

Agenda Item #



AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: FEBRUARY 1, 2012

DEPARTMENT: ECONOMIC AND URBAN DEVELOPMENT

DIRECTOR: WILLIAM ARENT

SUBJECT:

Report for possible action regarding a projection of revenues and expenditures of the Redevelopment Agency for Fiscal Year 2013 through Fiscal Year 2015, inclusive, and to direct staff accordingly. Ward 5 (Tarkanian, Cochrin and Barlow)

Fiscal Impact

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This report will provide an overview of the cash, financial position of the Redevelopment Agency. Included will be a presentation in an executive summary format of anticipated revenues, planned expenditures and resulting cash balances of the Redevelopment Agency for Fiscal Years 2013, 2014 and 2015.

RECOMMENDATION:

Receive report and direct staff accordingly.

BACKUP DOCUMENTATION:

Submitted at Meeting - Redevelopment Agency PowerPoint Budget Overview FY13-FY15

Motion made by STAVROS S. ANTHONY to Accept the Report

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

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB COFFIN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

BILL ARENT, Director of Economic and Urban Development, reviewed a PowerPoint presentation in detail as it played on overhead monitors. He reminded the Members of the effects of large projects on city tax rolls.

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MEMBER BARLOW received confirmation that the tax increment is a mixture of commercial and residential properties although there is a higher representation of commercial properties. He asked for clarification from MR. ARENT on the inclusion of legislative changes in the fiscal plan being presented.

MEMBER COFFIN stated the Lucky Dragon Casino should also be recognized as an outstanding upcoming project. CHAIR GOODMAN clarified for the public where this casino will be located.

MEMBER BARLOW stated his goal is to wean the Redevelopment Agency (RDA) from the City's budget in order to help the RDA stand alone. He asked ELIZABETH FRETWELL, Executive Director, how the City is budgeting for this additional assistance to the RDA. She explained it is the board's decision to decide if 10% is a reasonable fund balance and that no one expects the 10% to be built within one year. This warrants some additional discussion to determine if this is the level of funding that Members want to see achieved. She stated that California has dissolved all of their RDA programs which could create significant opportunities and shift the economics considerably for businesses. MS. FRETWELL had asked MR. ARENT to complete an analysis with other RDAs across the State and clarified that the tax cap is imposed by the State. One of the exciting aspects of the RDA successes is the significant increase in sales tax as a direct result of RDA projects. The goal here is to inform the Board and not to ask for direction.

MEMBER BARLOW asked MS. FRETWELL to clarify the general fund balance and asked MR. ARENT for a recommendation on where the fund balance should be set. MARK VINCENT, Chief Financial Officer, explained the purpose and function of the general fund. It is his opinion that the RDA does not need a balance as high as the general fund. He clarified for CHAIR GOODMAN that it is a flexible number even after the budget is set.

MEMBER ROSS stated that staff seemed to be tapping around the issue and that the RDA has created so much enthusiasm and energy in the downtown area. Using the general fund to supplement the RDA funds should not be a question because it will easily be reimbursed through the tax roll and supplemental revenues from retail generated by the RDA projects. CHAIR GOODMAN added that she would like to see the RDA area expanded.

MEMBER BARLOW recalled a recent tour of the RDA with the State Governor and the Governor's statement that his plan is to attract California businesses to Nevada. Economic diversity is crucial to Nevada's economy.

MEMBER ANTHONY voiced his concern at redirecting general funds to the RDA because of the severe budget cuts already made to the general fund. He does not want to see services impacted further. He questioned why the RDA needs a fund balance now after several years of not having one. MR. ARENT stated without some revenue he will be forced to make cuts and clarified that the fund does not have to be built in one year.

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MEMBER ROSS stated the competition we are looking at is other governments that are giving away land and constructing buildings in order to entice new businesses, but we are still making it happen and we are doing it right.

MS. FRETWELL clarified that one of the designated and authorized duties of the City is economic development and it is only this year that the City has begun funding the RDA again. The only funding to the RDA by the City is to provide economic development. She is working on an economic development plan that extends beyond redevelopment in order to focus on the entire city. It is not unusual for cities to invest in economic development. The goal is to reverse the trend and grow the RDA.

MEMBER BARLOW expressed gratitude to the RDA for rejuvenating the downtown area. He clarified his comments to wean the RDA from the city budget did not mean he was against funding the RDA, but simply wants to help them become self-sustaining.

MEMBER COFFIN discussed potentials for resistance to expanding the RDA.

MEMBER TARKANIAN stated the County's decision to drop their RDA was due to inactivity by their department and the City's RDA was highly complemented. In regards to reaching out to California, she stated we should push hard for those businesses. She concurred with CHAIR GOODMAN that the RDA area needs to be expanded. Involving Ward 1 in the RDA area will help to reverse the downward trend.

CHAIR GOODMAN thanked the staff for their foresight. She encouraged the public to reach out to their Councilmember for additional input.