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## The Latest Community Engagement Strategies for TIF

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**BNY MELLON**



# The Latest Community Engagement Strategies for TIF



## Brendan Barry

Coordinator, Research & Technical Assistance  
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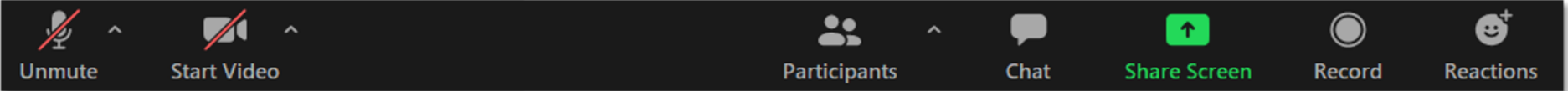
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# The Latest Community Engagement Strategies for TIF



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## Joe Gromacki

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# The Latest Community Engagement Strategies for TIF



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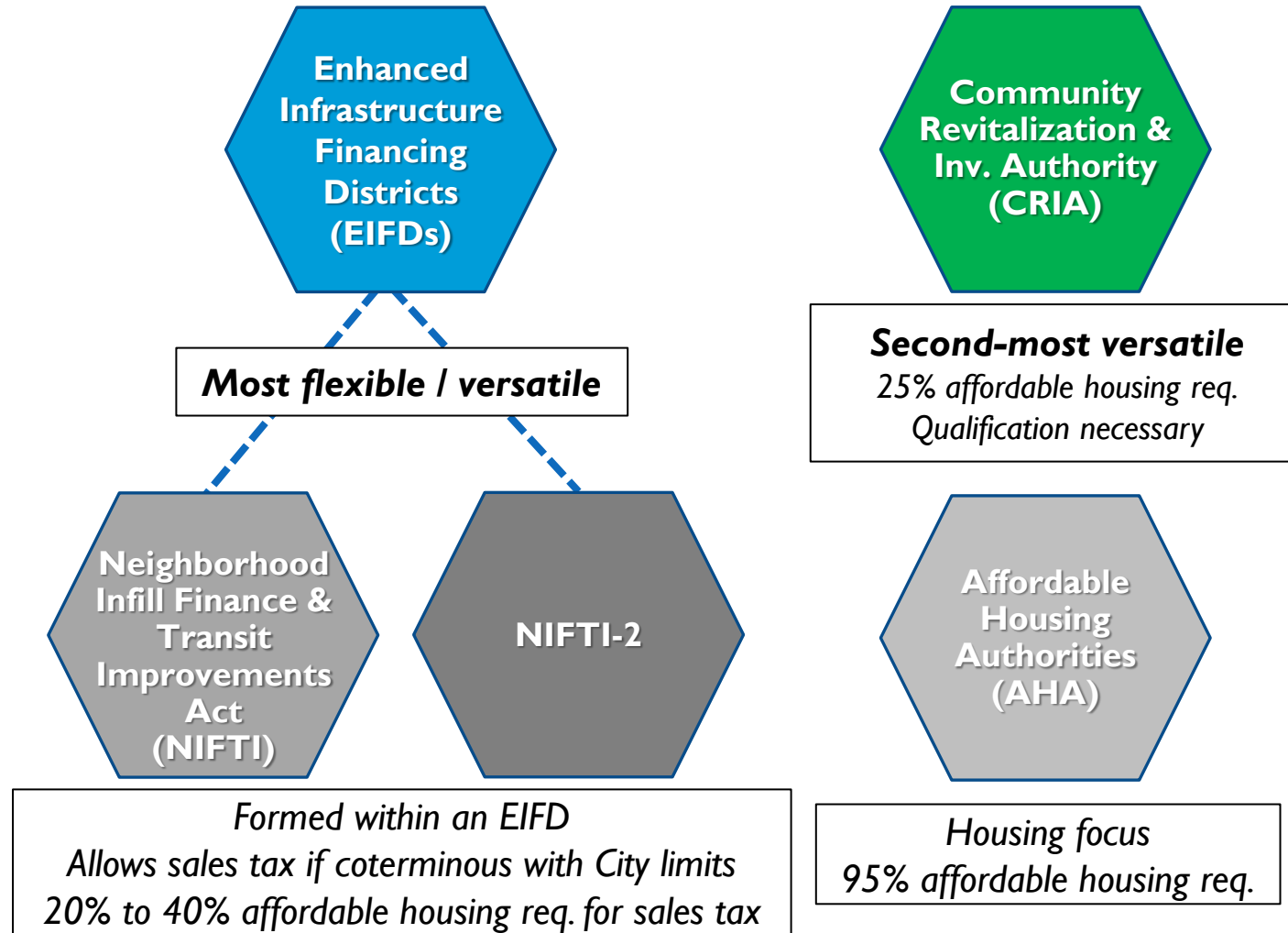
# The Latest Community Engagement Strategies for TIF



