ONE ACADIANA

HOW WE COMPETE

INCENTIVIZING DEVELOPMENT TO REVITALIZE ACADIANA'S URBAN CORE

IN PARTNERSHIP WITH:

Lafayette CONSOLIDATED GOVERNMENT

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

DOWNTOWN LAFAYETTE

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INTRODUCTION:
STATEMENT OF PURPOSE

Government entities use economic development incentives to help spur private investments that strengthen a community's economic vitality. Incentives can take a variety of forms such as tax breaks, public infrastructure improvements, or workforce development assistance. Economic development projects vary considerably, and incentives need to be evaluated and tailored on a case-by case basis.

Jurisdictions use incentives to pursue economic goals such as expansion of the tax base, job creation, development of targeted economic sectors, business recruitment and/or retention, blight mitigation, improving economically distressed neighborhoods, housing stock creation, infrastructure improvements, and environmental remediation.

The purpose of this report is to provide examples where economic development incentives have resulted in positive economic growth for the community, including local examples from Lafayette, La. Types of incentives referenced include Tax Increment Financing (TIF) and Economic Development Districts (EDDs), Payment in Lieu of Taxes (PILOT), New Markets Tax Credits (NMTC), Historic Tax Credits (HTC), and the Restoration Tax Abatement (RTA).

Utilization of these types of incentive programs can accelerate progress on community goals, such as revitalization of the urban core. However, the use of incentives poses challenges, such as how to direct scarce public funds to their highest and best use. **Policies that guide the use of publicly funded incentives can help ensure that incentives are applied consistently with principles and practices designed to optimize their impact.**

CORE VALUES:
WHAT KIND OF COMMUNITY DO WE WANT TO BE?

Lafayette is a community with significant cultural and economic assets. The special character of our people and strong sense of communal identity set us apart from other cities. As we look to the future, it is incumbent on us to preserve that identity while taking steps to improve the economic prosperity of our citizens.

PlanLafayette, adopted in 2015 through a tremendous amount of outreach and planning, highlighted our community's assets and outlined a unified vision that expresses our shared values and outlook for the future.

As expressed by the community, priorities for future development include:

- Increased redevelopment and reuse of existing buildings and sites
- Focused development in existing and emerging nodes and corridors
- Stronger bicycle and pedestrian connections
- More mixed-use development
- Improved transit services and access
- Conserved farm land and open space
- Lower infrastructure and service costs

The plan includes policies and actions that would help accomplish these goals, many of which can be accelerated through the use of incentives.

Here are a few examples:

- **Policy 1.1:** Encourage compact, mixed-use, pedestrian friendly development in centers and along corridors as designated by the Future Land Use Map (FLUM)

- **Action 5.3.2:** Anticipate and make infrastructure investment in areas of the parish designated for employment, retail, and mixed-use growth in order to spur investment by development in key corridors or principal nodes

- **Action 6.13.3:** Partner with LEDA and 1A to develop a LCG policy regarding TIF districts to fund infrastructure improvements. The policy should establish prioritized and preferred criteria for TIF district proposals

The need to pursue implementation of these action items was reinforced by One Acadiana's recent Leadership Exchange trip to Greenville, SC, a community that has embraced the use of targeted incentives for stimulating and managing growth.

Ultimately, the ideas proposed in PlanLafayette and related lessons from Greenville aim to reverse the trend of sprawl and disconnected growth by incentivizing those types of development that provide taxpayers a better return on investment.

TYPES OF INCENTIVES

Incentives are public investments by federal, state, and local governments to influence private investment and job creation. They can enhance the feasibility of a private sector project that helps to achieve a community's economic goals. They can also help catalyze development in target areas where it might not otherwise be economically feasible.

TAX INCREMENT FINANCING (TIF) AND ECONOMIC DEVELOPMENT DISTRICTS (EDDS)

DESCRIPTION OF THE PROGRAM

Tax Increment Financing (TIF) is an economic development tool that local governments utilize to capture future tax benefits of real estate improvements to pay the present cost of those improvements.

