

TIF District Proposal

Tax Increment Financing Commission
February 11, 2014

Agenda

I. Adjustments to Agenda

II. Old Business:

III. New Business:

A. Overview of TIF District Projects

B. Next steps

IV. Public Comments

V. Motion to Adjourn

A Little History..

- Visioning process begins, Jan, 2006
- Sasaki presents Campus/City Opportunity Study, Jan, 2007
- Council accepts vision plan, Feb, 2008
 - Includes recommendation from Downtown CTG B63-08 for use of incentives to stimulate downtown
 - formation of a leadership council to oversee initiatives
- Council appoints Downtown Leadership Council (DLC), March 17, 2008

A Little History..

- B63-08 Establishes the TIF Commission, March 17, 2008
- PR47-08 Establishes policy and guidelines for TIF, March 17, 2008
- PR13-09 Adopts procedures for soliciting RFPs for TIF projects, January, 2009
- DLC works with H3 Studio on Downtown Charrette, October, 2010
- Council adopts Downtown Charrette, November, 2012

A Little History..

Excerpt from Downtown Charrette report:

“... the preferred approach to TIF in Downtown Columbia is to designate the entire downtown as one TIF District. TIF funds can, therefore, be spent to directly support specific projects within the district, and they can also be spent to support improvements that benefit every property owner and business in the district.”

Columbia Imagined

“The focus on downtown as a hub of development activity has been supported in the past by the Sasaki Plan (2007) and more recently by the H3 Downtown Columbia Planning Charrette (2010). Both plans made recommendations supporting pockets of higher density in the downtown area.”

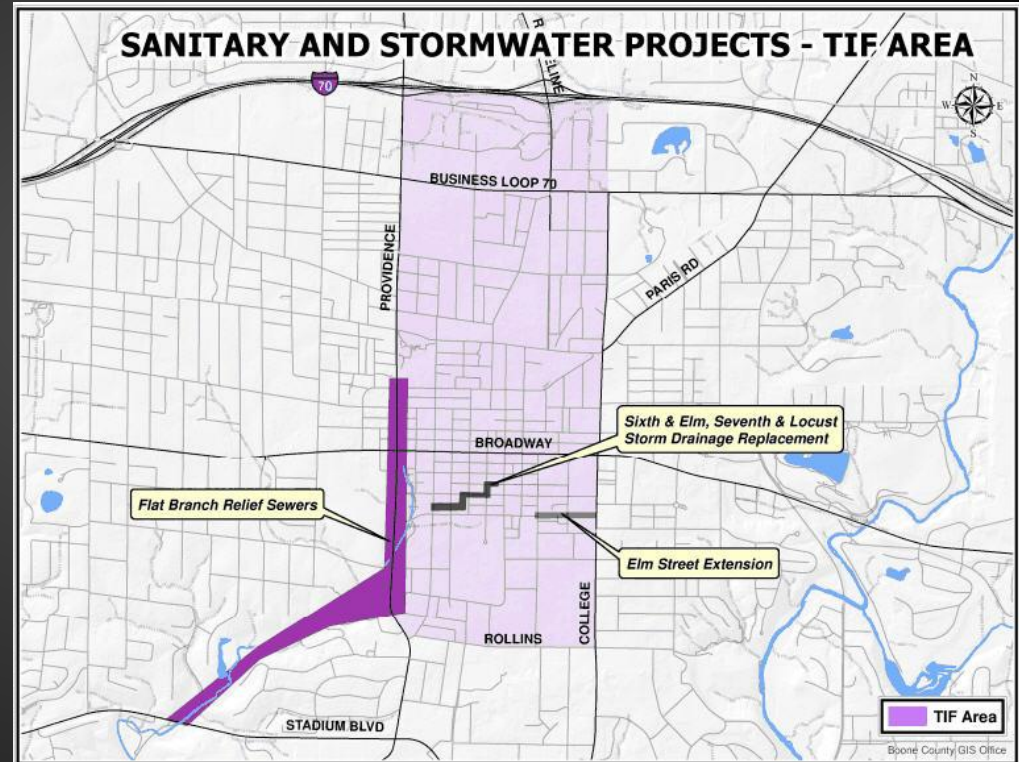
- Columbia Imagined, Page 20, 2013

Infrastructure Projects

Sixth & Elm, Seventh & Locust Storm Drain Replacement:

