



Las Vegas

Agenda Item No.: 3.

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JUNE 4, 2008

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

Consent Discussion

SUBJECT:

Discussion and possible action regarding a Notice of Intent to Augment and Amend the Fiscal Year 2008 Annual Budget of the City of Las Vegas Redevelopment Agency Debt Service Fund

Fiscal Impact:

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division: Financial Services Division

PURPOSE/BACKGROUND:

Publish notice of the City's intent to act on a resolution to augment the Fiscal Year 2008 Annual Budget of the City of Las Vegas Redevelopment Agency Debt Service Fund in an amount not to exceed \$1,100,000 in order to effect an increase in appropriations, pursuant to NAC 354.410 through NAC 354.450. Public hearing to be held in City Council Chambers June 18, 2008.

RECOMMENDATION:

Accept Intent to Augment and authorize notice to be properly posted and published.

BACKUP DOCUMENTATION:

Notice for Publication

Motion made by GARY REESE to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

MARK VINCENT, Director of Finance, provided details on the Notice of Augmentation to the Redevelopment Agency Debt Service Fund. He explained that all tax revenues are deposited into this fund to later be allocated where needed. At the present time, the Service Fund has an excess of \$5 million which was not budgeted for. The Notice of Intent to Augment will allocate approximately \$1 million of the tax income revenues for the affordable housing Special Revenue Fund for the City. He stated that the remaining funds will rollover into Fiscal Year 2009 to be used towards the Bond Program for Union Park and the Post Modern project and to assist with refinancing existing debts.

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Referring to a graphic chart, MR. VINCENT traced the history of tax increments for the Redevelopment Agency (RDA) from 1997 to the present. He noted that the figures for the Fiscal Year 2008 are actual and the numbers reflected for Fiscal Year 2009 are budgeted amounts. He mentioned that the growth rate for the twelve-year period has averaged ten percent per year; however, over the past six years, the growth rate has been in excess of twenty-one percent.

CHAIRMAN GOODMAN asked whether the graph is any indication of future tax increments. MR. VINCENT replied that the growth is the result of the success of the redevelopment projects. It also takes into the consideration whether the economy allows developers to continue to participate. He felt that the rate of growth will slow down, yet despite that trend, tax increments will be extremely healthy.

Responding to CHAIRMAN GOODMAN'S query, MR. VINCENT stated that some of the revenues of the Juhl construction in progress are reflected on the graph. He noted that those amounts are based on the assessment of the value amounts of all construction in progress. MR. VINCENT reiterated that there has been a tremendous period of growth and as long as the financial market and the economy is maintained, significant growth will continue.

In response to MEMBER WOLFSON'S request, MR. VINCENT provided a brief explanation of tax increment financing (TIF). MR. VINCENT explained that the Redevelopment Agency receives all of its revenue from property taxes that represent the growth in the property taxes from a base year. He noted that there are currently four districts, each with different start dates. Based on the property tax growth from the base year, a substantial portion of the property taxes gets reallocated to the Redevelopment Agency under the redevelopment law. MR. VINCENT further explained that those revenues can then be used to sell or pay back bonds, can be used to reimburse developers for site-related costs or even be used for TIF rebate payback.

MEMBER WOLFSON asked whether the City has developed any initiatives to provide further incentives to developers, recognizing we are in a recession period, to draw additional development into the RDA. MR. VINCENT acknowledged that the Office of Business Development already has a program to expedite the pre-construction process and in addition, every effort has been made to look at the tax increment financing to determine what types of expenditures can be subsidized.

CHAIRMAN GOODMAN expressed his optimism and belief that with development and completion of the Lady Luck, the Live/Work and Five-Block, the Charlie Palmer Hotel and the Juhl projects, to mention a few, the future of the Inner City will be realized.