## Staff Report

To: The Loop CID Board
From: Carrie Gartner
Date: June 24, 2022
Re: FY2O23 Revenues

## Revenues

Our fiscal year runs from October 1 to September 30, and our operating budget reflects this. Although we budget for an Oct-Sept fiscal year, we collect revenues at various times throughout the year so those collection schedules do not perfectly mirror our fiscal year.

## Property Assessments

The CID property assessment is .4778 per $\$ 100$ of assessed valuation. Assessments are due to the county on December 31 for that calendar year. We generally receive payments from November to about April.

The property assessment revenue line item is based on actual collections. Our FY2023 Budget is based on collections received from November 2021 through approximately March 2022-all of which reflect 2021 property tax payments. I work with the Boone County Assessor and Collector to anticipate any substantial drops or increases in assessments as well as to track delinquent payments.

| Property | Assessment | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | October |  |  | 38 | 0 | 0 | 0 | 0 |
|  | November | 7,688 |  | 9,541 | 5,829 | 3,239 | 0 | 14 |
|  | December | 51,681 | 7,766 | 35,752 | 38,563 | 40,496 | 6,056 | 5,837 |
|  | January | 8,084 | 46,758 | 19,585 | 21,481 | 11,201 | 23,298 | 24,615 |
|  | February |  | 10,991 | 159 | 922 | 8,123 | 20,360 | 24,310 |
|  | March | 229 | 718 | 130 | 102 | 37 | 4,929 | 1,914 |
|  | April |  |  |  | 367 | 0 | 0 | 0 |
|  | May |  |  |  | 102 | 0 | 0 | 0 |
|  | June |  | 1,093 |  | 0 | 0 | 0 | 0 |
|  | July |  |  |  | 0 | 26 | 0 | 26 |
|  | August |  | 1,245 |  | 898 | 0 | 0 | 0 |
|  | September |  |  |  | 0 | 587 | 0 | 0 |
| Total |  | 67,682 | 68,570 | 65,204 | 68,264 | 63,710 | 54,644 | 56,717 |

Sales Tax
The CID sales tax began April 1, 2016 and includes sales tax and use tax. We have seen a considerable amount of variability across the last three years, likely resulting from changes to reporting methods instituted by the Department of Revenue. The charts below represent actual collections.

| Sales Tax |  |  | 2020 | 2019 | 2018 | 2017 | 2016 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | October | 21,024 | 21,424 | 22,752 | 25,340 | 16,766 | 0 |
|  | November | 29,766 | 27,280 | 22,656 | 25,935 | 31,106 | 0 |
|  | December | 17,175 | 29,524 | 25,800 | 35,959 | 32,253 | 0 |
|  | January | 29,408 | 15,226 | 18,442 | 26,363 | 18,988 | 0 |
|  | February | 29,474 | 30,729 | 27,915 | 26,232 | 36,674 | 0 |
|  | March | 25,375 | 21,973 | 31,231 | 29,915 | 21,312 | 0 |
|  | April | 17,549 | 24,088 | 14,204 | 7,986 | 27,018 | 0 |
|  | May |  | 29,928 | 25,151 | 34,928 | 28,106 | 20,292 |
|  | June |  | 27,927 | 34,812 | 31,712 | 41,127 | 30,960 |
|  | July |  | 22,728 | 20,896 | 11,793 | 16,814 | 14,437 |
|  | August |  | 33,165 | 29,766 | 36,866 | 29,732 | 33,291 |
|  | September |  | 29,151 | 22,261 | 19,911 | 26,090 | 24,154 |
| Total |  | 169,771 | 313,143 | 295,886 | 312,939 | 325,986 | 123,133 |


