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**CDFA Tax Increment Finance Course**

**Case Studies: A Look at TIF, Special Districts, Credits  
& Overlays**

**By:  
Ken Powell  
Richmond, VA**

**Washington, D.C. - July 18, 2008**



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# TIF Overlays

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Placing one revenue source on top of another.

Reasons:

1. Strengthens Transaction
2. Provides Political Cover
3. Transfers Responsibility for Success to Developers / Landowners

Examples:

1. Single Overlay
2. Complex Overlay
3. Rolling Overlay

**Chart I**  
**Incremental Real Estate Taxes**  
**Without TIF Improvements**  
**(2% Growth Assumption)**

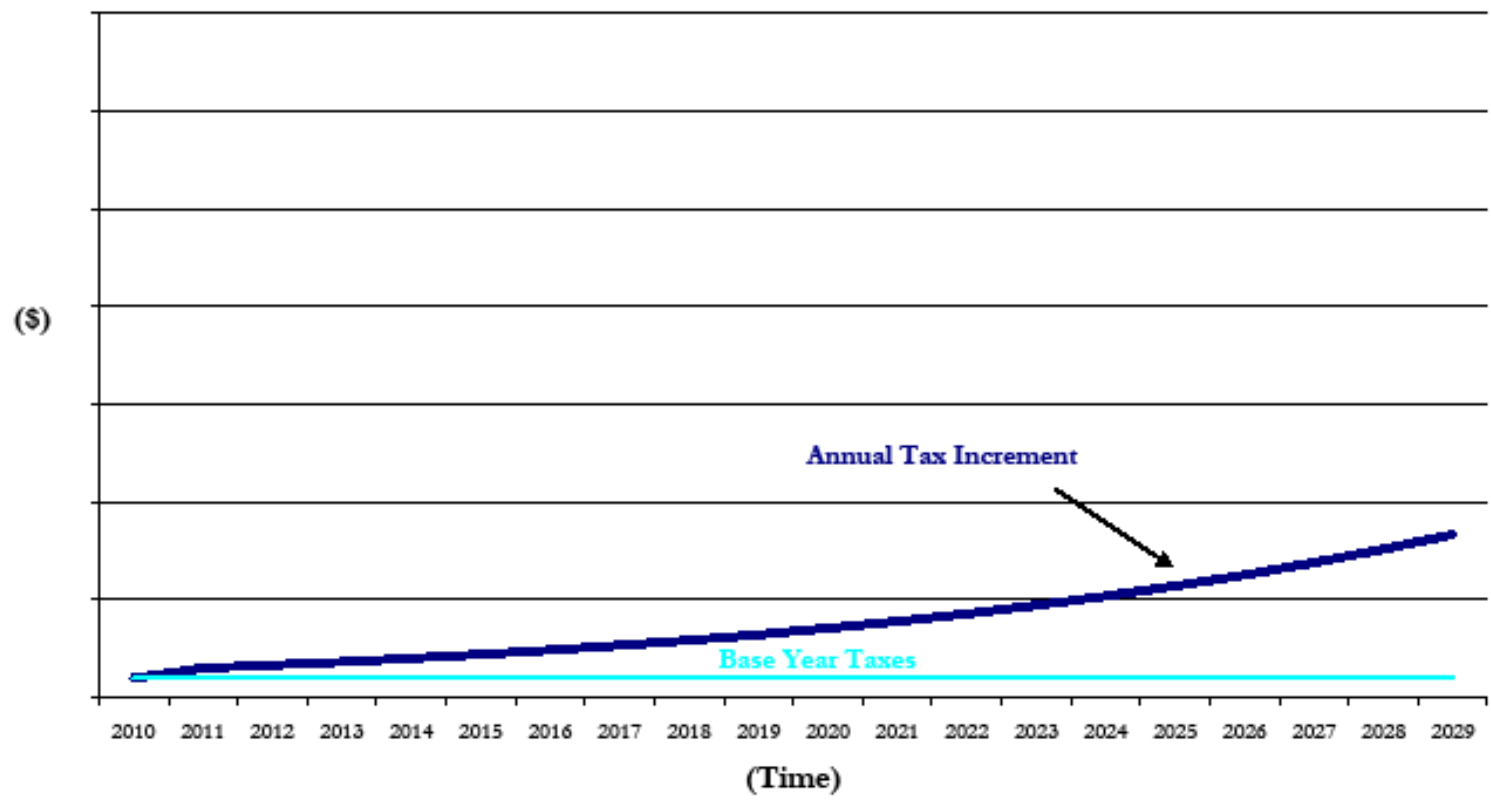


Chart II  
Incremental Real Estate Taxes  
With TIF Improvements  
(2% Growth Assumption)

