



**City of South
Salt Lake
Redevelopment Agency**

**Final Budget
Fiscal Year 2020-2021**

RDA 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. Staff recommends we trigger and collect the tax increment available to us from the Market station project area (WinCo), which is estimated to be \$176,000 and the Zellerbach development (\$68,000). In addition, we estimate the tax increment collected from the West Tech project area will be \$150,000. This totals the \$ 394,000

71-3651-000 Miscellaneous

The proceeds from the sale of the Bello Terra property has been carried into the FY 21 budget year. This is because we needed to extend the closing date to October, due to the delay in starting the environmental cleanup on the property. The sale of the property was based on the appraisal value. The funds have been escrowed by Boyer, and closing will happen within 15 days after the agency receives the required No Further Action letter from the State indicated the environmental hazardous materials have been removed. The anticipated date for closing is October 2020.

71-3771-000 Reimbursement- Soils Stabilize

When the Agency sold the WinCo property to Boyer, we were required to escrow \$750,000 of the sale proceeds in order to protect WinCo from any unknown environmental hazardous, and soil stabilization. The Agency was required to spend \$93,000 of the escrow on additional soil stabilization costs, leaving a balance of \$657,000. In the FY 20 budget, the Board eliminated from the budget any general fund money for operations, requiring us to use a portion of these funds to cover the FY 20 operational budget. It is estimated that there will be \$125,000 available from this fund to carry forward in the FY 21 budget.

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. No general fund money will be used to pay for operational cost. The annual payment will be \$ 1,291,000.

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 21 is \$90,000

71-70-116-00 Board member salaries

No board member stipend has been budgeted for FY 21

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

71-70-210-00 Subscription/memberships:

The amount requested for FY 2020 is \$2,000, which is a **reduction** of \$1,000 from the current FY 2020 amount. The reduction is due to the staff's recommendation to not renew ICSC and IEDC membership fees. The budgeted request will cover membership fees for the RDA Association (\$2,000).

71-70-237-00 Conferences

The amount request for FY 2020 is 0, which is a **reduction** of \$4,000 from the current FY 2020 budget. The staff has recommended that no conferences be attended in the FY 21 budget year, which follows the same recommendation outlined in the city budget.

71-70-243-00 Office Expense

The amount requested for FY 2020 is \$1,000 which is a **reduction** of \$1000 from the current FY 2020 budget. This funding covers office related expenses, include office supplies, copy expenses, mailings, newspaper notices, etc.

71-70-310-01 Chamber Membership

The amount requested for FY 2021 is \$5,000, which is **an increase** of \$5,000 from the current FY 2020. 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 **an increase of** \$5,000 from the FY 2020 budget. 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 **an increase** of \$25,000 from the FY 2020 budget. 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. The increase in cost is to cover additional hours for business relation and retention services.

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

The amount requested for FY 2021 is \$185,000 which is **an increase** of \$65,000 from the FY 2020. The requested increase is to cover the cost for economic development plans and studies that were

eliminated from the FY 2020 budget, due to the reduction of the general fund contribution. 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 21 include \$54,000 for the 3300 South East neighborhood development plan, \$13,500 for a hotel feasibility study, \$45,000 for the general city master plan, \$12,500 for a retail leakage study, and \$12,500 for updating the economic strategic plan. These are the projects that were eliminated from the FY 20 budget.

71-70-310-07 Miscellaneous

The amount requested for FY 2020 is \$1,500 a **reduction** of \$1,500 from the FY 2020 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 \$15,000 the **same** amount as the FY 2020.

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 21, based on the progress made on the collection. The budget amount is \$45,000. 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, an **increase** of \$1,500 from the FY 2020 budget. This item covers rare and small expenses of the agency such as luncheons, small fees for applications or permits, and license fees.

71-76-549-00 Closing costs

This line items covers the estimated costs for closing on the purchase and sale of the Bello Terra property. They are being carried into the FY 21 budget, because the closing on this property is scheduled in October 2020. These costs are deducted from the sale proceed for the Bello Terra property.

71-76-795-30 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.

71-78-816-00 & 71-78-820-00 Interfund Loan

This line item covers the payment to the City of the interfund loan and related interest made to the Agency for the purchase of the Bello Terra property. The source of repayment is from the sale proceeds of the Bello Terra property, and is being carried over to FY 21, due to the property new closing date of October 2020.

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 21 payment will be \$1,291,000

71-80-865-03 Property Management

The amount requested is \$1000 which covers the cost to maintain and repair property owned by the RDA. This includes weed control, snow removal, fence repair, etc. This cost has been reduced in FY 21, due to the anticipation of selling the Bello Terra property in October.

