

REDEVELOPMENT FUND



Redevelopment Fund

Redevelopment to eliminate and prevent recurrence of the substandard and blighted conditions along the 84th Street Corridor has been one of the Mayor and City Council's top strategic priorities since the decline of the area began in 2006. In January of 2009 the City embarked on a community visioning process that led to the development of Vision 84, an initial concept for the 84th Street Corridor, which was adopted on April 20, 2010 via Resolution 10-046.

The City Council in 2012 declared the 84th Street Redevelopment Area substandard and blighted and in need of redevelopment. The La Vista Community Development Agency was subsequently created. In 2013 a Redevelopment Plan for the 84th Street Redevelopment Area was adopted. In 2014, La Vista voters approved an additional one-half percent sales and use tax for public infrastructure projects within the 84th Street Redevelopment Area.

An amendment to the Redevelopment Plan was approved for a mixed-use redevelopment project and a public improvement redevelopment project. These projects are currently underway with a private developer constructing a mixed-use redevelopment project primarily on the Brentwood Crossing site. The Agency has been responsible for site preparation, including demolishing, clearing, and disposing of

existing buildings, structures, and facilities, rough grading, and acquisition of any required rights or interests to carry out the work ("Demolition and Site Preparation"). The City was responsible for paying costs of the Demolition and Site Preparation directly to contractors or others.

The City has acquired property and is in the process of designing and constructing various public improvements within the vicinity of the Brentwood Crossing property, City golf course, and City swimming pool. Improvements include public streets, off-street parking facilities, and recreational areas, including transformation of the La Vista Falls golf course into a central recreational area with an expanded lake and walking trails.

The Redevelopment Fund of the City initially was created to track proceeds of the additional one-half percent sales and use tax and related expenditures for public infrastructure projects or public purposes. The Redevelopment Fund is not exclusive and other funds of the City may be involved with respect to the 84th Street Redevelopment Area.

The La Vista Community Development Agency currently does not have, and does not expect to receive, any funds other than in connection with possible tax

REDEVELOPMENT FUND BUDGET SUMMARY

	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Beginning Fund Balance	14,379,936	9,038,898	9,038,898	8,891,335	19,646,858	15,822,459	14,032,079	4,442,022
Operating								
Revenue	1,904,689	22,388,991	21,323,530	20,299,822	3,707,399	12,496,901	4,108,006	4,672,636
Expenditures	394,888	1,025,825	12,351,832	9,296,557	6,658,348	13,210,081	12,344,863	5,775,750
Surplus/(deficit)	1,509,801	21,363,166	8,971,698	11,003,265	(2,950,949)	(713,180)	(8,236,857)	(1,103,114)
Non-Operating								
Transfers-In	-	-	-	-	-	-	-	-
Transfers-Out	(6,850,839)	(21,857,507)	(9,119,261)	(247,742)	(873,450)	(1,077,200)	(1,353,200)	(1,289,950)
Surplus/(deficit)	(6,850,839)	(21,857,507)	(9,119,261)	(247,742)	(873,450)	(1,077,200)	(1,353,200)	(1,289,950)
Net Revenue	(5,341,038)	(494,341)	(147,563)	10,755,523	(3,824,399)	(1,790,380)	(9,590,057)	(2,393,064)
ENDING FUND BALANCE	9,038,898	8,544,557	8,891,335	19,646,858	15,822,459	14,032,079	4,442,022	2,048,959

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increment financing. A separate budget and fund is being established for this purpose. Any other funds of the Agency from time to time will be deposited, held and distributed in accordance with applicable law.

FY18 PROGRESS SUMMARY

The FY18 budget included funding for ongoing public infrastructure costs associated with the mixed-use redevelopment project on the old Brentwood Crossing property and transitioning of the former golf course into a central recreational area. Estimated expenditures of the City in FY18 are anticipated to be \$9.1 million for portions of public infrastructure project costs including the lake grading, OPPD transmission line relocation, Phase 2 Civic Park improvements, Phase 1 Streets, Sewers and Utilities; Phase 2 Intersections, and Public Parking Structure No. 1.

REDEVELOPMENT FUND REVENUE DETAIL

	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Sales Tax	1,887,721	2,514,420	2,514,419	2,598,480	2,818,742	2,832,301	3,211,881	3,656,493
GBOT	-	-	-	500,000	800,000	830,000	850,000	1,000,000
Bond Proceeds	-	19,857,507	18,764,286	17,130,000	-	8,760,000	-	-
Interest Income	16,968	17,064	44,825	71,342	88,657	74,600	46,125	16,143
TOTAL REVENUE	1,904,689	22,388,991	21,323,530	20,299,822	3,707,399	12,496,901	4,108,006	4,672,636