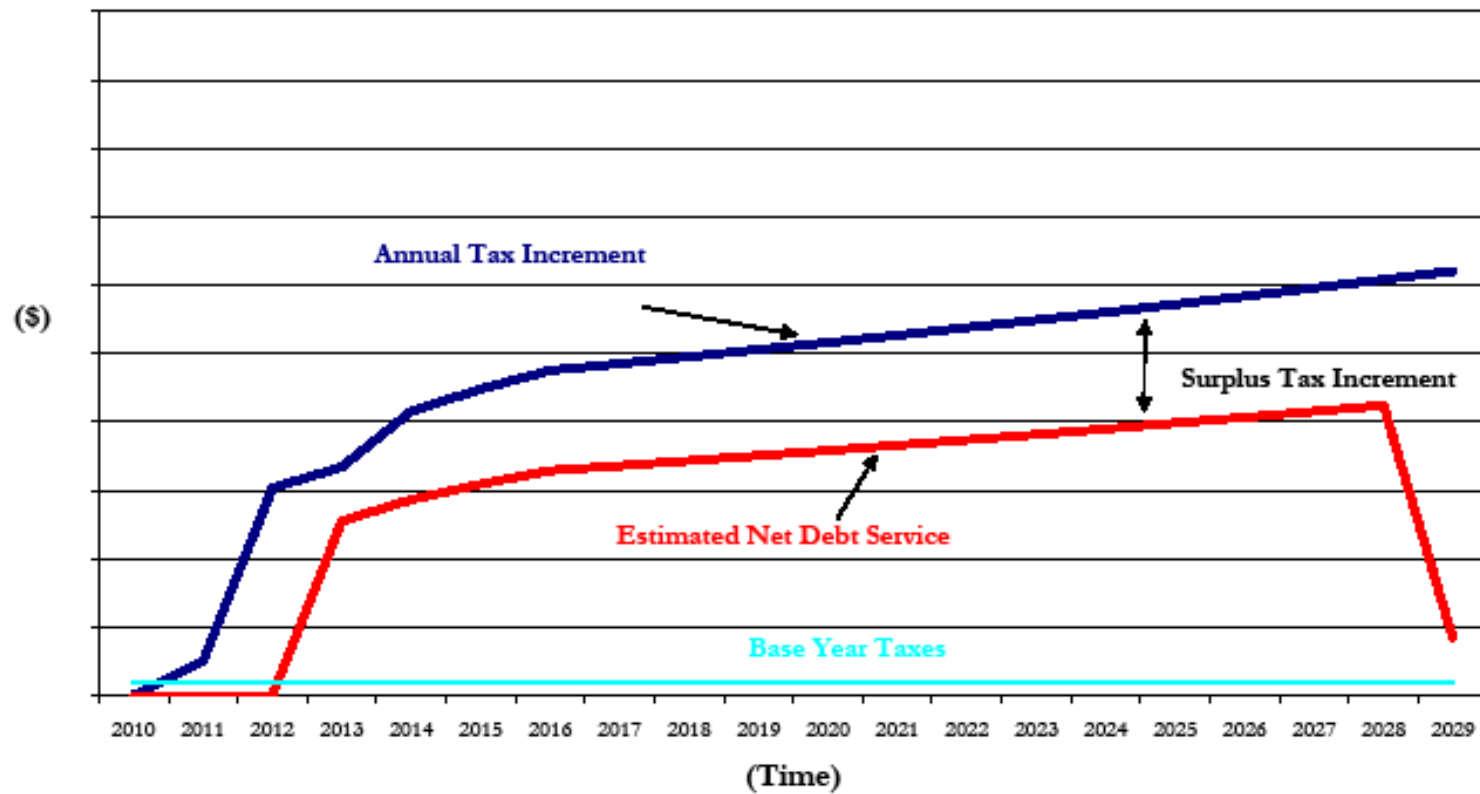
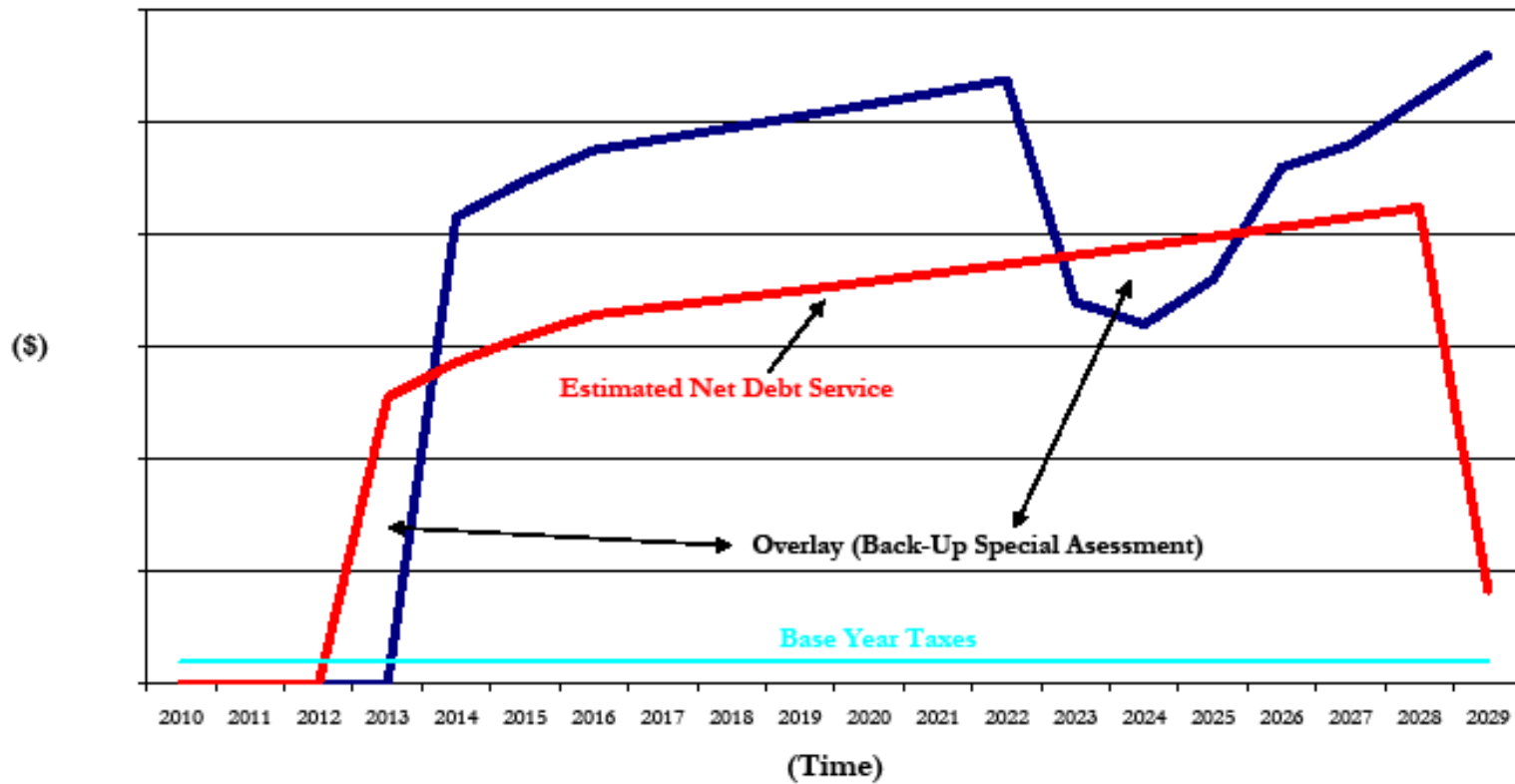


