

TO: Committee of the Whole-CD

FROM: Scott Buening, Community Development Director

DATE: October 30, 2020

RE: Tax Increment District Number 4 Discussion

Summary: Discussion on status of Tax Increment Financing District Number 4 and future direction.

Background: Tax Increment Financing District Number 4 (District) was created on January 4, 2016. This area is also called “West Town”. Since that time little work has been done on private buildings, and no new buildings have been built in that area. At the same time, we have realized over \$106,000 in TIF revenue from the natural increase in property tax revenues. Staff has been talking about what these funds could be used for but wanted to engage the City Council in this discussion.

We have prepared a series of maps for the TIF that show a number of things to consider. First, the mix of land uses has stayed virtually the same since the TIF was created. This is shown on the land use and vacant land maps. The City has, however, rezoned a number of properties within the TIF to guide future uses and to provide what is a more appropriate land use intensity for the transitional area. We have proactively rezoned nine (9) parcels of land, downzoning them from LI-Light Industrial to CC-Community Commercial and NC-Neighborhood Commercial. While we have fielded a few development/redevelopment inquiries, we have only had new tenants in a handful of buildings. Two single family residences have also been rehabbed in this area.

There are infrastructure needs within the area on all various levels that are shown on the rest of the maps. The Main Street project is currently ongoing, and this will provide significant improvements to the roadway, sidewalks and utilities within that corridor. This road is the main access in and out of the District, so this improvement should provide a significant enhancement to the area. This project was done without any TIF funds and instead was paid with Surface Transportation Program (STP), Motor Fuel Tax (MFT) and general City funds in addition to the respective utility funds.

That said there are areas where improvements need to be made to infrastructure elements outside of Main Street. No street within the District has sidewalks on both sides, and parts of Mallory and First Street have no sidewalks at all. Most of the streets do have curbs, but there are some uncurbed sections of First, Mallory and Walnut Streets. Watermains in the area are generally good, but certain sections need upgrades or replacement. Furthermore, parking for the commercial uses is in short supply, with people parking in unauthorized locations or in areas without well defined parking lots.

We are looking for direction from the Council on how to allocate the current and future funds outside of a development project. The following are options that can be considered, subject to the limitations of the current and future revenues from the District:

Short term:

1. Acquisition of land for public parking (SW of Main and Harrison)
2. Complete missing sidewalk links (requires a deviation from sidewalk priorities in this area)
3. Grants for façade improvements

Long term (will be part of a capital improvement program):

1. Complete missing curbs
2. Watermain improvements
3. Sanitary sewer improvements
4. Electric upgrades and burial of overhead lines

It should be noted that we did offer up a grant for a single family rehabilitation project, but the revenues generated were not such that there was adequate increment to pay for that improvement. As we have with our other TIF Districts, we would offer this as a program to help improve buildings within the District.

Staff is looking for direction on how we should expend these funds at this time. While it is possible a larger increment generating project may come forward in the future, most likely it would be a “pay as you go” project, or we would issue bonds to fund the project via future TIF revenues if warranted. We would like to discuss the current fund balance and determine where these monies should be spent.

Alternatives:

-Review and provide direction to the staff on the use of TIF 4 funds

a. Budget Impact- The budget currently has about \$106,000 in increment funds which should increase in future years. Depending on projects desired this may or may not spend down some or all of these funds.

b. Staffing Impact- No staffing impact at this time.

Timeline for actions: There is no specific timeline for action, however, the funds continue to accumulate yearly and will need to be spent prior to the end of the TIF in 2039.

Staff recommendation: Staff recommends the Committee discuss and provide direction to staff on the use of TIF 4 increment funds.

