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LA VISTA CITIZEN ADVISORY REVIEW COMMITTEE

To: Mayor and City Council

Dt: June 21, 2018

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 FY17 (the period from October 1, 2016 to September 30, 2017) and FY18 to date.

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 FY17 the fund received \$800,000 in sales tax revenue, (bringing the total sales tax revenues transferred to the fund since its inception to \$4.4 million), and \$1,186,573 in loan payments (interest only) from John Q. Hammons. Expenditures in FY17 were \$1,995,741 for debt service associated with the grant and construction loan.
2. The City received the balloon loan payment from JQH on May 17, 2018 in the amount of \$16,023,483. Outstanding bonds were paid off on June 20, 2018, closing out this Economic Development Program project.
3. The City's assessed valuation for FY2019 is \$1,542,141,658, which is an increase of 3.02% from 2018. Over the past several years, the growth in the City's valuation has averaged approximately 5.2% annually.

FY2015 Valuation - \$1,269,085,286

FY2016 Valuation - \$1,331,138,549 (up 4.89%)

FY2017 Valuation - \$1,410,681,076 (up 5.97%)

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

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

4. Sales and use tax revenue has continued to show a substantial increase over the last several years. The City has started to build a sales and use tax reserve for potential future rebates. FY2017 sales tax revenues (earned) were up 12.3% over last year.

FY2010 Sales and Use Tax - \$3,499,187 (up 9.2%)

FY2011 Sales and Use Tax - \$3,741,187 (up 6.9%)

FY2012 Sales and Use Tax - \$4,471,391 (up 19.5%)

FY2013 Sales and Use Tax - \$5,999,367 (up 34.2%)

FY2014 Sales and Use Tax - \$3,212,977 (actually received - \$2.4 million rebate to SON)

FY2015 Sales and Use Tax - \$6,956,421 (up 23.9% over total earned in FY14)

FY2016 Sales and Use Tax - \$8,238,608 (up 18.4%)

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 - \$7,076,727 (through August). This is amount actually received—there have been approximately \$2.2 million in SON rebates during this time period.

5. 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.

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 - \$28,813,664

2013 - \$31,603,604

2014 - \$48,455,140

2015 - \$53,935,091

2016 - \$27,782,343

2017 - \$43,036,890

2018 - \$41,730,579 (through August)

Total building permit valuations since 1997 are nearly \$1.17 billion.