

spotlight

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COMMON-SENSE TIF REFORMS

Ways to Avoid Randy Parton Theatre-Like Debacles and Other Disasters

KEY FACTS: • Tax increment financing (TIF) is a type of public-debt financing that is supposed to promote private economic development in designated districts through the development of public improvement projects.

• The private development is supposed to generate additional property-tax revenue that would not be realized without the public improvement projects. This additional (incremental) revenue would help to pay off the debt for the public improvement project.

• Citizens have no voice in whether their city or county can use TIF for specific projects.

• The very first TIF project in North Carolina was the Randy Parton Theatre. It has been a financial failure and a source of controversy and alleged corruption.

• *Reform One:* Citizens should be allowed to vote on TIF projects. The constitutional amendment that allowed TIF would permit voting and, in fact, it clearly contemplated that voting may be necessary.

• *Reform Two:* There needs to be a meaningful oversight process. Currently, oversight by the Local Government Commission (LGC) is just a rubber-stamping process. The LGC should be required to view TIF projects critically. Cities and counties should have the burden of proof to demonstrate that a project meets adequate standards.

• *Reform Three:* The TIF statute should have clear protections against inappropriate private benefits and conflicts of interest.

• *Reform Four:* There should be basic financial protections. For example, the LGC should be required to deny a TIF project if it is not likely to generate significantly more property tax revenue than if the TIF had never existed.

• These reforms share a common theme: ensuring that there is honest and open government.

200 W. Morgan, #200
Raleigh, NC 27601
phone: 919-828-3876
fax: 919-821-5117
www.johnlocke.org

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In 2004, North Carolina voters narrowly approved a constitutional amendment referred to as Amendment One.¹ This amendment permits local governments to use a form of public debt financing called tax increment financing (TIF).² The stated purpose of TIF is to promote private economic development in designated districts through the development of public improvement projects.³

TIF permits cities and counties to finance public projects using the extra property tax revenues that would exist due to the new private development.⁴ This incremental revenue is supposed to pay off debt incurred for the public projects. TIF projects, as a result of Amendment One, do not have to be approved by local voters through a referendum, as general obligation bonds do.

North Carolina's experience to date with tax increment financed bonds (TIFs) has been nothing short of a disaster. The first TIF project⁵ was the Randy Parton Theatre in Roanoke Rapids. It has been both a financial failure and a source of controversy and alleged corruption.⁶ While it is important to understand all of the specific ways in which the Parton Theatre project has failed, state policymakers need to consider the systemic flaws that made it possible for the project to get off the ground in the first place.

This *Spotlight* will highlight several critical problems with the use of TIFs in North Carolina. Assuming TIF will exist, there never again should be a Randy Parton Theatre debacle. "Lowlights" of this debacle are listed in Appendix A. This paper identifies four concrete solutions to minimize the problems. These recommendations would require the legislature to reform the TIF statute. Appendix B provides draft legislative language to implement these reforms.

Four Reforms to the TIF Statute

1. *Requiring Voter Approval*

Requiring voters to approve TIFs would make a major difference in providing much-needed oversight. Amendment One expressly stated "these instruments of indebtedness *may* be issued without approval by referendum"⁷ (emphasis added). Because of the use of the word "may" instead of "shall" in the constitutional language, a referendum certainly could be required if the legislature passed a bill to this effect.

There is nothing inherent in TIFs that requires ignoring the will of the people — TIFs simply are a form of financing that can exist with voter approval just like general obligation bonds. The legislature can and should require that voters have a voice when it comes to TIFs.

2. *Creating a Meaningful Oversight Process*

OVERVIEW OF THE LOCAL GOVERNMENT COMMISSION. The TIF statute requires that the Local Government Commission (LGC) approve any TIFs.⁸ The LGC is a nine-person state commission consisting of five appointees and four elected state officials that approve local government bonds. The four state officials include the state treasurer, who also serves as the commission chairman, the state auditor, the secretary of state, and the secretary of revenue.⁹

While the LGC is a nine-person commission, there have been two vacancies on the LGC since March 2007.¹⁰ More importantly, TIFs do not have to be approved by the whole Commission. They can be approved by what is referred to as the LGC Executive Committee, which consists only of the four elected officials.¹¹ In fact, the LGC Executive Committee recently approved two TIFs.

