

ITEM B

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
MARCH 20, 2012 AGENDA**

Subject:	Type:	Submitted By:
CITIZEN ADVISORY REVIEW COMMITTEE — EDP REPORT	RESOLUTION ORDINANCE ◆ RECEIVE/FILE	RITA RAMIREZ ASSISTANT CITY ADMINISTRATOR

SYNOPSIS

A public hearing has been scheduled for the Citizen Advisory Review Committee to submit a written report to the Mayor and City Council regarding the City's Economic Development Program. A copy of the report is attached.

FISCAL IMPACT

N/A.

RECOMMENDATION

Receive/File.

BACKGROUND

Ordinance No. 921 established the City's Economic Development Program and formed the Citizen Advisory Review Committee which is charged with reporting to the Mayor and City Council in a public hearing at least once every six months.

LA VISTA CITIZEN ADVISORY REVIEW COMMITTEE

Pursuant to §117-15 (g) the Citizen Advisory Review Committee shall report to the Mayor and City Council, at least once every six months, regarding the Economic Development Program. The following report generally covers activity for the period of September 2011 to date:

1. One application to the Economic Development Program has been received to date. The application was from John Q. Hammons to construct a full service Embassy Suites Hotel and conference center facility, which opened in July of 2008 and a Marriott Courtyard Hotel, which opened in May of 2009. These facilities are located in the Southport West subdivision.
2. The City has been collecting sales tax revenue for the Economic Development fund since its effective date. In FY 11 the fund received \$600,000 in sales tax revenue, (bringing the total sales tax revenues transferred to the fund since its inception to \$1,080,000), and \$1,186,573 in loan payments (interest only) from John Q. Hammons. Expenditures in FY 11 were \$1,999,533 for debt service associated with the grant and construction loan.
3. The Economic Development Fund Budget for Fiscal Year 2012 anticipates that \$1,092,152 will be carried forward from FY 11 and the fund will receive \$1,186,573 in revenue from loan payments (interest only) by John Q. Hammons and \$600,000 from sales tax. Expenditures in FY 12 will include debt service payments of \$1,463,172 in interest and \$535,000 in principal.
4. The City's assessed valuation for 2012 is over \$1 billion, up less than 1% from 2011. Over the past 10 years, growth in the City's valuation has averaged about 11%.
5. Net taxable sales were \$182,170,349 in 2009 and \$174,451,981 in 2010, a decrease of 4.2%. Through November of 2011 net taxable sales were \$165,953,578. If the December 2011 number is consistent with last year, we are on track to exceed 2010 in terms of net taxable sales. (This is the most recent data available on the State Department of Revenue's website.)
6. Sales tax revenue for fiscal year 2010 was \$3,499,189, an increase of approximately 9.2% from the prior fiscal year. Sales tax revenue for the 2011 fiscal year (October 1, 2010 through September 30, 2011), was \$3,741,187, an increase of 6.9% over 2010. Sales tax revenue collected during the first four months of FY 2012 is exceeding last year's collection at this same time by 16%.
7. Building permit valuations have been consistently lower for the last several years.
2008 - \$43,487,781 (a decrease from the previous year).
2009 - \$27,316,647
2010 - \$50,312,009 (two large multi-family projects at the end of the year)
2011 - \$34,936,491
Total building permit valuations since 1997 are over \$900 million.

The members of the Citizen Advisory Review Committee consider themselves trustees of La Vista's Economic Development Program, based upon the parameters of Ordinance 921. In submitting this bi-annual report, the Committee notes that it has a sincere interest in monitoring and reporting to the Mayor

and City Council on the City's economic health and objectively evaluating the City's progress and success in the economic arena. Thank you for this opportunity and we are happy to answer any questions.

Respectfully submitted:

Lynda Shafer, Chair
Doug Kellner, Vice-Chair
Jeff Schovanec, Secretary
Rick Burns
Brenda Carlson