This project involves replacing approximately 1,000 feet of 100 year old storm drainage system in the central portion of the TIF area. The existing drainage system is in very poor structural condition and does not have sufficient capacity which results in street flooding during heavy rains. This project will provide new and adequately sized storm drainage facilities which will better protect this area from flooding.

Budget: \$2,000,000

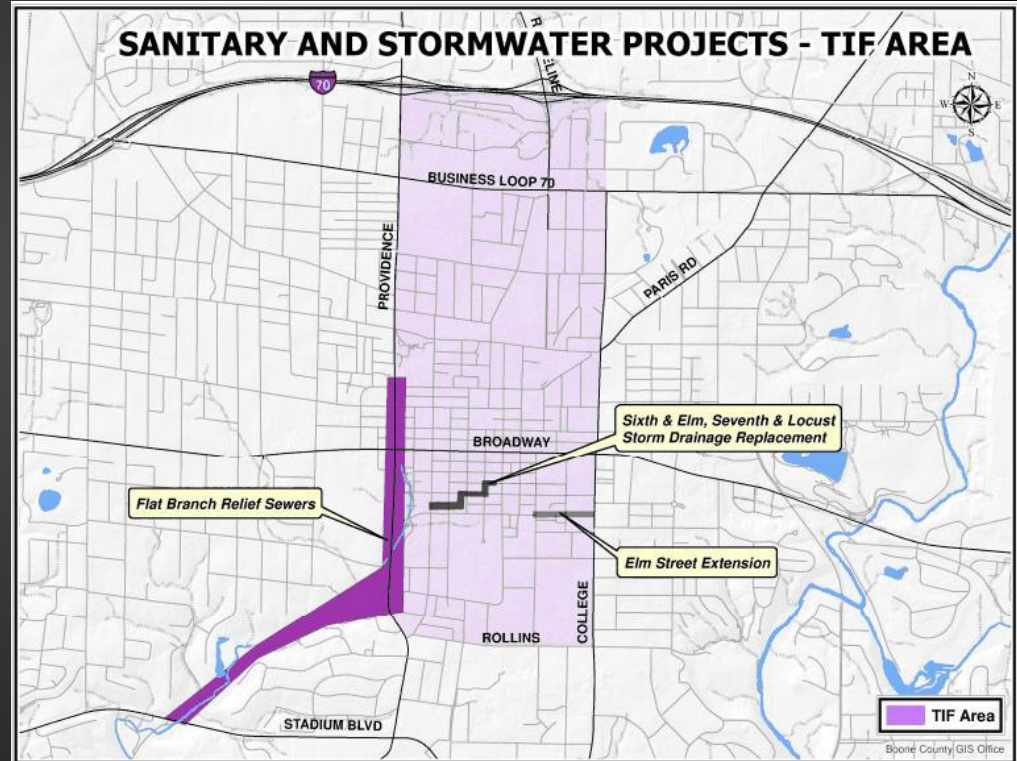


Infrastructure Projects

Flat Branch Relief Sewers:

This project involves constructing approximately 40,000 linear feet of relief sewers in various locations with Flat Branch Watershed. These sewers provide sanitary sewer service for the TIF area, currently do not have adequate capacity to serve additional developments in the TIF area and are between 50 and 100 years old. Once this project is complete, the sanitary sewer collection system will have sufficient capacity to serve all foreseeable future TIF developments.

Budget: \$6,750,000



Infrastructure Projects

Elm Street Extension:

This project was recommended as part of the Sasaki study and proposed extending Elm Street from 10th St to College Ave.

