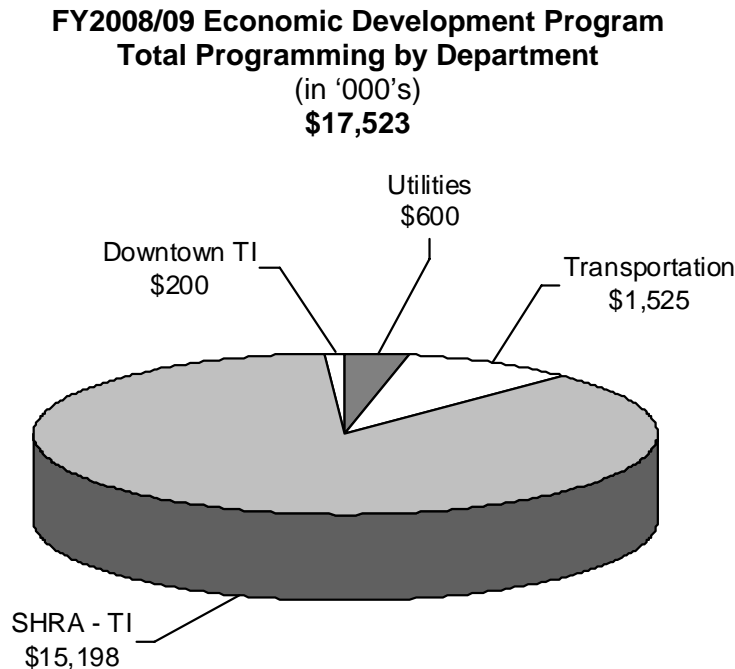


INTRODUCTION

This overview summarizes the Capital Improvement Projects (CIPs) that contribute towards the economic development goals and objectives adopted by the Mayor and City Council. Funding is provided from a variety of funding sources depending on the nature of, and funding available for the improvement. Funding sources include the City’s General and Utility Funds, Downtown Tax Increment (TI), Community Development Block Grants and Measure A Funds.

Projects are initiated by the City’s Economic Development Department in coordination with Utilities and Transportation Departments as well as the Sacramento Housing and Redevelopment Agency (SHRA). Related budgets are established in each of the three City departments and in SHRA’s budget.

\$17,523 million in SHRA, Utilities and Transportation Funds have been programmed for projects that support economic development activities. The funding allocation by departmental or Agency responsibility for FY2008/09 is portrayed in the figure shown below:



SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING

Economic Development Department: The Economic Development Department has two sources of CIP funding that includes the City’s General Fund and Tax Increment (TI). The General Fund support is allocated through City Council resolution and the TI is derived from assessments on property located within the defined Downtown and Richards Boulevard redevelopment areas.



Utilities Department: The Utilities Department is comprised of several Enterprise Funds, including the Water Fund, Sewer Fund, Solid Waste Fund, and the Storm Drainage Fund. Since Utility Funds are derived from user fees, the use of the funds is restricted to those that are directly related to providing water, sewer waste disposal and storm drainage to citizens and property. Projects in this section not only must meet those requirements, but must also have a reasonable economic development nexus. The Utilities Department has allocated \$600,000 annually toward economic development efforts. The programming of these funds is at the discretion of the Citywide Economic Development Department, although in close coordination with Utilities staff and meeting fund eligibility requirements.

Transportation Department: The Transportation Department contributes funding for economic development efforts from the Major Street Construction Tax (MSCT) Funds and one-half cent sales tax approved by the Sacramento County voters in 1988, also known as Measure A Funds. The Transportation Department has allocated a total of \$1.525 million toward economic development efforts in FY08/09. However, funding will be reduced in future years to \$525 thousand annually due to a reprioritization of Measure A funds. Like the Utilities Department, the funding from Transportation is at the discretion of the Economic Development Department, although in close coordination with Transportation staff. The funds must be programmed to projects that meet fund eligibility requirements.

SHRA Funding: SHRA is a joint City and County Agency and is responsible for administering the Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program, both of which have funding allocated for economic development purposes.

CIP OPERATING BUDGET IMPACT

Depending upon the specific department, the CIPs may, or may not, create an operational budget impact. When an improvement creates a new facility such as streetscape improvements, the possibility exists for increased maintenance costs. However, a sewer improvement might result in no operational impact or even a decrease based upon improved performance of the facility. The assumption is that the departments are planning appropriately for possible increased operational costs as a consequence of the capital improvements.