CHANGING THE LGC PROCESS. The TIF statute creates what can fairly be described as a rubber-stamping process. There are two sections outlining the TIF approval process.¹² The first section simply *permits*, but does not require the LGC to consider relevant matters regarding a TIF proposal.¹³ The second section is even worse because it requires the

LGC to *approve* a TIF if certain conditions are met.¹⁴

The statute should instead be changed so that the LGC is *required* to review the critical issues regarding TIFs—meaningful oversight should not be optional as it is now. To date, the LGC has not provided meaningful oversight. For example, the LGC apparently ignored key points of the feasibility study done for the Randy Parton Theatre, including an assumption that two hotels and a retail center would exist prior to the opening of the theater.¹⁵ No hotels or retail center existed, yet the TIF was approved anyway.¹⁶ The LGC also never reviewed the business plan developed by Parton’s theater management company, Moonlight Bandit Productions.¹⁷

The statute also should be changed so the LGC is directed to review TIFs with a critical eye. For example, there should be a statutory section detailing when the project must be *denied*, not when it must be approved. As a general matter, when there is a TIF or a bond project, a city or county should be required to prove the merits of the project to the LGC. There should not be a presumption, as currently exists in the TIF statute, that the project is appropriate.

Further, TIFs need a high degree of scrutiny because the projects, as of now, do not require voter approval, unlike general obligation bonds. Since most¹⁸ TIFs do not specifically pledge funds from the general tax base, they also may not receive the same scrutiny from local government officials. The full LGC, not the four-person Executive Committee, should be required to approve TIFs. Overall, the LGC’s review should be thorough and objective, and if necessary, independent analysts and consultants should be used.

CITY AND COUNTY INFORMATION FOR THE PUBLIC AND THE LGC. Under current law, cities and counties are required to draft and adopt what is referred to as a development financing plan and hold a public hearing on the plan.¹⁹ The plan must include some basic information, such as the description of the TIF district and a description of how the proposed development would help the residents and businesses of the district. The existing requirements do not capture much of the information that the public would obviously need to evaluate the proposal. The additional requirements should include:

- The incremental property tax revenue that would exist because of the TIF project.
- Property tax revenue that would have existed in the district if there had not been a TIF project.
- Government services that likely would not be funded in the district and the city or county due to the TIF project.
- The costs of alternative financing options.
- The priority of the public improvement project compared to other city or county projects before the TIF was considered.

Current law does not *clearly* require that the development financing plan be provided to the LGC.²⁰ The plan does not have to be adopted when the city or county provides its application to the LGC. It merely has to be adopted before the LGC gives final approval.²¹ The statute should require that the plan be provided to the LGC at the beginning of its review process so it has the time to review the final and official proposal.

3. Removing Inappropriate Private Benefits and Conflicts of Interests

For TIFs, a public improvement project is supposed to be the catalyst for new private development. Private developers receive major benefits through TIFs—they provide just another type of taxpayer funded economic incentive for developers.

In addition, the public improvement project itself also may provide significant direct benefits to private parties, as was the case with the Randy Parton Theatre. For example, Moonlight Bandit Productions was able to secure a lucrative contract to manage the theater (the theater itself is the public improvement project).²² The TIF statute should require the LGC to review any private development projects *and* the public improvement project for improper private benefits or conflicts of interest.

Since there are both private and public benefits with TIF projects, it is hard to determine whether the real purpose of a project is to benefit a private party or to help the public. The TIF statute should direct the LGC to ensure that inappropriate private benefits are not the *real* reason for the project. Specifically, the statute should clarify that the LGC must deny a TIF project if it finds any of the following:

- A private entity involved in a public improvement project has inadequate experience or fails to meet other appropriate criteria and qualifications. This same standard should apply to any existing private developers involved in the TIF project.
- A private entity involved in a public improvement project has not been identified and selected through an open and competitive process.
- Negotiated terms, including compensation, with a private entity involved in a public improvement project are unreasonable.
- Private development would reasonably occur without the public project.²³
- There are inappropriate conflicts of interest, such as a government official benefiting financially from a TIF project.

4. Requiring Basic Financial Protections

If the incremental revenue by itself is unlikely to pay off the tax increment financed bonds, then the statute should require the LGC to reject the project. The LGC also should be required to reject a TIF project if the development financing district (the area where the TIF project would be located) is not likely to generate significantly more property tax revenue than if the TIF had never existed.

As stated earlier, cities and counties should be required to provide some critical financial information in their development financing plans. This includes the projected property tax revenue if there were a TIF and if there were not a TIF, the costs of alternative financing options, and the government services that likely would not be funded as a result of the revenues going to TIF debt service.