| Local Option Use Tax |  |  | 20 | 2019 | 2018 | 2017 | 2016 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | October | 698 | 82 | 478 | 47 | 38 | 0 |
|  | November | 1,067 | 1,753 | 1,027 | 949 | 2,221 | 0 |
|  | December | 955 | 30 | 739 | 97 | 66 | 0 |
|  | January | 504 | (191) | 247 | 840 | 228 | 0 |
|  | February | 1,231 | 728 | 1,968 | 2,552 | 1,450 | 0 |
|  | March | 393 | 300 | 777 | 224 | 160 | 0 |
|  | April | 2,095 | 87 | 415 | 184 | 61 | 0 |
|  | May |  | 1,841 | 1,542 | 1,416 | 1,657 | 7 |
|  | June |  | 1,121 | 940 | (1) | 12 | 88 |
|  | July |  | 225 | 342 | 141 | 83 | 43 |
|  | August |  | 1,017 | 1,390 | 1,562 | 1,461 | 1,880 |
|  | September |  | 443 | 87 | 65 | 3 | 7 |
| Total |  | 6,942 | 7,435 | 9,951 | 8,076 | 7,440 | 2,025 |

## Sales and Use Tax - Estimates v. Actuals

Our fiscal year runs October through September but our sales tax began in April so the estimates are drawn from the last complete 12 month period, rather than the last full fiscal year. The color-filled columns show the months which constitute a single fiscal year in our financial statements.

Starting with the FY2020 budget, our revenue estimates are based on the average of actual collections from the three previous years. Prior to that, we simply used the previous year's actual collections as our estimate. The three-year average allows us to compensate for unusually high or low years.

In FY2021 we reduced the three-year average by a certain percentage to account for COVID. This year, we reduced the three-year average by $10 \%$ to account for various changes with businesses within the CID. This is a conservative revision and next budget year we will have a better sense of impact.

|  | 2023 Est. | 2022 Actual | 2022 Est. | 2021 Actual | 2021 Est. | 2020 Actual | 2020 Est. | FY2019 Actual | 2019 Est. | FY2018 Actual | 2018 Est. | FY2017 Actual | 2017 Est. | FY2016 Actual | FY2016 Est. |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| October | 22,639 | 21,723 | 23,141 | 24,687 | 23,374 | 21,506 | 21,807 | 23,230 | 25,386 | 25,386 | 16,805 | 16,805 | 18,768 |  |  |
| November | 29,395 | 30,833 | 27,012 | 28,319 | 26,533 | 29,033 | 27,965 | 23,682 | 26,884 | 26,884 | 33,328 | 33,328 | 18,470 | $\cdot$ |  |
| December | 25,035 | 18,130 | 27,838 | 27,421 | 30,717 | 29,555 | 31,638 | 26,539 | 36,056 | 36,056 | 32,319 | 32,319 | 21,045 | - |  |
| January | 23,504 | 29,911 | 19,763 | 25,564 | 20,309 | 15,035 | 21,703 | 18,690 | 27,203 | 27,203 | 19,216 | 19,216 | 18,201 | - |  |
| February | 31,059 | 30,704 | 30,785 | 31,016 | 30,041 | 31,456 | 32,264 | 29,883 | 28,783 | 28,783 | 38,125 | 38,125 | 17,172 | - |  |
| March | 23,012 | 25,768 | 25,092 | 20,994 | 28,140 | 22,273 | 27,873 | 32,008 | 30,139 | 30,139 | 21,472 | 21,472 | 19,162 | - |  |
| April | 20,185 | 19,644 | 15,654 | 21,761 | 16,622 | 24,174 | 16,622 | 14,618 | 8,170 | 8,170 | 27,078 | 27,078 | 16,792 | 0 | 16,463 |
| May | 30,457 |  | 31,602 | 32,908 | 30,933 | 31,769 | 28,802 | 26,693 | 29,763 | 36,344 | 20,299 | 29,763 | 17,522 | 20,299 | 17,179 |
| June | 30,567 |  | 32,170 | 26,901 | 36,201 | 29,048 | 34,633 | 35,752 | 41,139 | 31,711 | 31,048 | 41,139 | 31,048 | 31,048 | 17,838 |
| July | 25,886 |  | 18,708 | 33,468 | 16,690 | 22,952 | 14,437 | 21,239 | 16,896 | 11,934 | 14,480 | 16,896 | 14,480 | 14,480 | 17,212 |
| August | 33,714 |  | 34,589 | 35,804 | 33,592 | 34,183 | 34,931 | 31,156 | 31,193 | 38,428 | 35,172 | 31,193 | 35,172 | 35,172 | 21,727 |
| September | 23,140 |  | 23,972 | 17,478 | 22,805 | 29,594 | 23,410 | 22,347 | 26,092 | 19,975 | 24,161 | 26,092 | 27,078 | 24,161 | 17,745 |
| Loop CID Revenues | 318,591 | 176,713 | 310,327 | 326,321 | 315,957 | 320,578 | 316,083 | 305,837 | 327,705 | 321,014 | 313,501 | 333,426 | 254,910 | 125,159 | 108,163 |
| Business Shuffle Revision (90\%) | 286,732 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| COVID-19 Revision (85\%) |  |  |  |  | 268,564 |  |  |  |  |  |  |  |  |  |  |
| COVID-19 Revision (90\%) |  |  |  |  | 284,361 |  |  |  |  |  |  |  |  |  |  |