With additional high density residential development in this area, this project would provide a much needed east-west connection through the downtown contributing to a decrease in through traffic on Broadway, and creating additional opportunities for pedestrian scale development.

Budget: \$5,000,000

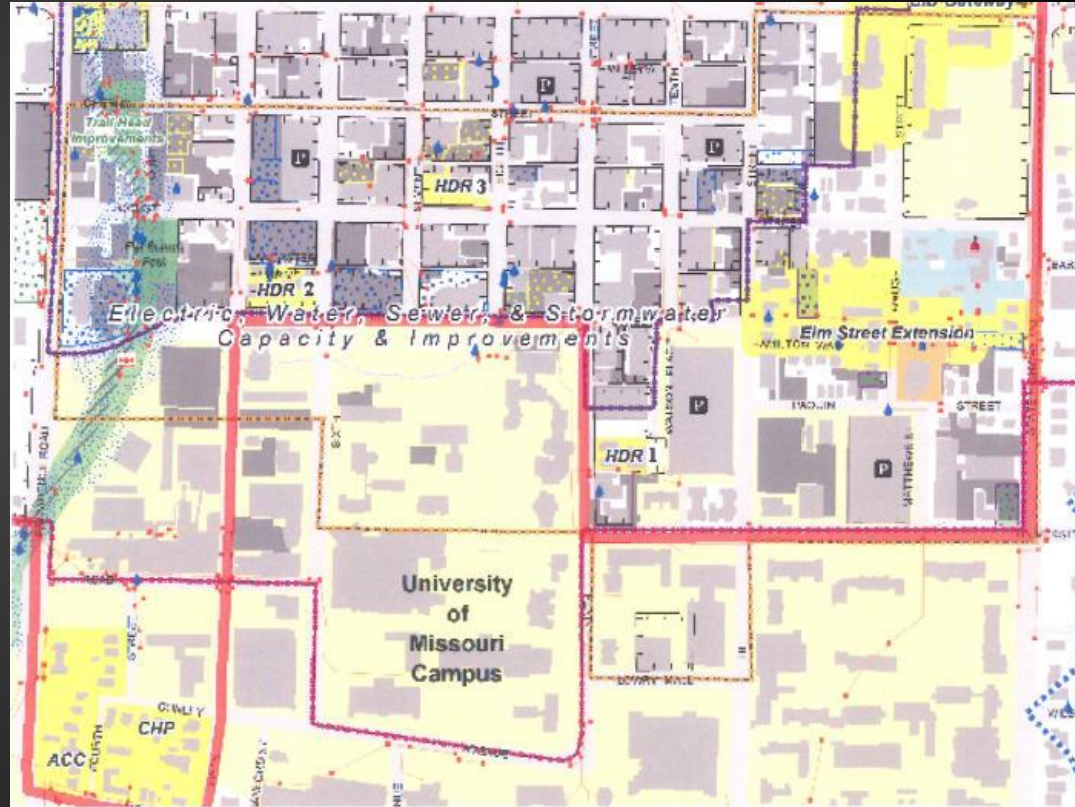


Infrastructure Projects

Water:

There is currently 10,000' of four inch water main within the TIF area with an age of 50-120 years old. As redevelopment within the area, these lines will need to be upgraded to eight inch to support domestic demand and fire flow requirements. The estimated cost to upgrade these water mains is \$250/foot.

