of Directors and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

C. Annual Report

The FHDA shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 2). The annual report is a prospective report for the upcoming year and must include:

1. Any proposed changes in the boundaries of the HFPBID or in any benefit zones or classification of property within the district;
2. The improvements, maintenance, and activities to be provided for that fiscal year;
3. The estimated cost of providing the improvements, maintenance, and activities to be provided for that fiscal year;
4. The method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year;
5. The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
6. The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this Plan.

IX. ENGINEER'S REPORT

The HFPBID's parcel assessments will be imposed in accordance with the provisions of Article XIIID of the California Constitution. Article XIIID provides that "only special benefits are assessable,"[1] and requires the City to "separate the general benefits from the special benefits conferred on a parcel."[2] Special benefits are a "particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public-at-large."[3] Conversely, a general benefit is "conferred on real property located in the district or to the public-at-large."[4] Assessment law also mandates that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."[5]

The Engineer determined the total cost of the improvements and activities, quantified the general benefit accruing to the public-at-large and non-assessed parcels adjacent to and within the HFPBID, and separated that amount from the special benefit accruing to the assessed parcels. Then, the Engineer determined the proportional special benefit derived by each parcel and allocated the special benefit value of the improvements and activities accordingly. The Engineer's determinations and detailed calculations are summarized in this report.

A. Separation of General and Special Benefits

Each of the improvements and activities, and the associated costs and assessments within the HFPBID, were reviewed, identified, and allocated based on special and general benefits pursuant to Article XIIID of the California Constitution. The assessment has been apportioned based on the proportional special benefits conferred to the assessed parcels located within the HFPBID boundaries as determined below.

1. General Benefits

Unlike special benefits, which are conferred directly and only upon assessed parcels, a general benefit is conferred on the general public or non-assessed parcels. Existing City and other public services, which are provided to every person and parcel, everywhere within the City, are an example of a general benefit. Although the HFPBID's boundaries have been narrowly drawn and programs have been carefully designed to provide special benefits, and activities and improvements will only be provided directly to assessed parcels, it is acknowledged that there will be general benefits as a result of the District's activities and improvements.

The California Constitution mandates that "only special benefits are assessable, and an agency shall separate the general benefits from the special benefits."[6] "Generally, this separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits."[7] The first step that must be undertaken to separate general and special benefits provided by the District's activities and improvements is to identify and quantify the general benefits. There are two bodies who can receive general benefits: the public-at-large within the HFPBID, and non-assessed parcels within and surrounding the HFPBID.

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[1] Cal. Const., art. XIII D, §4(a)
[2] Cal. Const., art. XIII D, §4(a)
[3] Id, §2(i)
[4] Cal Const., art XIII D §2(i)
[5] Cal. Const., art. XIII D, §4(a)
[6] Cal. Const., art XIII D §4(a)
[7] Golden Hill Neighborhood Association v. City of San Diego (2011) 199 Cal.App.4th 416

a. General Benefit to the Public-at-Large

Although the activities and improvements are narrowly designed and carefully implemented to specially benefit the assessed parcels, and only provided directly to assessed parcels, they will generate a general benefit to the public-at-large within the HFPBID. State law indicates that "Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed."[8] However, "the mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits."[9] Further, "the value of any incidental or collateral effects that arise from the improvements, maintenance or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel."[10] Thus, although there may be some incidental benefit to persons engaged in business on the assessed parcels, that incidental benefit is not considered general benefit because it is inherently produced by activities and improvements that provide special benefits to the assessed parcels. There is, however, a general benefit to persons not engaged in business on the assessed parcels.

Intercept surveys conducted in similar districts have found that approximately 98.6% of pedestrian traffic within the district boundaries is engaged in business on assessed parcels, while the remaining approximately 1.4% is simply passing through and not engaging in business on the assessed parcels[11]. To ensure that the assessment dollars do not fund general benefits to the public-at-large, that portion of the cost of services will be paid for with funds not obtained through assessments. Out of an abundance of caution, the 1.4% figure was rounded to 2% for the purposes of this Engineers Report. The 2% of traffic passing through does not have any connection to the assessed parcels, and therefore does not represent a special benefit to the assessed parcels. The 2% will, however, receive a derivative and indirect general benefit as a result of the activities and improvements being provided in the HFPBID. Therefore, it is estimated that 2% of the benefit created by the HFPBID's services is general benefit provided to the public-at-large. To ensure that the assessment dollars do not fund general benefits to the public-at-large, that portion of the cost of activities and improvements will be paid for with funds not obtained through assessments. Using the 2% figure, based on the initial year activity and improvement budget, the value of this general benefit to the public-at-large is $3,593.27 ($179,662.27*0.02).

b. General Benefit to Non-Assessed Parcels

Although they are only provided directly to the assessed parcels, the HFPBID's activities and improvements may also confer general benefits upon non-assessed parcels within and surrounding the HFPBID. One study examining property values in PBID areas found "no evidence of spill-over impacts (either good or bad) on commercial properties located just outside the BID's boundaries;"[12] however, the California Court of Appeals has stated that "services specifically intended for assessed parcels concomitantly confer collateral general benefits to surrounding properties."[13] It is reasonable to conclude that activities and improvements within the HFPBID will have an incidental impact on non-assessed parcels surrounding or within the HFPBID boundaries. Although the legislature has

[8] Streets and Highways Code section 36601(h)(2)
[9] Ibid
[10] Streets and Highways Code Section 36622(k)(2)
[11] Surveys conducted in: North Park, San Diego (January 2015); Downtown Burbank (October 2017); Downtown Pomona (April 2018); and Sunrise MarketPlace, Citrus Heights (December 2019)
[12] Furman Center for Real Estate & Urban Policy; The Impact of Business Improvement Districts on Property Values: Evidence from New York City (2007) p. 4
[13] Beutz v. Riverside (2010) 184 Cal.App.4th 1516

indicated that "the value of any incidental or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall *not* be deducted from the entirety of the cost of any special benefit,"[14] the California Court of Appeals has noted that "the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement…or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement."[15] Those derivative and indirect impacts are considered general benefits and will be quantified and separated.

In this Engineer's opinion, because activities and improvements are provided only within the HFPBID and on its perimeter, parcels separated from the HFPBID by either at least one intervening parcel or an impassable physical barrier such as a wall, railroad track, freeway, or ditch will not receive spill over benefits. Parcels separated from the HFPBID will not benefit because they are physically removed from the actual location of activities and improvements provided, and do not face serviced parcels. Therefore, this analysis considers non-assessed parcels within the HFPBID's boundaries and surrounding parcels that are immediately adjacent to and accessible from the HFPBID's boundaries.

The total HFPBID activity and improvement budget for the first year is $179,663.27. After reducing the activity and improvement budget by the general benefit to the public-at-large ($3,593.27), the remaining benefit to parcels is $176,070.00. This benefit has been distributed to both assessed and non-assessed parcels using the following methodology. The general benefit to the public-at-large has been proportionally allocated to the HFPBID's activity and improvement categories as shown in the following table.

