

REQUEST FOR ACTION

<u>Department Head</u>	<u>City Council Date</u>	<u>Agenda Item</u>
Brian R. Bloch Finance Director	July 20, 2010	8.D.

Public Hearing for proposed Tax Increment Financing (TIF) Amendment to TIF District – Hwy 12 Dev West Hardees and TIF District - Honeytree.

ACTION REQUESTED

Motion to hold a public Hearing for the proposed Tax Increment Financing Amendment to TIF District – Hwy 12 Dev West Hardees and TIF District – Honeytree.

Motion to approve the resolution to establish a Spending Plan for excess tax increments and thereby amend TIF District – Hwy 12 Dev West Hardees and TIF District - Honeytree. Motion to approve the resolution to establish the Development Incentive Program.

BACKGROUND

During the State's last legislative session the law had been modified to stimulate job creation throughout the State. The law now allows tax increments from existing tax increment districts to be spent to provide improvements or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs.

Rules require that construction must commence before July 1, 2011 and would not have started before that date without the assistance. Part of the process involves the City holding a public hearing and approving a written spending plan that specifically authorizes the use of tax increments. Spending must take place prior to December 31, 2011.

The City has two tax increment financing (tif) districts that have excess increments that can be used in accordance with the Spending Plan. Honeytree TIF District and Hardees TIF District had a combined \$89,957 of excess increments at the end of 2009. An additional \$66,000 of tax increments should become available before December 31, 2011. The Spending Plan would be used to allow the use of \$155,957 of excess increments for job stimulation in the construction field in the City of Delano.

The Spending Plan attached outlines the details of how staff believes tax increments can best be used to encourage construction within the City of Delano. Staff's recommends approval of the Spending Plan.

FUNDING

N/A.

ATTACHMENTS

- ✓ Draft Spending Plan.
- ✓ Resolution establishing the Spending Plan for excess tax increments.
- ✓ Development Incentive Program guidelines
- ✓ Development Incentive Program application
- ✓ Resolution establishing the Development Incentive Program