



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: June 11, 2014
Board Meeting Date: June 17, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Petition supporting the creation of a downtown Redwood City Community Benefit Improvement District

RECOMMENDATION:

Direct the County Manager to sign the County owned property petition supporting the creation of a downtown Redwood City Community Benefit Improvement District.

BACKGROUND:

Through their Redevelopment Agency, the City of Redwood City (City) invested over \$64 million in the downtown. The City also provided supplemental services to the area after it was redeveloped. With the dissolution of the redevelopment agencies, the City could no longer provide enhanced services to the downtown area. To continue funding for these services, the City wants to create a Community Benefit Improvement District (District) in the downtown area. The proposed District boundaries are outlined on the attached map. San Mateo County is the largest property owner in the proposed District, with 11 percent of the total area.

The City currently spends over \$2.5 million on services for the downtown: Those services include street system maintenance, parking facility operations, police protection and other services. A higher level of service including regular sidewalk steam cleaning, enhanced trash collection, additional plantings, plus downtown promotion via a website and valet and other parking services would be funded by the proposed District.

The projected annual District budget is \$795,781 which includes both service costs and district administration. The District will be divided into two assessment zones. Zone one, which is primarily the commercial area bounded by Broadway and Middlefield Road, will have a higher assessment rate as that area will benefit directly from the parking and valet programs and the promotional activity. The County properties, with the exception of the County Courthouse/History Museum, are in zone two, which will

have a lower assessment. The estimated County supplemental County assessment for the District is \$86,000. District assessments are based on a combination of total building square footage, lot square footage and the benefit zone.

Creating an Improvement District involves a number of steps. The first step is presenting the concept to property owners, which the City has been working on for a number of months. The second step is a petition drive to determine interest by the property owners followed by a vote on the creation of the District. To bring the district concept to a vote, owners of property that will account for at least 30 percent of the total District assessment must support the petition calling for an election to create the District. As of June 9, 2014, 37.3 percent of the property owners have indicated support for the District petition including Kaiser Hospital and the City of Redwood City along with owners of 43 other parcels. Only one statement of opposition to the petition has been received.

While the petition threshold for holding an election has been met, the City has asked the County to respond to the petition to gauge property owner interest.

DISCUSSION:

If the District is created, the County assessment is estimated to be \$86,000. While the County currently provides maintenance, landscaping and security services on our campus, the County will benefit from improved street maintenance and beautification adjacent to our property. Also, additional parking for downtown visitors may ease the demand for parking in the public areas of the County garage. The District creation election is expected to occur in July. That ballot, along with the final details on the proposed District, will be brought to your Board for consideration in July.

FISCAL IMPACT:

There is no direct fiscal impact associated with supporting the petition, but if the District is created, the County will be assessed \$86,000 in the first year (2015) with a potential annual increase of 0 to 5 percent to be determined by the District governing board, each of the 15 years the District exists.