71-80-868-02- Soils

The amount of money budgeted in this line item, is to cover the costs associated with the cleanup of soil contamination, and underground storage tank removal on the Bella Terra property. This clean up started in late April and the \$350,000 budgeted is the estimated amount that would be billed in FY 21.

71-80-868-03-Professional

The amount budgeted for this line item is to cover professional fees associated with the market station and S-line project areas. These fees have included geo-technical engineering, and survey/engineering costs.

71-80-868-06 Insurance/Taxes

The amount budgeted amount for this line item is to cover the insurance and property taxes paid on the Bello Terra property owned by the agency. If these taxes are paid as part of the closing costs, then the expense in this line item would be eliminated

71-95-975-00 Transfer to Reserve

This will be the net proceed due to the Agency from the sale of the Bello Terra property, after the expenses for closing, environmental cleanup, and the interfund loan due to the city have been paid. A small portion of this may be used to balance the FY 21 budget in the event the projected revenues do not cover the operating costs. This will become fund balance for the Agency and any use of this balance would require Board approval, as part of the budget process.

In addition, to the City Budget worksheets, we have attached the required budget form prepared by the State Auditor. This form is more general than our City worksheet, but it is the budget we are required to send to the State so both will be adopted by the RDA . Our discussion will focus on the City worksheet which is more detailed.

Account Number	Account Title	2016-17 Pri Year 3 Actual	2017-18 Pri Year 2 Actual	2018-19 Pri Year Actual	06/20 Cur YTD Actual	2019-20 Cur Year Budget	2020-21 Future year Budget	FUTURE YEAR BUDGET
REDEVELOPMENT AGENCY FUND								
TAXES								
71-3111-000	PROPERTY TAX INCREMENT	302,677	253,345	142,421	158,794	115,000	394,000	
	Total TAXES:	302,677	253,345	142,421	158,794	115,000	394,000	
MISCELLANEOUS REVENUE								
71-3610-000	INTEREST EARNINGS	431	976	1,423	1,409	1,000	500	
71-3615-000	RENTAL INCOME	2,012	671	.00	.00	.00	.00	
71-3651-000	PROCEEDS-PROP SALES-BELLO TER	.00	.00	.00	.00	4,570,000	4,570,000	
	Total MISCELLANEOUS REVENUE:	2,443	1,647	1,423	1,409	4,571,000	4,570,500	
REVENUE								
71-3771-000	REIMBURSEMENT- SOILS STABILIZE	.00	.00	.00	649,209	608,000	125,000	
	Total REVENUE:	.00	.00	.00	649,209	608,000	125,000	
OTHER SOURCES OF FUNDS								
71-3850-000	TRANSFER FROM GENERAL FUND	.00	1,600,000	1,600,000	1,276,000	1,276,000	1,291,000	
	Total OTHER SOURCES OF FUNDS:	.00	1,600,000	1,600,000	1,276,000	1,276,000	1,291,000	
OPERATING EXPENSES								
71-70-111-00	ADMINISTRATIVE SALARIES	120,530	135,791	126,454	86,131	64,000	90,000	
71-70-115-00	BOARD MEMBER SALARIES	13,310	16,441	14,838	.00	.00	.00	
71-70-150-00	EMPLOYEE BENEFITS	46,143	51,700	49,189	29,173	26,000	26,000	
71-70-210-00	SUBSCRIPTIONS AND MEMBERSHIPS	.00	6,800	7,196	.00	3,000	2,000	
71-70-237-00	CONFERENCES	.00	.00	.00	.00	4,000	.00	
71-70-243-00	OFFICE EXPENSE	1,089	.00	75	216	2,000	1,000	
71-70-310-00	PROFESSIONAL SERVICES	.00	1,350	767	7,250	.00	.00	
71-70-310-01	CHAMBER OF COMMERCE CONTRAC	49,195	37,511	5,000	.00	5,000	5,000	
71-70-310-02	LEGISLATIVE CONSULTING	20,430	37,500	45,000	72,421	40,000	45,000	
71-70-310-03	ECON DEVELOPMENT CONTRACT	92,335	89,625	144,875	100,250	120,000	145,000	
71-70-310-05	PROJECT PROFESSIONAL/TECHNICA	55,053	110,053	29,190	130,653	120,000	185,000	
71-70-310-07	MISCELLANEOUS	9,538	1,830	290	200	3,000	1,500	
71-70-314-00	LEGAL - GENERAL	.00	.00	.00	.00	.00	15,000	
71-70-315-00	LEGAL - ENVIRONMENTAL	.00	.00	.00	10,106	.00	45,000	
71-70-600-00	SUNDRY EXPENSE	668	919	1,736	1,717	2,500	4,000	
	Total OPERATING EXPENSES:	408,289	489,520	424,609	438,117	389,500	564,500	
OTHER								
71-76-549-00	CLOSING COSTS-BELLO TERRA	15,420	.00	.00	.00	200,000	200,000	
71-76-701-00	LAND WRITE-DOWNS	1,847,126	.00	1,074,775	.00	.00	.00	
71-76-795-30	INCREMENT DISTRIBU-WEST TECH	.00	.00	.00	.00	90,000	75,000	
71-76-795-40	INCREMENT DISTRIB - ZELLERBACH	.00	.00	.00	.00	.00	58,000	
	Total OTHER:	1,862,546	.00	1,074,775	.00	290,000	333,000	
DEBT SERVICE								
71-78-816-00	PRINCIPAL ON INTERFUND LOAN	.00	.00	.00	.00	1,000,000	1,000,000	
71-78-820-00	INTEREST ON INTERFUND BOND	.00	.00	.00	.00	90,000	90,000	
71-78-835-00	EXCISE TAX BOND PRINCIPAL	340,000	665,000	705,000	755,000	755,000	805,000	
71-78-836-00	EXCISE TAX BOND INTEREST	604,877	582,667	552,390	520,124	520,124	486,000	