Conclusion

North Carolina has experienced far too many government scandals in recent years. Unfortunately, the current TIF process is conducive to unethical and possibly illegal behavior. TIF projects can be created behind the scenes with very little oversight. There also can be a significant amount of money at play in these projects.

The common theme running through the four recommendations is the desire for “good government.” The TIF process should be transparent. There should be oversight through the LGC and through a vote of the people. Cities and counties should be required to carefully review the projects. These simple changes would improve the TIF projects and more importantly, they would create a more honest and open government.

*Daren Bakst, J.D., LL.M., is Legal and Regulatory Policy Analyst for the John Locke Foundation.
Joseph Coletti is Fiscal Policy Analyst for the John Locke Foundation.*

End Notes

1. To learn more about the vote, see, e.g., “Amendment One: Project Development Financing,” North Carolina Department of the State Treasurer, November 2004, www.nctreasurer.com/NR/rdonlyres/C8CAD967-611C-46B8-A9A4-D69A8B74E5CE/0/AmendmentOne.pdf.
2. *Ibid.*
3. General Assembly of North Carolina, Session Law 2003-403, www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2003&BillID=S725.
4. To learn more about tax increment financing, please see Joseph Coletti, “Debt is Debt: Taxpayers on Hook for TIFs Despite Rhetoric,” John Locke Foundation *Spotlight* No. 337, November 19, 2007, www.johnlocke.org/spotlights/display_story.html?id=187.
5. Don Carrington, *Carolina Journal*, “Parton to Get \$1.5 Million Per Year,” April 25, 2007, www.carolinajournal.com/exclusives/display_exclusive.html?id=4031.
6. See, e.g., John Hood, *Carolina Journal Online*, “Not Music to Taxpayer’s Ears,” January 10, 2006, www.carolinajournal.com/exclusives/display_exclusive.html?id=3038; Don Carrington, *Carolina Journal*, “Parton Marketing Dollars Don’t Materialize,” October 22, 2007, www.carolinajournal.com/exclusives/display_exclusive.html?id=4383; Don Carrington, *Carolina Journal*, “Document Shows Conflict in Parton Project,” April 21, 2008, www.carolinajournal.com/exclusives/display_exclusive.html?id=4717. Also see www.carolinajournal.com/exclusives/series.html?id=31.
7. N.C. Const. Art. V § 14, www.ncga.state.nc.us/Legislation/constitution/article5.html.
8. N.C. Gen. Stat. § 159-104, ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_159/GS_159-104.html.
9. N.C. Gen. Stat. § 159-3, ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_159/GS_159-3.html.
10. See N.C. Local Government Commission webpage listing members of the N.C. Local Government Commission, www.nctreasurer.com/NR/rdonlyres/3B8411E8-9682-40D6-A736-7754474E2E2B/0/WEBPAGEADDRESSLGLIST.pdf.
11. N.C. Gen. Stat. § 159-4, ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_159/GS_159-4.html.
12. N.C. Gen. Stat. § 159-105(a),(b), ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_159/GS_159-105.html.
13. *Ibid.*
14. *Ibid.*
15. Don Carrington, *Carolina Journal*, “Panel Ignored Study, Approved Theater,” May 22, 2007, www.carolinajournal.com/exclusives/display_exclusive.html?id=4083.
16. *Ibid.*
17. Don Carrington, *Carolina Journal*, “Document Shows Conflict in Parton Project,” April 21, 2008, www.carolinajournal.com/exclusives/display_exclusive.html?id=4717.
18. The City of Roanoke Rapids pledged sales taxes to help fund the Randy Parton Theatre.
19. N.C. Gen. Stat. § 160A-515.1(g), ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_160A/GS_160A-515.1.html; N.C. Gen. Stat. § 158-7.3(h), ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_158/GS_158-7.3.html.
20. *Op. cit.*, note 8.
21. *Ibid.*
22. Don Carrington, *Carolina Journal*, “Showtime for Parton Theatre,” May 30, 2007, www.carolinajournal.com/exclusives/display_exclusive.html?id=4096.
23. This is simply the inverse of N.C. Gen. Stat. § 159-105(b)(5), ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_159/GS_159-105.html.
24. *Op. cit.*, note 15 and note 22.
25. *Op. cit.*, note 15.
26. *Ibid.*
27. Don Carrington, *Carolina Journal*, “City Modifies Parton Contract,” November 29, 2007, www.carolinajournal.com/exclusives/display_exclusive.html?id=4455; Don Carrington, *Carolina Journal*, “Leaders Teamed Up on Parton Deal,” January 15, 2008, www.carolinajournal.com/exclusives/display_exclusive.html?id=4541.
28. *Op. cit.*, note 17.
29. *Op. cit.*, note 27.
30. *Op. cit.*, note 17.
31. *Op. cit.*, note 27.
32. *Op. cit.*, note 17.

