

May 10, 2011

ITEM#: 6.A.2)

RE: 2011/2012 BUDGET/REVIEW OF DRAFT BUDGET AND
SUPPLEMENTAL BUDGET NARRATIVE.

PREPARED BY: D.J. Baxter

EXECUTIVE SUMMARY: The RDA Annual Budget establishes the funding for projects and programs for the next fiscal year. The Project Area Budgets are established from estimates of tax increment generated within each of the project areas. Board members will need to review the allocations and provide staff with any requested revisions prior to the June budget adoption.

RAC RECOMMENDATION: At its meeting on Wednesday, May 4, 2011, the Redevelopment Advisory Committee reviewed the draft budget and did not request any changes.

ANALYSIS AND ISSUES: The adopted budget is articulated on a series of spreadsheets showing expected revenues and budget expenditures for the year. Staff also prepares a narrative supplement to the budget that has been attached to the budget spreadsheets. The supplement provides information about the project areas and special funds as well as restrictions or requirements for budget allocations.

Contract Planner Position: Board members recently asked that we prepare a proposed task list for the contract planner position funded in the draft budget. That task list is attached for review and comment.

Board members should be prepared to comment on the spreadsheets and supplement so the documents can be finalized for adoption at the June 2011 Board of Directors meeting.

ATTACHMENTS:

1. Proposed Task List for RDA Contract Planner
2. Draft 2011/2012 Budget
3. Draft Supplemental Budget Narrative

Proposed Task List for RDA Contract Planner – FY 2011/2012

West Temple Gateway/Granary:

1. Initiate rezone of the properties zoned CG to comply with the Gateway Specific Plan;
2. Initiate rezone of the Fleet Block from Public Land to a more appropriate zone;
3. Develop a zoning overlay for single-family homes (attached and detached) as proposed in the West Temple Gateway Development Strategy;
4. Create a zoning overlay that includes design guidelines as proposed in the West Temple Gateway Development Strategy.

Depot District & North Temple:

1. Initiate rezone of the properties zoned CG to comply with the Gateway Specific Plan;
2. Initiate rezone of properties zoned D-3 to a transit-oriented development zoning designation in Depot District, particularly surrounding Intermodal Hub;
3. Assist RDA with understanding the new form-based zoning process in North Temple.

West Capitol Hill:

1. Analyze the feasibility of rezoning the properties zoned CG, M-1, and CB to comply with the master plan, which calls for high- and medium-density mixed-use; initiate rezone based on results of feasibility analysis;
2. Create design guidelines/historic guidelines to encourage massing/scale of structures be compatible w/ adjacent areas and that buildings adjacent to streets should orient to the street.

Sugar House:

1. Amend the master plan where necessary to be consistent with the policies recommended by Streetcar Land Use & Visioning process, and initiate any zoning changes needed to implement those policies.

Central Business District:

1. Address building height maximums to encourage economically viable density for residential projects; (e.g., some projects build to lower than allowed density because height limits restrict the economic feasibility of a larger project);
2. Analyze the feasibility of amending the D-1 zoning district relating to the 100' restrictions for buildings located on interior block faces; initiate amendments to zone based on results of feasibility analysis;
3. Consider allowing additional height in the D-4 zoning district; (e.g., two of the proposed convention hotel sites are zoned D-4, which has a height limit of 75 feet (up to 120 feet with conditional use).

REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2011-2012 ANNUAL IMPLEMENTATION BUDGET - PROJECT AREA FUNDS
 May 10, 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	16,170,302	12,839,698	3,000,000	1,500,000	900,000	6,500,000	700,000	41,610,000
Interest Income	32,181	34,000	40,000	8,000	12,000	19,000	5,000	150,181
Reallocation					92,000			92,000
Land Sales Proceeds			1,250,000					1,250,000
	16,202,483	12,873,698	4,290,000	1,508,000	1,004,000	6,519,000	705,000	43,102,181
USES:								
Administration	110,000	322,000	406,587	90,000	100,000	450,000	23,000	1,501,587
Streetcar Project Manager		15,000	35,000	2,500		20,000	2,500	75,000
Contract Planner		15,000	20,000	5,000	5,000	25,000	2,500	72,500
Assessment and Collection Levies		48,021	20,544	8,560	9,844	73,188	3,938	164,095
State Tax Overpayment Reserve	32,000	45,000	10,000	200	500	15,000	100	102,800
60% TEC Payment		1,682,998						1,682,998
TEC Payment**		6,020,821						6,020,821
Bonds:								
Delta Center/Salt Palace CAP	7,385,000							7,385,000
2002A (Delta Center/Salt Palace) Refunding	1,351,738							1,351,738
FQF Financing Agreement	1,755,532							1,755,532
500 West Park Blocks	1,030,179							1,030,179
Steiner Ice Sheet	1,560,737							1,560,737
School District Contract #1 (Delta)	390,000							390,000
School District Contract #2 (Salt Palace)	1,092,092							1,092,092
School District Contract #3 (FQF)	438,838							438,838
School District Contract #4 (500 West)	412,072							412,072
School District Contract #5 (Steiner Ice Sheet)	624,295							624,295
Trustee's Fees	20,000							20,000
Temporary Property Expense			6,500	75,500	42,000	546,000	3,800	673,800
City-Wide Housing			120,000	25,000	28,750	213,750	11,500	399,000
Project Area Housing			60,000	25,000	28,750	213,750	11,500	339,000
City -Wide Housing **		501,735	90,000	50,000	16,250	111,250	23,500	792,735
Project Area Housing**		501,735	90,000	50,000	16,250	111,250	23,500	792,735
Loan Programs			312,956	14,840				327,796
Downtown Arts District Planning & Implementation		100,000						100,000
Downtown Arts District Planning & Implementation**		2,300,000						2,300,000
Land Acquisition & Development				230,000	250,000		20,077	500,077
Land Acquisition & Development**				400,000	200,000	400,000	100,000	1,100,000
Gallivan Art Tower **		200,000						200,000
Street Car Design & Implementation		110,977	750,000	15,000				875,977
Street Car Design & Implementation**		510,411	750,000	250,000		400,000	23,000	1,933,411
Public Improvements & Development Incentives			340,000		214,156		100,000	654,156
Public Improvements & Development Incentives**			370,000	250,000	92,500		300,000	1,012,500
Grant Tower Reconfiguration (debt service)						281,854		281,854
Gateway Associates (reimbursement agreement)						1,875,000		1,875,000
Homestead Suites (reimbursement agreement)						185,255		185,255
Artspace Commons (reimbursement agreement)							56,085	56,085
222 So. Main Reimbursement		500,000						500,000
Portable Garden				16,400				16,400
Public Market						145,203		145,203
Public Market **						300,000		300,000
Development Strategy Implementation						250,000		250,000
Development Strategy Implementation **						502,500		502,500
Parking Structure **						400,000		400,000
Streetscape Amenities Development			403,413					403,413
Streetscape Amenities Development **			500,000					500,000
Sugar House Compass			5,000					5,000
	16,202,483	12,873,698	4,290,000	1,508,000	1,004,000	6,519,000	705,000	43,102,181
Over/(Under)								
	0	0	0	0	0	0	0	0

*** means contingent on TIF received

REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2011-2012 ANNUAL IMPLEMENTATION BUDGET
 May 10, 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		1,131,735	1,191,735		2,323,470
Parking Structure Income	1,185,992				1,185,992
Loan Repayments	590,000				590,000
Property Sales					0
Interest Income	300,000	20,000			320,000
Reallocation					0
Temporary Property Income					0
Parking Lease Revenue					0
Sales Tax Revenue:					0
Hermes				209,475	209,475
Sutherlands				0	0
	<u>2,075,992</u>	<u>1,151,735</u>	<u>1,191,735</u>	<u>209,475</u>	<u>4,628,937</u>
USES:					
Administration	143,255	70,000	70,000	2,095	285,350
Contract Planner	10,000				10,000
Temporary Property Expenses	669,000	15,000			684,000
Block 57 - Maintenance	400,000				400,000
Block 57 - Plaza Programming	289,000				289,000
Block 57 - Lease Payment	28,000				28,000
Sales Tax Projects:					0
Hermes				207,380	207,380
Sutherlands					0
Project Area Creation	86,737				86,737
Downtown Arts District Implementation					0
Project Area Housing					0
Project Area Housing**					0
Land Acquisition					0
City-Wide Housing					0
City-Wide Housing*					0
Housing Trust Fund			109,000		109,000
Housing Trust Fund**			492,735		492,735
Quiet Zone			100,000		100,000
Quiet Zone **			300,000		300,000
Move the Line					0
Move the Line **					0
Gallivan Art Tower	150,000				150,000
Gallivan Ave Branding	150,000				150,000
Marketing & Sales	150,000				150,000
WCH Housing Loans		274,000			274,000
WCH Housing Loans **		792,735			792,735
Land Acquisition - SRO			120,000		120,000
Land Acquisition - SRO **					0
	<u>2,075,992</u>	<u>1,151,735</u>	<u>1,191,735</u>	<u>209,475</u>	<u>4,628,937</u>
Over/(Under)	0	0	0	0	0

INFORMATION SHEET 1
 May 10, 2011
 REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2011-2012 ADMINISTRATIVE BUDGET

