

April 12, 2011

ITEM#: 6.A.2)

RE: CONSIDERATION AND ADOPTION OF A "RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING THE SECOND AMENDMENT TO THE ANNUAL IMPLEMENTATION BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2010 AND ENDING JUNE 30, 2011."

PROJECT AREA: All

PREPARED BY: D.J. Baxter

EXECUTIVE SUMMARY: The Annual Implementation Budget determines which projects and programs will be funded with the revenue received in the next fiscal year and with revenue reallocated from prior fiscal years. Projects and programs identified for funding in prior fiscal years where the revenue has not been reallocated will continue to be funded from budgeted amounts adopted previously by the Board. When Salt Lake County makes its final distribution of tax increment funds to the Redevelopment Agency each spring, the budget for the current fiscal year must be amended to reflect actual funds received.

RAC RECOMMENDATION: The Redevelopment Advisory Committee (RAC) reviewed the Second Amended Budget on April 6, 2011, and recommended approval.

ADMINISTRATION RECOMMENDATION: Mayor Becker reviewed the Second Amended Budget on April 7, 2011 and recommended approval.

ALTERNATIVES:

- 1) Do not adopt the resolution.
- 2) Adopt the resolution.
- 3) Adopt the resolution with amendments.

ANALYSIS AND ISSUES: This amendment recognizes the receipt of tax increment for each of the project areas, adjustments to reflect interest income received, and adjustments required by the State Taxpayer Settlement. The changes are highlighted on the attached budget spreadsheets. The changes include the following:

STATE TAX INCREMENT OVERPAYMENT. The Salt Lake County Auditor's Office committed to do an annual reconciliation of the State Tax Commission decisions that result in refunds to state-assessed taxpayers due to property tax protests. The Salt Lake County Auditor's

Office staff determines the amount of these settlements. Based upon work done by the Auditor, adjustments for all RDAs throughout Salt Lake County have been calculated and are being collected. The Agency allocated funds in anticipation of this settlement. All project funds had adequate allocations to pay the settlement amount. Following are the settlement amounts by fund:

SARR	CBD	SUGAR HOUSE	W. TEMPLE GATEWAY	W. CAPITOL HILL	DEPOT DISTRICT	GRANARY DISTRICT	TOTAL
\$22,064	\$919	\$0	\$13	\$36	\$0	\$0	\$23,032

SARR. Changes have been made to reflect taxpayer settlement charges and interest earned.

CENTRAL BUSINESS DISTRICT. The budget adopted in June 2010 anticipated that the Agency might receive as much as \$2,861,124 of certain tax increment in the Central Business District Project Area. The March 31 report set the 2010 tax year increment at \$2,770,437. Interest income has been adjusted to reflect actual interest received. The following adjustments have been made:

1. All “uncertain” accounts were deleted from the budget.
2. Excess SARR interest earnings were reallocated.
3. 222 S. Main Reimbursement was adjusted to reflect the actual payment.
4. Project Area Housing and City-Wide Housing allocations were adjusted to \$20,612 each, which reflects an amount 5% of available increment after debt service and administration.
5. Gallivan Improvements, Streetcar, and Downtown Arts District Planning & Implementation received remaining available funds, as directed by the Board’s funding priorities.

SUGAR HOUSE DISTRICT. The budget adopted in June 2010 anticipated that the Agency might receive \$1,200,000 of certain tax increment in the Sugar House Project Area. The March 31 report set the 2010 tax year increment at \$1,429,708. Interest income has been adjusted to reflect actual interest received.

1. All “uncertain” accounts were deleted from the budget.
2. City-Wide and Project Area Housing allocations were adjusted to \$72,135 each to reflect providing approximately 5% of the actual tax increment received.
3. Streetcar Design & Implementation and Public Improvements were increased by \$200,000 and \$18,437, respectively, to balance the Sugar House District fund.

WEST TEMPLE GATEWAY DISTRICT. The Agency received \$85 more than the anticipated \$585,000 in certain tax increment. Interest income was adjusted to reflect actual interest received.

1. Public Improvements were reduced by \$1728 to make up for lower-than-expected interest earnings, and balance the fund.

WEST CAPITOL HILL. The Agency received \$606,384 of the requested \$635,000 certain tax increment. Interest income has been adjusted to reflect actual interest received.

1. City-Wide and Project Area Housing Allocations were reduced to \$30,319 each so the 5% contribution threshold was met.
2. 300 W Interim Property Improvements were reduced by \$33,290 to balance the fund.

DEPOT DISTRICT. The Agency received \$4,606,382, which is \$456,382 more than anticipated in the “certain” tax increment used during the budgeting process. Interest income has been adjusted to reflect actual interest received.

