



2022/23 Annual Report

INTRODUCTION

The following review is the eleventh Handle District Annual Report since the creation of the district in 2011 (the 2011/12 the report covered nine months of operations and assessment collections), and the sixth report since the renewal of the district in 2016. It is a year-end summary of the HBIDs' activities and finances, and a preview of planned expenditures for the upcoming fiscal year. In addition to the financial overview, this report highlights ongoing programs and projects. As was the case in 2021, the first half of 2022 has been extremely challenging for the businesses. The HBID has committed to continue to dedicate funds to enhancing maintenance and building on the past two years of the patio dining program.

FINANCIAL OVERVIEW

Management District Plan (MDP) - 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 2012 to provide additional clarification. In 2016, the district was renewed as a "restaurant" only district, consisting of 18 food establishments.

Assessment - The 18 food and beverage establishments in the Handle collect 1.5% on each food purchase (excluding alcohol). The organization sends assessment information to each new business operator monthly, and periodic updates (reminders and overviews) to businesses each year.

Accounting Practices - the HBID board contracts with a professional accountant for daily monitoring, oversight and collection of assessment funds, a process that also includes the preparation of an annual tax return for the organization. Accounting information, including budgets, expenditures and balances, are available for review by any Handle business or interested party. Financial decisions are made at noticed Board of Directors meetings held on the third Wednesday of every other month.

2022/23 Budget - the organization's budget coincides with the calendar year. The budget is reviewed and approved at the December Board of Director's meeting. The original estimate of assessments to be collected in the current Management District Plan is \$200,000/year. In 2022 the district was awarded a \$100,000 County of Sacramento ARPA grant to support additional services during the pandemic. The funds have not been received at the time of this report, but all the committed funds have been requested by the organization. The grant funds will be used to partially replenish reserves and project funds that supported the AI Fresco program in 2021. A more detailed breakdown of the budget allocations is shown below.



(Page Two – 2022/23 Handle Annual Report)

Note: the Handle’s board approved, annual budget shows additional program allocations (line items).

Reserves - The Handle has approximately \$125,000 in reserve funds. These funds have accumulated over the past few budget cycles and have historically been used to pay for higher cost improvement projects (lighting, trash cans, etc.). The reserves were used heavily in 2020 and 2021 to support the AI Fresco Program.

Service Plan Budget Summary - Calendar Years 2017 - 2026

Service	Year 1 Percent	Year 1 Amount
Streetscape and Safety Projects	25%	\$50,000
Marketing, Advertising and Special Events	50%	\$100,000
Administrative and Operations	10%	\$20,000
Assessment Collection /City Services	6%	\$12,000
Contingency / Renewal	9%	\$18,000
TOTALS	100%	\$200,000

PROGRAMS

The organization continues to develop new programs to benefit HBID restaurants. With the adoption of the new district in 2016, marketing, events and promotion programs became a higher priority. Although many of the large events have not been scheduled because of the pandemic, the Board continues to support events in the district (from St. Baldricks to the Walk of Stars).

Maintenance - the maintenance crew is very active in the district during the week and is one of the most popular services for businesses in the Handle (trash pickup, special event support, graffiti abatement, sidewalk power washing and other maintenance services).

Advocacy - the organization continues to advocate for and promote a number of local efforts, including lighting improvements, pedestrian safety projects, parking enhancements, community events and other projects that positively impact Midtown and the HBID.



(Page Three – 2022/23 Handle Annual Report)

PROJECTS

The HBID (and partners) coordinates an attractive streetlight (pole) banner program, installs and maintains 40 hanging flower baskets, services six pet waste bag dispensers and nearly 20 custom trash cans. We started an alley beautification project in late 2019, but it was put on hold in 2020. It will re-start in 2022.

The Handle continues to add bike racks and corrals (more than 80 bike parking spaces are now in the district - a one square block area) and we have been closely monitoring and advocating for a number of pedestrian safety projects. The organization's internet presence and social media programs continue to flourish, with 10,000 followers. The district circulates high quality informational and promotional materials each year to new property owners in midtown. A "district successes" report was prepared in 2021, highlighting activities in the district over the past ten years, it is available upon request.

The Handle AI Fresco (AF) project became the organization's top priority in 2020 and the commitment continues to this day. More than \$300,000.00 has been contributed by the Handle District as of Summer 2022. In late 2021 the district initiated an expanded, long-term parklet program to build on the success of the temporary AF patios.

Please contact Seann Rooney, Executive Director at (916) 765-5052 or by email at handlestaff@gmail.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, President, Board of Directors (Co-owner, Zocalo)