Object Code	Description	DRAFT 2011-12 Budget
2111.01	Executive Salaries	844,600
2111.02	Executive Longevity	5,000
2161	Hourly pay - seasonal employees	20,600
	SUBTOTAL SALARIES & WAGES	<u>870,200</u>
2173	Plan B cash conversion	0
2191.1	FICA	66,918
2191.13	State Retirement	0
2191.14	Deferred Benefit 401K	35,000
2191.15/16	Non-Contributory	80,929
2191.18	501C9	8,500
2195	Group Insurance	115,540
2199	Salary contingency	0
	SUBTOTAL EMPLOYEE BENEFITS	<u>306,887</u>
TOTAL	PERSONAL SERVICES	1,177,087
2211	Books	300
2213	Periodicals	250
2221	Stationery Supplies	2,000
2223	Duplication Supplies	7,500
2223.1	Copy center charges	2,000
2224	Postage	4,000
2225.05	Computer Software	3,500
2299	Other Materials & Supplies	3,500
TOTAL	MATERIALS AND SUPPLIES	<u>23,050</u>
	OPERATING & MAINTENANCE SUPPLY	
2311	Auditing Fees	17,000
2312	Legal Fees	25,000
2313.01	Engineering/Architecture	
2324	Special Consultant incl 2329	2,000
2328	Technical Services	5,000
2329	Lobbyist	25,000
2336.02	Telephone - Long Distance	500
2336.07	Telephone - Cell	8,000
2340 2340.01	IFAS Maintenance & Network Sup	70,000
2341	Office Equipment MC	4,200
2371	Public Notices	2,000

2394.01 Educational Training	5,000
2506 Phone Maintenance Plan	8,000
2524 Mileage	200
TOTAL OPERATING & MAINTENANCE SUPPLY	<u>171,900</u>

CHARGES & SERVICES

2512 Building Rent	48,000
2513.03 Other Office Equipment Rentals	0
2520 Meals & Entertainment	12,000
2521 Employee Meal Allowance	100
2522 Memberships	3,500
2523 In-City Conventions	4,000
2525 Out-of-town Travel	22,000
2527 Auto Allowance	6,000
2528 Rewards & Recognitions	2,900
2529 Other Employee Costs	1,000
2543 Insurance/Surety Bonds	40,000
2549 Risk Management Premium	7,400
2549.7 Occupational Health Clinic Charges	200
2590 Other Expenses	3,300

SUBTOTAL CHARGES & SERVICES	<u>150,400</u>
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GOV'T TRANSACTION COSTS

2921.01 Administrative Service Fee & IFAS	240,000
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GOV'T TRANSACTION COSTS	<u>240,000</u>
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TOTAL CHARGES & SERVICES & GOV'T TRANSACTION COSTS	390,400
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SUBTOTAL-NON-CAPITAL & GOV TRANSACTION COSTS	1,762,437
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2700 Capital Expenditures	0
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2760 Equipment	12,000
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2760.5 Office Equipment & Furnishings	12,500
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TOTAL CAPITAL EXPENDITURES	<u>24,500</u>
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TOTAL ADMINISTRATIVE EXPENDITURES	<u>1,786,937</u>
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DETAILS:

May 10, 2011
STAFFING DOCUMENT
2011-2012 BUDGET YEAR

2011-2012		
	Pay	No. of
	Grade	Positions
Executive Director	39	1
Deputy Director	37	1
Property Administrator	26	1
Project Manager	26	3
Project Coordinator/Mgr	24	3
Communications Position	24	1
Office Manger	21	1
Administrative Secretary	18	1
Project Area Specialist	22	1
Office Technician 1	Seasonal	0.75
		<u>13.75</u>

**REDEVELOPMENT AGENCY OF SALT LAKE CITY
SUPPLEMENTAL BUDGET INFORMATION & NARRATIVE
FISCAL YEAR 2011/2012**

The following document is supplemental to the annual implementation budget to be adopted by the Board of Directors on June 14, 2011. This document discusses the goals and objectives of each of the project areas, the sources of revenues generated, and the allocation of funds to accomplish certain goals and objectives by project area or fund type. It also discusses the priority of funding of projects within the districts depending upon the amount of actual tax increment received.

The report is organized by fund and is in the same order as the Annual Implementation Budget. The supplemental information is organized as follows:

OVERVIEW 1
BUDGET PROCESS 1
ADMINISTRATIVE BUDGET 2
FUND BUDGETS 3
 SARR (STATUTORY ALLOCATION REDUCTION REVENUE)..... 4
 CENTRAL BUSINESS DISTRICT PROJECT AREA 5
 SUGAR HOUSE PROJECT AREA 10
 WEST TEMPLE GATEWAY PROJECT AREA 14
 WEST CAPITOL HILL PROJECT AREA..... 18
 DEPOT DISTRICT PROJECT AREA 18
 GRANARY DISTRICT PROJECT AREA..... 27
 PROGRAM INCOME FUND..... 31
 HOUSING FUND ALLOCATIONS 33
 PROJECT AREA HOUSING FUND 34
 CITY-WIDE HOUSING FUND..... 34
 RETAIL REBATE FUND..... 34
BUDGET AMENDMENTS 35

OVERVIEW

The Redevelopment Agency of Salt Lake City was created in 1969 and currently has six project areas within which the Agency concentrates its efforts. In addition, the Agency works with housing providers and advocates to improve the housing stock on a city-wide basis. The Agency is governed by Utah statute, which has been amended numerous times. The current statute is the Community Development and Renewal Agencies Act (Utah Code Annotated, Section 17C).

The mission of the Redevelopment Agency of Salt Lake City is to “improve blighted areas of Salt Lake City, encourage economic development of Salt Lake City, encourage the development of housing for low- and moderate-income households within Salt Lake City and encourage compliance with and implementation of the Salt Lake City master plan.” The Agency will participate with Salt Lake City, Salt Lake County, the State of Utah and other public entities, as appropriate, to implement its mission.

The tools available to achieve the Agency’s mission include:

1. Property acquisition, demolition, re-planning, sale, and/or redevelopment;
2. Planning, financing and development of public improvements;
3. Providing management support and financing for projects that will improve blighted areas;
4. Gap financing in the form of loans, grants, and equity participation to encourage private investment;
5. Relocation assistance and business retention assistance to businesses.

To accomplish this mission, the Agency has developed a number of programs within each of the project areas to promote redevelopment. These programs typically provide loans and reimbursements to encourage renovation and certain types of developments.

The Agency’s six project areas were created under the redevelopment statute at various times over the past thirty years. Statutorily, the Agency is required to budget and account for each project area separately. In addition, the Agency has established other funds including Project Area and City-Wide Housing funds as permitted under the statute. The Agency’s accounts are audited annually and transmitted to the State Tax Commission and taxing entities as required by the statute.

BUDGET PROCESS

The budget process is a multi-month endeavor that requires reports and requests being sent to and received from the Salt Lake County Auditor’s office; receiving and reviewing funding applications from public and private groups; and a determination by the Board of Directors of the funding allocations for projects and programs for the upcoming fiscal year. The budget documents include ongoing obligations such as debt service payments, reimbursement

agreements, administrative costs, temporary property expenses; revenues; and special allocations for new projects and programs.

On or before November 1 of each year, the Agency is required to submit a request to the Salt Lake County Auditor requesting funds for the following tax year. This request is submitted prior to the time the Agency has information concerning the current year tax increment proceeds. The statute also states that the Agency can receive no more than it requests. Thus, to ensure that the Agency’s request adequately covers any unanticipated growth in tax increment revenues, the Agency often requests more tax increment proceeds than may be generated in each of the districts. To ensure that funding is available for projects, the Board budgets both “certain” tax increment, which is typically an amount slightly more than the tax increment received from the most recent final tax increment settlement, and “uncertain” or contingent allocations, to account for any unexpected increases in tax increment that might make more funds available. The projects funded with uncertain allocations are not started until such time as the tax increment settlement information is received from Salt Lake County, usually in late march, during the final quarter of the fiscal year. A budget amendment is then prepared and presented for adoption that balances actual tax increment receipts and funding allocations.

ADMINISTRATIVE BUDGET

The Agency’s Administrative Budget document includes the staffing document and the allocation of funds to pay for personnel services and general operating costs. The staffing document shown below describes the number and pay grades of the approved staffing for the Agency for the current and most recent fiscal years.

STAFFING DOCUMENT				
	No. of Positions			
	Pay Class	2010-2011	Pay Class	2011-2012
Executive Director	003	1	39	1
Deputy Director	004/6 14	1.25	37	1
Deputy Director	RPT	.25	--	--
Senior Project Manager	609	0	n/a	0
Project Manager	607	2	26	3
Project Coordinator	605	3	24	3
Property Administrator	607	1	26	1
Communications	--	--	24	1
RDA Office Manager	309	1	21	1
Project Area Specialist	603	1	22	1
Official Technician 1	Seasonal/7 00	0.75	Seasonal	0.75
Administrative Secretary	306	1	18	1
Total		12.25		13.75

This budget contemplates changes in responsibilities and reclassification of staff members from part time to full time. The Agency will hire a third Project Coordinator, and will also add one employee in the Communications Position to promote branding, public education, and marketing on behalf of the RDA, its project areas, projects, and programs.

The Administrative Budget covers four general categories of costs:

- 1. Personal Services

includes salaries and benefits for the Agency staff. Since the RDA has adopted the City’s Personnel Policy, staff’s receipt of a cost of living increase will depend on the City’s

adoption of such an increase for its workforce.