Louisiana has authorized local governments to designate project areas – referred to under Louisiana state law as Economic Development Districts (EDDs) – where tax increments (on property tax, sales tax, and/or hotel occupancy tax) can be reinvested to support development.

HOW DOES THE INCENTIVE WORK?

The tax increment financing process splits tax revenue into two categories:

- Base revenues – Existing tax revenue generated before the Economic Development District is established

- Incremental revenues – New revenues in excess of the base revenues, which are generated by improved property values or sales within the Economic Development District

Local taxing authorities continue to receive the base revenues as normal, while the incremental revenues can be used to finance economic development projects within or around an Economic Development District. The incremental revenues can be bonded out or used on a pay as you go basis.

Because most existing property taxes in Louisiana are already dedicated for other purposes, the statute authorizing ad valorem taxes for tax increment financing has never been used. Utilizing a property tax increment would require prior approval from all of the local taxing entities who collect property tax revenues from the district.

In addition to utilizing the increment of an existing tax, Louisiana state law also allows local governing authorities to levy a new tax within an EDD and designate the new tax as the increment. The new tax can include any one or combination of the following:

- Up to 5 mills of ad valorem property tax
- Up to 2% sales tax
- Up to 2% hotel occupancy tax

An EDD remains in effect until it expires or until the bonds or loans are paid off. Upon expiration, the other taxing authorities (e.g., municipal government, school district, sheriff's department) begin receiving the incremental revenues from the district on top of the base revenues they were already collecting, or – in the case of a new tax – the new tax can expire.

Permitted expenditures authorized by EDDs include: property acquisition; demolition, clearing, and grading; affordable housing; buildings; streets; design and construction of parks and open areas; drainage infrastructure; sewer and other utilities; sidewalk and pedestrian ways; riverfront and river walk infrastructure; parking facilities, including parking structures; public buildings; community centers; plazas, landscaping, fountains, benches, and similar amenities; professional services; financing costs; EDD costs.

LOCAL GOVERNMENT INVOLVEMENT

The first step in the tax increment financing process for most local governments in Louisiana is an ordinance creating an Economic Development District and setting its boundaries. Under state law, the local governmental subdivision establishing the EDD also serves as the governing authority of the EDD.

A second ordinance is needed to authorize the tax pledge and issuance of bonds (if applicable). In the case of a new tax, the registrar of voters must certify that there are no qualified electors within the EDD boundaries; otherwise, there must be a favorable vote of the qualified electors. Importantly, a new tax can be levied against existing businesses in an EDD as long as there are no voters registered with the same address.

PILOT
(PAYMENT IN LIEU OF TAXES)

DESCRIPTION OF THE PROGRAM

A Payment in Lieu of Taxes (PILOT) is a tax incentive designed to restructure the tax burden for developers interested in relocating, expanding, or developing in certain areas. With PILOTs, local governments can grant developers exemptions or diversions from traditional property taxes for a set period of time to support improvements to property, or to locate a project in a distressed or underdeveloped area.

HOW DOES THE INCENTIVE WORK?

In reducing a developer's local property tax liability, additional cashflow is generated that can make a marginal project more economically feasible and allow a development to be financed, which might not be possible without the incentive. The incentive also increases the fair market value of the property as a result of higher net operating income.

In some cases, PILOT recipients must show that the project benefits the community through job creation (construction and/or permanent jobs), meeting certain payroll criteria, generating certain sales tax revenues, and other requirements specified in the agreement.

LOCAL GOVERNMENT INVOLVEMENT

In Lafayette Parish, the Industrial Development Board of Lafayette Parish has the authority to approve and execute PILOT agreements.

NEW MARKETS TAX CREDITS (NMTC)

DESCRIPTION OF THE PROGRAM

Established in 2000, the New Markets Tax Credit program (NMTC) attracts investment for the acquisition, rehabilitation, or construction of real estate projects in low-income communities. Approximately 43% of U.S. census tracts qualify for NMTCs.

