

Meeting Date: 8/11/2015

Report Type: Consent

Report ID: 2015-00177

Title: Fiscal Year (FY) 2015/16 Handle Business Improvement District (District) Annual Proceedings

Location: District 4

Recommendation: Pass a Resolution approving the District Annual Report, authorizing budgetary adjustments, and levying an assessment for FY2015/16.

Contact: Sheri Smith, Program Specialist, (916) 808-7204; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form

Michael W. Voss

8/3/2015 8:35:23 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 7/20/2015 12:48:44 PM

Description/Analysis

Issue: On July 19, 2011, City Council approved formation of the Handle Business Improvement District (District) by Resolution No. 2011-425 to provide marketing, maintenance, and other services to increase restaurant and retail sales within the District. The District was formed under the Property and Business Improvement Law of 1994, which requires that an Annual Report (Report) be filed with the City Clerk for City Council approval.

The Handle District Advisory Board has prepared the Report for FY2015/16, which is on file with the Public Improvement Finance Division of the Department of Finance, designated by the City Clerk as the custodian of such records. The Report addresses the proposed budget, assessment, and services to be provided. The Report does not change the District boundaries, scope of services, the assessment rate, or any other aspect of the District's legal structure as established in the Management District Plan.

Policy Considerations: Approval of the attached Resolution will authorize the City to levy and collect assessments in the amount sufficient to provide funding for services such as security, maintenance, economic development, and image enhancement for FY2015/16, and to establish the associated budget.

Environmental Considerations: Under California Environmental Quality Act guidelines, administration of the District does not constitute a project and is therefore exempt from review.

Rationale for Recommendation: The actions in the recommended resolution are required by the California Streets and Highways Code Part 7, (beginning with Section 36600) of Division 18.

Financial Considerations: The District is self-supporting and has no impact to the General Fund. Financing is provided by the levy of assessments upon businesses that benefit from the improvements and services. The District does not plan to issue bonds. The operating budget for the District fluctuates with market conditions and retail sales and is adjusted annually to reflect Council approved assessments and expenditure plans.

The total District assessment budget is estimated to be \$175,000. Budget details are provided in the attachments to the Resolution.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING THE ANNUAL REPORT FOR THE HANDLE BUSINESS IMPROVEMENT DISTRICT AND LEVYING ASSESSMENT FOR FISCAL YEAR 2015/16

BACKGROUND

- A. On July 19, 2011, by Resolution No. 2011-425, City Council approved formation of the Handle Business Improvement District No. 2011-04 (District), depicted in Exhibit A, for a five-year term commencing in October 2011. The business owners within the boundaries of the District petitioned the City of Sacramento to establish the District in order to provide services and improvements intended to increase restaurant and retail sales within the District.
- B. The City Council established the District under the Property and Business Improvement District Law of 1994 (California Streets and Highway Code, Sections 36600 to 36671) (PBID Law) and has previously levied assessments on businesses in the District to pay for improvements and services to be provided within the District, in accordance with the PBID Law.
- C. Expenditures of assessment revenues provide for the following improvements and services within the District, all of which are intended to make the District safer and cleaner, and to increase the commercial activity: (1) security services are provided to complement existing security provided by the Police Department; (2) lighting, landscaping, and signage; and 3) image enhancement through events, marketing, and advertising, to promote a vibrant commercial center. All services are as defined within the Annual Report and by reference made a part of this resolution. The Annual Report is separately bound and on file with the Public Improvement Finance Division of the Department of Finance, which the City Clerk has designated as the custodian of such records.
- D. The Fiscal Year (FY) 2015/16 rate and methodology of assessment has not changed from the prior year.

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 D are true.
- Section 2 The City Council finds and determines that businesses within the District benefit from the security, maintenance, and marketing activities funded by the proposed assessment.

Section 3 The City Manager is authorized to make any necessary budgetary adjustments associated with the District budget for FY2015/16 as shown on Exhibit B.

Section 4 The annual budget and assessments as set forth in the FY2015/16 Annual Report are authorized.

Section 5 Exhibits A and B are part of this resolution.

Table of Contents:

Exhibit A: Boundary Map

Exhibit B: FY2015/16 District Budget & Business Assessment

Exhibit A

Boundary Map

Handle Business Improvement District No. 2011-04

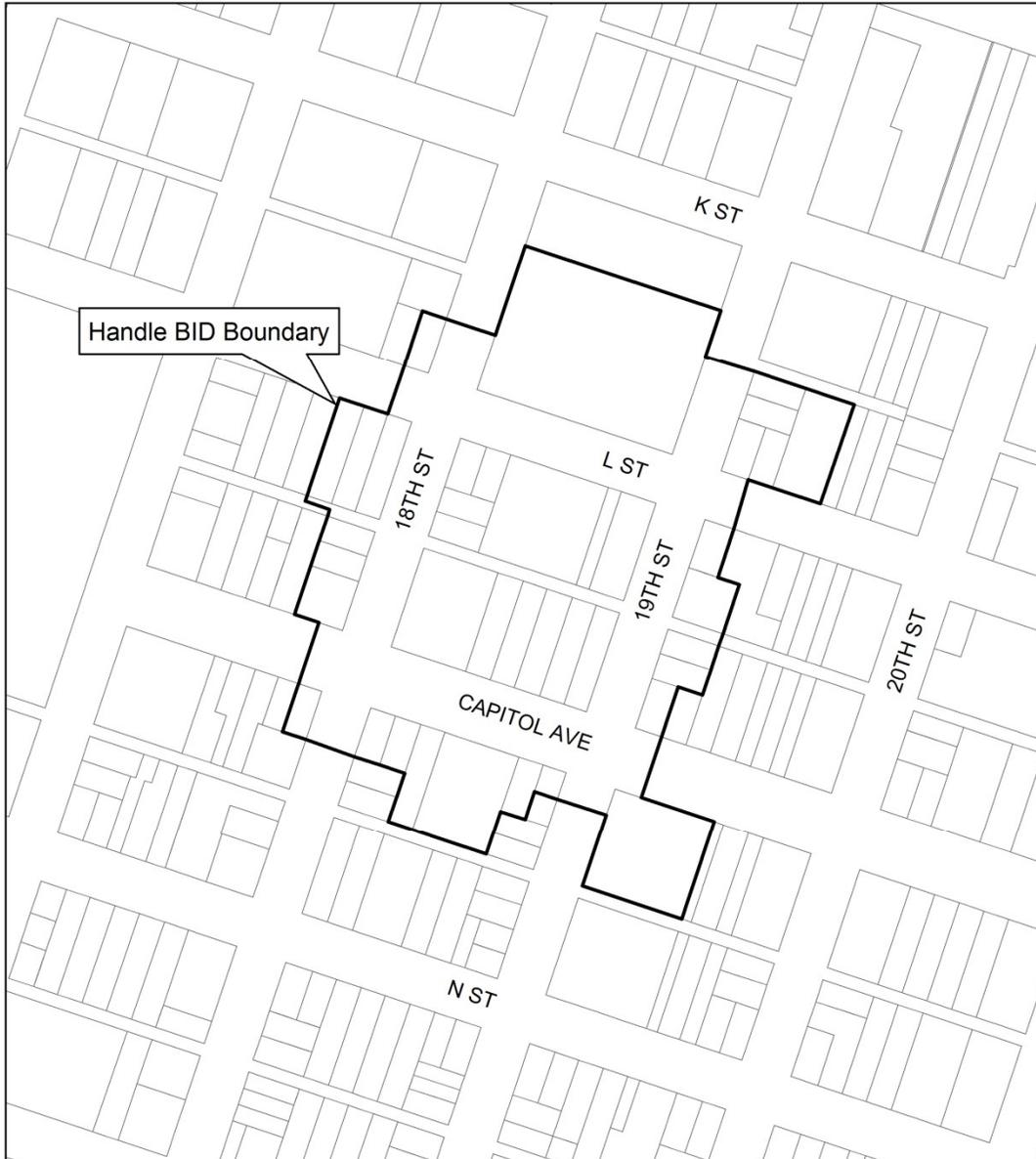


EXHIBIT B

**HANDLE BUSINESS IMPROVEMENT DISTRICT
FY2015/16
DISTRICT BUDGET & BUSINESS ASSESSMENT
(FUND 2241)**

Estimated Beginning Fund Balance	0
Total Assessed to Property Owners	<u>175,000</u>
Total Resources	<u>\$175,000</u>
PBID Activities	
Estimated Disbursement	\$172,907
Administrative Costs	
Public Improvement Financing	
Administration	1,135
Accounting	
Administration	958
Total Expenditures	<u>\$175,000</u>
Estimated Ending Fund Balance	0
Year-Over-Year Change in Fund Balance	0

Business Assessment

Annual assessment rates are as follows: food and beverage businesses shall be assessed 1.5% of gross sales, excluding alcohol sales and certain items as described in Section V of the Management District Plan (MDP), on file with the Public Improvement Financing Division, designated by the City Clerk as the custodian of such records. Retail businesses with under \$100,000 in gross annual revenue will be assessed a flat assessment of \$25 per month. Retail businesses with \$100,000 or more in gross annual revenue will be assessed a flat assessment of \$50 per month. Business classification as “food and beverage” or “retail” shall be based on the primary business activity of each business. The business classification and the gross sales will be determined from the Business Operations Tax filings with the City of Sacramento. Certain sales shall not be included for purposes of the assessment as described in Section V of the MDP.

New businesses opening during the term of the District shall not be exempt from assessment. Assessment rates for new businesses shall be determined by utilizing the most current quarterly gross sales information to extrapolate the annual assessment amount.