

REDEVELOPMENT AGENCY STAFF MEMO

DATE: December 8, 2015 **ITEM #:** 6.B. 2
PREPARED BY: D.J. Baxter & Crayola Berger
RE: Consideration And Adoption Of A Resolution Of The Board Of Directors Of The Redevelopment Agency Of Salt Lake City Adopting The First Amendment To The Annual Implementation Budget For The Fiscal Year Commencing July 1, 2015 And Ending June 30, 2016.

REQUESTED ACTION: Adopt the resolution approving the First Amendment to the FY 15-16 Implementation Budget.

POLICY ITEM: Budget

BUDGET IMPACTS: Reallocation of unused funds from previous years and allocation of funds received since the adoption of the 2015-2016 budget.

RAC RECOMMENDATIONS: RAC reviewed the elements of the proposed Budget Amendment and recommended approval.

EXECUTIVE SUMMARY/ANALYSIS: The Annual Implementation Budget determines which projects and programs will be funded with the revenue received during a particular fiscal year and with revenue reallocated from prior fiscal years. This budget amendment considers a change to the staffing document and administrative budget, as well as reallocation of funds received from various sources as highlighted on the attached budget spreadsheets.

ANALYSIS & ISSUES: Changes proposed in this budget amendment are described in the discussion item below.

PREVIOUS BOARD ACTION: The Annual Implementation Budget is derived from the Operations Plans for each project area and identifies which projects and programs will be funded with the revenue received in the next fiscal year and with revenue reallocated from prior fiscal years. The Board adopted the 2015-2016 Budget on June 9, 2015.

DISCUSSION: The revisions reflect several proposals for funding particular projects and needs in the following project areas:

CENTRAL BUSINESS DISTRICT:

Administrative Budget: \$50,000

The Salt Lake City Finance office has recognized the need to increase its staffing level to better accommodate the accounting needs of the RDA due to the increased complexity of RDA projects and changes to their personnel and organizational structure. Staff proposes adding a full time employee for the remainder of the 2015-2016 fiscal year, with the understanding that this position would transition to a shared employee with Finance in fiscal 2017. Funding for this additional position would be reallocated from prior year administrative funds and other unused CBD accounts.

Plaza at State Street: \$2,500,000

In March 2012, the Board approved a \$2,500,000 back-up bridge loan to Tannach Commercial Properties LLC for the Plaza at State Street Project. The loan was to be funded from the proceeds of the sale of the State Street property. Those funds were placed in an escrow account. In December 2013, Tannach requested, and the Board approved, converting the back-up bridge loan to a construction loan to help balance the sources and uses for construction. The terms for the loan have not been met, and the funds held in escrow have been returned to the RDA. Staff recommends that the funds be allocated to the Plaza at State Street, which is a priority item in the 2014-2019 Strategic Plan.

DEPOT DISTRICT:

Intermodal Hub Infrastructure: \$81,250

As a part of the 2013-14 budget process, the Board approved an allocation of \$81,250 for an urban art sculpture to be built in the Depot District by the Central Utah Arts Center (CUAC). CUAC has elected not to move forward with the project. Staff recommends reallocating these funds to Intermodal Hub Infrastructure, which is a priority item in the 2014-2019 Strategic Plan.

PROGRAM INCOME FUND:

Temporary Property Expenses: \$46,000

During FY 2015, the RDA received \$46,000 more than budgeted in temporary property income. Staff proposes allocating these funds to temporary property expense in the Program Income Fund.

Block 70 CDA:

Eccles Theater Construction: \$1,771,180

As a part of the closing for the Eccles Theater Property, PRI deposited \$1,609,163 for work to be completed by the RDA as a part of the integration of the 111 South Main building and the theater lobby. An additional \$162,017 was deposited earlier this year for additional enhancements to the lobby area. Since this work is scheduled to begin soon, staff recommends allocating these funds to the Eccles Theater Construction.

STAFFING DOCUMENT:

The Administration recommends the addition of a full time Financial Analyst IV through FY 16, transitioning to a shared position with the City Finance office in FY 17.

