



# Clearfield Center Redevelopment Tax Increment Participation

## Background

- Clearfield Center is situated in the existing RDA 7 project area.
- RDA 7 was originally set to expire in FY17, but has been extended for seven years, and will now expire in FY24 (Tax Year 2023).
- During the extension years, the School District's portion of the tax increment is NOT captured by the CDRA.

## The Project

The concept from the Developer includes two four- or five-story apartment buildings with a retail component (3,850 sf) at the north end of the property (see site plan). The south building would set on top of the parking garage. The site plan and elevations are still being developed, and we're expecting a new iteration later this week.

The Developer estimates that the project will cost \$10-\$12 million, and they'd want to be under construction in early 2015.

## Tax Increment Potential

The Developer has asked if the CDRA Board is interested in participating in this project by providing tax increment. If we are, to what extent (percentage or dollar amount)? What aspects of the project merit a tax increment incentive (commercial component, downtown vision / street wall, rooftops downtown to drive commercial, blight remediation, etc.)?

Having now conducted more due diligence, the Developer has indicated that the project may not be feasible without an incentive. If we're not inclined to offer tax increment, is there something else? Maybe reduce the price of the land?

The chart shows the estimated tax increment from the project, assuming that:

- The increase in taxable value is an even \$10M, and
- Today's tax rates hold for the next decade, and
- The project comes on the tax rolls in Tax Year 2015.

Tax Year	Fiscal Year	Increment
2015	2016	\$122,580
2016	2017	\$122,580
2017	2018	\$ 70,320
2018	2019	\$ 70,320
2019	2020	\$ 70,320
2020	2021	\$ 70,320
2021	2022	\$ 70,320
2022	2023	\$ 70,320
2023	2024	\$ 70,320
<b>Total:</b>		<b>\$737,400</b>