

Legislation Text

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Presentation - Second Amendment to I-470 Business and Technology Tax Increment Financing Plan and First Amendment to the Tax Increment Financing Contract

Issue/Request:

Presentation - Second Amendment to I-470 Business and Technology Tax Increment Financing Plan and First Amendment to the Tax Increment Financing Contract

Key Issues:

Rich Wood, Gilmore & Bell, City's Economic Development Counsel will present an overview of the proposed 2nd Amendment to the I-470 Business and Technology Tax Increment Financing Plan and explain the request to amend the plan.

In addition, Mr. Bill Moore, Attorney with the White Goss Law Firm and Mr. Jay Burchfield, developer of the I-470 Business and Technology Center, will be presenting the proposed 2nd Amendment to the I-470 Business and Technology Tax Increment Financing Plan and First Amendment to the Tax Increment Financing Contract.

After the presentation, an ordinance approving the Second Amendment to I-470 Business and Technology Tax Increment Financing Plan and First Amendment to the Tax Increment Financing Contract has been placed on the agenda for Council consideration.

Background:

On July 27, 2006, the City Council approved the I-470 Business and Technology Tax Increment Financing Plan (the "**Redevelopment Plan**") through the adoption of Ordinance No. 6229. The City also entered into a Tax Increment Financing Contract with Wilgate Development, L.L.C., dated March 8, 2007 (the "**TIF Contract**"). The obligations of Wilgate Development, L.L.C. under the Redevelopment Plan and TIF Contract were assigned to LBC Development Corp. (the "**Developer**") pursuant to an Assignment Agreement approved by the City Council by Ordinance 6452, adopted July 19, 2007, which was executed on August 13, 2007. On December 3, 2015, the City Council approved a First Amendment to the Redevelopment Plan through the adoption of Ordinance No. 7757 in order to remove approximately 30 acres from the Redevelopment Area.

LBC Development Corp. has requested a Second Amendment to the Redevelopment Plan. The primary purpose of the proposed amendment is to revise the following budget line items:

1. Reimbursable Project Costs in the amount of \$5,000,000 for "Contribution to Construction of TDD Project" are proposed to be eliminated. This budget line item was included in the original budget to assist in funding the Strother Road Interchange. TIF revenues were not necessary to complete the Strother Road Interchange project and this line item is proposed to be deleted.

2. The Developer incurred expenses, in addition to what was originally budgeted, to fund public improvements to support the development, along with associated professional costs. Several budget line items are proposed to be adjusted to provide reimbursement for the additional public improvement and professional costs. The total additional TIF reimbursement being requested for these line items is \$1,029,764.
3. The result of the proposed changes outlined above is that the amount of reimbursable project costs are reduced from \$8,072,000 to \$4,101,764.

The Second Amendment also updates several pieces of project data, such as square footage of development and revenue projections, and the Developer will provide an overview of those proposed changes.

An amendment to the TIF Contract is also proposed in order to make it conform to the Redevelopment Plan, as amended by the proposed Second Amendment.

Presenter:

Mr. Jay Burchfield, LBC Development Corp.

Committee Recommendation:

The TIF Commission conducted a public hearing on April 4, 2017, and then voted unanimously to recommend approval of the Second Amendment to the Redevelopment Plan.