ATTACHMENTS: Draft Resolution

First Amendment to the 2015-2016 Annual Implementation Budget

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING THE FIRST AMENDMENT TO THE ANNUAL IMPLEMENTATION BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2015 AND ENDING JUNE 30, 2016

WHEREAS, the Redevelopment Agency of Salt Lake City was created to transact the business and exercise the powers provided for in the Utah Community Development and Renewal Agencies Act; and

WHEREAS, on June 9, 2015 after conducting a public hearing, the Agency Board of Directors passed Resolution No. 759.06 adopting the 2015/2016 Annual Implementation Budget; and

WHEREAS, the Redevelopment Agency of Salt Lake City has determined, it is both necessary and desirable to amend the 2015/2016 Annual Implementation Budget; and

WHEREAS, the Board of Directors has determined that the public improvements to be constructed with tax increment in each of the project areas will be of benefit to the project area which generated the tax increment; and

WHEREAS, the Redevelopment Agency of Salt Lake City has caused a Notice of Public Hearing to be published in the Salt Lake Tribune, a newspaper of general circulation on or before December 1, 2015, a period of at least one week in advance of the public hearing date; and

WHEREAS, the Redevelopment Agency of Salt Lake City has held a public hearing to consider amending the Agency's Annual Implementation Budget for the 2015/2016 fiscal year on the 8th day of December 2015; and

WHEREAS, the Redevelopment Agency of Salt Lake City has caused a copy of the proposed amended 2015/2016 Annual Implementation Budget to be available for public inspection during regular business hours in the office of the Redevelopment Agency of Salt Lake City, City & County Building, 451 South State Street, Room 418, Salt Lake City, Utah 84111, for a period of at least three (3) days before the commencement of the public hearing; and

WHEREAS, the Redevelopment Agency of Salt Lake City's Board of Directors have considered all written and oral statements made at the public hearing objecting to or supporting the amendment of the Agency's 2015/2016 Annual Implementation Budget.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of Salt Lake City that the Amended 2015/2016 Annual Implementation Budget attached hereto is hereby adopted for the fiscal year commencing on July 1, 2015 and ending June 30, 2016;

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, Utah this 8th day of December, 2015.

Stan Penfold, Chairperson

ATTEST:

D.J. Baxter, Executive Director

Transmitted to the Chief Administrative Officer on _____.
The Chief Administrative Officer:

_____ does not request reconsideration
_____ requests reconsideration at the next regular Agency meeting.

Ralph Becker
Chief Administrative Officer

ATTEST:

D.J. Baxter, Executive Director

Approved as to form:

Damon Georgelas

REDEVELOPMENT AGENCY OF SALT LAKE CITY
 FIRST AMENDMENT 2015-2016 ANNUAL IMPLEMENTATION BUDGET SPECIAL FUNDS
 December 8, 2015

