

FY 2023

RDA BUDGET NARRATIVE

REVENUE

PROPERTY TAX REVENUE

The budget includes the anticipated tax increment the agency will receive from the following RDA project areas: West Tech- \$142,934; Market station-\$199,605; Streetcar \$399,739. Total anticipated revenue for the FY23 budget is **\$742,278** . **This represents an increase of \$ 179,000 over the FY 22 budget**

MISCELLANEOUS REVENUE

The only miscellaneous revenue we have projected for the FY23 budget is interest from the agency fund balance investment, for FY23 the interest amount is **\$1000**. **This is the same as FY 22**

OTHER SOURCES OF FUNDS

The other sources of funds will include a transfer of funds from the general fund to cover the debt service payment for the excise tax bond payment. The expenditure is included in the 'debt service " expenditure account. The requested transfer is **\$1,112,000**. In addition, a transfer from the RDA fund balance in the amount of **\$302,826** will be required to balance the budget. It should be noted, that other than the debt service amount, no other city funds have been requested for operating expense of the RDA. **The fund balance transfer is an increase of \$140,326 over the FY 22 budget**

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 cost than hiring additional personal or contracting for these services. The cost for FY 23 is projected to be **\$72,000**. **This represents a decrease of \$20,000 from the FY 22 budget**

71-70-116-00 Board member salaries

No board member stipend has been budgeted for FY23

71-70-150 -00 Employee Benefits

This is the cost for a percentage of the benefits that are associated with the salary compensation listed above. The estimated amount is **\$30,000**. **This represents a \$1000 increase over the FY 22 budget**

71-70-210-00 Subscription/memberships:

The amount requested for FY23 is **\$10,000**. This will include membership fee to the RDA Association, ICSC membership fee, International Economic Development Association fee, and EDCU fee . **This represents a \$8,000 increase over the FY 22 budget.**

71-70-235-00 Travel

The RDA administration is recommending we reinstate a travel budget for travel and attendance to the ICSC conference or the IEDC conference. The requested amount is **\$7,500** . **This represents an \$7500 increase over the FY 22 Budget**

71-70-243-00 Office Expense

The amount requested for FY 23 is **\$1,000** .This funding covers office related expenses, include office supplies, copy expenses, mailings, newspaper notices, etc. **This is the same amount as FY 22**

71-70-310-01 Chamber Membership

The amount requested for FY 23 is **\$5,000**. This is the annual membership fee for the South Salt Lake Chamber of Commerce. **This is the same amount as FY 22**

71-70-310-02 Legislative consulting Fee

The amount requested for FY 23 is **\$45,000**. This funding covers the cost for the lobbying contract for the city and RDA. **This is the same as FY 22**

71-70-310-03 Economic Development Contract

The amount requested for FY23 is **\$175,000** . 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 . **This represents a \$30,000 increase over the FY 22 Budget**

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

The amount requested for FY 23 is **\$175,000**. This funding will cover professional services including the following items: Retail leakage study (\$12,500), Hotel feasibility study (\$14,500), 2700 South Small area plan (\$ 65,000), HTRZ application and plan preparation fee (\$50,000), November 1 report (\$7,500) Strategic plan fee (\$15,000), other miscellaneous fees for RDA services (\$10,500) . **This represents an increase of \$30,000 over the FY 22 budget.**

71-70-310-07 Miscellaneous

The amount requested for FY 2020 is **\$2,500** . This would cover expenses that are outside of other line items. **This represents an increase of \$1000 over the FY 22 budget**

71-70-312-00 Community arts support

The funding requested in this account will be used to support the Arts Council for the annual mural festival and the Craftober festival held in May and October of each year. **The request is for \$10,000 for each festival. This is a new request and has not been funded in the past.**

71-70-314-00 General Legal Services

Th RDA statute requires costs for legal services to be a separate line item within the RDA budget. This line item is for legal services for general legal services provide to the RDA from our outside legal counsel

for the day-to-day operations of the department. The amount requested is **\$30,000. This is an increase of \$10,000 over the FY 22 budget.**

77-70-315-00 Environmental Legal Services

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. The estimated amount spent on these services to date is approximately \$70,000. The request for FY 23 is **\$50,000**, to cover the remaining \$30,000 retainer and an additional \$20,000 for anticipated discovery costs. **This represents a \$20,000 increase over the FY 22 Budget.**

71-70-800-00 Sundry Expense

The amount requested is **\$4,000**. This item covers rare and small expenses of the agency such as luncheons, small fees for applications or permits, and license fees. **This is the same amount as the FY 22 Budget**

71-76-795-00 Increment Distribution to West Tech

The amount is **\$75,000**, which is the estimated amount of Tax Increment the Agency would be required to disburse to West Tech, if they create the required high paying jobs required under their agreement with the Agency. **This is the same amount as the FY 22 Budget**

71-76-795-10 Increment Distribution to River Front (3900 South CRA)

This disbursement of tax increment is to reimburse the developers of the Riverfront project area for infrastructure and land costs associated with the single-family portion of this development. This increment is from the city portion only, and it is estimated to be **\$85,000. This represents an increase of \$27,000 over the FY 22 budget**

71-76-795-20 Repayment of County TIF

This is a new account established for FY 2023. Under the interlocal agreement between the county and the RDA for the streetcar CDA, the County is to remit to the RDA 100% of the County tax increment generated within the project area. The agreement allows the RDA to collect 60%, and to return to the county their 40% portion. Based on the County March 31, 2022, report, the 40% portion is **\$102, 826**.

71-76-795-40 Increment Distribution to Zellerbach

The interlocal agreement between the RDA and the Zellerbach developers requires the RDA to remit to the developers of this project 60% of the tax increment generated each year and received by the RDA. This is estimated to be **\$137,000. This is an increase of \$59,000 over the FY 22 budget.**

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. The estimated debt service for FY 23 budget is **\$1,110,800 . This is the same as the FY 22 budget.**

71-80-865-05 Market station repair and Maint.

The amount of money budgeted in this line item, is to cover the costs associated with the maintenance and cleanup of the state Street property. The RDA has agreed to cover this cost for 1 year or until a building permit is issued for development of this site , whichever one occurs first. The amount requested in the FY 23 budget is **\$20,000. An increase of \$7500 over the FY 22 budget**