

Mayor and Council Communication

DATE: 03/21/23

M&C FILE NUMBER: M&C 23-0220

LOG NAME: 17TIFPOLICY2022

SUBJECT

(ALL) Adopt Resolution Amending Certain Portions of the City's Policy, Guidelines and Procedures for Tax Increment Reinvestment Zones

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution amending certain portions of the City's policy, guidelines and procedures for Tax Increment Reinvestment Zones (TIFs).

DISCUSSION:

On February 28, 2006 the City Council adopted Resolution No. 3317-02-2006 approving the policy, guidelines and procedures for Tax Increment Reinvestment Zones, commonly referred to as TIFs (the TIF Policy). On December 8, 2009, the TIF Policy was amended in 2009 by Resolution No. 3824-12-2009 to revise conditions under which the term of a TIF may be extended.

Since that time, a number of administrative, procedural, and other changes have been identified for possible incorporation into the TIF Policy. More recently, the City Council has been presented with staff recommendations concerning the proposed use of City funds upon TIF termination. The proposed changes generally include the following:

- New references to the Economic Development Initiatives Fund (EDIF);
- Guidance for use of City TIF funds at termination (EDIF, tax rate reduction);
- Clarity on delegated authority to TIF Boards for annual TIF budgets;
- Authority of the City to appoint a Vice Chair to TIF Boards and of TIF participants to designate proxy members;
- Guidance for conducting virtual TIF Board meetings;
- A reduction to the maximum rate of City participation in a TIF to 80%;
- 6-month project deadline extension by administrative approval;
- Formal requirements promoting the use of M/WBE contractors;
- Updated guidance for the review, consideration, and approval of new TIFs that are proposed by City staff; and
- Other general updates and clarifications.

The proposed changes are featured in the in the attached revised TIF Policy.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this Policy will have no material effect on the Fiscal Year 2023 Budget, and any effect on expenditures and revenues will be budgeted in future fiscal years and included in the long term forecast.

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