HOW DOES THE INCENTIVE WORK?

The U.S. Department of the Treasury competitively allocates tax credit authority to intermediaries known as Community Development Entities (CDEs). CDEs primarily consist of domestic corporations and partnerships. NMTC investors provide capital to CDEs who select investment projects in low-income communities. In exchange, the investors receive a tax credit against their federal income tax.

An investor must hold their investment in the CDE for seven years to realize the maximum amount of benefits from the program. This includes:

- 5% of the investment in credits for each of the first 3 years
- 6% of the investment in credits for each of the remaining 4 years

This totals to a potential 39% of the initial investment. New Markets Tax Credits are often stacked with other incentives, further enhancing development opportunities.

LOCAL GOVERNMENT INVOLVEMENT

The local government does not play a direct role in this tax incentive, as it is a federal program.

HISTORIC TAX CREDITS (HTC)

DESCRIPTION OF THE PROGRAM

Historic Tax Credit (HTC) programs are designed to encourage private investment in the re-use and rehabilitation of historic buildings in qualifying locations.

The State of Louisiana and the Federal government each have their own HTC programs, which can be used separately or in conjunction with each other. Both programs allow participants to claim 20% of eligible improvement expenses against their tax liability.

HOW DOES THE INCENTIVE WORK?

To be eligible to receive Federal Historic Tax Credits, the property must be listed on the National Register of Historic Places or within a National Register Historic District. The credits can be applied to 20% of the qualifying expenditures, and the minimum investment into the rehabilitation of the property must be greater than $5,000 or the basis of the building.

To be eligible for State Commercial Historic Tax Credits, the property must be located within a Downtown Development District or Certified Cultural District. Qualifying expenditures include rehabilitations, improvements, and additions to the site.

LOCAL GOVERNMENT INVOLVEMENT

While the State and Federal HTC programs are managed by the State and Federal governments, local government does have a role in approving the application and adoption of a Cultural District, which can enable a project to receive these credits. Since the State's Cultural District program also includes a sales tax exemption on original art, local taxing entities must approve this exemption in order to submit the Cultural District application to the State.

RESTORATION TAX ABATEMENT (RTA)

DESCRIPTION OF THE PROGRAM

The Restoration Tax Abatement (RTA) program grants businesses and homeowners up to 10 years of property tax abatement to encourage the expansion, restoration, and development of existing commercial structures and owner-occupied residences in downtown, historic, and economic development districts.

HOW DOES THE INCENTIVE WORK?

Under normal circumstances, if an owner improves, renovates, or adds on to a building, the assessed value goes up and so do the property taxes. Under the RTA program, the assessed value can be frozen at the pre-improvement level for five years, resulting in substantial property tax savings. In most cases, the RTA can be renewed for an additional five years. This program can also be used in combination with Historic Tax Credits, resulting in even more substantial savings.

LOCAL GOVERNMENT INVOLVEMENT

Local government plays a critical role in this process. Before the applicant begins construction, an Advance Notification must be filed with LED, and the application must be received by the Board of Commerce and Industry. It is then forwarded to the appropriate local municipal and parish governing authority for review. The local governing authority also certifies that the property is located in one of the eligible districts. The governing authority then conducts a public hearing regarding the application, followed by a resolution of approval or notice of rejection.

The initial contract for the incentive covers the first five years and has the option of renewal for an additional five years, pending approval from the local governing authority, Board of Commerce and Industry, and the Governor.

CASE STUDIES

Many of the incentives discussed in this report have already been utilized in Lafayette Parish. For example, a PILOT was used to make the Ambassador Town Center development possible, providing more commerce in a growing area of the city. In addition, an Economic Development District was created at I-10 Mile Marker 103 (Louisiana Avenue) to develop the Stirling Lafayette Shopping Center, which has brought commerce and jobs to an area that would have been difficult to develop otherwise. Many projects in other parts of the state have also used incentives to spur development, with a strong resulting economic impact. Examining these case studies and other examples from around the country can provide guidance on how to utilize incentives to stimulate additional development and achieve the revitalization we envision for Acadiana's urban core.

