

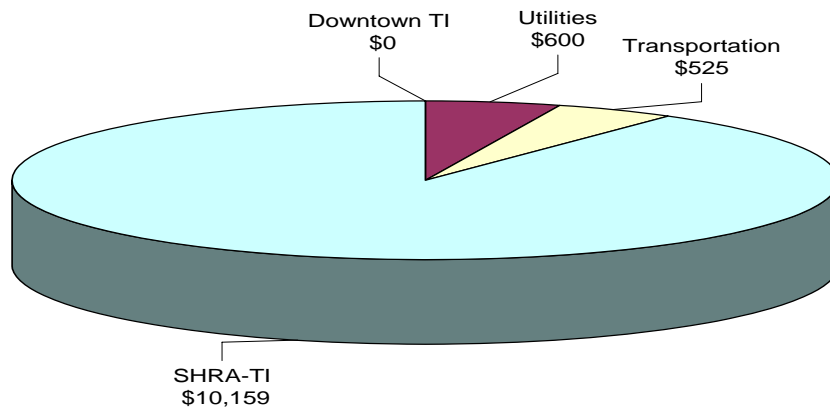
INTRODUCTION

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. Additional information on the various funds available to support the Economic Development Program is provided below.

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.

A total of \$11.284 million in SHRA, Utilities and Transportation Funds has been programmed for projects that support economic development activities. The funding allocation by departmental or Agency responsibility for FY2009/10 is portrayed in the figure shown below:

**FY2009/10 Economic Development Program
Total Programming by Department**
(in ‘000’s)
\$11,284



SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING

Economic Development Department: The Economic Development Department has two primary funding sources for CIPs, 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 Economic Development Department, working 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 \$525,000 toward economic development efforts in FY2009/10. Like the Utilities Department, the funding from Transportation is at the discretion of the Economic Development Department, working 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, the Home Investment Partnerships (HOME) program, and the Grow Sacramento Business Loan program. All of the programs 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. 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). There are no Economic Development projects have been programmed with SHRA funding for FY2009/10.

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 FY2009/10 Economic Development project (T15096000) represents funding for economic development purposes that will be programmed to specific projects under separate Council action.

2009-2014 Capital Improvement Program Transportation Program							
Project #	Title	Section	5-Year Programming				
			09/10	10/11	11/12	12/13	13/14
T15106000	FY09/10 Economic Development	II	525,000	525,000	525,000	525,000	525,000
Totals:			\$525,000	\$525,000	\$525,000	\$525,000	\$525,000



2009-2014 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.

2009-2014 Capital Improvement Program (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2009	2010	2011	2012	2013
902000000	Alkali Flat Development Assistance	KK	361,553	0	0	0	0
908000000	Army Depot Development Assistance	KK	2,828,036	0	0	0	0
907000000	Auburn Blvd. Development Assistance	KK	342,854	0	0	0	0
901000000	Del Paso Heights Development Assistance	KK	1,228,397	0	0	0	0
905000000	Franklin Blvd. Development Assistance	KK	1,642,839	0	0	0	0
904000000	North Sacramento Development Assistance	KK	1,785,807	0	0	0	0
903000000	Oak Park Development Assistance	KK	921,307	0	0	0	0
909000000	65th Street Development Assistance	KK	215,754	0	0	0	0
906000000	Stockton Blvd. Development Assistance	KK	832,048	0	0	0	0
Totals:			\$10,158,595	\$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 listed below represents funding that will be programmed to specific projects under separate Council action.

2009-2014 Capital Improvement Program City Utilities Program							
Project #	Title	Section	5-Year Programming				
			09/10	10/11	11/12	12/13	13/14
Z14008000	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



2009-2014 CAPITAL IMPROVEMENT PROGRAM

PROJECT HIGHLIGHTS

Sacramento Docks Area Project

A concerted effort is underway to revitalize a portion of the Sacramento Waterfront from an industrial area into a smart growth infill project. The vision for the Docks Area is to develop it into a new riverfront mixed-use neighborhood, complete with retail, parks and open space, and bicycle and pedestrian access. The first phase of the promenade began in February 2009.

The project has many community benefits, such as:

- Create 1,825 new jobs
- Generate an annual Transit Occupancy Tax (TOT) revenue of \$750,000
- Attract more than 500,000 visitors annually
- Improve property values and generate tax increment revenue for future development and infill projects



K Street Streetscape (Artist's Rendition)



K Street Streetscape Project

The K Street Streetscape Project will make improvements to the K Street Mall (Mall) and Regional Transit (RT) stations on K Street, between 7th and 12th Streets, and St. Rose of Lima Park. Planned improvements will include new and consistent paving materials, street furniture, trash receptacles, landscaping, lighting, enhanced intersection treatments, gateway elements and an interactive water feature at St. Rose of Lima Park. In an effort to strengthen transit connections, the Project also includes relocating an existing platform from the 700 block to the east side of 7th Street, just south of the K-L alley and the existing 1000 block mini-high platform down one block to the north side of the 1100 block. Currently, phase one of the project is funded and will soon start construction. Phase one includes improvements on the 700 block, ST. Rose of Lima and the new 7th Street RT Station. The key objectives are to: aesthetically improve the corridor, increase safety for pedestrians, enhance transit stops and connection to RT stations, strengthen pedestrian lighting, build connectivity, improve pedestrian mobility, and to create a safe and inviting public space.



K Street Streetscape (Artist's Rendition)





K Street Streetscape (Artist's Rendition)



K Street Streetscape (Artist's Rendition)



2009-2014 CAPITAL IMPROVEMENT PROGRAM