Governor’s FY 2020 Budget: Articles

Staff Presentation to the House Finance Committee
March 14, 2019
Introduction

- 2019- H 5151
  - Article 12, Economic Development
- 2019-H 5150
  - Article 1, Section 12 Quonset Development Corporation transfer
- Governor requested an amendment to Article 12 on March 12, 2019
  - Proposes technical changes as well as clarification and alignment with intent
Article 12 – Economic Development

- Program Changes
  - Rebuild Rhode Island
  - Stay Invested in RI Wavemaker
  - Qualified Jobs Tax Credits
  - Tax Increment Financing - technical
  - Sunset Dates

- New Programs
  - Transferable R&D Tax Credit
  - State & Local Partnership Council/Site Readiness
  - Opportunity Zone Modifications
Economic Development Incentives – Background

- 2015 Assembly enacted 15 programs as part of the FY 2016 budget in support of the Governor’s economic strategy
  - 5 tax incentive programs
  - 10 other programs, investments & initiatives
- Amended in 2016 and 2017 to modify some programs and add the Air Service Development fund
  - 1 program allowed to sunset, Oct. 2018
Most supported by savings from debt restructuring spread over 2 years

Some supported by general revenues through regular Commerce Corporation funding

Programs given Dec 31, 2018 sunset

- 2018 Assembly extended to June 30, 2020

All have annual reporting requirements

- Tax credit programs reporting more extensive
## Economic Development Incentives - Background

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebuild RI</td>
<td>$ 1.0</td>
<td>$ 25.0</td>
<td>$ 12.5</td>
<td>$ 11.2</td>
<td>$ 15.0</td>
</tr>
<tr>
<td>Closing Fund</td>
<td>5.0</td>
<td>8.5</td>
<td>1.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>I-195 Fund</td>
<td>25.0</td>
<td>-</td>
<td>2.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Small Business Asst.</td>
<td>5.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.8</td>
</tr>
<tr>
<td>Wavemaker</td>
<td>1.8</td>
<td>2.0</td>
<td>0.8</td>
<td>1.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Streetscape</td>
<td>1.0</td>
<td>1.0</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Innovation Initiative</td>
<td>1.0</td>
<td>1.5</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Cluster Grants</td>
<td>0.8</td>
<td>0.5</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>P-Tech</td>
<td>0.9</td>
<td>1.2</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Air Service</td>
<td>-</td>
<td>1.5</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Qualified Jobs</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$ 42.9</strong></td>
<td><strong>$ 41.2</strong></td>
<td><strong>$ 19.1</strong></td>
<td><strong>$ 16.1</strong></td>
<td><strong>$ 19.3</strong></td>
</tr>
</tbody>
</table>

$ In millions
## Economic Development Incentives - Proposed

<table>
<thead>
<tr>
<th>New Initiatives</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>State &amp; Local Partnership Council</td>
<td>$1.45</td>
</tr>
<tr>
<td>Site Readiness (RICAP)</td>
<td>1.00</td>
</tr>
<tr>
<td>Transferable R&amp;D Tax Credit</td>
<td>1.30</td>
</tr>
<tr>
<td>Opportunity Zone Modifications</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3.75</strong></td>
</tr>
</tbody>
</table>
Credits for real estate development equal to lesser of 20% of project costs or funding gap

- Up to 30%, if they met designated criteria for rehabilitation, reuse, sustainability, affordability or targeted industry:
  - Project max of $15.0 million
  - Redeemed over 5 years
  - Credits transferable / refundable at 90% of value

Projects may also get a sales tax exemption
Rebuild RI Tax Credit: Current Law

- 2016 Assembly revised earlier legislation to address issues raised
  - Capped program credits at $150 million
    - Sales tax exemption not capped
  - Allow use of funds for Tax Stabilization Incentive reimbursements to municipalities
    - Up to 10% of foregone revenues
    - Rebuild credit seekers can be required to obtain a stabilization agreement for project
  - Modified language to deal with issues raised by developers and financing entities
Rebuild RI Tax Credit: Current Law

<table>
<thead>
<tr>
<th>Dev. Type</th>
<th>Cost</th>
<th>Min ft²</th>
<th>Other min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>$5.0 million</td>
<td>25,000</td>
<td>1+ Businesses and 25 FT Employee</td>
</tr>
<tr>
<td>Multi-Family Residential*</td>
<td>Discretionary</td>
<td>20,000</td>
<td>20 Residential Units</td>
</tr>
<tr>
<td>Mixed Use</td>
<td>$5.0 million</td>
<td>25,000</td>
<td>1 Business</td>
</tr>
</tbody>
</table>

