

LA VISTA CITIZEN ADVISORY REVIEW COMMITTEE

To: Mayor and City Council

Dt: December 12, 2023

Fr: City Advisory Review Committee

Re: Economic Development Program Review

The Citizen Advisory Review committee is required to report to the Mayor and City Council at least once every six months regarding the Economic Development Program. The following is provided for the Committee's information and generally covers activity for FY23 (the period from October 1, 2022 to September 30, 2023).

The Economic Development Program has received and approved four applications for assistance to date. The first application was from John Q. Hammons to construct a full service Embassy Suites Hotel and conference center facility. This project was closed out in 2018.

The second application was for a \$3 million grant to City Ventures to help with the construction of a state-of-the-art music venue in City Centre, located in the redevelopment area along 84th Street. This application was approved in February of 2020. In May of 2021 City Ventures submitted a supplement to their original application asking for an additional \$2.5 million for the music venue project in the form of a loan that will be paid back with interest. This supplement was also approved, resulting in a total of \$5.5 million in grants/loans for the project. The entire \$5.5 million has been distributed to City Ventures. They are currently paying interest on the loan. The first outdoor concerts were held in September and a temporary Certificate of Occupancy has been issued on the building.

In October of 2021 an application from the Omaha Multi-Sport Complex, Inc. for a \$3 million grant for the development, construction and operation of Phase 1 of a premier multisport complex comprised of twelve synthetic multisport playing fields and related amenities was approved. This facility is currently operational and the grant funds have been distributed.

1. The City's assessed valuation for FY23 was \$2,220,556,943, and the new assessed valuation for FY24 is \$2,284,893,092. This is an increase of 2.89%. From FY2018 through FY2021, the growth in the City's valuation averaged approximately 5.6% annually. In FY22 and FY23 we saw unusually large increases in valuation which were attributed in part to extreme increases in the personal property tax portion of the valuation. It was determined these increases had to do with large companies in the City that qualify for state incentives purchasing equipment and the timing of their refund requests to the State. The new valuation for FY24 has seen a leveling off of these personal property tax increases resulting in a smaller overall increase. We will continue to watch this closely. The average growth over the last seven years is 7.2%.

FY2018 Valuation - \$1,496,821,908 (up 6.11%)
 FY2019 Valuation - \$1,542,141,658 (up 3.02%)
 FY2020 Valuation - \$1,651,417,826 (up 7.08%)
 FY2021 Valuation - \$1,755,107,309 (up 6.27%)
 FY2022 Valuation - \$1,998,058,005 (up 13.8%)
 FY2023 Valuation - \$2,220,556,943 (up 11.14%)
 FY2024 Valuation - \$2,284,893,092 (up 2.89%)

2. Earned sales and use tax revenue has traditionally increased from year to year, however it was down slightly in FY19 and again in FY20 due to the pandemic. FY21 showed a rebound in sales and use tax revenue and FY22 sales tax numbers remained strong. A reminder that we look at what the City has "earned" in sales tax prior to any state incentive refunds being deducted in order to determine what

businesses are actually generating. The City has built a sales and use tax reserve for potential future rebates.

FY2018 Sales and Use Tax - \$8,033,943 (actually received + \$2.4 million rebate to SON; earned total up 12.8% over FY17)

FY2019 Sales and Use Tax - \$9,509,936 (actually received + \$500,000 rebate to SON; earned total down 4.2% over FY18)

FY2020 Sales and Use Tax - \$8,220,233 (actually received + \$1.3 million rebate to SON); earned total down 5.1% over FY19) Pandemic Year

FY2021 Sales and Use Tax - \$10,062,860 (actually received + \$1.35 million in rebates to SON); earned total up 19.8% over FY20)

FY2022 Sales and Use Tax - \$10,705,035 (actually received + \$1.78 million in rebates to SON; earned total up 9.39% over FY21)

FY2023 Sales and Use Tax - \$11,380,214 (actually received + \$1.93 million in rebates to SON; earned total up 6.63% over FY22)

3. Building permit valuations are reported in calendar year, not fiscal year. The past several years have remained fairly consistent. 2020 was the highest year we have seen since 2007.

2017 - \$43,036,890

2018 - \$45,980,935

2019 - \$36,332,465

2020 - \$64,354,002

2021 - \$48,919,416

2022 - \$55,881,441

2023 - \$35,755,278 (Through November)

Total building permit valuations since 1997 are over \$1.4 billion