2. Materials and Supplies include costs for books, periodicals, postage, and stationery. Computer software and stationary supplies have increased by \$4,750 or 21%, due to an increase in staff.
3. Operating and Maintenance Costs include auditing and legal fees, telephone and computer network support, and education and training for staff. The budget has been increased by \$25,400, primarily to cover additional cell phone service and increased network support charges for additional staff members.

2011/2012 Administrative Budget	
Personal Services	1,177,087
Materials and Supplies	23,050
Operating and Maintenance	171,900
Charges and Services	150,400
Administrative Service Fees	240,000
Capital Expenditures	24,500
Total	\$1,786,937

4. Charges and Services Costs include rental for Agency office space, travel, employee recognition awards, cost of meals for RAC and Board meetings, and insurance/bonding costs. The budget is increased by \$2,600 or 1.7% to cover high building rent, increased cost of meals, membership funds for additional staff, and a higher risk management premium. Insurance Surety bonds were reduced \$5,000 to reflect actual costs.

5. Administrative Services Fees are paid to Salt Lake City Corporation for services provided for assistance in preparing financial reports, human resource management, and time spent by

members of the City Council and Mayor’s Office working on Agency projects were reduced by \$30,000

6. The Capital Expenditures portion of the Administrative Budget includes purchase of equipment and furnishings. The budget has been increased by \$16,500 to cover the costs of office needs for the additional employees.

The 2011/2012 Administrative Budget is 9.4% higher than the prior year. Funding of the costs is distributed across all funds as shown in the budget spreadsheet that precedes this discussion.

FUND BUDGETS

The following is a brief discussion of each of the funds and projects that will be allocated monies from each fund’s revenue source. The funds are described in order of the columns on the budget spreadsheets.

SARR (STATUTORY ALLOCATION REDUCTION REVENUE)

2011/2012 Budget	
Administration	\$110,000
State Taxpayer Overpayment	\$32,000
Trustee's Fees	\$20,000
Facility	
Arena/Salt Palace	\$1,351,738
Arena Debt Service	\$7,385,000
Franklin Covey Field	\$1,755,532
500 West Park Blocks	\$1,030,179
Guardsman Way Ice Sheet	\$1,560,737
School District Payments	
#1 - Arena	\$390,000
#2 - Salt Palace	\$1,092,092
#3 - Franklin Covey	\$438,838
#4 - 500 West	\$412,072
#5 - Ice Sheet	\$624,295
TOTAL	\$16,202,483

The Community Development and Renewal Agencies Act permits the Agency to use up to 100% of the tax increment generated in project areas to pay for construction of sports facilities and convention centers where construction began prior to June 30, 2002; and recreational and cultural facilities on which construction began prior to December 31, 2005. (Refer to Utah Code Annotated, Section 17C-1-403 for statutory requirements.) The debt service for these facilities can be paid throughout the 25-year life of the project area and for seven years after regular tax increment is no longer paid to the Agency. Only expenses related to administration, costs of these facilities, and payments to taxing entities are eligible uses of the funds.

The Agency currently pays debt service and makes payments to the Salt Lake City School District from the Central Business District SARR funds.

The Agency sold bonds for the construction of the Energy Solutions Arena and the Salt Palace project, both in the CBD project area. These are obligations of the Agency and will be paid in full after final annual payments are made from the 2014 tax year (2014/2015 Fiscal Year) tax increment allocations.

The Agency has entered into Interlocal Agreements with Salt Lake City Corporation for the payment of the portion of the City's sales tax bond debt service related to Franklin Covey Field, the 500 West Park Blocks, and the Guardsman Way Ice Sheet. The interlocal agreements state that "to the extent tax increment is available," the Agency will make the debt service payments. If tax increment is not adequate to cover the balance of the Agency's share of debt service, Salt Lake City Corporation is obligated to make the payments even if the Agency's assistance is reduced or eliminated in that year. The Agency has also executed agreements with the Salt Lake City School District to pay either negotiated amounts or a percentage of the actual debt service payments. These payments continue through the term of the bond obligations or the end of the permitted statutory life of the Central Business District Project Area.

CENTRAL BUSINESS DISTRICT PROJECT AREA

OVERVIEW

The Central Business District Project Area (CBD) was created on May 1, 1982 and will expire in tax year 2040. The unusual length of the CBD Project Area life exists as a result of the approval of a project area extension granted by the Agency's Taxing Entity Committee. The CBD Project Area is approximately bounded by North Temple and 500 South Street, 400 West and 200 East. Since State redevelopment law at the time of the creation of the CBD Project Area limited the area for tax increment collection to 100 acres within a single project area, the Agency carefully selected 100 tax increment generating acres from the designated 262-acre project area. The remaining 162 acres are still eligible for RDA funding.

The CBD project area was adopted without a project area budget because this statutory requirement did not exist at the time of the project area's creation. The adopted redevelopment plans describe development objectives that include promotion of residential, office, and commercial projects, assisting in the planning and construction of public infrastructure and transportation, and promotion of cultural activities. This project area has no statutory obligation to contribute to the Project Area or City-Wide Housing funds. As a practice, however, the Board of Directors usually allocates approximately 10% of tax increment revenues after ongoing obligations to support housing development.

GOALS AND OBJECTIVES

In December 2010, the Board of Directors of the Agency adopted the following goals and objectives for the Central Business District Project Area:

- Gallivan Center Renovation
 - Host re-opening celebration and initiate new major programming for summer 2011.
 - Implement strategy to activate Gallivan Avenue by leasing retail spaces to day and evening users.
- Utah Theater
 - Lease storefront space.
 - Define appropriate use for facility.
 - Identify funding sources for renovation.
 - Prepare RFP for development.
- State Street Development
 - Ensure compliance with development agreement through start of construction
- Downtown Streetcar
 - Complete Alternatives Analysis.
 - Complete Environmental Assessment.
 - Begin design.
 - Identify funding sources.
- Downtown Mid-block Walkways
 - Identify opportunities to create mid-block walkways.

- Determine appropriate documentation of CCRs, easements, and other RDA land agreements that involve public space.
- Utah Performing Arts Center
 - Negotiate acquisition of property.
 - Complete predevelopment study.
 - Define scope of project in relation to establishing a cultural core.
 - Complete rollout of project concept to stakeholders.
 - Identify funding sources.
- Leonardo Grant Agreement/Distribution
 - Execute agreement with City and Leonardo for disbursement

Board members requested that funding applications for the 2011/2012 Budget year be directed toward accomplishment of the adopted goals and objectives. Therefore, after all ongoing budget requirements are met, the remaining funds are used for projects that meet the specific goals and objectives as previously stated.

REVENUE AND ALLOCATION

REVENUE

Tax Increment. The 2010 tax year is the third year the Agency will operate under the CBD Extension Resolution adopted by the Taxing Entity Committee on October 1, 2004. This resolution extends the CBD Project Area through 2040. The Agency has requested that the County Auditor distribute 100% of the tax increment to the Agency. The SARR Debt Service has the senior call on available tax increment. The remainder of funds will be split with 60% being paid to the taxing entities and 40% being retained by the Agency for redevelopment activities.

CBD Tax Increment Growth: 1997 – 2010		
Tax Year	Tax Increment	% Change
1997	11,954,713	
1998	11,230,283	-6.06%
1999	12,715,469	13.22%
2000	12,543,596	-1.35%
2001	13,317,097	6.17%
2002	13,692,033	2.82%
2003	11,363,379	-17.01%
2004	9,659,285	-15.00%
2005	9,590,595	-0.71%
2006	9,615,389	0.26%
2007	9,438,307	-1.84%
2008	883,002	-90.64%
2009	709,429	-19.66%
2010	2,770,437	290.51%
2011**	12,839,698	
* Estimated		

CBD Project Area tax increment revenue is generated and collected from the increase in property tax values above the base value established at its inception within the 100-acre collection area of the total 262-acre project area. Tax increment revenues since 1997 are shown in the table on the left.

State redevelopment law requires that the Agency request tax increment on the November 1st prior to the beginning of the tax year the increment will be generated. This results in the Agency requesting more than anticipated in order to assure that the Agency receives all tax increment proceeds to reinvest in the project area. For this reason, the Agency’s budget is prepared to include both “Certain” and “Uncertain” funding allocations.

On November 1, 2010, the Agency requested \$12,839,698 for the 2011 tax year. In March 2010 the report of the Salt Lake County Auditor verified the 2009 regular tax increment proceeds in the amount of \$2,770,437. Starting with Tax

Year 2008, the taxing entities receive 60% of available tax increment after debt service for the remaining life of the CBD Extension. During the first seven years of the CBD Extension, the vast majority of tax increment proceeds are earmarked for the debt service payments under SARR.

The certain and uncertain tax increment for CBD match the CBD amount requested in the Nov. 1 report. The Agency determined the CBD Project Area certain funding for the 2011/2012 budget at \$2,804,997 with the uncertain balance at \$10,034,701.

Central Business District 2011/2012 Fiscal Year Revenue	
Source	Amount
Tax Increment - Certain	\$2,804,997
Tax Increment - Uncertain	\$10,034,701
Interest Income	\$34,000
Temporary Property Income	\$0
Reallocation	\$0
TOTAL	\$12,873,698

Projects funded with “uncertain” funding allocations are not started until the Agency receives the March report from the Salt Lake County Auditor’s Office certifying actual tax increment received. A budget amendment is then prepared and presented for adoption that balances actual tax increment receipts and funding allocations.

