

**REDEVELOPMENT AGENCY OF SALT LAKE CITY
SUPPLEMENTAL BUDGET INFORMATION & NARRATIVE
FISCAL YEAR 2013/2014**

The following document is supplemental to the annual implementation budget to be adopted by the Board of Directors on June 11, 2013. This document discusses the priority projects of each of the project areas, the sources of revenues generated, and the allocation of funds to accomplish certain goals and objectives by project area or fund type. It also discusses the priority of funding of projects within the districts depending upon the amount of actual tax increment received.

The report is organized by fund and is in the same order as the Annual Implementation Budget. The supplemental information is organized as follows:

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OVERVIEW

The Redevelopment Agency of Salt Lake City was created in 1969 and currently has seven urban renewal project areas within which the Agency concentrates its efforts. In addition, the Agency works with housing providers and advocates to improve the housing stock on a city-wide basis. The Agency is governed by Utah statute, which has been amended numerous times. The current statute is the Community Development and Renewal Agencies Act (Utah Code Annotated, Section 17C).

The mission of the Redevelopment Agency of Salt Lake City is to “improve blighted areas of Salt Lake City, encourage economic development of Salt Lake City, encourage the development of housing for low- and moderate-income households within Salt Lake City and encourage compliance with and implementation of the Salt Lake City master plan.” The Agency will participate with Salt Lake City, Salt Lake County, the State of Utah and other public entities, as appropriate, to implement its mission.

The tools available to achieve the Agency’s mission include:

1. Property acquisition, demolition, re-planning, sale, and/or redevelopment;
2. Planning, financing and development of public improvements;
3. Providing management support and financing for projects that will improve blighted areas;
4. Gap financing in the form of loans, grants, and equity participation to encourage private investment;
5. Relocation assistance and business retention assistance to businesses.

To accomplish this mission, the Agency has developed a number of programs within each of the project areas to promote redevelopment. These programs typically provide loans and reimbursements to encourage renovation and certain types of developments.

The Agency’s project areas were created under the redevelopment statute at various times over the past thirty years. Statutorily, the Agency is required to budget and account for each project area separately. In addition, the Agency has established other funds including Project Area and City-Wide Housing funds as permitted under the statute. The Agency’s accounts are audited annually and transmitted to the State Tax Commission and taxing entities as required by the statute.

BUDGET PROCESS

The budget process is a multi-month endeavor that requires reports and requests being sent to and received from the Salt Lake County Auditor’s office; receiving and reviewing funding applications from public and private groups; and a determination by the Board of Directors of the funding allocations for projects and programs for the upcoming fiscal year. The budget documents include ongoing obligations such as debt service payments, reimbursement agreements, administrative costs, temporary property expenses; revenues; and special allocations for new projects and programs.

On or before November 1 of each year, the Agency is required to submit a request to the Salt Lake County Auditor requesting funds for the following tax year. This request is submitted prior to the

time the Agency has information concerning the current year tax increment proceeds. The statute also states that the Agency can receive no more than it requests. Thus, to ensure that the Agency’s request adequately covers any unanticipated growth in tax increment revenues, the Agency often requests more tax increment proceeds than may be generated in each of the districts. To ensure that funding is available for projects, the Board budgets both “certain” tax increment, which is typically an amount slightly more than the tax increment received from the most recent final tax increment settlement, and “uncertain” or contingent allocations, to account for any unexpected increases in tax increment that might make more funds available. The projects funded with uncertain allocations are not started until such time as the tax increment settlement information is received from Salt Lake County, usually in late March, during the final quarter of the fiscal year. A budget amendment is then prepared and presented for adoption that balances actual tax increment receipts and funding allocations.

ADMINISTRATIVE BUDGET

The Agency’s Administrative Budget document includes the staffing document and the allocation of funds to pay for personnel services and general operating costs. The staffing document shown below describes the number and pay grades of the approved staffing for the Agency for the current and most recent fiscal years.

STAFFING DOCUMENT				
	No. of Positions			
	Pay Class	2012-2013	Pay Class	2013-2014
Executive Director	41	1	41	1
Deputy Director	37	1	37	1
Senior Project Manager	32	1	32	1
Project Manager	29	2	29	2
Project Coordinator	24	3	24	3
Property Administrator	26	1	26	1
Communications	24	1	24	1
RDA Office Manager	21	1	21	1
Project Area Specialist	22	1	22	1
Administrative Secretary	18	1	18	1
Senior Secretary	15	1	15	0
Office Facilitator II	19	0	19	1
Total		14		14

This budget contemplates two changes to the staffing document for FY 2013/2014. During the 2012/2013 Fiscal Year, the Human Resources Department recommended, and the Chief Administrative Officer approved the reclassification of two RDA clerical positions. The first was formerly titled Administrative Secretary I, a Grade 18 position. This was elevated to Grade 19, and reclassified as an “Office Facilitator II.” The second was a “Senior Secretary”

Grade 15 position, which was reclassified to “Administrative Secretary I,” a Grade 18 position. After analysis by the City’s Compensation Manager, Human Resources concluded that the job duties required of these positions warranted reclassification to the higher grade levels. This change will provide a slightly higher pay range in both cases, enabling us to recruit and retain highly-skilled candidates who can effectively support our staff. These reclassifications are reflected on the table above.

BUDGET NARRATIVE- FY 2013-2014

The Administrative Budget covers six general categories of costs:

1. Personal Services includes salaries and benefits for the Agency staff. Since the RDA has adopted the City’s Personnel Policy, staff’s receipt of a cost of living increase will depend on the City’s adoption of such an increase for its workforce. The proposed Administrative budget reflects an overall increase of 4.73%, most of which is attributable to increasing benefits costs and higher participation among RDA staff in the high-deductible health insurance plan. The Personal Services category also reflects a modest increase in salaries based on the latest information from the city’s Budget Director. This number may need to be revisited after Salt Lake City finalizes its employee health and compensation plans for the coming year. The proposed budget reflects an increase in Personal Services costs of 6.97%.
2. Materials and supplies include additional computer software, postage, and duplication supplies. This portion of the proposed budget reflects no change from the current year.
3. Operating and Maintenance Costs include auditing and legal fees, telephone and computer network support, and education and training for staff. The budget has been increased by approximately 2.6% to account for increases in the cost of our phone maintenance plans, and additional funds for staff training, both of which were inadequate to meet this year’s need.
4. Charges and Services Costs include rental for Agency office space, travel, employee recognition awards, cost of meals for RAC and Board meetings, and insurance/bonding costs. The proposed budget is decreased by approximately 2% below the current year due primarily to a decrease in the cost of insurance. This decrease more than offsets the expected increases in the risk management premium and funding for meals.
5. Administrative Services Fees are paid to Salt Lake City Corporation for services provided for assistance in preparing financial reports, human resource management, and time spent by members of the City Council and Mayor’s Office working on Agency projects. The proposed budget anticipates no change in administrative service fees, associated with internal billings from other city departments.
6. We have proposed a 0.5% increase over the current year’s capital expenditures budget to cover the cost of any unanticipated equipment needs.

2013/2014 Administrative Budget	
Personal Services	1,330,110
Materials and Supplies	26,050
Operating and Maintenance	196,700
Charges and Services	158,500
Administrative Service Fees	240,000
Capital Expenditures	7,140
Total	1,958,500

The 2013/2014 Administrative Budget is 4.73% higher than the prior year. Funding of the costs is distributed across all funds as shown in the budget spreadsheet that precedes this discussion.

FUND BUDGETS

The following is a brief discussion of each of the funds and projects that will be allocated monies from each fund’s revenue source. The funds are described in order of the columns on the budget spreadsheets.

SARR (STATUTORY ALLOCATION REDUCTION REVENUE)

2013/2014 SARRS Budget	
Administration	\$ 110,000
Trustee’s Fees	\$ 20,000
Facilities	
<i>Arena/Salt Palace</i>	\$ 1,267,860
<i>Arena Debt Service</i>	\$ 7,385,000
<i>Franklin Covey Field</i>	\$ 1,744,586
<i>500 West Park Blocks</i>	\$ 1,035,316
<i>Guardsman Way Ice Sheet</i>	\$ 1,973,050
School District Payments	
<i>#1 - Arena</i>	\$ 390,000
<i>#2 - Salt Palace</i>	\$ 1,094,103
<i>#3 - Franklin Covey</i>	\$ 436,147
<i>#4 - 500 West</i>	\$ 414,126
<i>#5 - Ice Sheet</i>	\$ 789,220
TOTAL	\$16,659,408

The Community Development and Renewal Agencies Act permits the Agency to use up to 100% of the tax increment generated in project areas to pay for construction of sports facilities and convention centers where construction began prior to June 30, 2002; and recreational and cultural facilities on which construction began prior to December 31, 2005. (Refer to Utah Code Annotated, Section 17C-1-403 for statutory requirements.) The debt service for these facilities can be paid throughout the 25-year life of the project area and for seven years after regular tax increment is no longer paid to the Agency. Only expenses related to administration, costs of these facilities, and payments to taxing entities are eligible uses of the funds.

The Agency currently pays debt service and makes payments to the Salt Lake City School

District from the Central Business District SARR funds.

