

CDRA BUDGET DISCUSSION



Tuesday, March 24, 2026



CDRA BUDGET DISCUSSION

- *Provide an early discussion on the FY27 CDRA budget*
- *Identify financial and legislative factors affecting redevelopment funds*
- *Receive Council direction before finalizing the budget later this spring*

Current Budget Situation

- *FY26 tax increment distributions have not yet been received from the County.*
- *Staff is currently using prior projections for planning purposes.*
- *Final numbers will be refined once updated County data arrives.*

New Laws – New impacts

- ***New requirement (sad face)***
 - *When a project area expires:*
 - *A 6-month dormancy period begins.*
 - *All remaining funds must be spent during that period*
OR
 - *The agency must obtain for a 2-year extension. (public process)*
- ***Exception (yeah)***
 - *Older project areas (expired before the bill) still have **5 years** to spend remaining funds*
- ***RDA impacted***
 - *RDA 7 – closed (2023)*
 - *RDA 8 – ending (2026)*
 - *RDA 9 – ending (2027)*
 - *RDA 10 – ending (2028)*
- ***Plan how to deploy remaining funds (avoid deadlines)***

Use funds for Projects

- ***1st Street Extension Project***
 - *Approximately \$200,000 was paid by the City's General Fund*
 - *RDA 10 reimburse the General Fund*
 - *This could be done quickly and would be a way to meet compliance given the pending close of this area*
- ***Clearfield Station***
 - *Sources of funding: Davis County, Sales Bond, State, UTA*
 - *Approx. gap of \$900K*
 - *Potential sources:*
 - *Capital Projects interest earnings*
 - *CDRA fund balance*
- ***Servicing Debt***
 - *Not the favorite or first choice but something to consider*
 - *CAFC*
 - *TOD*

Questions to Consider

- *Is there a specific strategy for spending funds in expiring project areas*
- *Is a reimbursement from RDA 10 to the General Fund the correct course*
- *Support for using CDRA funds to close the Clearfield Station funding gap*
- *Preferred approach for long-term CDRA financial strategy*
- *Specific projects in RDAs 7, 8, 9 , 10*
- *Retail Strategy*

FY27 Budget Outlook

- *Projected CDRA Budget*
 - *\$2.1 Million*
- *Budget to be refined*
 - *Following county tax disbursements received*
 - *Direction from CDRA board*