



MEMORANDUM

TO: City Plan Commission

FROM: Karen Harkness, Director of Community and Economic Development Department

DATE: August 11, 2021

RE: Tax Incremental Financing Districts #3 & #12 Amendments

The Department is proposing amendments to the boundaries and project plans for Tax Incremental Financing Districts #3 and #12.

TIF #3 was created in 1992 as a blighted district. Objectives were to stimulate downtown and commercial development, expand the property tax base and employment opportunities, and reduce blight in the downtown retail area.

In 2011, it was designated a distressed TIF following a \$15.4 million decrease in the District's valuation from 2009 to 2010 resulting from the Department of Revenue (DOR) implementation of a new valuation methodology and loss of valuation in the Richmond Terrace project due to bankruptcy. A distressed TIF is not eligible for new projects, nor can a new TIF be overlaid. TIF #3 expires in 2029.

TIF #3 is being amended to pull undervalued/underutilized parcels out and add them to TIF #12 to encourage redevelopment and reinvestment in our Central Business District. The proposed Tax Incremental District #3 Project Plan amendment subtracts 13 tax parcels from the District, which will be added to Tax Incremental District #12.

TIF #12 was created as a rehabilitation/conservation district in 2017. The objectives were to eliminate blight and stimulate the rehabilitation, conservation and redevelopment of West College Avenue and the surrounding area.

The proposed Tax Incremental District #12 Project Plan amendment will add to the District the 13 tax parcels being removed from Tax Incremental District #3 along with 23 additional parcels. The amendment will also revise the kind, number and location of proposed public works or improvements within the District and the detailed list of project costs to add approximately \$2.3 million or \$2,345,594 in additional potential project cost expenditures. Project costs include potential cash grants (development incentives) to be paid to owners, lessees or developers of land located within the District.

This item will go to Council on August 18th.