Chart III  
Incremental Real Estate Taxes  
With TIF Overlay  
(2% Growth Assumption)



## Simple Overlay

# The Shops at White Oak Village (Henrico County, Virginia) October 2007

Bond Issue:	<b>\$23,870,000 The Shops at White Oak Village Community Development Authority Special Assessment Revenue Bonds, Series 2007</b>
Term:	<b>10 Years</b>
Location:	<b>Henrico County, VA</b>
Development:	<b>136 acre open-air regional retail center and outparcel development totaling 870,000 sq. ft. Anchored by Lowe's, Sam's Club, Target, likely J.C. Penney 150-room Hyatt Place hotel</b>
Developers:	<b>Forest City Enterprises, Inc.</b>
Use of Proceeds:	<b>Public infrastructure improvements including mass earthwork, roads, off-ramps, general landscaping, public plaza landscaping, lighting, parking facilities, retaining walls, traffic lights, turn lanes, sanitary sewers, pavers and sidewalks, storm sewers, utilities, and water lines.</b>
Primary Security:	<b>Special Assessments for 100% of debt service with credit for TIF revenues (Incremental Real Estate Taxes, County Sales Tax Levy, Personal Property and BPOL Taxes).</b>
Special Features:	<ul style="list-style-type: none"><li>▪ <b>Alleviates previously underserved retail market in Eastern Henrico County.</b></li><li>▪ <b>Second time that Forest City and Henrico County have collaborated on a CDA.</b></li></ul>