1. City-Wide and Project Area Housing allocations were increased to \$230,469 each so the 5% contribution threshold was met.
2. Gateway Associates Reimbursement Agreement. This allocation was adjusted to \$1,654,570 to reflect 37.5% of the actual amount of tax increment received from the development.
3. Homestead Suites Reimbursement Agreement. This allocation was adjusted to \$114,892 to reflect 37.5% of the actual amount of tax increment received from the development.
4. Streetcar Design & Implementation was increased by \$579,368 to balance the fund, in accordance with the Board’s priorities for uncertain funds.
5. Funds from prior years’ Loan Programs allocations in the amount of \$1,162,296 were reallocated to provide funds for Development Strategy Implementation.

GRANARY DISTRICT. The Agency received \$233678 in certain funds, \$23,678 more than anticipated. Interest income has been adjusted to reflect actual interest received.

1. City-Wide and Project Area Housing allocations were both increased by \$1,174 so the 5% contribution threshold was met.
2. Public Improvements and Development Incentives were increased by \$21,130 to balance the fund, in accordance with the Board’s priorities for uncertain funds.

PROGRAM INCOME FUND. No changes.

PROJECT AREA HOUSING FUND. The uncertain funds were added, interest income was reduced to approximate earnings received, and Land Acquisition-SRO allocation was increased by \$42,460 to balance the fund.

CITY-WIDE HOUSING FUND. The uncertain funds were added, interest income was reduced to approximate earnings received, and the Housing Trust Fund allocation was increased by \$49,460 to balance the fund.

ADMINISTRATIVE BUDGET. No changes to the administrative budget are being requested.

STAFFING DOCUMENT. No changes to the Staffing Document are being requested.

BACKGROUND: The RDA adopted its annual implementation budget on June 8, 2010 after holding a public hearing. The RDA may amend the current year's annual implementation budget only after holding a public hearing. The notice of public hearing was published on April 7, 2011.

ATTACHMENTS:

- 1) Draft Resolution
- 2) Second Amendment to the 2010-2011 Annual Implementation Budget

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING THE SECOND AMENDMENT TO THE ANNUAL IMPLEMENTATION BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2010 AND ENDING JUNE 30, 2011

WHEREAS, the Redevelopment Agency of Salt Lake City was created to transact the business and exercise the powers provided for in the Utah Community Development and Renewal Agencies Act; and

WHEREAS, the Redevelopment Agency of Salt Lake City has determined, it is both necessary and desirable to adopt the 2010/2011 Annual Implementation Budget; and

WHEREAS, the Board of Directors has determined that the public improvements to be constructed with tax increment in each of the project areas will be of benefit to the project area that generated the tax increment; and

WHEREAS, the Redevelopment Agency of Salt Lake City caused a Notice of Public Hearing to be published in the Salt Lake Tribune, a newspaper of general circulation on April 7, 2011, a period of one week in advance of the public hearing date; and

WHEREAS, the Redevelopment Agency of Salt Lake City has held a public hearing to consider adopting the Agency's Annual Implementation Budget for the 2010/2011 fiscal year on the 12th day of April 2011; and

WHEREAS, the Board of Directors determined it was necessary to amend the budget; and

WHEREAS, the Agency adopted the First Amendment to the Annual Implementation Budget for the 2010/2011 fiscal year on December 14, 2010; and

WHEREAS, the Redevelopment Agency of Salt Lake City has caused a copy of the proposed Second Amendment 2010/2011 Annual Implementation Budget to be available for public inspection during regular business hours in the office of the Redevelopment Agency of Salt Lake City, City & County Building, 451 South State Street, Room 418, Salt Lake City, Utah 84111, for a period of at least three (3) days before the commencement of the public hearing; and

WHEREAS, the Redevelopment Agency of Salt Lake City's Board of Directors has considered all written and oral statements made at the public hearing objecting to or supporting the Agency's Second Amendment to the 2010/2011 Annual Implementation Budget.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of Salt Lake City that the Second Amendment to the 2010/2011 Annual Implementation Budget attached hereto is hereby adopted for the fiscal year commencing on July 1, 2010 and ending June 30, 2011.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, Utah this 12th day of April, 2011.

