

EXHIBIT A

**FULTON AVENUE
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT**

**FISCAL YEAR 2006-2007
ANNUAL REPORT**

I. Changes in District Boundaries

The Fulton Avenue Property and Business Improvement District proposes no changes in the district boundaries or benefit zones for the 2007-2008 fiscal year.

II. Improvements and Activities Provided

The Fulton Avenue Management Plan outlines a variety of activities the district will perform to benefit the district members. District activities fall into four general categories: Security, Marketing and Communications, Streetscape Improvements, Economic Development, and Administration.

SECURITY

Under the direction of the security committee, uniformed off-duty Sacramento County Sheriff officers continue to patrol the Fulton District in a marked patrol vehicle five nights each week. FAA officers have logged over 14,000 hours of extra patrol in the Fulton district, addressing specific property-owner related issues. Since the inception of the off-duty officer patrols, Fulton Avenue has witnessed a significant drop in business-related burglaries, vandalism and suspicious loitering. Graffiti, once a significant problem on the Avenue, rears its head only a few times a year. Property owners cite this program as their number one priority for the Association and continue to be extremely satisfied with the presence of additional officers in the area, and the ensuing positive results.

The tracking device that was devised in 2002 with the aid of the Sheriff's Department has proven to be an effective way to keep both the officers in check, and the property owners assured that their individual properties are in fact being monitored. A carbon slip is placed on the door of each property when the Officer has made a visit. The officer makes a written note when visiting a property after hours that notifies the property owner/tenant that (1) the officers were there and (2) the condition(s) or incidents, if any, they encountered. This notification slip is emblazoned with the Association's name. These notifications provide tangible evidence that the security patrol is indeed being the "eyes and ears" of the Avenue after hours and further promotes the Association.

The North Central Division Stationhouse on Marconi, just off Fulton continues to be an enormous district and community asset. The Association and many other organized groups utilize the facility for meetings and events, and the stationhouse support staff and volunteers add to the consumer base of the Avenue retailers.

MARKETING & COMMUNICATIONS

This year marketing and communication activities were mainly focused in three areas: the Christmas Holiday, educating Association members and other stakeholders about past, present and future Association activities, and promoting both the businesses on the Avenue and the Association's improvement projects through advertising and with the local media.

Holiday spirits were elevated on the Avenue now that there is a full complement of decorative candy cane fixtures and wrap on the light poles and lampposts, and at all major intersections. These physical accoutrements enhance the shopping and neighborhood experience of area residents and travelers' through.

For the fifth year running, the Association hired a Santa Claus impersonator and Costumed Carolers to promenade through shopping centers and other Avenue businesses through the month of December. Several businesses availed themselves of the offer to have Santa come sit for photographs this year, a successful experiment that we are likely renew each year.

The Executive Director maintained an effective outreach program that produced interest from the media regarding the Association's improvement projects. The district continues to glean positive coverage in local and region-wide newspapers.

Two Fulton Avenue Association regularly produces newsletters that feature new Fulton Avenue businesses, updates on improvement projects, and code enforcement tips.

The Association held an Annual Lunch meeting for its members and dignitaries this year at the Clarion Hotel on Auburn Boulevard. Over seventy-five Association members and stakeholders attended this event. Five awards were given to Avenue businesses that had either improved their property or business practice over the past year, or had performed extraordinarily well in the area of marketing and promotion. The Association Board of Directors and its members were honored to have had Supervisor Susan Peters as a guest speaker, and Mr. Chris Taylor of ADA Compliance Associates presented an ADA workshop for small business owners.

In partnership with the Arden-Arcade Business Council, and the Sacramento Metro Chamber of Commerce, the Association continues to sponsor member mixers at inspiring Fulton Avenue locations. Association members enjoy hosting these functions to showcase their businesses. Events are well attended and promote networking opportunities and increased awareness of Association activities and projects.

Additional event sponsorships this past year included the 5th Annual Arden-Arcade 4th of July Parade. The goal of the Parade is to promote community pride

and patriotism in and around the District. Forty-two Parade entries made for quite a show for the several hundred flag waving attendees that lined the Avenue on July 4, 2006.

www.fultonavenue.com, the Association's dedicated web site, promotes the Fulton Avenue District and better facilitates communication between the FAA and its members. It serves as an informational tool to property and business owners, and, interested parties may visit the site to learn more about the Association's formation, boundaries, activities and goals. The site is undergoing a complete renovation, will be highly interactive and will have a "members' only" component. The new site will go live in August 2007.

