



MEMORANDUM

"...meeting community needs...enhancing quality of life."

TO: Community & Economic Development Committee (CEDC)
FROM: Monica Stage, Deputy Director
DATE: September 5, 2019
RE: Approval of Updated Business Enhancement Grant Guidelines for TIF #11 and TIF #12

The areas of West College Avenue (from Badger/Story Streets to Walnut Street) and East College Avenue (from the area commonly known as the Bluff Site to College Avenue) are experiencing notable vacancies and deteriorated conditions. Assisting with the rehabilitation and conservation of existing properties and businesses, as well as redevelopment of vacant, blighted, and underutilized properties as needed to support the urban renewal of these areas, is a priority for the City as outlined in the Comprehensive Plan 2010-2030, including Chapter 14 Downtown Plan.

The City created TIF Districts #11 and #12 in August 2017 to provide targeted investments in these commercial corridors in conjunction with the private market, while recapturing the cost of participation through the increased property tax revenues. The TIF Districts provide for a 22-year expenditure period (August 9, 2039) to make investments to support the goals of the Districts. The goals include eliminating blight and encouraging the rehabilitation of properties, enhancing the viability of the businesses, retention of businesses and attraction of new businesses, stabilizing and increasing property values, and improving the overall appearance of public and private spaces. The maximum life of each District is 27 years (August 9, 2044).

The City created the Business Enhancement Grant for TIF Districts #11 and #12 effective January 1, 2018 to support targeted improvements throughout each District on a smaller scale than would ordinarily qualify for a traditional TIF investment. Funding has supported numerous grants throughout 2018 and year to date in 2019.

While the program has been running smoothly, the guidelines were approved without any authority to consider a variance, for an applicant to appeal a decision, or for the City to rescind a grant agreement. Staff does not anticipate these processes will be needed on a regular basis; however, the proposed language updates are included to reflect similar standards from other City programs.

Staff is seeking CEDC and Council approval of the proposed updates to the guidelines (see attachments).

Staff Recommendation:

The Updated Business Enhancement Grant Program Guidelines for Tax Increment Financing Districts #11 and #12 (TIF #11 and TIF #12) **BE APPROVED**.