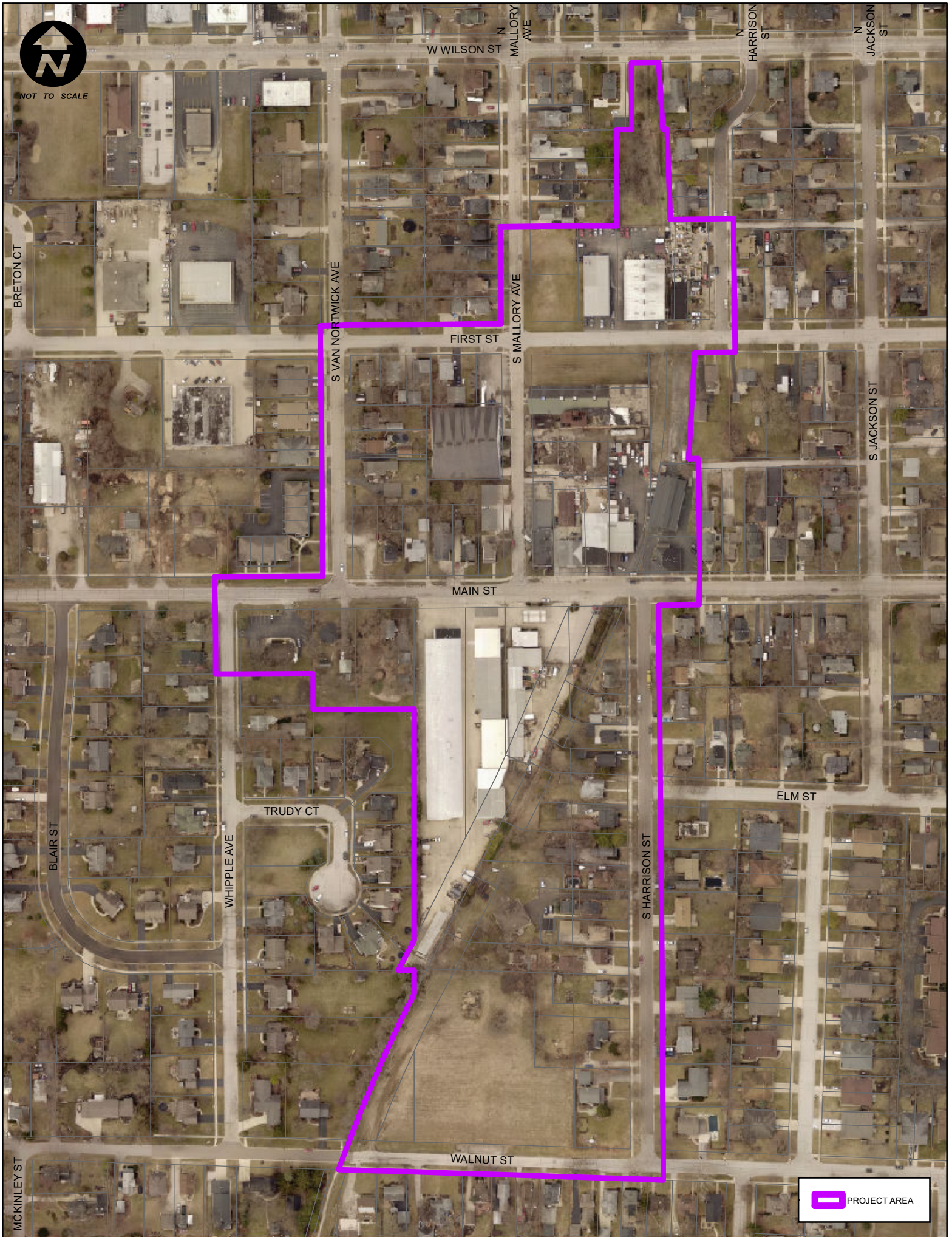
Attachments:

1. TIF 4 Maps.

Cc: Mayor & City Council
 Laura Newman
 Gary Holm
 File



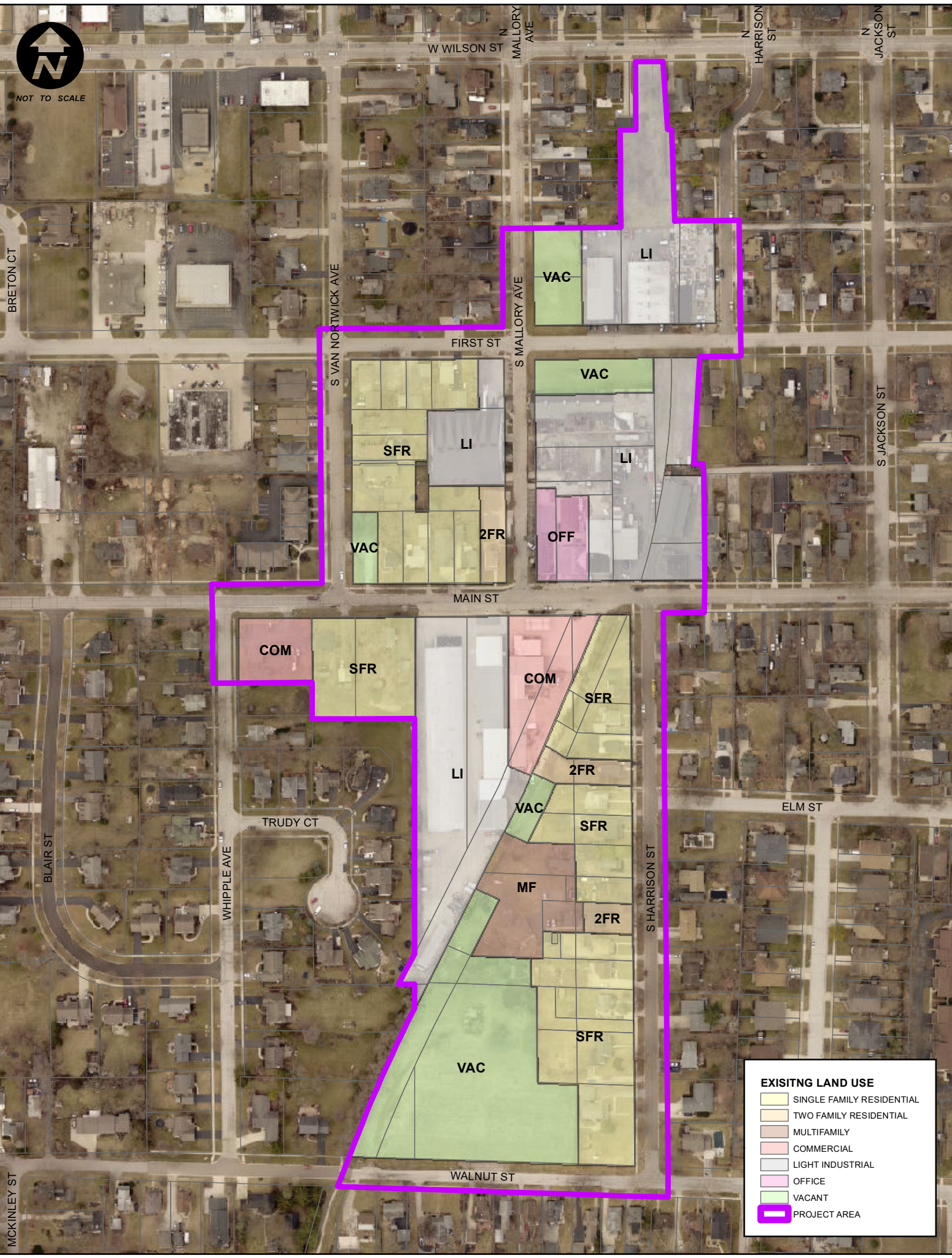
NOT TO SCALE



 PROJECT AREA



NOT TO SCALE



EXISTING LAND USE	
	SINGLE FAMILY RESIDENTIAL
	TWO FAMILY RESIDENTIAL
	MULTIFAMILY
	COMMERCIAL
	LIGHT INDUSTRIAL
	OFFICE
	VACANT
	PROJECT AREA