| | <u>PROGRAM</u> | <u>PROJECT</u> | <u>CITY WIDE</u> | <u>RETAIL</u> | <u>CDA-North</u> | <u>Block 70</u> | <u>TOTAL</u> |
|---------------------------------------|----------------|----------------|------------------|---------------|------------------|-----------------|--------------|
| | <u>INCOME</u> | <u>AREA</u> | <u>HOUSING</u> | <u>REBATE</u> | <u>Temple</u> | <u>CDA</u> | |
| | | <u>HOUSING</u> | <u>FUND</u> | <u>FUND</u> | <u>Viaduct</u> | <u>Fund</u> | |
| | | <u>FUND</u> | | | | | |
| SOURCES: | | | | | | | |
| Tax Increment Proceeds | | | | | 150,000 | | 150,000 |
| Transfers from Tax Increment Funds | | 781,011 | 781,011 | | | | 1,562,022 |
| Parking Structure Income | 1,233,371 | | | | | | 1,233,371 |
| Loan Repayments - Principal | 135,500 | | | | | | 135,500 |
| Property Sales | | | | | | | 0 |
| Interest Income on Loans | 76,000 | | | | | | 76,000 |
| Interest Income on Investments | 150,000 | 9,180 | 9,180 | | | | 168,360 |
| Reallocation | 46,000 | 109,220 | 0 | | | 1,771,180 | 1,926,400 |
| Transfer from CBD | | | | | | 1,419,825 | 1,419,825 |
| Temporary Property Income | 120,000 | | | | | | 120,000 |
| Parking Lease Revenue | | | | | | | 0 |
| Sales Tax Revenue: | | | | | | | 0 |
| Hermes | | | | 80,000 | | | 80,000 |
| Sutherlands | | | | 0 | | | 0 |
| 2015A Regent Street Bond | | | | | | 12,215,000 | 12,215,000 |
| 2015B Regent Street Bond | | | | | | 1,060,000 | 1,060,000 |
| Private Fundraising | | | | | | 4,725,000 | 4,725,000 |
| Contribution from CBD Increment | | | | | | 2,990,077 | 2,990,077 |
| SLC CBD Increment | | | | | | 2,990,077 | 2,990,077 |
| SLCo CBD Increment | | | | | | 1,611,462 | 1,611,462 |
| | 1,760,871 | 899,411 | 790,191 | 80,000 | 150,000 | 28,782,621 | 32,463,094 |
| USES: | | | | | | | |
| Administration | 473,520 | 84,000 | 84,000 | 800 | 2,250 | | 644,570 |
| Urban Designer | | 5,000 | 5,000 | | | | 10,000 |
| Temporary Property Expenses | 501,000 | 10,000 | 10,000 | | | | 521,000 |
| Revolving Loan Funds | 259,496 | | | | | | 259,496 |
| No Temple Catalytic Project | 314,540 | 691,191 | | | | | 1,005,731 |
| Street Construction Granary | 157,270 | | | | | | 157,270 |
| No Temple Improvements | 55,045 | | | | | | 55,045 |
| Project Area Housing | | 109,220 | | | | | 109,220 |
| Housing Trust Fund | | | 518,393 | | | | 518,393 |
| City Wide Housing | | | | | | | 0 |
| Quiet Zone | | | 172,798 | | | | 172,798 |
| NT Viaduct - Pmt to SLC | | | | | 147,750 | | 147,750 |
| Sales Tax Projects: | | | | | | | |
| Hermes | | | | 79,200 | | | 79,200 |
| Sutherlands | | | | 0 | | | 0 |
| Eccles Theater Construction | | | | | | 4,485,848 | 4,485,848 |
| Regent Street Improvements 2015A Bond | | | | | | 11,543,274 | 11,543,274 |
| Cap I 2015A | | | | | | 579,890 | 579,890 |
| Cost of issuance 2015A | | | | | | 91,836 | 91,836 |
| Regent Street Improvements 2015B Bond | | | | | | 1,000,000 | 1,000,000 |
| Cap I 2015B | | | | | | 52,084 | 52,084 |
| Cost of issuance 2015B | | | | | | 7,916 | 7,916 |
| Regent Street Property Acquisition | | | | | | 1,419,825 | 1,419,825 |
| Eccles Theater Debt Service | | | | | | 8,748,823 | 8,748,823 |
| Fundraising Fulfillment | | | | | | 853,125 | 853,125 |
| TOTALS | 1,760,871 | 899,411 | 790,191 | 80,000 | 150,000 | 28,782,621 | 32,463,094 |
| Over/(Under) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

INFORMATION SHEET 1
 December 8, 2015
 REDEVELOPMENT AGENCY OF SALT LAKE CITY
 2015-16 Administrative Budget

| Object Code | Description | First Amendment 2015-2016 Budget |
|--------------------------------|----------------------------------|--|
| 2111.01 | Executive Salaries | 1,133,000 |
| 2111.02 | Executive Longevity | 6,300 |
| 2161 | Hourly pay - seasonal employees | 15,000 |
| SUBTOTAL SALARIES & WAGES | | 1,154,300 |
| 2173 | Plan B cash conversion | 3,000 |
| 2191.1 | FICA | 86,675 |
| 2191.13 | State Retirement | |
| 2191.14 | Deferred Benefit 401K | 56,000 |
| 2191.15 | Non-Contributory | 151,000 |
| 2191.18 | 501C9 | 10,000 |
| 2195 | Group Insurance | 170,000 |
| 2195.01 | H S A | 19,500 |
| 2199 | Salary contingency | 50,000 |
| SUBTOTAL EMPLOYEE BENEFITS | | 546,175 |
| TOTAL | PERSONAL SERVICES | 1,700,475 |
| MATERIALS AND SUPPLIES | | |
| 2211 | Books | 300 |
| 2213 | Periodicals | 250 |
| 2221 | Stationery Supplies | 1,000 |
| 2223 | Duplication Supplies | 3,000 |
| 2223.1 | Copy center charges | 1,000 |
| 2224 | Postage | 4,000 |
| 2225.05 | Computer Software | 5,000 |
| 2299 | Other Materials & Supplies | 3,000 |
| TOTAL | MATERIALS AND SUPPLIES | 17,550 |
| OPERATING & MAINTENANCE SUPPLY | | |
| 2311 | Auditing Fees | 17,000 |
| 2312 | Legal Fees | 40,000 |
| 2318 | Public Relations | 25,000 |
| 2321.04 | Software Maintenance Contract | 13,000 |
| 2324 | Special Consultant | 5,000 |
| 2328 | Technical Services | 5,000 |
| 2329 | Lobbyist | 25,000 |
| 2336.01 and 2336.0 | Telephone - Long Distance & Conf | 500 |
| 2336.06 | Cell Phone | 12,000 |