The Agency sold bonds for the construction of the Energy Solutions Arena and the Salt Palace project, both in the CBD project area. These are obligations of the Agency and will be paid in full after final annual payments are made from the 2014 tax year (2014/2015 Fiscal Year) tax increment allocations.

The Agency has entered into Interlocal Agreements with Salt Lake City Corporation for the payment of the portion of the City’s sales tax bond debt service related to Franklin Covey Field, the 500 West Park Blocks, and the Guardsman Way Ice Sheet. The interlocal agreements state that “to the extent tax increment is available,” the Agency will make the debt service payments. If tax increment is not adequate to cover the balance of the Agency’s share of debt service, Salt Lake City Corporation is obligated to make the payments even if the Agency’s assistance is reduced or eliminated in that year. The Agency has also executed agreements with the Salt Lake City School District to pay either negotiated amounts or a percentage of the actual debt service payments. These payments continue through the term of the bond obligations or the end of the permitted statutory life of the Central Business District Project Area.

In April 2012, the RDA refinanced its 2002A Arena/Salt Palace Bonds to take advantage of lower interest rates, which will create savings of approximately \$285,000 during the remaining SARR period. The lower debt service payments for the new 2012 Series bonds are reflected in the 2013-2014 budget.

CENTRAL BUSINESS DISTRICT PROJECT AREA

Overview

The Central Business District Project Area (CBD) was created on May 1, 1982 and will expire in tax year 2040. The unusual length of the CBD Project Area life exists as a result of the approval of a project area extension granted by the Agency's Taxing Entity Committee. The CBD Project Area is approximately bounded by North Temple and 500 South Street, 400 West and 200 East. Since State redevelopment law at the time of the creation of the CBD Project Area limited the area for tax increment collection to 100 acres within a single project area, the Agency carefully selected 100 tax increment generating acres from the designated 262-acre project area. The remaining 162 acres are still eligible for RDA funding.

The CBD project area was adopted without a project area budget because this statutory requirement did not exist at the time of the project area's creation. The adopted redevelopment plans describe development objectives that include promotion of residential, office, and commercial projects, assisting in the planning and construction of public infrastructure and transportation, and promotion of cultural activities. This project area has no statutory obligation to contribute to the Project Area or City-Wide Housing funds. As a practice, however, the Board of Directors usually allocates approximately 10% of tax increment revenues after ongoing obligations to support housing development.

Goals and Objectives

In December 2012, the Board of Directors of the Agency adopted the following Priority Projects for the Central Business District Project Area:

- Gallivan Center Improvements
 - Work with Gallivan and City staff to identify, prioritize, and carry out short-term improvements to key areas of the plaza, including the Main Street entrance.
 - Explore design options to raise stage at the Gallivan amphitheater.
 - Explore options for reuse of existing Olympic Tower at Main Street entrance.
- Gallivan Avenue Branding
 - Implement strategy to activate Gallivan Avenue by leasing retail spaces to day and evening users.
 - Hire architect and work with the City Urban Designer to carry out short-term improvements and provide scope of services and cost estimate for long-term Gallivan Avenue improvements.
 - Work with Friends of the Gallivan Center to determine design and location of Gallivan Art Tower
- Utah Theater
 - Coordinate with Salt Lake County in identifying potential reuses.
 - Define appropriate use for facility.
 - Conduct upfront work in preparation for eventual issuance of an RFP for redevelopment and permanent occupancy, including a structural and cost

- assessment of the Theater space, and a cost assessment of renovating the front-of-house building space to vanilla shell, mid-level, and complete renovation status.
- Identify funding sources for renovation.
- State Street Development
 - Ensure compliance with development agreement through substantial completion of construction and lease-up.
- Downtown Streetcar
 - Complete Alternatives Analysis.
 - Complete Environmental Assessment.
 - Begin design.
 - Identify funding sources.
- Downtown Mid-Block Walkways and Crossings
 - Put documentation of CC&Rs, easements, and other RDA land agreements that involve public space into the Building Services ACCELA program.
 - Move forward with public outreach and short-term improvements to mid-block walkways and crossings in CBD.
 - Move forward with mid-block walkway and crossing improvements to Floral and Edison Streets.
- Utah Performing Arts Center
 - Determine financing.
 - Commence negotiation and design work related to mid-block walkways on Blocks 69 and 70.
 - Proceed with design and pre-construction, consistent with guidelines established in the Owner Requirements Document, through 100% construction documents and guaranteed maximum price.
 - Fulfill sources of funding, including bond financing and private contributions.
 - Continue efforts to generate long-term community interest in UPAC as a performing arts venue and public amenity.
 - Develop a comprehensive leasing strategy and management plan with other property owners for activating Regent Street.
 - Commence construction.
- Implement Wayfinding Improvements
 - Participate in funding upgrades to existing wayfinding.
 - Participate in creation of a plan for new wayfinding system, including coordination with other organizations, such as Visit Salt Lake, towards implementing a state-of-the-art wayfinding system.
- Convention Center Hotel
 - Coordinate with Salt Lake County on predevelopment work.

Board members requested that funding applications for the 2013/2014 Budget year be directed toward accomplishment of the adopted goals and objectives. Therefore, after all ongoing budget requirements are met, the remaining funds are used for projects that meet the specific goals and objectives as previously stated.

Revenue and Allocations

Revenue

Tax Increment. The 2013 tax year is the sixth year the Agency will operate under the CBD Extension Resolution adopted by the Taxing Entity Committee on October 1, 2004. This resolution extends the CBD Project Area through 2040. The Agency has requested that the County Auditor distribute 100% of the tax increment to the Agency. The SARR Debt Service has the senior call on available tax increment. The remainder of funds will be split with 60% being paid to the taxing entities and 40% being retained by the Agency for redevelopment activities.

CBD Tax Increment Growth: 1997 – 2012		
Tax Year	Tax Increment	% Change
1997	11,954,713	
1998	11,230,283	-6.06%
1999	12,715,469	13.22%
2000	12,543,596	-1.35%
2001	13,317,097	6.17%
2002	13,692,033	2.82%
2003	11,363,379	-17.01%
2004	9,659,285	-15.00%
2005	9,590,595	-0.71%
2006	9,615,389	0.26%
2007	9,438,307	-1.84%
2008	883,002	-90.64%
2009	709,429	-19.66%
2010	2,770,437	290.51%
2011	3,474,939	25.43%
2012	7,158,460	106.00%
2013*	18,406,592	
* Estimated		

CBD Project Area tax increment revenue is generated and collected from the increase in property tax values above the base value established at its inception within the 100-acre collection area of the total 262-acre project area. Tax increment revenues since 1997 are shown in the table on the left.

State redevelopment law requires that the Agency request tax increment on the November 1st prior to the beginning of the tax year the increment will be generated. This results in the Agency requesting more than anticipated in order to assure that the Agency receives all tax increment proceeds to reinvest in the project area. For this reason, the Agency’s budget is prepared to include both “Certain” and “Uncertain” funding allocations.

On November 1, 2012, the Agency requested \$18,406,592 for the 2013 tax year. In March 2013 the report of the Salt Lake County Auditor verified the 2012 regular tax increment proceeds in the amount of \$7,158,460. Starting with Tax Year 2008, the taxing entities receive 60% of available tax increment after debt service for the remaining life of the CBD Extension. During the first seven years of the CBD Extension, the vast majority of tax increment proceeds are earmarked for

the debt service payments under SARR.

The total certain and uncertain tax increment for CBD in tax year 2013 is projected at \$18,406,592. The Agency determined the CBD Project Area certain funding for the 2013/2014 budget at \$7,500,000 with the uncertain balance at \$10,872,592.

Projects funded with “uncertain” funding allocations are not started until the Agency receives the March report from the Salt Lake County Auditor’s Office certifying actual tax increment received. A budget amendment is then prepared and presented for adoption that balances actual tax increment receipts and funding allocations.

Central Business District 2013/2014 Fiscal Year Revenue	
Source	Amount
Tax Increment - Certain	\$ 7,500,000
Tax Increment - Uncertain	\$10,872,592
Interest Income	\$ 34,000
Temporary Property Income	\$ 0
Reallocation	\$ 0
TOTAL	\$18,406,592

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Central Business District:

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.
2. Temporary Property Income. From time to time, the Agency receives lease revenues from various downtown rentals. Temporary Property Income is budgeted as a part of the “certain” funding allocation. This year, because we plan to vacate several of our previously rented properties, we have not anticipated substantial lease revenues. What does come in will be deposited in the Program Income Fund.
3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation for the current year.

Allocations

Allocations of revenues to support redevelopment activities fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the CBD Project Area.

Ongoing Obligations

1. State Tax Overpayment Reserve. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, which results in a need for the State and County to recapture tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.
2. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.
3. Urban Designer. Last year, Salt Lake City decided to hire an Urban Designer to address urban design issues throughout the City. The work plan for the Urban Designer will include evaluation and recommendations on RDA project areas, therefore, it has been requested that the RDA fund 50% of this position’s salary.

