PROGRAM DESCRIPTION

Department: Economic Development	HB Section(s): 7.065

Program Name: Downtown Revitalization Preservation Program

Program is found in the following core budget(s): Downtown Revitalization Preservation Program (DRPP)

1a. What strategic priority does this program address?

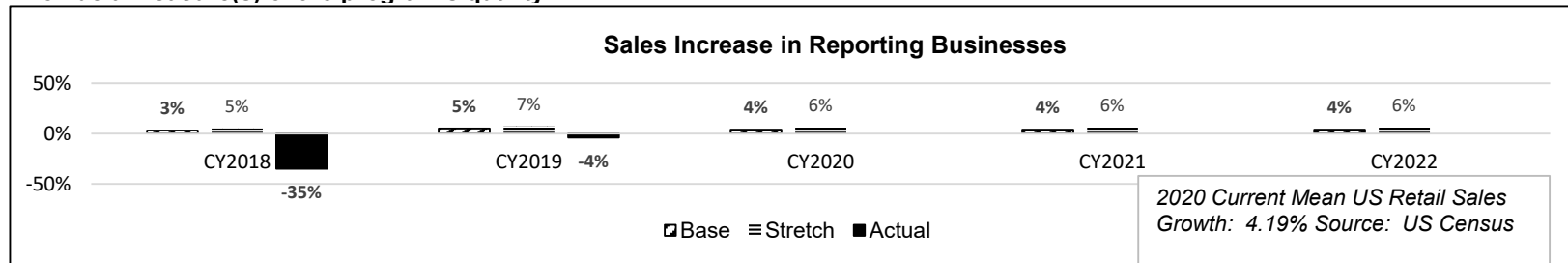Laser Focused, Customer Centric, Regionally Targeted

1b. What does this program do?

- The purpose of the Downtown Revitalization Preservation Program (DRPP) is to facilitate job creation and community revitalization by providing essential public infrastructure. The program converts underutilized properties and places them back in active production by generating new sales and by creating new jobs.
- The program limits these activities to municipalities with a population of 200,000 inhabitants or less, and median household income of $62,000 or less.
- DRPP involves the issuance of local bonds or other obligations, which are secured by a pledge of a statutory portion of: (1) economic activity taxes (i.e. local sales tax) and (2) payments in lieu of taxes (i.e. property tax) attributable to the increase in taxable activity inside the redevelopment area, resulting from redevelopment improvements.
- DRPP redirects up to 50% of the general revenue sales taxes generated as a result of planned redevelopment activities within a prescribed area for up to 25 years.

2a. Provide an activity measure(s) for the program.

	CY2017		CY2018		CY2019		CY2020	CY2021	CY2022
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
Number of Active DRPP Projects	4	2	4	2	2	2	2	2	2

2b. Provide a measure(s) of the program's quality.

Sales Increase in Reporting Businesses

CY2018: Base 3%, Stretch 5%, Actual -35%
CY2019: Base 5%, Stretch 7%, Actual -4%
CY2020: Base 4%, Stretch 6%
CY2021: Base 4%, Stretch 6%
CY2022: Base 4%, Stretch 6%