## Joe Dieguez

Senior Vice President  
Kosmont Companies

# Tax Increment Financing (TIF) in California





# EIFD Fundamentals

<b>Long Term Districts</b>	45 years from first bond issuance; can be formed in 12-18 months
<b>Governance</b>	Public Financing Authority (PFA) implements Infrastructure Financing Plan (IFP)
<b>Approvals</b>	Mandatory public hearings for formation with protest opportunity; no public vote
<b>Non-contiguous Areas</b>	EIFD project areas <u>do not have to be contiguous</u>
<b>Eligible Projects</b>	Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and <u>maintenance</u>

**Does NOT increase property taxes**

# CRIA Fundamentals

<b>Term</b>	30 years to issue debt; 45 years to repay
<b>Governance</b>	Public agency separate from the city, county that created it; implements governing document (CRIA Plan)
<b>Eligibility</b>	City or County that meets disadvantaged community definitions (median income, unemployment, crime, deterioration)
<b>Approvals</b>	Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt
<b>Eligible Projects</b>	Infrastructure, affordable housing, remediation, acquire and transfer property (incl. via <b>eminent domain</b> ), loans and grants to property owners and businesses; 25% affordable housing set aside

**Does NOT increase property taxes**

# Types of Projects EIFD Can Fund

## *Partial List*



**Water / Sewer / Storm / Flood**



**Roadway / Parking / Transit**



**Parks / Open Space / Recreation**



**Childcare Facilities & Libraries**



**Brownfield Remediation**



**Affordable Housing**



**Broadband**



**Wildfire Prevention / Other  
Climate Change Response**



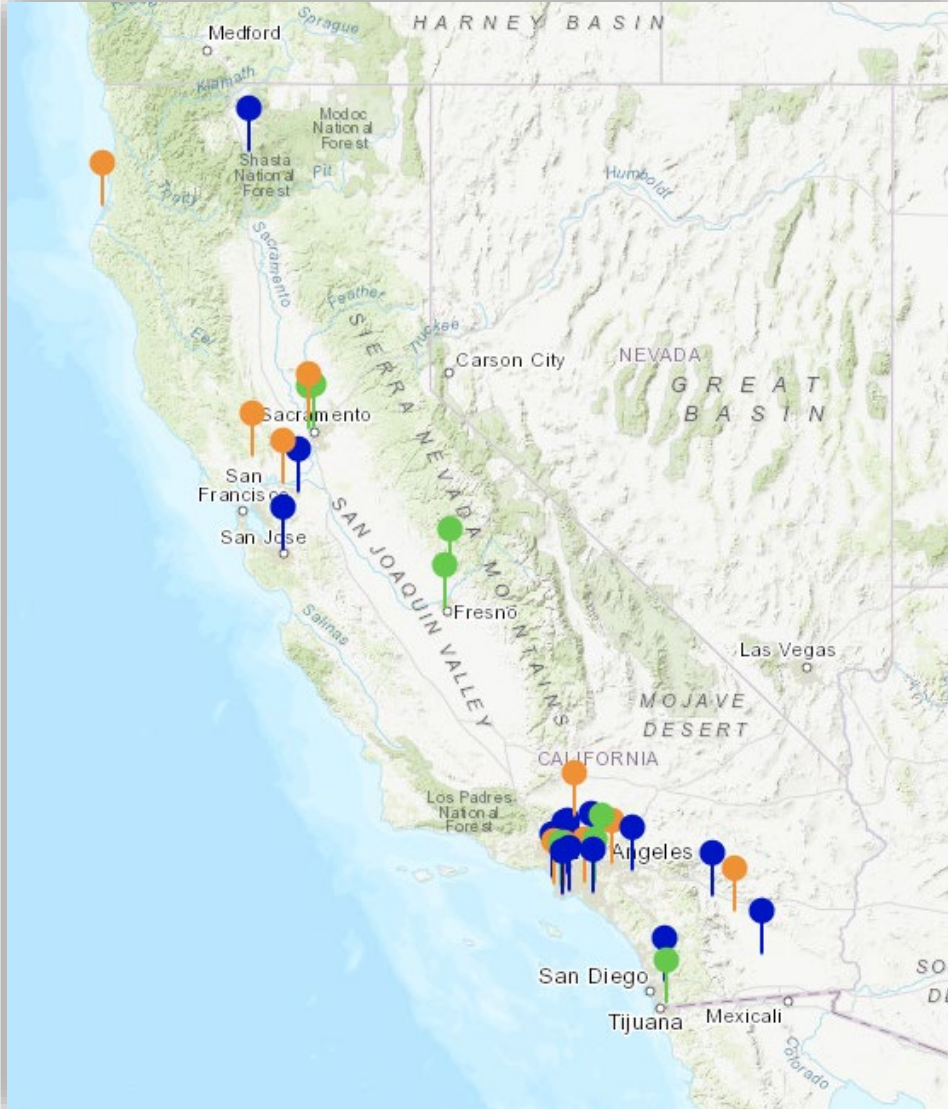
**Small Business /  
Nonprofit Facilities**