Central Business District 2013/2014 Fiscal Year Ongoing Allocations	
<i>Use</i>	<i>Amount</i>
State Tax Overpayment Reserve	\$ 100,000
Administration (includes office rent)	\$ 420,000
Urban Designer	\$ 15,000
Streetcar Project Manager	\$ 15,000
60% TEC Payment	\$4,500,000
Block 57- Maintenance	\$ 400,000
Block 57- Programming/Admin	\$ 289,000
Block 57- Parking Ramp Lease	\$ 29,870
222 South Main Reimbursement	\$ 525,000
Convention Ctr. Solar Reimburse	\$ 15,463
TOTAL	\$6,309,333

4. Streetcar Project Manager. The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic Development Department. The Central Business District funds allocated for this position represent a portion of the RDA's total obligation.
5. 60% Taxing Entity Payment. Under the Taxing Entity Resolution 04-01 adopted on October 1, 2004, the Agency is obligated to pay 60% of all tax increment generated in the CBD Project Area to the taxing entities based upon their percentage share of the tax rate. The \$4,500,000 allocation represents 60% of the certain tax increment. The uncertain portion of the budget (noted below) includes an additional \$6,523,555 that represents 60% of the uncertain tax increment.
6. Block 57 Expenses (Maintenance, Programming and Lease Payment). As owner of the Gallivan Center and member of the Gallivan Utah Center Owner's Association, the Agency must pay expenses relating to the programming and maintenance of the Gallivan Center. Salt Lake City Corporation also leases the 200 South Parking Ramp, Transformer Room, and Trash Room to the Agency, the cost of which is subsequently passed onto The Boyer Company and Gallivan Utah Center.
7. 222 South Main Reimbursement. The Agency has executed a Participation and Reimbursement Agreements with the developer of 222 South Main Street. The reimbursement is based upon a percentage of the actual tax increment assessed and paid by the development.
8. Convention Center Solar Reimbursement. The Agency has executed a Participation and Reimbursement Agreement with Salt Lake County as the owner of the Salt Palace Convention Center. The reimbursement is based upon a percentage of the incremental personal property taxes assessed and paid on the County's installation of solar panels at this facility.

Annual Allocations

The remainder of "certain" tax increment and reallocated funds are allocated to new projects and to sustaining Agency programs. For FY 2013-2014, no new funds are available in certain funds for new projects. The Agency is hopeful that a portion of the \$10,872,592 "uncertain" tax increment may be available. Projects funded with uncertain tax increment cannot be started until after Salt Lake County receives the tax revenue and calculates the Agency's share. The following is a list the Agency's 2013-2014 projects, including those that fall into the uncertain project category.

1. Broadway Center Cinemas. The Board approved \$230,000 of certain funds to the Salt Lake City Film Society (SLFS) for converting all six screens at the Broadway Centre Cinemas from 35mm to digital projection. SLFS is also seeking other private funding sources. The conversion project will begin in April 2013 with the launch of an educational and fundraising campaign to engage community support and raise awareness about this historic shift in film exhibition.

BUDGET NARRATIVE- FY 2013-2014

2. Green Bike CBD. The Board approved \$100,000 in certain funding, and \$20,000 in third priority uncertain funding for infrastructure costs associated with the expansion of the bike share program in the Central Business District.

3. Parking Study CBD. The Board approved \$60,000 in certain funding in response to a request by Salt Lake City Transportation Division to assist with the formation and operation of a parking management entity. This study will involve parking generally within the Central Business District, and specifically, parking facilities owned by the Redevelopment Agency within this project area.

2013/2014 Fiscal Year Annual Allocations	
Use	Amount
<i>Certain Annual Obligations</i>	
Broadway Center Cinemas	230,000
Green Bike CBD	100,000
Parking Study CBD	60,000
Public Space Activation Analysis	25,000
Midblock Walkways	304,667
Utah Theater	50,000
Olympic Tower Rewrap	30,000
TOTAL CERTAIN AMOUNT	1, 224,667
<i>Uncertain Annual Obligations</i>	
Regent Street Improvements	2,000,000
CUAC Urban Art Sculpture	25,000
Green Bike CBD	20,000
Gallivan Branding Funds	100,000
Midblock Walkways	616,778
Downtown Streetcar	500,000
TOTAL UNCERTAIN AMOUNT	10,872,592

4. Public Space Activation Analysis. The Board approved \$25,000 in certain funding for a position within the Salt Lake City Arts Council that will focus solely on assessing the value of and obstacles to evaluate the city’s regulatory framework, and make recommendations for organizational structure, city regulations, and physical improvements in the Central Business District that would help to promote street performance in public spaces. The study will impact prominent Redevelopment Agency projects, such as the Gallivan Center, the Utah Performing Arts Center, the redevelopment of Regent Street and other mid-block passageways, and the Utah Theater.

5. Midblock Walkways. The Board approved \$304,667 in certain funding, and \$616,778 in fifth priority uncertain funding for to create more mid-block connections, including mid-block walkways, street crossings, & multi-purpose streets. Efforts to create mid-block connections will include purchasing property, securing rights to land, designing high quality spaces, and constructing connections using high quality materials.

6. Utah Theater. The Board appropriated \$50,000 of certain funds to continue work on developing an RFP for redevelopment and permanent occupancy, including a structural and cost assessment of the Theater space and identifying funding sources for renovation.

7. Olympic Tower Rewrap. The Board approved \$30,000 in certain funding for costs associated with the rewrap of the Olympic Tower located at the Main Street entrance of Gallivan Plaza.

8. Regent Street Improvements. The Board allocated \$2,000,000 in first priority uncertain funding for the design and construction of physical improvements to Regent Street to enhance the connection between City Creek Center and Gallivan Center in conjunction with development of

the Utah Performing Arts Center on the block between 100 and 200 South and Main and Regent Streets.

9. CUAC Urban Sculpture. The Board allocated \$25,000 in second priority uncertain funding for the installation of public art sculptures in the Central Business District.
10. Gallivan Branding Funds. The Board approved \$100,000 in forth priority uncertain funding for design and implementation of improvements to Gallivan Avenue and plaza to support the revitalization and activation of retail spaces.
11. Downtown Streetcar Planning/Construction. The Board approved \$500,000 of seventh priority “uncertain” funding for this project. Funds would be used for the planning, design, and construction of a Downtown streetcar line.
12. City-Wide and Project Area Housing Funds. Every year, the Agency requests funding for the Project Area and City-Wide Housing Funds. The City-Wide funds are used by Salt Lake City Housing and Neighborhood Development’s Housing Trust Fund to assist in the development of affordable housing projects as required by the Community Development and Renewal Agencies Act. Project Area Housing Fund will be used to increase and/or improve the housing stock in Agency project areas. The Board approved allocations of \$275,000 in certain funds and 5% of uncertain funds to City-Wide Housing, in an effort to more adequately fund design and construction of the Quiet Zone project. The Board also approved allocations of \$150,000 in certain funds and 5% of uncertain funds to Project Area Housing.

SUGAR HOUSE PROJECT AREA

OVERVIEW

The Sugar House Project Area was created on September 19, 1986 and will expire in tax year 2014. The Project Area covers the majority of the Sugar House Business District from 1300 East to 900 East and from Ramona Avenue south to Ashton Avenue. The Project Area includes approximately 95 acres designated as the Tax Increment Collection Area.

Sugar House Project Area Budget

Similar to the Central Business District and West Temple Gateway Project Areas, no Project Area Budget was established during project area creation. The project area instead relies on tax increment financing permitted by Section 11-19-29, Utah Code Annotated 1953. This project area has no statutory obligation to contribute to the Project Area or City-Wide Housing funds. As a practice, however, the Board of Directors has allocated approximately 10% of tax increment revenues after ongoing obligations to support housing developments.

Priority Projects

In December 2012, the Board of Directors of the Agency adopted the following project area priorities for the Sugar House Project Area:

1. Wilmington Gardens Property Development
 - Manage all requirements in the Purchase & Sale Agreement.
 - Facilitate the construction of the south side portion of the Wilmington Gardens Group development.
2. Sugar House Streetcar
 - Facilitate redevelopment projects adjacent to the Streetcar corridor.
 - Identify and implement funding options for the second phase of the streetcar project.
3. Granite Block Improvements
 - Assist with the re-alignment of Wilmington Ave. with Sugarmont Ave.
 - Work on mitigating the impact from construction activities on surrounding businesses and users.
 - Participate with developers to provide mid-block connections.
 - Participate in optimally locating the Salt Lake City/McClelland and Parley's trails as they approach the Granite Block.
4. The "Shopko Block"
 - Work with property owners to determine the scope of their development and any RDA assistance needed.
 - Work with property owners to determine appropriate density and best uses for the area.