*Hope Community only

- Hope communities
  - Higher poverty rates than rest of the state
Rebuild RI Tax Credit

- Rebuild RI credits are paid out over a period of up to 5 years
  - Prefunding tax credits taken over time
    - $15 million for FY 2020
    - Total set-aside increases to $65 million
  - Nov REC testimony was payments for FY 2019 & FY 2020 would be $16 million
- Approved credits total $105 million
  - Sales tax exemptions total $40.7 million over more than a decade into the future
  - Program sunsets June 2020
Governor proposes $100 million increase in cap

- And a 3.5 year extension on sunset
- Out-years assume need to increase the appropriation to fund commitments
  - $25 million in FY 2021 and FY 2022
  - Almost $50 million beginning FY 2023
    - Most of that is from the cap increase

- Sales tax exemption unchanged, not capped
Article 12 permits separate buildings on I-195 land to be subject to separate $15.0 million project caps

- Allows same project to get capped amount on phases if those phases are distinct buildings
- Current law considers all phases part of the single project and subject to $15 million cap
  - Narrow exemption exists for a distinct project within a project on 195 land once a year only
Eliminates a number provisions added in 2016, along with financing flexibility, to ensure uniform applicability of prior limits on tax credit use

- Drafting issues make the intent unclear
  - Some changes would be significant

Permits Corporation to use funds set aside to repay credits for “technical assistance” to applicants

- Up to $250,000 annually
Article 12 requires Taxation to send notices to applicants on the 2013 Historic Tax Credit the waiting list for those credits

- Expense paid by Commerce Corporation
- Requires development of distinct application process for project with
  - Affordable or workforce housing
  - Certified or recognized historic structures
  - A manufacturer
Article 12 - Rebuild RI Tax Credit

- Article 12 eliminates minimum project cost & square footage thresholds for:
  - Projects with 1+ manufacturers
  - Recognized or certified historic structures not qualified for the Historic Tax Credits
    - 2013 program participants already exempt
- Limits awards to these entities to 15% of amount Corporation awards annually
  - Current law limits to 15% of funds appropriated annually
# Article 12 - Rebuild RI Tax Credit

<table>
<thead>
<tr>
<th>Credit</th>
<th>Rebuild RI</th>
<th>Historic 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of project cost gap - Max 20%</td>
<td></td>
<td>Minimum 20%</td>
</tr>
<tr>
<td>Enhanced Credit</td>
<td>Max 30%</td>
<td>Minimum 25%</td>
</tr>
<tr>
<td>Locate in Hope Community</td>
<td></td>
<td>If rentable area available to trade or business is the entirety of the 1st floor represent % of the total space</td>
</tr>
<tr>
<td>Comm./Mixed Development</td>
<td>Min 25,000 sq. feet</td>
<td>No minimum</td>
</tr>
<tr>
<td>Multi-Family Residential*</td>
<td>Min 20,000 sq. feet</td>
<td></td>
</tr>
</tbody>
</table>

*With 20 units in a Hope Community*
## Article 12 - Rebuild RI Tax Credit

<table>
<thead>
<tr>
<th></th>
<th>Rebuild RI</th>
<th>Historic 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Investment</td>
<td>20%</td>
<td>-</td>
</tr>
<tr>
<td>Min. Project Cost*</td>
<td>$5,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Max. Aggregate Credits</td>
<td>$150,000,000</td>
<td>Available Funding</td>
</tr>
<tr>
<td>Max. Project Cap</td>
<td>$15,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Administrative Fees</td>
<td>-</td>
<td>3% of qualified rehabilitation expenses to Taxation</td>
</tr>
<tr>
<td>Transferable</td>
<td>Yes but state may redeem at 90%</td>
<td>Yes</td>
</tr>
<tr>
<td>Carry Forward</td>
<td>5 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Current Sunset</td>
<td>June 30, 2020</td>
<td>June 30, 2019</td>
</tr>
</tbody>
</table>

*Discretionary in a Hope Community*
Wavemaker Fellowships: Current Law

- Tax credits - up to 4 years of college loan assistance
  - Amt. credits/candidate/year based on degree & actual loans
    ▪ Implemented as 2-year awards
  - Funds/Credits withheld if recipient becomes noncompliant
    ▪ Annual recertification required