Category	Benefit to Parcels	Benefit to Public-at-Large	Total
Advocacy & Program Coordination	$61,890.36	$1,263.07	$63,153.43
Image Enhancement	$59,707.94	$1,218.53	$60,926.47
Enhanced Maintenance	$42,146.79	$860.14	$43,006.93
Contingency/Renewal	$7,042.81	$143.73	$7,186.54
County/City Administration Fee	$5,282.10	$107.80	$5,389.90
TOTAL	**$176,070.00**	**$3,593.27**	**$179,663.27**

To determine the general benefit to parcels, the Engineer assigned each parcel group a benefit factor, determined the appropriate parcel characteristic to use in the calculation, multiplied the benefit factor by the benefit characteristic to determine the benefit units attributable to each parcel group, and apportioned the remaining service cost (service cost minus general benefit to the public) in accordance with the benefit units derived by each parcel group.

i. Benefit Factors

All parcels within and adjacent to the HFPBID have been assigned a benefit factor to mathematically represent the proportional special and general benefit and quantify the value of each. The determination of benefit factors for each type of activity follows.

[14] Streets and Highways Code section 36622(k)(2)
[15] Tiburon v. Bonander (2009) 180 Cal.App.4th 1057, 1077

Tangible Activities

The tangible activities (those that are physically provided via a person or people working throughout the district) to be provided by the HFPBID generate three types of special benefits:

> *Service* – The primary special benefit provided by the HFPBID's physical activities is the actual service.
> *Presence* – The HFPBID's physical activities also provide the special benefit of an individual's presence on the assessed parcel as the activities are provided, which can have a deterrent effect and creates a positive impression that the area is well-maintained and safe. The "Disneyland effect" is the benefit the parcels receive from the observation that parcels are being maintained. There are studies which link the perception of cleanliness to a perception of increased security.
> *Proximity* – The HFPBID's physical activities also provide the special benefit of being in proximity to a cleaner, safer parcel. Neighboring parcels enjoy the spillover benefits of being adjacent to increased safety and cleanliness.

The majority of the benefit received by the parcels is the results of the district's services; onsite presence and proximity are lesser benefits. It is this Engineer's estimation that seventy-five percent (75%) of the special benefit from the HFPBID's physical activities is the service, while the presence and proximity benefits each account for twelve and one-half percent (12.5% presence, 12.5% proximity) of the special benefit. Assessed parcels will receive all three benefits; non-assessed parcels within and adjacent to the HFPBID will not be directly serviced and therefore only receive the general benefit of proximity.

Intangible Activities

Some of the HFPBID's activities, such as marketing, are distinct in that they are not provided to a targeted area within the HFPBID, rather they are provided via Internet, radio, and other forms of media and targeted at an audience outside the HFPBID in an effort to bring the audience into the HFPBID. These activities provide two types of special benefits:

> *Direct Exposure* – The primary special benefit provided by the HFPBID's intangible activities is exposure. The intangible activities increase awareness of the HFPBID as a commercial and business destination and lead to increased patronage.
> *Incidental Exposure* – The HFPBID's intangible activities will also have a secondary special benefit of incidental exposure, such as word-of-mouth exposure, that results from the direct exposure and increases awareness of the HFPBID as a commercial and business destination.

The majority of the benefit from these activities is the direct exposure; the incidental exposure is a lesser benefit. It is this Engineer's estimation that ninety percent (90%) of the special benefit from the intangible activities is direct exposure, while ten percent (10%) is incidental exposure. Assessed parcels will receive both as special benefits; non-assessed parcels within and adjacent to the HFPBID will not be directly marketed and therefore only receive the general benefit of incidental exposure.

Factors Determined

Based on the foregoing analysis, all assessed parcels within the HFPBID specially benefit from the HFPBID's activities and improvements, and have been assigned a benefit factor of 1.0. Parcels that

are not assessed have been assigned benefit factors based on the portion of the benefit they will receive, as described above. The non-assessed parcels will benefit from 12.5% of the tangible activities and 10% of the intangible activities; therefore they have been assigned benefit factors of 0.125 and 0.10, respectively.

ii. Non-Assessed Benefit Characteristics

There are two types of parcels that are not assessed; those within the HFPBID and those immediately adjacent to and accessible from the HFPBID. Because they generally benefit in a differing manner, distinct parcel characteristics are used to quantify the general benefit to each type.

Inside – Non-assessed parcels inside of the HFPBID are surrounded by parcels that are assessed and receiving the full special benefits; they will, therefore, receive the general benefits of proximity and indirect exposure. These parcels are impacted on more than one side by the HFPBID's activities, marketing has a direct impact all around them, and activities are provided all around them. Because these parcels are surrounded by specially benefitted parcels, it is appropriate that parcel square footage be used to measure the general benefit they receive.

Adjacent – Adjacent parcels are those that are immediately adjacent to or directly across the street from specially benefitted parcels, and accessible from specially benefitted parcels. These parcels generally benefit differently than those inside the district, because these parcels are adjacent to, rather than surrounded by, specially benefitted parcels. Square footage is not an appropriate measure of benefit to these parcels. Because the parcels are not surrounded by serviced parcels, a long, shallow parcel with the same square footage as a deep, narrow parcel will receive a different level of general benefit. Likewise, two parcels with the same depth but a different width adjacent to serviced parcels will benefit differently. To account for this difference, it is appropriate that parcel linear frontage be used to measure the general benefit the adjacent parcels receive.

iii. Calculations

To quantify and separate the general benefit to non-assessed parcels, the following calculations were undertaken for each budget category.

1. The total service budget for each category was determined and the amount of general benefit to the public-at-large was subtracted from the category budget.
2. The benefit factor applicable to each activity or improvement was multiplied by the parcel square footage or linear frontage of assessed and non-assessed parcels, to determine the number of benefit units received by each parcel group.
3. The benefit units for all parcel groups were summed, and the percentage of benefit units attributable to each parcel group was calculated.
4. The total remaining activity and improvement budget, less the amount already determined to be general benefit to the public-at-large, was allocated to general and special benefit categories for each parcel group using the calculated benefit percent and applicable benefit characteristic methodology.
5. The special and general benefit resulting from the administrative and contingency portions of the budget were determined based on the proportional allocation of benefits derived from activities and improvements.

Advocacy & Program Coordination

The advocacy & program coordination budget, minus the amount of general benefit to the public-at-large, is $61,890.36. The calculations below determine the amount of general benefit to non-assessed parcels within the HFPBID. The advocacy & program coordination budget category contains tangible activities; the Engineer used the 0.125 benefit factor to quantify the general benefit.

Parcel Type	Square Footage	Benefit Factor	Benefit Units	Benefit Percent	Remaining Budget	
Assessed	1,483,391	X 1.000	= 1,483,391.00	96.960%	X $61,890.36	= $60,009.03
Non-Assessed	372,044	X 0.125	= 46,505.50	3.040%	X $61,890.36	= $1,881.33

The advocacy & program coordination budget, minus the amount of general benefit to the public and non-assessed parcels within the HFPBID, is $60,009.03. The calculations below determine the amount of general benefit to parcels adjacent to the HFPBID.

