

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	12/10/12	Open	Action	11/29/12

Subject: Authorizing the General Manager/CEO to Enter into an Agreement with the Del Paso Blvd PBID to Support a Retail Recruitment Effort

## ISSUE

Whether or not to approve a loan agreement with the Del Paso Boulevard Partnership to provide a \$15,000 loan in support of its retail recruitment effort.

## RECOMMENDED ACTION

Adopt Resolution No. 12-12-\_\_\_\_, Approving the Loan Agreement for Retail Business Specialist with the Del Paso Boulevard Partnership.

## FISCAL IMPACT

Budgeted:	No	This FY:	\$15,000
Budget Source:	Operating Funds	Next FY:	-0-
Funding Source:	Measure A; STA	Annualized:	\$15,000
Cost Cntr/GL Acct(s) or Capital Project #:	72-630003 (Transfer from GM)	Total Amount:	\$15,000
Total Budget:	\$15,000		

## DISCUSSION

Sacramento Regional Transit District (RT) has been an active member of the Del Paso Property and Business Improvement District (PBID), also called the Del Paso Boulevard Partnership, since 2005 and occupies a seat on the Board of Directors. RT operates three rail stations and one park-ride lot in the Del Paso Blvd. area, with over 4,152 daily rail boardings and alightings. A fourth station borders on the PBID, with 542 daily rail boardings and alightings. RT also owns 26 parcels of land in the PBID, and is the largest property owner within the PBID boundaries.

Because of the large number of RT passengers traveling through the area, RT has worked continuously with the PBID to make improvements to the area, including: increased security, improved streetscape, artwork, lighting and event planning. The results of these efforts are apparent in the way the area presently looks and feels – cleaner, more attractive, and safer. The PBID now wishes to reach out to the business community to attract more retail and commercial activity to the area. To encourage establishments to locate in the community, the PBID has engaged in a competitive procurement process to obtain the services of a retail recruiter.

Approved:

Presented:

Final 12/03/12

General Manager/CEO

Assistant General Manager Planning and Transit System Development

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The role of the retail recruiter is to market the Del Paso Blvd. area to prospective retailers. The recruiter will also engage property owners and brokers with prospective tenants as well as provide retention support and outreach to existing businesses within the PBID.

The PBID will also work with RT staff to market RT property for possible Transit Oriented Development (TOD) opportunities and is committed to working on joint promotions for activities and events in the PBID area.

The PBID has modeled this effort after similar successful efforts in Midtown Sacramento as well as Berkeley, CA and other cities. The Sacramento Housing and Redevelopment Authority (SHRA) developed a Business Attraction Strategy to guide the effort. The strategy suggests a comprehensive program of marketing and branding in addition to the actual recruitment effort.

RT is being asked to provide a \$15,000 loan to assist in the start up of this activity. The PBID will repay the loan in installments by waiving incremental increases in RT's annual assessment. RT's annual assessment is currently \$75,000. If the assessment is increased at renewal of the PBID in 2015, RT will have no obligation to pay the increase. The term of the loan will be 15 years; if the loan isn't repaid through assessment increase credits by that time, the remaining balance will be due and payable. The loan becomes immediately due if the PBID is not renewed for an additional term. The City of Sacramento is contributing \$30,000 to the effort and other PBID property owners are contributing an additional \$20,000. The PBID does not see this as a one-year strategy and is engaged in a continuous evaluation process to determine the retail recruitment future beyond the first year. The PBID is also pursuing a long-term funding source beyond that described in this paper.

Planning staff feels that this is a worthy effort. RT's customers will benefit from the increased retail activity in the PBID area, as well as the increased retail activity. The joint marketing and promotion will increase transit awareness in the area as well as TOD opportunities for RT owned properties. The Del Paso area is already a community with the land use pattern to support transit; the increased commercial and retail activity will move it to even more of a transit-oriented community.

## RECOMMENDATION

Staff recommends that the Board approve the Loan Agreement for Retail Business Specialist with the Del Paso Boulevard Partnership for a loan of \$15,000 to support the retail recruitment effort.

RESOLUTION NO. 12-12-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 10, 2012

**APPROVING THE LOAN AGREEMENT FOR RETAIL BUSINESS SPECIALIST WITH  
THE DEL PASO BOULEVARD PARTNERHIP**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Loan Agreement for Retail Business Specialist between the Sacramento Regional Transit District (therein "RT") and the Del Paso Boulevard Partnership (therein "DPBP"), whereby RT agrees to loan the DPBP \$15,000 to engage a retail business specialist and DPBP agrees to repay the loan by waiving future increases in RT's annual assessment, with a maximum repayment period of 15 years, on the conditions further specified therein, is hereby approved.

THAT, the General Manager/CEO is authorized and directed to execute the foregoing agreement.

\_\_\_\_\_  
BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary