



MEMORANDUM

“...meeting community needs...enhancing quality of life.”

TO: Community & Economic Development Committee (CEDC)
FROM: Monica Stage, Deputy Director
DATE: December 6, 2017
RE: Approval of Business Enhancement Grant Guidelines for TIF #11 and TIF #12 effective January 1, 2018

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 this area 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 District. 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).

As part of the Project Plan for each of the TIF Districts, the City identified the creation of a Business Enhancement Grant to support targeted improvements throughout each District on a smaller scale than would ordinarily qualify for a traditional TIF investment. The Business Enhancement Grant is modeled after the program that was created and approved by the Common Council for TIF District #7 along the Memorial Drive corridor.

The 2018 budget includes \$21,000 for both TIF #11 and #12 to provide Business Enhancement Grants. The details of the maximum grant allowable, matching funds, eligible property improvements and overall program guidelines can be found in the attached Business Enhancement Grant Program Guidelines. The guidelines are identical for each TIF. Staff is seeking CEDC and Council approval of the guidelines in December 2017 to make the program available beginning January 1, 2018.

Staff Recommendation:

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