



City of Sparks
Redevelopment Agency

FY '15 Budget Presentation

City Manager's Final Budget
Recommendations

April 28, 2014

Redevelopment Area #1 Overview & Recommended FY '15 Budget

- FY '15 total revenues of \$2.5M includes \$2.3M of Property Tax Revenues, which are nearly flat compared to FY '14
- Debt service costs total \$2.6M
- Expenditures are expected to exceed revenues by \$196K
- Unrestricted ending fund balance expected to be ~ \$132K
 - ✓ Additional fund balance of ~\$3.1M is restricted for tax increment bond reserves
- Pending property assessed valuations, the General Fund might need to subsidize Area #1 to cover debt costs in either FY '16 or FY '17. No subsidy is expected in FY '15.

Sparks Redevelopment Area #1 Financial Overview

	FY '13 Actuals	FY '14 Est.	FY '15 Recommended Budget	FY '16 Est.	FY '17 Est.
Revenues	\$2,955,234	\$2,432,967	\$2,453,906	\$2,453,906	\$2,453,906
Transfer-In From G.F.	\$0	\$0	\$0	\$50,000	\$150,000
Expenditures	(\$3,013,923)	(\$2,659,508)	(\$2,649,461)	(\$2,612,036)	(\$2,608,361)
Net Revenues/(Expenses)	(\$58,689)	(\$226,541)	(\$195,555)	(\$108,130)	(\$4,455)
Beginning Fund Balance	\$3,670,978	\$3,612,289	\$3,385,748	\$3,190,193	\$3,082,063
Ending Fund Balance	\$3,612,289	\$3,385,748	\$3,190,193	\$3,082,063	\$3,077,608
Less: Restricted for Debt Service	(\$2,924,800)	(\$3,034,413)	(\$3,058,303)	(\$3,058,303)	(\$3,058,303)
Unrestricted Ending Fund Balance	\$687,489	\$351,335	\$131,890	\$23,760	\$19,305

Victorian Sq. Room Tax Cumulative Resources	\$1,298,796	\$1,767,990	\$2,315,740	\$2,915,740	\$3,515,740
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Note: V.S. Room Tax Fund is a City Resource, but Available for V.S. CIP Needs (Cumulative Resources Assume \$0 Exp's & \$600K of Annual Revenue)

** City Issued Debt Partially Paid by RDA #1

RDA #1 Debt Information	Tax Increment	2011 CTAX		2007 CTAX		Total RDA #1 Debt Service
	Refunding Bonds	Refunding Bonds	Refunding Bonds	Refunding Bonds	Refunding Bonds	
Original Issue Amount	\$22,165,000	\$4,180,000	\$13,635,000			
Issue Date	5/11/2010	5/12/2011	2/15/2007			
Maturity Date	1/15/2023	5/1/2018	5/1/2026			
Interest Rate	4.0% - 5.375%	3.05%	4.09%			
FY '14 Principal Payment	\$1,460,000	\$655,000	\$0			
FY '14 Interest Payment	\$829,081	\$102,251	\$297,548			
Total FY '14 Debt Service	\$2,289,081	\$757,251	\$297,548			
Total FY '14 Debt Service Paid by RDA	\$2,289,081	\$217,628	\$85,513			\$2,592,222
6/30/14 Debt Outstanding	\$16,345,000	\$2,860,000	\$7,275,000			
FY '15 Principal Payment	\$1,520,000	\$685,000	\$0			
FY '15 Interest Payment	\$770,681	\$82,045	\$297,548			
Total FY '15 Debt Service	\$2,290,681	\$767,045	\$297,548			
Total FY '15 Debt Service Paid by RDA	\$2,290,681	\$220,443	\$85,513			\$2,596,636
6/30/15 Debt Outstanding	\$14,825,000	\$2,175,000	\$7,275,000			
				FY '15 D.S. from RDA-Issued Debt =		\$2,290,681
				FY '15 D.S. from City-Issued Debt =		\$305,955
				Total FY '15 RDA Debt Service =		\$2,596,636

** City Issued Debt Partially Paid by RDA #1 Notes:

- Both bonds are issued in the City's name, but about 29% (\$305,955 in FY '15) is allocated to RDA #1 for V.S. portion of the original bonding project.
- The 2007 Refunding bonds will be interest only until FY '19 after the 2011 Refunding bonds mature.

