



## City Council Report

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Sacramento, CA 95814

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**File ID:** 2018-00402

August 28, 2018

**Consent Item 06**

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**Title: Fiscal Year (FY) 2018/19 Central Midtown Restaurant Business Improvement District (District) Annual Proceedings**

**Location:** District 4

**Recommendation:** Pass a Resolution approving the Central Midtown Restaurant Business Improvement District (BID) Annual Report for FY2018/19.

**Contact:** Sini Makasini, Administrative Analyst, (916) 808-7967; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Resolution

3-Exhibit A District Map

4-Exhibit B District Budget Estimates & Business Assessment

## Description/Analysis

**Issue Detail:** On June 20, 2017, City Council approved the formation of the Central Midtown Restaurant BID for a five-year term (Resolution No. 2017-0255) to provide safety and lighting programs, marketing and advertising and other services to increase restaurant sales within the District. The BID 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 Midtown Central Advisory Committee has prepared the FY2018/19 Report which is on file with the Finance Department Public Improvement Finance Division, designated by the City Clerk as the custodian of such records. The Report addresses the estimated 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 BID's legal structure as established in the Management District Plan.

**Policy Considerations:** Approval of the attached Resolution will approve the required annual report for the BID addressing the services the BID provides including lighting and safety improvements as well as special events and advertising for FY2018/19.

**Economic Impacts:** None.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under the CEQA Guidelines, administration and annual proceedings of assessment districts do not constitute a project and is therefore exempt from review. (CEQA Guidelines section 15378(b)(4)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**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:** Financing is provided by the levy of assessments upon businesses that benefit from the improvements and services. The BID does not plan to issue bonds. The operating budget for the BID fluctuates with market conditions and retail sales and is adjusted annually to reflect Council approved assessments and expenditure plans.

The total BID assessment budget is estimated to be \$210,000. Budget details are provided in the Exhibit B to the Resolution. The BID is self-supporting and has no impact on the General Fund.

**Local Business Enterprise (LBE):** Not applicable.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

August 28, 2018

### **APPROVING THE ANNUAL REPORT FOR THE CENTRAL MIDTOWN RESTAURANT BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2018/19**

#### **BACKGROUND**

- A. On June 20, 2017, by Resolution No. 2017-0255, City Council approved the formation of the Central Midtown Restaurant Business Improvement District No. 2017-02 (District), depicted in Exhibit A, for a five-year term commencing on July 1, 2017. The business owners within the boundaries of the District petitioned the City of Sacramento to establish the District to provide services and improvements intended to increase restaurant 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, cleaner, and increase the commercial activity for restaurants and food service establishments in the District: (1) Lighting and Safety Projects: targeted public safety programs and lighting improvements above the current City standard, (2) Marketing, Advertising, and Special Events: marketing, advertising, and special events designed to increase patronage for food service businesses within the District, and (3) Administrative: standard administration expenses, City collection and costs related to administration of the District, and a prudent fiscal reserve. 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) 2018/19 rate and methodology of assessment is 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 background statements A through D are true.

- Section 2. The City Council finds and determines that businesses within the District benefit from the activities funded by the proposed assessment.
- Section 3. The City Manager is authorized to make any necessary budgetary adjustments associated with the District budget estimates for FY2018/19 as shown on Exhibit B.
- Section 4. The annual budget estimates and assessments as set forth in the FY2018/19 Annual Report are authorized.
- Section 5. Exhibits A and B are part of this resolution.