| | | |
|--------------|---|----------------|
| 2527.01 | Cell phone allowance | 2,000 |
| 2340.01 | Network Support | 60,000 |
| 2341 | Office Equipment MC | 4,000 |
| 2371 | Public Notices | 2,000 |
| 2394.01 | Educational Training | 10,000 |
| 2506 | Phone Maintenance Plan | 9,000 |
| 2524 | Mileage | |
| 2910.09 | One Solution Maint Fee | 7,500 |
| TOTAL | OPERATING & MAINTENANCE SUPPLY | 237,000 |

CHARGES & SERVICES

| | | |
|---------|--|----------------|
| 2512 | Building Rent | 48,000 |
| 2520 | Meals | 20,000 |
| 2522 | Memberships | 11,000 |
| 2523 | In-City Conventions | 4,000 |
| 2525 | Out-of-town Travel | 50,000 |
| 2527 | Auto Allowance | 5,000 |
| 2528 | Rewards & Recognitions | 3,000 |
| 2529 | Other Employee Costs | 500 |
| 2543 | Insurance/Surety Bonds | 25,000 |
| 2549 | Risk Management Premium | 9,000 |
| 2549.02 | Unemployment Payments | 1,500 |
| 2549.7 | Occupational Health Clinic Charges | 200 |
| 2590 | Other Expenses | 3,500 |
| | SUBTOTAL CHARGES & SERVICES | 180,700 |

GOV'T TRANSACTION COSTS

| | | |
|---------|---|----------------|
| 2921.01 | Administrative Service Fee | 340,000 |
| | SUBTOTAL GOV'T TRANSACTION COSTS | 340,000 |

| | | |
|--------------|---|----------------|
| TOTAL | CHARGES & SERVICES & GOV'T TRANSACTION COSTS | 520,700 |
|--------------|---|----------------|

| | |
|---|------------------|
| SUBTOTAL-NON-CAPITAL & GOV TRANSACTION COSTS | 2,425,725 |
|---|------------------|

| | | |
|--------------|--------------------------------|--------------|
| 2700 | Capital Expenditures | |
| 2760 | Equipment | 5,125 |
| 2760.5 | Office Equipment & Furnishings | |
| TOTAL | CAPITAL EXPENDITURES | 5,125 |

| | | |
|--------------|------------------------------------|------------------|
| TOTAL | ADMINISTRATIVE EXPENDITURES | 2,480,850 |
|--------------|------------------------------------|------------------|

BUDGET ATTACHMENT "B"
 December 8, 2015
 AMENDED STAFFING DOCUMENT
 2015-2016
 Staffing Document

| | Pay Grade | No. of Positions |
|----------------------------|-----------|------------------|
| Executive Director | 41 | 1 |
| Deputy Director | 37 | 1 |
| Senior Project Manager | 33 | 2 |
| Property Manager | 26 | 1 |
| Project Manager | 29 | 3 |
| Project Coordinator | 24 | 3 |
| Communications Coordinator | 27 | 1 |
| Office Manager | 21 | 1 |
| Office Facilitator II | 18 | 1 |
| Project Area Specialist | 22 | 0 |
| Accountant II | 21 | 1 |
| Administrative Secretary** | 18 | 0.8 |
| Financial Analyst IV*** | 32 | 1 |
| | | 16.8 |