Appendix A: Lowlights of the Randy Parton Theatre TIF Debacle

- The Local Government Commission (LGC) apparently ignored key points of the feasibility study for the \$21.5 million theater project.²⁴
- The feasibility study assumed that there would be two additional hotels with 400 rooms and a retail center with 200,000 square feet of space *before* the theater even opened.²⁵ The hotels and retail center did not exist when the theater began operating in July 2007. One new hotel has been completed, but no retail space has even been started.²⁶ *More importantly, TIF projects are supposed to be the catalyst for private development, not the other way around.*
- Randy Parton's theater management company, Moonlight Bandit Productions, did not have any experience in managing a theater and was not selected through an open and competitive process.²⁷
- As reported,²⁸ the president of the state-funded regional economic development organization (Northeast Commission) was the business manager of Moonlight Bandits Productions at the same time he was recruiting the company to Roanoke Rapids.
- Moonlight Bandit Productions was fired by the city after less than six months of shows, in part due to very low attendance.²⁹
- The city of Roanoke Rapids paid Moonlight Bandit Productions \$750,000 to settle any future claims it may have against the city for its dismissal.³⁰
- The city of Roanoke Rapids hired a new theater management company and then terminated that contract within a few months.³¹
- A Roanoke Rapids city council member and a member of the North Carolina Department of Transportation have resigned due to issues related to this failed project.³²

Appendix B: Draft Legislation

Notes

- New proposed legislative language is underlined.
- Existing language that would be deleted is ~~crossed out~~.

I. Referendum, TIF Application, Full LGC

§ 159-104. Referendum; Application to Commission for approval of project development financing debt instrument issue; preliminary conference; acceptance of application.

(a) A unit of local government may not issue project development financing debt instruments under this Article unless the issue is approved, through a referendum, by a majority of voters in the unit.

(b) A unit of local government may not issue project development financing debt instruments under this Article unless the issue is approved by the Local Government Commission prior to the referendum under subsection (a) of this section. Notwithstanding G.S. 159-4(a), for purposes of this Article, only the full Commission may consider and approve or deny the issue of project development financing debt instruments. The governing body of the issuing unit shall file with the secretary of the Commission an application for Commission approval of the issue. At the time of application, the governing body shall publish a public notice of the application in a newspaper of general circulation in the unit of local government. The application shall include any statements of facts and documents concerning the proposed debt instruments, development financing district, and development financing plan, and the financial condition of the unit, required by the secretary. The application also shall include a copy of the enacted development financing plan and the governing body shall make the findings described in G.S. 159-105(b)(1)-(14). The Commission may prescribe the form of the application.

Before accepting the application, the secretary may require the governing body or its representatives to attend a preliminary conference in order to discuss informally the proposed issue, district, and plan and the timing of the steps to be taken in issuing the debt instruments. ~~The development financing plan need not be adopted by the governing body at the time it files the application with the secretary. However, before the Commission may enter its order approving the debt instruments, the governing body must adopt the plan and make the findings described in G.S. 159-105(b)(1) and (5).~~ After an application in proper form and order has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement is conclusive evidence that the unit has complied with this section.

§ 158-7.3. Development financing.

(h) Plan Adoption. – Before adopting a plan for a development financing district, the issuing unit's governing body shall hold a public hearing on the plan. The governing body shall, no more than 30 days and no less than 14 days before the day of the hearing, cause notice of the hearing to be published once and shall cause notice of the hearing to be mailed, by first-class mail, to all property owners and mailing addresses of the development financing district and to the governing body of any special district, as defined by G.S. 159-7, within which the development financing district is located. The notice shall state the time and place of the hearing, shall specify its purpose, and shall state that a copy of the proposed plan is available for public inspection in the office of the unit's clerk. At the public hearing, the governing body shall hear anyone who wishes to speak with respect to the proposed district and proposed plan. Unless a board of county commissioners or the Secretary of Environment and Natural Resources has disapproved the plan pursuant to subsection (f) or (g) of this section, the governing body may adopt the plan, with or without amendment, at any time after the public hearing. However, the plan and the district do not become effective until the unit's application to issue project development financing debt instruments has been approved by the Local Government Commission and a majority of voters through a referendum, pursuant to Article 6 of Chapter 159 of the General Statutes.

