

City of South Salt Lake
Redevelopment Agency

Adopted Budget for
Fiscal Year

2021 - 2022

RDA FY 22 BUDGET NARRATIVE

REVENUE

71-3111-000 Property tax increment

The budget includes an increase in the property tax increment the Agency is entitled to collect from our project areas. The anticipated increment to be available will be \$564,000. This increment will be collected from the Market station project area (WinCo), streetcar CRA(Zellerbach), west-tech CDA and the 3900 South CRA.

71-3651-000 Miscellaneous

This is the anticipated interest that comes from the investment of the RDA funds in the state treasury pool.

73-3850-000 General fund Transfer

The transfer from the general fund is to cover the annual bond payment for the bond issued to pay for the purchase of the property utilized for the WinCo development.

71-3890-000 Fund Balance transfer

In order to balance the budget, its anticipated that there will need to be a fund balance transfer of \$162,500. It's anticipated this transfer will be from the RDA fund balance, which is a result of the sale of the State street property

OPERATING EXPENSES

71-70-111-00 Administrative salaries

The RDA is a separate Agency of the City and we utilize city staff to assist us in our operational and administrative functions. Therefore, the RDA is charged a percentage of the salaries of these staff members. This is a less expensive that hiring permanent employees or contracting with private companies.

71-70-115-00 Board member salaries

No board member stipend has been budgeted for FY 22

71-70-150 -00 Employee Benefits

This is the cost for a percentage of the benefits that are associated with the administrative salary compensation listed above

71-70-210-00 Subscription/memberships:

The amount requested for FY 22 is \$2,000, which is the **same** amount as budgeted in FY 21.amount. The budgeted request will cover membership fees for the RDA Association (\$1000) IEDC (\$750), and \$250 for the ICSC membership annual fee.

71-70-243-00 Office Expense

The amount requested for FY 22 is \$1,000 which is **the same amount** as FY 21.

71-70-310-01 Chamber Membership

The amount requested for FY 22 is \$5,000, which is **the same amount** as the current year. This is the annual membership fee for the South Salt Lake Chamber of Commerce.

71-70-310-02 Legislative consulting Fee

The amount requested for FY 2021 is \$45,000, which is **the same amount as the current year**. This funding covers the cost for the lobbying contract for the city and RDA.

71-70-310-03 Economic Development Contract

The amount requested for FY 2021 is \$145,000, which is **the same as the current year**. This finding covers the cost for contracted economic and redevelopment services for the city and RDA. Services include management of the RDA, business recruitment services, business retention and liaison services, and assisting the administration and legislative body in economic development related activities.

71-70-310-05 Professional / Technical services:

The amount requested for FY 22 is \$145,000 which is **a decrease of \$40,000** from the FY 21 budge. This fund also covers the cost of other economic development/RDA professional services required by the Agency, such as appraisal services, financial analysis, creation of new project areas. The major studies requested for FY 22 include \$55,000 for the 3300 South East neighborhood development plan, \$13,500 for a hotel feasibility study, \$52,000 for the economic strategic plan, \$12,500 for a retail leakage study. The remaining \$12,000 will be used to pay for costs associated with preparing the required Nov. 1 report and other technical assistance.

71-70-310-07 Miscellaneous

The amount requested for FY 22 is \$1,500 , **the same amount** as the FY 21 budget. These funds are used to cover miscellaneous expense not budgeted in other line items.

71-70-314-00 General Legal

The RDA Statute requires that the legal costs be allocated in a separate line item. In past budgets they have been included in the professional services line item. General legal services are the costs associated with outside legal services necessary for the day-to-day operations of the RDA. The amount budgeted for these services is \$20,000 which is **an increase of \$5,000** from the FY21 budget

71-70-315-00 Environmental Legal

These legal services are for any legal costs associated with the collection of our costs associated with the cleanup of the environmental issues on the WinCo development. The agreement with the law firm hired for these services require the agency to cover the first \$100,000 of the legal expense. This item may need to be increased during FY 22, based on the progress made on the collection. The budget amount for FY 22 is \$30,000. To date the legal firm retained for these services has billed \$44,888 in costs. In prior budgets the cost of these services would have been included in the professional and technical line item but are now required to be a separate line item.

71-70-800-00 Sundry Expense

The amount requested is \$4,000, the same as budgeted in the FY 21 budget. This item covers rare and small expenses of the Agency such as luncheons, small fees for applications or permits, and license fees

71-76-795-00, 10,20,30,40

These accounts are the distribution of tax increment to various developments approved by the RDA for tax increment participation. These projects include West-Tec, 3900 South single-family development, and the Zellerbach apartment development. Distribution is based on the approved development and interlocal agreements approved for these projects.

71-78-835-00 & 71-78-836-00 Bond payment

These line items are the annual principal and interest for the bond issued to purchase the property where WinCo is located. As mentioned in the revenue section the FY 22 payment will be \$1,109,000, which is a **decrease**, from the FY21 budget, due to the refinancing of this bond.

Other information

You will notice there is no expenses for capital projects in this proposed budget. The reason is those expenditures were for costs associated with the property owned by the RDA on State street. Since the RDA will close on this property by the end of FY 21, no expenditures are necessary since we no longer own the asset.