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Central Business District:

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.
2. Temporary Property Income. From time to time, the Agency receives lease revenues from various downtown rentals. Temporary Property Income is budgeted as a part of the “certain” funding allocation. This year, because we plan to vacate several of our previously rented properties, we have not anticipated substantial lease revenues. What does come in will be deposited in the Program Income Fund.
3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation for the current year.

ALLOCATIONS

Allocations of revenues to support redevelopment activities fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the CBD Project Area.

Ongoing Obligations.

1. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, which results in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.

2. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.

<u>Central Business District 2011/2012 Fiscal Year</u>	
<u>Ongoing Allocations</u>	
Use	Amount
<i>Ongoing Obligations</i>	
Tax Refund Liability	\$45,000
Administration (includes office rent)	\$322,000
Streetcar Project Manager	\$15,000
Contract Planner	\$15,000
Assessment & Collection Levies	\$48,021
60% TEC Payment	\$1,682,998
222 South Main Reimbursement	\$500,000
Total	\$2,628,019

3. Temporary Property Expenses. The Agency owns property in the CBD that requires maintenance and repair, payment of property taxes, insurance and utilities. Most of these expenses are reimbursed by lease revenues. If the property is not leased, the Agency bears the cost of these expenses. The Agency is exempt from property taxes if the property is not leased.

4. 60% Taxing Entity Payment. Under the Taxing Entity Resolution 04-01 adopted on October 1, 2004, the Agency is obligated to pay 60% of all tax increment generated in the CBD Project Area to the taxing entities based upon their percentage share of the tax rate. The \$1,682,998 allocation represents 60% of the certain tax increment. The uncertain portion of the budget (noted below) includes an additional \$6,020,821 that represents 60% of the uncertain tax increment.

5. Assessment & Collection Levies. The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.
6. Streetcar Project Manager. The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic Development Department. The Central Business District funds allocated for this position represent a portion of the RDA’s total obligation
7. Contract Planner. The Contract Planner is intended to be a temporary position. The Contract Planner will be tasked with processing zoning changes that are necessary for the implementation of Salt Lake City’s master plans in RDA Project Areas.

Annual Allocations. The remainder of “certain” tax increment and reallocated funds are allocated to new projects and to sustaining Agency programs. For FY 2011-2012, no new funds are available in certain funds for new projects. The Agency is hopeful that a portion of the \$10,034,701 “uncertain” tax increment may be available. Projects funded with uncertain tax increment cannot be started until after Salt Lake County receives the tax revenue and calculates

the Agency’s share. The following is a list the Agency’s 2011-2012 projects, including those that fall into the uncertain project category.

1. Gallivan Art Tower. This is an Agency request to fund design and construction of a highly visible artistic structure or other feature identifying and designating the Gallivan Center. . The Board allocated \$200,000 in first priority “uncertain” funding.

2. Downtown Arts District Planning & Implementation. Agency staff submitted a \$2 million request to proceed with a Downtown Arts District planning process. The Board approved \$100,000 in “certain” funding, and \$2,300,000 in second priority “uncertain” funding for this project.

3. CBD Streetcar Feasibility /Design/Construction. Funds would be used to assist Salt Lake City in determining the feasibility of the proposed downtown streetcar. The Board approved \$110,977 in “certain” funding, and \$510,411of third priority “uncertain” funding for this project.

2011/2012 Fiscal Year Annual Allocations	
Use	Amount
<i>Annual Obligations: Certain</i>	0
Downtown Arts District Planning & Implementation	100,000
CBD Streetcar Planning /Design/Construction	110,977
<i>Annual Obligations: Uncertain</i>	
Gallivan Art Tower	200,000
Downtown Arts District Planning & Implementation	2,300,000
CBD Streetcar Planning/Design/Construction	510,411
Uncertain TEC Payment (60%)	6,020,821
City-Wide Housing Fund	501,735
Project Area Housing Fund	501,735
TOTAL UNCERTAIN AMOUNT	\$10,245,679

4. City-Wide and Project Area Housing Funds. Every year, the Agency requests funding for the Project Area and City-Wide Housing Funds. The City-Wide funds are used by Salt Lake City Housing and Neighborhood Development’s Housing Trust Fund to assist in the development of affordable housing projects as required by the Community Development and Renewal Agencies Act. Project Area Housing Fund will be used to increase and/or improve the housing stock in Agency project areas. The Board approved an allocation of 5% or \$501,735 for each fund from the “uncertain” allocation.

SUGAR HOUSE PROJECT AREA

OVERVIEW

The Sugar House Project Area was created on September 19, 1986 and will expire in tax year 2014. The Project Area covers the majority of the Sugar House Business District from 1300 East to 900 East and from Ramona Avenue south to Ashton Avenue. The Project Area includes approximately 95 acres designated as the Tax Increment Collection Area.

SUGAR HOUSE PROJECT AREA BUDGET

Similar to the Central Business District and West Temple Gateway Project Areas, no Project Area Budget was established during project area creation. The project area instead relies on tax increment financing permitted by Section 11-19-29, Utah Code Annotated 1953. This project area has no statutory obligation to contribute to the Project Area or City-Wide Housing funds. As a practice, however, the Board of Directors has allocated approximately 10% of tax increment revenues after ongoing obligations to support housing developments.

GOALS AND OBJECTIVES

In December 2010, the Board of Directors of the Agency adopted the following goals and objectives for the Sugar House Project Area:

1. Wilmington Avenue Property Redevelopment
 - Close on the Purchase & Sale Agreement
 - Manage all requirements in the Agreement
2. Sugar House Streetcar
 - Oversee planning, funding, and construction of the Sugar House Streetcar project
 - Work with UTA, the City Administration, and members of the community on the design and construction of the Streetcar
 - Collaborate with UTA and property owners to identify potential funding sources for the operation of the streetcar line
3. Circulation, Alternatives Analysis, and Land Use Study
 - Oversee planning, funding, and construction of the Sugar House Streetcar project
 - Work with UTA, the City Administration, and members of the community on the design and construction of the Streetcar
 - Collaborate with UTA and property owners to identify potential funding sources for the operation of the streetcar line
4. Granite Block Improvements
 - Assist with the re-alignment of Wilmington Ave. with Sugararmont Ave.
 - Create mid-block walkways
 - Develop the McClelland and PRATT trails as they cross through the block
5. Wilmington Avenue
 - Work with property owners to determine the scope of their development and any RDA assistance needed to ensure the creation of a high quality pedestrian environment on both sides of Wilmington Ave.

- Work with property owners to determine appropriate density and best uses for the area

Board members requested funding applications for the 2011/2021 Budget year be directed toward accomplishment of the adopted goals and objectives.

SUGAR HOUSE REVENUES AND ALLOCATIONS.

Revenue

Tax Increment. Sugar House tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area.

Since 1998, the Sugar House Project Area has generated tax increment revenues as indicated in the adjacent table.

On November 1, 2010, the Agency requested \$3,000,000 for the 2011 tax year. Given the verification of actual tax increment proceeds for 2010, \$1,200,000 has been budgeted as “certain” and \$1,800,000 as “uncertain” funding allocations for fiscal year 11/12.

Tax Year	Tax Increment	% Change
1998	734,349	
1999	998,186	35.93%
2000	1,153,655	15.58%
2001	1,425,000	23.52%
2002	1,660,000	16.49%
2003	1,900,059	14.46%
2004	1,763,451	-7.19%
2005	1,642,540	-6.86%
2006	1,525,647	-7.12%
2007	1,498,580	-1.77%
2008	1,525,522	1.80%
2009	1,403,420	-8.00%
2010	1,429,708	1.8%
2011**	3,000,000	
** Estimated		

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Sugar House Project Area:

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

Sugar House 2011/2021 Fiscal Year Revenue	
Source	Amount
Tax Increment - Certain	\$1,200,000
Tax Increment - Uncertain	\$1,800,000
Interest Income	\$40,000
Temporary Property Income	\$0
Reallocation	\$0
Property Sale	\$1,250,000
TOTAL	\$4,290,000

2. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation. Currently, the Agency has no leased properties in the Sugar House Project Area.

3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation.

4. Property Sales. When the Agency sells property in Sugar House, the proceeds from that sale may be reallocated into the project area “certain” funding allocation for the current fiscal year. The Agency expects to sell the Wilmington Avenue property during 2011.

ALLOCATIONS

Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Sugar House Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

Use	Amount
<i>Ongoing Obligations</i>	
Administration	406,587
Tax Refund Liability	\$10,000
Temporary Property Expenses	\$6,500
Streetcar Project Manager	\$35,000
Contract Planner	\$20,000
Assessment & Collection Levies	\$20,544
TOTAL	\$498,631

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.

2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not

always made during the tax year in which they were paid, resulting in a need for the State and County recapture tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.

3. Temporary Property Expenses. From time to time, the Agency’s purchases property resulting in the need to pay property taxes, insurance, utilities, and repairs.
4. Contract Planner: The Contract Planner is intended to be a temporary position. The Contract Planner will be tasked with processing zoning changes that are necessary for the implementation of Salt Lake City’s master plans in RDA Project Areas. In the Depot District, the Contract Planner will be tasked to rezone two blocks just east of the Intermodal Hub to a Transit-Oriented Development designation.
5. Streetcar Project Manager: The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic Development Department. The Sugar House Project Area funds allocated for this position represent a portion of the RDA’s total obligation.
6. Assessment and Collection Levies: The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs.