CASE STUDY LOCATIONS

LEGEND

■	Louisiana
★	Lafayette Parish
■	City of Lafayette
A	Stirling Lafayette Shopping Center (Lafayette, LA)
B	Ambassador Town Center (Lafayette, LA)
C	The Studios at LWG (Lafayette, LA)
D	South Market District (New Orleans, LA)
E	Kress at 3rd & Main / Hotel Indigo (Baton Rouge, LA)
F	Bass Pro Shops (Denham Springs, LA)
G	141 Lofts (Monroe, LA)

**Not pictured: Downtown Greenville (Greenville, SC) & Gallery Place (Washington, DC)*

STIRLING LAFAYETTE SHOPPING CENTER
LAFAYETTE, LA

The Stirling Lafayette Shopping Center is located at the intersection of I-10 and Louisiana Avenue and anchored by Target.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Lafayette, LA	Commercial/Retail	TIF (Sales Tax)/EDD	$8 million (TIF Bond)	$36 million

Prior to the Stirling Lafayette Shopping Center, the location consisted of undeveloped land surrounded by areas of blight. This made it difficult to attract any major development in the past.

Lack of employment opportunities in this area resulted in substantial distances for residents to access jobs, making it especially difficult for those with transportation challenges.

PROJECT FINANCING:

In 2006, the State Bond Commission approved the issuance of up to $8 million in sales tax increment revenue bonds for the Louisiana Avenue EDD. This was the last regulatory hurdle, after the Lafayette City-Parish Council voted to establish the district (July 2006) and approved a 1 cent local sales tax within the district boundaries (August 2006). The state matched the local tax with 1 cent of its sales tax collection from the district.

These revenues were used to fund public infrastructure needed for the site, including access and service roads, traffic signals, water, electricity, and sewer service. The developer agreed to pay for any remaining improvements.

ECONOMIC IMPACT:

JOBS CREATED	ESTIMATED TAX REVENUE	OTHER
600+	~$6.2 million in local sales tax annually	400,000 sq. feet of commercial space

AMBASSADOR TOWN CENTER
LAFAYETTE, LA

The Ambassador Town Center is a commercial retail development at the intersection of Ambassador Caffery Pkwy. and Kaliste Saloom Rd. in Lafayette, La. It opened in March 2016 and is anchored by Costco Wholesale.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Lafayette, LA	Commercial/Retail	PILOT	$11.5 million	$95 million

The development faced many challenges, starting with delineated wetlands, which needed to be mitigated before development could continue. In addition to this challenge, a development of this magnitude required significant improvements to public infrastructure.

The Industrial Development Board of Lafayette Parish unanimously approved a PILOT (Payment in Lieu of Taxes) to fund just under $11.5 million in infrastructure costs for Ambassador Town Center, which allowed the project to move forward.

PROJECT FINANCING:

During the 12-year PILOT agreement, the property is owned by the Industrial Development Board and controlled by the developer through a combination of ground leases and cooperative endeavor agreements to pay back the cost of infrastructure improvements. At the end of the 12-year term, or upon repayment of the $11.5 million infrastructure loan, the property is transferred back to the private owners, and property taxes will be assessed and paid as normal.

To make this project more attractive to local government, the PILOT also covered much-needed roadway connections from Frem Boustany to Kaliste Saloom. This also provided the public right of way for future widening of one of those roads to accommodate additional capacity.

ECONOMIC IMPACT:

JOBS CREATED	ESTIMATED TAX REVENUE	OTHER
1,000+ Permanent Jobs 2,300 Construction Jobs	~$4.7 million in local sales tax annually	430,000 sq. feet of commercial space

The Ambassador Town Center development also brought several new-to-market national retailers and restaurants to a highly trafficked location that was previously undeveloped.

