

LA VISTA CITIZEN ADVISORY REVIEW COMMITTEE

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To: Mayor and Members of the City Council

Dt: September 8, 2011

Fr: Citizen Advisory Review Committee

Re: Economic Development Program Bi-Annual Report

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 the period of March 2011 to date:

1. 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.
2. The City has been collecting sales tax revenue for the Economic Development fund since its effective date and the fund had accumulated approximately \$480,000. In FY 11 the fund received \$1,186,573 in loan payments (interest only) from John Q. Hammons. Expenditures in FY 11 were \$1,999,533 for debt service associated with the grant and construction loan.
3. The Economic Development Fund Budget for Fiscal Year 2012 anticipates that \$1,092,152 will be carried forward from FY 11 and the fund will receive \$1,186,573 in revenue from loan payments (interest only) by John Q. Hammons. Expenditures in FY 12 will include debt service payments of \$1,463,172 in interest and \$535,000 in principal.
4. The City's assessed valuation for 2012 is over \$1 billion, up less than 1% from 2011. Over the past 10 years, growth in the City's valuation has averaged about 11%.
5. Net taxable sales decreased by 4.2% from 2009 to 2010, going from \$182,170,349 in 2009 to \$174,451,981 in 2010. The first five months of 2011 seem to have rebounded in terms of net taxable sales with January through May showing an increase of 13.58% over the same period last year. (This is the most recent data available from the State Department of Revenue.) We are hopeful this trend will continue throughout the remainder of 2011.
6. During the 2010 fiscal year (October 1, 2009 through September 30, 2010), the City received \$3,499,189 in local option sales tax revenue. This is an increase of approximately 9.2% as compared to the prior fiscal year. During the first eleven months of the current fiscal year (October, 2010 through August, 2011) sales tax revenue has increased \$235,573 over the same period last year.
7. Building permit totals were \$43,487,781 in 2008, a decrease from the previous year. In 2009 the total building permit valuations were \$27,316,647, making 2009 the lowest year for permit valuations in 10 years. In light of the overall economic conditions and the subsequent slowdown in construction, this was not totally unexpected. 2010 finished strong for building permits bringing the total permit valuations for the year to \$50,312,009, making this the strongest year since 2007. Total building permit valuations since 1997 are over \$865 million. (The last two months of 2010 saw over \$16 million in permit valuations with the Pedcor multi-family project and the senior housing project both taking out permits during this time.) Through July of 2011 building permit valuation totals are \$17,386,397.

The members of the Citizen Advisory Review Committee consider themselves trustees of La Vista's Economic Development Program, based upon the parameters of Ordinance 921. In submitting this bi-annual report, the Committee notes that it has a sincere interest in monitoring and reporting to the Mayor and City Council on the City's economic health and objectively evaluating the City's progress and success in the economic arena. Thank you for this opportunity and we are happy to answer any questions.

Respectfully submitted:

Lynda Shafer, Chair
Doug Kellner, Vice-Chair
Jeff Schovanec, Secretary
Rick Burns
Brenda Carlson