BRETON CT

MCKINLEY ST

BLAIR ST

WHIPPLE AVE

TRUDY CT

W WILSON ST

FIRST ST

MAIN ST

WALNUT ST

S VAN NORTWICK AVE

S MALLERY AVE

S HARRISON ST

ELM ST

S JACKSON ST

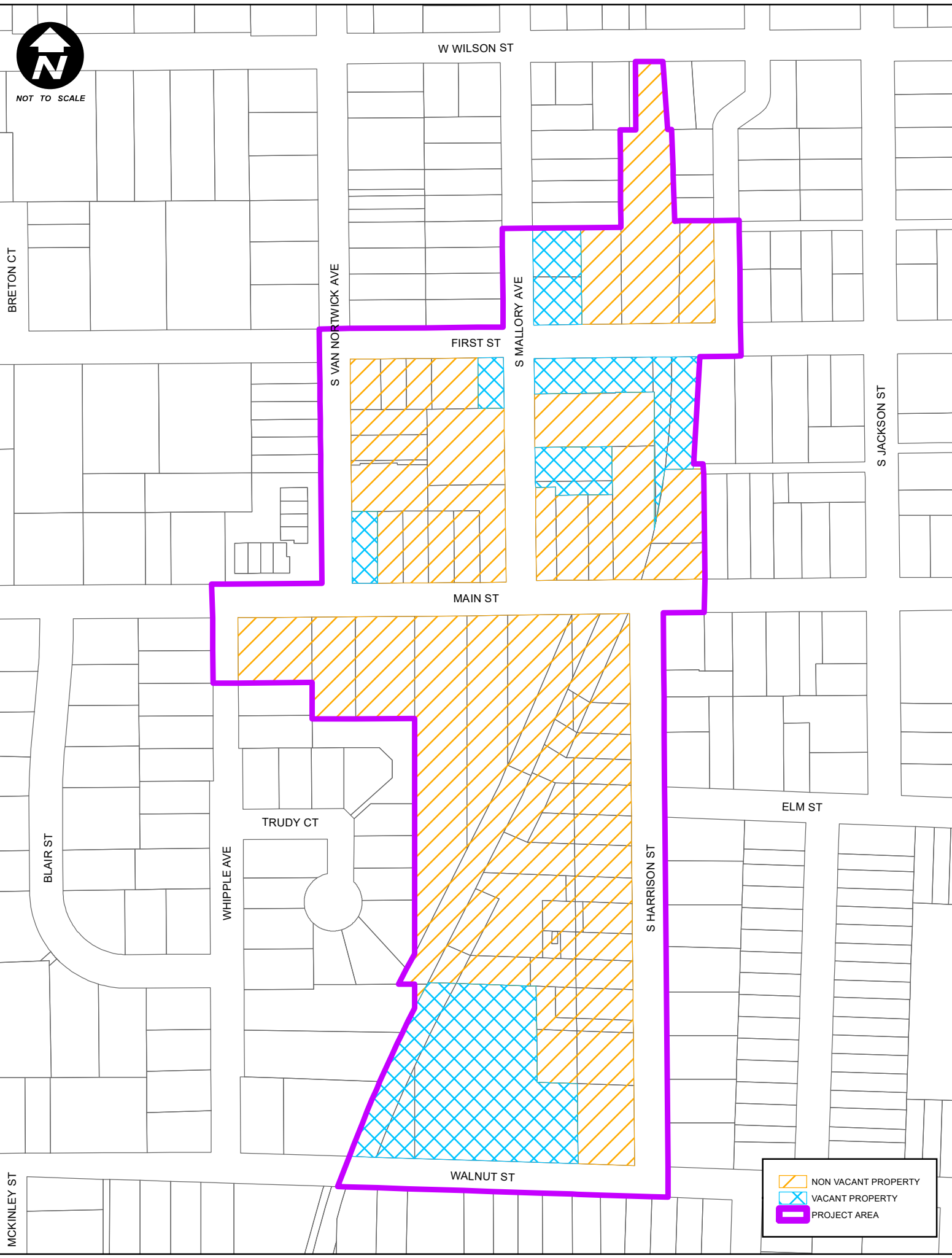
N MALLERY AVE

N HARRISON ST

N JACKSON ST



NOT TO SCALE



W WILSON ST

BRETON CT

S VAN NORTWICK AVE

FIRST ST

S MALLORY AVE

S JACKSON ST

MAIN ST

BLAIR ST

WHIPPLE AVE




TRUDY CT

ELM ST

S HARRISON ST

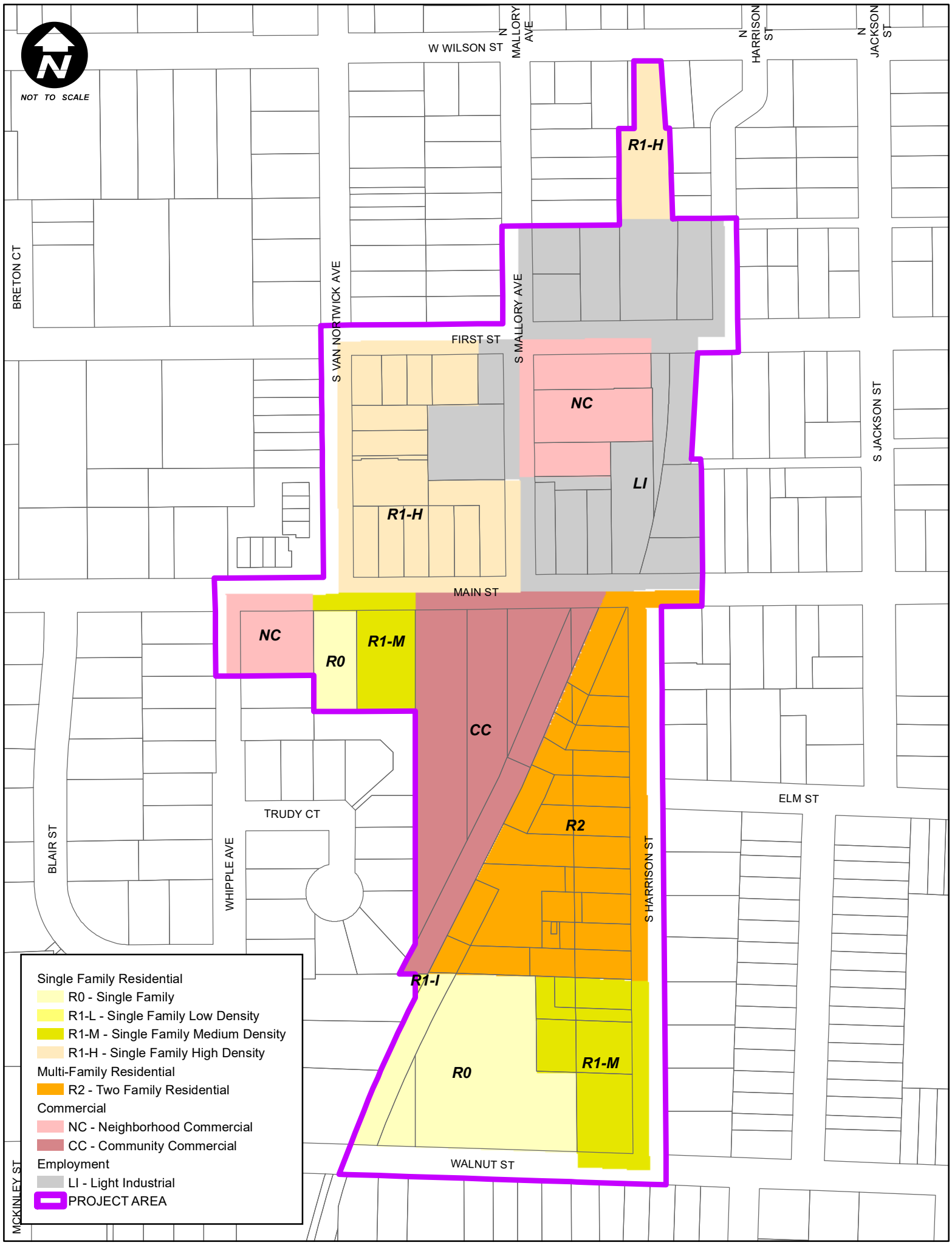
MCKINLEY ST

WALNUT ST

	NON VACANT PROPERTY
	VACANT PROPERTY
	PROJECT AREA



NOT TO SCALE



- Single Family Residential
 - R0 - Single Family
 - R1-L - Single Family Low Density
 - R1-M - Single Family Medium Density
 - R1-H - Single Family High Density
- Multi-Family Residential
 - R2 - Two Family Residential
- Commercial
 - NC - Neighborhood Commercial
 - CC - Community Commercial
- Employment
 - LI - Light Industrial
- PROJECT AREA