Use	Amount
<i>Annual Allocation</i>	
Public Imp. & Dev. Incentives	340,000
Street Car Design & Implem.	750,000
Loan Programs	312,956
Streetscape Amenities Plan	403,413
Sugar House Compass	5,000
City-wide Housing	120,000
Project Area Housing	60,000
<i>Uncertain Allocations</i>	0
Public Imp. & Dev. Incentives	370,000
Street Car Design & Implem.	750,000
Streetscape Amenities Plan	500,000
City-wide Housing	90,000
Project Area Housing	90,000
Total	\$3,791,369

Funding Allocation Requirements or Conditions.

1. Public Improvement & Development Incentives. The Board approved \$340,000 in certain funding and \$370,000 in second priority uncertain funding. No specific project had been identified at the time the budget was adopted.
2. Street Car Design & Implementation. The Board approved \$750,000 in certain funding for the design and construction of a street car line that runs from the 2100 South TRAX station to the Granite Furniture block. An additional \$750,000 was allocation in first priority uncertain funding.
3. Sugar House Compass. The Board allocated \$5,000 to assist with the relocation of the Sugar House Compass.
4. Loan Programs. The Board allocated \$312,956 of certain to replenish the Agency’s Loan Program account.
5. Streetscape Amenities Plan. The Board approved \$403,413 for traffic calming and public-right-of-way improvements in certain funds and \$500,000 in third priority for uncertain funding.
6. City-Wide and Project Area Housing Allocations. Each year, the Board typically allocates 10% of certain and uncertain tax increment to support housing projects within Agency project areas and city-wide. Upon receipt of the March report from the Salt Lake County Auditor’s office, staff will work with Housing Trust Fund manager to prepare and execute an agreement that includes the actual dollar amount of the contribution and any statutory requirements for use of the funds for the City-Wide allocation. Project Area Housing funds will be used to acquire property or provide development incentives to developers and will be approved by the Board on a case-by-case basis.

WEST TEMPLE GATEWAY PROJECT AREA

Overview

The West Temple Gateway Project Area was created on August 1, 1987 and will expire in tax year 2018. The Project Area, in general, covers the area of 600 South to the I-15 off-ramp (approximately 1000 South) and 300 West to Main Street. The Project Area includes 92 acres of property located within the Central Community Planning District.

The adopted Project Area Plan includes the development objectives that are to be accomplished over the life of the project area. The primary focus of these objectives includes constructing public infrastructure to support both the residential and commercial nature of the district; facilitating the development of residential and commercial properties in the district; and improving the transportation system within the Project Area.

PROJECT AREA PRIORITIES

In January 2011, the Board of Directors of the Agency adopted the following project area priorities for the Depot District Project Area:

1. Redevelop RDA-Owned Property surrounding the 900 South TRAX Station.
 - Complete redevelopment strategy.
 - Market property as recommended in redevelopment strategy.
 - Address regulatory road blocks to development (e.g. zoning).
 - Work with selected developers to redevelop RDA-owned property.
 - Perform site preparation necessary to implement strategy.
 - Plan and construct infrastructure necessary for the redevelopment of RDA-owned property.
 - Acquire strategic properties.
 - Monitor non-RDA developments within the project area.
2. Mid-Block Walkways
 - Strategically acquire property to accommodate implementation.
 - Perform necessary site preparation.
 - Design mid-block walkways.
 - Construct walkways.
3. Downtown Streetcar
 - Conduct alternatives analysis and environmental assessment.
 - Complete design.
 - Obtain and award bids for project construction.
 - Construct alignment.
 - Address regulatory road blocks to development along alignment.

Board members requested funding applications for the 2011/2012 Budget year be directed toward accomplishment of the adopted project area priorities.

WEST TEMPLE GATEWAY REVENUES AND ALLOCATIONS

Revenue

Tax Increment. West Temple Gateway tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. Tax increment revenues since 1997 were as shown in the adjacent table.

On November 1, 2009, the Agency requested \$1,500,000 for the 2010 tax year. In March 2011 the report of the Salt Lake County Auditor verified the 2010 tax increment proceeds to be \$585,085.

On November 1, 2010, the Agency requested \$1,500,000 for the 2011 tax year. Given the verification of actual tax increment proceeds for 2010, \$500,000 has been budgeted as “certain” and \$1,000,000 in “uncertain” funding allocations for the 11/12 fiscal year.

Tax Year	Tax Increment	% Change
1997	400,000	
1998	304,174	-23.96%
1999	365,405	20.13%
2000	395,108	8.13%
2001	414,742	4.97%
2002	498,834	20.28%
2003	447,682	-10.25%
2004	464,143	3.68%
2005	475,224	2.39%
2006	584,163	22.92%
2007	599,673	2.66%
2008	584,599	-2.51%
2009	579,010	-0.96%
2010	585,085	1.05%
2011**	1,500,000	
** Estimated		

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the West Temple Gateway Project Area:

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

2. Temporary Property Income. From time to time the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation. Currently, the Agency has no leased property in West Temple Gateway.

3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation in the current year.

4. Property Sales. The RDA owns a number of properties in the West Temple Gateway Project Area and anticipates the possible disposition of some of these over the next few years.

Source	Amount
Tax Increment - Certain	\$500,000
Tax Increment - Uncertain	\$1,000,000
Interest Income	\$8,000
Temporary Property Income	\$0
Reallocation	\$0
Property Sales	\$0
	\$1,508,000

ALLOCATIONS

Allocations of revenue fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the West Temple Gateway Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.
2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.
3. Assessment & Collection Levies. The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.
4. Streetcar Project Manager. The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic Development Department. The Granary District funds allocated for this position represent a portion of the RDA’s total obligation.
5. Contract Planner. The Contract Planner is intended to be a temporary position. The Contract Planner will be tasked with processing zoning changes that are necessary for the

Use	Amount
<i>Ongoing Obligations</i>	
Administration	90,000
Tax Refund Liability	200
Assessment & Collection Levies	8,560
Streetcar Project Manager	2,500
Contract Planner	5,000
Temporary Property Expenses	75,500
<i>Certain Allocation</i>	
People’s Portable Garden	16,400
Public Improvements	0
Loan Programs	14,840
Streetcar Planning, Design and Construction	15,000
Land Acquisition & Development	230,000
Public Art	0
Branding & Education	0
City-wide Housing	25,000
Project Area Housing	25,000
<i>Uncertain Allocations</i>	
Public Improvements	250,000
Loan Programs	0
Streetcar Planning, Design and Construction	250,000
Land Acquisition & Development	400,000
City-wide Housing	50,000
Project Area Housing	50,000
Total	\$1,508,000

implementation of Salt Lake City's master plans in RDA Project Areas. In the Granary District, the primary activities will be rezoning the General Commercial Zone (CG) and the Fleet Block.

6. Temporary Property Expenses. From time to time, the Agency purchases property, resulting in the need to pay property taxes, insurance, utilities, and repairs.

Annual Allocations. The remainder of "certain" and "uncertain" tax increment is allocated to new projects and sustaining Agency programs.

1. People's Portable Garden. Wasatch Community Garden has been allocated \$16,400 to continue the management and maintenance from July 2011 to June 2012 of the People's Portable Garden location on the RDA-owned property located at 873-877 South 200 West.
2. Public Improvements. The Board allocated \$250,000 of uncertain funding for public improvements. Funding will be used to identify, design, and install needed public improvements that may include the Jefferson mid-block walkway, open/public space improvements, street reconstruction and improvements, curb and gutter, utility upgrades, and street lighting installations.
3. Loan Programs. In an effort to stimulate private investment and encourage rehabilitation of commercial buildings in the WTG Project Area, the Board allocated \$14,840 of certain funds to replenish the Agency's Loan Program account.
4. Streetcar Planning, Design and Construction. The Board approved \$15,000 of certain funds and \$250,000 of uncertain funds for the cost of consultants, planning, design and construction for the creation of a streetcar that will serve the residents and businesses of the West Temple Gateway, Granary District, and Depot District Project Areas.
5. Land Acquisition & Development. The Board allocated \$230,000 of certain funds and \$400,000 of uncertain funds to support strategic land purchases for redevelopment, removal of deteriorated properties, stimulation of additional development, demolition, site preparation, environmental remediation, temporary use improvements, legal services, and marketing costs for RDA-owned properties. Agency staff will submit projects as they are identified throughout the year for Board consideration and action. No specific project had been identified at the time the budget was adopted.
6. City-Wide and Project Area Housing Allocations. Each year, the Board typically allocates 5% of certain and uncertain tax increment to support housing projects within Agency project areas and city-wide. Upon receipt of the March report from the Salt Lake County Auditor's office, staff will work with Housing Trust Fund managers to prepare and execute an agreement that includes the actual dollar amount of the contribution and any statutory requirements for use of the funds for the City-Wide allocation. Project Area Housing funds will be used to acquire property or provide development incentives to developers and expenditures will be approved by the Board on a case by case basis.

