

LRB - FISCAL SECTION ANALYSIS

**MAY 18, 2004
COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE**

ITEM 3, FILE 031730

EMMA J. STAMPS

File #031730 is a resolution authorizing the transfer and expenditure of \$175,000 from the Development Fund for the Vliet Street Initiative Commercial District Project. (DCD)

Background and Discussion

1. The city has an ongoing commitment to the revitalization of neighborhood commercial districts and neighborhood business improvement districts.
2. The primary distinction between these initiatives is that, unlike a business improvement district, a commercial district is not initiated by a board-governed neighborhood entity.
3. The Development Fund capital fund provides financial assistance to projects that do not qualify for Tax Incremental District classifications.
4. The City received a \$175,000 matching federal grant for this project through Congressman Kletzka. According to DCD staff, there are no restrictions on the grant uses. This file provides for the city's \$175,000 matching share. The initiative provides that federal grant monies will support spot acquisition and commercial buildings redevelopment projects and that city contributions (in the form of development fund loans), will help fund spot acquisition and façade improvements.
5. Under the Department of City Development program guidelines, only façade awards are available to property owners, which, under this initiative, may be larger than \$5,000.
6. File 031730 authorizes city departments to transfer and expend \$175,000 from the Development Fund account to implement the Vliet Street Initiative development agreement amendments for connecting two existing riverwalk projects.
7. Staff anticipates using this initiative to strengthen neighborhood commercial development where catalytic redevelopment has commenced, such as the former social services building renamed the Marcia-Coggs Social Services Building) at 12 and Vliet Street and Pabst City.

Fiscal Impact

If adopted, file 031730 authorizes a \$175,000 fund transfer and expenditure from the Development Fund capital fund account.

The 2004 budget provided \$2.2 million for the 2004 Development Fund account, and according to a DCD work-in-progress spreadsheet dated 4/26/04, \$175,000 has been earmarked for a Vliet Street Initiative Commercial Development project.

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