City of Harrisonburg, Virginia
Department of Finance

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TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: April 1, 2019
RE: Supplemental Appropriation – Shenandoah Valley Conference Center

Summary: Consider a supplemental appropriation in the amount of $950,000 for tax revenue to be paid to the JMU Foundation pursuant to the Shenandoah Valley Conference Center agreement.

Background: The city previously entered into an agreement related to the Shenandoah Valley Conference Center (SVCC) with the JMU Foundation and the city's Economic Development Authority (EDA). The agreement stipulated that all tax revenue generated from the Hotel Madison project would be paid to the JMU Foundation, through a grant from the EDA, to reimburse the JMU Foundation for its costs to build the SVCC.

Key Issues: The tax revenue is calculated on a fiscal year basis and is payable to the JMU Foundation by December 31. City staff believes it would be advantageous to pay the tax revenue to the JMU Foundation more that once a year and intends to pay quarterly or at least semi-annually. Paying more often will ultimately provide savings to the city and will also allow the agreement to be paid off sooner than anticipated.

Environmental Impact: None

Fiscal Impact: The General Fund budget will increase $950,000 with funding from various tax sources.

Prior Actions: None

Alternatives: Do not approve supplemental appropriation.

Community Engagement: None.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation.

Review:
The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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