

# Why is There a Financing Gap?

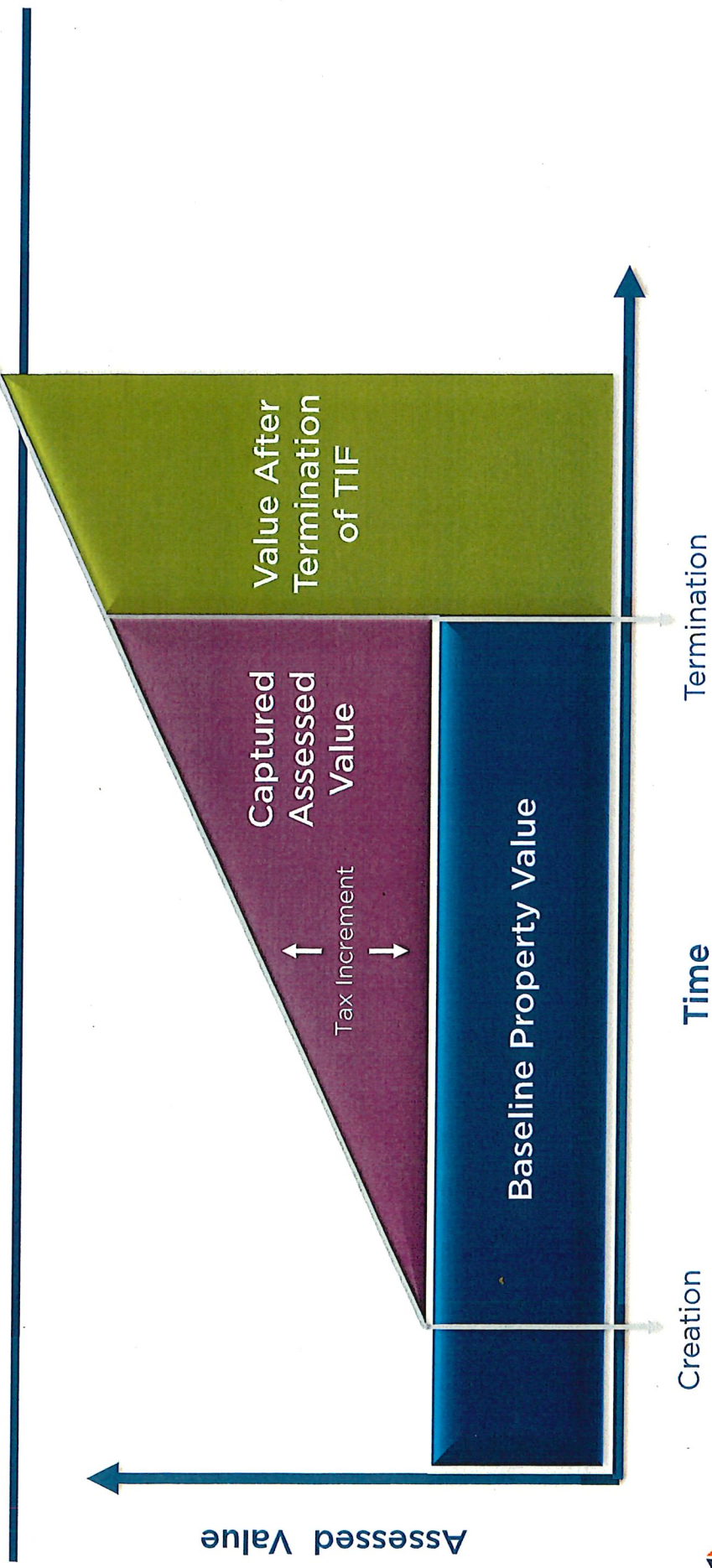
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- Fundamentally:** Financial barriers preventing the private market from developing a site in accordance with City vision
- Contaminated land and/or existence of blighted buildings
  - High development fees
  - Market rents too low
  - Infrastructure costs too high
  - Cheaper alternatives elsewhere
  - City vision incompatible with market

