



2012/13 Annual Report

INTRODUCTION

The fiscal year for the Handle District Business Improvement District ends on June 30th. The following Annual Report is the second annual report (2011/12 reported on nine months of operations and assessment collections) produced by the organization for the City of Sacramento and HBID businesses. It is a year-end summary of the HBIDs' activities and finances. In addition to the financial overview, this report highlights ongoing programs and projects.

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 2012 to provide additional 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 (excluding alcohol) and the retailers in the district pay a set amount each quarter (\$25 or \$50 per month, based on total annual gross sales). The assessment collection was more successful this past fiscal year, although some delinquencies persist. The board voted in May to engage a collection agency (at the end of fiscal year).

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 - all loans have been repaid. The organization is currently re-paying city fees (no interest) for the district's formation in 2011. The repayment plan will continue through 2016.

2013/14 Budget - the Board of Directors approved the FY 2013/14 budget at the June meeting. Original estimates of assessment revenues were adjusted to reflect actual collected amounts. This resulted in a reduction of the total budget from \$200,000/year, as estimated in the Management District Plan, to approximately \$190,000/year based on the first year of collections. A summary of the budget is below.

Revenues	Sub-Totals
Assessment Revenues	\$190,000.00
City Fees	\$7,500.00
Estimated Delinquency/Fees	<u>\$10,000.00</u>
Total Revenues (projected)	\$172,500.00
Expenses (Budgeted and Actual)	Sub-Totals
Program - Clean and Safe (up to 45% of Budget)	\$77,625.00
Program - Marketing, Advertising and Events (up to 35% of Budget)	\$60,375.00
Assessment Collection and BID renewal (up to 10% of Budget)	\$17,250.00
General Administration and Operations (up to 10% of Budget)	<u>\$17,250.00</u>
Total Expenses	\$172,500.00

PROGRAMS

The organization continues to develop new programs to benefit HBID businesses.

Maintenance - the maintenance crew was highly visible in the District in 2012/13, removing tons of trash in the HBID. The team also helped with graffiti, sidewalk power washing and staffing our special events. The HBID contracts for additional service with the Midtown Business Association maintenance staff.

Streetscape Vision - the Board outlined a number of streetscape improvements in the past year. These projects are outlined in the new HBID Streetscape Vision. The organization will be pursuing some of these improvements in the public right of way in the coming year. This vision document will also be used to solicit additional funds for projects (e.g. lighting).

Advocacy - the organization has quickly gained recognition as one of the key stakeholder groups in Sacramento. The organization continues to advocate and promote a number of local efforts, including the downtown streetcar project, lighting projects, pedestrian safety projects, parking enhancements and other projects that impact Midtown and the HBID.

EVENTS

Our August food event was the highest profile event of the year, drawing nearly 2,000 participants (this event will take place on September 22, 2013), followed by the Bastille Day event and its popular *Waiters Race* in July. The organization also sponsored entertainment on Second Saturday(s) and hosted two events during the holidays as a part of the 12 Days of Midtown.

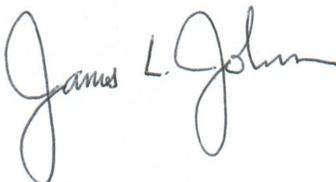
PROJECTS

District branding was a main focus of the organization in 2012/13 and resulted in an updated HBID website and new social media program. The organization has undertaken a number of holiday projects including the lighting of the Luminarias and the holiday lights on the buildings.

COMMUNICATIONS

We are producing quarterly newsletters, ongoing Facebook posts, informational materials on programs and dozens of emails to businesses throughout the year to keep everyone engaged. Our Board of Directors meets on the third Wednesday of 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 cursive script that reads "Jimmy L. Johnson".

Jimmy Johnson (Zocalo)
HBID President