§ 160A-515.1. Project development financing.

- (g) Plan Adoption. – Before adopting a plan for a development financing district, the city council shall hold a public hearing on the plan. The council shall, no less than 30 days before the day of hearing, cause notice of the hearing to be mailed by first-class mail to all property owners and mailing addresses within the proposed development financing district. The council shall also, no more than 30 days and no less than 14 days before the day of the hearing, cause notice of the hearing to be published once in a newspaper of general circulation in the city. The notice shall state the time and place of the hearing, shall specify its purpose, and shall state that a copy of the proposed plan is available for public inspection in the office of the city clerk. At the public hearing, the council shall hear anyone who wishes to speak with respect to the proposed district and proposed plan. Unless a board of county commissioners or the Secretary of Environment and Natural Resources has disapproved the plan pursuant to subsection (e) or (f) of this section, the council may adopt the plan, with or without amendment, at any time after the public hearing. However, the plan and the district do not become effective until the city's application to issue project development financing debt instruments has been approved by the Local Government Commission and a majority of voters through a referendum, pursuant to Article 6 of Chapter 159 of the General Statutes.

II. More Oversight for LGC

§ 159-105. Approval of application by Commission.

(a) In determining whether to approve a proposed project development financing debt instrument issue, the Commission ~~may shall~~ inquire into and consider any matters that it considers relevant to whether the issue should be approved, ~~including:~~

- ~~(1) Whether the projects to be financed from the proceeds of the project development financing debt instrument issue are necessary to secure significant new project development for a development financing district.~~
- ~~(2) Whether the proposed projects are feasible. In making this determination, the Commission may consider any additional security such as credit enhancement, insurance, or guaranties.~~
- ~~(3) The unit of local government's debt management procedures and policies.~~
- ~~(4) Whether the unit is in default in any of its debt service obligations.~~
- ~~(5) Whether the private development forecast in the development financing plan would likely occur without the public project or projects to be financed by the project development financing debt instruments.~~
- ~~(6) Whether taxes on the incremental valuation accruing to the development financing district, together with any other revenues available under G.S. 159-110, will be sufficient to service the proposed project development financing debt instruments.~~
- ~~(7) The ability of the Commission to market the proposed project development financing debt instruments at reasonable rates of interest.~~

(b) The Commission shall ~~approve~~ deny the application if, upon the information and evidence it receives or identifies on its own, it finds ~~all~~ any of the following:

- (1) The proposed project development financing debt instrument issue is not necessary to secure significant new economic development for a development financing district.
- (2) The amount of the proposed project development financing debt is ~~adequate~~ inadequate or and not excessive for the proposed purpose of the issue.
- (3) The proposed projects are not feasible. In making this determination, the Commission shall consider the reasonableness of the underlying assumptions. ~~may consider any additional security such as credit enhancement, insurance, or guaranties.~~
- (4) The unit of local government's debt management procedures and policies are good below average, or that reasonable assurances have not been given that its debt will henceforth be managed in strict compliance with law.
- (5) The private development forecast in the development financing plan would reasonably occur without the public projects to be financed by the project development financing debt instruments.
- (6) The proposed project development financing debt instruments can not be marketed at reasonable interest cost to the issuing unit.

(7) The issuing unit has not, pursuant to G.S. 160A-515.1 or G.S. 158-7.3, adopted a development financing plan for the development financing district for which the instruments are to be issued.

(8) Taxes on the incremental valuation accruing to the development financing district, together with any other revenues available under G.S. 159-110, will be insufficient to service the proposed project development financing debt instruments.

(9) Taxes on the incremental valuation accruing to the development financing district, together with any other revenues available under G.S. 159-110, would not be significantly higher than property tax revenues that would have existed in the development financing district absent the proposed project development financing debt instruments.

(10) A private entity that would manage, own, or in any way be significantly involved in the operation of the proposed projects or the forecast development has inadequate experience or fails to meet other appropriate criteria and qualifications necessary for the projects.

(11) The issuing unit did not have an open and competitive process to identify a private entity that would be significantly involved in the operation of the proposed projects.

(12) Terms for a contract or lease between the unit of local government or its agents and a private entity that would be significantly involved in the operation of the proposed projects includes compensation or benefits provided to the private entity that are unreasonable.