** Joint position, 20% of salary covered by CED

*** FTE position through FY 16, then shared with Finance

2014-2015 BUDGET YEAR

| | Pay Grade | No. of Positions |
|----------------------------|-----------|------------------|
| Executive Director | 41 | 1 |
| Deputy Director | 37 | 1 |
| Senior Project Manager | 26 | 2 |
| Property Manager | 32 | 1 |
| Project Manager | 29 | 2 |
| Project Coordinator | 24 | 3 |
| Communications Coordinator | 24 | 1 |
| Office Manager | 21 | 1 |
| Office Facilitator II | 18 | 1 |
| Project Area Specialist | 22 | 1 |
| Accountant II | 21 | 1 |
| Administrative Secretary** | 15 | 0.8 |
| | | 15.8 |

** Joint position, 20% of salary covered by CED

BUDGET ATTACHMENT "A"
 REDEVELOPMENT AGENCY OF SALT LAKE CITY
 REALLOCATION WORKSHEET FOR FIRST AMENDMENT TO 2015-2016 ANNUAL IMPLEMENTATION BUDGET
 December 8, 2015

| <u>SOURCES:</u> | <u>C.B.D.</u> | <u>WEST</u> | | <u>WEST</u> | | <u>GRANAR\</u> | <u>NORTH</u> | <u>PROGRAM</u> | <u>PROJECT</u> | | |
|--|------------------|--------------|----------------|----------------|-----------------|-----------------|---------------|----------------|----------------|------------------|------------------|
| | | <u>SUGAR</u> | <u>TEMPLE</u> | <u>CAPITOL</u> | <u>DEPOT</u> | | | | <u>AREA</u> | <u>CITY WIDE</u> | <u>BLOCK 70</u> |
| | | <u>HOUSE</u> | <u>GATEWAY</u> | <u>HILL</u> | <u>DISTRICT</u> | <u>DISTRICT</u> | <u>TEMPLE</u> | <u>INCOME</u> | <u>HOUSING</u> | <u>HOUSING</u> | <u>CDA</u> |
| | | | | | | | | | <u>FUND</u> | <u>FUND</u> | |
| Project Area Housing: | | | | | | | | | | | |
| Previous year Land Sale (Pugsley) | | | | | | | | | 109,220 | | |
| CBD: | | | | | | | | | | | |
| State Street Escrow | 2,500,000 | | | | | | | | | | |
| CBD: 9237234 Contract Planner | 6,778 | | | | | | | | | | |
| CBD: 9238235 Urban Designer | 5,166 | | | | | | | | | | |
| CBD: 9239235 Urban Designer | 15,000 | | | | | | | | | | |
| CBD: 9239248 UPACA Admin Staff | 400 | | | | | | | | | | |
| CBD: 9240063 Solar Reimbursement | 996 | | | | | | | | | | |
| CBD: 9211002 Previous Year Admin | 21,660 | | | | | | | | | | |
| DEPOT: | | | | | | | | | | | |
| DEP: 9239176 - CUAC Urban Sculpture | | | | | 81,250 | | | | | | |
| PROGRAM INCOME FUND: | | | | | | | | | | | |
| Previous Year TPE Income | | | | | | | | 46,000 | | | |
| Block 70 CDA | | | | | | | | | | | |
| Integration Deposits | | | | | | | | | | | 1,771,180 |
| TOTAL SOURCES TO BE REALLOCATED | 2,550,000 | 0 | 0 | 0 | 81,250 | 0 | 0 | 46,000 | 0 | 0 | 1,771,180 |
| Uses: | | | | | | | | | | | |
| CBD: Admin | 50,000 | | | | | | | | | | |
| CBD: Plaza at State Street | 2,500,000 | | | | | | | | | | |
| DEP: Intermodal Hub Infrastructure | | | | | 81,250 | | | | | | |
| PIF: Temporary Property Expense | | | | | | | | 46,000 | | | |
| BI 70: Eccles Theater Construction | | | | | | | | | | | 1,771,180 |
| TOTAL USES TO BE REALLOCATED | 2,550,000 | 0 | 0 | 0 | 81,250 | 0 | 0 | 46,000 | 0 | 0 | 1,771,180 |