

**BUSINESS IMPROVEMENT DISTRICT
ANNUAL REPORT CHECKLIST**
FY _____

BID NAME: _____ CONTRACT # _____

AUTHORITY (CS&H Code Section)	REQUIREMENT	PAGE FOUND
36650(b)	Specify BID name	
-Does the BID name exactly match the previous year's BID name? (Check one) YES NO		
36650(b)	Specify fiscal year to which report applies	
36650(b)(1)	Any proposed changes in the boundaries	
36650(b)(1)	Any proposed changes in any benefit zones	
-Do the boundaries and benefit zones exactly match the previous year? (Check one) YES NO (If not, describe change(s) in the NOTES section)		
36650(b)(2)	The improvements and activities for that fiscal year	
-Are the improvements and activities in line with the Original MDP? (Check one) YES NO		
36650(b)(3)	An estimate of the cost of providing the improvements and activities for that fiscal year	
- How does the overall budget compare to last year? (Check one) HIGHER SAME LOWER - What is the greatest change (by percentage) between line items from last year to this year _____		
36650(b)(4)	The method of levying the assessment in sufficient detail to allow each real property owner/business owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year	
36650(b)(4)	The basis of levying the assessment in sufficient detail to allow each real property/business owner to estimate the amount of the assessment to be levied against their business/property for that fiscal year	
-Does the Method and Basis match the MDP? (Check one) YES NO -Is there a rate increase for this year? (Check one) YES NO -If so: What is the rate? _____		
36650(b)(5)	The amount of any surplus revenues to be carried over from a previous fiscal year	
-Is the surplus identified for use in specific categories? (Check one) YES NO if yes, What category(ies) _____		
36650(b)(5)	The amount of any deficit revenues to be carried over from a previous fiscal year	
36650(b)(6)	The amount of any contributions to be made from sources other than assessments levied pursuant to this part	
-Are the contributions identified for use in a specific category? (Check one) YES NO		
-Did an authorized representative of the nonprofit Board sign the report? (Check one) YES NO		
-Does the report state the date the Board approved the Report/Budget? (Check one) YES NO		

NOTES:

Resources

Estimated Beginning Balance	\$250,000
Total Estimated Assessments Collected	\$250,000
Total Resources	\$500,000

Expenses (Estimated)

Streetscape & Safety Projects	\$65,000
Marketing, Advertising & Special Events	\$150,000
Administrative & Operations	\$24,000
Assessment Collection/City Services	\$17,500
Contingency/Renewal	\$20,000
Total Expenses	\$276,500



2025/26 Annual Report

INTRODUCTION

The following review is the fourteenth 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 ninth 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. The HBID has committed to a hands-on maintenance program, to supporting clean and safe projects and to exploring new improvement projects in the one-square-block district. The district is scheduled to start the renewal process in early 2026.

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 (note: the number of establishments is subject to change).

Assessment - The 18 food and beverage establishments in the Handle (at the time of this report two locations are transitioning to new businesses) collect 1.5% on each food purchase (excluding alcohol). The organization sends assessment information to each new business operator monthly, with periodic updates, reminders and overviews to the businesses each year.

Assessment Collection and Accounting Practices – in early 2024 the HBID board, in partnership with the City of Sacramento's Revenue Division, re-vamped the assessment collection and remittance process. The City, who has collected assessment remittances since the inception of the district, assumed additional responsibilities with respect to collections. The Handle organization contracts with a professional accountancy team for daily monitoring and oversight, this 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 publicly noticed Board of Directors meetings held on the third Wednesday of every other month.

2025/26 Budget - the organization's budget coincides with the calendar year. A draft of annual budget is reviewed at two consecutive meetings in the fall, with final approval at a November or December Board of Director's meeting. The initial estimate of



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assessments to be collected, as outlined Management District Plan, was \$200,000/year. This total has fluctuated over the past eight years, in particular during the pandemic years. For the upcoming budget year we estimate the collected and remitted assessments will be about \$260,000 (based on 2023-2025 data).

