



Community Redevelopment Authority (CRA)

**Wednesday, August 8, 2018
Regular Meeting**

Item K1

2018 - 2019 Budget

Staff Contact:

August 3, 2018

From: Chad Nabity, AICP Director

To: CRA Board

Re: 2018-2019 Budget

Enclosed you will find a draft of the 2018-2019 CRA Budget.

The 2018-2019 CRA Budget is presented with projected revenue from taxes of \$686,000 based on the tax levy used last year. For the 2017-18 fiscal year the CRA levy was lowered from 0.026 to 0.023. If the levy from last year is being retained this would generate about \$489,000 for CRA purposes which includes: grants, façade improvements, committed projects and staffing as well as \$197,000 for Lincoln Park Pool.

During the 2017-18 fiscal year the CRA made payments on over \$505,000 of projects carried over from the 2016-17 fiscal year and it is anticipated that we will make payments on over \$480,000 of commitments that were made during the 2017-18 fiscal year. This has reduced our available cash significantly but also reduced our committed projects and carryover for the 2018-2019 fiscal year.

Based on our end of year projections, if the CRA makes payments on commitments that are expected to come due before the end of the fiscal year, these have changed since the July meeting as the Urban Island Project payment of almost \$273,000 will be pushed into the next fiscal year our beginning cash budget for 2019 will be \$675,752. Projected revenues for 2019 are \$4,379,300. This includes over \$3,000,000 in TIF payments including a onetime payment on the bond for the Bosselman Pump & Pantry project at Old Potash and Webb Road. All of the TIF payments are pass through payments that will not be made if the money generated by those projects is not sent to the CRA. The revenues include \$489,000 from general property taxes an increase of 2% over last year and \$197,000 for the Lincoln Pool bonds and interest. Both the Life Safety Fund and Husker Harvest Days are expected to receive \$200,000 under other CRA Revenue. Land sales is projected at \$100,000. The CRA does only have one property at this time available, the Desert Rose property on South Locust.

At the beginning of the 2019 fiscal year it is expected that we will have about \$411,000 of façade projects approved by not paid out with payments expected in the 2018 fiscal year and \$515,000 of approve Life Safety Projects with \$200,000 of that due from the City of Grand Island General Fund after payment are made. We will begin the year with \$926,000 of carry over projects to be paid out in 2018-2019.

This is the last year of the five-year Life Safety Program for downtown. To date we have had twelve units completed of thirty-nine approved. We had an application for 4 more

units considered at the meeting today. We will need to budget \$200,000 in this line item along with \$100,000 of revenue from the City.

It appears that if the levy remains the same the CRA will have about \$515,000 available for to program for the 2018-2019 fiscal year. Operating expenses including salaries, taxes, legal notices etc... will require about \$90,000 and the \$200,000 for the life safety program \$225,000 for façade improvement, land purchase and other projects.

Last year the budget included \$350,000 for façade improvement and we made commitments of \$406,000 by shifting fund from the other project line. I would suggest that we budget \$200,000 in this line item and the CRA may want to consider increasing the match required for façade projects or placing a limit on the amount of money that a project can receive. We already have more projects waiting for funding than we can afford to fund even if we put the full CRA levy in this line item. I would recommend that we include \$25,000 in other projects to cover any special studies or other grants the CRA might want to undertake.

Due to the budget constraints and our current commitments I am not suggesting any money budgeted for land acquisition in the 2019 budget year.

We will also have to budget \$200,000 for Husker Harvest Days but that will be a pass through with money received from the City food and beverage tax fund and should have no real impact on the overall budget.

We are finalizing the projections on the TIF revenues and expenditures for the next year and those will be submitted for approval with offsetting revenues and expenditures in each TIF account. We are anticipating a final total on TIF Payments for the 2018 year to of about \$1,500,000. I intend to budget \$900,000 in any other TIF projects line to insure that we have authority to payout any new projects coming on line in the next year. We have done this for the past several years and finance creates an account for each new project as we begin to receive funds for the project. It generally takes between 2 and 3 years to start receiving the TIF funds generated by a project and is subject to when the project is complete and when the Assessor gets the project on the tax rolls.

**COMMUNITY REDEVELOPMENT AUTHORITY
2019 BUDGET**

	<u>2018 BUDGET</u>	<u>2017-2018 YE Projected</u>	<u>2019 BUDGET</u>
CONSOLIDATED			
Beginning Cash	1,092,980	862,003	675,752
REVENUE:			
Property Taxes - CRA	472,191	465,000	489,000
Property Taxes - Lincoln Pool	198,050	198,050	197,000
Property Taxes -TIF's	1,827,558	1,500,000	2,400,000
Loan Income (Poplar Street Water Line)	10,500	13,500	14,000
Interest Income - CRA	300	21	300
Interest Income - TIF'S	23,316	23,316	
Land Sales	100,000	14,122	100,000
Other Revenue - CRA	130,000	116,000	430,000
Other Revenue - TIF's	-	14,000	749,000
TOTAL REVENUE	2,749,338	2,344,009	4,379,300
TOTAL RESOURCES	3,842,318	3,206,012	5,055,052
EXPENSES			
Auditing & Accounting	5,000	4,625	3,000
Legal Services	3,000	800	3,000
Consulting Services	5,000	-	5,000
Contract Services	75,000	50,000	75,000
Printing & Binding	1,000	-	1,000
Other Professional Services	16,000	5,150	16,000
General Liability Insurance	250	-	250
Postage	200	200	200
Life Safety	200,000	175,000	200,000
Legal Notices	500	400	500
Travel & Training	1,000	-	1,000
Other Expenditures	-	-	-
Office Supplies	1,000	-	1,000
Supplies	300	-	300
Land	200,000	39,000	-
Bond Principal - Lincoln Pool	175,000	175,000	180,000
Bond Interest	20,863	19,769	17,065
Husker Harvest Days Payment Year 1			200,000
Façade Improvement	350,000		200,000
Building Improvement	554,732	537,000	926,000
Other Projects	150,000	-	25,000
Bond Principal-TIF's	1,859,558	1,500,000	3,149,000
Bond Interest-TIF's	23,316	23,316	
Interest Expense	-	-	-
TOTAL EXPENSES	3,641,719	2,530,260	5,003,315
INCREASE(DECREASE) IN CASH	(892,381)	(186,251)	(624,015)
ENDING CASH	200,599	675,752	51,737