

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

FINANCE & PERSONNEL COMMITTEE

FEBRUARY 26, 2009

Item 8, File #081417

File Number 081417 is a resolution relating to the expenditure of funds to be reimbursed by greater than anticipated tax revenue from Tax Incremental District No. 49.

Background

1. Tax Incremental District No. 49 (Cathedral Place) was created in 2002 to fund construction of a 940-space public parking structure in the 700 block of North Jackson Street. This structure was built as a condominium unit within a mixed-used commercial project, Cathedral Place, developed by Van Buren Management. Cathedral Place also contains 24,000 square feet of ground-floor retail space, 160,000 square feet of office space and 30 residential condominiums.
2. This project was financed with \$25.4 million in Redevelopment Authority revenue bonds. This debt is being retired with net parking revenue and tax increment revenue (property taxes collected on the increase in assessed value of the property from the base-year value).

Discussion

1. For the most recent tax-collection cycle, incremental tax collections from TID No. 49 were \$1,369,779.04. This was \$352,097.49 more than the \$1,017,681.55 budgeted for TID No. 49 appropriations in 2009.
2. The Development and Cooperation Agreement requires that the additional, unanticipated tax revenues be used to retire project bonds.
3. This resolution appropriates \$352,097.49 in unanticipated tax increment revenue from TID No.49 to a special purpose account for the purpose of remitting the excess revenues to the Redevelopment Authority, which will then use the additional revenue to retire bonds.

Fiscal Impact

This resolution recognizes \$352,097.49 in greater than anticipated tax revenue from TID No. 49 and authorizes remittance of the same amount to the Redevelopment Authority for retirement of TID No. 49 bonds.

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February 20, 2009

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