



REPORT TO COUNCIL

City of Sacramento

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

Consent
January 8, 2008

**Honorable Mayor and
Members of the City Council**

Title: Loan to Midtown Property and Business Improvement District

Location/Council District: Midtown Sacramento, Council Districts 1, 3 and 4

Recommendation: Adopt a **Resolution** authorizing a loan of \$150,000 from the City of Sacramento to the Midtown Property and Business Improvement District to assist with initial expenses.

Contact: Diana Sasser, Project Manager, 808-5519

Presenters: Not Applicable

Department: Economic Development

Division: Citywide

Organization No:

Description/Analysis

Issue: On August 9, 2007, the City Council conducted a public hearing and subsequently adopted a resolution approving the establishment of the Midtown Property and Business Improvement District (PBID). The PBID formation process was facilitated by services provided by the Midtown Business Association (MBA).

The PBID has requested a funding advance of their first quarter PBID allocation to assist with initial expenses. Staff has reviewed the operating budget for the PBID and determined that there are sufficient funds to repay this loan. The attached resolution thus authorizes a loan from the City of Sacramento (City) to the PBID in an amount not exceeding \$150,000. This does not constitute an amendment to the original PBID agreement


Policy Considerations: The actions recommended in this report are consistent with the Council's approval of the Economic Development Strategy.

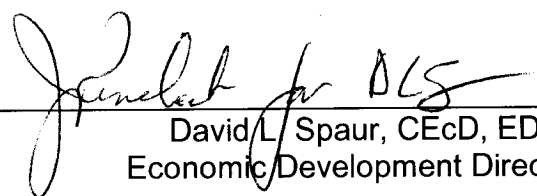
Environmental Considerations: The proposed action is not subject to The California Environmental Quality Act (CEQA).

Rationale for Recommendation: These actions are consistent with earlier-adopted City planning efforts, including the Economic Development Strategy.

Financial Considerations: The loan will be for \$150,000 at a 0% interest rate to be repaid within 21 months. The repayment for the loan will be withheld from the PBID allocation distribution each quarter at a rate of \$30,000 per quarter. There will be no funds withheld for the first two quarters of 2008, with the first withholding occurring on or about September 30, 2008, with additional withholdings at the end of every quarter thereafter (December 31, 2008, March 31, 2009, June 30, 2009 and September 30, 2009). Funding for the loan will come from the City's General Fund Administrative Contingency budget. The loan is a one-time only instrument with no provisions for extensions or for additional funding.

Emerging Small Business Development (ESBD): This contract meets the City's ESBD requirements.

Respectfully Submitted by: 
James R. Rinehart
Citywide Development Manager

Approved by: 
David L. Spaur, CECD, EDFP
Economic Development Director

Recommendation Approved:

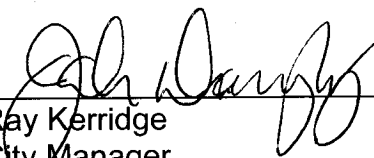

Ray Kerridge
For City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

LOAN TO MIDTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID)

January 8, 2008

BACKGROUND

- A. On August 9, 2007, the City Council conducted a public hearing and subsequently adopted a resolution approving the establishment of the Midtown Property and Business Improvement District (PBID).
- B. The PBID formation process was facilitated by services provided by the Midtown Business Association (MBA).
- C. The PBID has requested an advance on the first quarter of their PBID allocation to assist with initial costs.

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

- Section 1. The City Manager is authorized to execute the Midtown PBID loan documents as approved by the City Attorney.
- Section 2. An advance on the first quarter Midtown PBID allocation in an amount not to exceed \$150,000 is hereby approved.
- Section 3. Adoption of this resolution authorizes the appropriation of \$150,000 from the City's General Fund Contingency to be used as an advance for the Midtown PBID.