THE STUDIOS AT LWG
LAFAYETTE, LA

Lafayette Wholesale Grocery was originally constructed in 1925 and operated as a grocery store. It was later used as an ancillary building for a nonprofit organization for a few years and eventually became vacant. The Lafayette Public Trust Financing Authority (LPTFA) purchased the building in 2011 to revive the historic structure and surrounding community.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Lafayette, LA	Residential	Historic Tax Credits	~$460,000	$2.7 million

The building was redeveloped into the Studios at LWG, a 15-unit mixed-income development that provides housing to local artists. It also has studio and gallery space for artists to practice their craft and show off their work. This project was attractive to LPTFA because they wanted to get involved in the revitalization of downtown Lafayette.

PROJECT FINANCING:

The $2.7 million development used several funding sources to rehabilitate the historic structure, including the State Historic Tax Credit (HTC) program. The HTC equity was responsible for roughly $460,000 (23%) of the total project cost.

FINANCING BREAKDOWN:

- $1 million HUD HOME grant from the Louisiana Housing Corporation
- $669,000 permanent loan from Community First Bank
- $550,000 soft loan from Lafayette Public Trust Financing Authority (LPTFA)
- $460,000 in estimated State Historic Tax Credit equity

ECONOMIC IMPACT:

JOBS CREATED	OTHER
N/A	15 mixed-income residential units

SOUTH MARKET DISTRICT
NEW ORLEANS, LA

The South Market District is a $500 million mixed-use, transit-oriented development combining luxury apartments with retail, restaurants, and entertainment venues in the heart of Downtown New Orleans. The South Market District encompasses a five-block area across Loyola Avenue from the Superdome and Smoothie King Center. The site connects the Central Business District, historic Warehouse/Arts District, and the Sports/Entertainment District.

Location	Project Type	Incentive Type	Total Investment Amount
New Orleans, LA	Residential & Commercial	PILOT, NMTC, Enterprise Zone	$500 million (and growing)

PROJECT FINANCING:

The Industrial Development Board of New Orleans approved plans for a 10-year payment in lieu of taxes (PILOT) for the South Market District apartment and retail project in 2012. The first phase, a $90 million project, brought 195 apartment units, 67,200 square feet of retail space, and a garage with 435 parking spaces to two parcels of land.

The second phase brought 364 apartments, 111,000 square feet of retail space, and another parking garage to the area.

The City's economic development adviser, New Orleans Business Alliance, and Industrial Development Board negotiated an agreement to freeze property taxes for two years while the project was under construction, then started a 10-year PILOT in 2015 when the buildings were completed.

The project also utilized a mix of debt, equity, federal New Markets Tax Credits, and a state Enterprise Zone rebate.

ECONOMIC IMPACT:

JOBS CREATED	OTHER
1,000+ jobs	559 new residential units 178,200 sq. feet of commercial space

These numbers only reflect what the initial investment has provided. This catalytic project continues to spur additional residential and commercial development.

KRESS AT 3RD & MAIN
BATON ROUGE, LA

This project, also referred to as Kress-Knox-Levy, involved the renovation of three national historic buildings in downtown Baton Rouge – the Kress, Knox, and Welsh-Levy. The renovations, which were completed in 2009, consolidated the three buildings into a 62,000 square foot, mixed-use development, including office and retail space, 16 rental apartments, and three condominiums.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Baton Rouge, LA	Residential & Commercial	New Market Tax Credits	$7.6 million	$21.7 million

PROJECT FINANCING:

This project utilized New Markets Tax Credits. Without the NMTC incentive, the project would not have moved forward, as rents in the area would not have justified the acquisition and renovation of the buildings.

JPMorgan Chase's NMTC financing provided a $7.6 million construction and mini-perm loan with a seven-year interest only period, a seven-year no amortization period, and an interest rate that was 300 basis points below Chase's conventional rate.

ECONOMIC IMPACT:

The project has helped Baton Rouge address three important issues: a lack of high-quality downtown housing and office space, rejuvenation of the central business district, and preservation of architectural history.

Kress at Third & Main was the first major mixed-use project undertaken in downtown Baton Rouge in 30 years and played a huge role in building momentum on downtown revitalization.

