

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
SEPTEMBER 18, 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

To: Mayor and Members of the City Council

Dt: September 13, 2012

Fr: Citizen Advisory Review Committee

Re: Economic Development Program Review

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 FY 12 (the period from October 1, 2011 to September 30, 2012):

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.

1. The City has been collecting sales tax revenue for the Economic Development fund since its effective date. In FY12 the fund received \$600,000 in sales tax revenue, (bringing the total sales tax revenues transferred to the fund since its inception to \$1,680,000), and \$1,186,573 in loan payments (interest only) from John Q. Hammons. Expenditures in FY12 were \$1,998,172 for debt service associated with the grant and construction loan.
2. The Economic Development Fund Budget for Fiscal Year 2013 anticipates that \$1,093,984 will be carried forward from FY12, the fund will receive \$1,186,573 in revenue from loan payments (interest only) by John Q. Hammons, and the fund will receive \$600,000 from sales tax. Expenditures in FY13 will include debt service payments of \$1,429,662 in interest and \$570,000 in principal.
3. The City's assessed valuation for 2013 is \$1,060,374,615, which is a growth rate of less than 1% (.10%) from 2012. Over the past 10 years, the growth in the City's valuation has averaged about 11% annually. The considerably lower than average growth rate over the last two fiscal years can likely be attributed to declining property values associated with the current economic situation specifically related to market sales and vacant commercial properties, especially in the 84th Street corridor. Additionally, the City did not pursue any annexations in FY12.
4. Net taxable sales recovered a bit in 2011 and showed a 7.08% increase over 2010, totaling \$186,820,517. The first six months of 2012 are indicating a 4.4% increase over the same period last year. (This data is compiled by the State Department of Revenue.)
2009 Net Taxable Sales - \$182,170,349
2010 Net Taxable Sales - \$174,451,981 (down 4.2%)
2011 Net Taxable Sales - \$186,820,517 (up 7.08%)
2012 Net Taxable Sales (through June) - \$94,855,666
5. Sales tax revenue has continued to show an increase over the last several years and 2012 appears to be on the same track.
FY2010 Sales Tax - \$3,499,187 (up 9.2%)
FY2011 Sales Tax - \$3,741,187 (up 6.9%)
FY2012 Sales Tax (through August) - \$4,015,205 (up 7.3% with one month remaining in FY)**
** (Sales tax revenue received in May was exceptionally high and we are anticipating an incentive refund to be deducted at some point.)

6. 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
2012 – Through August building permit valuation totals are \$14.6 million.
Total building permit valuations since 1997 are over \$914 million.