



Legislation Text

File #: ID#22-0764, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve the preliminary budget for the Downtown Development Board for F.Y. 2022-2023

SUMMARY:

The purpose of this item is to request that the Downtown Development Board (DDB) approve the preliminary F.Y. 2022/2023 annual budget. The proposed budget will be considered at two additional hearings on September 7 and September 14, 2022, for final adoption to meet state statutes.

Property tax revenue has increased by approximately \$36,111 from the current fiscal year for a total of \$448,787 in F.Y. 2022/23. The CRA increment is \$335,643 which is shared within DDB in accordance with the interlocal agreement between the CRA and the DDB. For accounting purposes, the total income in the F.Y. 2022/2023 budget is \$785,080 but the actual income available to spend is \$449,437. Per DDB policy, there will be \$50,000 retained in reserves.

Expenditures are divided into two major categories- variable and fixed. Variable expenses account for DDB activities and grants. These expenses change yearly according to the board's priorities. Fixed expenses include costs that the DDB must incur to remain operational such as CRA administration, legal fees, insurance, and an annual audit.

The proposed budget identifies \$314,329 in variable expenses in the categories of Marketing (\$206,814), Business Assistance (\$85,456), and Policy/Project Work (\$22,049). The proposed expenditures categories align with the activities identified in the DDB Workplan. Staff anticipates further discussion from Board Members on specific projects they would like to see funded.

The proposed budget identifies \$471,201 in administrative and fixed costs.

Explanation of CRA funding of the DDB: Pursuant to F.S. 163.387, The Community Redevelopment Agencies, CRA, created pursuant to F.S. 163.356, received tax increment revenues from each taxing authority. The DDB, as a separate taxing authority, pays the city of Clearwater's CRA the required tax increment revenues. This payment is reflected on the DDB's monthly financial report as the "CRA Increment Payment" in the Fixed Payment category.