JOBS CREATED	OTHER
75 permanent new jobs 150 construction jobs	19 residential units Additional retail and office space

HOTEL INDIGO
BATON ROUGE, LA

In 2011, Project King LLC (property owner) and Cyntreniks LLC (real estate development firm) celebrated the grand opening of the 48,000 square foot, 93-room Hotel Indigo in downtown Baton Rouge.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Baton Rouge, LA	Commercial, Real Estate, Hotel	NMTC, HTC, TIF, RTA	$17.9 million (NMTC)	$23.6 million

PROJECT FINANCING:

This $23.6 million project was made possible by a $17.9 million NMTC investment. The NMTC program provided gap financing for the project. More capital was needed and raised for the project to move forward, which was accomplished by layering capital sources that are rarely combined due to complicated programmatic and structuring requirements, including Federal and State Historic Tax Credits (HTCs), a State HTC Bridge Loan, Tax Increment Financing (TIF), and additional private equity. But for this equity infusion, the project would not have secured enough capital to move forward.

ECONOMIC IMPACT:

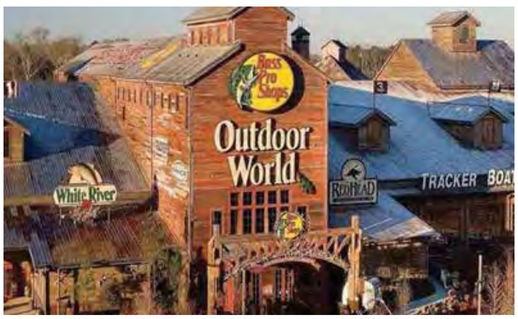
This project has added 93 hotel rooms to downtown Baton Rouge, and put the 48,000 square foot property back into commerce and onto the tax rolls. It provided 125 construction jobs, and the administration and operation of the hotel has added 50 permanent jobs to the area.

JOBS CREATED	OTHER
50 permanent jobs 125 construction jobs	93 hotel rooms

BASS PRO SHOPS
DENHAM SPRINGS, LA

The Denham Springs Economic Development District and other Livingston Parish taxing authorities entered into a cooperative endeavor agreement with the Louisiana Department of Revenue in 2006 to create jobs, stimulate economic development, and increase sales tax revenues.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Denham Springs, LA	Commercial/Retail	TIF	$41.5 million	$42.8 million



The Economic Development District used tax increment financing to pay for the following project costs:

- Acquisition of Bass Pro site
- Acquisition, development, construction, and equipping of a 145,200 square foot
- Bass Pro Outdoor World
- Six-acre lake with a large boat showroom
- Construction of related infrastructure improvements

PROJECT FINANCING:

The Denham Springs Economic Development District issued $41.5 million in bonds in 2007. The bonds are secured by both local and state incremental sales and use tax revenue.

ECONOMIC IMPACT:

Business owners and developers involved with the TIF project said they see out-of-town shoppers and believe the outdoor anchor has drawn new businesses that would not have otherwise located there. The project is estimated to have created 100 full-time jobs and 137 part-time jobs.

JOBS CREATED	OTHER
100 full-time jobs 137 part time jobs	Attracted additional retail and hotel development

141 LOFTS
MONROE, LA

The eight-story Ouachita National Bank Building (old Bernhardt Building) in downtown Monroe, La. was built in 1928 and operated as a bank and commercial office building. It suffered high vacancy and had gone into foreclosure when Provident Realty Advisors purchased it in 2012. Their renovations in 2014 converted the building into 67 mixed-income loft-style apartments, and the building was awarded a LEED Silver energy efficiency rating.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Monroe, LA	Mixed-income, multi-family, residential	Historix Tax Credit	$2.8 million	$14 million

PROJECT FINANCING:

The amount of the total investment was just under $14 million, with $11.4 million of the expenses eligible for State Historic Tax Credits, which were worth 25 percent at the time.