MCKINLEY ST

W WILSON ST

MALLORY AVE

HARRISON ST

JACKSON ST

BRETON CT

S VAN NORTWICK AVE

FIRST ST

S MALLORY AVE

S JACKSON ST

NC

R1-H

R1-H

LI

MAIN ST

NC

R0

R1-M

CC

BLAIR ST

WHIPPLE AVE

TRUDY CT

R2

ELM ST

S HARRISON ST

R1-I

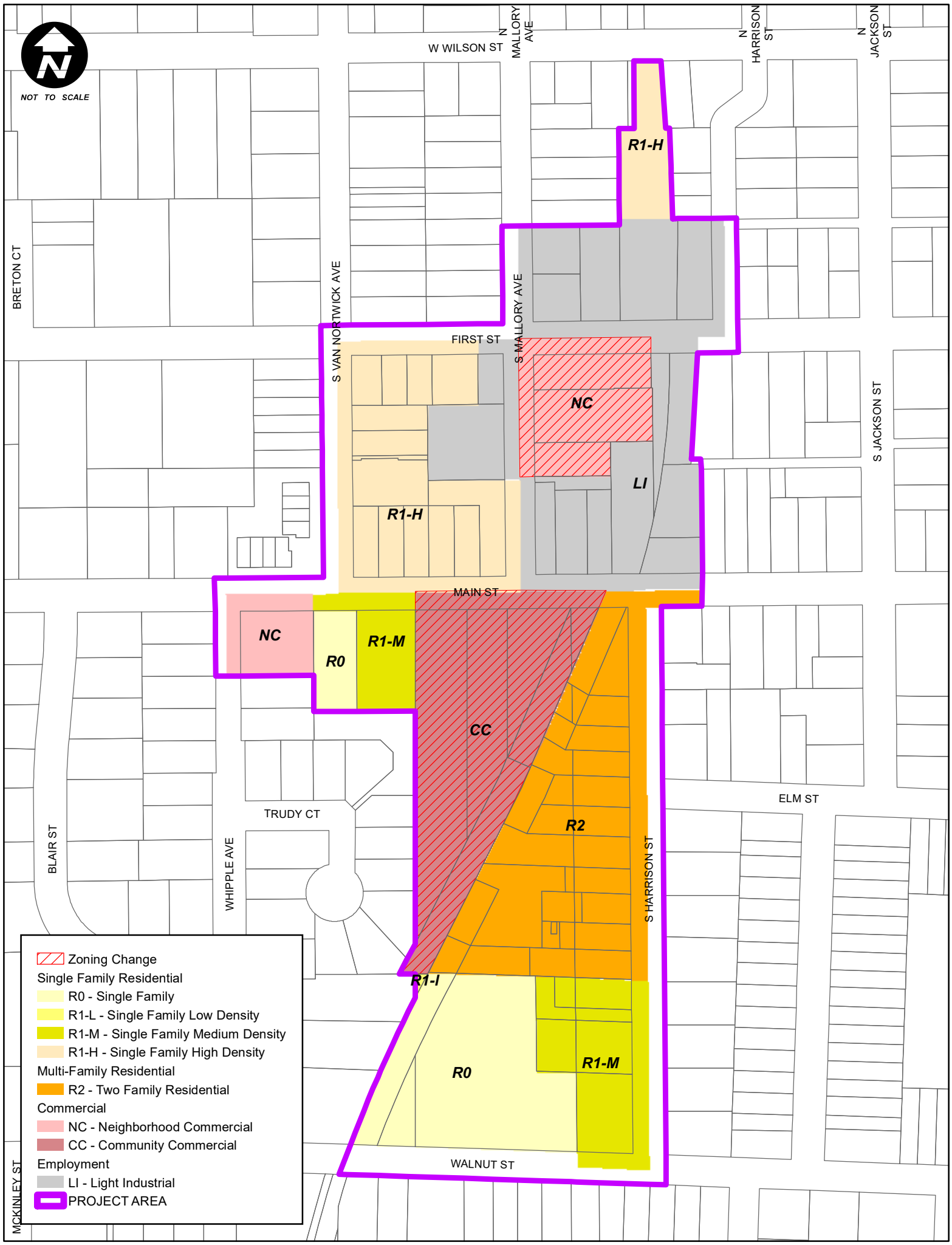
R0

R1-M

WALNUT ST



NOT TO SCALE



 Zoning Change


Single Family Residential

-  R0 - Single Family
-  R1-L - Single Family Low Density
-  R1-M - Single Family Medium Density
-  R1-H - Single Family High Density

