

### **Proposed Changes to Transformational Projects Program**

- 1) Provide for a 50% incentive cap on the program-
  - a) The first complete eligible application submitted by noon on December 29, 2005 in each district be given a grant at the current 80% rate
  - b) Incentives based on "but for" test, with a cap of a given percentage of the increment over 15 years
  - c) Remove the language that allows an additional 10% for projects with 50+ points.
  - d) Remove the decreasing formula making payments at 50% annually across the 15 year span of the program
  - e) Remove the 19-24 point category.
- 2) Create a differential for those districts redeveloping more slowly-
  - a) Fund three projects in the Downtown & CPUH districts:
    - i) Projects with 25+ points - 50% for second project, 30% for third project
  - b) Fund four projects in the FAPS and Eastside Districts:
    - i) Projects with 25+ points – 50% for second and third projects/ 30% for fourth project
- 3) Address infrastructure and land assembly issues-
  - a) Remove the cap of 1% public infrastructure costs to be added by CRA noted in the current program
  - b) Add demolition costs to the menu of items covered by the program (Program Page 2 item G).
  - c) Add brownfield mitigation cost to the menu of items covered by the program (Program page 2 item F).
- 4) Recommend changes to the Points System-
  - a) Delete District Impact points in each district
  - b) Change references to Residential "Rental" Units to read "Market Rate" in FAPS and Eastside districts
  - c) Change references to "Condo/Sale" Units to read "Homeownership" units in FAPS and Eastside districts
- 5) Allow bonding/borrowing for the first project in each district-
  - a) Bond/borrow only when project is completed
  - b) Bond/borrow based on only 50% of the increment (unless there is a specific project the CRA wants to fund with the remaining 50%)
  - c) Require insurance, at the developer's cost, to cover the cost of bonding/borrowing if the project were to experience a disaster that decreased the taxable value
- 6) General Changes-
  - a) Formalize pro forma review by CRA consultant, at CRA expense – prior to Advisory board review.
  - b) Replace "generated by" with "received from" on the first line of item III of the program.
  - c) Require developer to provide letter from Property Appraiser office to estimate value of the project. (Add to IV, E.)
  - d) Add language the states grant awards are contingent on executing a Development Agreement within 12 months.