# Why are Public Agencies Authorizing EIFDs?

1. Return on Investment: Private sector investment induced by district commitment on a “but for” basis accelerates growth of **net fiscal revenues, job creation, housing production, essential infrastructure improvements**
2. Ability to attract additional funds (“OPM”) – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)

# Kosmont TIF Districts in Progress Statewide

## (Partial List)



Jurisdiction	Purpose
Azusa	Housing and transit-supportive infrastructure
Brentwood	Housing and transit-supportive infrastructure
Buena Park	Mall reimagination, housing-supportive infrastructure
Carson + L.A. County	Remediation, housing infrastructure, recreation
Coachella Valley Association of Govts (CVAG) Cities	Housing and transit-supportive infrastructure
Covina	Housing and transit-supportive infrastructure
El Cajon	Housing and transit-supportive infrastructure
El Segundo + L.A. County	Various infrastructure, regional connectivity
Fairfield	Housing and transit-supportive infrastructure
Fontana	Housing, mixed-use and industrial infrastructure
Fresno	Housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use & energy supportive infrastructure
Indian Wells	Housing and tourism-supportive infrastructure
Imperial County	Housing and greenfield infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Long Beach (Multiple Areas)	Housing and transit-supportive infrastructure
Los Angeles (Downtown, San Pedro)	Housing and transit-supportive infrastructure
Los Angeles County Uninc. West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Greenfield infrastructure (water / sewer)
Modesto + Stanislaus County	Housing, transit, recreation-supportive infrastructure
Mount Shasta + Siskoyou County	Rural Brownfield site mixed-use infrastructure
Napa	Housing and transit-supportive infrastructure
Oakland	Affordable housing and housing-supportive infrastructure
Ontario	Housing and transit-supportive infrastructure
Palmdale + L.A. County	Housing and transit-supportive infrastructure
Pittsburg	Housing and transit-supportive infrastructure
Placentia + Orange County	Housing and transit-supportive infrastructure
Rancho Cucamonga	Housing and transit-supportive infrastructure
Redlands	Housing and mixed-use supportive infrastructure
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside	Housing and transit-supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Bernardino County (Unincorporated)	Transit-supportive infrastructure
San Jose	Housing and transit-supportive infrastructure
Sanger	Housing and commercial supportive infrastructure
Santa Ana	Housing and transit-supportive infrastructure
South Gate	Housing and transit-supportive infrastructure
West Santa Ana Branch Transit Corridor Cities	Housing and transit-supportive infrastructure
Yucaipa	Housing and transit-supportive infrastructure

Fully Formed	In Formation Process	Under Evaluation
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# Community Engagement Considerations & Lessons Learned

1. Targeted stakeholder briefings vs. broader public workshops / community meetings
2. Focus broader outreach on projects (i.e., not boundaries or percentage allocations)
3. Compare TIF scenario to “do-nothing” scenario (defensibly)
4. Address “return on investment” for the community
5. Customize messaging (e.g., “housing and sustainability districts”, “anti-displacement districts”, “economic innovation districts”)
6. Pursue “captive audiences” where they already meet
7. Elected official champions
8. Zoom polling and other tools

THANK YOU

Questions?

