

## Special Focus: Tax Increment Financing (TIF) Assignments

Staff at BBP LLC have extensive experience and expertise in tax increment financing (TIF), a financial tool based on future tax revenue within a designated area. TIF is becoming ever more popular as a primary method to municipalities in funding community improvement projects and providing economic incentives to future private and public/private development endeavors. These methods are brought about by bond financing and/or appropriation of funds generated through tax increment of existing properties and future real estate development. BBP LLC staff has experience in all aspects of TIF as required by our clients, including TIF analysis and the establishment of TIF districts.

TIF analysis by BBP LLC staff includes review of the current tax base, projections for future tax base growth, and calculation of maximum amount of bond financing available to the municipality. Analysis begins with BBP LLC staff collecting all tax assessment data for all parcels within the proposed TIF district, or TIF boundary area to determine the current assessed market value and total tax revenue generated within the CRA. Future tax base growth depends on existing commercial and residential developments and planned new development. The amount of bond financing is dependent upon budget forecasting in the initial years of TIF and eventual percentage of tax increment earmarked and allocated to redevelopment efforts.

Establishment of a TIF district – separate and/or included as part of initial TIF analysis – involves all necessary analysis, documentation and reports as required by state law for a municipality to execute its TIF powers. A TIF district is the area or single site in which tax increment revenue is collected for redevelopment purposes. TIF districts may be named tax allocation districts (TAD), community redevelopment areas (CRA), or redevelopment areas (RDA), depending upon the state. Required services may include documentation and analysis of economic conditions, an area's physical characteristics, and/or initial redevelopment goals and objectives within the TIF district. BBP LLC staff projects the amount of tax increment generated (by time-period), and the total amount of bond financing to be generated for redevelopment and/or community improvement initiatives.

The projects listed below include those managed and/or completed by senior BBP LLC staff, including assignments by Basile and Prost, when they were principals and senior technical staff at other consulting firms:



**Allegheny County, PA:** *Potato Garden Run TIF:* Evaluated the economic and market impacts related to the construction and annual operation of the development site services by the FTMA Potato Garden Run Sewer and Water Infrastructure Project; commented on the extent to which the project will add value to the local economy; and, provided commentary to the extent TIF funding could support redevelopment opportunities.



**Annapolis, MD:** *Park Place Project Economic Impact:* Prepared development impact assessments and TIF funding strategies which led to construction of Park Place; the project contains a 225 room Westin Hotel (with a Morton's Restaurant), a 208 unit condominium project, commercial/retail space and a 1,100 car parking garage funded with TIF financing.

**Bloomington, MN:** *Mall of America:* Packaged the Mall of America, the largest retail-entertainment center in the United States, which is located at the former Metropolitan Stadium site near the International Airport in suburban Minneapolis-St. Paul, Minnesota; guided developer solicitation and



negotiated development agreements acting as representative of the public landowner; TIF funds were used to fund capital and operating costs tied to public elements of this major commercial project.

**Cape May, NJ:** *Public Realm Improvement Plan:* Developed a public spaces vision plan based on significant public input from multiple stakeholder groups; the plan for public space improvements included innovative financing mechanisms, such as tax increment financing, community development authorities, business improvement districts and enterprise funds.

**Charleston, SC:** *Redevelopment Feasibility Study:* Prepared a market and economic feasibility study for the redevelopment of the former Cooper River Bridge site including an economic model to evaluate the feasibility of Tax Increment Financing (TIF) to fund public improvements. Recommended an expansion of the TIF district to include several new market-rate development projects in order to generate adequate cash flow to fund improvements.

**Chesapeake, VA:** *Greenbrier TIF District and Tax Increment Finance Analysis:* Assisted in the preparation of a Master Plan Study for the Greenbrier Tax Increment Finance (TIF) District, which is the largest mixed-use district in Hampton Roads; evaluated existing TIF land use assumptions and financial strategies and outlined real estate development opportunities and constraints within the TIF District; also prepared a financing plan for the TIF District which included funding analysis, multi-year cash flow analysis and developer solicitation approaches.

**Chesapeake, VA:** *South Norfolk Tax Increment Financing:* Undertook a detailed financial analysis of potential TIF revenues over a 20 year study period; evaluated alternative development scenarios, phasing and value increment for major redevelopment (industrial, mixed-use, commercial) valued in today's dollars at approximately \$400M.

**East Tampa, FL:** *Community Redevelopment Implementation Strategy:* Developed catalyst projects that could drive redevelopment and new investment in low-income neighborhoods. An intensive use of Tax Increment Financing was employed to spur projects, and to provide funding for important new infrastructure that included streets, roads, street and landscaping improvements, and an overall beautification of the core area of the community.

