



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2018-00401

August 28, 2018

Consent Item 05

Title: Fiscal Year (FY) 2018/19 Handle Business Improvement District (District) Annual Proceedings

Location: District 4

Recommendation: Pass a Resolution approving the Handle District 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 September 27, 2016, City Council approved the renewal of the Handle Business Improvement District (BID) for a 10-year term (Resolution No. 2016-0340) to provide marketing, maintenance, 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 Handle District Advisory Board has prepared the Report for FY2018/19 which is on file with the Department of Finance 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 BID's services such as security, maintenance, economic development, and image enhancement for FY2018/19.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under CEQA Guidelines, administration and annual proceedings of assessment districts do not constitute a project and are therefore exempt from review [14 Cal. Code Regs. §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 \$200,000. These revenues will be deposited in the Handle BID Fund (Fund 2241). Budget details are provided in 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 HANDLE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2018/19

BACKGROUND

- A. On September 27, 2016, by Resolution No. 2016-0340, City Council approved the renewal of the Handle Business Improvement District No. 2016-04 (District), depicted in Exhibit A, for a ten-year term commencing in October 2016. 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, cleaner, and 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) 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 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 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.

Table of Contents:

Exhibit A: District Map

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

Exhibit A
District Map

Handle Business Improvement District No. 2016-04



Exhibit B

**HANDLE (FUND 2241)
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FY2018/19 DISTRICT BUDGET & BUSINESS ASSESSMENT**

Estimated Beginning Fund Balance	-
Total Assessed to Property Owners	<u>200,000</u>
Total Resources	<u><u>\$200,000</u></u>
PBID Activities	
Estimated Disbursement	\$198,986
Administrative Costs	
Public Improvement Financing	
Administration	-
Accounting	
Administration	1,014
Total Expenditures	<u><u>\$200,000</u></u>
Estimated Ending Fund Balance	-
Year-Over-Year Change in Fund Balance	-

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 Finance 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.