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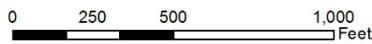
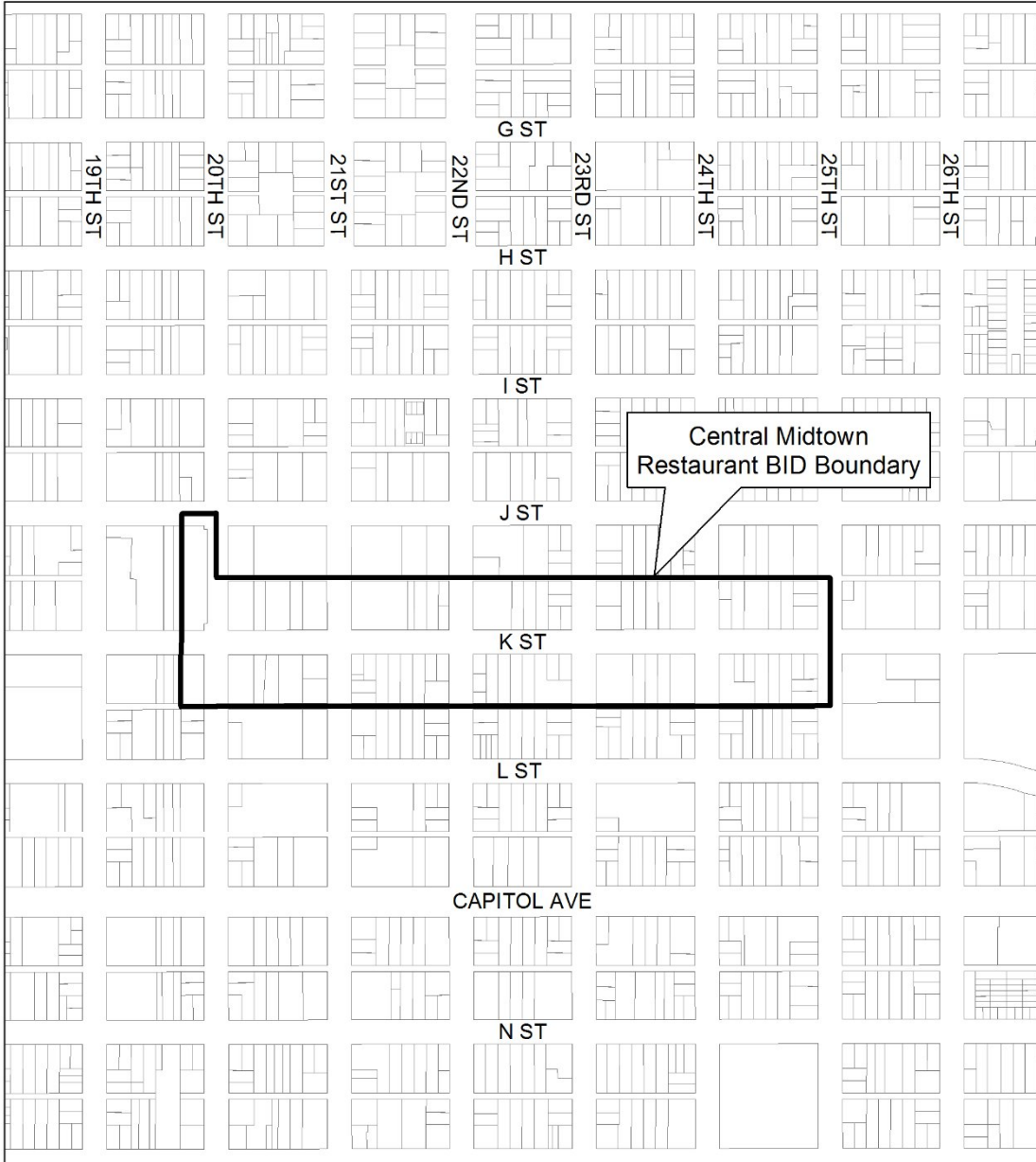
Exhibit A: District Map

Exhibit B: FY2018/19 District Budget Estimates & Business Assessment

**Exhibit A**

**District Map**

**Central Midtown Restaurant  
Business Improvement District No. 2017-02**



## Exhibit B

### CENTRAL MIDTOWN RESTAURANT BUSINESS IMPROVEMENT DISTRICT FUND (FUND 2251) FY2018/19 DISTRICT BUDGET & BUSINESS ASSESSMENT

Estimated Beginning Fund Balance	-
Total Assessed to Property Owners	<u>210,000</u>
Total Resources	<u><u>\$210,000</u></u>
BID Activities	
Estimated Disbursement	\$205,000
Administrative Costs	
Public Improvement Financing	
Administration	-
Accounting	
Administration	5,000
Total Expenditures	<u><u>\$210,000</u></u>
Estimated Ending Fund Balance	-
Year-Over-Year Change in Fund Balance	-

#### Business Assessment

Food and beverage businesses shall be assessed 1.5% of gross sales, excluding alcohol sales and certain items as described in Section VI of the Management District Plan, on file with the Public Improvement Finance Division, designated by the City Clerk as the custodian of such records.