Luke Garrott, Chairperson

ATTEST:

D.J. Baxter, Executive Director

Transmitted to the Chief Administrative Officer on _____. The Chief Administrative Officer

_____ does not request reconsideration OR
_____ requests reconsideration at the next regular Agency meeting.

Ralph Becker
Chief Administrative Officer

ATTEST:

D.J. Baxter, Executive Director

Approved as to form:

Laura Kirwan

REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2010-2011 ANNUAL IMPLEMENTATION BUDGET - PROJECT AREA FUNDS
 April 12, 2011

	S.A.R.R.	C.B.D. EXT	SUGAR HOUSE	W.TEMPLE GATEWAY	W.CAPITOL HILL	DEPOT DISTRICT	GRANARY DISTRICT	TOTAL
SOURCES:								
Tax Increment Proceeds	16,155,583	2,770,437	1,429,708	585,085	606,384	4,606,382	233,678	26,387,257
Interest Income	32,000	30,000	40,000	8,000	12,000	18,000	5,200	145,200
Temporary Property Income		0				0		0
ASC Investment Income								0
Loan Proceeds								0
Bond Reserve								0
Reallocation	0	200,000	0	0	0	1,162,296	0	1,362,296
Land Sales Proceeds								0
	16,187,583	3,000,437	1,469,708	593,085	618,384	5,786,678	238,878	27,894,753
USES:								
Administration	109,936	394,514	246,750	125,000	78,480	375,000	25,000	1,354,680
State Tax Overpayment Reserve	22,064	919	0	13	36	0	0	23,032
60% TEC Payment		1,662,262						1,662,262
Bonds:								
Delta Center/Salt Palace CAP	7,385,000							7,385,000
2002A (Delta Center/Salt Palace) Refunding	1,348,938							1,348,938
FQF Financing Agreement	1,756,445							1,756,445
500 West Park Blocks	1,027,589							1,027,589
Steiner Ice Sheet	1,561,230							1,561,230
School District Contract #1 (Delta)	390,000							390,000
School District Contract #2 (Salt Palace)	1,091,742							1,091,742
School District Contract #3 (FQF)	439,111							439,111
School District Contract #4 (500 West)	411,036							411,036
School District Contract #5 (Steiner Ice Sheet)	624,492							624,492
Trustee's Fees	20,000							20,000
Temporary Property Expense		15,000	40,000	53,500	53,000	220,000	4,800	386,300
Public Art			0	5,000				5,000
Public Art**			0		0			0
City-Wide Housing			60,000	29,250	30,319	207,500	10,500	337,569
Project Area Housing			60,000	29,250	30,319	207,500	10,500	337,569
City -Wide Housing **		20,612	12,135			22,969	1,174	56,891
Project Area Housing**		20,612	12,135			22,969	1,174	56,891
Loan Programs			30,250	25,000			50,000	105,250
Loan Programs **								0
Downtown Arts District Planning & Implementation		230,952						230,952
Downtown Arts District Planning & Implementation**		0						0
Land Acquisition & Development				50,000	68,520			118,520
Land Acquisition & Development**								0
Gallivan Improvements		250,000						250,000
Gallivan Improvements **								0
Street Car Design & Implementation		100,000	500,000	50,000		683,728		1,333,728
Street Car Design & Implementation**		0						0
Public Improvements & Development Incentives			68,437	200,072			130,730	399,239
Public Improvements & Development Incentives**								0
Sugar House Commons			290,000					290,000
Marketing & Sales					50,000			50,000
Marketing & Sales**								0
Ardmore Place Reconstruction					241,000			241,000
Grant Tower Reconfiguration (debt service)						279,254		279,254
Gateway Associates (reimbursement agreement)						1,654,570		1,654,570
Homestead Suites (reimbursement agreement)						114,892		114,892
600 W Sidewalk Improvements & Street Lighting						81,000		81,000
Rio Grande Hotel Capital Improvements Fund						25,000		25,000
222 So. Main Reimbursement		305,565						305,565
Portable Garden				16,000				16,000
Branding & Education				10,000			5,000	15,000
300 W Property Interim Improvements					66,710			66,710
Site Prep. And Demolition						730,000		730,000
Development Strategy Implementation						1,162,296		
SH Streetcar Corridor Plan			150,000					150,000
	16,187,583	3,000,437	1,469,708	593,085	618,384	5,786,678	238,878	26,732,456
Over/(Under)		0	0	0	0	(0)	0	1,162,297

** means contingent on TIF received

REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2010-2011 ANNUAL IMPLEMENTATION BUDGET
 April 12, 2011