In addition, to the City Budget worksheets, attached to this email, the RDA will be required to adopt the budget document prepared by the State Auditor. The expenditures and revenue are the same, but the format is different. This document will be ready and presented to the board at the public hearing on the budget.

Account Number	Account Title	2019-20 Pri Year Actual	2020-21 Cur Year Budget	2021-22 Fut Year Budget
REDEVELOPMENT AGENCY FUND				
TAXES				
71-3111-000	PROPERTY TAX INCREMENT	158,794	394,000	564,000
Total TAXES:		158,794	394,000	564,000
MISCELLANEOUS REVENUE				
71-3610-000	INTEREST EARNINGS	1,229	500	1,000
71-3651-000	PROCEEDS-PROP SALES-BELLO TER	.00	4,570,000	.00
Total MISCELLANEOUS REVENUE:		1,229	4,570,500	1,000
REVENUE				
71-3771-000	REIMBURSEMENT- SOILS STABILIZE	14,046	125,000	.00
Total REVENUE:		14,046	125,000	.00
OTHER SOURCES OF FUNDS				
71-3850-000	TRANSFER FROM GENERAL FUND	1,276,000	1,291,000	1,112,000
71-3890-000	APPROPRIATION FRM FUND BALANC	.00	.00	162,500
Total OTHER SOURCES OF FUNDS:		1,276,000	1,291,000	1,274,500
OPERATING EXPENSES				
71-70-111-00	ADMINISTRATIVE SALARIES	86,041	90,000	92,000
71-70-150-00	EMPLOYEE BENEFITS	30,858	26,000	29,000
71-70-210-00	SUBSCRIPTIONS AND MEMBERSHIPS	.00	2,000	2,000
71-70-243-00	OFFICE EXPENSE	216	1,000	1,000
71-70-310-00	PROFESSIONAL SERVICES	7,250	.00	.00
71-70-310-01	CHAMBER OF COMMERCE CONTRAC	.00	5,000	5,000
71-70-310-02	LEGISLATIVE CONSULTING	82,629	45,000	45,000
71-70-310-03	ECON DEVELOPMENT CONTRACT	113,053	145,000	145,000
71-70-310-05	PROJECT PROFESSIONAL/TECHNICA	134,910	185,000	145,000
71-70-310-07	MISCELLANEOUS	200	1,500	1,500
71-70-314-00	LEGAL - GENERAL	.00	15,000	20,000
71-70-315-00	LEGAL - ENVIRONMENTAL	27,921	45,000	30,000
71-70-600-00	SUNDRY EXPENSE	1,717	4,000	4,000
Total OPERATING EXPENSES:		484,795	564,500	519,500
OTHER				
71-76-549-00	CLOSING COSTS-BELLO TERRA	.00	200,000	.00
71-76-795-00	INCREMENT DISTRIBUTIONS	.00	.00	75,000
71-76-795-10	INCREMENT DISTRIBUTIONS-BOYER	.00	.00	58,000
71-76-795-30	INCREMENT DISTRIBU-WEST TECH	.00	75,000	.00
71-76-795-40	INCREMENT DISTRIB - ZELLERBACH	.00	58,000	78,000
Total OTHER:		.00	333,000	211,000
DEBT SERVICE				
71-78-816-00	PRINCIPAL ON INTERFUND LOAN	.00	1,000,000	.00
71-78-820-00	INTEREST ON INTERFUND BOND	.00	90,000	.00
71-78-835-00	EXCISE TAX BOND PRINCIPAL	755,000	805,000	760,000
71-78-836-00	EXCISE TAX BOND INTEREST	520,124	486,000	349,000
71-78-838-00	BOND TRUST FEES	1,500	2,000	.00

Account Number	Account Title	2019-20 Pri Year Actual	2020-21 Cur Year Budget	2021-22 Fut Year Budget
Total DEBT SERVICE:		1,276,624	2,383,000	1,109,000
CAPITAL EXPENDITURES				
71-80-865-02	MARKET STATION-ENGINEER/SOILS	2,969	.00	.00
71-80-865-03	MARKET STATION-PROFESSIONAL	1,909	.00	.00
71-80-865-04	MARKET STATION-PROP MGT	4,927	1,000	.00
71-80-865-05	MARKET STATION-REPAIR/MAINT	716	.00	.00
71-80-868-02	BELLO TERRA - ENGINEER/SOILS	982,684	350,000	.00
71-80-868-03	S-LINE SOUTH - PROFESSIONAL	.00	3,500	.00
71-80-868-06	S-LINE SOUTH - INSUR/TAXES	52,484	52,000	.00
Total CAPITAL EXPENDITURES:		1,045,689	406,500	.00
TRANSFERS				
71-95-975-00	TRAN TO (FROM) RESERVE	.00	2,693,500	.00
Total TRANSFERS:		.00	2,693,500	.00
REDEVELOPMENT AGENCY FUND Revenue Total:		1,450,069	6,380,500	1,839,500
REDEVELOPMENT AGENCY FUND Expenditure Total:		2,807,108	6,380,500	1,839,500
Net Total REDEVELOPMENT AGENCY FUND:		1,357,039-	.00	.00

Report Criteria:

- Accounts to include: With balances
- Print Fund Titles
- Page and Total by Fund
- Print Source Titles
- Total by Source
- Print Department Titles
- Total by Department
- All Segments Tested for Total Breaks
- Account.Account Number = "710000000"- "719999999"