Budget: \$1,000,000

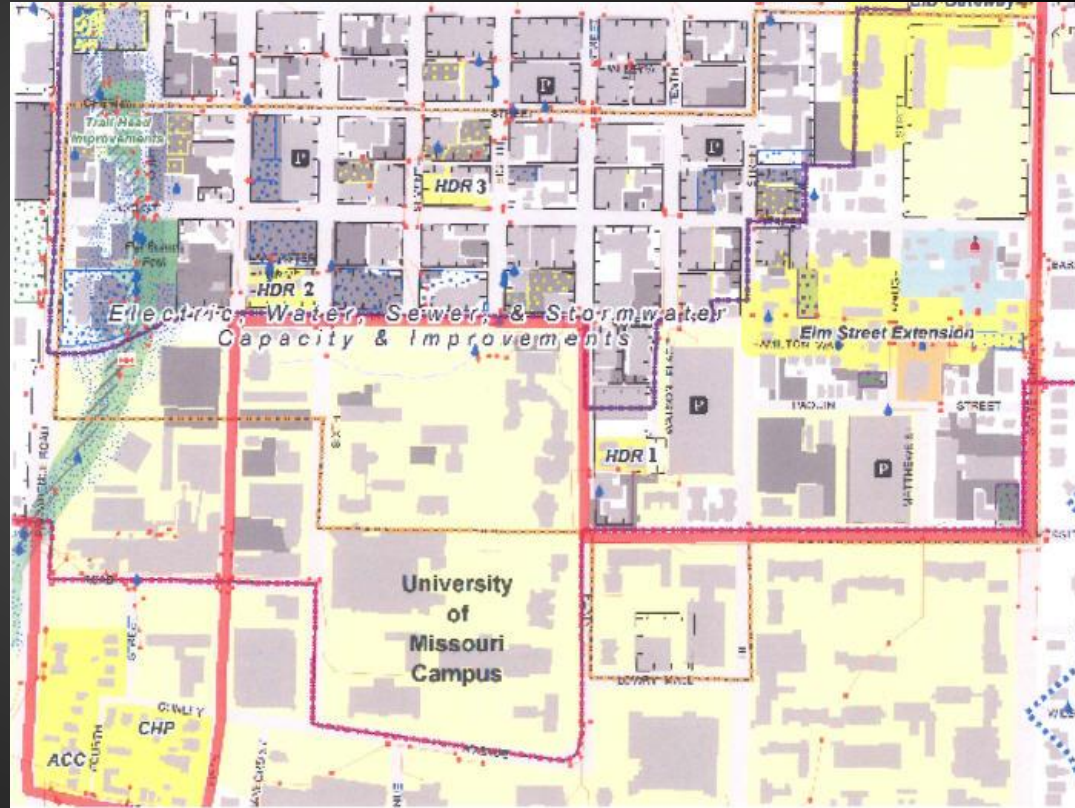


Infrastructure Projects

Electric:

Substation feeder capacity into the area is approaching maximum capacity. Current plans include adding some additional capacity with a feeder from Rebel Hill substation. Proposed high density residential projects will require additional feeder capacity in order to serve the electric load. It is estimated that two feeders could be constructed from Hinkson Creek substation to provide the additional capacity.