# Simple Overlay

## The Shops at White Oak Village (Henrico County, Virginia) October 2007



DATE AND REVISIONS

NO.	DATE	DESCRIPTION
1	10-26-07	ISSUE
2	11-15-07	REVISION
3	12-12-07	REVISION
4	01-08-08	REVISION

FORESTCITY  
COMMERCIAL GROUP



RICHARD L. BOWEN  
ASSOCIATES INC.  
ARCHITECTS

NOTICE

The Shops at White Oak Village  
Interstate 64 & Laburnum Avenue  
Henrico County, Virginia

DRAWING NO. SP-1



## Complex Overlay

# Peninsula Town Center (Hampton, Virginia) September 2007

Bond Issue:	<b>\$92,850,000 Peninsula Town Center Community Development Authority Special Obligation Bonds, Series 2007</b>
Term:	<b>30 Years</b>
Location:	<b>Hampton, VA</b>
Development:	<b>1,154,000 square feet mixed-use development Anchored by J.C. Penney, Macy's, and likely Target Also, restaurants, office, specialty stores and residential 2,250 parking spaces</b>
Developers:	<b>Mall Properties, Inc. and Steiner + Associates</b>
Use of Proceeds:	<b>Public infrastructure improvements including roads, water and wastewater improvements, landscaping, parking structure, sidewalks, parks and acquisition of land.</b>
Primary Security:	<b>Incremental tax revenues (including real property, sales, meals and amusement taxes), special retail assessment, special property tax and back-up special assessment</b>
Special Features:	<ul style="list-style-type: none"><li>▪ <b>Saved City of Hampton's largest taxpayer.</b></li><li>▪ <b>Largest non-rated special district financing in Virginia.</b></li><li>▪ <b>First special retail assessment (sales tax within district) in Virginia.</b></li><li>▪ <b>Unique blend of pledged revenues.</b></li></ul>

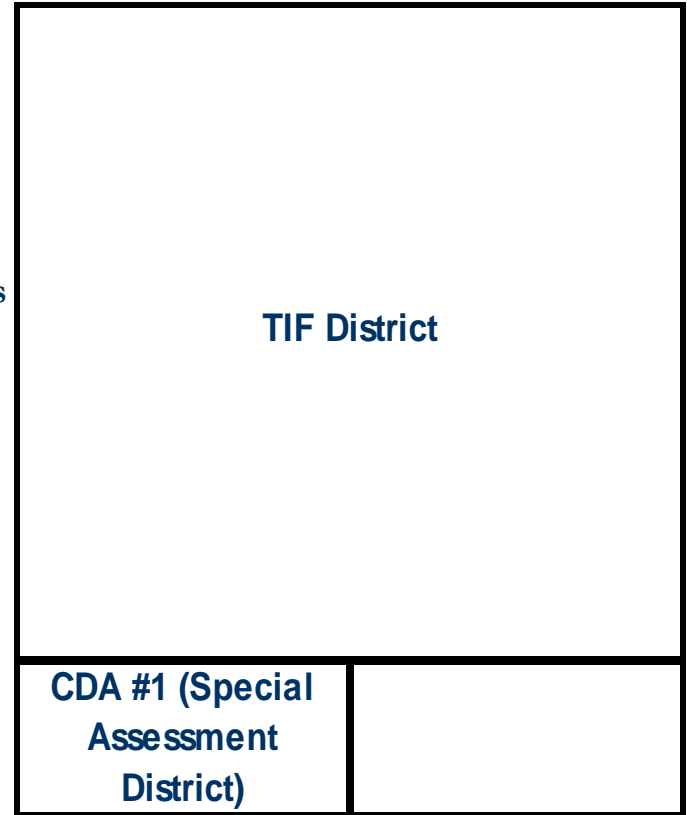


# Peninsula Town Center (Hampton, Virginia) September 2007



# Complex Overlay

## Hypothetical CDA



Bond Issue: **\$50,000,000 Tax Increment Revenue Bonds, Series 2008A and Series 2008B**

Location: **Approximately 30 acres of urban, waterfront industrial property**

Development: **High-Rise and Townhome Condominiums  
High-Rise Apartments  
Public Marina  
Restaurants and Office  
900 space public parking garage**

Use of Proceeds: **Public infrastructure improvements including roads, water and wastewater improvements, landscaping, parking structure, sidewalks, public park improvements.**

Primary Security: **Incremental real property tax revenues from overall TIF District and CDA District with back-up special assessment.**

Special Features:

- **Overall TIF District larger than CDA District**
- **TIF revenues allocated to pay debt service on initial CDA debt until project within CDA generates sufficient tax revenues to pay debt service. Then, TIF revenues roll on to subsequent CDA project within TIF district.**
- **Transformation of urban, waterfront, industrial property into mixed-use residential development**
- **Provides public infrastructure solution for land with environmental concerns**

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