(13) There are inappropriate conflicts of interest, such as government officials benefiting financially from the issuance of the project development financing debt instrument issue.

(14) The proposed development financing district does not meet the applicable requirements pursuant to G.S. 158-7.3(c) or G.S. 160A-515.1(b).

(c) In determining whether to approve a proposed project development financing debt instrument issue, the Commission shall place the burden on the issuing unit to demonstrate why approval is appropriate. The Commission shall do a careful and objective review of the application, shall make the findings described in G.S. 159-105(b)(1)-(14), and if necessary, shall identify independent experts to assist in the review.

§ 159-106. Order approving or denying the application.

(a) After considering an application, the Commission shall enter its order either approving or denying the application. An order approving an issue is not an approval of the legality of the debt instruments in any respect.

(b) Unless the debt instruments are to be issued for a development financing district for which a project development financing debt instrument issue has already been approved, the day the Commission enters its order approving an application for project development financing debt instruments is also the effective date of the development financing district for which the instruments are to be issued.

(c) If the Commission enters an order denying the application, the proceedings under this Article are at an end.

(d) After the order has been entered, the order and all materials provided to it under G.S. 159-104 shall promptly be made available to the public on the Commission's web site.

III. City and County Due Diligence

§ 158-7.3. Development financing.

(d) Development Financing Plan. – The development financing plan must include all of the following:

- (1) A description of the boundaries of the development financing district.
- (2) A description of the proposed development of the district, both public and private.
- (3) The costs of the proposed public activities.
- (4) The sources and amounts of funds to pay for the proposed public activities.
- (5) The base valuation of the development financing district.
- (6) The projected incremental valuation of the development financing district.
- (7) The estimated duration of the development financing district.
- (8) A description of how the proposed development of the district, both public and private, will benefit the residents and business owners of the district in terms of jobs, affordable housing, or services.

- (9) A description of the appropriate ameliorative activities which will be undertaken if the proposed projects have a negative impact on residents or business owners of the district in terms of jobs, affordable housing, services, or displacement.
- (10) A requirement that the initial users of any new manufacturing facilities that will be located in the district and that are included in the plan will comply with the wage requirements referred to in subsection (e) of this section.
- (11) The taxes on the incremental valuation accruing to the development financing district, together with any other revenues available under G.S. 159-110.
- (12) Property tax revenues that would have existed in the development financing district absent the proposed project development financing debt instruments.
- (13) Government services that likely would not be funded in the development financing district and the entire issuing unit as a result of the project development financing debt instruments.
- (14) The costs of alternative financing options. In making this calculation, interest, fees, and all other financing costs must be considered.
- (15) The priority of the public improvement project before the issuing unit considered the project development financing debt instruments. In making this determination, the priority of the public improvement project shall be considered in relation to other public projects.

§ 160A-515.1. Project development financing.

(c) Development Financing Plan. – The development financing plan must be compatible with the redevelopment plan or plans for the redevelopment area or areas included within the district. The development financing plan must include all of the following:

- (1) A description of the boundaries of the development financing district.
- (2) A description of the proposed development of the district, both public and private.
- (3) The costs of the proposed public activities.
- (4) The sources and amounts of funds to pay for the proposed public activities.
- (5) The base valuation of the development financing district.
- (6) The projected incremental valuation of the development financing district.
- (7) The estimated duration of the development financing district.
- (8) A description of how the proposed development of the district, both public and private, will benefit the residents and business owners of the district in terms of jobs, affordable housing, or services.
- (9) A description of the appropriate ameliorative activities which will be undertaken if the proposed projects have a negative impact on residents or business owners of the district in terms of jobs, affordable housing, services, or displacement.
- (10) A requirement that the initial users of any new manufacturing facilities that will be located in the district and that are included in the plan will comply with the wage requirements in subsection (d) of this section.
- (11) The taxes on the incremental valuation accruing to the development financing district, together with any other revenues available under G.S. 159-110.
- (12) Property tax revenues that would have existed in the development financing district absent the proposed project development financing debt instruments.
- (13) Government services that likely would not be funded in the development financing district and the entire issuing unit as a result of the project development financing debt instruments.
- (14) The costs of alternative financing options. In making this calculation, interest, fees, and all other financing costs must be considered.
- (15) The priority of the public improvement project before the issuing unit considered the project development financing debt instruments. In making this determination, the priority of the public improvement project shall be considered in relation to other public projects.