	<u>PROGRAM</u> <u>INCOME</u>	<u>PROJECT</u> <u>AREA</u> <u>HOUSING</u> <u>FUND</u>	<u>CITY WIDE</u> <u>HOUSING</u> <u>FUND</u>	<u>RETAIL</u> <u>REBATE</u> <u>FUND</u>	<u>TOTAL</u>
SOURCES:					
Transfers from Tax Increment Funds:					
From All TI Funds		394,460	394,460		788,919
Parking Structure Income	999,636				999,636
Loan Repayments	535,521				535,521
Property Sales					0
Interest Income	178,500	7,000	24,000		209,500
Reallocation	235,000	0	402,620		637,620
Temporary Property Income	11,540				11,540
Parking Lease Revenue					0
Sales Tax Revenue:					0
Hermes				199,500	199,500
Sutherlands				0	0
	1,960,197	401,460	821,080	199,500	3,382,236
USES:					
Administration	140,925	55,125	66,150	1,995	264,195
Temporary Property Expenses	1,021,700	115,000			1,136,700
Block 57 - Maintenance	350,000				350,000
Block 57 - Plaza Programming	275,000				275,000
Block 57 - Lease Payment	22,000				22,000
Sales Tax Projects:					0
Hermes				197,505	197,505
Sutherlands					0
Project Area Creation	150,572				150,572
Downtown Arts District Implementation					0
Project Area Housing					0
Project Area Housing**					0
Land Acquisition			505,470		505,470
City-Wide Housing					0
City-Wide Housing*					0
Housing Trust Fund			100,000		100,000
Housing Trust Fund**			49,460		49,460
Quiet Zone			100,000		100,000
Quiet Zone **					0
Move the Line					0
Move the Line **					0
Land Acquisition - SRO		188,875			188,875
Land Acquisition - SRO**		42,460			42,460
	1,960,197	401,460	821,080	199,500	3,382,237
Over/(Under)	0	(1)	(1)	0	(1)

INFORMATION SHEET 1
 April 12, 2011
 REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2010-2011 ADMINISTRATIVE BUDGET

Object Code	Description	2010-2011 Budget
	2111.01 Executive Salaries	735,000
	2111.02 Executive Longevity	5,400
	2161 Hourly pay - seasonal employees	15,000
	SUBTOTAL SALARIES & WAGES	<u>755,400</u>
	2173 Plan B cash conversion	4,000
	2191.1 FICA	58,550
	2191.13 State Retirement	16,100
	2191.14 Deferred Benefit 401K	22,000
2191.15/16	Non-Contributory	58,625
	2191.18 501C9	8,850
	2195 Group Insurance	98,250
	2199 Salary contingency	6,500
	SUBTOTAL EMPLOYEE BENEFITS	<u>272,875</u>
TOTAL	PERSONAL SERVICES	1,028,275
	2211 Books	250
	2213 Periodicals	250
	2221 Stationery Supplies	1,500
	2223 Duplication Supplies	5,000
	2223.1 Copy center charges	2,000
	2224 Postage	4,000
	2225.05 Computer Software	1,800
	2299 Other Materials & Supplies	3,500
TOTAL	MATERIALS AND SUPPLIES	<u>18,300</u>
	OPERATING & MAINTENANCE SUPPLY	
	2311 Auditing Fees	17,000
	2312 Legal Fees	25,000
	2313.01 Engineering/Architecture	
	2324 Special Consultant incl 2329	1,000
	2328 Technical Services	5,000
	2329 Lobbyist	25,000
	2336.02 Telephone - Long Distance	500
	2336.07 Telephone - Cell	4,500
2340 2340.01	IFAS Maintenance & Network Sup	50,000
	2341 Office Equipment MC	2,500
	2371 Public Notices	3,500

	2394.01 Educational Training	5,000
	2506 Phone Maintenance Plan	<u>7,500</u>
TOTAL	OPERATING & MAINTENANCE SUPPLY	146,500
CHARGES & SERVICES		
	2512 Building Rent	48,000
	2513.03 Other Office Equipment Rentals	200
	2520 Meals & Entertainment	10,000
	2521 Employee Meal Allowance	100
	2522 Memberships	2,000
	2523 In-City Conventions	3,000
	2525 Out-of-town Travel	22,000
	2527 Auto Allowance	6,000
	2528 Rewards & Recognitions	2,500
	2529 Other Employee Costs	1,000
	2543 Insurance/Surety Bonds	45,000
	2549 Risk Management Premium	5,300
	2549.7 Occupational Health Clinic Charges	200
	2590 Other Expenses	2,500
	SUBTOTAL CHARGES & SERVICES	<u>147,800</u>
GOV'T TRANSACTION COSTS		
	2921.01 Administrative Service Fee & IFAS	270,000
	GOV'T TRANSACTION COSTS	<u>270,000</u>
TOTAL	CHARGES & SERVICES & GOV'T TRANSACTION COSTS	417,800
SUBTOTAL-NON-CAPITAL & GOV TRANSACTION COSTS		
	2700 Capital Expenditures	0
	2760 Equipment	3,000
2760.5	Office Equipment & Furnishings	<u>5,000</u>
TOTAL	CAPITAL EXPENDITURES	8,000
TOTAL DETAILS:	ADMINISTRATIVE EXPENDITURES	<u>1,618,875</u>