In 2022 the district was awarded a \$100,000 County of Sacramento ARPA grant to support additional services during the pandemic. The grant funds were used to partially replenish reserves and project funds that supported the Al Fresco program in 2021 and 2022. A more detailed breakdown of the budget allocations, by category, is below.

Note: the Handle’s Board-approved, annual budget shows additional program details (line items) not listed below. The annual budget process is a good opportunity to gather input, share information and review improvement programs.

Reserves - The Handle has approximately \$250,000 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 Board will be made two large purchases in 2024, including a \$45,000 purchase of new trash cans.

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 larger events have not been scheduled since the pandemic (the Dress Up – Wine Down event successfully returned in Spring 2024), the Board continues to support events in the district, from St. Baldricks, Oktoberfest, Second Saturday and the Sacramento Walk of Stars, to special events hosted by businesses (movie nights, makers markets, etc.).



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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.

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 16 custom trash cans. We started an alley beautification project in late 2019, but it was put on hold in 2020. We continue to dedicate resources to helping maintain the Liestal Alley. In 2025 the Board initiated an effort to install street bollards on Capitol Avenue for future events.

The Handle continues to add bike racks and corrals (more than 75 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, and updated in 2022 and 2023, it highlights 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 from 2020-2022 and the commitment continues to this day. More than \$350,000.00 has been contributed by the Handle District.

Please contact Seann Rooney, Executive Director at (916) 765-5052 or by email at handlestaff@gmail.com for more information on programs and projects.

