

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

APRIL 3, 2008

Item 15, File #071604

File Number 071604 is a resolution directing the City Comptroller to transfer \$200,000 from the Development Fund to the Business Improvement District Commercial and Economic Development Fund.

Background

1. The Development Fund is a Department of City Development-administered capital account that provides financial assistance for development projects that do not qualify for tax incremental district designation. The Fund has been used to support façade-improvement grants and loans, brownfield cleanups, business improvement district activities, new home incentives and neighborhood street improvements.
2. The 2007 and 2008 Adopted Budgets provide \$2.2 million and \$1.8 million, respectively, for the Development Fund.
3. The Business Improvement District Commercial and Economic Development Fund ("BID Fund") is a Department of City Development-administered account that funds commercial and economic development activities in the City's business improvement districts. According to the BID Fund Program Guidelines, adopted by the Common Council on May 3, 2005 (File No. 041749), the BID Fund offers 50% matching grants of up to \$25,000 for eligible activities, with a limit of one grant per district per year. To be eligible, a BID may not be located in a tax incremental district, designated as a Main Street district or receive an annual City contribution toward its operating expenditures.

Discussion

1. This resolution directs the City Comptroller to transfer \$200,000 from the Development Fund account to the Business Improvement District Commercial and Economic Development Fund.
2. The last transfer of funds from the Development Fund to the BID Fund authorized by Common Council resolution -- \$150,000 -- occurred in conjunction with adoption of File 041749 in 2005.
3. Activities that have been supported by the BID Fund over the past 3 years include BID marketing and promotions, streetscaping amenities and participation in statewide BID conferences. The Department of City Development anticipates that the funds transferred by this resolution will be used for similar purposes.

Fiscal Impact

1. The current unencumbered balance in the Development Fund is \$2,384,972. This resolution will reduce the Development Fund's balance by \$200,000.
2. Of the \$150,000 appropriated to the BID Fund in 2005, \$120,538 has been expended and \$21,335 is encumbered, leaving a current balance of \$8,127.

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