- Participate in optimally locating the Parley's Trail on the Shopko Block as it exits Hidden Hollow.
5. Incentives for Historic Buildings
 - Develop tools and work with Salt Lake City Planning Division to incentivize renovation of historic buildings.
 6. Implement the Sugar House Business District Streetscape Amenities Plan
 - Prioritize 2100 South and Highland Drive for streetscape betterments to improve bicycle and pedestrian circulation.
 - Work with property owners to ensure the creation of a high quality pedestrian environment on both sides of Wilmington Ave.
 - Coordinate with Public Services on the construction of streetscape improvements along 2100 South.
 - Coordinate street improvements on McClelland with property owners and the Transportation Division for the Jordan/Salt Lake City Trail and connection to the McClelland Streetcar Stop.
 7. Implementation of Greenway Improvements within Sugarmont Rail Corridor between 500 East and McClelland Street
 - Work with Friends of the Streetcar on a long-term maintenance and capital improvements program for the Greenway.
 - Develop Plans for the extension of the Greenway between Highland and McClelland on Sugarmont.
 8. Create a brand identity and Implement Way-finding improvements
 - Participate in creation of a plan for new way-finding system.
 - Participate in funding upgrades to existing way-finding.
 - Work on updating the Sugar House logo and brand.
 - Create a banner program for the Sugar House Business District with local businesses.
 9. Deseret Industries Property
 - Facilitate the relocation of the Sugar House fire station with Property Management.
 - Create development guidelines and objectives for the Deseret Industries and Fire Station Property disposition in coordination with Property Management.
 10. Sugar House Monument Plaza
 - Conduct community outreach efforts.
 - Finalize a design and funding plan for the renovation of the Plaza.
 - Coordinate with Public Utilities on the relocation of the Jordan/Salt Lake Canal.
 - Assess closing the right turn lane with the Transportation Division.

Board members requested funding applications for the 2013/2014 Budget year is directed toward accomplishment of the adopted priority projects.

Revenue and Allocations

Revenue

Tax Increment. Sugar House tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area.

Since 1998, the Sugar House Project Area has generated tax increment revenues as indicated in the adjacent table.

On November 1, 2012, the Agency requested \$3,000,000 for the 2013 tax year. Given the verification of actual tax increment proceeds for 2012, \$1,300,000 has been budgeted as “certain” and \$1,700,000 as “uncertain” funding allocations for fiscal year 13/14.

Tax Year	Tax Increment	% Change
1998	734,349	
1999	998,186	35.93%
2000	1,153,655	15.58%
2001	1,425,000	23.52%
2002	1,660,000	16.49%
2003	1,900,059	14.46%
2004	1,763,451	-7.19%
2005	1,642,540	-6.86%
2006	1,525,647	-7.12%
2007	1,498,580	-1.77%
2008	1,525,522	1.80%
2009	1,403,420	-8.00%
2010	1,429,708	1.8%
2011	1,416,907	-1.00%
2012	1,428,207	.8%
2013**	3,000,000	
** Estimated		

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Sugar House Project Area:

Sugar House 2013/2014 Fiscal Year Revenue	
Source	Amount
Tax Increment - Certain	\$1,300,000
Tax Increment - Uncertain	\$1,700,000
Interest Income	\$ 35,000
Temporary Property Income	\$0
Reallocation	\$0
Property Sale	\$1,250,000
TOTAL	\$4,285,000

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

2. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation. Currently, the Agency has no leased properties in the Sugar House Project Area.

3. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation.

4. Property Sales. When the Agency sells property in Sugar House, the proceeds from that sale may be reallocated into the project area “certain” funding allocation for the current fiscal year. The Agency sold the Wilmington Avenue property in May 2013 for \$1,250,000.

Allocations

Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Sugar House Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

Ongoing Obligations	
<i>Use</i>	<i>Amount</i>
Administration	\$420,000
Tax Refund Liability	\$ 20,000
Streetcar Project Manager	\$ 15,000
Urban Designer	\$ 5,000
Temporary Property Expense	\$ 58,000
Assessment & Collection Levies	\$ 23,400
TOTAL	\$541,000

1. **Administrative Costs.** Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s priority projects.
2. **Tax Refund Liability.** Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year in which they were paid, resulting in a need for the State and County recapture tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.
3. **Temporary Property Expenses.** From time to time, the Agency’s purchases property resulting in the need to pay property taxes, insurance, utilities, and repairs.
4. **Urban Designer.** Last year, Salt Lake City decided to hire an Urban Designer to address urban design issues throughout the City. The work plan for the Urban Designer will include evaluation and recommendations on RDA project areas, therefore, it has been requested that the RDA fund 50% of this position’s salary.
5. **Streetcar Project Manager.** The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Streetcar Project Manager will be a Salt Lake City employee in the Community and Economic Development Department. The Sugar House Project Area funds allocated for this position represent a portion of the RDA’s total obligation.
6. **Assessment and Collection Levies.** The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. This is the first year that the RDA will account for this change in the tax increment disbursed by the County.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs.

1. **HAWK Signal.** The Board allocated \$57,500 in certain funds to assist with the construction of a HAWK signal at approximately 2100 South McClelland Street.

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2. Signs of Sugarhouse. The Board allocated \$10,000 of certain funds and \$30,000 of uncertain funds to assist with the preservation of historic retail signs in the Sugar House Business District.

3. Granite Block Improvements. The Board approved \$296,000 of certain funds and \$1,260,000 of uncertain funds to assist with the reconstruction of the Sugar House Monument Plaza, the construction of a mid-block walkway, and other improvements the Granite block.

4. Streetscape Amenities. The Board approved \$240,000 of certain funds and \$90,000 of uncertain funds for improvements to the streetscape of the Sugar House Business District including new street furnishing and landscaping.

5. Way-Finding Signage. The Board approved \$150,000 of uncertain funds to improve the way-finding signage system in Sugar House.

6. City-Wide and Project Area Housing Allocations. The Board approved allocations of \$125,000 in certain funds and 5% of uncertain funds to City-Wide Housing, in an effort to more adequately fund design and construction of the Quiet Zone project. The Board also approved allocations of \$65,000 in certain funds and 5% of uncertain funds to Project Area Housing.

Use	Amount
Certain Allocation	
HAWK Signal 2100 S.	\$ 57,500
Signs of Sugar House	\$ 10,000
Granite Block Improvements	\$296,100
Streetscape Amenities	\$240,000
City-wide Housing	\$125,000
Project Area Housing	\$ 65,000
Uncertain Allocations	
Signs of Sugar House	\$ 30,000
Way-finding Signage	\$150,000
Streetscape Amenities	\$ 90,000
Granite Block Improvements	\$1,260,000
City-wide Housing	\$ 85,000
Project Area Housing	\$ 85,000
TOTAL	\$2,493,600

WEST TEMPLE GATEWAY PROJECT AREA

Overview

The West Temple Gateway Project Area was created on August 1, 1987 and will expire in tax year 2018. The Project Area, in general, covers the area of 600 South to the I-15 off-ramp (approximately 1000 South) and 300 West to Main Street. The Project Area includes 92 acres of property located within the Central Community Planning District.

The adopted Project Area Plan includes the development objectives that are to be accomplished over the life of the project area. The primary focus of these objectives includes constructing public infrastructure to support both the residential and commercial nature of the district; facilitating the development of residential and commercial properties in the district; and improving the transportation system within the Project Area.

Project Area Priorities

In December 2012, the Board of Directors of the Agency adopted the following project area priorities for the West Temple Gateway Project Area:

- Redevelop RDA-Owned property surrounding the 900 South TRAX Station.
 - Address regulatory road blocks to development (e.g. zoning).
 - Plan infrastructure necessary for the redevelopment of RDA-owned property.
 - Work with community to develop a neighborhood brand that will be part of property marketing.
 - Monitor non-RDA developments within the project area.
 - Perform site preparation necessary to implement strategy.
 - Market property as recommended in redevelopment strategy.
 - Work with selected developers to redevelop RDA-owned property.
- Redevelopment of RDA-owned property on West Montrose Ave.
 - Address regulatory road blocks to development (e.g. zoning).
 - Plan infrastructure necessary for the redevelopment of RDA-owned property.
 - Market property as recommended in redevelopment strategy.
 - Work with selected developers to redevelop RDA-owned property.
 - Perform site preparation necessary to implement strategy.
 - Construct infrastructure necessary for the redevelopment of RDA-owned property.
- Mid-Block Walkways and mid-block crossings
 - Strategically acquire property to accommodate implementation.
 - Perform necessary site preparation.
 - Design mid-block walkways and mid-block crossings.
 - Construct walkways and crossings.
- Downtown Streetcar

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- Conduct alternatives analysis and environmental assessment.
 - Complete design.
 - Obtain and award bids for project construction.
 - Construct alignment.
 - Address regulatory road blocks to development along alignment.
- Build Public Amenities & Infrastructure
 - Identify funding sources for priority projects.
 - Determine whether utility infrastructure is impediment to development and develop a plan to mitigate any issues.
 - Plan, design, and construct public amenities such as streetscape enhancements, parks, and community gardens.

Board members requested funding applications for the 2013/2014 Budget year be directed toward accomplishment of the adopted project area priorities.

Revenue and Allocations

Revenue

Tax Increment. West Temple Gateway tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. Tax increment revenues since 1997 were as shown in the adjacent table.

On November 1, 2012, the Agency requested \$1,500,000 for the 2013 tax year. In March 2012 the report of the Salt Lake County Auditor verified the 2012 tax increment proceeds to be \$609,153. Given the verification of actual tax increment proceeds for 2012, \$550,000 has been budgeted as “certain” and \$450,000 in “uncertain” funding allocations for the 13/14 fiscal year.

