

LA VISTA CITIZEN ADVISORY REVIEW COMMITTEE

To: Mayor and City Council

Dt: September 17, 2020

Fr: City Advisory Review Committee

Re: Economic Development Program Review

The Citizen Advisory Review committee is required to report to the Mayor and City Council at least once every six months regarding the Economic Development Program. The following is provided for the Committee's information and generally covers activity for FY20 (the period from October 1, 2019 to September 30, 2020).

The Economic Development Program has received two applications for assistance to date. The first application was from John Q. Hammons to construct a full service Embassy Suites Hotel and conference center facility. This project was closed out in 2018. The second application was for a \$3 million grant to City Ventures to help with the construction of a state-of-the-art music venue in City Centre, located in the redevelopment area along 84th Street. The application was approved by the Committee and the City Council in February of 2020 and has not yet been paid out to the developer.

1. The City's assessed valuation for FY2020 was \$1,651,417,826, and the new assessed valuation for FY2021 is \$1,755,107,309. This is an increase of 6.3%. Over the past several years, the growth in the City's valuation has averaged approximately 5.6% annually.

FY2018 Valuation - \$1,496,821,908 (up 6.11%)

FY2019 Valuation - \$1,542,141,658 (up 3.02%)

FY2020 Valuation - \$1,651,417,826 (up 7.08%)

FY2021 Valuation - \$1,651,417,826 (up 6.27%)

2. Earned sales and use tax revenue has continued to increase over the last several years, with the exception of FY19, which was down from the previous year. We look at what the City has "earned" in sales tax prior to any state incentive refunds being deducted in order to determine what businesses are actually generating. While we might actually receive less sales tax in a given year over the previous year, when the incentive refund is added back in our businesses have most times actually generated more money. The City has built a sales and use tax reserve for potential future rebates.

FY2017 Sales and Use Tax - \$7,550,882 (actually received - \$1.7 million rebate to SON; earned total up 12.3% over FY16)

FY2018 Sales and Use Tax - \$8,033,943 (actually received - \$2.4 million rebate to SON; earned total up 12.8% over FY17)

FY2019 Sales and Use Tax - \$9,509,936 (actually received - \$500,000 rebate to SON; earned total down 4.2% over FY18)

FY2020 Sales and Use Tax - \$8,144,396 (through August) – (actually received - \$1.2 million rebate to SON)

3. Building permit valuations are reported in calendar year, not fiscal year. The past several years have remained fairly consistent—up and down somewhat based on various construction projects.

2017 - \$43,036,890

2018 - \$45,980,935

2019 - \$36,332,465

2020 - \$21,455,137 (Through July)

Total building permit valuations since 1997 are over \$1.24 billion.