



2011/12 Annual Report

INTRODUCTION

The fiscal year came to an end on June 30th for the Handle District. Although we were not required to prepare an Annual Report for the City of Sacramento, because the District has not existed started collecting assessments in 2012, we wanted to provide businesses a year-end summary of the organizations' activities and finances. The following report touches on programs and projects, and provides an overview of the financial makeup of the District.

FINANCIAL OVERVIEW

Management District Plan - the MDP is the governing plan for the Handle District. It outlines the assessment methodology and collection details. Originally approved by Sacramento City Council in the Summer 2011, it was updated in this past August to provide clarification.

Assessment - there are two categories of assessments collected in the Handle District. The food and beverage establishments collect 1.5% of each food purchase (not including alcohol) and the retailers in the district pay a set amount quarterly (\$25 or \$50 per month) based on total annual gross sales. After a slow start, and a grace period to allow for a "catch up" (businesses who were delinquent in payments to the district), the assessment collection was more successful in the last quarter of the fiscal year. The board will review collection issues in the coming month.

Accounting Practices - the HBID board contracts with a bookkeeping service for daily monitoring and oversight of assessment funds. This accountant will also prepare the annual tax returns for the organization. Three board members are authorized to sign checks (two signatures required each check).

Outstanding Loans - three HBID businesses loaned the new organization funds in 2010 and 2011 for startup fees and services. The organization is currently paying on these no-interest loans.

2012/13 Budget - the Board of Directors approved the FY 2012/13 budget in August (note: the budget will typically be approved in May or June each year, but because of revisions to the plan, the budget approval was delayed until August). Original estimates of assessment revenues were adjusted to reflect collected amounts. This resulted in a reduction of the total budget from \$200,000/year to approximately \$150,000/year. A summary of the budget is below.

Revenues	Sub-Totals
Assessment Revenues	\$150,000.00
Estimated Delinquency/Fees	<u>\$7,500.00</u>
Total Revenues (projected)	\$142,500.00
Expenses (Budgeted and Actual)	Sub-Totals
Loan Repayment (Formation Consultant/Fees)	\$25,634.00
Program - Clean and Safe (up to 45% of Budget)	\$52,589.70
Program - Marketing, Advertising and Events (up to 35% of Budget)	\$40,903.10
Assessment Collection and BID renewal (up to 10% of Budget)	\$11,686.60
General Administration and Operations (up to 10% of Budget)	<u>\$11,686.60</u>
Total Expenses	\$142,500.00

PROGRAMS

It is important to note that because funds were not collected until March 2012, most programs did not begin until April 2012.

Maintenance - the maintenance crew was highly visible in the District in 2012, removing tons of trash in the HBID. The team also helped with graffiti, sidewalk power washing and staffing our special events.

Universal Valet - in early 2012 the organization pursued the creation of a universal valet program, but due to the high cost of the program (based on six submitted proposals) the board elected to postpone the implementation of the program.

Advocacy - the organization quickly gained recognition as one of the key stakeholder groups in downtown Sacramento. The organization advocated for the downtown streetcar project, parking issues and other Midtown related efforts.

EVENTS

Our August food event on Capitol Avenue, co-sponsored by Yelp, was the highest profile event of the year, drawing nearly 2,000 participants, followed by the Bastille Day event and its popular *Waiters Race* in July. The organization also sponsored entertainment on Second Saturday(s) and hosted an outdoor fundraiser for the Tree Foundation. The year ends with a series of events during the holidays as a part of the 12 Days of Midtown.

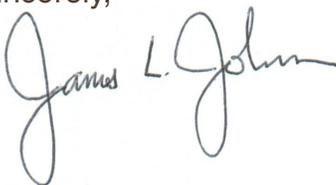
PROJECTS

District branding was a main focus in 2012, with the creation of the L Street Banner, events, advertisements and the HBID sandwich boards. The organization, in conjunction with the City of Sacramento, facilitated the installation of 15 new bike racks. Six new trash cans were also added to the District. The HBID also put in place two pilot employee parking programs and worked with Edible Pedal on a bike valet program. In the summer of 2012 the organization started on a streetscape plan, to support a number of needed roadway and pedestrian improvements. By late 2012 the group will have completed a major overhaul of the web site (with a stronger emphasis on social media).

COMMUNICATION

We are producing a quarterly newsletter and have circulated dozens of emails throughout the year to keep businesses informed. Our Board of Directors meets on the third Wednesday each month. Everyone is encouraged to attend. You may contact Seann Rooney our district manager at (916) 447-1960 or by email at seann@rooneytategroup.com for more information on programs and projects.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Johnson". The signature is written in a cursive style with a large, looped "J" and "H".

Jimmy Johnson (Zocalo)