

Legislation Text

File #: RES NO. 18-06, **Version:** 1

A resolution approving the Summit Fair Community Improvement District budget for fiscal year ending June 30, 2019. (F&BC 5/7/18)

Issue/Request:

A resolution approving the Summit Fair Community Improvement District Budget for Fiscal Year June 30, 2019.

Key Issues:

The Cooperative Agreement with Summit Fair Community Improvement District requires the City to review and approve the District's Annual Budget prior to the start of its Fiscal Year.

The District has submitted its budget for Fiscal Year 2019 with total revenues of \$1,391,138 consisting of \$763,742 of sales tax revenue and \$627,396 of Special Assessment Revenue.

The District proposes expenditures of \$1,391,138 consisting of \$381,871 of EATS payments to the Summit Fair TIF, \$959,267.00 pledged to pay District debt service on its outstanding bonds, and, \$50,000.00 retained to pay Administrative Costs of the District during the fiscal year.

The 2019 budget expects a 1.33% increase in the above Revenues and Expenditures over Fiscal Year 2018 for these items. The Fiscal Year 2018 Budget included Revenues and Expenditures related to the issuance of the District's Bonds, in the approximate amount of \$8,822,530, which were not ongoing revenue or expenditures, thus they have been excluded from the calculation of revenue and expenditure increases for Fiscal Year 2019.

Proposed City Council Motion:

I move for adoption of a resolution approving the Summit Fair Community Improvement District Budget for the Fiscal Year ending June 30, 2019.

Background:

The District was formed in 2008 to provide funding for infrastructure improvements and other services within the boundaries of the District. The District imposed both a 1% sales tax and a real estate special assessment of \$1.24 per square foot of space on the businesses located in the Summit Fair shopping center as its annual revenue sources.

Section 5.02 of the Cooperative Agreement between the City and the Summit Fair Community Improvement District requires the District to prepare and submit a proposed annual budget to the City's Finance Director for comments and obtain approval of the proposed budget by the City prior to its adoption or expenditure of monies included in the budget.

Impact/Analysis:

The budget for Fiscal Year 2019 allocates 50% of the Community Improvement District's Sales Taxes to the Summit Fair TIF as Economic taxes, and, retains the balance of the sales tax and all the Special Assessment revenue to fund its other expenditures. \$50,000 of the remaining revenue is allocated to pay administrative costs of the District during Fiscal Year 2019. The remaining balance of the sales tax and special assessments are to be used to pay debt service on the Summit Fair Community Improvement District Bonds during the Fiscal Year.

The District also submitted a Fiscal Year 2019 budget for the Summit Place Project. The District anticipates receiving \$6,580,243 from the Developer of the Project as an advance to pay for costs related to the Summit Place project (Areas 2a and 2b). The major expected expenditures are \$3,684,880 for On-site improvements and \$2,425,378 for Off-Site improvements related to the Summit Place Project.

Conrad Lamb, Director of Finance

Recommendation: Staff recommends approval of a resolution approving the Summit Fair Community Improvement District's Fiscal Year 2019 Budget.

Committee Recommendation: Motion by Vice Chair Lopez, seconded by Councilmember Carlyle, this Resolution was recommended for approval to the City Council - Regular Session due back on 5/17/2018. The vote was unanimous.