

TIRZ #1 Policy and Administration Discussion

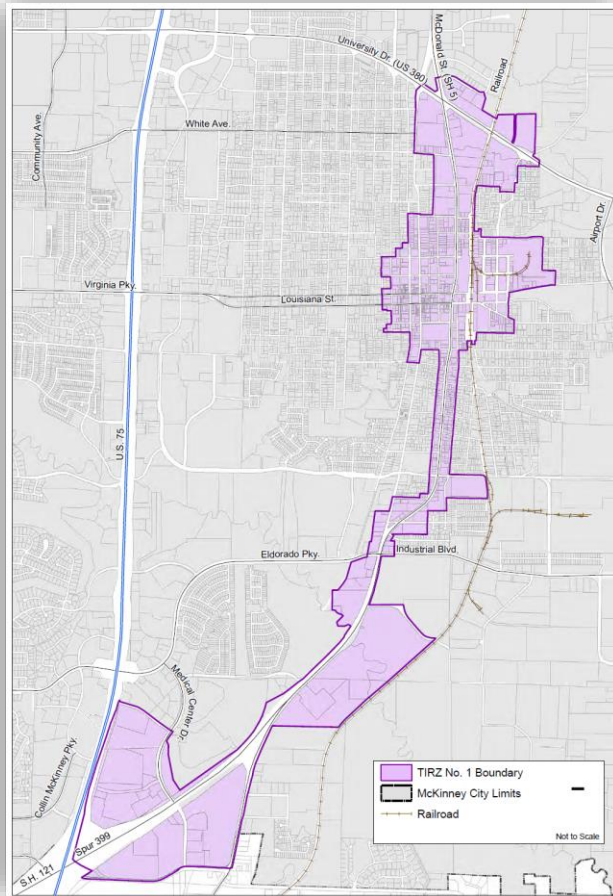
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Purpose of today's meeting

- 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 Funding Uses
 - Existing TIRZ Programs
 - Proposed changes to TIRZ Program Policy

Tax Increment Reinvestment Zone #1



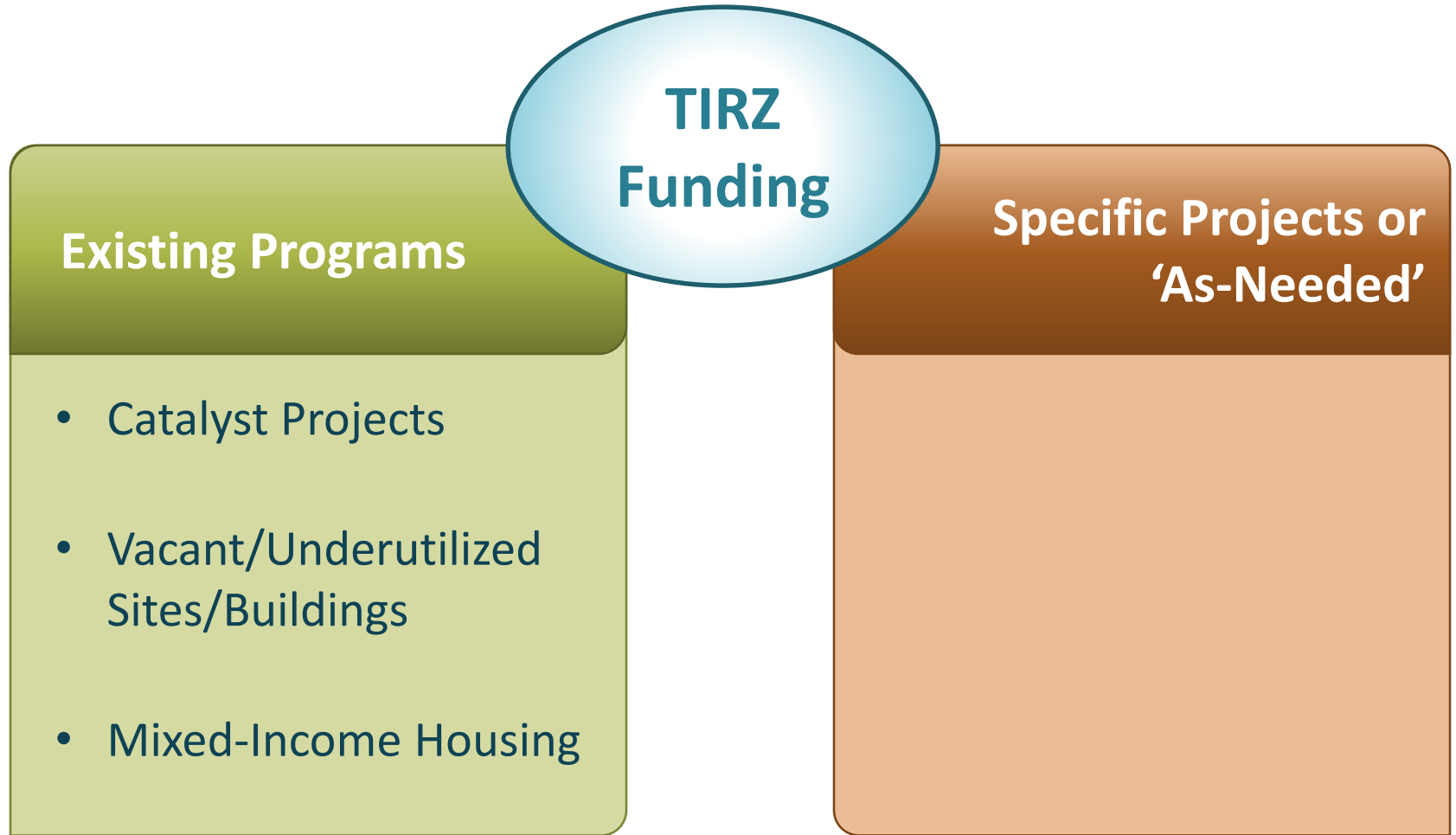
- TIRZ - Tool that captures projected increase in tax revenue created by development within a defined area – Ad valorem & Sales tax
- Reinvests funds into public improvements and development projects that benefit the zone – 30 years
- Covers primarily downtown and areas adjacent to HWY 5