ECONOMIC DEVELOPMENT CIP PROJECT SELECTION GOALS AND CRITERIA

Program Goals

- Facilitate the development of “key” development opportunities.
- Use public funds to facilitate private development and leverage new private sector investment.
- Attract targeted industries, headquarters, businesses and commercial/retail uses.
- Retain and expand existing industries and businesses.
- Provide for appropriate infrastructure to serve the operational and aesthetic needs of the citizens and businesses of Sacramento.



Project Selection Criteria

- Leverage of private investment
- Increase in public tax revenues
- Job creation (includes number and salary levels)
- New business creation
- Potential of business area/corridor improvement
- Conforms to the City's General Plan
- Meets health, safety, and welfare legal obligations

ECONOMIC DEVELOPMENT DEPARTMENT (Fund 3701)

The Economic Development Department receives funding for CIPs from TI or bond proceeds due to the TI revenue. New TI funding budgeted in the SHRA budget occurs on a calendar year. Portrayed below is the funding for CIPs that was adopted in the Agency's FY2008 budget. The funding is then conveyed to the City through Individual Project Agreements (IPA) subject to the Master Project Agreement as adopted by the Mayor and City Council on December 18, 2001 (Resolution No. 2001-224). Since the funding has already been adopted and conveyed via the IPAs, these projects are not being proposed for adoption and are included on the following page for information purposes only.

The chart below provides information on the project funded with this funding source:

Economic Development / SHRA Funded Capital Improvement Projects (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2008	2009	2010	2011	2012
B18216500	Pre-Development Services - Downtown	Index	200,000	0	0	0	0
Totals:			\$200,000	\$0	\$0	\$0	\$0

TRANSPORTATION DEPARTMENT (Funds 2001 and 2007)

The following chart details the current budget and the next five-year funding levels for the various economic development related Transportation projects. The FY08/09 Economic Development project (T15096000) represents funding for economic development purposes that will be programmed to specific projects under separate Council action.

2008-2013 Capital Improvement Program Transportation Program							
Project #	Title	Section	5-Year Programming				
			08/09	09/10	10/11	11/12	12/13
T15096000	FY08/09 Economic Development	II	525,000	525,000	525,000	525,000	525,000
T15016000	McClennan Heights Infrastructure	II	1,000,000	0	0	0	0
Totals:			\$1,525,000	\$525,000	\$525,000	\$525,000	\$525,000



2008-2013 CAPITAL IMPROVEMENT PROGRAM

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

The following chart details the funding levels for the various SHRA projects. Please see the Document Section referenced below for further project detail information.

2008-2013 Capital Improvement Program (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2008	2009	2010	2011	2012
802000000	Alkali Flat Development Assistance	KK	855,692	0	0	0	0
808000000	Army Depot Development Assistance	KK	3,115,799	0	0	0	0
807000000	Auburn Blvd. Development Assistance	KK	496,442	0	0	0	0
801000000	Del Paso Heights Development Assistance	KK	2,579,339	0	0	0	0
805000000	Franklin Blvd. Development Assistance	KK	2,100,538	0	0	0	0
804000000	North Sacramento Development Assistance	KK	765,432	0	0	0	0
803000000	Oak Park Development Assistance	KK	3,258,848	0	0	0	0
809000000	65th Street Development Assistance	KK	842,425	0	0	0	0
806000000	Stockton Blvd. Development Assistance	KK	1,183,816	0	0	0	0
Totals:			\$15,198,331	\$0	\$0	\$0	\$0

UTILITIES DEPARTMENT (Funds 6005 and 6006)

The following chart details the current budget and the next five-year funding levels for the various economic development related Utilities projects. The Economic Development Program project (X14002407) represents funding that will be programmed to specific projects under separate Council action.

2008-2013 Capital Improvement Program City Utilities Program							
Project #	Title	Section	5-Year Programming				
			08/09	09/10	10/11	11/12	12/13
X14003300	Economic Development Program	JJ	600,000	600,000	600,000	600,000	600,000
Totals:			\$600,000	\$600,000	\$600,000	\$600,000	\$600,000



2008-2013 CAPITAL IMPROVEMENT PROGRAM