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the West Temple Gateway Project Area:

Tax Year	Tax Increment	% Change
1997	400,000	
1998	304,174	-23.96%
1999	365,405	20.13%
2000	395,108	8.13%
2001	414,742	4.97%
2002	498,834	20.28%
2003	447,682	-10.25%
2004	464,143	3.68%
2005	475,224	2.39%
2006	584,163	22.92%
2007	599,673	2.66%
2008	584,599	-2.51%
2009	579,010	-0.96%
2010	585,085	1.05%
2011	585,927	0.14%
2012	609,153	3.96%
2013**	1,010,000	
** Estimated		

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

West Temple Gateway 2013/2014 Fiscal Year Revenue	
Source	Amount
Tax Increment - Certain	\$ 550,000
Tax Increment - Uncertain	\$ 450,000
Interest Income	\$ 10,000
TOTAL	\$1,010,000

Allocations

Allocations of revenue fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the West Temple Gateway Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

West Temple Gateway 2013/2014 Fiscal Year Ongoing Obligations	
<i>Use</i>	<i>Amount</i>
Administration	\$ 75,000
Tax Refund Liability	\$ 300
Assessment & Collection Levies	\$ 9,416
Streetcar Project Manager	\$ 2,500
Urban Designer	\$ 2,500
Temporary Property Expenses	\$269,000
TOTAL	\$358,716

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s priority projects.
2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.
3. Assessment & Collection Levies. The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. The RDA has accounted for this expense in the budget.
4. Streetcar Project Manager. The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The West Temple Gateway funds allocated for this position represent a portion of the RDA’s total obligation.
5. Urban Designer. The Urban Designer provides services to the RDA through the Salt Lake City Planning Division. Such services include design consultation related to RDA projects that are in concert with Salt Lake City’s master plans in RDA Project Areas.
6. Temporary Property Expenses. From time to time, the Agency purchases property, resulting in the need to pay property taxes, insurance, utilities, and repairs.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs.

1. People’s Portable Garden. Wasatch Community Garden has been allocated \$21,856 to continue the management and maintenance from July 2013 to June 2014 of the People’s Portable Garden location on the RDA-owned property located at 873-877 South 200 West.

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2. Single Family Residential Program. The Board allocated \$101,928 of certain funds and \$200,000 of uncertain funds for a single family home stabilization program. Funding will be used to incentivize selected developers to acquire single family homes that are in poor condition and renovate them for sale. The program is intended to improve the existing housing stock and encourage market-rate home ownership in the West Temple Gateway Project Area.

2012/2013 Fiscal Year Annual Allocations	
Use	Amount
Annual Obligations: Certain	
People’s Portable Garden	21,856
Single Family Residential Program	101,928
City-wide Housing	50,000
Project Area Housing	27,500
Annual Obligations: Uncertain	
Public Improvements	205,000
Single Family Residential Program	200,000
City-wide Housing	22,500
Project Area Housing	22,500
TOTAL	\$651,284

3. Public Improvements. The Board allocated \$205,000 of uncertain funds to public improvements. Funding will be used to identify, design, and install public improvements that may include streetscape enhancements to 900 South, the Jefferson mid-block walkway, and other improvements to public space in the West Temple Gateway Project Area.

4. City-Wide and Project Area Housing Allocations. The Board approved allocations of \$50,000 in certain funds and 5% of uncertain funds to City-Wide Housing, in an effort to more adequately fund design and construction of the Quiet Zone project. The Board also approved allocations of \$27,500 in certain funds and 5% of uncertain funds to Project Area Housing.

WEST CAPITOL HILL PROJECT AREA

OVERVIEW

The West Capitol Hill Project Area was created on July 1, 1996 and expired in 2012 when the Agency's total increment collected reached \$5,270,000 of West Capitol Hill Project Area tax base. The Agency still has existing funds available and outstanding projects that need to be completed in the Project Area. The goals and budget projections are based on the assumption of extending the Project Area increment collection period and completing outstanding projects. The Project Area includes the area from 200 West to 400 West and 300 North to 800 North. The Project Area includes approximately 100 acres all of which have been designated as the tax increment collection area.

West Capitol Hill Project Area Budget

The multi-year budget for West Capitol Hill Project area was adopted on July 1, 1996 as required under the Utah Code Annotated. The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

1. Residential Programs: 25%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

2. Commercial Programs: 50%

Redevelopment activities anticipated to be accomplished are in concert with the Capitol Hill Master Plan. These activities include land acquisition and commercial development.

3. Infrastructure Improvements: 25%

Public infrastructure is a vital part of encouraging redevelopment activity. Developers interpret such public investment as a message that the City is committed to reinvesting in these blighted project areas.

Priority Projects

In December 2012, the Board of Directors of the Agency adopted the following project area priorities for the West Capitol Hill Project Area:

1. East Marmalade (300 West) Development Implementation
 - Identify and begin to install the public infrastructure improvements that will be needed to facilitate the property's development.
 - Manage all development agreements.
2. 300 West Street Improvements (300 North to 800 North)

- Receive final approval for improvements within UDOT right-of-way.
 - Work to complete project design and phasing.
 - Establish attractive and consistent street lighting along 300 West corridor.
 - Provide incentives to property owners along 300 West to rehabilitate existing properties.
3. Single-family Housing Rehabilitation
 - Identify one home to rehabilitate with the Utah Heritage Foundation (UHF) within the Project Area.
 - Coordinate with Housing and Neighborhood Development (HAND) to identify single-family residential properties to rehabilitate within the Project Area or other redevelopment opportunities.
 4. Evaluate and Consider Extension of Project Area
 - Identify projects that merit additional time and funding.
 - Work with taxing entity committee to evaluate potential extension.

Board members requested funding applications for the 2013/2014 budget year to be directed toward accomplishment of the adopted priority projects.

Revenue and Allocations

Revenue

Tax Increment. West Capitol Hill tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. Since the creation of the Project Area, tax increment revenues have been as shown in the table below.

On November 1, 2012, the Agency requested \$1,000,000 for the 2013 tax year. In March 2013, the report of the Salt Lake County Auditor verified the 2012 tax increment proceeds to be \$422,184. Given this information, \$600,000 has been budgeted as “certain” and \$400,000 as “uncertain” funding allocations for the 13/14 fiscal year.

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the West Capitol Hill Project Area:

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

Tax Year	Tax Increment	% Change
1997	\$ 117,294	
1998	\$ 166,113	41.62%
1999	\$ 181,765	9.42%
2000	\$ 192,738	6.04%
2001	\$ 206,626	7.21%
2002	\$ 202,119	-2.18%
2003	\$ 215,668	6.70%
2004	\$ 231,799	7.48%
2005	\$ 271,036	16.93%
2006	\$ 348,765	28.68%
2007	\$ 450,000	29.03%
2008	\$ 534,193	18.71%
2009	\$ 542,377	1.53%
2010	\$ 606,384	11.8%
2011	\$ 609,351	4.9%
2012	\$ 422,184	-31%
**2013	\$1,000,000	
** Estimated		

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Source	Amount
Tax Increment - Certain	\$600,000
Tax Increment - Uncertain	\$400,000
Interest Income	\$15,000
TOTAL	\$1,015,000

2. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property income is budgeted as part of the “certain” funding allocation.

Allocations

Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the West Capitol Hill Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

Ongoing Obligations	Amount
Use	
Administration	\$ 0
Tax Refund Liability	\$ 0
Temporary Property Expenses	\$15,000
Assessment & Collection Levies	\$10,272
TOTAL	\$25,272

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s priority projects.

2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.

3. Temporary Property Expenses. From time to time, the Agency purchases property that result in the need to pay property taxes, insurance, utilities, and repairs to Agency-owned property.

4. Assessment and Collection Levies: The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs.

Funding Allocations Requirements or Conditions:

1. 300 West Improvements. The Board allocated \$289,728 of certain funding and \$160,000 of uncertain funds for infrastructure improvements including landscaped medians, lighting, and traffic calming features for 300 West.

BUDGET NARRATIVE- FY 2013-2014

2. Marmalade Site Improvements. The Board approved \$300,000 of certain funds and \$200,000 in uncertain funding for Marmalade site improvements that include the construction of public open space.
3. City-Wide and Project Area Housing Allocations. The Board approved allocations of 5% of uncertain funds to City-Wide Housing and Project Area Housing.

Annual Allocations	
Use	Amount
<i>Certain Allocations</i>	
300 W Improvements	\$289,728
Marmalade Site Improvements	\$300,000
<i>Uncertain Allocations</i>	
Marmalade Site Improvements	\$200,000
300 West Improvements	\$160,000
City-Wide Housing	\$20,000
Project Area Housing	\$20,000
TOTAL	\$989,728

DEPOT DISTRICT PROJECT AREA

Overview

The Depot District Project Area was created on October 15, 1998 and will expire in tax year 2022. The Project Area covers the area of North Temple to 400 South Streets and 400 West to the I-15 corridor. The Project Area includes 170 acres of which 100 acres have been designated as the tax increment collection area as required by the Agency's enabling legislation.

The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

1. Section 17C-1-411 & 412 Housing Funds: 20%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

2. Redevelopment Activities: 65% to 75%

Redevelopment Activities anticipated to be accomplished are in concert with the Gateway Master and Specific Plans. They include land acquisition, facilitating housing and commercial development, and participation in the construction of public infrastructure.

3. Administrative Expenses: 5% to 15%

Administrative Expenses include the personal services, operating and maintenance expenses, charges and services, and capital expenditures for equipment necessary for the operation of the Agency.