<table>
<thead>
<tr>
<th></th>
<th>Associate’s</th>
<th>Bachelor’s</th>
<th>Grad/Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max credits per year</td>
<td>$1,000</td>
<td>$4,000</td>
<td>$6,000</td>
</tr>
</tbody>
</table>
Wavemaker Fellowships

- Eligible applicants must work full-time for OR have accepted offer from company in specific fields
  - Selection is employer-blind & applicant-blind
  - Employer must be RI-based
- 70% of credits must be reserved for permanent RI residents or attendees of a RI college
Funding through FY 2019 funds 3 cohorts
Governor includes $1.2 million for FY 2020
  - Fully funds 4<sup>th</sup> and partially funds a 5<sup>th</sup> but smaller cohort

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Gov. Rec</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>FY 2020</td>
</tr>
<tr>
<td>$1,750,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>FY 2017</td>
<td>FY 2018</td>
</tr>
<tr>
<td>$2,000,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>FY 2018</td>
<td>FY 2019</td>
</tr>
<tr>
<td>$800,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>FY 2019</td>
<td>FY 2020</td>
</tr>
<tr>
<td>$1,600,000</td>
<td>$1,200,000</td>
</tr>
</tbody>
</table>

Wavemaker: Applicants & Fellowships

<table>
<thead>
<tr>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>305</td>
<td>208</td>
<td>328</td>
<td>219</td>
<td>Pending</td>
</tr>
<tr>
<td>382</td>
<td>240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pending</td>
<td>Pending</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Article 12 defines “Businesses” to include a variety of financial institutions, pass-through entities & federal agencies.

- Repeals the requirement for wages to be subject to withholding.
  - To permit eligibility for business owners who pay estimated taxes rather than withholding income tax.
New Qualified Jobs Tax Credit: Current Law

- Credit of between $2,500 and $7,500 for new full-time job creation
  - Credit cannot be more than employee’s income tax withholdings
  - Allowed against all tax types
- Replaced Job Development Act by closing it to new recipients
  - Companies already certified continue to get JDA credits if they remain eligible
New Qualified Jobs Tax Credit: Current Law

- Company must attest that jobs would not be created in RI “but for” credit
  - Must maintain agreed job level for agreement period, typically 10 years
- 30 agreements through January 2019
  - 18 relocated from out of state
  - Total value $65.5 million
  - 8 new since February 2018
  - Required job ranges total 3,252 to 4,061
    - 1,270 more than February 2018
      - 2 awards totaling 1,002 new jobs
Article 12 - New Qualified Jobs Tax Credit

- Article 12 reduces the maximum award cap from $7,500 to $6,500
  - Except for new class of applicant deemed a economic development opportunity
    - Must be a targeted industry w/ 51% of new jobs defined as high wage by the Commerce Corp
    - Must have
      - Minimum of 100 new jobs – or –
      - Corporate hub or relocated regional/national HQ
Article 12 – Opportunity Zones

- Established by 2017 Tax Cuts & Jobs Act
  - State designated census tract certified by the U.S. Treasury to receive Opportunity Fund Investments
    - Eligibility based on federal low income guidelines
    - 25 Rhode Island Opportunity Zones
- Opportunity Zone Fund
  - Investment tool, capitalized through realized capital gains, which deploys 90% of its funding in an opportunity zone
Preferential tax treatment for Opportunity Zone Funds

- Tax deferred for reinvested capital gains
  - Until the fund sold or December 31, 2026
- Original tax liability reduced by
  - 10% for 5 years, 15% for 7 years
- No liability on Opportunity Fund gains after 10 years
  - Does not apply to original capital gains liability
Article 12 – Opportunity Zones

- Article 12 allows investors to access the exemption on new gains through year 7
  - Reserved for 10 years under federal law
  - State would see impact three years sooner than if investment were held for the full term
    - Investor gets no federal tax benefit from an early exit
1994 Assembly established an R&D tax credit

- Against business, insurance, & personal tax liabilities
  - 22.5% for the first $25,000; 16.9% thereafter
- Not to exceed 50% of a taxpayer’s liability
  - Nor less than the corporate minimum tax
- 7-year carry forward
  - Not refundable
Article 12 - Transferable R&D Tax Credit

- Article 12 provides for a transferable R&D tax credit
  - 22.5% of qualified expenses
  - Investments have to meet federal definition of “qualified research expenses”
    - Includes employee wages, supplies, fees paid to research agencies
- Awards capped at $1.3 million annually
  - Budget includes revenue reduction
Article 12 - Transferable R&D Tax Credit