Parcel Type	Linear Frontage	Benefit Factor	Benefit Units	Benefit Percent	Remaining Budget	
Inside	20,786	X 1.000	= 20,786.00	99.593%	= $60,009.03	= $59764.99
Adjacent	679	X 0.125	= 84.88	0.407%	= $60,009.03	= $244.04

Therefore, the allocation of the advocacy & program coordination budget is as follows:

General Benefit – Public-At-Large	$1,263.07
General Benefit – Inside Parcels	$1,881.33
General Benefit – Adjacent Parcels	$244.04
Special Benefit	$59,764.99
Total	**$63,153.43**

Image Enhancement

The image enhancement budget, minus the amount of general benefit to the public-at-large, is $59,707.94. The calculations below determine the amount of general benefit to non-assessed parcels within the HFPBID. The image enhancement budget category contains intangible activities; the Engineer used the 0.10 benefit factor to quantify the general benefit.

Parcel Type	Square Footage	Benefit Factor	Benefit Units	Benefit Percent	Remaining Budget	
Assessed	1,483,391	X 1.000	= 1,483,391.00	97.553%	X $59,707.94	= $58,247.07
Non-Assessed	372,044	X 0.100	= 37,204.40	2.447%	X $59,707.94	= $1,460.87

The image enhancement budget, minus the amount of general benefit to the public and non-assessed parcels within the HFPBID, is $58,247.07. The calculations below determine the amount of general benefit to parcels adjacent to the HFPBID.

Parcel Type	Linear Frontage	Benefit Factor	Benefit Units	Benefit Percent	Remaining Budget	
Inside	20,786	X 1.000	= 20,786.00	99.674%	X $58,247.07	= $58,057.42
Adjacent	679	X 0.100	= 67.90	0.326%	X $58,247.07	= $189.65

Therefore, the allocation of the image enhancement budget is as follows:

General Benefit – Public-At-Large	$1,218.53
General Benefit – Inside Parcels	$1,460.87
General Benefit – Adjacent Parcels	$189.65
Special Benefit	$58,057.42
Total	**$60,926.47**

Enhanced Maintenance

The enhanced maintenance budget, minus the amount of general benefit to the public-at-large, is $42,146.79. The calculations below determine the amount of general benefit to non-assessed parcels within the HFPBID. The enhanced maintenance budget category contains intangible activities; the Engineer used the 0.10 benefit factor to quantify the general benefit.

Parcel Type	Square Footage	Benefit Factor	Benefit Units	Benefit Percent	Remaining Budget	
Assessed	1,483,391	X 1.000	= 1,483,391.00	97.553%	X $42,146.79	= $41,115.58
Non-Assessed	372,044	X 0.100	= 37,204.40	2.447%	X $42,146.79	= $1,031.21

The enhanced maintenance budget, minus the amount of general benefit to the public and non-assessed parcels within the HFPBID, is $41,115.58. The calculations below determine the amount of general benefit to parcels adjacent to the HFPBID.

Parcel Type	Linear Frontage	Benefit Factor	Benefit Units	Benefit Percent	Remaining Budget	
Inside	20,786	X 1.000	= 20,786.00	99.674%	$41,115.58	= $40,981.71
Adjacent	679	X 0.100	= 67.90	0.326%	$41,115.58	= $133.87

Therefore, the allocation of the enhanced maintenance budget is as follows:

General Benefit – Public-At-Large	$860.14
General Benefit – Inside Parcels	$1,031.21
General Benefit – Adjacent Parcels	$133.87
Special Benefit	$40,981.71
Total	**$43.006.93**

Contingency/Renewal

The contingency/renewal budget lines items relate to the activities and improvements provided. These costs have been allocated proportionally based on the special and general benefit provided by each category.

County/City Administration Fee

The County/City administration fee budget lines items relate to the activities and improvements provided. These costs have been allocated proportionally based on the special and general benefit provided by each category.

	Special Benefit to Parcels	General Benefit to Parcels
Advocacy & Program Coordination	$59,764.99	$2,125.37
Image Enhancement	$58,057.42	$1,650.52
Enhanced Maintenance	$40,981.71	$1,165.08
Activity Totals	$158,804.12	$4,940.97
Percent	96.9825%	3.0175%
Contingency/Renewal	$6,830.29	$212.51
County/City Administration Fee	$5,122.71	$159.39
Total Parcel Benefits	$170,757.12	$5,312.87

iv. Total Benefits

Based on the foregoing calculations, the total benefits to assessed parcels, non-assessed parcels, and the general public are:

	Special	Parcel General	Public	Total
Advocacy & Program Coordination	$59,764.99	$2,125.37	$1,263.07	$63,153.43
Image Enhancement	$58,057.42	$1,650.52	$1,218.53	$60,926.47
Enhanced Maintenance	$40,981.71	$1,165.08	$860.14	$43,006.93
Contingency/Renewal	$6,830.29	$212.52	$143.73	$7,186.54
County/City Administration Fee	$5,122.71	$159.39	$107.80	$5,389.90
Total	**$170,757.12**	**$5,312.88**	**$3,593.27**	**$179,663.27**

c. Non-Assessment Funding

The programs funded by the HFPBID receive additional non-assessment funding in the form of grants, corporate sponsorships, event income, city general fund contributions, and other miscellaneous funds. These funding sources are anticipated to equal or exceed the amount of general benefit conferred annually by the HFPBID's activities and improvements, $8,906.15. These non-assessment funds will be used to pay for the general benefit provided by the HFPBID's activities and improvements, ensuring that parcel assessments will only be used to provide special benefits and "any additional costs of providing general benefits [are] not included in the amounts assessed."[16]

2. Special Benefit

The activities and improvements to be provided by the HFPBID constitute and convey special benefits directly to the assessed parcels. Assessment law requires that "the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided."[17] Further, "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."[18] Special benefit "includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed."[19]

To determine the total special benefit value to be conveyed to the assessed parcels, we deduct the general benefit value ($8,906.15) from the total value of the activities and improvements ($179,663.27). The remaining $170,757.12 is considered the special benefit to assessed parcels (the "Total Assessment"). The Total Assessment represents the total value of the special benefit to be provided by the activities and improvements. The Total Assessment has been proportionally divided among the assessed parcels so that no assessment exceeds the reasonable cost of the proportional special benefit conferred on a parcel. The assessment rate has been designed to ensure that "properties that receive the same proportionate special benefit pay the same assessment."[20]

Service Provided	Total Benefit Value	General Benefit Value to Public	Benefit Value to Parcels (Special & General)	Special Benefit to Assessed Parcels
Advocacy & Program Coordination	$63,153.43	$1,263.07	$61,890.36	$59,764.99
Image Enhancement	$60,926.47	$1,218.53	$59,707.94	$58,057.42
Enhanced Maintenance	$43,006.93	$860.14	$42,146.78	$40,981.71
Contingency/Renewal	$7,186.54	$143.73	$7,042.81	$6,830.29
County/City Administration Fee	$5,389.90	$107.80	$5,282.10	$5,122.71
TOTAL	**$179,663.27**	**$3,593.27**	**$176,069.99**	**$170,757.12**

[16] Streets and Highways Code section 36632(a)
[17] Cal. Const., art XIII D §4(a)
[18] Ibid
[19] Streets and Highways Code section 36615.5
[20] *Tiburon v. Bonander* (2009) 180 Cal.App.4th 1057

B. Assessment Methodology

1. Base Formula

Each parcel will be assessed based on proportional special benefits received. The variables used for the annual assessment formula are parcel type, parcel size, benefit zone, and level of development. These variables are all appropriate measures of the proportional special benefit because the need for services, level of services, and quantity of services are all relative to these variables; thus the special benefit provided to each parcel by the services can be proportionally measured using these variables.