Redevelopment Area #2 Overview & Recommended FY '15 Budget

- Total Revenues are expected to be ~\$2.6M, including an estimated 10.5% increase in property tax receipts primarily due to new development within the Legends area
- Total debt service costs are expected to be \$3.0M
- A subsidy from the General Fund of \$786K is expected in FY '14, however, all future subsidies are expected to be unnecessary due to the sale of 10.2 acres of land owned by the Agency and increased property taxes driven by growth. The land sale is expected to close escrow in FY '15, with fiscal year proceeds of ~\$596K of proceeds, thus no subsidy is expected in the FY '15
 - ✓ Without the land sale, a subsidy from the General Fund would likely be necessary through FY '17, at which time the 2007 Series of Ad Valorem Refunding bonds are scheduled to mature

Sparks Redevelopment Area #2 Financial Overview

	<u>FY '13 Actuals</u>	<u>FY '14 Est.</u>	<u>FY '15 Recommended Budget</u>	<u>FY '16 Est.</u>	<u>FY '17 Est.</u>
Revenues	\$2,406,228	\$2,394,173	\$2,649,475	\$2,781,949	\$2,921,046
Land Sale Proceeds	\$0	\$100,000	\$595,660	\$359,000	\$347,000
Transfer-In From G.F.	\$250,000	\$785,960	\$0	\$0	\$0
Expenditures	(\$3,185,037)	(\$3,224,341)	(\$3,142,332)	(\$3,097,237)	(\$3,093,999)
Net Revenues/(Expenses)	(\$528,809)	\$55,792	\$102,803	\$43,712	\$174,047
Beginning Fund Balance	\$2,813,011	\$2,284,202	\$2,339,994	\$2,442,797	\$2,486,509
Ending Fund Balance	\$2,284,202	\$2,339,994	\$2,442,797	\$2,486,509	\$2,660,556
Less: Restricted for Debt Service	(\$2,165,814)	(\$2,268,993)	(\$2,286,172)	(\$2,286,172)	(\$2,286,172)
Unrestricted Ending Fund Balance	\$118,388	\$71,001	\$156,625	\$200,337	\$374,384

<u>RDA #2 Debt Information</u>	<u>Redevelopment Area #2 Debt</u>		<u>** City Issued Debt Paid by RDA #2</u>		<u>Total RDA #2 Debt Service</u>
	<u>2008 Tax Increment Bonds</u>	<u>2009 Tax Increment Bonds</u>	<u>2007A Ad Valorem Refunding Bonds</u>	<u>2007B Ad Valorem Refunding Bonds</u>	
Original Issue Amount	\$12,700,000	\$7,230,000	\$7,090,000	\$1,315,000	
Issue Date	7/30/2008	11/24/2009	3/29/2007	3/29/2007	
Maturity Date	6/1/2028	6/1/2029	3/1/2017	3/1/2017	
Interest Rate	6.4% - 6.70%	5.0% - 7.75%	3.78%	5.65%	
FY '14 Principal Payment	\$475,000	\$260,000	\$745,000	\$170,000	
FY '14 Interest Payment	\$754,420	\$482,031	\$119,448	\$41,209	
Total FY '14 Debt Service	\$1,229,420	\$742,031	\$864,448	\$211,209	\$3,047,108
6/30/14 Debt Outstanding	\$10,965,000	\$6,270,000	\$2,415,000	\$560,000	
FY '15 Principal Payment	\$505,000	\$275,000	\$775,000	\$175,000	
FY '15 Interest Payment	\$724,020	\$466,431	\$91,287	\$31,612	
Total FY '15 Debt Service	\$1,229,020	\$741,431	\$866,287	\$206,612	\$3,043,350
6/30/15 Debt Outstanding	\$10,460,000	\$5,995,000	\$1,640,000	\$385,000	

FY '15 D.S. from RDA-Issued Debt = \$1,970,451

FY '15 D.S. from City-Issued Debt = \$1,072,899

Total FY '15 RDA Debt Service = \$3,043,350

** The 2007 debt issued by the City is scheduled to mature in FY '17, removing \$1.1M of debt service costs.