

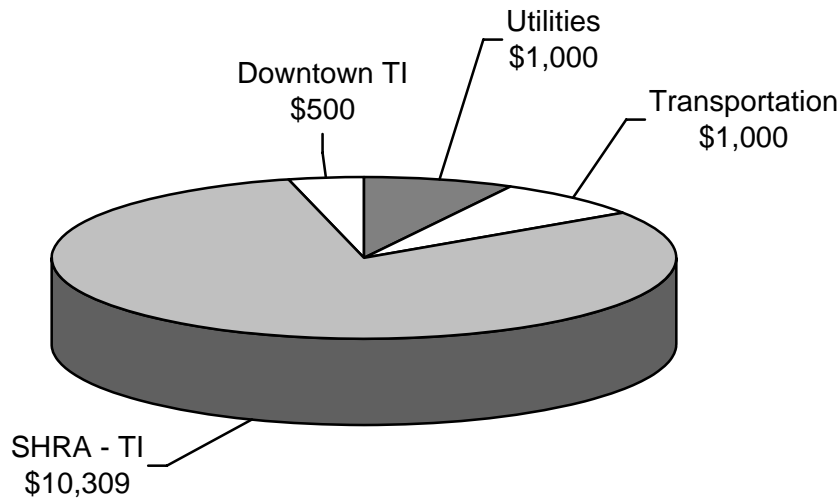
**INTRODUCTION**

This overview summarizes the Capital Improvement Projects (CIPs) that contribute toward the economic development goals and objectives adopted by the Mayor and City Council. Funding is provided from a variety of 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 the Transportation Department, Department of Utilities, and the Sacramento Housing and Redevelopment Agency (SHRA). Related budgets are established in each of the three City departments and in SHRA’s budget.

\$12.8 million in Transportation, Utilities, and SHRA Funds have been programmed for projects that support economic development activities. The funding allocation by departmental or Agency responsibility for FY2007/08 is portrayed in the figure shown below:

**FY2007/08 Economic Development Program  
Total Programming by Department**  
(in ‘000’s)  
**\$12,809**



**SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING**

**Economic Development:** The Economic Development Department has two sources of CIP funding that include 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.



**Transportation:** The Transportation Program includes \$1 million in FY2007/08 for economic development, infill, and redevelopment efforts from the Major Street Construction Tax Funds and one-half cent sales tax approved by the Sacramento County voters in 1988 and extended in 2004, also known as Measure A funds. The funding is at the discretion of the Economic Development Department, in coordination with Department of Transportation staff, to ensure that the use of funds meet program eligibility requirements. Subsequent funding will decrease due to the new Measure A funding initiative that will become effective April 1, 2009 and will reflect a 75 percent reduction in Measure A funds for FY2008/09. The programming for the transportation projects reflects this pending funding decrease in FY2008/09. Staff will return to Council with a series of workshops to develop an expenditure plan for the FY2008/09 through FY2011/12.

**City Utilities:** The Utilities Program includes \$1 million in FY2007/08 for economic development, infill, and redevelopment efforts. Funding for these activities is allocated annually and administered by the Economic Development Department in coordination with the Department of Utilities (DOU). Some of the annual allocation is already committed to ongoing programs. Funding sources include: the Water, Sewer, Solid Waste, and Storm Drainage Funds. Since utility funds are derived from user fees and development impact fees, the use of the funds is restricted to those activities that are directly related to providing water, sewer, refuse collection, and storm drainage to citizens and property.

**Sacramento Housing and Redevelopment Agency (SHRA):** 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 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.



## 2007-2012 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 (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 FY2007 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 various projects 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				
			2007	2008	2009	2010	2011
KC67	Pre-Development Services - Downtown	Index	500,000	0	0	0	0
<b>Totals:</b>			<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**TRANSPORTATION PROGRAM (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 Economic Development Program project (TP08) represents funding for economic development purposes that will be programmed to specific projects under separate Council action.

2007-2012 Capital Improvement Program Transportation Program							
Project #	Title	Section	5-Year Programming				
			07/08	08/09	09/10	10/11	11/12
TP08	FY07/08 Economic Development	II	800,000	650,000	200,000	200,000	200,000
TU38	McClennan Heights Infrastructure	II	200,000	150,000	0	0	0
<b>Totals:</b>			<b>\$1,000,000</b>	<b>\$800,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>



**2007-2012 CAPITAL IMPROVEMENT PROGRAM**

### CITY UTILITIES PROGRAM (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 (ZO06) represents funding that will be programmed to specific projects under separate Council action.

2007-2012 Capital Improvement Program City Utilities Program							
Project #	Title	Section	5-Year Programming				
			07/08	08/09	09/10	10/11	11/12
ZO06	Economic Development Program	JJ	600,000	600,000	600,000	600,000	600,000
	Detention Basin Credit	--	400,000	0	0	0	0
<b>Totals:</b>			<b>\$1,000,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>

### 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.

2007-2012 Capital Improvement Program (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2007	2008	2009	2010	2011
705C	North Sacramento Development Assistance	KK	931,781	0	0	0	0
706C	Oak Park Development Assistance	KK	3,641,792	0	0	0	0
707C	Alkali Flat Development Assistance	KK	17,809	0	0	0	0
708C	Del Paso Heights Development Assistance	KK	758,982	0	0	0	0
709C	Franklin Blvd. Development Assistance	KK	1,803,404	0	0	0	0
710C	Stockton Blvd. Development Assistance	KK	1,356,814	0	0	0	0
711C	Auburn Blvd. Development Assistance	KK	17,736	0	0	0	0
712C	Army Depot Development Assistance	KK	1,778,912	0	0	0	0
713C	65th Street RDA Development Assistance	KK	2,182	0	0	0	0
<b>Totals:</b>			<b>\$10,309,412</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## 2007-2012 CAPITAL IMPROVEMENT PROGRAM