Project Area Priorities

In December 2012, the Board of Directors of the Agency adopted the following project area priorities for the Depot District Project Area:

1. Intermodal Hub Plan Implementation:

Proceed with the following steps as provided in the Intermodal Hub Area Land Use Strategy and Marketing Plan:

- Proceed with key land acquisitions.
- Explore and determine financing options for public infrastructure, including parks and public spaces.
- Execute necessary procedural steps for right-of-way modifications, excess property disposition, and subdivision in order to market first phase of RDA properties.

- Finalize urban design with engineering detail and construction cost estimate for the North and South Blocks, including parks and public spaces, 300 South Street, interior block streets, and intersection treatment at 300 South and 500 West.
 - Determine parking needs, financial feasibility, and design for parking structure on North Block.
 - Establish design guidelines, including an inventory of historic buildings, and rezone district for transit-oriented development.
 - Market first phase of RDA parcels for development.
2. Public Market: Collaborate with The Downtown Alliance to implement Phase I of a public market and facilitate the long-term development of a permanent, year-round public market near the Intermodal Hub.
 3. Incentives for Historic Buildings: Develop tools and work with stakeholders, including Salt Lake City Planning Division, to incentivize renovation of historic buildings, including historic structures near the Intermodal Hub.
 4. Streetcar System: Proceed with alternatives analysis, identify funding sources, and conduct environmental reviews.
 5. Public Spaces: Explore options to create parks and public spaces throughout the project area.

Board members requested funding applications for the 2013/2014 Budget year be directed toward accomplishment of the adopted project area priorities.

Revenue and Allocations

Revenue

Tax Increment. Depot District tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. Since the creation of the Project Area, tax increment revenues have been as indicated in the adjacent table.

On November 1, 2012, the Agency requested \$7,500,000 for the 2012 tax year. Given the verification of actual tax increment proceeds in the amount of \$4,144,052, for 2013, \$4,275,000 has been budgeted as “certain” and \$3,225,000 as “uncertain” funding allocations.

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Depot District.

Tax Year	Tax Increment	% Change
1999	83,166	
2000	314,660	278.35%
2001	388,019	23.31%
2002	2,099,189	441.00%
2003	2,302,280	9.67%
2004	2,224,781	-3.37%
2005	2,680,529	20.49%
2006	3,342,808	24.71%
2007	3,552,441	6.27%
2008	3,995,191	12.46%
2009	4,199,404	5.11%
2010	4,606,382	8.84%
2011	4,334,916	-5.89%
2012	4,414,052	1.79%
2013**	7,500,000	
** Estimated		

Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as a part of the “certain” funding allocation.

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Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation.

Funding Sources	Amount
Tax Increment - Certain	\$ 4,275,000
Tax Increment - Uncertain	\$ 3,225,000
Interest Income	\$ 30,000
Temporary Property Income	\$ 0
Reallocation	\$ 0
TOTAL	\$ 7,530,000

Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the “certain” funding allocation for the current year.

Allocations

Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Depot District Project Area.

Ongoing Obligations	Amount
Use	
Administration	\$ 400,000
Tax Refund Liability	\$ 15,000
Assessment & Collection Levies	\$ 73,188
Temporary Property Expenses	\$ 339,500
Gateway Associates	\$ 1,705,824
Homestead Suites	\$ 150,000
Grant Tower Debt Service	\$ 281,154
Streetcar Project Manager	\$ 10,000
Urban Designer	\$ 10,000
TOTAL	\$ 2,984,666

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s priority projects.
2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.
3. Assessment and Collection Levies: The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code. The RDA has accounted for this expense in the budget.
4. Temporary Property Expenses. From time to time, the Agency’s purchases property which results in the need to pay property taxes, insurance, utilities, and repairs to Agency-owned property.
5. Gateway Associates/Homestead Suites Contractual Obligations. The Agency has executed Participation and Reimbursement Agreements for two developers in the Depot District: Gateway Associates and Homestead Suites. These reimbursements are based upon a percentage of the actual tax increment assessed and paid by the developments.

6. Grant Tower Reconfiguration. Beginning in October 2007 through the remaining project area life, the Agency will pay a portion of the debt for a Sales Tax Bond issued by Salt Lake City Corporation to finance infrastructure improvements associated with the Grant Tower rail reconfiguration. The Agency’s obligation for the 2013/2014 fiscal year is \$281,154.
7. Streetcar Project Manager: The RDA has indicated that they will partially fund a Streetcar Project Manager that will oversee all streetcar projects in Salt Lake City. The Depot District funds allocated for this position represent a portion of the RDA’s total obligation.
8. Urban Designer: The Urban Designer provides services to the RDA through the Salt Lake City Planning Division. Such services include design consultation related to RDA projects that are in concert with Salt Lake City’s master plans in RDA Project Areas. In the Depot District, the Urban Designer will be tasked with design guidelines and zoning issues related to the RDA’s Intermodal Hub project.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs. Below are listed the annual funding allocations for the 2013/2014 fiscal year.

1. Public Market at Rio Grande Depot.
The Board continues its commitment to fund the Public Market project at the Rio Grande Depot by allocating \$300,000 in certain funding and \$2,902,500 in uncertain funding for the 2013/2014 fiscal year.

Annual Allocations	
Use	Amount
<i>Certain Allocations</i>	
Public Market @ Rio Grande Depot	\$ 300,000
Intermodal Hub Strategy Implementation	\$ 482,834
CUAC Urban Sculpture Project	\$ 81,250
Rio Grande Hotel Maintenance	\$ 20,000
Railyard Art Community Art Garden	\$ 8,750
City-Wide Housing	\$ 213,750
Project Area Housing	\$ 213,750
TOTAL CERTAIN	\$ 1,320,334
<i>Uncertain Allocations</i>	
Public Market @ Rio Grande Depot	\$ 2,902,500
City-Wide Housing	\$ 161,250
Project Area Housing	\$ 161,250
TOTAL UNCERTAIN	\$ 3,225,000

2. Intermodal Hub Strategy Implementation. The Board allocated \$482,834 in certain funding for implementation costs associated with the Intermodal Hub Development Strategy.

3. CUAC Urban Sculpture Project. The Board allocated \$81,250 in certain funding for the installation of public art sculptures in the Depot District.
4. Rio Grande Hotel Maintenance: In order to fund the RDA’s obligation for capital improvements and repairs at the Rio Grande Hotel, the Board allocated \$20,000 in certain funding.
5. Railyard Art Community Art Garden: The Board allocated \$8,750 for a community art and sculpture garden as a temporary use on RDA-owned property it leases at 625 West 100 South.
6. City-Wide and Project Area Housing Allocations. The Board allocated \$213,750 in certain funding, and 5% in uncertain funding to each of the City-Wide Housing and Project Area Housing funds.

GRANARY DISTRICT PROJECT AREA

Overview

The Granary District Project Area was created on April 15, 1999 and will expire in tax year 2023. The Project Area covers a portion of the area from 600 South to the 900 South I-15 off-ramp (approximately 1000 South) and 300 West to the I-15 corridor. The Project Area includes 95.8 acres of the South Gateway Planning District.

The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

1. Section 17C-1-411 & 412 Housing Funds: 20%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

2. Redevelopment Activities: 65% to 75%

Redevelopment Activities anticipated to be accomplished are in concert with the Gateway Master and Specific Plans. They include land acquisition, facilitating housing and commercial development, and participation in the construction of public infrastructure.

3. Administrative Expenses: 5% to 15%

Administrative Expenses include the personal services, operating and maintenance expenses, charges and services, and capital expenditures for equipment necessary for the operation of the Agency.

Goals and Objectives

The RDA Board of Directors adopted the following Project Area Priorities for the Granary District Project Area:

- Fleet Block Development
 - Collaborate with City to facilitate the redevelopment of the Fleet Block.
 - Assist with marketing property for development.
 - Assist with necessary site preparation.
 - Assist in rezoning Fleet Block.
- Reconstruct 400 West
 - Collaborate with stake holders to develop objectives for the reconstruction of 400 West.
 - Work with City on design of 400 West.
 - Explore financing options for the construction of street improvement.
 - Obtain and award bids for reconstruction work.

- Construct improvements.
- Reconstruct 300 West
 - Work with City to plan and design streetscape improvements.
 - Explore financing options for the construction of street improvements in conjunction with the Fleet Block Redevelopment.
- Downtown Streetcar
 - Conduct alternatives analysis and environmental assessment.
 - Complete design.
 - Obtain bids for project construction.
 - Construct alignment.
 - Address regulatory road blocks to development along alignment.
- Build Public Amenities & Infrastructure
 - Work with City to determine costs of infrastructure improvements.
 - Identify and plan for public amenities.
 - Identify funding sources.
 - Determine whether utility infrastructure is impediment to development and develop plan to mitigate any issues.

Board members requested that funding applications for the 2013/2014 Budget year be directed toward accomplishment of the adopted Project Area Priorities.

Revenue and Allocations

Revenue

Tax Increment. Granary District tax increment revenue is generated from the increase in property tax values within the collection area of the Project Area. The adjacent table lists that amount of tax increment generated annually since the creation of the project area.

On November 1, 2012, the Agency requested \$708,000 for the 2013 tax year. In March 2013 the report of the Salt Lake County Auditor verified the 2012 tax increment proceeds to be \$259,878. Given this information, \$250,000 will be budgeted as “certain” and \$450,000 will be budgeted as “uncertain.”