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# The Latest Community Engagement Strategies for TIF



## Brian Vosburg

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# FORMER AMC HQ REDEVELOPMENT: LESSONS LEARNED

CDFA // BNY Mellon Development Finance Webcast Series

- The Latest Community Engagement Strategies for TIF

Tuesday, August 16, 2022



# TIF In Michigan & Detroit



- **State of Michigan enables local governments to offer tax incentives**
  - The use of TIF requires the creation of a local Authority with an appointed Board of Directors
    - Detroit Economic Growth Corporation manages the City's TIF Authorities:
      - Downtown Development Authority
      - Corridor Improvement Authority
      - Brownfield Redevelopment Authority
- **Detroit Brownfield Redevelopment Authority (DBRA) – only TIF authority that is city-wide**
  - Creates TIF district via Brownfield Plan approval for parcels being redeveloped
    - Reimbursement of budgeted Eligible Activities on Qualified Property
      - Facility, but also Blighted, Functionally Obsolete, or Historic
      - 30 years max, or full reimbursement, whichever occurs first.

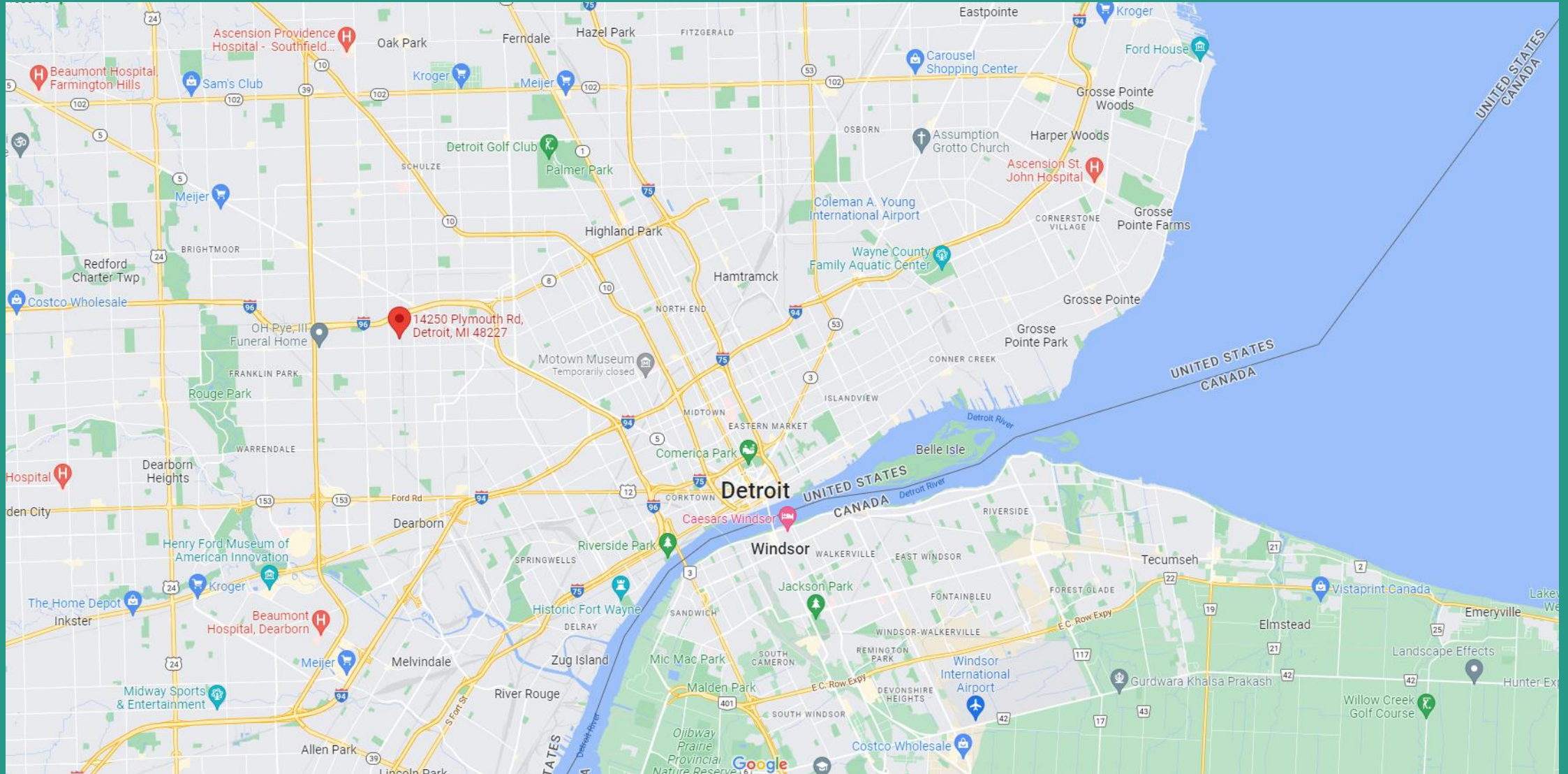


# Former AMC HQ Redevelopment

**PUBLIC ACT  
381**



# Former AMC HQ Redevelopment | LOCATION MAP



# Former AMC HQ Redevelopment | LOCATION MAP



# Former AMC HQ Redevelopment | HISTORY

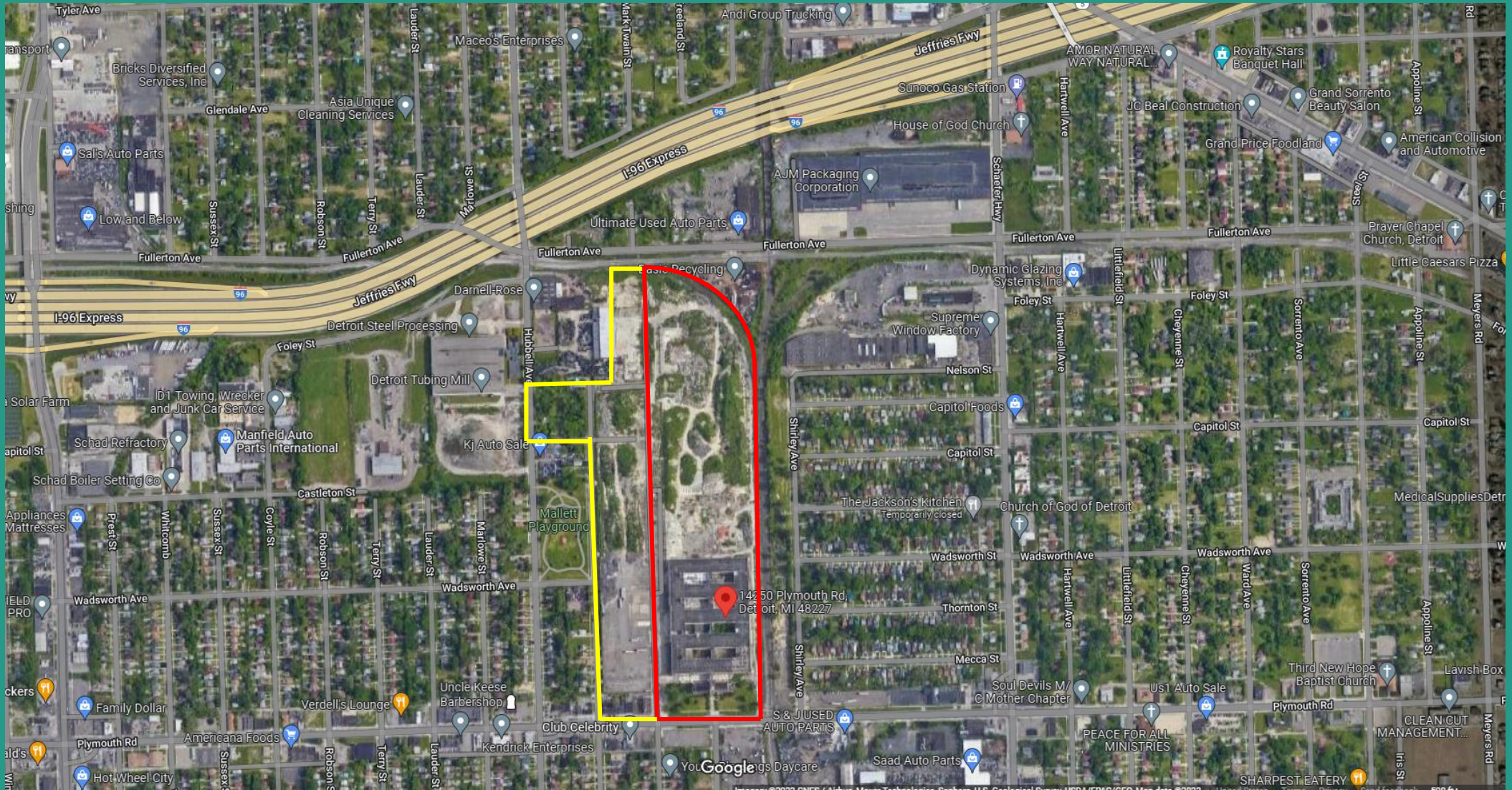


# Former AMC HQ Redevelopment | HISTORY





# Former AMC HQ Redevelopment | EXPANDED SITE





# Former AMC HQ Redevelopment | PREDEVELOPMENT

- **Community Engagement Process**

- City took title 5 years ago
- Long before any requested approvals:
  - Listening to community groups during 4 year pre-development process:
    - Frustrations with conditions of site & stopping illegal activity
    - City following up on commitments to secure & patrol site, begin debris cleanup
    - Identifying acceptable end uses
    - Letting prospective developers know about neighborhood requests
- Already a robust statutorily mandated public process for tax incentives and other public approvals
  - Knew that this project would require considerably more than the statutory minimum
- COVID changed the way the City and community interacts
  - Virtual and hybrid meetings
  - More engaged public
  - Community has deeper understanding of policy and process and is well researched
    - Federal, State & City laws
    - Urban planning trends
    - Environmental concerns and latest research



## Former AMC HQ Redevelopment | APPROVAL PROCESS

- **December 2021 mayoral announcement & DBRA Board approval of Development Agreement w NorthPoint**
- 3 City sponsored community meetings
- Dozens of block club, church, community group, etc. meetings that NorthPoint attended
- 6 Public hearings
- 5 DBRA Board and Committee votes and approvals at separate meetings
- 7 City Council votes and approvals at separate meetings
- 1 State board approval
- Dozens of public comments spoken and emailed
  - Everyone supported the redevelopment of this blighted site
  - Also raised criticisms and concerns
  - Direct responses to community and City Council questions
- **July 2022 completion of all City and State approvals required for \$72M redevelopment**

# Former AMC HQ | PROPOSED REDEVELOPMENT



# Former AMC HQ | PROPOSED REDEVELOPMENT





## Former AMC HQ Redevelopment | OUTCOMES

- **50 acre site w. \$36M in contamination & demolition cleaned up w. very little upfront cost to the City**