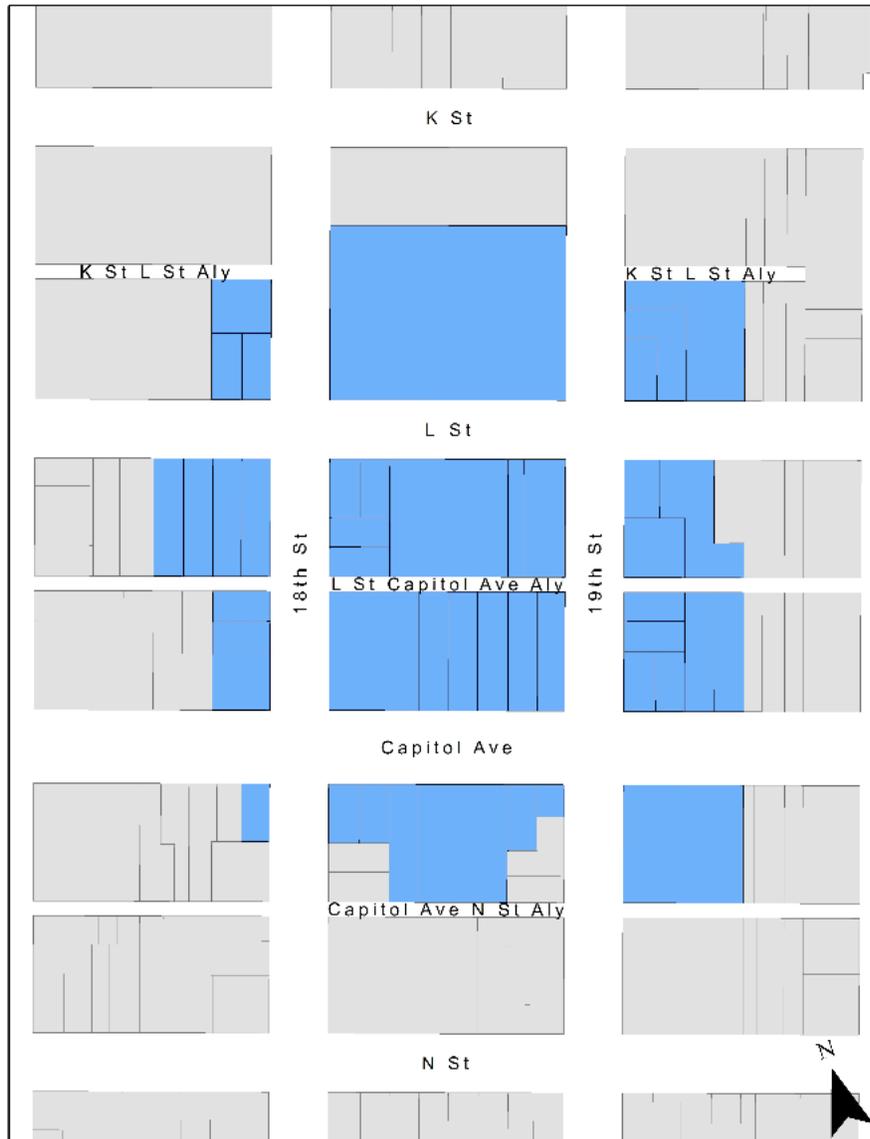
Sincerely,

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

Jimmy Johnson, President, Board of Directors (Co-owner, Zocalo)



Handle District Map (Area)



1717 Capitol Avenue – Sacramento, CA 95811

2025 HBID Budget

Line	Revenues	Budgeted Amount	Notes/Calcs
	Assessment Revenues*	\$250,000.00	
Expenses (Budgeted and Actual)			
	Program - Streetscape and Safety *** (up to 25% of Budget)	\$62,500.00	
	General Project/Program Funds	\$56,500.00	
1	Program (Service contracts)	\$53,500.00	Jose and Team (\$3.5k/mo) + GP Landscaping (\$11.5k/year)
2	Projects (e.g. Equipment)	\$3,000.00	Flower replant + other M/S work - this total is low
3	Portion of Program Funds towards Administrative Expenses	\$6,000.00	
4	C&S Program Contingency	\$0.00	
			\$62,500.00
	Program - Marketing, Advertising and Events (up to 50% of Budget)***	\$125,000.00	\$125,000 is 50%
	General Project/Program Funds	\$66,500.00	
5	Events	\$30,000.00	(add'l funds needed - shown on right)
6	Web, Social Media, Marketing	\$10,000.00	Minor updates/video.proj + SM monthly exp \$5.4k
7	Sidewalk/Patio/Alley Cleaning	\$10,000.00	Commercial cleaning program (3-4 times per year)
9	Holiday Decorations (replacements)	\$5,000.00	Combined with previous years funding - see note on right)
10	Banner Program Updates	\$0.00	To return in 2026 budget
11	Employee Parking Program (portion)	\$11,500.00	
12	Portion of Program Funds towards Administrative Expenses	\$53,500.00	
13	MAE Program Contingency	\$5,000.00	
			\$125,000.00
	Assessment Collection and City Fees (up to 6% of Budget)***	\$15,000.00	
14	City Fees	\$5,000.00	
15	Accounting/Taxes	\$4,500.00	
16	Portion of Program Funds towards Administrative Expenses	\$5,500.00	
17	Misc. Expenses and Contingency	\$0.00	
			\$15,000.00
	General Administration and Operations (up to 10% of Budget)***	\$25,000.00	
18	Staff and Support (supplies, etc.)	\$16,000.00	\$2.5k of \$16k is for expenses
	Employee Parking Program (portion)	\$5,000.00	
19	Insurance and Other Fees (filing)	\$4,000.00	
20	Misc.Expenses and Contingency	\$0.00	
			\$25,000.00
21	General Contingency and BID Renewal (up to 9% of Budget)***	\$22,500.00	This line item to reserves for BID renewal and to fund shortfalls in other categories
Total (Ending Balance)		\$0	

Notes

Variable expenses - these categories of expenditures provide the most flexibility in the HBID budget

*Updated in 2024 (for 2025). This is an estimate based on historic assessment remittances. Actual total revenue collected will vary. Total includes delinquencies. Allocations by program area are calculated using this number.

***Percentages of these line items are established in the Management District Plan

Administration and Operations budget includes insurance, staff, and other administrative costs (materials, etc.).