Multi-Family Residential

-  R2 - Two Family Residential

Commercial

-  NC - Neighborhood Commercial
-  CC - Community Commercial

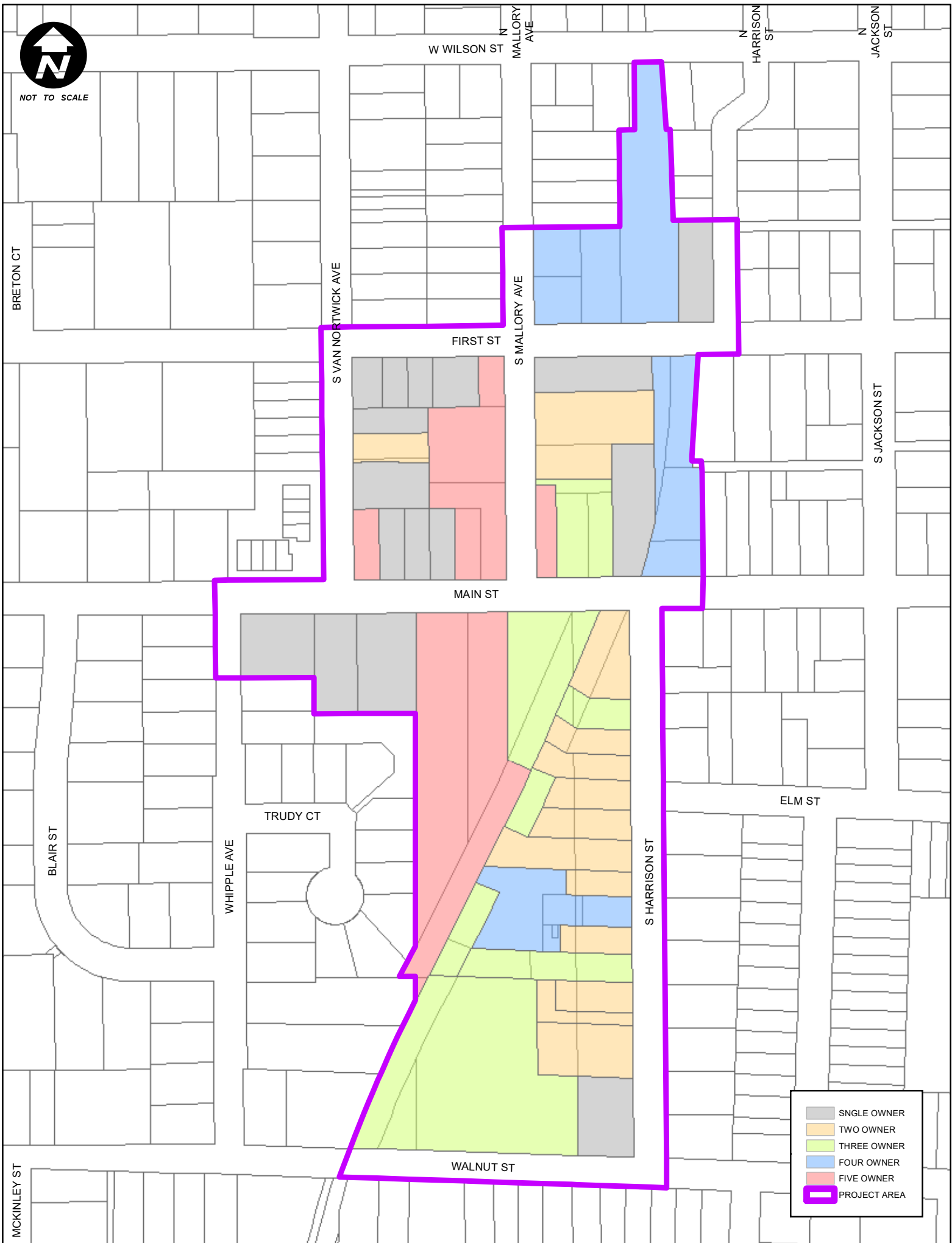
Employment

-  LI - Light Industrial

 PROJECT AREA



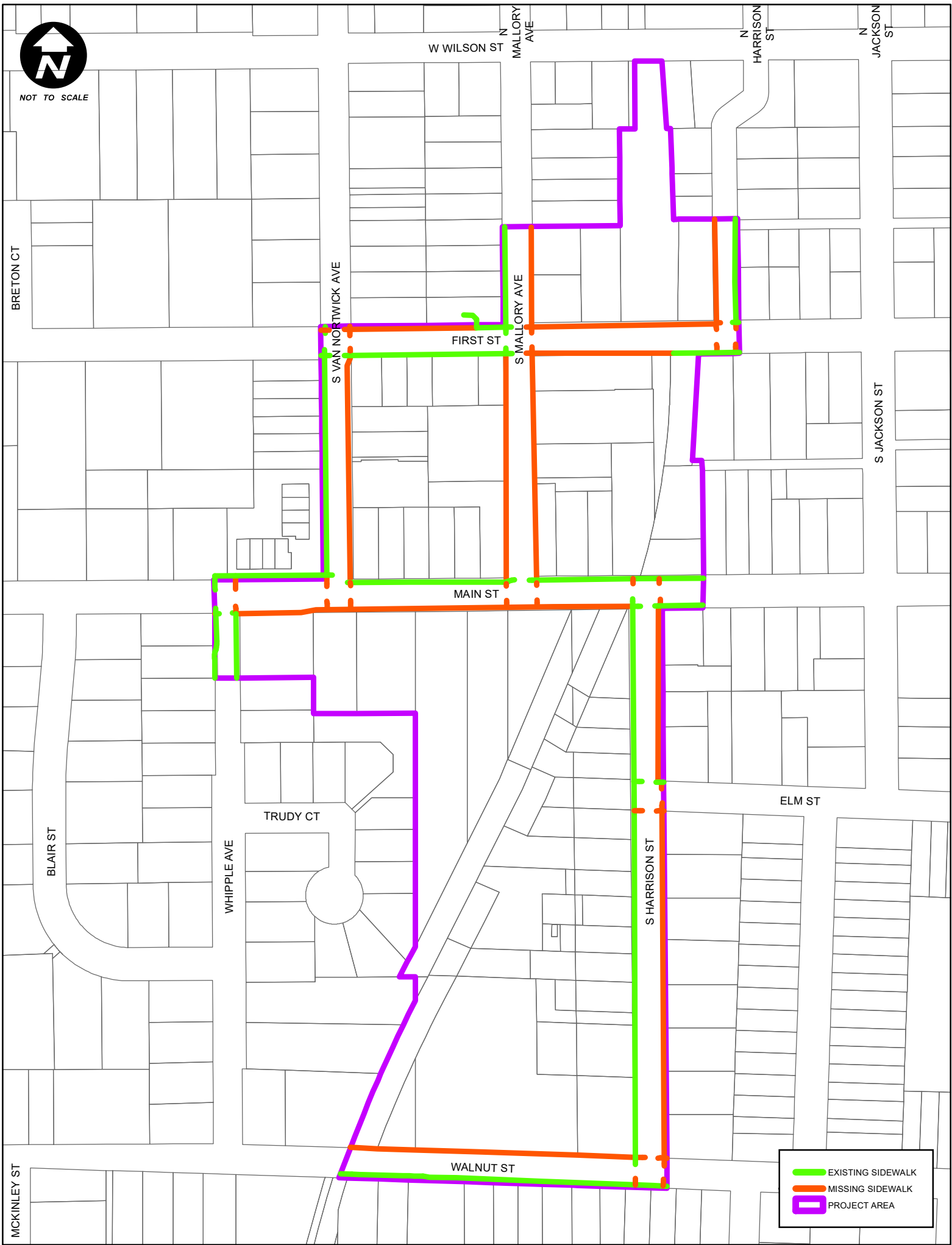
