



2013/14 Annual Report

INTRODUCTION

The fiscal year for the Handle District Business Improvement District ends on June 30th. The following Annual Report is the third 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 (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. There were no changes to the plan in 2013/14.

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 continues to be a challenge and some delinquencies persist. The board engaged the services of a collection agency and had some success in collecting delinquencies. A number of businesses are no longer operating in the Handle, and the district welcomed a number of new retail businesses during the past year. The organization sends assessment information to each new business operator, and also circulates a general overview to every business at least once per 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 - 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 2014/15 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 \$150,000/year based on year two collections. A summary of the budget is below.

Revenues	Sub-Totals
Assessment Revenues	\$150,000.00
City Fees	\$7,500.00
Estimated Delinquency/Fees	<u>\$7,500.00</u>
Total Revenues (projected)	\$135,000.00
Expenses (Budgeted and Actual)	Sub-Totals
Program - Clean and Safe (up to 45% of Budget)	\$60,750.00
Program - Marketing, Advertising and Events (up to 35% of Budget)	\$47,250.00
Assessment Collection and BID renewal (up to 10% of Budget)	\$13,500.00
General Administration and Operations (up to 10% of Budget)	<u>\$13,500.00</u>
Total Expenses	\$135,000.00

PROGRAMS

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

Maintenance - the maintenance crew is consistently visible in the District and is one of the most popular services for businesses (trash pickup, special event support, graffiti abatement, sidewalk power washing and other maintenance services). The HBID contracts for this additional service with the Midtown Business Association's maintenance team.

Streetscape Vision - the Board created a HBID Streetscape Vision in 2012. In addition to the transportation improvements (new stop sign at 18th/Capital) the organization has been installing new trash cans, bike racks and landscaping. More improvements are planned for 2014 (including district signage).

Advocacy - 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 positively impact Midtown and the HBID.

EVENTS

Our annual farm-to-fork food event is our largest event of the year, drawing in excess of 2,000 participants, closely followed by the Bastille Day event and its very popular *Waiters Race*. The organization also sponsored a benefit fashion show and wine tasting on Second Saturday in May 2014. Each year the organization has supported 12 Days of Midtown and sponsored a number of holiday projects including the lighting of the Luminarias and the holiday lights on the buildings.

PROJECTS

District branding continues, and the HBID website and social media program serve to both market the district and share information with stakeholders.

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. You may contact Seann Rooney our Executive Director 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 L. Johnson". The signature is fluid and cursive, with the first name "Jimmy" and last name "Johnson" clearly legible.

Jimmy Johnson (Zocalo)
HBID President