ECONOMIC IMPACT:

This project has enhanced the value of nearby properties. In the last 10 years, property located within 500 feet of the project increased in value by 200 percent, growing the tax base for the City of Monroe and Ouachita Parish.

In the last several years, the Monroe Main Street District has gained six new businesses and added 66 net new jobs. A more vibrant downtown means more people want to live there. Consequently, there has been a 10% increase in housing units in downtown Monroe over the past six years.

JOBS CREATED	OTHER
66 net new jobs	67 new residential units 10% increase in downtown housing units overall since the development 6 new businesses

DOWNTOWN GREENVILLE
GREENVILLE, SC

There is much that can be learned by the way Greenville, SC was able to revitalize and transform its downtown over the past 30 years. With the most remarkable improvements happening over the past decade, Greenville's downtown has been transformed from abandoned warehouses and empty storefronts to a thriving central business district with upscale restaurants, high-end residential condos and lofts, and new mixed-use developments. This revitalization was accelerated through tax increment financing.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Greenville, SC	Residential & Commercial	TIF (Property Tax)	Ongoing	Ongoing

In the late 1980s, the city created three downtown TIF districts: the Central Business District, the West End, and Viola Street. The tax increment financing enabled the city to use the increased tax revenues – above the base set when the TIFs were implemented – to finance the cost of infrastructure improvements needed to support development.

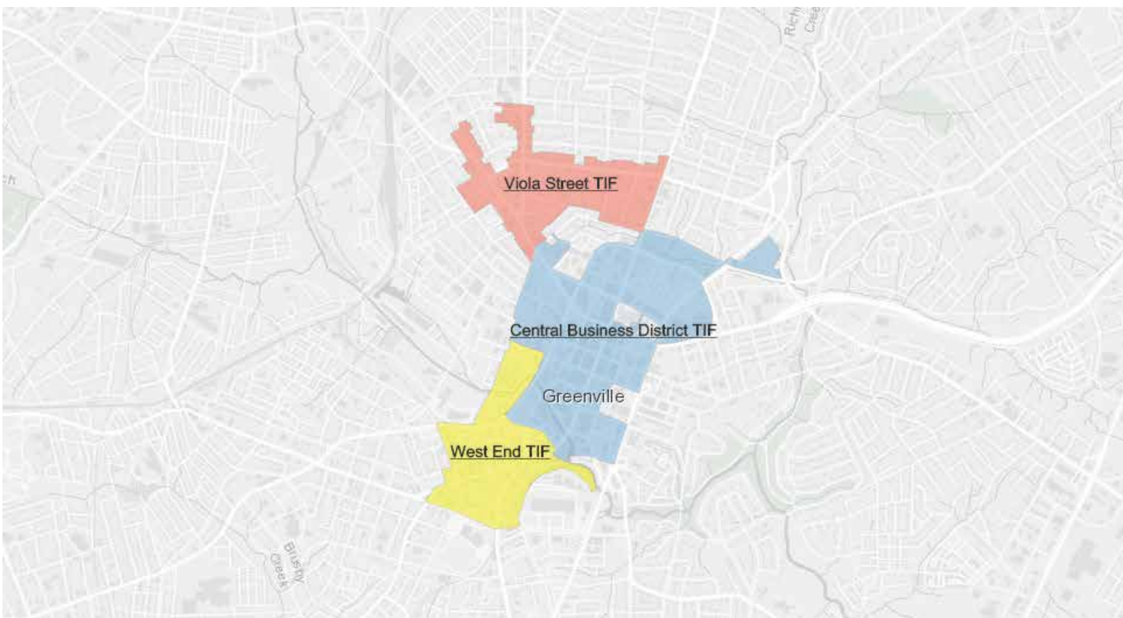
FINANCING:

Since inception in 1987, the three TIF districts have generated more than $104 million in increased revenue, with nearly $1.5 billion in private investment in the same time period.