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Grey	SINGLE OWNER
Orange	TWO OWNER
Light Green	THREE OWNER
Blue	FOUR OWNER
Red	FIVE OWNER
Purple Outline	PROJECT AREA



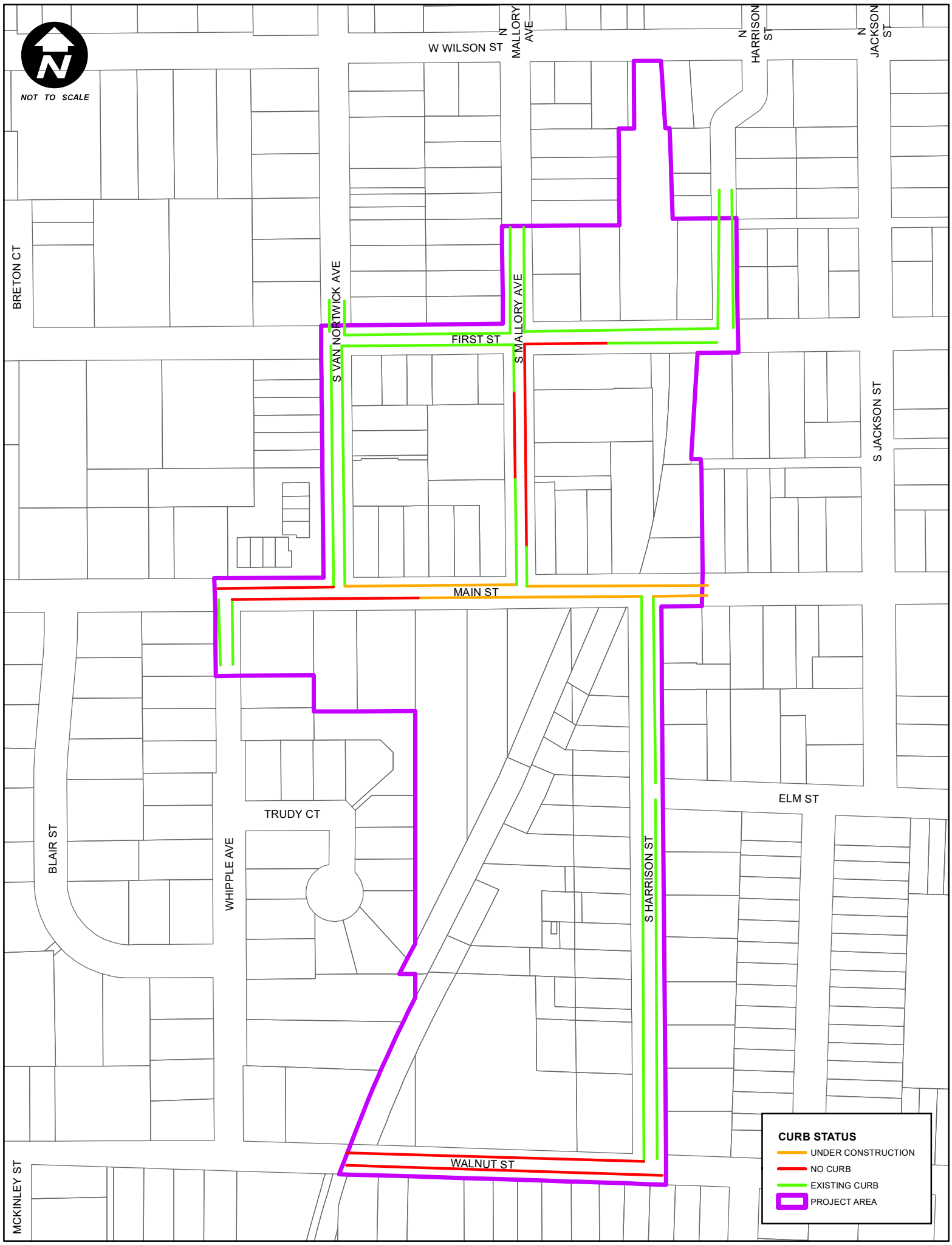
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	EXISTING SIDEWALK
	MISSING SIDEWALK
	PROJECT AREA