Budget: \$10,000,000



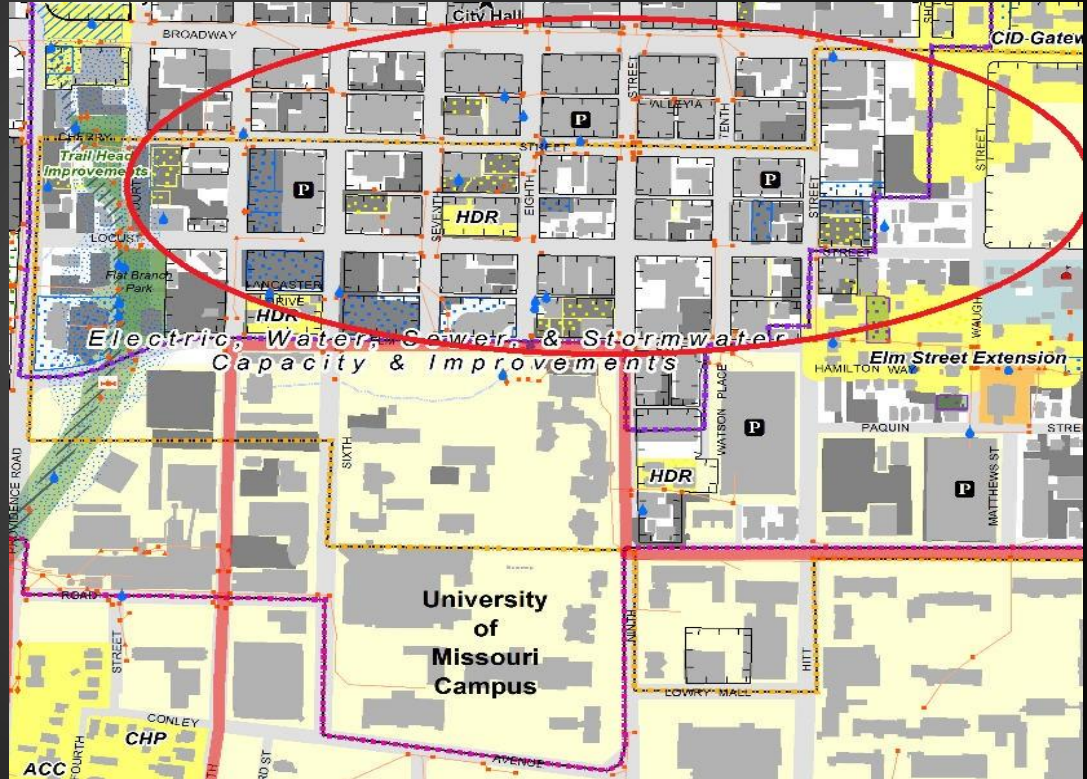
Infrastructure Projects

Parking Garage

Location: TBD

Would support additional residents in the area, the proposed Museum Project (SHSM), and public parking.