Determination of Assessment Rates

"Because not all parcels in the district are identical in size…some will receive more special benefit than others."[21] Each of the variables used relates directly to the service level and special benefit provided to each parcel. Parcel square footage is the size of the parcel, measured in square feet. Size is an appropriate measure of proportional special benefit because it relates directly to the quantity of services provided to the parcel, the highest and best use of a parcel, and reflects the long-term value implications of the HFPBID. The larger a parcel, the more services and benefit the parcel will receive.

Because not all parcels in the HFPBID are identical in use, some will receive more special benefit than others. For example, a. non-profit owned parcel will benefit to a lesser degree than a commercial parcel, because it will not enjoy the benefits of increased commerce resulting from the services. Further detail on the benefit to each parcel type is in the following pages. To determine the assessment rates, the assessed parcels were classified by the estimated benefit each type of parcel receives, the estimated special benefit value of the activities and improvements provided to each type was determined based on approximate cost of service provision, and an assessment rate that is proportional to the estimated proportional benefit received by each parcel type was determined.

To determine the assessment rates, the estimated special benefit value for each parcel type was divided by the total assessable parcel square footage, parcel type, and benefit zone as shown in the tables below.

Parcel Type

Parcel types were categorized based on the typical amount of foot and vehicle traffic on the various commercial and apartment complex parcels. Parcels with heavy traffic, such as commercial parcels, will receive the highest level of services. Parcels with lower traffic, such as apartment complex parcels will receive the lowest level of services. The approximate cost of services by parcel type was determined. Then, the cost of services by type was divided by the parcel square footage of those parcels to determine the assessment rates.

Parcel Size

The HFPBID's services will benefit each assessed parcel as a whole. The service budget which, in this Engineer's estimation, represents special benefits to the parcels, has been allocated based on parcel size.

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[21] *Dahms v. Downtown Pomona* (2009) 174 Cal.App.4th 708

Parcel Type	Initial Parcel Size Budget		Parcel Square Footage		Initial Parcel Assessment Rate ($/sqft/yr)
Zone 1A Commercial	$52,002.45	÷	346,683	=	$0.15
Zone 1B Commercial	$1,351.84	÷	7,952	=	$0.17
Zone 2 Commercial	$53,798.80	÷	338,777	=	$0.17
Zone 3 Commercial	$24,138.81	÷	283,986	=	$0.085
Zone 4 Commercial	$39,465.23	÷	526,203	=	$0.075

Property tax-exempt parcels owned by non-profit entities and religious institutions will be assessed at fifty percent (50%) of the standard commercial assessment rate.

Summary of Assessment Rates

Therefore, for the initial year, the maximum annual assessment rates to parcels are as shown below and in Appendix 1. Maximum annual assessment rates may be subject to an increase of no more than three (3%) percent per year as shown in Appendix 1.

Parcel Type	Annual Assessment Rate ($/sq ft)				
	Zone 1A	Zone 1B	Zone 2	Zone 3	Zone 4
Commercial Uses	$0.15	$0.17	$0.17	$0.085	$0.075
Non-Profit/Religious	$0.075	$0.085	$0.085	$0.0425	$0.0375

Sample assessment calculations are shown in Appendix 4.

2. Zone 1

Parcels in Zone 1 receive and benefit from all HFPBID services.

Zone 1 parcels include the Historic Folsom Station, Light Rail Station, Leidesdorff Plaza, amphitheater, parking garage, and a small number of retail-oriented or undeveloped parcels. These parcels receive a significant level of pedestrian traffic mainly due to their function and proximity to Zone 2.

i. Zone 1A

Parcels in Zone 1 which are not fully developed and have not been issued a Certificate of Occupancy are designated Zone 1A. Because these parcels are not developed, they have a low ratio of building square footage to lot square footage and receive approximately 80% of pedestrian traffic compared to Zone 2. For these reasons, the assessment rate for Zone 1A parcels is equal to approximately 80% of the assessment rate in Zone 2. When the annual review of assessments is conducted, if development has been completed on a parcel in Zone 1A and a Certificate of Occupancy has been issued for the parcel, then the Zone 1A parcel will be considered as Zone 1B for all future assessments.

ii. Zone 1B

Parcels in Zone 1 which are fully developed and have been issued a Certificate of Occupancy are designated Zone 1B. Because these parcels are fully developed and occupied, they have a high ratio of building square footage to lot square footage and receive approximately the same level of pedestrian traffic compared to Zone 2. For these reasons, the assessment rate for Zone 1B parcels is equal to the assessment rate in Zone 2.

3. Zone 2

Parcels in Zone 2 receive and benefit from all HFPBID services.
These parcels are mostly commercial-oriented and sit along the Sutter Street corridor which serves as the main location for events and other activities. Zone 2 parcels are different in character than the parcels in the other zones; the build out of the zone was based on historic standards and is more intense than other zones. The ratio of building square footage to parcel size is significantly higher than in other zones.

As a result of the high ratio of building square footage and economic activity of the zone, Zone 2 parcels have the highest levels of day and night pedestrian traffic. For these reasons, the assessment rate for Zone 2 is the highest.

4. Zone 3

Parcels in Zone 3 receive and benefit from all HFPBID services.
Parcels in Zone 3 have approximately half of the ratio of building square footage to lot square footage compared to Zones 1 and 2 and receive a lower pedestrian traffic level compared to Zone 2, therefore the assessment rate for parcels in Zone 3 is equal to half of the rate in Zone 2.

5. Zone 4

Parcels in Zone 4 receive limited HFPBID benefits compared to Zones 2, 1, and 3.
These parcels are primarily non-commercial, consisting mostly of office and government buildings. The parcels in Zone 4 receive the lowest level of pedestrian traffic compared to Zones 2, 1, and 3 parcels (approximately half of the pedestrian traffic level compared to Zone 1), and a low ratio of building square footage to lot square footage. For these reasons, Zone 4 is assessed at the lowest assessment rate.

6. Commercial Parcels

Commercial parcels will receive and benefit from all HFPBID services (Advocacy & Program Coordination, Image Enhancement, and Enhanced Maintenance), services, which are aimed to attract and increase customers and visitors to assessed parcels. Commercial parcels include retail-use, office-use, industrial, school, park, mixed-use, residential hotel, motel, and resort parcels, road parcels, and vacant parcels & parking lots zoned or used for any the of the aforementioned uses. These parcels have a commercial component because their owners aim to benefit from tenant rents, now or in the future, increased customers, or increased use by visitors. The primary purpose of the HFPBID is to provide property owner services which generate special benefits to parcels with commercial uses, and will therefore be assessed the full rate.