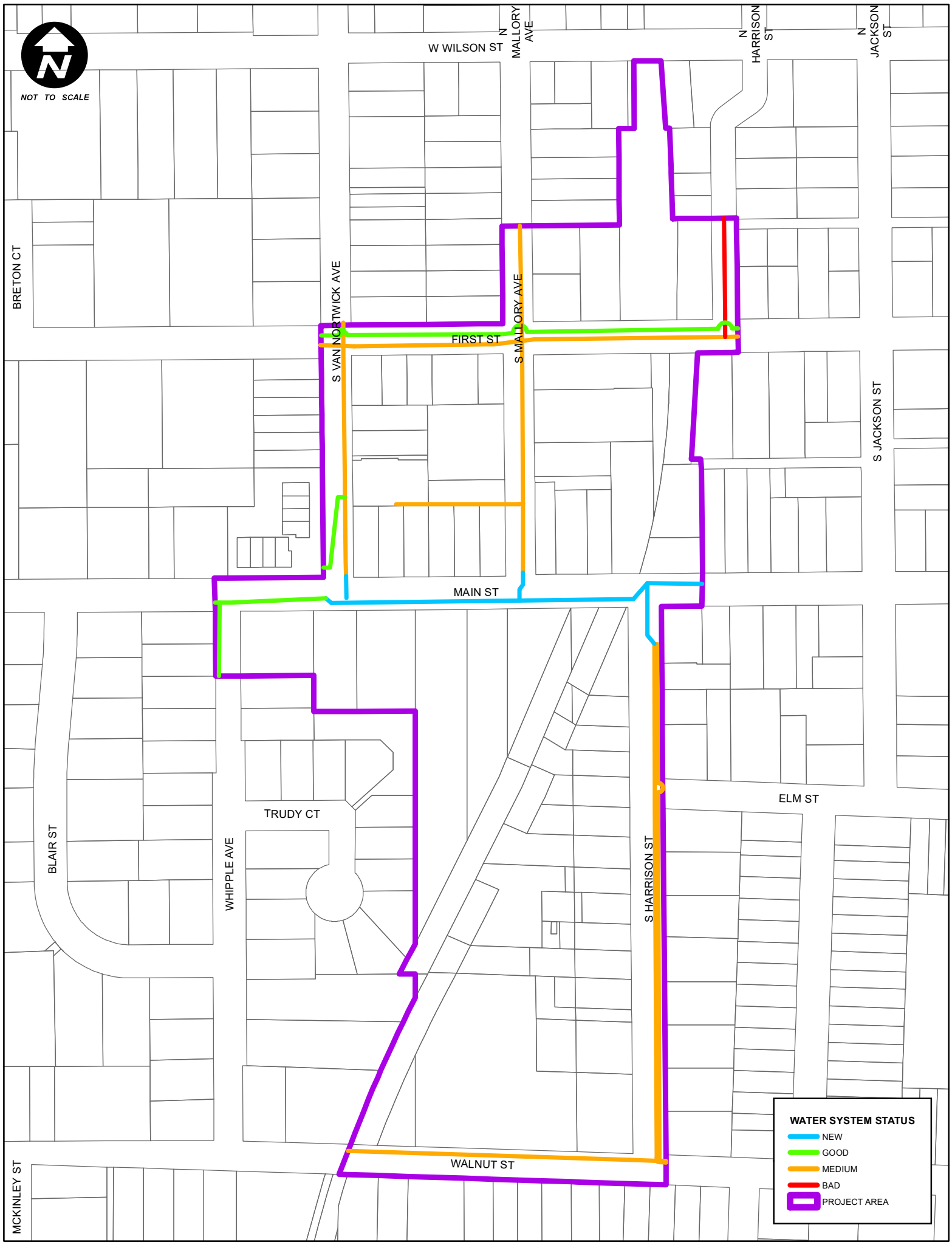
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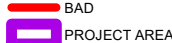


CURB STATUS	
	UNDER CONSTRUCTION
	NO CURB
	EXISTING CURB
	PROJECT AREA



NOT TO SCALE



WATER SYSTEM STATUS	
	NEW
	GOOD
	MEDIUM
	BAD
	PROJECT AREA