



Legislation Text

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Downtown Redevelopment Incentive Program (B)

On September 18, 2006, the CRA directed the district boards to reexamine incentive programs, including the Downtown Redevelopment Incentive Program. DRAB reviewed the Redevelopment Incentive Program and asked staff to come back with a program similar to that of the Eastside district, but tailored to Downtown. Staff subsequently presented a draft program to DRAB on March 28, 2007 and June 4, 2007. DRAB members requested that Staff amend the draft program to include additional incentives encouraging residential development on the proposed menu of items eligible for reimbursement. DRAB also provided suggestions to clarify the language in order to eliminate confusion or ambiguity. Additionally, on June 4, 2007, DRAB passed a motion to alter the language describing eligible projects in order to clarify the types of uses the program will allow. This language has been incorporated into the program.

The proposed Downtown Redevelopment Incentive Program is extremely similar to its Eastside counterpart. The program will support commercial, mixed-use, and residential uses. Both market-rate and affordable/workforce housing are permitted. The program includes a menu of items eligible for reimbursement, including costs related to water/wastewater meters and connection fees; tap charges; gas or electric meter fees; utility undergrounding; streetscaping; curb and gutter; sidewalks; trunk main improvements; green buildings; and pedestrian-sensitive parking.

Projects seeking incentives must address issues identified in the Downtown Redevelopment Plan. Eligible projects must demonstrate the existence of a "but for" gap and must also meet a majority of the following criteria, which are derived from the Redevelopment Plan: increase residential opportunities Downtown; replace older or underutilized utilities where needed; increase mobility through transit or pedestrian improvements; develop local-serving neighborhood commercial centers; contribute commercial or entertainment venues that attract visitor on a regional scale; augment the existing street grid; strengthen University Avenue or Main Street as commercial corridors; address district stormwater improvements; provide neighborhood improvements; provide public art; implement streetscaping improvements; provide opportunities for consumers to live and shop within the district; provide parking that does not disrupt the pedestrian landscape; and target specific uses beneficial to Downtown (such as medical, retail, entertainment, technology-based companies, conference facilities, biotechnology, or mixed-use.) Staff will review each application and make a recommendation to DRAB; DRAB will then review the application and make a recommendation to the CRA. After considering recommendations from Staff and DRAB, the CRA may accept or reject an application, or place conditions on an application, based on the standards set forth in the Downtown Redevelopment Incentive Program's selection criteria.

Reimbursement for this program will be derived solely from the increase in taxes generated by the completed project. Awards less than \$25,000 will not be considered. Award reimbursement is limited to the following options: 100% of the tax increment revenues generated by the project for up to 5 years, or 50% of the tax increment revenues generated by the project for up to 10 years, or 20% of the tax increment revenues generated by the project for up to 20 years. Additional increment reimbursements, up to the "but for" gap, are permitted for a maximum of five additional years for projects with elements such as trunk line upgrades, which constitute substantial public wastewater infrastructure improvements, as defined by GRU. These additional payments will be equal to 50% of the original payment percentage.

None at this time. Any awards made in the future would be paid from the tax increment generated by the project and would not affect the district-wide budget.

Executive Director to the CRA: Adopt the Downtown Redevelopment Incentive Program, in substantially the form as attached.

Downtown Redevelopment Advisory Board to the CRA: Adopt the Downtown Redevelopment Incentive Program, as presented.