Vacant parcels assessed at the commercial rate include parcels either zoned or used for the uses specified in the previous paragraph. These vacant parcels will receive and benefit from all HFPBID services. These parcels are prone to experience nuisance issues because they are open spaces and are not frequently visited by property owners. The ease of access and infrequent visitation by property owners contributes to nuisance issues and have a high remediation cost for the owner. HFPBID Image Enhancement, and Enhanced Maintenance services will reduce nuisance behaviors and the occurrence of detrimental activities such as graffiti, littering, loitering, and criminal activity, which negatively impact the parcels. The Advocacy & Program Coordination provided by the HFPBID will assist property owners with vacant parcels when they attempt to develop or sell the parcel by promoting the HFPBID as a desirable, clean and safe area for doing business.

7. Property Tax-Exempt Non-Profit and Religious Parcels

As stated above, the primary purpose of the HFPBID is to benefit parcels with commercial uses. Property tax-exempt parcels owned by non-profit entities and religious institutions despite their non-commercial nature, will nonetheless benefit from the cleaner, safer environment the HFPBID will create. Therefore, property tax-exempt parcels owned by non-profit entities and religious institutions within the boundaries of the HFPBID will pay an assessment rate that is fifty percent (50%) of the standard commercial assessment rate, which is commensurate to the benefit they receive. Vacant lots that are located on the premises of a property tax-exempt parcel will be assessed at the non-profit rate.

8. Government- Owned Parcels

Under "The Right to Vote on Taxes Act" (also known as Proposition 218) all public parcels are required to pay assessments unless they can demonstrate by clear and convincing evidence that their parcels do not receive benefit. Parcels owned by the City of Folsom and other public entities will receive and benefit from all of the HFPBID's services, therefore they will pay the commercial rate which is commensurate with their "fair share" of all assessments.

9. Non-Assessed Parcels

There are thirty-four (34) parcels within the HFPBID that will not be assessed. These parcels are neither commercial nor non-profit/religious parcels and will not specially benefit from or directly receive the HFPBID's activities and improvements. These parcels are accounted for in the analysis of general benefit provided to non-assessed parcels within the HFPBID. These parcels have the following uses:

Residential 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 HFPBID is to benefit parcels with commercial and non-profit uses; services have not been designed to benefit and will not be provided to single family residential parcels. Therefore, parcels within the boundaries of the HFPBID to the extent that they are zoned for single-family, multi-family, or vacant lots zoned as having residential uses shall not be assessed.

10. Changes in Data

It is the intent of this Plan and Engineer's Report that each parcel included in the HFPBID can be clearly identified. Every effort has been made to ensure that all parcels included in the HFPBID are consistent in the boundary map and the assessment calculation table. However, if inconsistencies arise, the order of precedence shall be: 1) the assessment calculation table and 2) the boundary map.

If the parcel size or type of a parcel changes during the term of this HFPBID, the assessment calculation may be modified accordingly.

Categorization Appeals

The category determined for each parcel is shown in Appendix 4. The use for each parcel is established at formation and may be updated upon each renewal. If a parcel owner believes their parcel has been mis-classified or has changed, they may appeal in writing to the City of Folsom for re-consideration. Appeals must be received by the City no later than June 1 of each year. Appeals must include the parcel number, current classification, requested classification, and the evidence upon which the appeal is based. Appeals will not provide retroactive reductions.

Appeals should be made to:

Finance Director
City of Folsom
50 Natoma Street
Folsom, CA 95630
916-461-6080

C. Engineer's Certification

I hereby certify, to the best of my knowledge and experience, that each of the identified assessed parcels located within the Historic Folsom Property and Business Improvement District will receive a special benefit over and above the general benefits conferred and that the amount of the assessment is no greater than the proportional special benefits conferred on each parcel, as described in this Engineer's Report.

Review of this Historic Folsom Property and Business Improvement District Management District Plan and preparation of the Engineer's Report was completed by:

Ross Peabody
State of California

February 27, 2023
Date

This Engineer's Report is intended to be distributed as part of the Management District Plan in its entirety, including the Assessment Calculation Table (Appendix 4) and the Boundary Map. Reproduction and distribution of only Section IX of this Management District Plan violates the intent of this stamp and signature.

APPENDIX 1 – MAXIMUM ANNUAL ASSESSMENT RATES

The table below illustrate the maximum annual assessment rates with the assumption that the rates will be increased annually by three percent (3%). The maximum rates listed are a required disclosure and not the anticipated course of action.

Year	Commercial Zone 1A	Commercial Zone 1B	Commercial Zone 2	Commercial Zone 3	Commercial Zone 4
2024	$0.1500	$0.1700	$0.1700	$0.0850	$0.0750
2025	$0.1545	$0.1751	$0.1751	$0.0876	$0.0773
2026	$0.1591	$0.1804	$0.1804	$0.0902	$0.0796
2027	$0.1639	$0.1858	$0.1858	$0.0929	$0.0820
2028	$0.1688	$0.1913	$0.1913	$0.0957	$0.0844
2029	$0.1739	$0.1971	$0.1971	$0.0985	$0.0869
2030	$0.1791	$0.2030	$0.2030	$0.1015	$0.0896
2031	$0.1845	$0.2091	$0.2091	$0.1045	$0.0922
2032	$0.1900	$0.2154	$0.2154	$0.1077	$0.0950
2033	$0.1957	$0.2218	$0.2218	$0.1109	$0.0979

Fiscal Year	Non-Profit/ Religious Zone 1A	Non-Profit/Religious Zone 1B	Non-Profit/ Religious Zone 2	Non-Profit/ Religious Zone 3	Non-Profit/ Religious Zone 4
2024	$0.0750	$0.0850	$0.0850	$0.0425	$0.0375
2025	$0.0773	$0.0876	$0.0876	$0.0438	$0.0386
2026	$0.0796	$0.0902	$0.0902	$0.0451	$0.0398
2027	$0.0820	$0.0929	$0.0929	$0.0464	$0.0410
2028	$0.0844	$0.0957	$0.0957	$0.0478	$0.0422
2029	$0.0869	$0.0985	$0.0985	$0.0493	$0.0435
2030	$0.0896	$0.1015	$0.1015	$0.0507	$0.0448
2031	$0.0922	$0.1045	$0.1045	$0.0523	$0.0461
2032	$0.0950	$0.1077	$0.1077	$0.0538	$0.0475
2033	$0.0979	$0.1109	$0.1109	$0.0555	$0.0489

APPENDIX 2 – PBID LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2023 SUPPLEMENT ***
(ALL 2022 LEGISLATION)

STREETS AND HIGHWAYS CODE
DIVISION 18. PARKING
PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

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; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some 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 business districts 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 business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature's guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore,

for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits. (3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. 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 of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

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.

ARTICLE 2. Definitions

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

(a) Promotion of public events.
(b) Furnishing of music in any public place.
(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) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to 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.

36609.4. "Clerk"

"Clerk" means the clerk of the legislative body.

36609.5. "General benefit"

"General benefit" means, for purposes of a property-based district, any benefit that is not a "special benefit" as defined in Section 36615.5.

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 district.
(k) Ramps, sidewalks, plazas, and pedestrian malls.
(l) Rehabilitation or removal of existing structures.

36611. "Management district plan"; "Plan"

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

36612. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities 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 (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. "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.

36614.6. "Property-based assessment"

"Property-based assessment" means any assessment made pursuant to this part upon real property.

36614.7. "Property-based district"

"Property-based district" means any district in which a city levies a property-based assessment.

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.

36615.5. "Special benefit"

(a) "Special benefit" means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

(b) "Special benefit" also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general.

36616. "Tenant"

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

ARTICLE 3. Prior Law

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.

CHAPTER 2. Establishment

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 improvements, maintenance, and activities, 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, which may be made by reference to any plan or map that is on file with the clerk. 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, maintenance, 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 include, but is not limited to, 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 property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. 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, maintenance, and activities proposed for each year of operation of the district and the estimated cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based

upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(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 their 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)

(1) 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.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(3) In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.

(l) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(m) 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.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

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, maintenance, 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, maintenance, and 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 a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, 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 on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, 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, maintenance, and activities to be conferred on businesses and properties 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, maintenance, 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. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to 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, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(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.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, the clerk 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, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

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 property and business improvement district.

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 the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

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 may 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 an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An 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

(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 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 hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, 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.

CHAPTER 3.5. Financing

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.

CHAPTER 4. Governance

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, maintenance, 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, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and 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 estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated 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, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and 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.

CHAPTER 5. Renewal

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

(a) Any district previously established whose term has expired, or will expire, 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.

CHAPTER 6. Disestablishment

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 assessees 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 district 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.

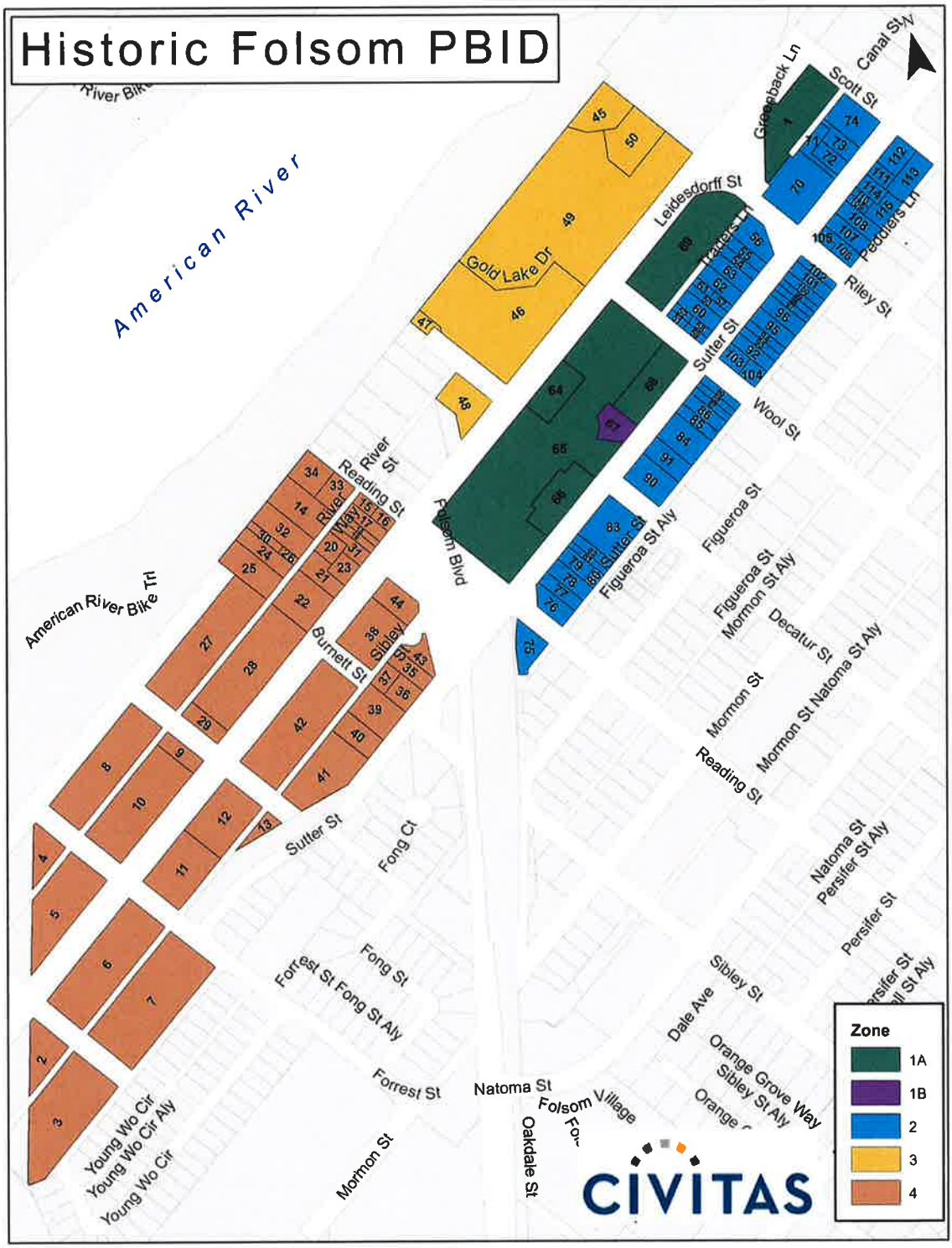
(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of 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 or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal 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 or expires. 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 3 – MAP



APPENDIX 4 – PARCEL ASSESSMENT CALCULATIONS

MapKey	APN	Lot SqFt	Rate	Assessment	Zone	COEF
1	07000100170000	38,180	0.15	$5,727.00	1A	COM
2	07000320020000	12,632	0.075	$947.40	4	COM
3	07000320050000	62,726	0.075	$4,704.45	4	COM
4	07000330020000	10,454	0.075	$784.05	4	COM
5	07000330030000	50,094	0.075	$3,757.05	4	COM
6	07000340010000	56,192	0.075	$4,214.40	4	COM
7	07000340020000	69,260	0.075	$5,194.50	4	COM
8	07000410010000	47,916	0.075	$3,593.70	4	COM
9	07000410020000	7,405	0.075	$555.38	4	COM
10	07000410030000	49,223	0.075	$3,691.73	4	COM
11	07000420010000	27,007	0.075	$2,025.53	4	COM
12	07000420020000	27,443	0	$0.00	4	SFR / NA
13	07000420030000	6,534	0	$0.00	4	SFR / NA
14	07000450030000	18,600	0	$0.00	4	SFR / NA
15	07000450060000	2,800	0	$0.00	4	SFR / NA
16	07000450070000	2,800	0	$0.00	4	SFR / NA
17	07000450080000	5,600	0	$0.00	4	SFR / NA
18	07000450090000	2,800	0	$0.00	4	SFR / NA
19	07000450100000	3,500	0	$0.00	4	SFR / NA
20	07000450130000	5,250	0	$0.00	4	SFR / NA
21	07000450140000	8,750	0	$0.00	4	SFR / NA
22	07000450150000	19,602	0.075	$1,470.15	4	COM
23	07000450170000	5,250	0	$0.00	4	SFR / NA
24	07000450190000	9,148	0	$0.00	4	SFR / NA
25	07000450200000	15,246	0	$0.00	4	SFR / NA
26	07000450230000	1,750	0	$0.00	4	SFR / NA
27	07000450260000	52,708	0.075	$3,953.10	4	COM
28	07000450270000	54,014	0.075	$4,051.05	4	COM
29	07000450280000	6,970	0.075	$522.75	4	COM
30	07000450290000	2,325	0	$0.00	4	SFR / NA
31	07000450310000	5,250	0	$0.00	4	SFR / NA
32	07000450320000	13,950	0	$0.00	4	SFR / NA
33	07000450370000	7,500	0	$0.00	4	SFR / NA
34	07000450380000	11,100	0	$0.00	4	SFR / NA