WEST CAPITOL HILL PROJECT AREA

OVERVIEW

The West Capitol Hill Project Area was created on July 1, 1996 and will expire the earliest of: 1) tax year 2018; or 2) when the Agency has received \$5,270,000 of West Capitol Hill Project Area Tax Increment. The Project Area includes the area from 200 West to 400 West and 300 North to 800 North. The Project Area includes approximately 100 acres all of which have been designated as the tax increment collection area.

WEST CAPITOL HILL PROJECT AREA BUDGET

The multi-year budget for West Capitol Hill Project area was adopted on July 1, 1996 as required under the Utah Code Annotated. The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

1. Residential Programs: 25%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

2. Commercial Programs: 50%

Redevelopment activities anticipated to be accomplished are in concert with the Capitol Hill Master Plan. These activities include land acquisition and commercial development.

3. Infrastructure Improvements: 25%

Public infrastructure is a vital part of encouraging redevelopment activity. Developers interpret such public investment as a message that the City is committed to reinvesting in these blighted project areas.

GOALS AND OBJECTIVES

In December 2010 the Board of Directors of the Agency adopted the following goals and objectives for the West Capitol Hill Project Area:

1. 300 West Development Strategy
 - Determine development strategy for the 300 West Properties
 - Implement first steps of strategy.
2. 300 West Median and Pedestrian Safety Project
 - Finish design phase of 300 West Medians, and begin construction
 - Add a monument sign announcing neighborhood
 - Encourage property owners to plant trees in medians along 300 West
 - Add pedestrian-friendly features on 300 West
3. Housing Infill Project

- Collaborate with City and community partners on the development of a strategic housing plan.
 - Pursue land acquisition to assemble property for infill housing
4. 300/400 West Street Lighting
- Establish attractive and consistent street lighting along 300 West and 400 West streets

Board members requested funding applications for the 2011/2012 budget year be directed toward accomplishment of the adopted goals and objectives.

WEST CAPITOL HILL REVENUES AND ALLOCATIONS

Revenue

Tax Increment. West Capitol Hill tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. Since the creation of the

Tax Year	Tax Increment	% Change
1997	117,294	
1998	166,113	41.62%
1999	181,765	9.42%
2000	192,738	6.04%
2001	206,626	7.21%
2002	202,119	-2.18%
2003	215,668	6.70%
2004	231,799	7.48%
2005	271,036	16.93%
2006	348,765	28.68%
2007	450,000	29.03%
2008	534,193	18.71%
2009	542,377	1.53%
2010	606,384	11.8%
2011**	900,000	
** Estimated		

Project Area, tax increment revenues have been as shown in the table below.

On November 1, 2010, the Agency requested \$900,000 for the 2011 tax year. In March 2011, the report of the Salt Lake County Auditor verified the 2010 tax increment proceeds to be \$606,384. Given this information, \$575,000 has been budgeted as “certain” and \$325,000 as “uncertain” funding allocations for the 11/12 fiscal year.

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the West Capitol Hill Project Area:

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

Source	Amount
Tax Increment - Certain	\$575,000
Tax Increment - Uncertain	\$325,000
Interest Income	\$12,000
Temporary Property Income	\$0
Reallocation	\$92,000
TOTAL	\$1,004,000

2. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property income is budgeted as part of the “certain” funding allocation.

3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation for the current year.

Allocations

Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the West Capitol Hill Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that
2. project area’s goals and objectives.
3. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.
4. Temporary Property Expenses. From time to time, the Agency purchases property that result in the need to pay property taxes, insurance, utilities, and repairs to Agency-owned property.

Use	Amount
<i>Ongoing Obligations</i>	
Administration	\$100,000
Tax Refund Liability	\$500
Temporary Property Expenses	\$42,000
Contractual Obligations	0
Assessment & Collection Levies	\$9,844
Contract Planner	\$5,000
TOTAL	\$157,344

5. Contractual Obligations. The Agency currently has no Participation and Reimbursement Agreements for developers in the West Capitol Hill Project Area.

6. Assessment and Collection Levies: The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah

Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.

7. Contract Planner: The Contract Planner is intended to be a temporary position. The Contract Planner will be tasked with processing zoning changes that are necessary for the implementation of Salt Lake City’s master plans in RDA Project Areas. In the Depot District, the Contract Planner will be tasked to rezone two blocks just east of the Intermodal Hub to a Transit-Oriented Development designation.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs.

Funding Allocations Requirements or Conditions.

1. Infrastructure Improvements. The Board allocated \$214,156 of certain funding and \$92,500 of uncertain funding in first priority for infrastructure improvements including landscaped medians, lighting, and traffic calming features.

Use	Amount
<i>Annual Allocation</i>	
Land Acq. & Develop.	250,000
Infrastructure Improv.	214,156
City-wide Housing	28,750
Project Area Housing	28,750
<i>Uncertain Allocations</i>	0
Land Acq. & Develop.	200,000
Infrastructure Improv.	92,500
City-Wide Housing	16,250
Project Area Housing	16,250
Total	846,656

2. Land Acquisition and Development. The Board allocated \$250,000 in certain and \$200,000 in uncertain funding in second priority for land acquisition and development opportunities.

3. City-Wide and Project Area Housing Allocations. Each year, the Board typically allocates 10% of certain and uncertain tax increment to support housing projects within Agency project areas and city-wide (5% each). Upon receipt of the

March report from the Salt Lake County Auditor’s office, staff will work with Housing Trust Fund managers to prepare and execute an agreement that includes the actual dollar amount of the contribution and any statutory requirements for use of the funds for the City-Wide allocation. Project Area Housing funds will be used to acquire property or provide development incentives to developers and will be approved by the Board on a case-by-case basis.

DEPOT DISTRICT PROJECT AREA

OVERVIEW

The Depot District Project Area was created on October 15, 1998 and will expire in tax year 2022. The Project Area covers the area of North Temple to 400 South Streets and 400 West to the I-15 corridor. The Project Area includes 170 acres of which 100 acres have been designated as the tax increment collection area as required by the Agency's enabling legislation.

The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

1. Section 17C-1-411 & 412 Housing Funds: 20%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

2. Redevelopment Activities: 65% to 75%

Redevelopment Activities anticipated to be accomplished are in concert with the Gateway Master and Specific Plans. They include land acquisition, facilitating housing and commercial development, and participation in the construction of public infrastructure.

3. Administrative Expenses: 5% to 15%

Administrative Expenses include the personal services, operating and maintenance expenses, charges and services, and capital expenditures for equipment necessary for the operation of the Agency.

PROJECT AREA PRIORITIES

In January 2011, the Board of Directors of the Agency adopted the following project area priorities for the Depot District Project Area:

1. Intermodal Hub Plan Implementation: Proceed with the following steps as provided in the Intermodal Hub Area Land Use Strategy and Marketing Plan:
 - Finalize relevant land acquisitions
 - Demolish identified buildings
 - Identify opportunities to incorporate public amenities, such as parks, in redevelopment strategy
 - Identify parking structure plan and financing
2. Public Market: Collaborate with The Downtown Alliance to fund the development of a public market near the Intermodal Hub.

3. City Creek Daylighting Project: Ensure compliance with development agreement through the start of construction.
4. Streetcar System: Proceed with Alternatives Analysis.

Board members requested funding applications for the 2011/2012 Budget year be directed toward accomplishment of the adopted project area priorities.

DEPOT DISTRICT REVENUES AND ALLOCATIONS

Revenue

Tax Year	Tax Increment	% Change
1999	83,166	
2000	314,660	278.35%
2001	388,019	23.31%
2002	2,099,189	441.00%
2003	2,302,280	9.67%
2004	2,224,781	-3.37%
2005	2,680,529	20.49%
2006	3,342,808	24.71%
2007	3,552,441	6.27%
2008	3,995,191	12.46%
2009	4,199,404	5.11%
2010	4,606,382	8.84%
2011**	6,500,000	
** Estimated		

Tax Increment. Depot District tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area.

Since the creation of the Project Area, tax increment revenues have been as follows:

On November 1, 2009, the Agency requested \$6,000,000 for the 2010 tax year. In March 2011 the report of the Salt Lake County Auditor verified the 2010 tax increment proceeds to be \$4,606,382. On November 1, 2010, the Agency requested \$6,500,000 for the 2011 tax year. Given the verification of actual tax increment proceeds for 2010, \$4,275,000 has been budgeted as “certain” and \$2,225,000 as “uncertain” funding allocations.

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Depot District.

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

2. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation.

Source	Amount
Tax Increment - Certain	\$4,275,000
Tax Increment - Uncertain	\$2,225,000
Interest Income	\$19,000
Temporary Property Income	\$0
Reallocation	\$0
TOTAL	\$6,519,000

3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation for the current year.

Allocations. Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Depot District Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.

2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.