  - Only City upfront costs are ~\$400k in environmental studies, and staff time
  - \$5.4M of the \$5.9M purchase price can be credited to NorthPoint for demolition & remediation work.
    - \$500k minimum required to be paid is City's cost for additional land assembly
  - \$15M in net new taxes generated over 30 years (the life of the longest tax incentive)
- **NorthPoint voluntarily made legally binding commitments to fulfill community requests**
  - Community input on site plan and screening
  - Park improvements
  - Resident sewer line repairs
  - Truck route and site plan only allows trucks on main commercial/industrial streets w. direct Interstate access
  - Significant city-resident hiring requirements for the 100 construction and 400 permanent jobs
  - Memorial to history of the site
  - Community groups know the development team and how to contact them
- **Ongoing monitoring and community feedback during construction and tenant operations**
  - City monitoring and certifying of commitments made in Developer's agreements with clawbacks
  - State environmental compliance monitoring

# QUESTIONS?

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# The Latest Community Engagement Strategies for TIF



## Joe Gromacki

TIF Coordinator  
City of Madison, WI



# CITY OF MADISON TIF COMMUNITY ENGAGEMENT STRATEGIES

Presented by:

Joe Gromacki, TIF Coordinator

Economic Development Division

City of Madison, Wisconsin

Council of Development Finance Agencies (CDFA)

August 16, 2022



# MADISON, WISCONSIN AND TIF

- Population: 258,366
- Wisconsin State Capitol and University of Wisconsin - Madison
- 48 TIDs created since 1977
- 13 active TIDs
- \$165 million of TIF invested in 95 projects
- \$2.9 billion of value growth in active TIDs
- More info on TIF available at:

<http://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/>



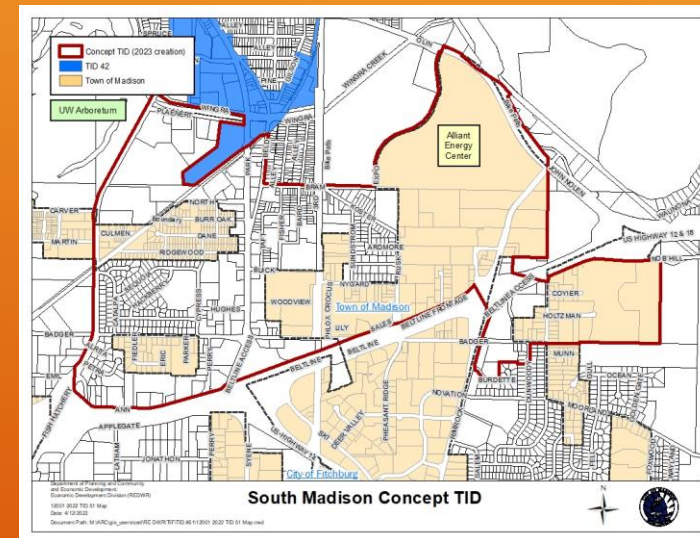
# CIVIC TRADITION

- Madison has a long tradition of civic involvement. Being home to the University of Wisconsin and the Wisconsin State Capital, hardwires this into Madison's DNA.
- The neighborhood association meeting, public hearings, urban design review, historic preservation and other special meetings are a way of life for most citizens and developers.
- Attendance at these meetings is typically robust.
- In TIF terms, the first tier of public engagement begins:
  - At the inception of a neighborhood plan in which TIF is proposed.
  - When a new TID is proposed around a high-profile project.
  - Often, neighborhood stakeholders request a "TIF 101" presentation.
  - The City publishes all TIF Project Plans, maps and audits on its website.
- In some cases, this approach has had mixed results.
  - In sensitive areas, projects can become politicized and divisive among neighborhood stakeholders.
  - Protracted debate, questioning and fact-finding created long project delays.
  - The biggest challenge is to develop stakeholders' trust through education and engagement.




# SOUTH MADISON REVITALIZATION

- At the end of 2022, the City of Madison will annex the Town of Madison to its corporate limit fulfilling an annexation agreement established in 2003.
- Much of this annexed area is located in South Madison, along the South Park Street Corridor.
- Historically, South Madison has been a diverse melting pot of race and ethnicity.
- The area has struggled through decades of neglect, the destructive impact of 1960s urban renewal and systemic racism.
- The City plans to create TID #51 in 2023 to make a substantial investment in South Madison's revitalization.
- The TID is forecasted to be the largest TID in Madison history, comprising over 850 parcels and investing about \$100 million in the area.
- Due to the large-scale investment and sensitivity to the existing population of stakeholders, Madison is taking a new approach toward community engagement.
- **University of Wisconsin – Madison Population Health Institute** and the City will partner in a ten-year commitment called the “**Census to Census Study.**”



# SOUTH MADISON CENSUS TO CENSUS STUDY

- A contract between the City of Madison and UW-MPHI
  - UW-MPHI will survey South Madison residents each year for the period of 2021- 30
  - Aim is to measure the impact of the TID to determine if City investment has a positive, negative or neutral impact upon South Madison residents
  - The study will monitor the following among a group of South Madison residents:
    - Tenure
    - Income Level
    - Property Ownership Status
    - Income/Wealth Changes Over Time
    - Displacement Pressures
    - Barriers and facilitators of TIF-funded programs
  - ▶ Each year, survey results will be considered with capital budgeting decisions for infrastructure and program investments.
- 

# THANK YOU

Joe Gromacki

TIF Coordinator

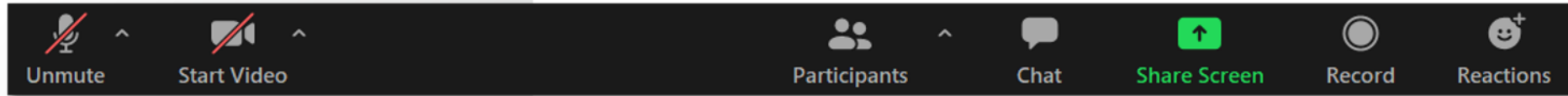
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# Audience Questions



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### **CDFA Federal Financing Webinar Series: Funding Community Energy Needs with the Department of Energy**

Tuesday, August 23, 2022 // 2:00 - 3:00 PM Eastern

### **CDFA // BNY Mellon Development Finance Webcast Series: Deploying Capital in Native Communities**

Tuesday, September 13, 2022 // 2:00 - 3:00 PM Eastern

### **CDFA Ohio Financing Roundtable**

September 14, 2022 // Columbus, OH

### **CDFA National Development Finance Summit**

November 2 - 4, 2022 // Denver, CO



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