- Credits can not be used with existing R&D credits awarded after June 30, 2019
  - In case of credits awarded prior, the non-transferable credit applies first
- Competitive application to the Commerce Corp.
  - Corporation to define terms
    - Company substantially increasing investment
    - Early stage company
Article 12 - Transferable R&D Tax Credit

- 15-year carry forward for unused credits
  - Also extends the existing non-transferable tax credit carry forward to 15 years
  - Credit may be sold, transferred or assigned
    - Proceeds from transfer are tax exempt

- Includes reporting requirements and sunset date of December 31, 2023
  - Reporting requirements annual, but delivery date is undefined
Governor requested an amendment on March 12, 2019

- Establishes a tax credit cap of $250,000 in any year
- Limits applicants to a maximum of 5 awards
Establishes a new quasi-public entity

- State & Local Partnership Council
  - 9 member board appointed by the Governor, includes Secretary of Commerce & 8 members
  - Same powers as QDC including debt issuance

- Coordinate with municipalities to improve processes & develop, manage & market lands for development

- Authority granted only applicable with approval by a governing body or under contract
Article 12 – State & Local Partnership/Site Readiness

- Preparation & implementation of development policy or planning
  - To the extent permitted by the contract
    - Appears to subsume all local planning authority if not explicitly state otherwise
  - Financial assistance for implementation
    - Including environmental remediation
    - Recommend enhanced reimbursement (up to 50%) for tax stabilizations agreements
      - Subject to Commerce Corporation Board approval
      - Reimbursement awards up to 5x annually
Permits a separate 9 member QDC board to act in place of the Partnership Council

- Secretary & 6 members appointed with advice & consent of the Senate
- Also includes 2 members from an impacted municipality
  - Or 1 member from each impacted municipality
- Prohibited from decisions regarding the Quonset Business Park
Article 12 – State & Local Partnership/Site Readiness

- Assume development authority upon conveyance of property
  - Expedite pre-permitting & permitting processes
  - Sole issuer of permits & licenses
    - Provided federally mandated environmental licensing remains with the requisite authority
- Develop designated parcels of land
  - Local authority retained to the extent of the agreement
Governor requested an amendment on March 12, 2019 to clarify that

- The second 9 member board is intended to be the QDC Board w/ local representation; it may operate in place of the Council
- Only Commerce Corporation can approve enhanced tax stabilization support
- Council would issue permits through DBR
  - Consistent with proposed Streamline & Simplify initiative co-administered by EOC & DBR
March 12, 2019 Amendment
- Removes the Commerce Secretary as the State & Local Partnership Council chair
- Further defines types of project that could be eligible for this program
- Allows for management of property vs. ownership
- Strikes language requiring local vote to enter into agreements with new Council
- Permits sharing of associated revenues
Article 12 - Sunsets & Technical

- Original sunsets extended from December 31, 2018 to June 30, 2020 by the 2018 Assembly
- Extends the sunset dates on most programs to Dec. 31, 2023
  - Repeals Small Business Assistance Program sunset
- Makes technical corrections to the Tax Increment Financing statute
## Article 12 - Sunsets & Technical

<table>
<thead>
<tr>
<th>Sec.</th>
<th>Program</th>
<th>Enacted Sunset</th>
<th>Proposed Sunset</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Rebuild RI Tax Credit</td>
<td></td>
<td>Dec. 31, 2023</td>
</tr>
<tr>
<td>8</td>
<td>Tax Increment Financing</td>
<td></td>
<td>Repeal</td>
</tr>
<tr>
<td>9</td>
<td>Tax Stabilization</td>
<td></td>
<td>Dec. 31, 2023</td>
</tr>
<tr>
<td>10</td>
<td>First Wave Closing Fund</td>
<td>June 30, 2020</td>
<td>Dec. 31, 2023</td>
</tr>
<tr>
<td>11</td>
<td>I-195 Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Small Business Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Wavemaker Fellowship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Main Street Streetscape</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Innovation Initiative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Industry Cluster Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>P-Tech</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Air Service Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>New Qualified Jobs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
June 2020 aligns w/ comprehensive long term economic development report
- Required during 1\textsuperscript{st} year after every gubernatorial election
- Consistent with initial Office of Revenue Analysis reporting due on 2015 programs
  - Pursuant to RIGL 44-48.2
    - Rhode Island Economic Development Tax Incentives Evaluation Act of 2013
    - 5 years for the 1\textsuperscript{st} report; triennial thereafter
# Article 12 - Sunsets & Technical