April 12, 2011
 STAFFING DOCUMENT
 2010-2011 BUDGET YEAR

2010-2011		
	Pay	No. of
	Grade	Positions
Executive Director	39	1
Deputy Director	37	1
Deputy Director	34	0.25
Deputy Director - Reg.Part Time	RPT	0.25
Senior Project Manager		0
Property Administrator	26	1
Project Manager	26	3
Project Coordinator	24	2
Office Manger	21	1
Administrative Secretary	18	1
Project Area Specialist	22	1
Office Technician 1	Seasonal	0.75
		<u>12.25</u>

BUDGET ATTACHMENT "A"
 REDEVELOPMENT AGENCY OF SALT LAKE CITY
 REALLOCATION WORKSHEET FOR 2010-2011 ANNUAL IMPLEMENTATION BUDGET
 April 12, 2011

	<u>S.A.R.R.</u>	<u>C.B.D.</u>	<u>SUGAR HOUSE</u>	<u>WEST TEMPLE GATEWAY</u>	<u>WEST CAPITOL HILL</u>	<u>DEPOT DISTRICT</u>	<u>GRANARY DISTRICT</u>	<u>PROGRAM INCOME</u>	<u>PROJECT AREA HOUSING FUND</u>	<u>CITY WIDE HOUSING FUND</u>
SOURCES:										
SARR Excess Interest Income		200,000						235,000		110,000
							0			
TOTAL SOURCES TO BE REALLOCATED	0	200,000	0	0	0	0	0	235,000	0	110,000
23145-CWH - WCH Marketing										5,010
25144-CWH - Vacant/Boarded Gas Stations										145,270
29141-CWH - Temp. Property Exp.										42,340
20143-CWH - Corner Lots										100,000
29169-Depot - Loan Programs						80,800				
31165-Depot - Loan Programs						592,235				
32170-Depot - Loan Programs						211,381				
33170-Depot - Loan Programs						277,880				
TOTAL USES TO BE REALLOCATED	0	0	0	0	0	1,162,296	0	0	0	292,620
TOTAL TO BE REALLOCATED	0	200,000	0	0	0	1,162,296	0	235,000	0	402,620

Information Sheet #1
Housing Programs and Projects as a Percent of After Debt Tax Increment Revenue
2010/2011 Annual Implementation Budget

	CBD TAX INCREMENT	SUGAR HOUSE	WEST TEMPLE GATEWAY	WEST CAPITOL HILL	DEPOT DISTRICT	GRANARY DISTRICT	TOTAL
Sources (excluding CBD Housing Reallocated)	2,770,437	1,429,708	585,085	606,384	4,606,382	233,678	10,231,674
Debt and Administrative Cost	<u>395,433</u>	<u>246,750</u>	<u>125,013</u>	<u>78,516</u>	<u>2,144,462</u>	<u>25,000</u>	<u>3,040,174</u>
Net Spendable Revenue	2,375,004	1,182,958	460,072	527,868	2,461,920	208,678	7,191,500
Transfers to Housing	41,224	144,271	58,500	60,638	460,938	23,348	788,919
Budget for Housing		0	0	0	852,285	0	852,285
Budget for Housing-Related Infrastructure	50,000	250,000	25,000	0	621,118	0	946,118
Housing as % of Net Spendable Revenue for Project Area	3.84%	33.33%	18.15%	11.49%	78.57%	11.19%	35.98%
Total Housing Costs for all Project Areas							

Housing Funds

	PROJECT AREA HOUSING FUND	CITY WIDE HOUSING FUND
Sources	394,460	394,460
Debt and Administrative Cost	<u>170,125</u>	<u>66,150</u>
Net Spendable Revenue	224,335	328,310
Budget for Housing	231,335	149,460
Budget for Housing-Related Infrastructure	0	100,000
Housing Percent of Net Spendable Revenue:	103.12%	75.98%
Budget in excess of Transfers In:	7,000	426,620

Note: Housing related infrastructure includes Public Improvements such as 50% of the Streetcar allocations, 50% of the Gateway Associates reimbursement for parking and public improvements related to Gateway and Grant Tower Reconfiguration in Depot, as well as allocations directly relocated to residential improvements in special districts.