Additionally, the Association has contracted with PageWeavers, Inc. to produce a web site specific to the car dealers in the District. www.fultoncars.com will allow potential buyers to browse the fleet of cars available on Fulton Avenue, to see details on any car, and to provide sales leads electronically to the car dealers. Each month, the car dealers will receive an automated report showing extensive information on which vehicles were viewed and other valuable statistics. This internet project is being funded by County Economic Development funds.

STREETSCAPE IMPROVEMENTS

The Executive Director spent much of the year working cooperatively with the County Department of Transportation, and MBI Construction to complete the horizontal drilling portion of the Fulton Avenue Undergrounding project. The drilled area provides the space for the conduit that will eventually house the utility cables. The respective utility companies are working on a take down schedule that will likely bring all overhead cable underground by the end of the year (2007). Once the overhead cable is removed, all of the utility poles will be removed from Fulton Avenue sidewalks.

Working with a local designer, and Sacramento County's sign shop, the Association's Board of Directors has approved a prototype for custom street signs for the entire District. The signs are 4-color, have The Fulton District typed at the top of the sign, and have the District's branded "F" in the far, right-hand corner. The manufacturing and installation of these signs is pending final approval from the Department of Transportation.

In 2006, the Association installed uplighting in one of its 15 landscaped medians to see if the cost of the illuminative enhancement was of aesthetic or other value. It was decided that in addition to bringing attractive light to the Avenue at night, it became an added safety feature for pedestrians and bicyclists. The Association applied for matching funds from the County's Department of Economic Development to uplight the remaining 14 medians, and those funds were approved. Ellis and Ellis Sign Co. has been working with Department of

Transportation staff to connect the appropriate electrical cable and install the fixtures at the base of all of the Avenue's Palm Trees. This project is expected to be completed the end of August 2007.

Because Fulton Avenue is subject to a good deal of commuter traffic and heavy use of public transportation, it has seen an increase in loose cigarette butts, trash and other kinds of random debris. In an effort to keep things clean, the Association developed a "District Clean-Up Program" and hired an independent contractor who regularly walks/scans the District for garbage. The contractor also identifies problem areas, such as homeless camps and zones prone to graffiti, and reports these and other issues of concern to the Executive Director. So to measure success of this program, detailed reports are kept and submitted monthly to the Board of Directors. This program is paid for cooperatively between the County of Economic Development and Association funding.

The Association continues to offer landscape improvement grants to its members through a competitive application process. The program is designed to give financial assistance to property owners within the district who are interested in upgrading existing or installing new landscaping. The Association will issue matching grants of up to \$5,000.00 per project for board-approved improvements.

ECONOMIC DEVELOPMENT

Association and County staff maintain communication with both local businesses and the development community. Staff is working closely with the County Department of Economic Development, SHRA, developers, and the brokerage community to stimulate District development on Fulton Avenue and its adjoining Auburn Boulevard. Staff is also working on surrounding development proposals that will extend into and along the Fulton Avenue Business District.

Recent new construction activity includes the demolition of the old Village Theater, as well as the construction of a new retail mall that will boast Starbucks as an anchor. Many new restaurants have appeared over the past year, and properties are consistently being improved. Residential developments just off Fulton near El Camino and near Cottage are about to break ground, which will bring a good amount of "mixed use" to this predominantly commercial area.

ADMINISTRATION

The Board of Directors and the Executive Director Ms. Melinda Eppler continue to work effectively together on Administrative and all other matters.

The functions of the Executive Director include acting as liaison with public agencies; promoting economic development; advocating at the local and state level on issues important to the business community; managing marketing and member communications; organizing regular board and committee meetings;

event planning; outreach to membership and community groups, and managing district bookkeeping.

IV. The Method of Assessment

Refer to Attachment A “ENGINEER’S REPORT - Assessment Methodology” from the Fulton Management District Plan. No changes in assessments are proposed, as they are not allowed under the district management plan.

V. Surplus or Deficient Revenues

The Fulton Avenue Association ended its 2006 operating year with retained earnings of \$_____

VI. Contributions to the District

The Fulton Avenue Improvement Association anticipates no additional contributions to the District

Attachment A

**Engineer's Report
Assessment Methodology**

EXHIBIT A-1

**FULTON AVENUE PROPERTY AND BUSINESS
IMPROVEMENT DISTRICT**

2006/2007 PARCEL LEVY LISTING

EXHIBIT B

[Insert Fulton Avenue Beautification Project Synopsis]

EXHIBIT C

[Insert Fulton Avenue Beautification Master Plan Gant Chart]

EXHIBIT D

**[Insert Fulton Avenue Property Assessment Improvement District
Public Works Capital Projects Fund
Inception to Date Activity (thru 03-31-006)]**