BUDGET: \$18,000,000



Infrastructure Projects - Electric UG

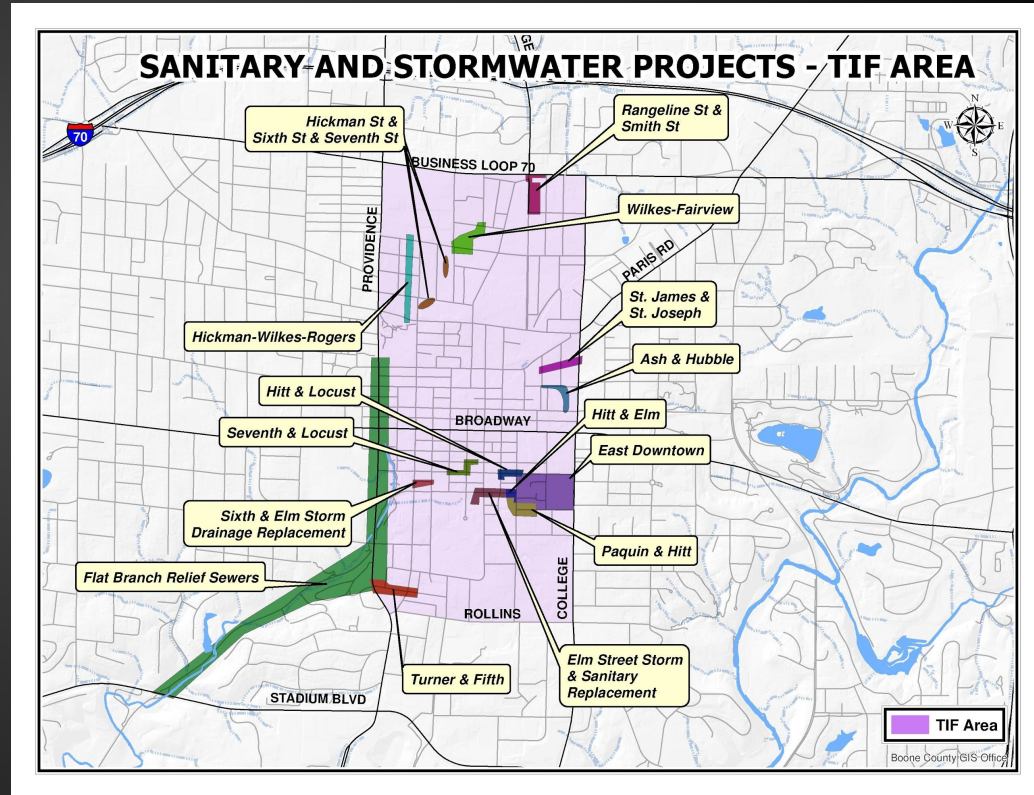


Infrastructure Projects

STORMWATER

Ash & Hubble	\$175,000
East Downtown	\$1,500,000
Hickman & 6th & 7th	\$950,000
Hickman-Wilkes-Rogers	\$525,000
Wilkes & Fairview	\$336,000
Hitt & Elm	\$100,000
Hitt & Locust	\$500,000
Paquin & Hitt	\$885,000
Rangeline & Smith	\$225,000
St James-St Joseph	\$1,300,000
SEWER	
Turner & 5th	\$500,000

BUDGET: **\$6,996,000**

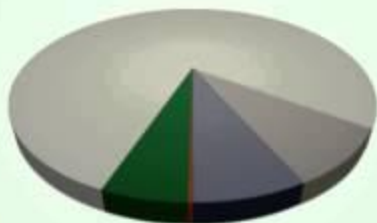


Additional Projects

PROJECT	BUDGET
• Downtown Gateways	\$250,000
• Acquisition & Development of Ameren site	\$2,000,000
• Broadway streetscape improvements	\$2,000,000
• Providence streetscape improvements	\$1,000,000
• College Ave streetscape improvements	\$1,000,000
• Affordable Housing projects	\$1,000,000
• Homeowner Improvement Program	\$500,000
• Museum District	\$5,000,000
• Fiber to the Premise (FTTP)	\$2,800,000
• Train Depot/COLT line improvements	\$750,000
• Park Ave Bike Blvd/Bioswales	\$250,000
TOTAL:	\$16,550,000