☐Base ☰Stretch ■Actual

2020 Current Mean US Retail Sales Growth: 4.19% Source: US Census

Note 1: Reflects yearly increase in net new sales for active projects.
Note 2: Decline in gross taxable sales from CY2017 to CY2018 caused by some businesses not reporting their sales tax figures to DOR in a timely manner and a general decrease in the area's sales.
Note 3: Base target is projected to be 4% and Stretch target is set at 2% above the Base.
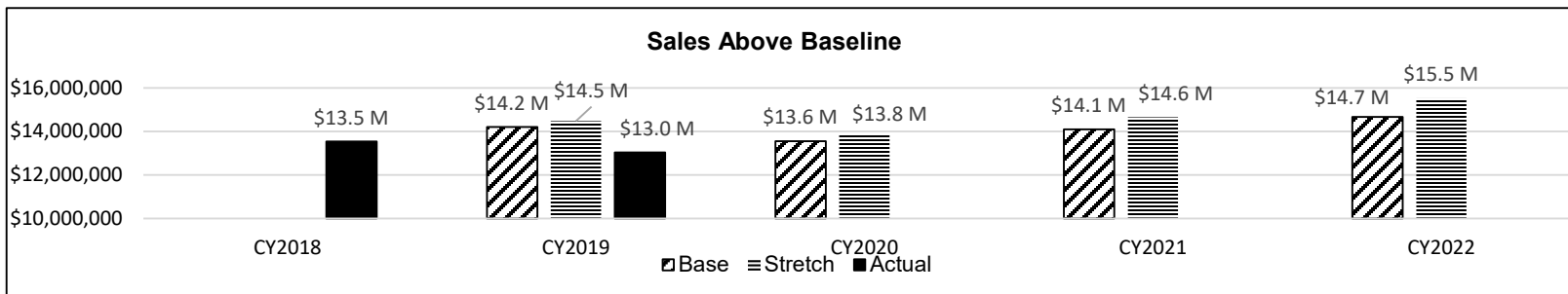
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2c.   Provide a measure(s) of the program's impact.
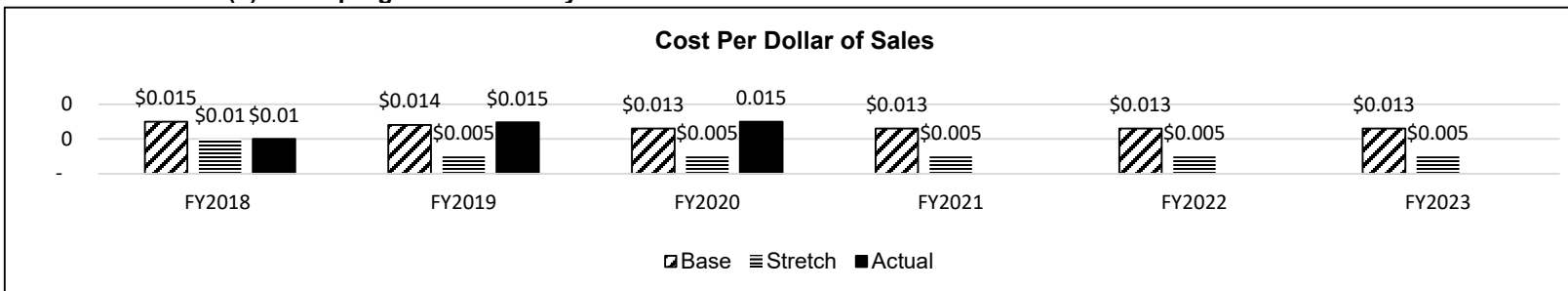
Sales Above Baseline

Note 1: Reflects calendar year gross taxable sales reported above the baseline for active projects.

Note 2: Decline in gross taxable sales from CY2017 to CY2018 caused by some businesses not reporting their sales tax figures to DOR in a timely manner and a general decrease in the area's sales.

Note 3: The Base Target is set at 4% growth and the Stretch target is an increase of 2% over the Base.

2d.   Provide a measure(s) of the program's efficiency.

Cost Per Dollar of Sales

Note 1: Reflects the cost to the state divided by total sales for active projects.

Note 2: Only reporting businesses are included in the metric.

Note 3:The Base target is an approximate average of the prior three years and the Stretch is set at $.005.
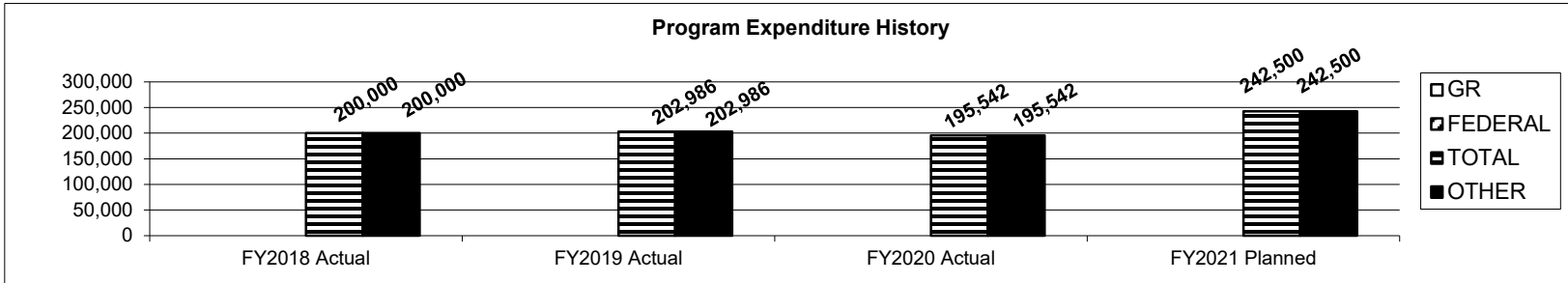
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3.   **Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.** *(Note: Amounts do not include fringe benefit costs.)*

Program Expenditure History

	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Planned
	200,000 200,000	202,986 202,986	195,542 195,542	242,500 242,500

Legend: □GR ☑FEDERAL ▪TOTAL ■OTHER

Note: Planned Expenditures reflect 3% Governor's Reserve on GR Transfer.

4.   **What are the sources of the "Other " funds?**

Requires a Transfer from General Revenue to the Downtown Revitalization Preservation Fund (0907).

5.   **What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**
Section 99.1080 to 99.1092, RSMo

6.   **Are there federal matching requirements? If yes, please explain.**
No

7.   **Is this a federally mandated program? If yes, please explain.**
No