



NEIGHBORHOOD
SERVICES
DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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AREA 4 - ADMINISTRATION

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September 2, 2004

City Council
Sacramento, California

Honorable Members in Session

SUBJECT: UPDATE ON PARI-MUTUEL REVENUES AND APPROVAL OF A FIVE YEAR PLAN BETWEEN THE COUNTY OF SACRAMENTO AND THE CALIFORNIA EXPOSITION AND STATE FAIR (CAL EXPO) REGARDING ALLOCATION OF THESE FUNDS THROUGH FISCAL YEAR 2009

LOCATION AND COUNCIL DISTRICT: Cal Expo (1600 Exposition Blvd),
Council District 3

RECOMMENDATION: This report recommends the City Council adopt the attached resolution authorizing the City Manager to enter into a Letter Of Understanding (LOU) between the County of Sacramento and Cal Expo regarding the receipt and disbursement of revenue from pari-mutuel wagering at Cal Expo through Fiscal Year 2009.

CONTACT PERSON: Richard J. Ramirez, 808-5704

FOR COUNCIL MEETING OF: September 14, 2004

SUMMARY:

Cal Expo dedicates 0.33 percent of pari-mutuel revenues from satellite and live racing proceeds to the City and County of Sacramento to fund projects of mutual benefit to both jurisdictions and Cal Expo. This report requests approval of a new five-year agreement between the County of Sacramento and Cal Expo regarding the receipt and disbursement of revenue from pari-mutuel wagering at Cal Expo for specific projects during Fiscal Years 2004-05 through 2008-09.

COMMITTEE/COMMISSION ACTION:

NONE

BACKGROUND INFORMATION:

On June 30, 1998, the City Council adopted Ordinance Number 98-024, which provided for the City of Sacramento to accept from Cal Expo an allocation of 0.33 percent pari-mutuel revenues from satellite and live racing at Cal Expo, and authorized the City Manager to execute appropriate implementation agreements between the County of Sacramento and Cal Expo relative to this ordinance.

Proceeds from the pari-mutual revenues, per the signed agreement have included but have not been limited to July 4th Fireworks Show, traffic and signal light improvements, floodplain improvements and other improvements that have mutually benefited the County of Sacramento, the City of Sacramento and Cal Expo.

The County of Sacramento (Resolution Number 2003-0848) and Cal Expo have taken board action to adopt a new five-year agreement with the City of Sacramento for specific projects funded by 0.33 percent revenue from pari-mutuel wagering at Cal Expo through 2008-09. Based on an increase of actual revenues from pari-mutuel wagering at Cal Expo over the past few years, the projected allocation is approximately \$250,000 annually, or \$1M over the life of the new five-year agreement.

With a carryover fund balance from the previous fiscal years along with projected revenue through Fiscal Year 2009, the total is estimated to be \$1,351,000. Planned projects include July 4th Fireworks Show, floodplain restoration and maintenance, wastewater infrastructure, and parking lot driveway access (Attachment A).

This report requests approval of a new five-year agreement with the County of Sacramento and Cal Expo regarding the receipt and disbursement of 0.33 percent revenue from pari-mutuel wagering at Cal Expo through fiscal 2009.

FINANCIAL CONSIDERATIONS:

There is no impact to the City's general fund. The County of Sacramento established a Trust Fund to deposit and disburse funds for the City and County of Sacramento that will fund projects that are mutually benefiting the County, the City and Cal Expo with revenues received from pari-mutual wagering. Total projected revenue including carry over is estimated at \$1,351,000 through Fiscal Year 2009.

ENVIRONMENTAL CONSIDERATIONS:

There are no environmental considerations associated with this report.

POLICY CONSIDERATIONS:

On June 30, 1998, the City Council adopted Ordinance Number 98-024, which provided for the City of Sacramento to accept from Cal Expo an allocation of 0.33 percent pari-mutuel revenues derived at Cal Expo, pursuant to California Business and Professions Code Section 19610.4. The City is also furthering its goal of establishing and strengthening community and regional partnerships to enhance the quality of life by working with the County and Cal Expo on the expenditure plan for pari-mutuel revenues. Proceeds from pari-mutuel, designed to mutually benefit Cal Expo, the City and the County, must be consistent with Ord. Number 98-024 and the Letter of Understanding. The proposed expenditure plan is consistent with both above policy documents.

ESBD CONSIDERATIONS:

There are no goods or services being purchased with this report.

Respectfully submitted,



RICHARD J. RAMIREZ
Deputy City Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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**Proposed Five-Year Plan for Use Of 0.33 Percent Pari-Mutual Revenues
FISCAL YEARS 2004-05 THROUGH 2008-09**

Revenue

Projected Fund Balance	351,000
Projected Revenue 2005-2009 ¹	<u>1,000,000</u>
Total Projected Revenue	\$1,351,000

Fiscal Year Expenditures2005

July 4 th Fireworks Program	50,000
Parking Lot E Driveway Access	175,000
American River Parkway O&M Support	<u>100,000</u>
	325,000

2006

July 4 th Fireworks Program	50,000
Cal Expo Floodplain Restoration Site Specific Plan	50,000
Racing Backstretch Wastewater Treatment Project ²	100,000
American River Parkway O&M Support	<u>100,000</u>
	300,000

2007

July 4 th Fireworks Program	50,000
Cal Expo Floodplain Restoration	50,000
Racing Backstretch Wastewater Treatment Project	<u>100,000</u>
	200,000

2008

July 4 th Fireworks Program	50,000
Cal Expo Floodplain Restoration	126,000
Racing Backstretch Wastewater Treatment Project	<u>100,000</u>
	276,000

2009

July 4 th Fireworks Program	50,000
Cal Expo Floodplain Restoration	100,000
Racing Backstretch Wastewater Treatment Project	<u>100,000</u>
	250,000

Total Projected Expenditures**\$1,351,000**

¹ Revenue estimated at \$250,000 annually.

² First of approximately ten loan payments to fund a wastewater treatment project to divert storm drainage from the American River.

Note: Staff will seek alternative funding from Park/Water bond acts and/or Cal Fed for the Floodplain Restoration and Wastewater Treatment Projects so that funding can be used for other needs within the Parkway.

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND CAL EXPO FOR EXPENDITURE OF PARI-MUTUEL REVENUES

WHEREAS:

- A. On June 30, 1998, the City Council adopted Ordinance Number 98-024, which provided for the City of Sacramento to accept from Cal Expo an allocation of 0.33 percent pari-mutuel revenues derived at Cal Expo, and authorized the City Manager to execute appropriate implementation agreements between the County of Sacramento and Cal Expo relative to this ordinance.
- B. The County of Sacramento established a Trust Fund to deposit and disburse funds for the City and County of Sacramento per the signed implementation agreement.
- C. Planned projects of mutual benefit include July 4th Fireworks Show, floodplain restoration and maintenance, wastewater infrastructure, and parking lot driveway access.
- D. Both County of Sacramento (Resolution Number 2003-0848) and Cal Expo boards have taken action to adopt a new five-year agreement with the City of Sacramento regarding the receipt and disbursement of 0.33 percent revenue from pari-mutuel wagering at Cal Expo.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

The City Manager is authorized to enter into a five-year agreement (Letter Of Understanding (LOU)) between the County of Sacramento and Cal Expo regarding the receipt and disbursement of 0.33 percent revenue from pari-mutuel wagering at Cal Expo through Fiscal Year 2008-09.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____