We have additional revenue streams this year.

The City's Workforce Development Grant allocates \$150,000 for construction, \$85,000 for equipment, and $\$ 15,000$ for scholarships ( $\$ 5000 /$ year). These funds are provided on a reimbursement basis so a portion of the funds for construction and equipment will be used in FY22 and the remainder in FY23. The revenue amounts reflect anticipated fiscal year in which they will be spent.

The draw down from our fund balance is for kitchen construction as well.

Kitchen revenues are limited by the smaller temporary location and the availability of storage space. We are currently implementing a better tracking system for hourly use to ensure that all clients are in the appropriate pricing tier. These should be in place soon and we anticipate some increase in revenues as a result. We are also reviewing future increases in storage costs and tiers. Our goal is to provide an affordable space for start-up businesses but we believe a small increase in tier pricing and a more realistic charge for cold storage would not be prohibitive to clients. We anticipate implementing any new prices upon the opening of the permanent kitchen, although the new prices are NOT reflected in this budget.

The drop in actual property assessments may even out as late payments come in (as it did in previous years). The drop in estimated sales tax revenues is a conservative estimate given recent changes in business mix.

| Revenue | FY2022 | FY2023 | Change |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| Property Assessment | 68,570 | 67,682 | (888) | current collections |
| Sales Tax | 310,327 | 286,732 | $(23,595)$ | 3 -year avg. -10\% |
| Regional Economic Development, Inc. | 12,000 | 0 | $(12,000)$ |  |
| City Workforce Dev - Construction | 0 | 141,699 | 141,699 |  |
| City Workforce Dev - Equipment | 0 | 50,000 | 50,000 | Partial - remainder in FY24,25 |
| City Workforce Dev - Scholarship | 0 | 5,000 | 5,000 | Partial - remainder in FY24,25 |
| Fund Balance Draw Down | 0 | 356,000 | 356,000 |  |
| Kitchen Revenues | 0 | 76,800 | 76,800 |  |
| Total Revenue | 390,896 | 983,913 | 593,017 |  |

## City Revenues

Below is an overview of sales along the corridor extrapolated from tax revenues. This amount does not include sales of autos or other motor vehicles as those are not taxed by the CID as per state statute. This also shows an extrapolation of city sales tax generated from these sales. (Note: FY2022 is still in the process of being collected.)

|  | 2023 Est. | 2022 Actual | 2021 Actual | 2020 Actual | FY2019 Actual | FY2018 Actual | FY2017 Actual | FY2016 Actual |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Loop CID Revenues | 318,591 | 176,713 | 326,321 | 320,578 | 305,837 | 321,014 | 333,426 | 125,159 |
| Business Shuffle Revision (90\%) | 286,732 |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Total Sales | \$ 57,346,396 |  | \$ 65,264,272 | \$ 64,115,578 | \$ 61,167,498 | \$ 64,202,850 | \$ 66,685,226 | \$ 25,031,766 |
| City Sales Tax (2\%) | \$ 1,146,928 |  | \$ 1,305,285 | \$ 1,282,312 | \$ 1,223,350 | \$ 1,284,057 | \$ 1,333,705 | \$ 500,635 |