35	07000460140000	7,000	0	$0.00	4	SFR / NA
36	07000460150000	7,055	0	$0.00	4	SFR / NA
37	07000460160000	4,565	0	$0.00	4	SFR / NA
38	07000460210000	24,500	0	$0.00	4	SFR / NA
39	07000460220000	15,120	0	$0.00	4	SFR / NA
40	07000460230000	10,500	0	$0.00	4	SFR / NA
41	07000460240000	28,125	0	$0.00	4	SFR / NA
42	07000460260000	56,192	0	$0.00	4	SFR / NA
43	07000460330000	6,052	0	$0.00	4	SFR / NA
44	07000460340000	10,376	0	$0.00	4	SFR / NA
45	07000510320000	16,840	0	$0.00	3	SFR / NA
46	07000510420000	96,703	0.085	$8,219.76	3	COM
47	07000510430000	3,217	0.085	$273.45	3	COM
48	07000510500000	15,489	0.085	$1,316.57	3	COM
49	07000510570000	168,577	0.085	$14,329.05	3	COM
50	07000510580000	9,913	0	$0.00	3	SFR / NA
51	07000520010000	1,742	0.085	$148.07	2	TE/NP/R
52	07000520020000	1,625	0.085	$138.13	2	TE/NP/R
53	07000520050000	3,500	0.17	$595.00	2	COM
54	07000520090000	4,200	0.17	$714.00	2	COM
55	07000520100000	4,900	0.17	$833.00	2	COM
56	07000520110000	9,921	0.17	$1,686.57	2	COM
57	07000520120000	1,750	0.17	$297.50	2	COM
58	07000520130000	1,875	0.17	$318.75	2	COM
59	07000520140000	1,875	0.17	$318.75	2	COM
60	07000520150000	7,000	0.17	$1,190.00	2	COM
61	07000520170000	1,750	0.17	$297.50	2	COM
62	07000520180000	7,000	0.17	$1,190.00	2	COM
63	07000520190000	7,000	0.17	$1,190.00	2	COM
64	07000520220000	15,611	0.15	$2,341.65	1A	COM
65	07000520230000	192,100	0.15	$28,815.00	1A	COM
66	07000520240000	21,092	0.15	$3,163.80	1A	COM
67	07000520250000	7,952	0.17	$1,351.84	1B	COM
68	07000520260000	23,943	0.15	$3,591.45	1A	COM
69	07000520270000	55,757	0.15	$8,363.55	1A	COM
70	07000610100000	26,060	0.17	$4,430.20	2	COM
71	07000610110000	5,394	0.17	$916.98	2	COM
72	07000610130000	4,812	0.17	$818.04	2	COM
73	07000610140000	5,527	0.17	$939.59	2	COM

74	07000610150000	14,000	0.17	$2,380.00	2	COM
75	07000940120000	5,473	0.17	$930.41	2	COM
76	07001010010000	7,260	0.17	$1,234.20	2	COM
77	07001010020000	5,600	0.17	$952.00	2	COM
78	07001010030000	7,000	0.17	$1,190.00	2	COM
79	07001010040000	5,250	0.17	$892.50	2	COM
80	07001010050000	1,750	0.17	$297.50	2	COM
81	07001010060000	2,660	0.17	$452.20	2	COM
82	07001010070000	4,060	0.17	$690.20	2	COM
83	07001010290000	21,649	0.17	$3,680.33	2	COM
84	07001030050000	13,510	0.17	$2,296.70	2	COM
85	07001030060000	4,830	0.17	$821.10	2	COM
86	07001030070000	5,663	0.17	$962.71	2	COM
87	07001030080000	3,220	0.17	$547.40	2	COM
88	07001030090000	2,800	0.17	$476.00	2	COM
89	07001030100000	3,640	0.17	$618.80	2	COM
90	07001030170000	13,440	0.17	$2,284.80	2	COM
91	07001030190000	8,960	0.085	$761.60	2	TE/NP/R
92	07001050020000	5,600	0.17	$952.00	2	COM
93	07001050030000	3,500	0.17	$595.00	2	COM
94	07001050040000	3,500	0.17	$595.00	2	COM
95	07001050050000	7,000	0.17	$1,190.00	2	COM
96	07001050060000	7,000	0.17	$1,190.00	2	COM
97	07001050070000	2,800	0.17	$476.00	2	COM
98	07001050080000	2,800	0.17	$476.00	2	COM
99	07001050090000	2,800	0.17	$476.00	2	COM
100	07001050100000	3,906	0.17	$664.02	2	COM
101	07001050110000	5,628	0.17	$956.76	2	COM
102	07001050120000	3,066	0.17	$521.22	2	COM
103	07001050180000	4,610	0.17	$783.70	2	COM
104	07001050190000	3,808	0.17	$647.36	2	COM
105	07001110010000	1,549	0.17	$263.33	2	COM
106	07001110020000	5,451	0.17	$926.67	2	COM
107	07001110030000	7,000	0.17	$1,190.00	2	COM
108	07001110040000	7,000	0.17	$1,190.00	2	COM
109	07001110050000	1,750	0.17	$297.50	2	COM
110	07001110060000	1,750	0.17	$297.50	2	COM
111	07001110090000	3,700	0.17	$629.00	2	COM
112	07001110100000	7,400	0.17	$1,258.00	2	COM

113	07001110110000	9,900	0	$0.00	2	SFR / NA
114	07001110170000	4,313	0.17	$733.21	2	COM
115	07001110190000	6,250	0	$0.00	2	SFR / NA

APPENDIX 5 – TOTAL ESTIMATED MAXIMUM COST OF IMPROVEMENTS, MAINTENANCE, AND ACTIVITIES

The estimated maximum cost of the line items below was developed based on the estimated costs of providing services in the proposed HFPBID. The costs below are estimated; the actual line item costs will fluctuate. The table below shows expenditures from assessment and non-assessed funds. Assessment funds are governed by Section VI. There is no limit on reallocation of non-assessment funds by the Owners' Association. The total maximum budget may exceed the maximum listed in this table if parcel ownership changes result in parcels being assessed at a higher rate due to a higher estimated benefit.

