

# Fresno City Council debate on downtown revitalization a head-scratcher

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The Fresno City Council on Thursday gave its blessing to a special district focused on downtown revitalization.

Don't be fooled by the 7-0 vote. This was one strange hearing.

At issue was the Downtown Fresno Property and Business Improvement District. Most people know the district by its brand name — Downtown Fresno Partnership.

The partnership is a PBID: property-based improvement district.

In a nutshell, property owners in a specific area tax themselves. They use the money to improve the neighborhood. They do this in many ways — festivals, security, marketing, cleanliness, to name only a few.

The property owners themselves are in control of vision and spending. After all, it's their money and their neighborhood.

Fresno City Hall took the lead in forming the downtown PBID some five years ago. The backstory is convoluted. It's sufficient here to note two things.

First, Mayor Ashley Swearingin and a small army of community leaders saw the PBID as a key tool in the rebirth of downtown and surrounding neighborhoods.

Second, property owners within the district's boundaries weren't 100% behind the idea, but in the end about 64% of the votes in essence said: Go for it!

The PBID soon had its first chief executive in Kate Borders. A solid foundation was built.

Borders resigned last year to take a job in Arizona. Aaron Blair replaced her. Things stayed on course.

The original PBID has a five-year life, ending this year. PBID officials wanted to renew the district for another seven years. Thursday's council action would put the finishing touch on the process.

The renewal depended on a vote of district property owners.

The key rule is simple. Let's say Property Owner A is to be taxed (or "assessed") \$100 per year while Property Owner B (with a much different property) is assessed \$50.

Property Owner A gets 100 votes while Property Owner B gets 50. In other words, \$1 of taxes equals one vote.

The renewal is good from 2016 through 2022. The districtwide taxes in the first year of renewal are pegged at \$717,786.

The City of Fresno is the Big Shot in the district, with an expected first-year assessment of about \$112,000.

The election ended Thursday afternoon. The council had already cast its 112,000 votes in favor of renewal. Property owners turned in the final ballots. City Clerk Yvonne Spence counted the votes.

The result: 76.95% for renewal, 23.05% against.

Council members simply had to approve a resolution stating the obvious — the Downtown Fresno Partnership will live for another seven years.

Simple it wasn't.

I wondered if I was seeing a 21st century version of John C. Calhoun's "concurrent majority" idea. Calhoun was fine with majority vote as long as he was in the majority. If Calhoun found himself in the minority, he wanted power to veto the majority's will.

Council Member Steve Brandau started things by referring to one of the speakers during the public-comment period. The speaker, a man who owns property in the district, had said the PBID has no value for him.

Brandau said he supports the PBID. Then he made a motion that called for the speaker's property on Van Ness Avenue to be carved out of the district.

Brandau asked City Attorney Doug Sloan if that's doable. Sloan said the council can readjust the district's boundaries if it decides there is reason to do so.

That satisfied Brandau. Council Member Clint Olivier seconded the motion.

Brandau gave no reason for supporting the unhappy property owner other than the property owner's unhappiness.

Then it was Olivier's turn. He said he had been contacted by another unhappy district property owner. Olivier said this property owner (also on Van Ness) should be carved out of the district, as well.

Olivier asked Brandau to include the second unhappy property owner in the motion. Brandau said he'd be happy to oblige.

Here, too, Olivier gave no reason for taking this property owner's side other than the fact that the property owner no longer wanted to be in the district.

Downtown Fresno Partnership folks in the audience were stunned. Board Chairman Tom Richards went to the public microphone. If everyone got to decide whether to pay property taxes simply on their degree of unhappiness, Richard said, no property taxes would ever be collected.

It's safe to say every Fresno City Council member in recent memory has loved to spend property taxes.

I wondered if I was seeing a 21st century version of John C. Calhoun's "concurrent majority" idea. Calhoun was fine with majority vote as long as he was in the majority. If Calhoun found himself in the minority, he wanted power to veto the majority's will. Maybe Brandau and Olivier were channeling the long-dead South Carolinian.

I thought of Mancur Olson, an American economist/social scientist who died in 1998. Former Fresno City Manager Mark Scott sometimes mentioned Olson's work to me. I'm no expert on Olson, but I gather that his work deals in large part with collective action, public goods and ornery people. The PBID is pretty much trying to provide a public good en route to more profits for its private-sector members. Olson said members of any such group face a mighty temptation to pursue a free ride.

I assumed the two property owners in question had voted no in the election. I wondered why Brandau and Olivier apparently had not considered the feelings of other property owners on the losing side. Why didn't Brandau and Olivier, in an effort to be completely fair, ask that this issue be postponed for a week or two? The two council members could then contact everyone on the losing side. The council members could say: "If you don't want to pay the assessments, you can send me an email saying you're unhappy. I will then do all I can to carve you out of the district. Get writing!"

I reviewed the city attorney's response to Brandau. Sloan didn't come right out and say as much, but he implied that a legislator had a legal obligation to come up with some objective reason for redrawing the boundaries. Perhaps a piece of paper showing that the property owner didn't get a single bit of improved litter-control in four-plus years. But near as I could tell, Brandau and Olivier had no reason other than empathy for the unhappy property owners. Well, lots of Fresnoans are unhappy with paying various City Hall fees. Maybe Brandau and Olivier could carve them out of such duty.

I got a kick out of Council President Oliver Baines' measured anger. Baines represents downtown. He listened to Brandau and Olivier make their pleas, then fired his broadside. I'm the council representative for these two guys, Baines said. They never got hold of me. How serious could they really be?

Finally, right before the vote, I took another look at Brandau. He ran for council in 2012 as Mr. Tea party. The spirit and wisdom of Alexander Hamilton and James Madison could be found in everything Brandau said on the campaign trail. I actually had a copy of Federalist 51 in my shoulder bag on Thursday. Madison wrote: "In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself." I wished Brandau had squared that passage with what he was trying to do.

The Brandau motion failed, 5-2. Brandau and Olivier were on the losing side.

The council then voted 7-0 to embrace the PBID.

I chatted with Craig Scharton after the votes. Scharton is the former council member and downtown revitalization czar who owns Peeve's restaurant on the mall. He's also a big supporter of the PBID.

Scharton is looking good — says he has lost 50 pounds. I kidded him about the gray in his beard.

"Compared to what I had when I went into the Council Chamber," Scharton said with a smile, "there's a lot more now."

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