

COUNTY OF SACRAMENTO  
CALIFORNIA

For The Meeting Of:  
June 17, 2008

To: Board of Supervisors

From: Department of Economic Development and Intergovernmental Affairs

Subject: Report Back To Questions Raised During Fiscal Year 2008-09 Transit Occupancy Tax Hearing Relating To Special Projects Fund Support For Economic Development Organizations

Contact: Robert B. Leonard, Director, 874-7876

**BACKGROUND:**

During the Transit Occupancy Tax (TOT) Hearing, Day 3 of Fiscal Year 2008-09 Proposed Budget Hearings, the Board requested additional information relating to the absence of available funding for several community economic development organizations which have previously received funding from either the TOT Fund or the County's Economic Development Special Projects Fund (ED Fund).

The Department Of Economic Development And Intergovernmental Affairs (Department) is responsible for the administration of the County's ED Fund which was established by the Board of Supervisors during the Fiscal Year 2005-06 Final Budget hearings. This Fund provides financial assistance to County departments, other quasi-governmental entities, and other public and private interests for special economic development projects approved by the Board of Supervisors. The ED fund is supported by an annual transfer from the General Fund. The goal of the ED Fund is to provide the Board of Supervisors with \$1,500,000 for new projects each Fiscal Year. However, due to the exceedingly limited resources available this year, the County Executive's Recommended Proposed Budget for Fiscal Year 2008/09 does not propose to transfer any funds from the General Fund to the ED Fund. Foregoing this annual transfer allows funds to be redirected to support other critical County funding priorities in FY2008/09.

**DISCUSSION:**

While the role of the ED Fund has been primarily to provide one time funding for projects, the ED Fund has, with Board approval, made annual contributions/grants to the following economic development organizations: the Federal Technology Center (FTC, \$19,500); the Northern California World Trade Center (NCWTC, \$15,350); the Sacramento Area Commerce & Trade Organization (SACTO, \$60,000); and the Sacramento Area Regional Technology Alliance (SARTA, \$20,000). Prior to the establishment of the ED Fund, the FTC, NCWTC, and SACTO received annual contributions from the Transit Occupancy Tax Fund. The ED Fund also supported the Sacramento Metropolitan Chamber of Commerce (\$25,000) in Fiscal Year 2007/08 and funded specialized holiday season enhanced Sheriff patrols at Country Club Plaza

and Centers (2007 \$19,000 and 2008 \$25,000). With the exception of the specialized Sheriff patrols, all of these organizations also receive funding from other sources.

During the TOT Fund discussions, the Board was advised that there would no transfer of General Fund monies to the ED Fund for FY2008-09. The Board requested the Department to identify whether there were any monies unspent and uncommitted from prior fiscal year allocations to the ED Fund which might be available for reallocation to the economic development organizations, as well as funding for the holiday season patrols. The Department has reviewed all approved projects and final expenditures and estimates that approximately \$130,300 is available from completed Board approved special projects. In addition, approximately \$13,300 is available in uncommitted funds at this time.

Exhibit A, attached, shows the available funds totaling approximately \$146,000. The total for Board approved contributions to the economic development organizations and specialized Sheriff's patrol activities in FY 2007/08 totaled approximated \$165,000 which exceeds available funding by approximately \$22,000. The Department has also identified a need to contribute \$35,000 in funding towards the Fair Oaks Village Parking Enhancement Study. In an effort to maximize the available funding and address County priorities, the Department is recommending the Board consider allocating the \$146,000 available in the ED Fund as shown in Exhibit A.

Respectfully submitted,

APPROVED:

ROBERT B. LEONARD,  
Director  
Department of Economic Development And  
Intergovernmental Affairs

TERRY SCHUTTEN  
County Executive

Cc: County Budget Officer

Attachment:  
Exhibit A