

RESOLUTION NO. 2012-142

Adopted by the Sacramento City Council

May 22, 2012

ESTABLISHING AN ACCOUNTING FUND AND ESTABLISHING THE REVENUE AND EXPENDITURE BUDGETS FOR THE SACRAMENTO TOURISM MARKETING DISTRICT NO. 2012-07 FOR FISCAL YEAR (FY) 2012/13 AND CLOSING FUND 2213 UPON DISESTABLISHMENT OF THE SACRAMENTO TOURISM BUSINESS IMPROVEMENT DISTRICT

BACKGROUND

- A. Sacramento Tourism Marketing District 2012-07 (District) formation was approved by City Council on May 22, 2012. FY2012/13 is the first year that businesses in the District will be assessed. A new accounting fund needs to be created in accordance with article IX, section 114, of the City Charter.
- B. Business owners within the boundaries of the District are assessed an assessment based on the cost of services provided in the District to promote Sacramento as a destination for tourism, conventions, meetings, and events, and increase room night sales for the assessed lodging businesses.
- C. Assessments to be collected in FY2012/13 total approximately \$5,200,000.
- D. Two percent of the assessments collected by the City will be retained to reimburse City expenses for staff costs incurred with the formation and ongoing administration of the District.
- E. The District was formed to modernize and replace the Sacramento Tourism Business Improvement District (BID), which was disestablished by City Council on May 22, 2012.
- F. Remaining revenues from the BID will be transferred to the District as outlined in the Resolution of Intention to Disestablish the BID (Resolution 2012-108), approved by City Council on May 1, 2012.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. That the Background statements A through E are true and correct.
- Section 2. The Finance Director is authorized and directed to create a new accounting fund to be known as the Sacramento Tourism Marketing District No. 2012-07.

Section 3. The Finance Director is authorized and directed to establish the revenue and expenditure budgets of the District in the amount of \$5,200,000 as shown on Exhibit B.

Section 4. The Finance Director is authorized to close fund 2213 once enough time has elapsed to capture all transactions related to the disestablished tourism district.

Exhibits A, and B are part of this resolution,

Table of Contents:

Exhibit A: District Boundary Map

Exhibit B: FY2012/13 District Budget

Adopted by the City of Sacramento City Council on May 22, 2012 by the following vote:

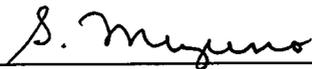
Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

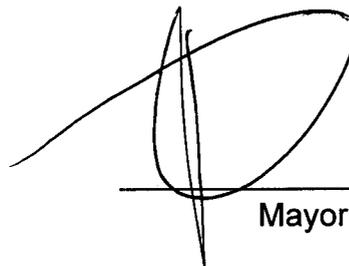
Abstain: None.

Absent: None.

Attest:



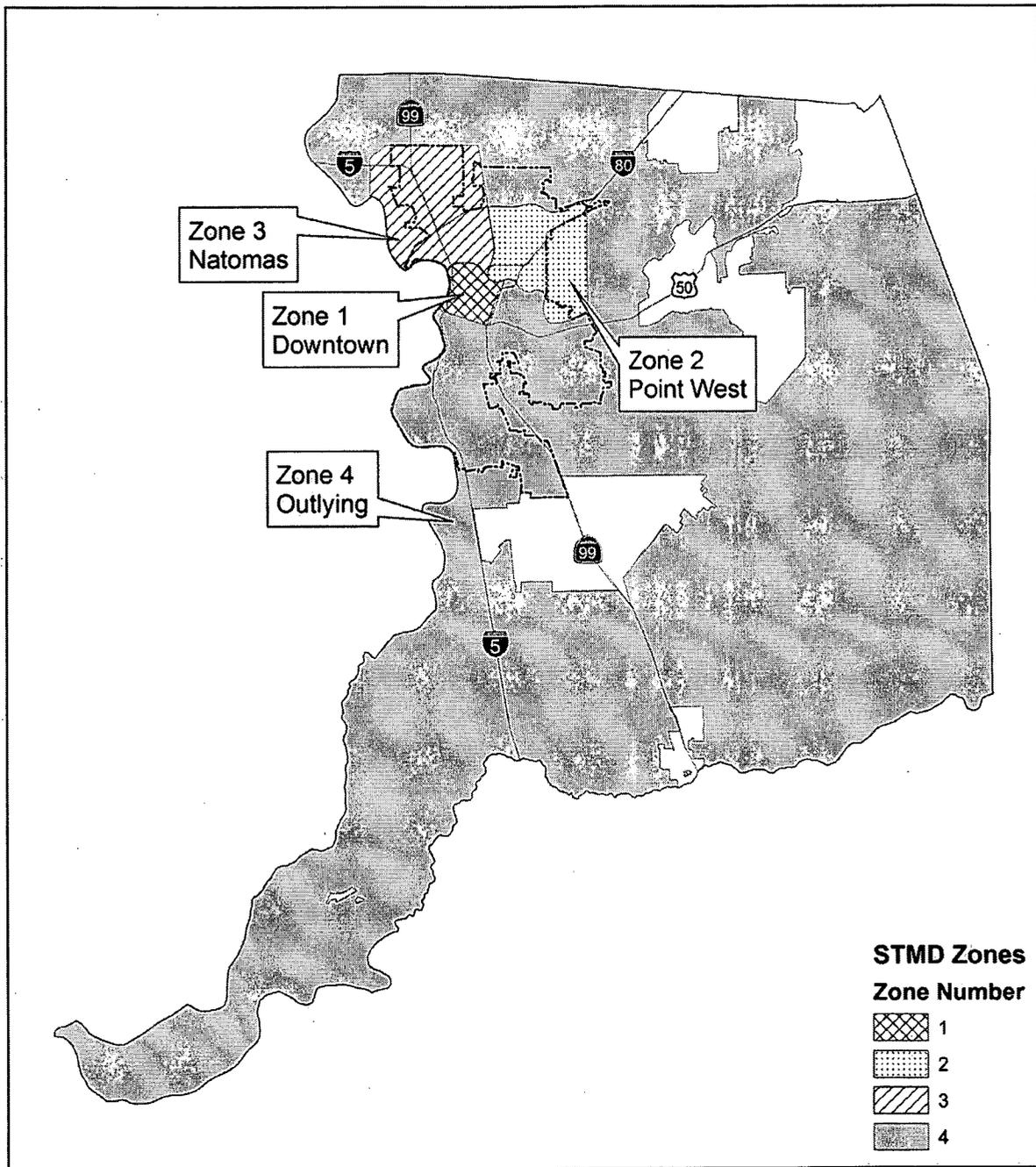
Stephanie Mizuno, Assistant City Clerk



Mayor Kevin Johnson

EXHIBIT A

Sacramento Tourism Marketing District Boundary Map



6.I.S.
City of
Sacramento
Department of Finance
BMueller 03/02/12

0 5 10 20 Miles



EXHIBIT B

SACRAMENTO TOURISM MARKETING DISTRICT NO. 2012-07

DISTRICT BUDGET & ANNUAL ASSESSMENT FOR FISCAL YEAR (FY) 2012/13

Total Assessment Budget **\$5,200,000**

Total Revenue: \$5,200,000

Expenses:

Expense Category	Percentage of Revenue*	Amount
Sales and Marketing	87%	\$4,524,000
Zone Specific Targeted Marketing	10%	\$ 520,000
City and County Administration Costs	2%	\$ 104,000
Contingency	1%	\$ 52,000

Total Expenses: \$5,200,000

*Revenue will fluctuate with market conditions but the proportional allocations will remain the same

ANNUAL ASSESSMENT

Assessment Category	Assessment Rate
Zone 1	(3%) of gross short-term (stays fewer than 31 days) room rental revenue
Zone 2	(2.5%) of gross short-term room rental revenue
Zone 3	(2%) of gross short-term room rental revenue
Zone 4	(1%) of gross short-term room rental revenue

Annual assessment rates are based on specific benefit to the assessed businesses and do not exceed the reasonable costs of providing the services or programs.