

**INTRODUCTION**

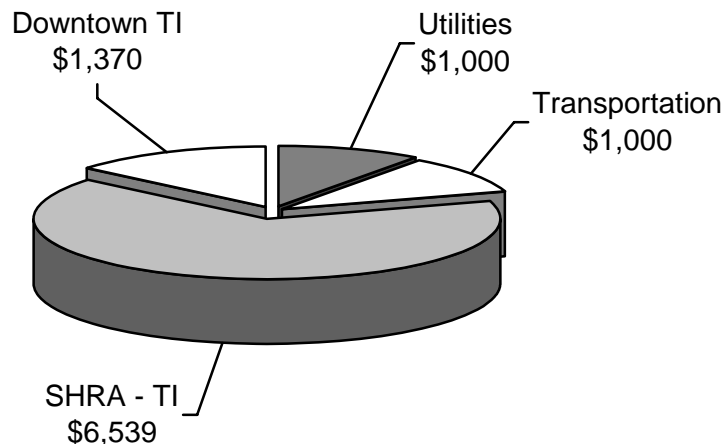
This overview summarizes the Capital Improvement Projects (CIPs) that contribute towards the economic development goals and objectives adopted by the Mayor and City Council. Funding is provided from a variety of funding sources depending on the nature of, and funding available for, the improvement. Funding 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.

There continues to be significant fiscal uncertainty due to the State of California budget deficit. Although Proposition 1A was passed in November 2004 to protect local government, it did not apply to redevelopment agencies therefore leaving open the possibility that additional funds may be shifted from the redevelopment agencies to offset the state deficit.

\$9.9 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 FY2005/06 is portrayed in the figure shown below:

**FY2005/06 Economic Development Program  
Total Programming by Department**  
(in ‘000’s)  
**\$9,909**



## SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING

Economic Development Department: The Development Services 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 composed of several Enterprise Funds, including the Water Fund, Sewer 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 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 allocates \$1 million 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 eligible uses.

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 allocates \$1 million annually. 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.



## 2005-2010 CAPITAL IMPROVEMENT PROGRAM

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### 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 206)

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 FY2005 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). The amount budgeted totals \$2,189,000. 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 various projects funded with this funding source:

2005-2010 Economic Development Capital Improvement Program (in '000's)								
Development Services Department								
Project #	Title	Document Section	Current Budget	5-Year Programming				
				05/06	06/07	07/08	08/09	09/10
KC51	Old Sacramento Boardwalk	Index	0	225	0	0	0	0
KC67	Pre-Development Services - Downtown	Index	467	595	0	0	0	0
KD41	Dock Area Improvement	Index	381	150	0	0	0	0
KD61	Riverfront Reconnection	Index	0	400	0	0	0	0
Totals:			848	1,370	0	0	0	0



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**TRANSPORTATION DEPARTMENT (Funds 201 and 209)**

The following chart details the current budget and the next five-year funding levels for the various economic development related Transportation projects. The project with the prefix “Focus Area Contingency” (TP06) represents un-programmed funding for economic development purposes that will be programmed to specific projects under separate Council action.

2005-2010 Economic Development Capital Improvement Program (in '000's)								
Transportation Department								
Project #	Title	Document Section	Current Budget	5-Year Programming				
				05/06	06/07	07/08	08/09	09/10
TP06	FY05/06 Economic Development Program	II	0	800	800	800	800	800
TU38	McClellan Heights Infrastructure	II	0	200	200	200	200	200
Totals:			0	1,000	1,000	1,000	1,000	1,000

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

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

2005-2010 Economic Development Capital Improvement Program (in '000's)								
Sacramento Housing and Redevelopment Agency								
Project #	Title	Document Section	Current Budget	5-Year Programming				
				2005	2006	2007	2008	2009
522C	Alkali Flat Development Assistance	KK	0	417	0	0	0	0
523C	Army Depot Development Assistance	KK	0	1,273	0	0	0	0
524C	Franklin Blvd. Development Assistance	KK	0	927	0	0	0	0
525C	Oak Park Development Assistance	KK	0	1,812	0	0	0	0
526C	Stockton Blvd. Development Assistance	KK	0	771	0	0	0	0
527C	Del Paso Heights Development Assistance	KK	0	385	0	0	0	0
528C	North Sacramento Development Assistance	KK	0	908	0	0	0	0
529C	65th Street RDA Development Assistance	KK	0	18	0	0	0	0
530C	Auburn Blvd. Development Assistance	KK	0	28	0	0	0	0
Totals:			0	6,539	0	0	0	0

**UTILITIES DEPARTMENT (Funds 413 and 414)**

The following chart details the current budget and the next five-year funding levels for the various economic development related Utilities projects. The project Economic Development Programs (Z001) represents un-programmed funding that will be programmed to specific projects under separate Council action.

2005-2010 Economic Development Capital Improvement Program (in '000's)								
Utilities Department								
Project #	Title	Document Section	Current Budget	5-Year Programming				
				05/06	06/07	07/08	08/09	09/10
WO06	Economic Development Program FY06	JJ	0	600	600	600	600	600
**	Detention Basin Credit	--	800	400	400	400	400	400
Totals:			800	1,000	1,000	1,000	1,000	1,000



**2005-2010 CAPITAL IMPROVEMENT PROGRAM**