Other Funding Sources. In addition to tax increment revenues, the Agency also has the following revenue sources within the Granary District:

Granary Tax Increment Growth: 2000-2012		
Tax Year	Tax Increment	% Change
2000	70,816	
2001	16,964	-76.05%
2002	53,810	217.20%
2003	84,074	56.24%
2004	67,326	-19.92%
2005	82,434	22.44%
2006	114,329	38.69%
2007	150,000	31.20%
2008	240,024	60.01%
2009	208,121	-13.29%
2010	233,678	12.27%
2011	308,310	32.00%
2012	259,878	-15.70%
2013**	708,000	
** Estimated		

1. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool. Interest income is budgeted as part of the “certain” funding allocation.

BUDGET NARRATIVE- FY 2013-2014

2. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocation as a part of the “certain” funding allocation for the current year.

Granary District 2013/2014 Fiscal Year Revenue	
Source	Amount
Tax Increment - Certain	\$250,000
Tax Increment - Uncertain	\$450,000
Interest Income	\$ 8,000
Temporary Property Income	0
Reallocation	0
TOTAL	\$708,000

3. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased. Temporary Property Income is budgeted as a part of the “certain” funding allocation.

Allocations

Allocations of revenue fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Granary District Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s goals and objectives.

Granary District 2013/2014 Fiscal Year Ongoing Obligations	
Use	Amount
Administration	\$21,000
Temporary Property Expense	\$ 3,700
Tax Refund Liability	\$ 100
Assessment & Collection Levies	\$ 4,280
Streetcar Project Manager	\$ 1,610
Artspace Commons TI Reimbursement	\$55,000
TOTAL	\$85,690

2. Temporary Property Expenses. From time to time, the Agency purchases property, which results in the need to pay property taxes, insurance, utilities, and maintenance expenses.

3. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, which results in a need for the State and County to recapture tax increment proceeds from subsequent years from the Agency. The Agency budgets funds each year to cover this possibility.

4. Assessment & Collection Levies. The Salt Lake County Auditor has notified all Redevelopment Agencies that they will stop including certain assessments and levies in the annual tax increment disbursements per Utah Code.

5. Streetcar Project Manager. The RDA has indicated that they will partially fund a Streetcar

Project Manager that will oversee all streetcar projects in Salt Lake City. The Granary District funds allocated for this position represent a portion of the RDA’s total obligation.

6. Artspace Commons TI Reimbursement. The Agency executed Participation and Reimbursement Agreements with Artspace as part of the financing for their development located at 800 South 400 West. The annual reimbursement provided for in the agreements is based upon a percentage of the actual tax increment assessed and paid by Artspace.

Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs as described below:

1. Public Improvements. The Board allocated \$102,310 of certain and \$405,000 of first priority uncertain funds to be used to identify, design, and construct needed public improvements in the Granary District. These improvements could include street reconstruction, curb and gutter installation, utility upgrades, street light installation and fixed rail transportation construction.

Granary District 2013/2014 Fiscal Year Annual Allocations	
<i>Certain Allocations</i>	
Public Improvements	\$102,310
Marketing & Branding	\$20,000
Granary Row (Private Project)	\$25,000
City-Wide Housing	\$ 12,500
Project Area Housing	\$ 12,500
TOTAL CERTAIN	
<i>Uncertain Allocations</i>	
Public Improvements	\$405,000
City-Wide Housing	\$ 22,500
Project Area Housing	\$ 22,500
TOTAL UNCERTAIN	\$708,000

2. Marketing and Branding. The Board allocated \$20,000 of certain funds to be used towards efforts to increase the market recognition of the Granary District. Funds will be used for signage that helps to brand and identity the area, to market RDA programs and redevelopment opportunities, and to promote local businesses and neighborhood assets.

3. Granary Row. The Board allocated \$25,000 of certain funds for a project proposed by a local non-profit, Kentlands Initiative. The intent of Granary Row is to utilize the extra-wide right-of-way on 700 South from 300 West to 400 West. The project will use 10 refurbished 20-foot commercial shipping containers to house small businesses including retail, restaurant, and office. The project also includes a beer garden, public plaza, and concert stage down the center of the street while allowing automobile traffic on both sides. These funds complement \$100,000 of funds from last year that were reallocated to fund this project.

4. City-Wide and Project Area Housing Allocations. The Board allocated \$12,500 in certain funding, and 5% in uncertain funding to each of the City-Wide Housing and Project Area Housing funds.

NORTH TEMPLE PROJECT AREA

Overview

The North Temple Project Area was created on September 27, 2011 and will expire in tax year 2036. The Project Area is approximately bounded by 200 North to 100 South streets and Redwood Road to the western boundary of I-15. The Project Area includes 319 acres of which 100% are designated for tax increment collection by the Agency's enabling legislation.

The adopted Project Area Budget anticipated the following distribution of tax increment proceeds toward projects:

4. Section 17C-1-411 & 412 Housing Funds: 20%

Under the State statute, Housing Funds may be spent to assist in the construction of housing or infrastructure including the costs of land acquisition and public infrastructure.

5. Redevelopment Activities: 70% to 75%

Redevelopment Activities anticipated to be accomplished are in concert with the North Temple Boulevard Plan. They include land acquisition, facilitating housing and commercial development, and participation in the construction of public infrastructure.

6. Administrative Expenses: 10% to 5%

Administrative Expenses include the personal services, operating and maintenance expenses, charges and services, and capital expenditures for equipment necessary for the operation of the Agency. The percentage of administrative expenses is anticipated to decrease over time as tax increment increases.

Project Area Priorities

In December 2012, the Board of Directors of the Agency adopted the following project area priorities for the North Temple Project Area:

1. EPA Grant

Proceed with the following steps to carry out Environmental Protection Agency brownfield assessment grant for targeted properties in the North Temple Project Area:

- Oversee and assist environmental consultant to characterize environmental condition of targeted properties in the North Temple Project Area, and, if possible, implement corrective action plan as recommended by environmental consultant.
- Provide environmental loans upon request, if funds are available.
- Apply for EPA cleanup funds if warranted.

2. Pursue Infill Housing Project

- Identify funding sources, and pursue strategic acquisitions for the purpose of an infill housing project if funding is available.
3. Pursue Development Opportunities and Catalytic Projects
- Work with Economic Development to identify and pursue catalytic projects and economic development opportunities.
 - Work with North Temple Development Committee to coordinate development efforts along North Temple, including pursuit of TOD funding pool.
 - Include the Westside Business Alliance and community members in helping identify and implement much needed continued revitalization of the North Temple corridor.
 - Identify funding sources to pursue strategic acquisitions for the purpose of redevelopment.

Board members requested funding applications for the 2013/2014 Budget year be directed toward accomplishment of the adopted project area priorities.

Revenue and Allocations

The RDA made its first tax increment request on November 1, 2012, therefore the RDA expects to receive the first allocation of tax increment in March 2014. The RDA estimates it will receive \$40,000 in certain funds, and \$460,000 in uncertain funds.

Allocations

Allocations of revenues fall into two categories: Ongoing Obligations and Annual Allocations for Projects/Programs. Following is a description of these allocations for the Depot District Project Area.

Ongoing Obligations. The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s priority projects.

Ongoing Obligations	
<i>Use</i>	<i>Amount</i>
Administration	\$ 4,000
Tax Refund Liability	\$ 685
TOTAL	\$ 4,685

2. Tax Refund Liability. Each year, the State Tax Commission and the Salt Lake County Board of Equalization make adjustments to property tax assessments that result in a reduction of the property tax revenues. These adjustments are not always made during the tax year, resulting in a need for the State and County to recapture of tax increment proceeds paid to the Agency. The Agency budgets funds each year to cover this possibility.

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Annual Allocations. The remainder of “certain” and “uncertain” tax increment is allocated to new projects and sustaining Agency programs. Below are listed the annual funding allocations for the 2013/2014 fiscal year.

1. Laxon Court. The Board allocated all certain funds, and \$68,685 uncertain funds for redevelopment activities on Laxon Court.
2. Property Acquisition. The Board allocated \$345,315 in uncertain funding for property acquisition.
3. City-Wide and Project Area Housing Allocations. The Board allocated \$2,000 in certain increment, and 5% of uncertain increment to each of the City-Wide and Project Area Housing funds

Annual Allocations	
Use	Amount
<i>Certain Allocations</i>	
Laxon Court	\$ 31,315
City-Wide Housing	\$ 2,000
Project Area Housing	\$ 2,000
TOTAL CERTAIN	
<i>Uncertain Allocations</i>	
Property Acquisition	\$ 345,315
Laxon Court	\$ 68,685
City-Wide Housing	\$ 23,000
Project Area Housing	\$ 23,000
TOTAL UNCERTAIN	\$ 495,315

PROGRAM INCOME FUND

The Program Income Funds are typically allocated as seed money for new project areas, to provide monies for the Revolving Loan Fund, or to pay for studies or projects that may span project area geographic boundaries or provide general information for Agency operations. Unlike Project Area Funds that receive tax increment revenue once per year, the Program Income Fund has a steady stream of income throughout the year from lease payments and loan repayments. Therefore, the allocation of funds between “certain” and “uncertain” is unnecessary.

