



Community Redevelopment Authority (CRA)

**Wednesday, July 18, 2018
Regular Meeting**

Item K1

Budget Discussions 2018/2019

Staff Contact:



COMMUNITY REDEVELOPMENT AUTHORITY

July 12, 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 we will have \$103,000 of unrestricted funds to carry over into next year and \$252,000 of funds collected for the purposes of paying off the Lincoln Park Pool bonds.

At the beginning of the 2019 fiscal year it is expected that we will have about \$227,000 of façade projects approved by not paid out with payments expected in the 2018 fiscal year and \$425,000 of approved 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 \$652,000 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. I anticipate an application for an additional four units before the end of the fiscal year. 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 \$440,000 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 \$150,000 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 \$150,000 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.

Due to the budget constraints and our current commitments I am not suggesting any money budgeted for land acquisition or other projects 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. 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. I will be budgeting revenues and expenditures of \$648,688 in the Pump And Pantry (Old Potash and Webb Rd.) account. Pump and Pantry will not be proceeding with this project and we issued the bonds upon receipt of proof of the purchase of the property. Those bonds will remain in place until they expire or until they are paid off. It is expected that Pump and Pantry will make a payment in lieu of taxes to the CRA for the full amount of the bond just prior to the October CRA meeting and the CRA will in turn make a payment on the bond balance to Pump and Pantry to effectively cancel the bonds and the project.

The discussion at this point is to give guidance on budget preparation for the potential adoption at the August 8, 2018 meeting.

Questions that need to be answered include:

- Do you want the levy to remain the same?
- How much of the projected \$150,000 of unrestricted and uncommitted funds:
 - Do you want to put into the façade program and do you want to consider changes to the façade program?
 - Do you want to put into Other Projects?
 - Do you want to put into Land Acquisition?

The CRA has committed \$540,000 to the Hedde Building project with \$440,000 of that budgeted for payout in the 2018-2019 fiscal year. If that project does not move forward it would make \$240,000 available in the Life Safety program and \$200,000 available for the façade program.