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 Funding Uses



Existing programs and policy

- Catalyst Projects – significant Town Center projects with sites, buildings, or groups of buildings where project investment would exceed \$5 million.
- Highway 5 infrastructure improvements
- Parking facilities
- Development of new building/redevelopment of existing structures as mixed use/residential/civic projects
- Development of a major employment center
- Transit improvements



Existing programs and policy

- Current policy for the ‘Vacant/Underutilized Sites/Buildings’ – allows for \$100,000 each Fiscal Year with a \$25,000 cap allocated for each project.
- Eligible projects include environmental remediation, interior/exterior demolition, historic façade restoration improvements/easements.



* Only buildings designated local or State historic landmarks, listed on the National Register of Historic Places, or designated by the City’s Historic Preservation Officer are eligible.

Allow Additional Eligible Expenses

- Staff recommends creating an allotment under ‘Vacant/Underutilized Sites/Buildings’ to include ‘Critical Maintenance Items’ ;
 - Structural and foundation repairs, electrical, plumbing, mechanical, and gutters.
- Allow for two grants with a \$50,000 cap each for ‘Critical Maintenance Items.’
- Grants would be 50/50 match.

* This would require a change to the Project Plan, much like the addition of sprinkler systems required a change.

Fire Suppression Program

- Create an allotment under the existing 'Vacant/Underutilized' program that will award money for fire suppression expenses only.
- Allow for two grants with a \$50,000 cap each to upgrade fire suppression systems in historic buildings.
- Grants would be 50/50 match.
- Staff recommendation is to conduct a study to determine a unified plan for fire suppression upgrades around the Square.



Carryover funding from year to year

- Currently, any left over allocated money for 'Vacant/Underutilized' projects is not carried over to the next Fiscal Year.
- Staff recommends to carry over any unused funding to the next Fiscal Year;
 - When reached, recommend a not to exceed program cap of \$300,000
 - This carryover would not apply to the 'Critical Maintenance' nor the 'Fire Suppression', those would remain at \$100,000 yearly allotments each.



In Conclusion

TIRZ Program Policy

Existing Policies

- Vacant/Underutilized
 - \$100,000 annual (\$25,000 max per project)
 - No carryover

Proposed Policies

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

Discussion and Questions