Program Income Revenue Sources

Source	Amount
Parking Structure Income	\$1,191,041
Block 57 – Retail Space Rental Income	\$ 92,085
Loan Repayments	\$ 340,000
Interest Income	\$ 75,000
Temporary Property Income	\$ 119,554
Reallocation	\$3,375,000
TOTAL	\$5,192,680

1. Parking Structure Income. The Agency currently owns three parking structures containing approximately 1,750 parking stalls within the Central Business District Project Area. The parking structures are wholly leased to adjacent office buildings. Two of the parking structure leases were executed in 1993 and have 50-year terms, including lease rate increases every three years. The third structure is leased to the State of Utah under terms negotiated as part of the construction of the Heber Wells and DWS building.

2. Block 57 – Retail Space Rental Income. The RDA owns 8,400 square feet of retail space on Gallivan Avenue that is currently leased to three restaurant tenants.

3. Loan Repayments. The loan repayments from project area tax increment loans are brought into the Program Income Fund. These funds can be budgeted for projects within any project area.

4. Interest Income. The Agency’s funds are invested in the State Treasurer’s Pool.

5. Temporary Property Income. From time to time, the Agency acquires properties that are subsequently rented or leased.

6. Reallocation. When projects are completed under budget or excess interest income is generated, these funds are reallocated as a part of the next year’s funding allocation for the current fiscal year.

Program Income Allocations

Ongoing Obligations

The Agency budgets annually for administrative and contractual costs.

1. Administrative Costs. Administrative costs for the Agency are distributed among all funds. In general, the costs are allocated based on the amount of revenue available from each fund and the share of administrative resources expected to be spent on that project area’s priority projects.

BUDGET NARRATIVE- FY 2013-2014

2. Temporary Property Expenses. From time to time, the Agency purchases property, which results in the need to pay for property taxes, insurance, utilities, and repairs.

Annual Allocations

The remainder of “certain” tax increment is allocated to new projects and sustaining Agency programs. Below are listed the annual funding allocations for the 13/14 fiscal year.

Uses	Amount
<i>Ongoing Obligations</i>	
Administration	\$ 336,541
Temporary Property Expenses	\$ 343,862
<i>Annual Allocations</i>	
Short Term Improvements	\$ 150,000
Programming at Gallivan	\$ 100,000
West Temple Gateway- 900 South Improvements	\$1,150,000
Depot District- Intermodal Hub Project Implementation	\$1,500,000
West Capitol Hill- Marmalade Green Space	\$1,150,000
North Temple Liaison Contractor	\$ 110,000
New Growth and Assessments Analysis	\$ 50,000
Bike Infrastructure CBD	\$ 302,277
TOTAL	\$5,192,680

1. Short Term Improvements - LQC Fund. This program will fund short-term “Lighter, Quicker, Cheaper” improvements on public property in all RDA project areas, and will be available for both internal and external requests.
2. Programming at Gallivan Center. This program will support the presentation of 26 “Excellence in the Community” concerts offering free admission to the public at the RDA-owned Gallivan Center.
3. West Temple Gateway - 900 South Improvements. This program will fund infrastructure improvements, including streetscape and placemaking enhancements, at and around the 900 South 200 West intersection.
4. Depot District- Intermodal Hub Project Implementation. This program will fund strategic property acquisitions and infrastructure improvements related to the creation of mid-block roadways, a new public plaza, and improvements to 300 South.
5. West Capitol Hill- Marmalade Green Space. This program will facilitate the construction of a park space on the Marmalade development site. The park will serve the future tenants and residents of the Marmalade development and the surrounding community.
6. North Temple Liaison Contractor. This program will fund the establishment of a scope of work and deliverables for a community-based entity to facilitate economic development and redevelopment services in the North Temple Project Area.
7. New Growth and Assessments Analysis. This program will fund an analysis of Salt Lake County’s methodology for calculating the market value of taxable properties, and the tax equalization process, which prevents cities from collecting new property tax revenues without instigating a rate increase. The analysis will be conducted in concert with the City Council office and the City Finance staff to generate recommendations on approaches to the current value assessment methodology, and the calculation of new growth. The budget amount requested contemplates a consulting contract of up to \$100,000, with 50% of the funds coming from RDA, and 50% from the General Fund.

8. Bike Infrastructure CBD. This program will fund the creation of infrastructure within the Central Business District to promote cycling as a transportation option.

HOUSING FUND ALLOCATIONS

Each year, the Agency prepares a report that indicates the amount of funds allocated to housing projects or housing related infrastructure within each of the tax increment funds. Below is a table that shows allocations for housing-related programs and projects as a percent of after-debt tax increment.

	CBD TAX INCREMENT	SUGAR HOUSE	WEST TEMPLE GATEWAY	WEST CAPITOL HILL	DEPOT DISTRICT	GRANARY DISTRICT	TOTAL
Sources	18,406,592	3,035,000	1,010,000	1,015,000	7,530,000	708,000	31,704,592
Debt and Administrative Cost	<u>6,309,333</u>	<u>541,400</u>	<u>358,716</u>	<u>25,272</u>	<u>2,984,666</u>	<u>85,690</u>	<u>10,305,077</u>
Net Spendable Revenue	12,097,259	2,493,600	651,284	989,728	4,545,334	622,310	21,399,515
Transfers to Housing	1,512,259	300,000	100,000	40,000	750,000	70,000	2,772,259
Budget for Housing	0	0	101,928	0	20,000	0	121,928
Budget for Housing-Related Infrastructure	<u>460,723</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>482,834</u>	<u>0</u>	<u>1,193,557</u>
Total Housing	1,972,982	300,000	201,928	290,000	1,252,834	70,000	4,087,744
Housing as % of Net Spendable Revenue for Project Area	16.30%	12.03%	31.00%	28.57%	27.56%	9.89%	19.10%

Note: Housing related infrastructure includes Public Improvements such as 50% of the Streetcar allocations, 50% for mid-block walkways allocations, 50% of the Marmalade Improvements, 50% of the Gateway Associates reimbursement for parking and public improvements related to Gateway and Grant Tower Reconfiguration in Depot, as well as allocations directly allocate to residential improvements in special districts.

Only West Capitol Hill, Depot, and Granary Districts have a statutory requirement to allocate a portion of the tax increment for housing and housing-related programs and projects. As stated previously, it has nevertheless the practice of the Board of Directors to allocate 10% of tax increment after debt service from all project areas to support housing.

PROJECT AREA HOUSING FUND

The Utah Community Development and Renewal Agencies Act permits the Agency to lend, grant, or contribute funds to facilitate the construction or renovation of housing within established project areas. It has been the practice of the Board of Directors to allocate 5% of the funds that are

available for annual allocation from each project area to support project area housing projects. These funds are typically placed in a general Project Area Housing allocation and then committed to projects throughout the year as applications are made. In addition, \$8,500 of interest income proceeds has been allocated to support housing projects within existing project areas.

For fiscal year 2013/2014, given the tax increment received, the Agency has allocated \$200,000 in certain increment to support North Temple Infill Housing, and \$181,666 for SRO Housing projects. Administrative costs for the area have been budgeted at \$97,584.

CITY-WIDE HOUSING FUND

The Utah Community Development and Renewal Agencies Act permits redevelopment agencies to lend, grant, or contribute funds to facilitate the construction or renovation of affordable housing within the Salt Lake City municipal limits. Affordable housing is defined as projects that benefit households whose income is at or less than 80% of median income. It has been the practice of the Board of Directors to allocate 5% of the funds that are available for annual allocation from each project area to support income-targeted housing projects.

While it is usually the practice of the Board of Directors to provide funds to support Salt Lake City's Housing Trust Fund, the Board determined this fund currently has adequate funds to address the upcoming fiscal year. For fiscal year 2013/2014, given the estimated tax increment, the Agency has allocated the \$457,500 in certain funds Quiet Zone improvements along the 200 South rail line and \$124,350 for the Salt Lake City Housing Trust Fund.

RETAIL REBATE FUND

In 1993, Salt Lake City Corporation entered into a tri-party agreement with the Agency and Hermes Associates to pay for public infrastructure improvements related to the Fred Meyer development located on 500 East between 400 and 500 South by reimbursing a portion of the sales tax revenue generated by the project. The tri-party agreement was amended in 2005 following the sale of the project and converting it to a Smith's Marketplace. The Agency is obligated to pay to Hermes Associates 99% of the sales tax revenues paid to the Agency by Salt Lake City. The remaining 1% of the revenue is retained by the Agency to cover administrative costs. The sales tax reimbursement is based upon a percentage of sales revenue above a minimum. Calculations for the reimbursement are made by Salt Lake City's Finance Department.

A similar agreement was executed in 1995 with Sutherland Lumber Company when they relocated from 400 South/Redwood Road to the current location on North Temple/Redwood Road. No budget is being proposed for this reimbursement given that Sutherland Lumber has not met the minimum sales requirements for several years.

BUDGET AMENDMENTS

From time to time throughout the fiscal year, it may be necessary to amend the budget. These budget amendments may be a result of changes in project costs, new projects being identified, or a change in the funding available to support projects and programs. At such time as an amendment is necessary, the Agency will prepare new spreadsheets that reflect the changes, hold a public hearing, and adopt an amended budget.