

Meeting Date: 6/16/2015

Report Type: Consent

Report ID: 2015-00546

Title: Fiscal Year 2015/16 Sutter Business Improvement Area Annual Budget Adoption

Location: District 4

Recommendation: Pass a Resolution approving the Sutter Business Improvement Area annual budget.

Contact: Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance

Presenter: None

Department: Finance

Division: Revenue Administration

Dept ID: 06001211

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form

Steve Itagaki

6/9/2015 9:01:28 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/27/2015 3:46:08 PM

Description/Analysis

Issue Detail: Each Business Improvement Area (BIA) is required to submit an annual budget for City Council approval. This report recommends that the City Council approve the Fiscal Year (FY) 2015/16 annual budget for the Sutter BIA.

Policy Considerations: Sacramento City Code Section 3.106.070 allows the City Council to provide for the administration of the BIA's activities by entering into an agreement with a third party entity. However, the City Council has sole discretion as to how the revenue derived from the assessments is used within the scope of the authorized purposes.

The purpose of an annual budget review is to ensure that the funds for each district are being used for purposes specified in the City Code. Section 3.106.030 of the City Code provides that the assessments may be used for, "additional security, maintenance and marketing programs to promote the Sutter area as an attractive destination for dining and projects, programs, and activities that benefit restaurant businesses located and operating within the boundaries of the area. The improvements and activities shall be targeted at increasing restaurant business revenues."

Economic Impacts: None.

Environmental Considerations: This action is not subject to the California Environmental Quality Act because the action consists only of organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines §§ 15002(d), 15378(b)(5).)

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: The City Council selected the Midtown Business Association to administer the Sutter BIA's activities. The proposed budget appears to be reasonable for promoting business in the area; therefore, staff is recommending that City Council approve the organization's FY2015/16 budget.

Financial Considerations: The proposed expenditures are supported by fees assessed on each restaurant within the BIA. The rates are 1.5 percent of food sales plus a charge for occupancy. The fees are remitted to the City by the restaurants on a monthly basis. The fees are then forwarded to the Midtown Business Association for promotion of the BIA.

The proposed BIA expenditures are fully supported by the fees assessed, with collection services provided by the City. The City retains \$5,623 annually to cover administrative expenses for this purpose.

The annual budget, as submitted by the Midtown Business Association, is attached as Exhibit A to the resolution.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING THE FISCAL YEAR (FY) 2015/16 SUTTER BUSINESS IMPROVEMENT AREA (BIA) BUDGET

BACKGROUND

- A. The Sutter BIA is established under Chapter 3.106 of the Sacramento City Code for the purposes described therein.
- B. Sacramento City Code Section 3.106.070 allows the City Council to provide for the administration of the BIA's activities by entering into an agreement with a third party entity. However, the City Council has sole discretion as to how the revenue derived from the assessments shall be used within the scope of said authorized purposes.
- C. The City requires the Sutter BIA to submit an annual budget for review. The purpose of the annual budget review is to ensure that the assessments are being used for the purposes authorized in the City Code.
- D. Section 3.106.030 of the City Code provides that the assessments may be used for, "additional security, maintenance and marketing programs to promote the Sutter area as an attractive destination for dining and projects, programs, and activities that benefit restaurant businesses located and operating within the boundaries of the area. The improvements and activities shall be targeted at increasing restaurant business revenues."
- E. Staff has reviewed the FY2015/16 budget showing estimated BIA assessments of \$120,000, and finds the budget to be adequate and reasonable for authorized purposes.

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

- Section 1 The City Council finds and determines that the background statements A through E are true and correct.
- Section 2 The City Council hereby approves the proposed FY2015/16 Sutter BIA budget as detailed in Exhibit A of the resolution.
- Section 3 The City Manager is authorized to make any necessary budgetary adjustments associated with the approved BIA budget for FY2015/16.
- Section 4 Exhibit A is part of this resolution.

Exhibit A

Sutter Business Improvement Area Annual Budget

Fiscal Year 2015/16

	BIA	Other	Total
Revenues			
Beginning Reserves	\$ 66,000.00	\$ -	\$ 66,000.00
Membership Fees	\$ -	\$ -	\$ -
PBID Contributions	\$ 5,000.00	\$ -	\$ 5,000.00
Event Income	\$ 1,500.00	\$ -	\$ 1,500.00
Event Sponsorships	\$ 32,000.00	\$ -	\$ 32,000.00
Business Tax Collections	\$120,000.00	\$ -	\$120,000.00
Total Revenues	<u>\$224,500.00</u>	<u>\$ -</u>	<u>\$224,500.00</u>
Expenses			
Operating/Administrative Expenses			
Tree Lighting	\$ -	\$ -	\$ -
Program Mgt	\$ 14,400.00	\$ -	\$ 14,400.00
Operation Overhead	\$ 9,000.00	\$ -	\$ 9,000.00
City Police	\$ 65,000.00	\$ -	\$ 65,000.00
	<u>\$ 88,400.00</u>	<u>\$ -</u>	<u>\$ 88,400.00</u>
Advertising			
Line Item 1	\$ -	\$ -	\$ -
Line Item 2	\$ -	\$ -	\$ -
Line Item 3	\$ -	\$ -	\$ -
Line Item 4	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Events			
Sutter Halloween	\$ 3,000.00	\$ -	\$ 3,000.00
Sacratomato Festival	\$ 22,500.00	\$ -	\$ 22,500.00
Line Item 3	\$ -	\$ -	\$ -
Line Item 4	\$ -	\$ -	\$ -
	<u>\$ 25,500.00</u>	<u>\$ -</u>	<u>\$ 25,500.00</u>
Total Expenses	<u>\$113,900.00</u>	<u>\$ -</u>	<u>\$113,900.00</u>