Use	Amount
<i>Ongoing Obligations</i>	
Administration	\$450,000
Tax Refund Liability	\$15,000
Assessment & Collection Levies	\$73,188
Temporary Property Expenses	\$546,000
Gateway Associates	\$1,875,000
Homestead Suites	\$185,255
Grant Tower Debt Service	\$281,854
Streetcar Project Manager	\$20,000
Contract Planner	\$25,000
TOTAL	\$3,471,297

3. Assessment and Collection Levies: The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.
4. Temporary Property Expenses. From time to time, the Agency’s purchases property which results in the need to pay property taxes, insurance, utilities, and repairs to Agency-owned property.
5. Gateway Associates/Homestead Suites Contractual Obligations. The Agency has executed Participation and Reimbursement Agreements for two developers in the Depot District: Gateway Associates and Homestead Suites. These reimbursements are based upon a percentage of the actual tax increment assessed and paid by the developments.
6. Grant Tower Reconfiguration. Beginning in October 2007 through the remaining project area life, the Agency will pay a portion of the debt for a Sales Tax Bond issued by Salt Lake City Corporation to finance infrastructure improvements associated with the Grant Tower rail reconfiguration. The principal amount of the Agency’s obligation is \$3,145,000 and the amount shown in the table is the Agency’s 2011/2012 obligation.
7. Streetcar Project Manager: The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic

Development Department. The Depot District funds allocated for this position represent a portion of the RDA’s total obligation.

8. Contract Planner: The Contract Planner is intended to be a temporary position. The Contract Planner will be tasked with processing zoning changes that are necessary for the implementation of Salt Lake City’s master plans in RDA Project Areas. In the Depot District, the Contract Planner will be tasked to rezone two blocks just east of the Intermodal Hub to a Transit-Oriented Development designation.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs. Below are listed the annual funding allocations for the 11/12 fiscal year.

1. Public Market at Rio Grande Depot. The Board approved \$145,203 in certain funding and \$300,000 in uncertain funding for design and construction costs associated with The Downtown Alliance’s Public Market project at the Rio Grande Depot.

Use	Amount
<i>Certain Allocations</i>	
Public Market @ Rio Grande Depot	145,203
Intermodal Hub Strategy Implementation	250,000
City-Wide Housing	213,750
Project Area Housing	213,750
<i>Total Annual Allocation</i>	<i>822,703</i>
<i>Uncertain Allocations:</i>	
Public Market @ Rio Grande Depot	300,000
Land Acquisition and Development	400,000
Parking Structure	400,000
Streetcar Planning/Design/Construction	400,000
Intermodal Hub Strategy Implementation	502,500
City-Wide Housing	111,250
Project Area Housing	111,250
<i>Total Uncertain Allocations:</i>	<i>\$2,225,000</i>

2. Intermodal Hub Strategy Implementation. The Board allocated \$250,000 in certain funding and \$502,500 in uncertain funding for general implementation costs of the Intermodal Hub Development Strategy.

3. City-Wide and Project Area Housing Allocations. Each year, the Board typically allocates 10% of certain and

uncertain tax increment to support housing projects within Agency project areas and city-wide. Upon receipt of the March report from the Salt Lake County Auditor’s office, staff will work with Housing Trust Fund managers to prepare and execute an agreement that includes the actual dollar amount of the contribution and any statutory requirements for use of the funds for the City-Wide allocation. Project Area Housing funds will be used to acquire property or provide development incentives to developers and will be approved by the Board on a case-by-case basis. The Board allocated \$213,500 in certain funding to each housing fund, and \$111,250 in uncertain funding to each housing fund.

4. Parking Structure: The Board allocated \$400,000 in uncertain funding for the design and construction of a central parking structure to be located adjacent to the Intermodal Hub.

5. Streetcar Planning/Design/Construction: The Board allocated \$400,000 in uncertain funds for the planning, design, and construction of the Downtown Streetcar. The RDA currently has \$92,808 left over from the previous budget year.

GRANARY DISTRICT PROJECT AREA

OVERVIEW

The Granary District Project Area was created on April 15, 1999 and will expire in tax year 2023. The Project Area covers a portion of the area from 600 South to the 900 South I-15 off-ramp (approximately 1000 South) and 300 West to the I-15 corridor. The Project Area includes 95.8 acres of the South Gateway Planning District.

The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

1. Section 17C-1-411 & 412 Housing Funds: 20%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

2. Redevelopment Activities: 65% to 75%

Redevelopment Activities anticipated to be accomplished are in concert with the Gateway Master and Specific Plans. They include land acquisition, facilitating housing and commercial development, and participation in the construction of public infrastructure.

3. Administrative Expenses: 5% to 15%

Administrative Expenses include the personal services, operating and maintenance expenses, charges and services, and capital expenditures for equipment necessary for the operation of the Agency.

PROJECT AREA PRIORITIES

The RDA Board of Directors adopted the following Project Area Priorities for the Granary District Project Area:

Priority Projects	Related Administrative Components
Fleet Block Development	<ul style="list-style-type: none"> • Collaborate with City to determine roles and responsibilities for the development of the Fleet Block. • Complete redevelopment strategy. • Perform necessary site preparation. • Market property for development. • Rezone Fleet Block.
Reconstruct 400 West	<ul style="list-style-type: none"> • Collaborate with stake holders to develop objectives for the reconstruction of 400 West. • Work with City on design of 400 West. • Obtain and award bids for reconstruction work.
Downtown Streetcar	<ul style="list-style-type: none"> • Conduct alternatives analysis and environmental assessment.

	<ul style="list-style-type: none"> • Complete design. • Obtain bids for project construction. • Construct alignment. • Address regulatory road blocks to development along alignment.
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Board members requested that funding applications for the 2011/2012 Budget year be directed toward accomplishment of the adopted Project Area Priorities.

Granary District Revenues and Allocations.

Revenue

Tax Year	Tax Increment	% Change
2000	70,816	
2001	16,964	-76.05%
2002	53,810	217.20%
2003	84,074	56.24%
2004	67,326	-19.92%
2005	82,434	22.44%
2006	114,329	38.69%
2007	150,000	31.20%
2008	240,024	60.01%
2009	208,121	-13.29%
2010	233,678	12.27%
2011**	700,000	
** Estimated		

Tax Increment. Granary District tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. The adjacent table lists that amount of tax increment generated annually since the creation of the project area.

Granary District 2011/2012 Fiscal Year Revenue

On November 1, 2010, the Agency requested \$705,000 for the 2011 tax year. In March 2010 the report of the Salt Lake County Auditor verified the 2009 tax increment proceeds to be \$233,678. Given this information, \$230,000 will be budgeted as “certain” and \$470,000 will be budgeted as “uncertain.”

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Granary District:

Source	Amount
Tax Increment - Certain	\$230,000
Tax Increment - Uncertain	470,000
Interest Income	5,000
Temporary Property Income	0
Reallocation	0
TOTAL	\$705,000

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.
2. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocation as a part of the “certain” funding allocation for the current year.
3. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation.

Allocations. Allocations of revenue fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Granary District Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. **Administrative Costs.** Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area's goals and objectives.
2. **Temporary Property Expenses.** From time to time, the Agency purchases property, which results in the need to pay property taxes, insurance, utilities, and maintenance expenses.
3. **Tax Refund Liability.** Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, which results in a need for the State and County to recapture tax increment proceeds from subsequent years from the Agency. The Agency budgets funds each year to cover this possibility.
4. **Assessment & Collection Levies.** The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.
5. **Streetcar Project Manager.** The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic Development Department. The Granary District funds allocated for this position represent a portion of the RDA's total obligation.
6. **Contract Planner.** The Contract Planner is intended to be a temporary position. The Contract Planner will be tasked with processing zoning changes that are necessary for the implementation of Salt Lake City's master plans in RDA Project Areas. In the Granary District, the primary activities will be rezoning the General Commercial Zone (CG) and the Fleet Block.
7. **Artspace Commons TI Reimbursement.** The Agency executed Participation and Reimbursement Agreements with Artspace as part of the financing for their development located at 800 South 400 West. The annual reimbursement provided for in the agreements is based upon a percentage of the actual tax increment assessed and paid by Artspace.

Annual Allocations. The remainder of "certain" and "uncertain" tax increment is allocated to new projects and sustaining Agency programs as described below:

1. **Public Improvements.** The Board allocated \$100,000 of certain and \$300,000 of first priority uncertain funds to be used to identify, design, and construct needed public improvements in the District. These improvements might include street reconstruction, curb and gutter installation, utility upgrades, street light installation and fixed rail transportation construction.
2. **Land Acquisition & Development.** The Board allocated \$20,077 of certain and \$100,000 in second priority uncertain funding for land acquisition. While the Agency has not identified specific parcels for acquisition with the allocated funds, Staff will pursue strategic acquisitions that can be developed in concert with the Fleet Block and/or planned transit lines.

Use	Amount
<i>Ongoing Obligations</i>	
Administration	23,000
Temporary Property Expense	3,800
Tax Refund Liability	100
Assessment & Collection Levies	3,938
Streetcar Project Manager	2,500
Contract Planner	2,500
Artspace Commons TI Reimbursement	56,085
<i>Annual Allocation</i>	
Public Improvements	100,000
Land Acquisition & Development	20,077
City-Wide Housing	11,500
Project Area Housing	11,500
<i>Uncertain Allocations</i>	0
Public Improvements	300,000
Land Acquisition & Development	100,000
Streetcar Planning, Design, and Development	23,000
City-Wide Housing	23,500
Project Area Housing	23,500
Total	\$705,000

3. **Streetcar Planning, Design, and Development.** The Board allocated \$23,000 in third priority uncertain tax increment for the planning, design, and construction of a downtown streetcar line. The RDA and City have begun planning for the new streetcar line that will serve, among other areas, the Granary District, Depot District, Central Business District, and West Temple Gateway Project Areas. The planning for the streetcar is in its early stages, with all issues pertaining to its location, construction, and operation still being explored. Granary District Project Area (the “Granary District”) funds would only pay a portion of the overall costs.

