



Community Redevelopment Authority (CRA)

**Wednesday, August 14, 2019
Regular Meeting**

Item K1

2019-2020 Budget

Staff Contact:

August 6, 2019

From: Chad Nabity, AICP Director

To: CRA Board

Re: 2019-2012 Budget

Enclosed you will find a draft of the 2019-2020 CRA Budget.

The 2019-2020 CRA Budget is presented with projected revenue from taxes of \$697,000 based on the tax levy used for the 2018-19 tax year. The levy was lowered in 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 \$503,000 for CRA purposes which includes: grants, façade improvements, committed projects and staffing as well as \$194,000 for Lincoln Park Pool.

During the 2018-19 fiscal year the CRA made payments on over \$487,000 of projects carried over from the 2017-18 fiscal year and it is anticipated that we will make payments on over \$715,000 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 2019-2020 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, our beginning cash budget for 2020 will be \$622,673. Projected revenues for 2020 are \$3,720,229. This includes over \$1,470,000 in TIF payments and a reserve of \$1,000,000 of authority for new TIF projects that come on line during the 2020 tax year. 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 \$503,000 from general property taxes an increase of 2.5% over last year and \$194,000 for the Lincoln Pool bonds and interest. The last Life Safety Fund contribution from the general fund of \$100,000 and the Husker Harvest Days contribution from the food and beverage tax of \$200,000 are shown under other CRA Revenue. Land sales is projected at \$200,000. The CRA does only have one property at this time available, the Desert Rose property on South Locust. The CRA did sell a portion of the Desert Rose property to Talon apartments in 2019 to give them access to Exchange Road.

At the beginning of the 2020 fiscal year it is expected that we will have about \$350,000 of façade projects approved by not paid out with payments expected in the 2020 fiscal year and \$365,000 of approved Life Safety Projects with \$100,000 of that due from the City of Grand Island General Fund after payment are made. We will begin the year with \$715,000 of carry over projects to be paid out in 2019-2020.

The Life Safety Program for downtown expires with the end of the 2018-19 fiscal year. The program has operated for 5 years and the CRA has committed. To date we have had twenty eight units completed of fifty one approved. All of the uncompleted units are accounted for in the Building Improvement line as committed projects. There is some desire among the Railside Board to continue this program but it is the recommendation of staff to wait and see what happens with additional downtown redevelopment.

It appears that if the levy remains the same the CRA will have about \$530,000 available for to program for the 2019-2020 fiscal year. Operating expenses including salaries, taxes, legal notices etc... will require about \$90,000 and \$440,000 for façade improvement, land purchase and other projects.

Last year the budget included \$200,000 for façade improvement and we committed all of those funds in the first 2 months of the year. I would suggest that we budget \$220,000 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. I would recommend that we include \$220,000 in other projects line. I expect that we will need to participate in the Fifth Street Sewer Project to buy the first portion of the TIF Bond on the Starostka Project of about \$120,000 final numbers will be available after the board of equalization meeting in the Summer of 2020. This money will be repaid to the CRA through the TIF proceeds similar what the CRA did to support the Habitat for Humanity Homes along Poplar Street. Other possible projects include expanding the Historic Lighting in the Railside Area. The CRA has used this money to provide funding for other studies and improvements in Business Improvement Districts.

I am recommending that we budget \$100,000 for property acquisition but that this money be reserved until either late in the fiscal year or until we sell the remainder of the Desert Rose property.

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. This is the 2nd of 10 annual payments to Farm Progress.

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 \$1,000,000 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
2020 BUDGET**

CONSOLIDATED	2019 BUDGET	2018-2019 YE Projected	2020 BUDGET	
Beginning Cash	675,752	675,752	622,763	
REVENUE:				
Property Taxes - CRA	489,000	489,000	503,000	
Property Taxes - Lincoln Pool	197,000	197,000	194,229	
Property Taxes - TIF's	2,400,000	2,400,000	2,500,000	All TIF Projects plus \$1M authority for new
Loan Income (Poplar Street Water Line)	14,000	13,000	13,000	
Interest Income - CRA	300	10,000	10,000	
Interest Income - TIF'S				
Land Sales	100,000	39,000	200,000	
Other Revenue - CRA	430,000	400,000	300,000	Includes LS and HHD Payments from City
Other Revenue - TIF's	749,000	749,000		
TOTAL REVENUE	4,379,300	4,297,000	3,720,229	
TOTAL RESOURCES	5,055,052	4,972,752	4,342,992	
EXPENSES				
Auditing & Accounting	3,000	3,000	3,000	
Legal Services	3,000	1,500	3,000	
Consulting Services	5,000	-	5,000	
Contract Services	75,000	60,000	75,000	
Printing & Binding	1,000	-	1,000	
Other Professional Services	16,000	5,107	16,000	
General Liability Insurance	250	-	250	
Postage	200	100	200	
Life Safety	200,000	80,000		
Legal Notices	500	200	500	
Travel & Training	1,000	-	4,000	
Other Expenditures	-	-	-	
Office Supplies	1,000	200	1,000	
Supplies	300	-	300	
Land	-	140	100,000	
Bond Principal - Lincoln Pool	180,000	180,000	180,000	
Bond Interest	17,065	17,065	14,229	
Husker Harvest Days Payment Year 2	200,000	200,000	200,000	2nd of 10 years of payments
Façade Improvement	200,000	150,000	220,000	
Building Improvement	926,000	488,677	715,000	All Carry Over Projects from 2019-20 Fifth Street Sewer, Historic Lighting
Other Projects	25,000	15,000	220,000	
Bond Principal-TIF's	3,149,000	3,149,000	2,500,000	
Bond Interest-TIF's				
Interest Expense				
TOTAL EXPENSES	5,003,315	4,349,989	4,258,479	
INCREASE(DECREASE) IN CASH	(624,015)	(52,989)	(538,250)	
ENDING CASH	51,737	622,763	84,513	Projected ending cash for 2019 is less than total committed projects