

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

MAY 18, 2009

Item 6, File #081641

File Number 081641 is a resolution directing the City Comptroller to transfer \$150,000 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 2009 Adopted Budgets provides \$1.8 million for the Development Fund, including \$375,000 in cash-levy funding and \$1,425,000 in new borrowing.
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 \$150,000 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 -- \$200,000 -- occurred in conjunction with adoption of File 071604 on April 9, 2008.
3. Activities that have been supported by the BID Fund over the past year 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

The current unencumbered balance in DCD's Development Fund capital account is \$2,508,638. Adoption of this resolution will reduce the balance in this account by \$150,000.

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