
REQUESTED COUNCIL MEETING DATE: AUGUST 17, 2015

COUNCIL BILL 2015-524

ORIGINATING DEPARTMENT: FINANCE DEPARTMENT

**ATTACHMENT: SOUTH MAIN COMMUNITY IMPROVEMENT DISTRICT PETITION, EXHIBIT "A";
SOUTH MAIN CID COOPERATIVE AGREEMENT, EXHIBIT "B"**

Finance Director: Leslie Haase

Date:

Planning Director: Troy Bolander

Date:

City Attorney: Peter Edwards

Date:

City Manager: Sam Anselm

Date:

INTRODUCTION:

This Council Bill approves a Community Improvement District Petition for the South Main Development, as well as the Community Improvement District Cooperative Agreement.

DISCUSSION:

The South Main Developers submitted a petition to the City to form a community improvement district (CID) in order to supplement the TIF District for South Main. A CID is a commonly used financing tool to fund public improvements. The proposed district currently includes more than half the property contained within the South Main TIF District, primarily properties owned by the Developer and affiliate entities. It is the intention of the Developer to expand the boundaries of the District in the future to include additional properties in the TIF Redevelopment Area as they are acquired by the Developer. Currently, there aren't any existing businesses that will be affected by the imposition of this additional sales tax. The South Main TIF Plan included a CID as a component of the overall plan in order to finance the reimbursable portion of the infrastructure costs.

The petition proposes to add a 1% sales tax within the district to help fund the improvements listed as part of the TIF development. There will not be any debt issued through this CID; the improvements will be reimbursed as the sales taxes are collected. The petition proposes imposing the additional sales tax for up to thirty years or until the TIF and CID reimbursable costs are repaid, whichever occurs first. When a CID overlays a TIF District, fifty percent (50%) of the CID sales tax goes to the TIF and fifty percent (50%) goes to the CID. The entire purpose for this CID is to assist in reimbursing the extraordinary infrastructure costs of developing this site.

This District will be a separate political subdivision governed by a board of directors, appointed by the Mayor, with the consent of the City Council. The petition includes the board appointments. Additionally, the City will be entitled to appoint an ex-officio representative to attend meetings of the Board.

In addition to approving the CID Petition, this ordinance approves the CID Cooperative Agreement. The Cooperative Agreement sets forth the improvements in more detail than the CID Petition. It obligates the CID to commit the fifty percent (50%) of CID sales tax revenues not captured by the TIF to be used to help pay TIF and CID reimbursable projects costs. It also obligates the District and the Developer to petition the City in the future to add property to the boundaries of the CID District from time-to-time as the Developer acquires additional properties in the Redevelopment Area, so that boundaries of the CID District match those of the Redevelopment Area as closely as possible.

RECOMMENDATION:

City Staff recommends this Council Bill be approved on first reading.