PROGRAM INCOME FUND

The Program Income Funds are typically allocated as seed money for new project areas, to provide monies for the Revolving Loan Fund, or to pay for studies or projects that may span project area geographic boundaries or provide general information for Agency operations. Unlike Project Area Funds that receive tax increment revenue once per year, the Program Income Fund has a steady stream of income throughout the year from lease payments and loan repayments. Therefore, the allocation of funds between “certain” and “uncertain” is unnecessary.

PROGRAM INCOME REVENUE SOURCES

Source	Amount
Parking Structure Income	\$1,185,992
Loan Repayments	\$590,000
Interest Income	\$300,000
Temporary Property Income	\$0
Reallocation	\$0
TOTAL	\$2,075,992

1. **Parking Structure Income.** The Agency currently owns three parking structures containing approximately 1,750 parking stalls within the Central Business District Project Area. The parking structures are wholly leased to adjacent office buildings. Two of the parking structure leases that were both executed in 1993 are for 50-year terms, including lease rate increases every three years. The third structure is leased to the State of Utah under terms negotiated as part of the construction of the

Heber Wells and DWS building.

2. **Loan Repayments.** The loan repayments from project area tax increment loans are brought into the Program Income Fund. These funds can be budgeted for projects within any project area.
3. **Interest Income.** The Agency’s funds are invested in the State Treasurer’s Pool.
4. **Temporary Property Income.** From time to time, the Agency acquires properties that are subsequently rented or leased.
5. **Reallocation.** When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the next year’s funding allocation for the current fiscal year

PROGRAM INCOME ALLOCATIONS

1. **Administrative Costs.** Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.

DRAFT BUDGET NARRATIVE- FY 2011/2012

Uses	Amount
<i>Ongoing Obligations</i>	
Administration	\$143,255
Contract Planner	\$10,000
Temporary Property Expenses	\$669,000
Block 57 - Maintenance	\$400,000
Block 57 - Programming	\$289,000
Block 57 - Lease Payment	\$28,000
<i>Annual Allocation</i>	
Project Area Creation	\$86,737
Gallivan Art Tower	\$150,000
Gallivan Ave Branding	\$150,000
Marketing and Sales	\$150,000
TOTAL	\$2,075,992

Boyer Company and Gallivan Utah Center.

2. Temporary Property Expenses. From time to time, the Agency purchases property, which results in the need to pay property taxes, insurance, utilities, and repairs to Agency-owned property.
3. Block 57 Expenses (Maintenance, Programming and Lease Payment). As owner of the Gallivan Center and member of the Gallivan Utah Center Owner’s Association, the Agency must pay expenses relating to the programming and maintenance of the Gallivan Center. Salt Lake City Corporation also leases the 200 South Parking Ramp, Transformer Room and Trash Room to the Agency, the cost of which is subsequently passed onto The
4. Project Area Creation. The Board of Directors approved the creation of new project areas within the Salt Lake City limits at the October, 2008 Board retreat. The Project Area Creation funds will continue to cover costs associated with this effort in regards to the creation and of the North Temple project area.
5. Gallivan Art Tower. This is an Agency request to fund design and construction of a highly visible artistic structure or other feature identifying and designating the Gallivan Center. The Board allocated \$150,000 funding from the Program Income Fund for this project.
6. Gallivan Ave. Branding. This is an Agency request to fund the design and construction of physical and brand improvements to enhance the visibility and marketability of RDA-owned retail storefronts along Gallivan Avenue. The project may include the design and installation of lighting, wayfinding signage, programming, landscape and hardscape improvements, and marketing efforts. The Board allocated \$150,000 funding for this project.
7. Marketing and Sales. This is an Agency request to fund costs associated with preparing RDA-owned properties for development, including design and strategic consultant fees and other costs associated with the sale of property in any of the RDA project areas.

HOUSING FUND ALLOCATIONS

Each year, the Agency prepares a report that indicates the amount of funds allocated to housing projects or housing related infrastructure within each of the tax increment funds. Below is a table that shows allocations for housing-related programs and projects as a percent of after-debt tax increment.

Housing Programs and Projects as a Percent of After Debt Tax Increment Revenue

2011/2012 Annual Implementation Budget

	CBD TAX INCREMENT	SUGAR HOUSE	WEST TEMPLE GATEWAY	WEST CAPITOL HILL	DEPOT DISTRICT	GRANARY DISTRICT	TOTAL
Sources (excluding CBD Housing Reallocated)	12,839,698	3,000,000	1,500,000	900,000	6,500,000	700,000	25,439,698
Debt and Administrative Cost	<u>445,021</u>	<u>492,131</u>	<u>106,260</u>	<u>115,344</u>	<u>583,188</u>	<u>32,038</u>	<u>1,806,020</u>
Net Spendable Revenue	12,394,677	2,507,869	1,393,740	784,656	5,916,812	667,962	23,633,678
Transfers to Housing	1,003,470	360,000	150,000	90,000	650,000	70,000	2,323,470
Budget for Housing	0	0	0	0	937,500	0	937,500
Budget for Housing-Related Infrastructure	<u>310,694</u>	<u>750,000</u>	<u>132,500</u>	<u>0</u>	<u>481,854</u>	<u>11,500</u>	<u>1,686,548</u>
Total Housing	1,314,164	1,110,000	282,500	90,000	2,069,354	81,500	4,947,518
Housing as % of Net Spendable Revenue for Project Area	10.60%	44.26%	20.27%	11.47%	34.97%	12.20%	20.93%
Total Housing Costs for all Project Areas							

Housing Funds

	PROJECT AREA HOUSING FUND	CITY WIDE HOUSING FUND
Sources	1,131,735	1,191,735
Debt and Administrative Cost	<u>85,000</u>	<u>70,000</u>
Net Spendable Revenue	1,046,735	1,121,735
Budget for Housing	1,066,735	721,735
Budget for Housing-Related Infrastructure	<u>0</u>	<u>400,000</u>
Total Housing	1,066,735	1,121,735
Housing Percent of Net Spendable Revenue:	101.91%	100.00%
Budget in excess of Transfers In:	20,000	0

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 allocated to residential improvements in special districts.

Only West Capitol Hill, Depot, and Granary Districts have a statutory requirement to allocate a portion of the tax increment for housing and housing-related programs and projects. As stated previously, it has nevertheless the practice of the Board of Directors to allocate 10% of tax increment after debt service from all project areas to support housing.

PROJECT AREA HOUSING FUND

The Utah Community Development and Renewal Agencies Act permits the Agency to lend, grant, or contribute funds to facilitate the construction or renovation of housing within established project areas. It has been the practice of the Board of Directors to allocate 5% of the funds that are available for annual allocation from each project area to support project area housing projects. These funds are typically placed in a general Project Area Housing allocation and then committed to projects throughout the year as applications are made. In addition, \$20,000 of current year interest income proceeds has been allocated to support housing projects within existing project areas.

For fiscal year 2011/2012, given the tax increment received, the Agency has allocated \$274,000 in certain increment to support West Capitol Hill Housing Loans. Administrative costs for the area have been budgeted at \$70,000 and Temporary Property Expenses are anticipated at \$15,000.

CITY-WIDE HOUSING FUND

The Utah Community Development and Renewal Agencies Act permits redevelopment agencies to lend, grant, or contribute funds to facilitate the construction or renovation of affordable housing within the Salt Lake City municipal limits. Affordable housing is defined as projects that benefit households whose income is at or less than 80% of median income. It has been the practice of the Board of Directors to allocate 5% of the funds that are available for annual allocation from each project area to support income-targeted housing projects.

It has also been the practice of the Board of Directors to provide funds to support Salt Lake City's Housing Trust Fund, which is administered by the Housing and Neighborhood Development Division. For fiscal year 2011/2012, given the estimated tax increment, the Agency has allocated the Housing Trust Fund \$109,000 in certain funds, \$120,000 to support Land Acquisition and Development of additional SRO housing, and \$100,000 toward Quiet Zone improvements.

RETAIL REBATE FUND

In 1993, Salt Lake City Corporation entered into a tri-party agreement with the Agency and Hermes Associates to pay for public infrastructure improvements related to the Fred Meyer development located on 500 East between 400 and 500 South by reimbursing a portion of the sales tax revenue generated by the project. The tri-party agreement was amended in 2005 following the sale of the project and converting it to a Smith's Marketplace. The Agency is obligated to pay to Hermes Associates 99% of the sales tax revenues paid to the Agency by Salt Lake City. The remaining 1% of the revenue is retained by the Agency to cover administrative

costs. The sales tax reimbursement is based upon a percentage of sales revenue above a minimum. Calculations for the reimbursement are made by Salt Lake City's Finance Department.

A similar agreement was executed in 1995 with Sutherland Lumber Company when they relocated from 400 South/Redwood Road to the current location on North Temple/Redwood Road. No budget is being proposed for this reimbursement given that Sutherland Lumber has not met the minimum sales requirements for several years.

BUDGET AMENDMENTS

From time to time throughout the fiscal year, it may be necessary to amend the budget. These budget amendments may be a result of changes in project costs, new projects being identified, or a change in the funding available to support projects and programs. At such time as an amendment is necessary, the Agency will prepare new spreadsheets that reflect the changes, hold a public hearing, and adopt an amended budget.