# Common Types of Assistance

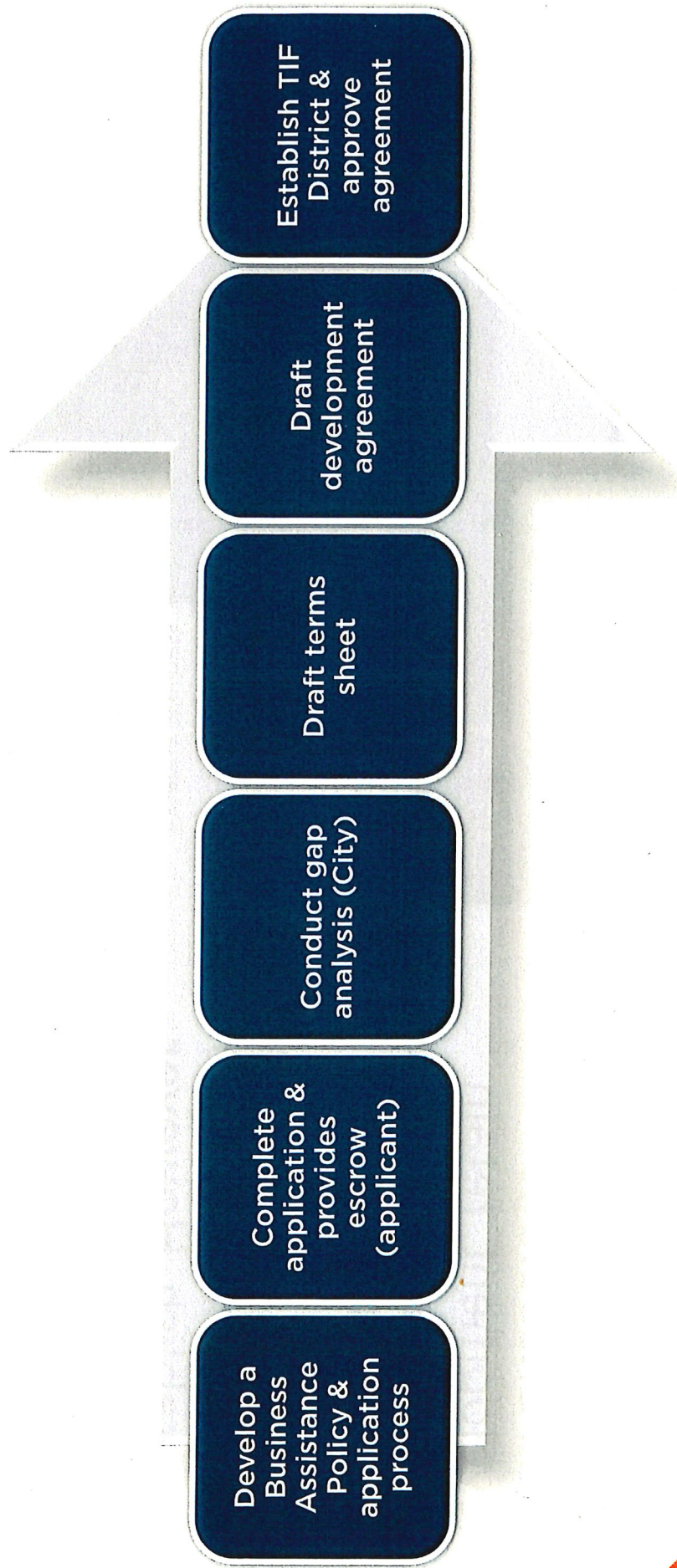
Purpose	Assistance	Max Term
Substandard or Obsolete Buildings	Redevelopment TIF Renovation & Renewal TIF Tax Abatement	26 16 8-20
Affordable Housing	Housing TIF Econ Dev. - Workforce Housing TIF Tax Abatement	26 9 8-20
Job & Tax Base Creation	Econ. Dev. - TIF Tax Abatement	9 8-20
Business Retention	Tax Abatement	8-20
Public Facilities & Parks	Tax Abatement	8-20

# Building Blocks: TIF Cash Flows



# Process

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# Developer Application

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## Includes project details

- Site information
- Full set of financial projections (pro forma)
- Site plan, building elevations, floor plans, amenities, materials
- Identification of financial need

## Developer submits fee, or escrowed deposit, with application

- Covers third party costs for review & implementation

# Pro Forma Analysis: How Much is Enough?

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- Review financial information to establish appropriate level of public assistance
  - ✓ Often referred to as “but for” test
- Maximize private funding sources
- Minimize public assistance needed to make a project financially feasible



# Qualified Costs Documentation

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- TIF may only be spent on qualified costs
- Costs must be verified & documented before issuance of TIF note
  - ✓ Documented costs must be at least as much as TIF note to issue full amount
  - ✓ Documentation includes invoices for work performed & evidence of payment for that work

# Notices

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Notice to County  
Commissioner 30  
days prior to hearing  
notice publication



TIF Plan with fiscal  
impacts to County &  
School Districts 30  
days prior to public  
hearing



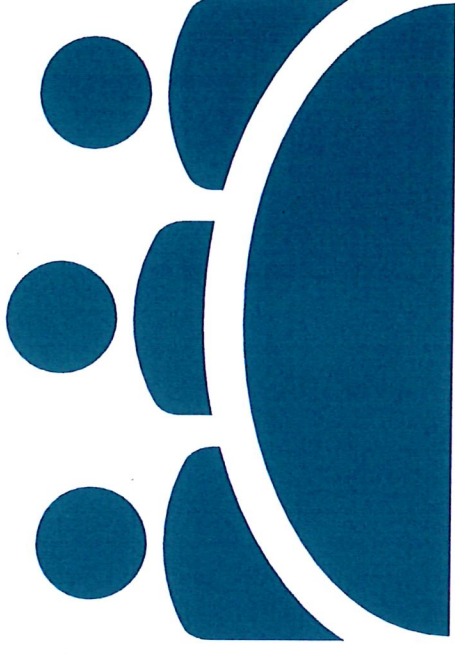
Hearing notice  
publication at least  
10 days prior to  
hearing



# Public Hearing

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- Council holds public hearing, considers resolution to adopt TIF plan
  - ✓ Type of district
  - ✓ But-for finding (pro forma analysis)
  - ✓ District conforms to general development plan
  - ✓ Plan affords maximum opportunity for city's development needs



# Payments

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- PAYGO
  - ✓ County calculates and send increment to City
  - ✓ Payments are made semi-annually, defined in TIF agreement
    - August 1 payment made from June tax settlement
    - February 1 payment made from December settlement
  - ✓ Confirm compliance with TIF agreement provisions
- Taxes
  - ✓ Confirm all parcels have paid taxes & how much each paid