Year	Advocacy & Program Coordination	Image Enhancement	Enhanced Maintenance	Contingency / Reserve	County/City Fee	Total
2024	$63,153.43	$60,926.47	$43,006.93	$7,186.54	$5,389.90	$179,663.27
2025	$65,048.03	$62,754.26	$44,297.14	$7,402.14	$5,551.60	$185,053.17
2026	$66,999.47	$64,636.89	$45,626.05	$7,624.20	$5,718.15	$190,604.76
2027	$69,009.45	$66,576.00	$46,994.83	$7,852.93	$5,889.69	$196,322.90
2028	$71,079.73	$68,573.28	$48,404.67	$8,088.52	$6,066.38	$202,212.58
2029	$73,212.12	$70,630.48	$49,856.81	$8,331.18	$6,248.37	$208,278.96
2030	$75,408.48	$72,749.39	$51,352.51	$8,581.12	$6,435.82	$214,527.32
2031	$77,670.73	$74,931.87	$52,893.09	$8,838.55	$6,628.89	$220,963.13
2032	$80,000.85	$77,179.83	$54,479.88	$9,103.71	$6,827.76	$227,592.03
2033	$82,400.88	$79,495.22	$56,114.28	$9,376.82	$7,032.59	$234,419.79
Total	**$723,983.17**	**$698,453.69**	**$493,026.19**	**$82,385.71**	**$61,789.15**	**$2,059,637.91**

APPENDIX 6 – BASELINE SERVICES PROVIDED

The City of Folsom will continue to provide a baseline level of services throughout the District, consistent with services provided to parcels outside the District. The tables below show the baseline level of services as of August 2022; these services may only be reduced in the event of a city-wide service reduction.

SAFETY, POLICING & SECURITY			
Activity	**Responsible Party**	**Level of Service**	**Comments**
Police: Patrol	City of Folsom Police Department	Patrol services will be provided as directed by an established patrol staffing plan.	
Police: Special Problems Units	City of Folsom Police Department	Special enforcement units handle issues involving gangs and the selling of drugs in the City of Folsom, as needed	
Police: Graffiti Abatement	City of Folsom Police Department	When observed, officers advise City crews of abatement needed.	Private property clean-up is the responsibility of the property owner.
Police: Parking Enforcement	City of Folsom Police Department	Officers patrol the Historic District as part of their standard tour of duty. This includes enforcement of parking regulations for vehicles utilizing public parking lots and on-street parking.	Historic District has restricted parking (time limits and residential permits) and receives regular patrols from parking enforcement. Provisions exist to allow employee parking in some time-limited parking lots
Police/Fire: Special Events	City of Folsom Police Department and Fire Department	Police and Fire Department staff review request for special events, and provide personnel as outlined/required in the Special Event Permits.	Unless waived by the City Council, special events require the promoter/sponsor to pay Police and/or Fire Department expenses.
Security Guards	None Provided		
Private Security	Individual Property Owners	Hiring own security for localized security services in parking lots, garages, building interiors and perimeters.	

Activity	Responsible Party	Level of Service	Comments
Historic Folsom Station Plaza	City of Folsom	Ongoing clean-up, landscaping maintenance	Event impacts paid by sponsor and as also specified in Special Event permit conditions
Parking Garage	City of Folsom	Ongoing maintenance	
Public Restrooms Security Issues	City of Folsom	Ongoing maintenance	Event impacts paid by sponsor and as also specified in Special Event permit conditions
Signage – street signs and interpretive amenities	City of Folsom	Ongoing maintenance	Changeable content of signage managed by FHDA
Street Lighting	City of Folsom	Lights changed on an as-needed basis. The Public Works Department is responsible for upkeep and maintenance of street lighting.	
Graffiti Removal	City of Folsom Code Enforcement	As identified and response based.	On public property
Sidewalks General	City of Folsom Public Works Department	Make necessary repairs when needed for safety and aesthetics	
Sidewalk Receptacles and Benches	City of Folsom Parks and Recreation Department	Install, replace & maintain benches, receptacles and recycling receptacles in the historic area, as needed.	
Drinking Fountains, Public Art and other Street furniture	City of Folsom Parks and Recreation Department	Ongoing Maintenance	
Alley	City of Folsom Public Works Department	Respond to service requests on an as-needed basis.	
Maintenance: Vacant lots	City of Folsom Code Enforcement	Property owners can report owners who do not upkeep their lots. (e.g. junk and debris, weeds)	If delinquent, City may pursue lawful means to correction violation

Activity	Responsible Party	Level of Service	Comments
Parking: Off-street Public Lots	City of Folsom Public Works Department	Street crews clean trash and debris monthly or by location with Service Request. Potholes and bumper repairs are performed on an as-needed basis.	
Parking: On-street	City of Folsom Public Works Department	Maintain parking spaces. , on as needed basis.	Cleaning scheduled to avoid disrupting parking demand.
Street: General Maintenance	City of Folsom Public Works Department	Respond to Service Requests as needed for trash, debris, accidents and potholes. Skin patching, base repairs and as-scheduled or coordinated with other projects.	Routine pothole patching with cold patch during raining weather. Skin patch and base repair when clear and in warmer weather. City shall continue to be responsible for all street maintenance.
Street: Sweeping	City of Folsom Public Works Department	Arterials and Collectors Downtown: 2 times per year Parking lots and alleys: 2-3 times per year	
Trash Collection: Business	Property Owners	Each owner shall be responsible for trash collection to ensure a clean and tidied trash area.	
Trash Collection: Sidewalk receptacles	City of Folsom Public Works Department	Provide trash collection for sidewalk containers 3 days per week	Service is provided only in Sutter Street commercial core area
Trash Collection: Removal of Signs on Public Poles	City of Folsom Code Enforcement	On an as-needed basis on City owned Facilities	Code enforcement is the responsible party as most signs are for yard and garage sales, which is covered by ordinance.
Landscaping: Planters	City of Folsom Parks and Recreation Department	Maintain landscaping in public ROW	Other landscaping is the responsibility of the property owner.

Activity	Responsible Party	Level of Service	Comments
Landscaping: Tree Trimming	City of Folsom Parks and Recreation Department	Provide tree trimming annually for trees in the public ROW. Respond to hazard tree calls as needed. Perform Right-of -Way clearance, as needed. Perform tree removals as needed.	Trees on private property that encroach in ROW, are owner's responsibility to maintain as needed or requested by City Staff.
Street decorations	FHDA	Banners and other seasonal elements (corn stalks, ribbons on poles, etc)	Covered thru BID and other FHDA fund raising. Decorations and banners to comply with City codes, guidelines, or Special Event permit conditions.
Trash collection for special events (Craft fairs, TNM, Cattle Drive, etc)	City of Folsom Public Works Department	Event sponsor responsible for placing loose trash in receptacles. City responsible for emptying receptacles within 24 hours of event	

OTHER SERVICES Activity	Responsible Party	Level of Service	Comments
Decorations: Special Events	Event sponsors in collaboration with FHDA	Seasonal decorations provided by FHDA can be supplemented for special events	Decorations: Special Events
Public Works: Special Events	City of Folsom Public Works Department	Public Works Department staff review request for special events, and provide traffic control personnel as outlined/required in the Special Event Permits.	Unless waived by the City Council, special events require the promoter/sponsor to pay Public Works Department expenses.