**Florence, SC:** *Downtown Revitalization Strategy:* A Tax Increment Finance (TIF) district was developed to fund infrastructure, and the real estate development community responded with significant investment in a wide range of projects including housing, restaurants, office space, and medical facilities.

**Jacksonville, FL:** *Southern Bell Project:* Assisted in the implementation and packaging of a 1M SF office tower and 1,400 car parking garage for the





Southern Bell Telephone Company; prepared an analysis of tax increment funds to be received over a 25 year period and provided documentation to support a bond issue to fund major public amenities and improvements.

**Jacksonville, FL: Prudential Insurance Project:** Performed several technical assessments essential to structuring a commitment to proceed with the regional headquarters for this major life insurance company that included a 780,000 SF office building and a 1,200 car parking garage financed in part through proceeds from a downtown TIF district.

**Jacksonville, FL: Jacksonville Redevelopment Program:** Retained to prepare redevelopment plans and calculate available TIF funding; provided testimony in the first Florida lawsuit testing TIF/redevelopment proposals prepared under Florida Statutes. The City's redevelopment agency implemented the redevelopment plans we assisted to prepare and used our TIF calculations in successful bond underwriting exercises.

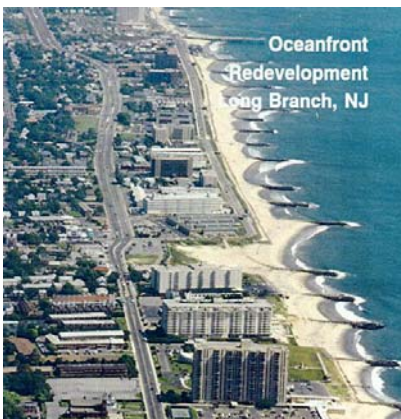


**Kansas City, MO: "But For TIF Analysis":** Performed a "But For" Tax Increment Financing (TIF) Analysis for the Three Trails TIF District. This analysis concerns a request for public financing by a Kansas City development group proposing a \$943.2M development program in and around the present site of the defunct 2.3M SF Bannister Mall.

**Las Vegas, NV: Real Estate Advisory Services:** Provided real estate advisory services related to the 61 acre Symphony Park redevelopment project on the western edge of downtown. A fiscal impact analysis was also conducted for the project, which included projected tax increment financing revenues over a 25 year period.



**Long Branch, NJ: Oceanfront-Broadway Redevelopment Program:** Redevelopment advisor for the past 13 years guiding this on-going urban redevelopment effort involving 142 acres of oceanfront and commercial corridor properties held by private owners. The redevelopment effort is divided into five projects: Beachfront North, Beachfront South, Pier Village, Hotel Campus and Oceanfront-Broadway. To date, four projects totaling over \$200M have been packaged comprising over 1,000 residential units, 100,000 SF of retail, parking structures and a beach club. Pipeline projects include more than 800,000 SF of retail, entertainment and residential space in Oceanfront-Broadway, and a 1.2M SF condo/hotel, residential, office and retail project along the City's boardwalk. Several TIF studies have been accomplished in the past decade.



**Macon, GA: Central Macon Economic Development Projects:** Provided an economic development plan for the central area of Macon; prepared a comprehensive revitalization plan and completed a TIF analysis focused on attracting new residential mixed-use developments combined with historic tourism.

**Marietta, GA: Livable Centers Initiative Study:** Created a plan to spur redevelopment around the planned Bus Rapid Transit (BRT) Station to redevelop a major corridor in the City and to encourage ridership on a planned BRT system in order to alleviate traffic congestion; this effort was an initiative sponsored and supported by the statewide Livable Centers Initiative (LCI).



Public/Private Development Advisors

**Orlando, FL: Real Estate Consulting Services:** Conducted the market analysis in support of a development program for city-owned parcels surrounding the proposed Dr. Philips Performing Arts Center in downtown Orlando. A TIF analysis showed projected revenues to the Community Redevelopment Agency of between \$1.4 and \$1.7 million annually at build-out. Development of private sector components is anticipated to take place between 2016 and 2020.



**Overland Park, KS: Urban Entertainment Center Retail Project:** Prepared a market and financial feasibility analysis for a retail and entertainment center that addressed spending patterns by residents, visitors and area employees, as well as regional and local market conditions. A capture rate analysis was prepared, retail sales projections were forecasted and a potential development program of over 400,000 SF of space was defined. The mixed-use project was funded in part through tax increment financing.