Throughout the years, the city has issued bonds to pay for infrastructure upgrades in the districts, such as city parking garages, sewer improvements, and streetscaping to complement private development. The increase in property values resulting from these improvements has produced new tax revenue to satisfy the bonds. The TIF district revenue has also helped fund key projects like Falls Park ($1,830,000 from the Central Business District fund) and the development of the Peace Center, a performing arts center located downtown.

DOWNTOWN GREENVILLE (CONT.)
GREENVILLE, SC

In creating these TIF districts, the City of Greenville also established the duration the TIF districts would be in effect. When a TIF district expires, the respective taxing authorities return to collecting taxes on present-day property values and receive the full benefits of the growth. In the case of Greenville, the City agreed to terminate the Viola Street TIF in 2016, as the goals outlined in the district plan were achieved ahead of schedule. The City of Greenville and Greenville County School District also reached an agreement for the reallocation of a portion of the revenue for the remainder of the Central Business District and West End TIFs, which expire in 2021.



ECONOMIC IMPACT:

Since 1987, assessed property values grew by 465% and 753% in the Central Business District and West End respectively, and assessed property values in the City as a whole grew by 201%. As the City of Greenville continues to invest in public improvements, assessed property values are expected to continue their upward trend.

GALLERY PLACE
WASHINGTON, DC

Gallery Place is a $240 million, mixed-use development in downtown Washington, DC, which has been a leading catalyst for the revitalization of the eastern half of the downtown. Since developed, the site has been a major destination for both locals and tourists, serving as a hub for retail, restaurant, and entertainment-based activities.

Location	Project Type	Incentive Type	Incentive Amount	Total Project Cost
Washington, DC	Residential & Commercial	TIF (Sales Tax)	$86 million	$240 million

PROJECT FINANCING:

In July 2001, the Gallery Place TIF was organized to fund this mixed-use project, located near what is now the Capital One Arena. The development of the site would have been devoted solely to office space had TIF funding not been approved.

The project received $75 million in TIF financing, as well as $7 million in property tax abatements and $2 million in infrastructure improvements from the city.

ECONOMIC IMPACT:

The project created approximately 1,000 construction jobs, 800 permanent jobs, and more than $10 million in new sales and property tax revenues annually once developed. It also created 193 residential units and 200,000 square feet of retail.

JOBS CREATED	OTHER
800 permanent jobs 1,000 construction jobs	193 new residential units $10 million annually in tax revenue Additional retail and office space

CONCLUSION/RECOMMENDATIONS

The shared vision outlined in PlanLafayette and the revitalization of Acadiana's urban core remains in reach but will require the strategic use of targeted incentives.

Some of PlanLafayette's development goals that incentives can help achieve include:

- Increased redevelopment and reuse of existing buildings and sites
- Focused development in existing and emerging nodes and corridors
- Stronger bicycle and pedestrian connections
- More mixed-use development
- Lower infrastructure and service costs

Consideration of these goals can help inform policies around preferred criteria for the utilization of certain incentives, such as tax increment financing, as suggested in PlanLafayette Action 6.13.13.

- **Action 6.13.3:** Partner with LEDA and 1A to develop an LCG policy regarding TIF districts to fund infrastructure improvements. The policy should establish prioritized and preferred criteria for TIF district proposals

Conceptually, here is how the above development goals might apply to one of the projects in the case studies section:

THE STUDIOS AT LWG – LAFAYETTE, LA

CRITERIA	Y/N	DETAILS
Increased redevelopment and reuse of existing buildings and sites	Yes	Adaptive reuse of the historic Lafayette Wholesale Grocery
Focused development in existing and emerging nodes and corridors	Yes	Located in Downtown Lafayette
Stronger bicycle and pedestrian connections	Yes	In a walkable area
More mixed-use development	Yes	15 residential units with studio and gallery space
Lower infrastructure and service costs	Yes	Infill development, utilizing existing infrastructure and services

Such criteria could be considered in addition to other economic development priorities, like business recruitment or retention, job creation, and growth of the tax base.

Establishing policies that advance these and related goals will require determined coordination and attention from both the public and private sectors and an openness to embracing incentives as a key tool for stimulating and managing growth.

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