Account Number	Account Title	2016-17 Pri Year 3 Actual	2017-18 Pri Year 2 Actual	2018-19 Pri Year Actual	06/20 Cur YTD Actual	2019-20 Cur Year Budget	2020-21 Future year Budget	FUTURE YEAR BUDGET
71-78-838-00	BOND TRUST FEES	.00	.00	1,500	1,500	2,000	2,000	
Total DEBT SERVICE:		944,877	1,247,667	1,258,890	1,276,624	2,367,124	2,383,000	
CAPITAL EXPENDITURES								
71-80-860-00	INFRASTRUCTURE	.00	120,000	.00	.00	.00	.00	
71-80-860-01	MARKET STATION INFRASTRUCTURE	.00	3,735	.00	.00	.00	.00	
71-80-865-01	MARKET STATION-DEMOLITION	243,010	.00	3,210	.00	.00	.00	
71-80-865-02	MARKET STATION-ENGINEER/SOILS	897,445	.00	52,500	389	165,376	.00	
71-80-865-03	MARKET STATION-PROFESSIONAL	153,112	220	.00	.00	.00	.00	
71-80-865-04	MARKET STATION-PROP MGT	1,483	10,931	6,080	4,538	6,000	1,000	
71-80-865-05	MARKET STATION-REPAIR/MAINT	643	.00	.00	716	.00	.00	
71-80-865-06	MARKET STATION-INSUR/TAXES	55,409	.00	.00	.00	.00	.00	
71-80-868-02	BELLO TERRA - ENGINEER/SOILS	.00	220	.00	.00	1,400,000	350,000	
71-80-868-03	S-LINE SOUTH - PROFESSIONAL	.00	.00	.00	.00	20,000	3,500	
71-80-868-06	S-LINE SOUTH - INSUR/TAXES	.00	54,752	51,798	52,484	52,000	52,000	
Total CAPITAL EXPENDITURES:		1,351,101	189,857	113,588	58,127	1,643,376	406,500	
TRANSFERS								
71-95-911-00	TRANSFER FROM GF FOR DEBT SER	944,877-	.00	.00	.00	.00	.00	
71-95-912-00	TRANSFER FROM GENERAL FUND	343,123-	.00	.00	.00	.00	.00	
71-95-975-00	TRAN TO (FROM) RESERVE	.00	.00	.00	.00	1,880,000	2,693,500	
Total TRANSFERS:		1,288,000-	.00	.00	.00	1,880,000	2,693,500	
REDEVELOPMENT AGENCY FUND Revenue Total:		305,120	1,854,992	1,743,844	2,085,413	6,570,000	6,380,500	
REDEVELOPMENT AGENCY FUND Expenditure Total:		3,278,814	1,927,043	2,871,862	1,772,867	6,570,000	6,380,500	
Net Total REDEVELOPMENT AGENCY FUND:		2,973,694-	72,051-	1,128,018-	312,545	.00	.00	
Net Grand Totals:		743,239-	305,126	2,098,196	1,339,399	.00	.00	

Tax Increment Sources:

Westech Engineering	\$150,000
Market Station Project Area	\$176,000
Zellerbach Project Area	<u>\$ 68,000</u>
Total	\$394,000

Administrative Salaries Allocated To RDA:

S. Hauri (Urban Design)	\$12,000
K. Kershaw (Finance)	\$12,000
C. Wood (Exec. Director)	\$ 5,700
J. Collins (Legal)	\$14,000
H. Vickery (Legal)	\$27,000
A. White (Comm. Develop.)	<u>\$19,000</u>
Total	\$89,700

Redevelopment Agency Budget

State Budget Format

Adopted Budget Form for:	Name	South Salt Lake Redevelopment Agency
- Community Development & Renewal Agencies (CDAs)	Fiscal Year Ended	June 30, 2021

Basic Form Instructions

- As required by Utah statutes, budget forms submitted must present a balanced budget, meaning budgeted expenditures must equal budgeted revenues.
- If prior year surplus amounts are to be appropriated in this budget, the amount is to be presented as a source of revenue in the budget. Also, any budgeted increase in a fund balance must be presented as an expenditure within the appropriate budget.
- A copy of the final budget should be sent to the State Auditor's Office within 30 days of adoption.**
- Please report amounts rounded to the nearest dollar.
- Some items may not apply to your entity.
- If you have questions about the form contact:
 - Community Development and Renewal Agencies: Jeremy Walker jeremywalker@utah.gov or (801) 538-1040
 - Association of Governments or Military Installation Development Authority: Jeremy Walker jeremywalker@utah.gov or (801) 538-1040
- Upload completed budgets to reporting.auditor.utah.gov.** If you have any questions related to the uploading of your document, please contact the Office at (801) 538-1025 or stateauditor@utah.gov

Definitions: Current Budget Year: The budget year in which a local government is currently operating. Ensuing Budget Year: The next upcoming budget year, also known as the "incoming" budget year

Part I Revenues

Source of Revenue (a)	Prior Year Actual Revenue (b)	Current Year Estimate (c)	Ensuing Year Approved Budget Appropriation (d)
Taxes			
Tax Increment Monies - Current	142,421	115,000	394,000
Prior Years' Tax Increment - Delinquent			
Other (Specify):			
Intergovernmental Revenue			
Federal Grants and Contracts			
State Grants and Contracts			
State Appropriations			
Loans/Grants from Local Units			
Other (Specify):			
Miscellaneous Revenue			
Interest Earnings	1,423	1,000	500
Rents and Concessions			
Sale of Fixed Assets			
Other (Specify): Proceeds from Sale of Property		4,570,000	4,570,000
Contributions and Transfers			
Contributions from Other Governmental Units			
Contributions from Private Sources			
Contributions from Fund Balance			
Contributions from Other (Specify):			
Transfer from General Fund	1,600,000	1,276,000	1,291,000
Beginning Fund Balance to be Appropriated		608,000	125,000
TOTAL REVENUES	1,743,844	6,570,000	6,380,500

CONTINUE ON PAGE 2 WITH PART II

Name		South Salt Lake Redevelopment Agency		Fiscal Year Ended		June 30, 2021	
Part II		Expenditures					
		Expenditure		Prior Year		Current Year	
		(a)		Actual Exp.		Estimate	
				(b)		(c)	
						Ensuing Year	
						Approved Budget	
						Appropriation	
		(d)					
		General Government					
		Salaries		126,454		64,000	
		Governing Board (Board of Directors)		14,838		-	
		Rent		-			
		Legal Fees		4,501		17,500	
		Executive and Central Staff - Benefits		49,189		26,000	
		Administrative					
		Supplies & Other Materials		9,297		14,500	
		Professional Services		70,456		162,500	
		Non-Departmental					
		Other (Specify):					
		Memberships		5,000		5,000	
		Community and Economic Develop.					
		Tourism Promotion					
		Industrial Promotion					
		Economic Development		144,875		120,000	
		Federal Procurement					
		Other (Specify):					
CONTINUE PART II ON PAGE 3							

Name		South Salt Lake Redevelopment Agency		Fiscal Year Ended	June 30, 2021
Part II		Expenditures Con't (General Fund or Enterprise Fund, as applicable)			
Expenditure (a)		Prior Year Actual Exp. (b)	Current Year Estimate (c)	Ensuing Year Approved Budget Appropriation (d)	
	Redevelopment Activities				
	Relocations, demolition, land acquisitions, infrastructure, improvements, etc.	61,790	1,571,376	354,500	
	Other (Specify): Insurance/Taxes	51,797	52,000	52,000	
	Increment Distribution		90,000	133,000	
	Miscellaneous				
	Other (Specify):				
	Land Writedowns	1,074,775			
	Debt Service	1,258,890	2,367,124	2,383,000	
	Sale of Land Costs		200,000	200,000	
	Budgeted Increase in Fund Balance		1,880,000	2,693,500	
	TOTAL EXPENDITURES	2,871,862	6,570,000	6,380,500	