**Oviedo, FL: Community Redevelopment Plan:** Assisted the City of Oviedo in developing a Community Redevelopment Plan (CRP). The CRP covered all land areas and parcels assigned to the Community Redevelopment Area as documented by “findings of necessity” – or slum and blight conditions – defined and set forth in Florida Statutes. The CRP applied tax increment financing (TIF) to provide financial support to the city’s revitalization efforts, including a new multi-use town center.

**Paterson, NJ: Waterfront Development Strategy:** Identified market support for catalyst project opportunities; demonstrated financial feasibility for these projects; and, worked with business improvement district specialists to prepare the framework for tax increment financing to fund infrastructure improvements.

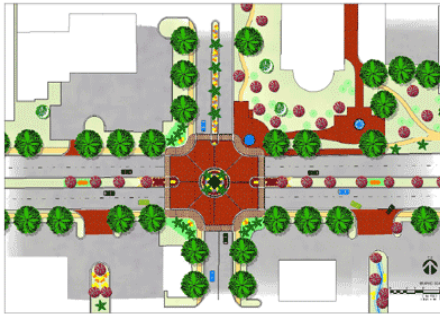


**Pierce County, WA: Pierce County Transit Park & Ride:** Evaluated innovative financing/funding mechanisms including: public/private partnerships, joint development, transit-oriented development, and tax increment financing (TIF) for the development of a series of major Park and Ride facilities in suburban Tacoma, WA. The program which was adopted by the transit agency emphasized near-term projects involving Park and Ride facilities and limited private sector convenience—related service.

**Pittsburgh, PA: Shannon Transit Village Market Study:** Conducted an economic and market impact analysis as part of tax increment financing for a Transit-Oriented Development (TOD) project located at the Castle Shannon light rail stop in the South Hills area.



**Powder Springs, GA: Downtown Redevelopment Plan and TAD Analysis:** Assisted the City to establish a downtown redevelopment plan and a tax allocation district (TAD) after a successful voter referendum; services included strategic planning, marketing assessments, residential and retail market analysis, and tax increment financing and TAD financial analysis. The redevelopment effort by the City was sponsored and supported by the statewide Livable Centers Initiative (LCI).



Barton Boulevard & Huntington Lane Intersection  
Barton Boulevard Intersection Enhancement Plan

**Rockledge, FL:** *Corridor Economic Development Strategy:* Conducted an economic environment analysis and prepared an economic development strategy that focused on the Barton Boulevard commercial corridor that included a funding strategy prepared using TIF revenues from the CRA.

**Tulsa, OK:** *Long-Range Transit Systems:* As part of a multidisciplinary team, addressed a series of financing and funding options. This analysis included identification of the economic development and real estate benefits of transportation alternatives. Additional evaluation was made of tax increment financing, value capture mechanisms and special benefit assessment.

**Washington, DC:** *Capitol Hill Towers Project:* Prepared a project feasibility and TIF analysis evaluation for a mixed-use development with a 200 room Courtyard by Marriott hotel; a 13 story, 344 unit apartment tower; and 9,000 SF of retail, a 232 space parking garage; Capital Hill Towers was the District's first tax-increment-financed and approved project outside of downtown and also was the first public housing project in the District to receive TIF funding.



**Washington, DC:** *Great Streets TIF Projects:* Provided technical assistance and financial evaluation services to the District of Columbia in evaluating developer responses for \$95M in available Tax Increment Financing (TIF) funds for proposed projects in the designated Great Streets corridors. Also provided counsel at meetings with the developers and the Deputy Mayor's office to suggest modifications to project assumptions and deal structure so that proposals would meet TIF program requirements.

**Washington, DC:** *Gallery Place Project:* Assisted a private developer to successfully win the international solicitation for the Gallery Place transit-oriented development; the project, which received \$75M in TIF includes 230,000 SF of Class A office space, 250,000 SF of prime retail space, 192 luxury residential condominiums, and 700 parking spaces in a secure garage.



**Washington, DC:** *IDI Group, TIF Financing:* Assisted by the IDI Group to qualify the fiscal and economic benefits generated by the construction and operation phases of an expanded convention headquarters hotel nearby the new DC Convention Center; also provided testimony to support findings and was involved in two separate successful TIF programs for both the public (DC Chief Financial Officer) and private (Western Development, Akridge Development) sectors.

**Wheaton, MD:** *Wheaton Commercial Revitalization:* Undertook a redevelopment feasibility evaluation as part of a commercial revitalization effort focusing on a cluster of properties in the Wheaton Triangle surrounding a County parking lot north of Wheaton Plaza; the analysis was utilized to implement the revitalization program which includes expansion of the regional mall with enhanced Metro connections, new Metro air rights, residential development and commercial revitalization and enhancement of existing retail.

