

TIRZ #1 Project Plan, Policy and Administration Discussion

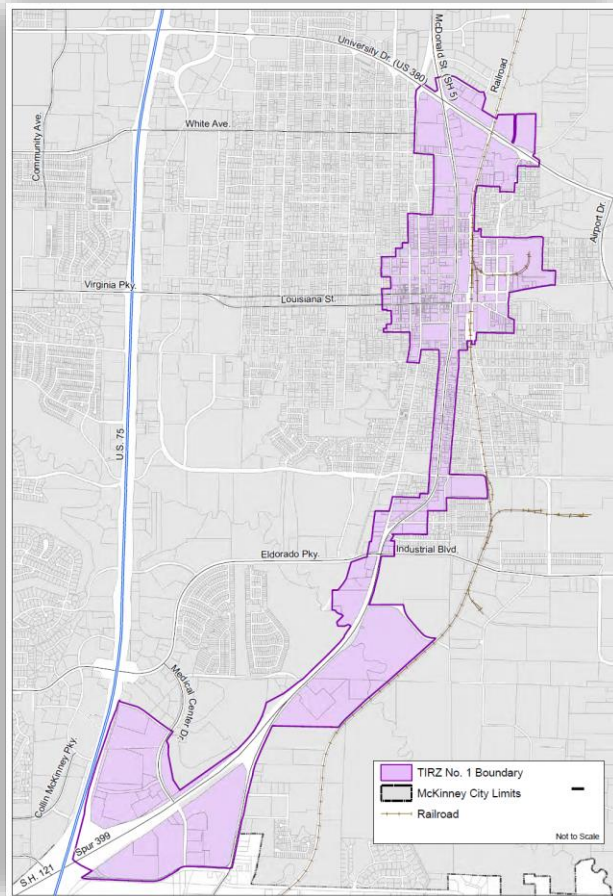
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Purpose of today's meeting

- Discussion today to focus on proposed policy changes.
- For the majority of the changes proposed, the TIRZ No. 1 Project Plan will remain the same and will not require modification.
- The items that will be discussed today;
 - TIRZ Project Plan Goals
 - Existing TIRZ Project Categories
 - Existing TIRZ Administrative Policies
 - Proposed changes to TIRZ Project Categories and Administrative Policies

Tax Increment Reinvestment Zone #1



- TIRZ - Tool that captures projected increase in tax revenue created by development within a defined area – Ad valorem & Sales tax
- Reinvests funds into public improvements and development projects that benefit the zone – 30 years
- Covers primarily downtown and areas adjacent to HWY 5

TIRZ Project Plan Goals

- Support catalyst projects that will support revitalization of Historic Town Center
- Link Town Center across HWY 5 with future Transit-Oriented Development
- Support street and other infrastructure projects
- Provide other support



Existing TIRZ Project Categories

I. Catalyst Projects

“significant” projects; \$5M investment or greater

II. Vacant/Underutilized Sites/Buildings

“smaller projects”; under \$5M investment

Eligible Projects for Category I & II include:

- (a) environmental remediation; interior/exterior demolition; historic façade restoration improvements/easements; and fire safety;
- (b) street, utility, and streetscape improvements;
- (c) land acquisition

III. Mixed-Income Housing

Creation of new affordable, workforce and mixed-income housing inside or outside the Town Center TIRZ.

Existing TIRZ Administrative Policies

- **Adopted September 2014**
- **Reimbursement and/or grant requests on a case by-case-basis based for qualifying catalyst projects**
- **For qualifying vacant/underutilized sites/building proposals,**
 - Shall be limited to the maximum \$25,000 or entire grant request, whichever is less
 - A maximum of \$100,000 shall be awarded each fiscal year
 - First-come, first serve basis until allotment has been reached

Proposed Changes: Critical Maintenance

- **Amend Project Plan to include ‘Critical Maintenance’ as an eligible project type under the ‘Vacant/Underutilized Sites/Buildings’ Category**
 - Structural and foundation repairs, electrical, plumbing, mechanical, and gutters.
- **Amend TIRZ Administration Policy as follows:**
 - Establish an annual cap of \$100,000 for ‘Critical Maintenance’ projects
 - Establish a per project cap of \$50,000
 - Grant would 50/50 match

Proposed Changes: Fire Suppression

- **Amend Project Plan to include ‘Fire Suppression’ as an eligible project type under the ‘Vacant/Underutilized Sites/Buildings’ Category**
 - Grants available to upgrade fire suppression systems in historic buildings
- **Amend TIRZ Administration Policy as follows:**
 - Establish an annual cap of \$100,000 for ‘Fire Suppression’ projects
 - Establish a per project cap of \$50,000
 - Grant would be 50/50 match
- **Staff recommends to conduct a study to determine a unified plan for fire suppression upgrades around the Square**

Proposed Changes: Funding Carryover

- **Amend TIRZ Administration Policy as follows:**
 - Allow for any unused funds under ‘Vacant/Underutilized Buildings/Sites’ to be carried over to the next fiscal year
 - Establish a program cap of \$300,000

Policy Discussion

What happens if a critical maintenance project request exceeds the project cap established in the TIRZ Administrative Policy?

Option 1: Front-load Option

Pros

- Could be used for projects deemed 'exceptional'

Concerns

- Administratively burdensome
- Reduces earmarked funding for future years

Option 2: Special Exception Option (fund outright)

- Establish annual limit
- Grant program; 50/50 match
- Lock applicant/property from future year requests for specific time period
- Establish decision making criteria
 - Maintenance need
 - Impact to building integrity
 - Public health and safety considerations

In Conclusion

TIRZ Program

Project Plan Changes

I. Catalyst Projects

II. Vacant/Underutilized Sites/ Buildings

Eligible Project Types (I & II):

- (a) environmental remediation; interior/exterior demolition; historic façade restoration improvements/easements; and fire safety;
- (b) street, utility, and streetscape improvements;
- (c) land acquisition
- (d) Critical Maintenance
- (e) Fire Suppression

III. Mixed-Income Housing

Admin Policy Changes

- **(a) Environmental, demolition, façade restoration, etc.**
 - \$100,000 annual cap
 - \$25,000 max per project
 - Up to \$100,000 in annual carryover
- **(d) Critical Maintenance**
 - \$100,000 annual cap
 - \$50,000 max per project
 - 50/50 match
 - No carryover
- **(e) Fire Suppression**
 - \$100,000 annual
 - \$50,000 max per project
 - 50/50 match
 - No carryover

Discussion and Questions

