



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
September 12, 2006

Honorable Mayor and
Members of the City Council

Title: Adoption of Del Paso Blvd Business Improvement Area Annual Budget

Location/Council District: 2

Recommendation: It is recommended that the Mayor and City Council adopt the attached Resolution to approve the FY 2006/2007 budget for the Del Paso Boulevard Business Improvement Area (BIA).

Contact: Brad Wasson, Revenue Manager, 808-5844

Presenters: None

Department: Finance

Division: Revenue

Organization No: 1121

Description/Analysis

Issue: Each BIA is required to submit an annual budget for City Council approval. This report recommends that the City Council approve the FY 2006/2007 budget for the Del Paso Boulevard BIA.

City Council approved annual budgets for the Franklin Boulevard, Stockton Boulevard, Old Sacramento, and Downtown Plaza BIA's on July 18, 2006.

Policy Considerations: City Code authorizes the City Council to review/audit the administration of the BIA's.

Environmental Considerations: Pursuant to Section 15378(b) (3), this is not a project under the California Environmental Quality Act.

Rationale for Recommendation: Del Paso Boulevard BIA expenditures are supported by fees assessed against each business in the BIA. The Mayor and

City Council recently selected the Del Paso Boulevard Partnership to administer these self assessed business fees on May 23, 2006. The proposed budget appears to be adequate and reasonable for promoting business in the area. Therefore, the Mayor and City Council should approve the organizations' budget for the BIA funds.

Financial Considerations: Proposed BIA expenditures are supported by fees assessed against each business within the BIA. City Code allows for an annual increase of BIA fees based on the most current Consumer Price Index (CPI) data. BIA fees increased by 2.9% effective July 1, 2006. Attachment 1 is the current BIA fee schedule effective July 1, 2006.

The City collects the fees at the time the Business Operations Tax is paid. The fees are then paid to agencies that the City Council has authorized to conduct promotion of the BIA. The proposed BIA expenditures are fully fee supported, with collection costs absorbed by the City.

Attached is the budget (Exhibit A) as submitted by the Del Paso Boulevard Partnership.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: Brad Wasson
Brad Wasson, Revenue Manager

Approved by: Russ Fehr
Russ Fehr, Finance Director

Recommendation Approved:

for Ray Kerridge
Ray Kerridge
City Manager

Table of Contents:

Report	pg. 1
Attachments	
1 Annual Fees	pg. 3
2 Resolution	pg. 4
Exhibit A-Budget Submittal	pg. 5

Attachment 1

ANNUAL FEES AS OF JULY 1, 2006 / Current Fee Schedule

Downtown Plaza BIA (B): Minimum \$90 - Maximum \$7244			
	Gross Receipts	\$10,000 or less	\$90
		more than \$10,000	\$90 + .0008 x over \$10,000
	Gross Payroll	Flat fee	\$90
Professional			\$90 + \$34 per employee
Brokers			\$90 + \$34 per employee
Hotel/Motel			\$90 + 1 per unit in excess of 4
Commercial Rental		\$10,000 or less	\$90
		more than \$10,000	\$90 +.0008 x over \$10,000
FRANKLIN BLVD BIA (D): Minimum \$46 - Maximum \$471			
Retail	Gross Receipts		Gross Receipts x .000544
Non-Retail	Flat Fee		\$46
DEL PASO BLVD BIA (E): Minimum \$19 - Maximum \$455			
Retail	Gross Receipts	\$10,000 or less	\$19
		more than \$10,000	\$19 + .0005 x over \$10,000
Non-Retail	Flat Fee		\$19
STOCKTON BLVD BIA (F): Minimum \$42 - Maximum \$438			
Retail	Gross Receipts	\$50,00 or less	\$42
		more than \$50,000	\$42 + .0005 x \$50,000
Non - Retail	Flat Fee		\$42
OLD SACRAMENTO BIA (C): Minimum \$130 - Maximum \$6046			
* Retail - No Alcohol Sales			Total Gross Receipts x .0054
* Retail - Alcohol Sales			Total Gross Receipts x .0068
Non - Retail Flat Fee			\$66
* Note: Gross Receipts are exclusive of any alcohol sales			

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

2006/2007 DEL PASO BOULEVARD BUSINESS IMPROVEMENT AREA BUDGET

BACKGROUND

- A. The Del Paso Boulevard Business Improvement Area is established under Chapter 3.108 of the City Code for the purposes described therein.
- B. City Code section 3.108.010 requires that each Business Improvement Area (BIA) submit an annual budget for review. 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. For each BIA, City Code section 3.108.080 specifies that the City Council shall reserve onto itself sole discretion as to how the revenue derived from the charges shall be used within the scope of said authorized purposes.
- C. Staff has reviewed the FY 2006/2007 budget showing estimated FY 2006/2007 BIA fees of \$44,500, and finds the budget to be adequate and reasonable for authorized purposes.
- D. The Council is fully advised in this matter.

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 and correct.
- Section 2. Adopt the proposed FY 2006/2007 Del Paso Boulevard Business Improvement Area budget as detailed in Exhibit A of the staff report.
- Section 3. Exhibit A is part of this resolution.

Table of Contents:

Exhibit A

Exhibit A

Proposed Annual Budget: 2006-2007
 DEL PASO BOULEVARD BUSINESS IMPROVEMENT AREA

	BIA	Other	Total
Revenues			
Business Tax Collections	\$43,000.00	\$ -	\$43,000.00
Commercial Rental Tax Collections	\$ 1,500.00	\$ -	\$ 1,500.00
Total Revenues	<u>\$44,500.00</u>	<u>\$ -</u>	<u>\$44,500.00</u>
Expenses			
Operating/Administrative Expenses			
Coordinator -- Phantom Galleries	\$12,000.00	\$ -	\$12,000.00
Office supplies, postage and mailings, bank fees, accounting, tax preparation, insurance, other	\$ 2,500.00	\$ -	\$ 2,500.00
	<u>\$14,500.00</u>	<u>\$ -</u>	<u>\$14,500.00</u>
Advertising			
Paid Media: Local print media (including Sacramento Bee, Sacramento News & Review, Sacramento Magazine)	\$10,000.00	\$ -	\$10,000.00
Graphic design	\$ 1,000.00	\$ -	\$ 1,000.00
Printing (flyers, posters)	\$ 2,000.00	\$ -	\$ 2,000.00
Banner program	\$ 4,000.00	\$ -	\$ 4,000.00
	<u>\$17,000.00</u>	<u>\$ -</u>	<u>\$17,000.00</u>
Special Events			
"Second Saturday"/Phantom Galleries; annual meeting of BIA members; Christmas; Grand Openings; groundbreaking; other special events	\$10,000.00	\$ -	\$10,000.00
Contingency -- general	\$ 3,000.00	\$ -	\$ 3,000.00
	<u>\$13,000.00</u>	<u>\$ -</u>	<u>\$13,000.00</u>
Total Expenses	<u>\$44,500.00</u>	<u>\$ -</u>	<u>\$44,500.00</u>