



## **Council Communication No. 97-311(6/2)**

### **SYNOPSIS –**

This communication requests that the City Council consider a proposal to extend the Tax Increment Financing District from the existing Riverpoint/Capitol-Center II Urban Renewal Area and Tax Increment Financing (TIF) District to a portion of the existing Sixth Avenue Urban Renewal. This project would allow for the use of tax increment revenues from the downtown to be used in assisting commercial and housing development in support of residents that live, work, and shop in downtown.

### **FISCAL IMPACT –**

This project will have an impact on the use of new revenue generated in the Riverpoint/Capitol-Center II TIF District. Under the new policy to allow use of 75 percent of the new funds generated, this should not have an adverse fiscal impact on the anticipated stream of TIF revenue for the downtown.

### **RECOMMENDATION –**

**Direct staff to draft urban renewal and TIF District amendments of the Riverpoint/Capitol-Center II and Sixth Avenue Urban Renewal Plans for review by the Neighborhood Advisory Board, Urban Renewal Board, and Plan and Zoning Commission with recommendation to City Council.**

### **BACKGROUND –**

The TIF amendment involves two previously-established urban renewal areas: the Riverpoint/Capitol-Center II Urban Renewal Area and the Sixth Avenue Urban Renewal Area. The Riverpoint/Capitol-Center II Urban Renewal Area currently operates as a TIF District for the downtown. Although both urban renewal areas were established for different purposes, there is a sound planning rationale for including the two areas within the same TIF District and using the same revenue. The following points demonstrate this rationale:

- The Sixth Avenue Corridor provides a direct transportation linkage in and out of the downtown employment and commercial center because it is immediately adjacent.
- The achievement of major housing rehabilitation and redevelopment goals contained in the Sixth Avenue Plan would provide a direct beneficial impact to the need for more housing within

a close proximity to the downtown employment center.

- Commercial and retail development, such as the proposed grocery store called for in the Sixth Avenue Plan, would serve the downtown residential and employment community as well as neighborhoods of the Enterprise Community.

These points all support a live-work or live-shop relationship between these two areas. Therefore, it would be appropriate to use the same source of TIF funding to accomplish the goals of both plans.

The attached map shows the area that would be considered for the extension of the Riverpoint/Capitol-Center II TIF District. It also shows the existing urban renewal areas in the vicinity. Since the two urban renewal areas being discussed are not directly adjacent to each other, a small area bounded by 6th Avenue and 7th Street running between the areas would also need be included to make the TIF District contiguous.

This TIF extension should be restricted to the area defined in the Sixth Avenue Urban Renewal Plan. It is not recommended that the Council expand this extension beyond this identified area into adjoining residential neighborhoods. Any future expansions would have to justify a very strong relationship to this corridor as it was defined in the 6th Avenue Urban Renewal Plan.