<table>
<thead>
<tr>
<th>Program Analysis</th>
<th>Due By Statute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchor Institution*</td>
<td>June 2020</td>
</tr>
<tr>
<td>New Qualified Jobs Incentive Act</td>
<td></td>
</tr>
<tr>
<td>Rebuild RI Tax Credit</td>
<td></td>
</tr>
<tr>
<td>Rebuild RI Sales Tax Exemption</td>
<td></td>
</tr>
<tr>
<td>Rhode Island Tax Increment Financing</td>
<td></td>
</tr>
<tr>
<td>Stay Invested in RI Wavemaker Fellowship</td>
<td></td>
</tr>
</tbody>
</table>

*Not utilized; allowed to sunset in 2018
H 5150 & H 5151
Article 1 Quasi Transfers

- Require payments to the General Fund
  - Various amounts from quasi-state agencies
  - Similar to last four years’ proposals
  - $13 million in new transfers for FY 2019
  - $7.0 million in FY 2020
- Budgets for these entities appear in the budget publication program supplements
  - Data there do not reflect these transfers
## H 5150 & H 5151
### Article 1 Quasi Transfers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource Recovery</td>
<td>$ -</td>
<td>$5.0</td>
<td>$5.0</td>
<td>$ -</td>
<td>$5.0</td>
</tr>
<tr>
<td>RI Housing</td>
<td>-</td>
<td>2.5</td>
<td>2.5</td>
<td>1.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Infrastructure Bank</td>
<td>4.0</td>
<td>4.0</td>
<td>-</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>RISLA</td>
<td>-</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>3.0</td>
</tr>
<tr>
<td>QDC</td>
<td>-</td>
<td>2.0</td>
<td>2.0</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td>RIHEBC</td>
<td>-</td>
<td>2.0</td>
<td>2.0</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4.0</strong></td>
<td><strong>$17.0</strong></td>
<td><strong>$13.0</strong></td>
<td><strong>$7.0</strong></td>
<td><strong>$20.0</strong></td>
</tr>
</tbody>
</table>

$ In millions
Quonset Development Corporation

- Quonset Business Park land originally 2 naval bases established prior to 1942
  - Base selected for closure in 1991
  - Land transferred to the state from 1978-2000
    - Administered by different state agencies
- Corporation established by 2004
  Assembly to develop and manage Quonset Business Park
Corporation receives no direct general revenues
- Is self-sustaining
- State paid debt service for 2 G.O. bonds

Subsidiary of Commerce Corporation, but receives no funds
- Commerce Corp. must issue non-G.O. bonds

FY 2018 enacted budget included $1.0 million transfer to the state
- Only enacted transfer since FY 2010
<table>
<thead>
<tr>
<th>FY 2018 Cash Flow</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Cash</strong></td>
<td>$ 5,095,821</td>
</tr>
<tr>
<td>Open projects restricted funds</td>
<td>(1,462,557)</td>
</tr>
<tr>
<td>Electric Boat deposits (EB Construction projects)</td>
<td>(1,582,875)</td>
</tr>
<tr>
<td>QDC/North Kingstown Infrastructure fund</td>
<td>(1,460,187)</td>
</tr>
<tr>
<td><strong>Net Available Cash</strong></td>
<td>$ 590,202</td>
</tr>
<tr>
<td>Accrued FY 2019 Expenses</td>
<td>(554,000)</td>
</tr>
<tr>
<td>Actual cash on hand as of July 1, 2018</td>
<td>$ 36,202</td>
</tr>
</tbody>
</table>
**FY 2019 Revised Budget as submitted**

- Budget does not include transfer

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Income $7,897,108</td>
<td>Personnel $(4,581,947)</td>
</tr>
<tr>
<td>Pier Income 1,750,000</td>
<td>Operating $(4,009,640)</td>
</tr>
<tr>
<td>Utility Sales 2,948,814</td>
<td>Debt Service $(1,666,852)</td>
</tr>
<tr>
<td>RICAP 3,505,557</td>
<td>Capital $(6,505,557)</td>
</tr>
<tr>
<td>Other Income* 707,489</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong> $16,808,968</td>
<td><strong>$(16,763,996)</strong></td>
</tr>
</tbody>
</table>

**FY 2019 Revised closing balance: $44,972**

*Includes estimated FY 2018 carry-over of $5,811; $30,391 less than actual
Governor’s FY 2020 Budget: Articles

Staff Presentation to the House Finance Committee
March 14, 2019