Meeting Date: **6/21/2016**

Report Type: Consent

Report ID: 2016-00578

City of SACRAMENTO 06

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Annual Budget for Sutter Business Improvement Area

Location: District 3

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
3-Exhibit A

City Attorney Review

Approved as to Form
Steve Itagaki
6/15/2016 9:39:58 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 6/8/2016 11:39:14 AM

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) 2016/17 annual budget for 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 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."

Environmental Considerations: The Community Development Department, Environmental Services Manager has determined that the proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines Section 15378(b). The activity is a continuing administrative or maintenance activity and is not subject to the provisions of CEQA. CEQA Guidelines Section 15060(c)(3).

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 FY2016/17 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 $5,707 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) 2016/17 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 FY2016/17 budget showing estimated BIA assessments of $150,000 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 fiscal year FY2016/17 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 FY2016/17

Section 4. Exhibit A is part of this resolution.

Sutter Business Improvement Area Annual Budget

Fiscal Year 2016/17

	BIA
Revenues	
Beginning Reserves	$ 119,000.00
Membership Fees	$ -
PBID Contributions	$ 9,000.00
Business Tax Collections	$ 150,000.00
Total Revenues	$ 278,000.00
Expenses	
Operating/Administrative Expenses	
Tree Lighting	$ 10,000.00
Program Mgt	$ 14,400.00
Operation Overhead	$ 9,000.00
City Police	$ 70,000.00
	$ 103,400.00
Advertising	
PR Services	$ 1,500.00
	$ 1,500.00
Special Events	
Sutter Halloween	$ 6,000.00
Sacratomato Festival	$ 27,000.00
	$ 33,000.00
Total Expenses	$ 137,900.00