REDEVELOPMENT FUND EXPENDITURE DETAIL

Exhibit 1.02 \$ millions	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Professional Services	279,901	56,000	385,125	656,639	300,000	300,000	300,000	300,000
Bond Principal	-	395,000	11,495,000	775,000	1,190,000	1,315,000	1,365,000	1,435,000
Bond Interest	114,331	524,825	393,207	1,000,918	1,546,004	1,656,538	1,605,200	1,540,000
Land/Construction	-	-	-	6,788,500	3,621,844	9,863,043	9,073,913	2,500,000
Financial/Legal Fees	656	50,000	78,500	75,500	500	75,500	750	750
TOTAL EXPENDITURE	394,888	1,025,825	12,351,832	9,296,557	6,658,348	13,210,081	12,344,863	5,775,750

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FY19 & FY20 BUDGETS

Revenues - In 2014 La Vista voters approved an additional one-half cent sales and use tax to be used specifically for public infrastructure projects within the 84th Street Redevelopment Area. The sales and use tax revenue is shown in the Redevelopment Fund and is anticipated to be approximately \$2.8 million in FY19 and \$2.9 million in FY20. See the sales and use tax projection chart below.

REDEVELOPMENT FUND SALES & USE TAX PROJECTIONS

FY15	1,872,581
FY16	2,059,652
FY17	1,887,721
FY18**	1,176,635
FY19	2,756,916
FY20	2,894,762
FY21	2,793,915
FY 22	3,036,903
FY23	3,302,884
Total	\$ 21,781,969

**Year End Estimate

Previously all CIP projects were budgeted in the Capital Improvement Fund, however going forward it is recommended that these projects be budgeted in the corresponding related fund. In FY19 & FY20 CIP projects associated with the Redevelopment Fund include City Centre Site Prep and Demo, Civic Center Park OPPD Line Relocation, Civic Center Park Phase 3 Improvements, Civic Center Park Interface Improvements, 84th Street Streetscape Improvements, Thompson Creek Channel/Trail and the Pool Demo/West Leg Road Construction. Consequently, some bond proceeds are included in FY19 & FY20 revenues as well, depending on the timing of CIP projects associated with this fund.

Expenditures - The recommended FY19 & FY20 Redevelopment Fund budget includes costs for public infrastructure projects within the 84th Street Redevelopment Area as outlined above. Debt service payments are expected to be \$1.8 million in FY19 and \$2.7 million in FY20.

Fund Balances - The estimated fund balance year-end cash for FY18 is \$8,891,335. The estimated fund balance year-end cash total for FY19 is \$19,646,858 and for FY20 is \$15,822,459. The increase from FY18 to FY19 is due to anticipated bond proceeds along with the one-half cent sales and use tax.

Financing - In FY17, the City issued an \$18.84 million Redevelopment Fund Bond for demolition, planning and infrastructure related to the City Centre and Civic Park. The bond schedule is present in the chart to the right:

New to the Redevelopment Fund revenue is a recommendation to implement a General Business Occupation Tax to help fund the cost of public infrastructure improvements. A City may levy a General Business Occupation Tax (GBOT) upon the businesses and users of a space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area.

The City may designate an area as an enhanced employment area if the governing body determines that new investment in said area will result in at least (20) new employees; and new investment of \$1.5 million in counties with at least 100K inhabitants.

GENERAL BUSINESS OCCUPATION TAX (GBOT) PROJECTIONS

FY19	500,000
FY20	800,000
FY21	830,000
FY22	850,000
FY23	1,000,000
Total	\$ 3,980,000

Redevelopment of the 84th Street corridor, in order to eliminate substandard and blighted conditions, and prevent from recurring, is a significant undertaking with many associated public infrastructure components planned. In order to keep moving forward with the improvements as identified in the Vision 84 and Redevelopment Plans, additional funding is necessary. As such, staff is recommending the imposition of a 1.5% GBOT on taxable sales within the redevelopment area. Preliminary projections anticipate the following annual revenue could be generated.

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CURRENT DEBT AMORTIZATION

Fiscal Year	\$18.84M Tax Supported Improvement Bond , Series 2017		
	PRINCIPAL	COUPON	INTEREST
FY19	495,000	1.40000	637,618
FY20	505,000	5.62500	630,688
FY21	515,000	5.00000	616,900
FY22	545,000	5.00000	591,150
FY23	570,000	5.00000	563,900
FY24	600,000	5.00000	535,400
FY25	630,000	5.00000	505,400
FY26	660,000	5.00000	473,900
FY27	695,000	3.00000	440,900
FY28	715,000	3.00000	420,050
FY29	735,000	3.00000	398,600
FY30	755,000	3.00000	376,550
FY31	780,000	3.00000	353,900
FY32	805,000	3.00000	330,500
FY33	825,000	3.00000	306,350
FY34	850,000	3.00000	281,600
FY35	880,000	3.25000	256,100
FY36	905,000	3.25000	227,500
FY37	935,000	3.25000	198,088
FY38	965,000	3.25000	167,700
FY39	1,000,000	3.25000	136,338
FY40	1,030,000	3.25000	103,838
FY41	1,065,000	3.25000	70,363
FY42	1,100,000	3.25000	35,750
	18,560,000		8,659,080