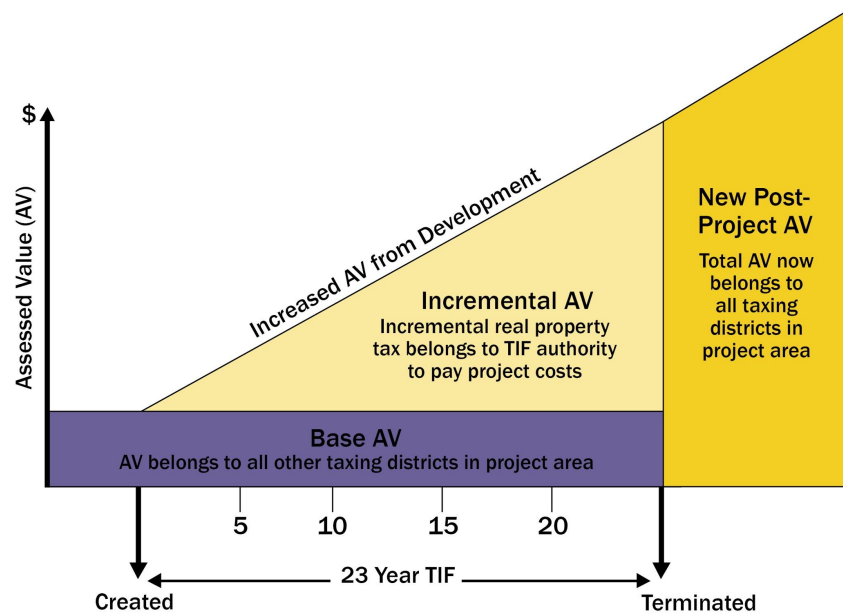
Budget Summary

IMMEDIATE		FUTURE	
A. Water	\$1,000,000	E. Stormwater	\$6,496,000
B. Electric Capacity Imp.	\$10,000,000	F. Sewer	\$500,000
C. Sewer	\$6,750,000	G. Electric (UG BL)	\$3,950,000
D. Stormwater	\$2,000,000	H. Parking Garage	\$18,000,000
IMMEDIATE TOTAL: \$19,750,000		I. Elm Street Ext. (SAS & H3)	\$5,000,000
		J. Broadway Streetscape (H3)	\$2,000,000
		K. Providence Rd Streetscape (H3)	\$1,000,000
		L. College Ave Streetscape (H3)	\$1,000,000
		M. Train Depot/COLT (H3)	\$750,000
		N. Museum District (SAS)	\$5,000,000
		O. Downtown Gateways (H3)	\$250,000
		P. Ameren Site (H3)	\$2,000,000
		Q. Affordable Housing	\$1,000,000
		R. Homeowner Improvement	\$500,000
		S. Fiber to the Premise	\$2,800,000
		T. Park Ave Bike Blvd/Bioswales (H3)	\$250,000
		FUTURE TOTAL:	\$50,496,000
		GRAND TOTAL:	\$70,246,000



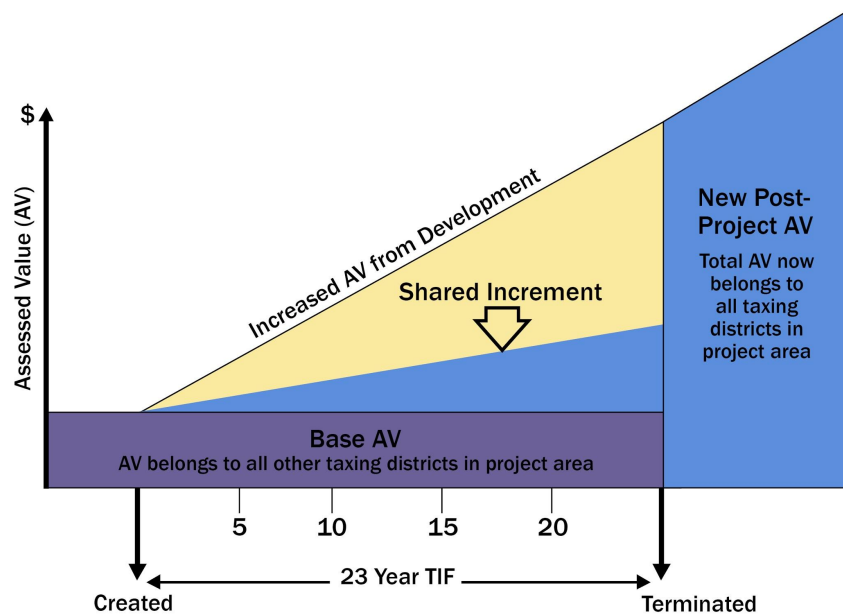
How a TIF works

TIF Assessed Value (AV) Over Project Life



How a TIF works

TIF Assessed Value (AV) Over Project Life



Why is TIF Beneficial?

- **TIF IS NOT A NEW TAX !!**
- **Tax increment financing (TIF) is the most widely used local government program for financing economic development in the United States. TIF is authorized in forty-nine states and the District of Columbia.**
- **With this tool, financially strapped local governments can make the improvements they need, like new roads, sidewalks or new sewers, and provide incentives to attract businesses or help existing businesses expand, without tapping into general funds or raising taxes.**

Why is TIF Beneficial?

- **Federal and State governments have greatly reduced their support for economic development.**
- **Tax Increment Financing permits municipalities to accept some of this responsibility without raising local property taxes. TIFs help local governments attract private development and new businesses. New businesses mean more jobs, more customers, and, in turn, more private investment.**

Why is TIF Beneficial?

- The projects are consistent with the visions, strategies and goals established for downtown through the Visioning process.
- TIF projects will implement this vision:
 - Increasing value of downtown assets
 - Creating additional revenue
 - Sparking additional quality development
- TIF is a tool recommended by the DLC through the H3 Charrette report which was officially adopted by Council (November, 2012).
- Dense infill development is “Smart Growth”.

Why is TIF Beneficial?

- Taxing entities continue to receive the current base level of taxes plus a portion of the incremental increase in taxes attributable to the project. Over the life of the project, taxing entities will receive more revenue than is currently being generated if projects are not built.