

City Council Workshop

Agenda Item #2

February 10, 2014

Growth Area TIF District

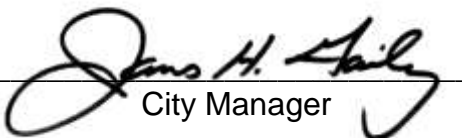
Finance Director Greg L'Heureux and I have been working on tax increment financing (TIF) language in support of small and medium size businesses along the City's major travel/business corridors. The intent is to provide a financial tool to assist in the redevelopment of strategic areas of the city. The concept would provide "growth area" overlay zones in specific commercial areas of the community in hopes of fueling economic investment within the captured properties. The parcels that were included were selected because of their potential for economic development or reinvestment and because the City feels there is a substantial enhanced chance of development in these areas if the City proactively markets the incentive.

The TIF district contemplates credit enhancement agreements with developers or business owners on the following terms:

District Duration:	12 years
Maximum Term on any TIF:	5 years
Minimum Investment:	\$500,000
Maximum Reimbursement on new Value:	80%

The intent of providing favorable terms within the TIF district is to provide a sizeable upfront reimbursement in hopes of spurring reinvestment on the captured properties. As a larger reimbursement would be an attractive incentive, the district has a short five year term allowing for the full valuation to fall out to the general fund quicker than in other TIF districts.

The Economic Development Committee has been consulted on numerous occasions and are in support of the new concept. City staff will develop and implement a marketing campaign around the Growth TIF in order to maximize the potential opportunity.

  
City Manager